



MAKHUDUTHAMAGA

LOCAL MUNICIPALITY

Mmogo re šomela diphetogo!

Department	Budget and Treasury Office
Document Name	Financial Management Report
Period	30 September 2025

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IN TERMS OF THE GENERAL NOTICE 217 OF 2014 OWNERSHIP AND JURISDICTION OF ROADS BY MUNICIPALITY IN LIMPOPO PROVINCE IS LISTED IN SCHEDULE B OF THE NOTICE. THE MUNICIPALITY HAS CONSTRUCTED ROADS UNDER THE OWNERSHIP OF ROADS AGENCY LIMPOPO SOC LIMITED (RAL) IN TERMS OF THE NOTICE DURING THE 2020/21 FINANCIAL YEAR. THE ROADS CANNOT BE CAPITALISED AND WILL HAVE TO BE WRITTEN OFF AT YEAR END AND AS AT 30 JUNE 2026 THE EXPENDITURE FOR D ROADS TO DATE IS R 4 672 317	
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Abbreviations and Acronyms



APC	Audit and Performance Committee
BPC	Budget Planning Committee
BTO	Budget and Treasury Office
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
CY	Current Year
DFS	Government Financial Statistics
DOE	Department of Energy
DoRA	Division of Revenue Act
EE	Employment Equity
FBS	Free basic services
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
IGF	Internally Generated Funds
IT	Information Technology
IYM	In Year Monitoring
KM	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MBRR	Municipal Budget and Reporting Regulations
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
mSCOA	Municipal Standard Chart of Accounts
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PY	Prior Year
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises
YTD	Year To Date

1. Executive Summary

1.1. Overall total revenue and expenditure

The municipality's total actual operational revenue as at end of **September 2025** amounts to **R 170 274 917** and total actual operational expenditure of **R 108 083 106** translating into an operational surplus of **R 62 191 811**. Capital transfer and grants as at the end of **September 2025** amounted to **R 18 405 974**. The following table summarises the overall revenue and expenditure performance as at the end of **September 2025**:

N.B. Amounts are in "R000"

Description	2024/25 Pre - Audited outcome	2025/26 YTD Budget	2025/26 YTD Actual	2024/25 YTD Variance
Total Operational revenue	452 045	175 561	170 275	5 286
Total operational expenditure	(527 590)	(112 432)	(108 083)	(4 349)
Operating Surplus/Deficit	(75 545)	63 129	62 192	937
Capital transfers and grants	97 858	18 809	18 406	403
Net Surplus/Deficit after capital transfers	(22 313)	81 938	80 598	1 340

1.2. Budgeted Revenue and Actual Revenue to date

The municipality's total actual revenue as at 30 September 2025 is **R 188 680 891** which amounts to 97% of the total to date budgeted revenue to the amount of **R 194 369 962**.

From the total actual revenue recorded as at the end of September 2025, **R 171 253 497** is from government grants and transfers and the remaining balance of **R 17 427 394** is from own revenue.



The following table shows a summary of the total revenue per source:

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue									
Exchange Revenue									
Service charges - Waste management	388	340	-	31	132	151	19	87%	340
Sale of Goods and Rendering of Services	16,853	340	-	20	120	123	3	97%	340
Agency services	6,340	6,000	-	450	1,954	1,981	27	99%	6,000
Interest from Current and Non Current Assets	2,852	3,500	-	297	799	875	76	91%	3,500
Rental from Fixed Assets	229	190	-	26	49	52	3	95%	190
Non-Exchange Revenue									
Property rates	40,011	63,000	-	3,335	10,011	11,000	989	91%	63,000
Fines, penalties and forfeits	1,932	800	-	106	497	534	37	93%	800
Transfers and subsidies - Operational	367,860	390,802	-	1,265	152,848	156,945	4,097	97%	390,802
Interest	14,339	13,000	-	1,076	3,866	3,900	34	99%	13,000
Gains on disposal of Assets	825	-	-	-	-	-	-	-	-
Other Gains	416	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	452,045	477,972	-	6,606	170,275	175,561	5,286	97%	477,972
Transfers and subsidies - capital (monetary allocations)	97,858	81,789	-	6,887	18,406	18,809	403	98%	81,789
Total Revenue (including capital transfers and contributions)	549,903	559,761	-	13,493	188,681	194,370	5,689	97%	559,761

- The municipality’s overall collection rate is 44% as at 30 September 2025 when comparing the actual cash received from the different sources of our revenue to the billed revenue to date. The municipality’s collection rate was 60% in the previous financial year ended 30 June 2025. Collection on property rates and interests on outstanding debts are the highest contributors to the poor collection rate. The following table summarises the collection from own sources of revenue per source:



Collection on own sources of revenue

Source of revenue	2025/26 (Current Year)			2024/25		
	Actual revenue billed (R000)	Actual revenue collected (R000)	% collected	Actual revenue	Actual revenue collected (R000)	% Collected
Property rates	13 877	4 443	32%	53 322	27 914	52%
Refuse removal	131	97	74%	404	269	67%
Rental of facilities & Equip	49	49	100%	221	221	100%
Interests on bank and investments	799	799	100%	2 757	2 757	100%
Traffic fines	497	259	52%	1 994	609	31%
Agency income and other income	2 074	2 074	100%	9 361	9 361	100%
Totals	17 427	7 721	44%	68 059	41 131	60%

- Included on the Agency Income and other income amount of R 2 073 624.00 is an amount of R 110 657, (Plan Approval, Permission to Occupy, LG Seta and Auction), Tender documents R 9 252.00, R 1 947 604 (License and permits) and R 6 111.00 for vehicles that were tested at the Nebo VTS for road worthy as at 30 September 2025.



- The following are the challenges and recommendations for implementation to improve revenue generation and collection for the remaining periods of the financial year 2025/26 and the MTREF:

No	Challenges	Progress made to date	Recommendations
1	Non-payment of property rates by the high-capacity businesses within our municipality.	<ul style="list-style-type: none"> - Engaged the house of Traditional Leaders in the Sekhukhune region in November 2022. - A meeting was held with the representative of the business owners (Mashadi business chamber) and agreement was reached to have a meeting with their respective traditional leaders to clear the matter of tribal levies. - A list of all tribal authority representatives with their contact details has been sent to CoGHSTA for verification on whether the allegation of them receiving levies from the affected business is correct. - An Attorneys to help the municipality with debt collection has been appointed and letters of demand has been sent to defaulting debtors. - A meeting is scheduled to be held before the end of the fourth quarter. 	<ul style="list-style-type: none"> - Office of the mayor to write a letter to MEC Coghta requesting assistance of traditional affairs unit to be part of the meeting with the stakeholders

2	Majority of billed properties are unregistered and on communal land.	<ul style="list-style-type: none"> - EDP has concluded demarcation of a number of sites within Makhuduthamaga. - There is layout plan for Phase 01 of Formalisation of Jane Furse project. - The Town planning division receives and assesses development applications for key economic developments within the Municipality, which are subjected to formal processes that lead to subdivisions and registration of properties. - Magoshi are engaged on quarterly basis to ensure proper land use management - 	<ul style="list-style-type: none"> - Formalise key economic points (areas) within the municipality to ensure subdivision of the land and issuing of title deeds. - Engage Magoshi to prevent uncoordinated developments and allocation of stands in inappropriate areas.
3.	Lack of credible indigent register.	<ul style="list-style-type: none"> - Draft indigent register developed and currently updating the progress. - The indigent committee has been appointed and meetings are held monthly. - Temporary staff to assist in filling of the indigent forms and compilation of the register has 	<ul style="list-style-type: none"> - Use general workers and ward committee members to assist in collecting information from all municipal wards to ensure a complete accurate indigent register. - Conduct public participation.

		been appointed, we are only left with conducting public participation so that the register can be compiled.	
4.	Limited sources of own revenue resulting in no growth in revenue generation.	<ul style="list-style-type: none"> - Revenue enhancement strategies developed and approved. - LED strategy developed and approved. - Magoshi are engaged on quarterly basis to ensure proper land use management 	<ul style="list-style-type: none"> - Consult all stakeholders with the revenue enhancement strategies and to get their buy in on the implementation of credit control policy and rates policy (rental of municipal facilities). - Provide budget to build a grade A DLTC around Masemola nodal point. - Engage Magoshi to prevent uncoordinated developments and allocation of stands in inappropriate areas.

1.3 Budgeted Expenditure and Actual Expenditure to date

The municipality's total actual expenditure amounts to **R 136 318 806** as at 30 September 2025. This amounts to **90%** of the total budgeted expenditure to date to the amount of **R 151 668 610**.

1.3.1 Operational Expenditure.

The total operational expenditure as at 30 September 2025 amounts to **R 108 083 106** which equates to **96%** of the total operational budget to date of **R 112 432 105**. The municipality has under spent by **4%** as compared to the budgeted expenditure to date.

2 The following table indicates the operational expenditure per standard classification:

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Expenditure By Type									
Employee related costs	131,294	145,051	-	9,751	32,490	32,568	77	100%	145,051
Remuneration of councillors	28,179	29,563	-	2,146	6,892	7,016	123	98%	29,563
Inventory consumed	-	2,000	-	141	129	132	3	98%	2,000
Debt impairment	12,740	10,000	-	-	-	-	-	-	10,000
Depreciation and amortisation	35,496	34,775	-	2,833	9,156	9,200	44	100%	34,775
Interest	2,681	-	-	-	-	-	-	-	-
Contracted services	76,254	153,146	-	17,171	44,112	46,715	2,603	94%	153,146
Transfers and subsidies	2,473	6,980	-	366	1,076	1,110	34	97%	6,980
Irrecoverable debts written off	4,242	-	-	-	-	-	-	-	-
Operational costs	234,230	57,994	-	5,947	14,226	15,692	1,466	91%	57,994
Total operational Expenditure	527,590	439,508	-	38,355	108,083	112,432	4,349	96%	439,508
Total Capital Expenditure - Functional Classification	136,304	155,689	-	9,177	28,236	39,237	11,001	72%	155,689
Total Expenditure	663,894	595,197	-	47,532	136,319	151,669	15,350	90%	595,197

1.3.2 Capital Expenditure

- a. The total capital expenditure as at 30 September 2025 amounts to **R 28 235 700** which equates to **72%** of the **R 39 236 505** to-date budget. The municipality has underspent by **28%** on capital expenditure.
- b. The following table indicates the capital expenditure per functional classification:



LIM473 Makhuduthamaga - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital Expenditure - Functional Classification									
<i>Governance and administration</i>	6,376	7,900	-	-	1,453	2,025	573	72%	7,900
Finance and administration	6,376	7,900	-	-	1,453	2,025	573	72%	7,900
<i>Economic and environmental services</i>	118,299	124,558	-	8,421	26,028	30,115	4,088	86%	124,558
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	118,299	124,558	-	8,421	26,028	30,115	4,088	86%	124,558
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	11,629	23,231	-	755	755	7,096	6,340	11%	23,231
Energy sources	11,629	12,431	-	755	755	4,364	3,609	17%	12,431
Waste management	-	10,800	-	-	-	2,731	2,731	0%	10,800
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	136,304	155,689	-	9,177	28,236	39,237	11,001	72%	155,689
Funded by:									
National Government	136,304	155,689	-	9,177	28,236	39,237	11,001	72%	155,689
Transfers recognised - capital	136,304	155,689	-	9,177	28,236	39,237	11,001	72%	155,689
Total Capital Funding	136,304	155,689	-	9,177	28,236	39,237	11,001	72%	155,689

1.3.3 Grants Receipts and expenditure.

a. The following table shows the expenditure on grants as at 30 September 2025 per grant

LIM473 Makhuduthamaga - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		4,448	7,648	-	961	1,729	2,123	394	18.5%	7,648
Expanded Public Works Programme Integrated Grant	-	2,648	2,348	-	502	611	662	51	92.3%	2,348
Local Government Financial Management Grant	-	1,800	1,800	-	195	505	550	45	91.8%	1,800
Municipal Infrastructure Grant	-	-	3,500	-	264	613	911	297	67.3%	3,500
District Municipality:		-	20,000	-	-	-	8,109	8,109		20,000
Limpopo-DC 47 - Sekhukhune-Infrastructure	-	-	20,000	-	-	-	8,109	8,109		20,000
Other grant providers:		258	-	-	-	-	-	-		-
National Departmental Agencies-Construction, Education and Training	-	258	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants:		4,706	27,648	-	961	1,729	10,232	8,502	83.1%	27,648
Capital expenditure of Transfers and Grants										
National Government:		97,858	81,789	-	7,171	22,252	24,204	1,951	8.1%	69,358
Integrated National Electrification Programme Grant	-	-	12,431	-	547	547	650	103	84.2%	-
Municipal Infrastructure Grant	-	97,858	69,358	-	6,624	21,705	23,554	1,849	92.2%	69,358
Total capital expenditure of Transfers and Grants		97,858	81,789	-	7,171	22,252	24,204	1,951	91.9%	69,358
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		102,564	109,437	-	8,132	23,981	34,435	10,454	69.6%	97,006

- b. The following table shows the receipts and expenditure on grants as at 30 September 2025 per grant:
The municipality's spending per conditional grant is as follows as at the end of September 2025:

Conditional Grant details	Budget for the year	Grant received	Grant expenditure	Received %	Spending %
FMG	1 900 000	1 900 000	504 775	100%	27%
EPWP	2 443 000	611 000	611 000	25%	100%
MIG	73 032 650	46 422 000	22 318 147	64%	48%
INEP	5 436 000	2 446 000	-	44%	-
DISASTER	9 160 000	9 160 000	2 993 036	100%	33%



(Figures in RSA Rand)

2026

2025

Agency Allocation					
WRM(SDM)	40 000 000	2 649 333	2 649 333	7%	100%

i. Overall Spending per departments

a. The following table indicates the spending performance per department from the highest performance to the least performance:

Expenditure Performance Per Department				
Department	To date Actual Expenditure	To date budget	To date variance	Spending %
Budget & Treasury Office	29,252,572.00	31,999,030.00	2,746,458.00	91%
Corporate Services	21,540,761.00	23,926,789.00	2,386,028.00	90%
Infrastructure Development	24,270,900.00	26,999,376.00	2,728,476.00	90%
Community Services	26,887,987.00	29,991,090.00	3,103,103.00	90%
Executive support	22,734,926.32	25,493,856.00	2,758,929.68	89%
Economic Planning & Development	10,452,146.00	11,759,269.00	1,307,123.00	89%
MM's Office	1,179,514.00	1,499,200.00	319,686.00	79%
	136,318,806.32	151,668,610.00	15,349,803.68	90%

c. Going concern and Liquidity ratios.

▪ **Going concern**

a. After the assessment of the key factors to the going concern of the municipality it is assumed and concluded that the municipality shall continue operating as a Going Concern as of 30 September 2025

▪ **Liquidity ratios**



(Figures in RSA Rand)

2026

2025

a. Current ratio

Current Assets/Current Liabilities (Norm is 2:1)

2026	2025
R 79 677: R116 250	R 82 252: R 150 951
0.69: 1	0.54: 1

This ratio measures the Municipality's ability to pay its short-term debt with liquid assets which are assets easily converted into cash. The above ratio indicates a current ratio of **0.69:1** that suggest that the municipality's liquid assets are currently not easy to be converted into cash to cover the current liabilities as & when they become due.

b. Debt ratio

Total Liabilities/Total Assets) x 100

2026	2025
R 125 916 / R 578 556 X 100%	R 175 080 / R 585 178 X 100%
=21.76%	=29.92%

This ratio measures how much the municipality's total liabilities are covered by the total assets the results of which measures the solvency of the municipality. The results above show that the municipality is solvent as the total liabilities are covered by the total assets and total liabilities makes a small percentage portion of the total assets which decreased from 29.92% to **21.76%** in the current year and the means our debt ratio is sound.



c. Net Operating surplus margin.

NORM: Equal to or greater than zero

(Total Operating revenue – Total Operating expenditure)/Total Operating revenue x 100

2026	2025
(R 170 275 – R 108 083)/ R170 275 x 100	(R 463 208 – R 448 333)/ R 463 208 x 100
=36.52%	=3.21%

d. The Ratio assesses the extent to which the Municipality generates Operating Surpluses. The above ratio indicates that the municipality reported a net surplus of **36.52%** for the period ended 30 September 2025.

e. Collection rate.

NORM: 95%

Formula

= Actual Revenue Received / Billed Revenue x 100

2026	2025
R7 721 / R 17 427 x 100%	R 41 131/ R 68 059 x 100%
= 44%	= 60%



The Ratio indicates the collection rate, i.e. level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written off is taken into consideration.

The municipality's collection rate is low as compared to the norm of 95% as per MFMA circular No. 71. However, it must be noted that the municipality fund more than 80% of its expenditure through Government Grants and there have not been any indication that the municipality will not be receiving the grants in the foreseeable future.

The revenue billed from customers is used to fund mostly the non-cash expenditure items such as depreciation and impairments when preparing the MTREF budget for the municipality to guard against the cash flow risk in cases of poor collection.



LIM473 -

Budget and Treasury Office – Financial Management Report 2025/26

(Figures in RSA Rand)

2026

2025

A.1.1.1.1 Statement of Financial Position as at 30 September 2025

LIM473 Makhuduthamaga - Table C6 Monthly Budget Statement - Financial Position - M03 September					
Description	2024/25	Budget Year 2025/26			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	4,394	30,199	–	33,729	30,199
Trade and other receivables from exchange transactions	8,939	2,779	–	6,799	2,779
Receivables from non-exchange transactions	29,810	56,688	–	29,486	56,688
Inventory	186	2,328	–	129	2,328
VAT	10,218	41,800	–	9,533	41,800
Total current assets	53,548	133,795	–	79,677	133,795
Non current assets					
Investment property	462	514	–	462	514
Property, plant and equipment	503,700	544,039	–	530,085	544,039
Intangible assets	968	–	–	800	–
Total non current assets	505,130	544,553	–	531,346	544,553
TOTAL ASSETS	558,678	678,348	–	611,022	678,348
LIABILITIES					
Current liabilities					
Trade and other payables from exchange transactions	152,784	46,269	–	65,309	46,269
Trade and other payables from non-exchange transactions	320	1,871	–	37,499	1,871
Provision	903	813	–	13,442	813
VAT	–	1,031	–	–	1,031
Total current liabilities	154,006	49,984	–	116,250	49,984
Non current liabilities					
Provision	23,227	11,797	–	9,665	11,797
Total non current liabilities	23,227	11,797	–	9,665	11,797
TOTAL LIABILITIES	177,234	61,781	–	125,916	61,781
NET ASSETS	381,444	616,567	–	485,107	616,567
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)	381,444	616,567	–	485,107	616,567
TOTAL COMMUNITY WEALTH/EQUITY	381,444	616,567	–	485,107	616,567

d. Statement of Financial Performance as at 30 September 2025

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue									
Exchange Revenue									
Service charges - Waste management	388	340	–	31	132	151	19	87%	340
Sale of Goods and Rendering of Services	16,853	340	–	20	120	123	3	97%	340
Agency services	6,340	6,000	–	450	1,954	1,981	27	99%	6,000
Interest from Current and Non Current Assets	2,852	3,500	–	297	799	875	76	91%	3,500
Rental from Fixed Assets	229	190	–	26	49	52	3	95%	190
Non-Exchange Revenue									
Property rates	40,011	63,000	–	3,335	10,011	11,000	989	91%	63,000
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1,932	800	–	106	497	534	37	93%	800
Licence and permits	–	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	367,860	390,802	–	1,265	152,848	156,945	4,097	97%	390,802
Interest	14,339	13,000	–	1,076	3,866	3,900	34	99%	13,000
Gains on disposal of Assets	825	–	–	–	–	–	–	–	–
Other Gains	416	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	452,045	477,972	–	6,606	170,275	175,561	5,286	97%	477,972
Expenditure By Type									
Employee related costs	131,294	145,051	–	9,751	32,490	32,568	77	100%	145,051
Remuneration of councillors	28,179	29,563	–	2,146	6,892	7,016	123	98%	29,563
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	–	2,000	–	141	129	132	3	98%	2,000
Debt impairment	12,740	10,000	–	–	–	–	–	–	10,000
Depreciation and amortisation	35,496	34,775	–	2,833	9,156	9,200	44	100%	34,775
Interest	2,681	–	–	–	–	–	–	–	–
Contracted services	76,254	153,146	–	17,171	44,112	46,715	2,603	94%	153,146
Transfers and subsidies	2,473	6,980	–	366	1,076	1,110	34	97%	6,980
Irrecoverable debts written off	4,242	–	–	–	–	–	–	–	–
Operational costs	234,230	57,994	–	5,947	14,226	15,692	1,466	91%	57,994
Total Expenditure	527,590	439,508	–	38,355	108,083	112,432	4,349	96%	439,508
Surplus/(Deficit)	(75,545)	38,464	–	(31,749)	62,192	63,129	937	99%	38,464
Transfers and subsidies - capital (monetary allocations)	97,858	81,789	–	6,887	18,406	18,809	403	98%	81,789
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	22,313	120,253	–	(24,862)	80,598	81,938			120,253
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	22,313	120,253	–	(24,862)	80,598	81,938			120,253
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	22,313	120,253	–	(24,862)	80,598	81,938			120,253
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	22,313	120,253	–	(24,862)	80,598	81,938			120,253

e. Cash Flow Statement as at 30 September 2025

LIM473 Makhuduthamaga - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		45,470	49,770	–	449	4,443	4,500	57	99%	49,770
Service charges		1,992	309	–	13	97	107	10	91%	309
Other revenue		17,082	44,160	–	5,187	47,476	48,987	1,511	97%	44,160
Transfers and Subsidies - Operational		361,021	403,233	–	–	164,776	165,000	224	100%	403,233
Transfers and Subsidies - Capital		97,858	69,358	–	33,000	46,422	47,000	578	99%	69,358
Interest		2,852	3,500	–	–	799	800	1	100%	3,500
Payments										
Suppliers and employees		(477,321)	(418,515)	–	(46,239)	(202,048)	(203,000)	(952)	100%	(441,868)
Transfers and Subsidies		–	(3,080)	–	–	–	902	902	100%	(3,080)
NET CASH FROM/(USED) OPERATING ACTIVITIES		48,955	148,734	–	(7,590)	61,965	64,296	2,331	96%	125,381
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		1,525	–	–	–	–	–	–		–
Payments										
Capital assets		(60,006)	(179,042)	–	–	(28,236)	(39,237)	(11,001)	72%	(155,689)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(58,481)	(179,042)	–	–	(28,236)	(39,237)	(11,001)	28%	(155,689)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Payments										
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		(9,526)	(30,308)	–	(7,590)	33,729	25,060			–
Cash/cash equivalents at beginning:		13,920	60,508	–	–	–	60,508			60,508
Cash/cash equivalents at month/year end:		4,394	30,199	–	–	33,729	85,567			–

(Figures in RSA Rand)

2026

2025

6. Notes to the 31 August 2025 Financial Report (Statements).

6.1 Cash and cash equivalents

Cash and cash equivalents consists of:

Cash on hand	2	2
Bank balances	33 729 328	4 394 380
Call account investment	-	-
	33 729 330	4 394 382

Short-term Investments

The municipality had no short-term investments with any financial institution during the 2025/26 financial year and the municipality as at the ended of 30 September 2025.

Details

The municipality had the following bank accounts during the year under review

Account number / description	Bank statement balances		Cash book balances	
	30-SEPT-25	30-JUNE-25	30-SEPT -25	30-Jun-25
ABSA BANK - 4050384145 - (Primary Cheque Account)	34 893 364	3 074 076	32 226 571	3 752 650
ABSA BANK - 4076690079 - (Salaries)	180 914	500	183 046	500
ABSA BANK - 4098981597 - (Solidarity Fund)	200 968	201 278	201 385	201 278
ABSA BANK - 2078073033 Term Deposit Investment	1 118 326	1 118 526	1 118 326	1 023 405
	36 394 172	4 394 380	33 729 328	4 977 833

6.2 Inventories

Inventories consist of:

Consumable stores	129 471	186 186
	129 471	186 186

Reconciliation of Inventory

Opening Balance	186 186	627 614
Add: Receipts	9 661	1 954 041
Less: Issues	(66 376)	(2 395 466)
CLOSING BALANCE	129 471	186 186

(Figures in RSA Rand)

2026

2025

6.3 Receivables from non-exchange transactions

Gross balances

Rates	141 452 342	136 796 682
Traffic fines	3 702 287	3 836 587

145 154 629 **140 633 269**

Less: Allowance for impairment

Property Rates	(112 970 059)	(85 591 566)
Traffic Fines	(2 699 016)	(3 811 437)

(115 669 075) **(89 403 003)**

Net balances

Property Rates	28 482 283	51 205 116
Traffic Fines	1 003 271	25 150

29 485 554 **51 230 266**

6.4 Receivables from exchange transactions

Accrued income (interest on bank)	-	37 007
Accrued income(Primedia)	-	11 136
Other debtors-Employee	272 065	266 715
Other debtors-ABSA	255 921	370 093
Other debtor-Caseware	-	89 253
Waste collection	140 850	313 044
SALGA Levy	-	1 117 253
SDM water reticulation	6 130 235	8 038 610
	6 799 071	9 079 068

(Figures in RSA Rand)

2026

2025

6.5 Other debtors (VAT receivable & receivables from exchange transaction)

VAT

9 533 269 17 362 266

9 533 269 17 362 266**VAT Reconciliation**

Balance at the beginning of the year

10 218 385 18 587 291

Add: Net Refunds as per VAT receivable

15 422 796 46 740 914

Add: Current year VAT suspense - Retention amount

5 155 878 5 405 187

Less: Prior year suspense - Retention amount

(5 790 003) (5 678 536)

Less: VAT Payments by SARS - Current year

(6 607 870)

(37 925 988)

Less: VAT payments by SARS - Previous year

(8 814 925)

(9 766 602)

Adjustments

- -

9 533 269 17 362 266

VAT is payable on invoice basis and claimed from SARS when a tax invoice is received.

6.6 Top ten (10) Business Debtors

Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
Group By Rep: (None)								
0008001143 (BAPEDI STORES AND TOTAL GARAGE)	3,375,248.19	36,257.05	37,410.20	36,278.73	37,750.29	37,485.84	36,731.78	3,597,162.08
0008001142 (BAPEDI GARAGE AND SHOPS)	2,929,334.08	34,080.38	35,159.12	34,149.95	35,454.79	35,224.88	34,594.27	3,137,997.47
0008001153 (HYPER SAVE)	2,747,558.95	38,114.09	39,309.22	38,298.73	39,587.78	39,371.17	38,835.78	2,981,075.72
0006000444 (BUILD IT, TOP CASH AND CARRY (SOLLY C&S))	2,678,982.47	41,800.63	43,104.22	42,070.73	43,376.75	43,164.83	42,685.10	2,935,184.72
0006001766 (KGOLANE SHOPPING CENTRE)	2,633,077.25	34,652.97	35,705.25	34,780.58	35,984.42	35,244.67	34,718.78	2,844,163.92
0008001128 (MASANTENG LODGE AND ENTERTAINMENT)	2,488,740.82	26,584.11	27,429.91	26,597.18	27,680.64	27,485.68	26,928.30	2,651,446.63
0008001123 (JANE FURSE MEAT AND CHICKEN)	2,283,511.85	25,596.90	26,408.89	25,632.30	26,639.19	26,460.11	25,959.69	2,440,208.93
0008001253 (MORENA SHOPPING COMPLEX)	1,765,813.03	28,527.94	29,416.27	28,724.91	29,596.10	29,456.26	29,148.95	1,940,683.45
0006000655 (LOVELIFE CENTRE)	1,566,232.17	23,461.09	24,194.07	23,600.02	24,353.21	24,229.47	23,940.09	1,710,010.12
0006001042 (MORENA VERGELEGEN SUPERMARKET)	1,511,117.16	23,137.33	23,859.49	23,281.12	24,013.12	23,893.66	23,619.04	1,652,920.91
TOTALS								25,890,853.95

Top ten (10) Government Debtors

Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
0006000280 (MAMULUBE PRIMARY)	2,041,407.99	27,360.62	28,220.02	27,479.20	28,426.80	28,266.01	27,859.48	2,209,020.12
0006000587 (JANE FURSE HOSPITAL)	3,400.99		6,904.24	1,200.00	343,622.50	343,724.55	344,932.76	1,043,785.04
0006000032 (LOBAMBA SECONDARY)	816,922.58	12,693.22	13,089.14	12,774.54	13,172.23	13,107.62	12,960.85	894,720.19
0006000590 (JANE FURSE COMPREHENSIVE)	569,480.96	31,244.27	32,176.10	31,726.92	32,238.51	32,157.30	32,257.35	761,281.41
0006000012 (SERAHENI PRIMARY)	647,077.17	7,952.37	8,203.30	7,975.97	8,268.70	8,217.85	8,082.42	695,777.78
80000004 (RSA)	538,626.65	17,963.20	18,428.17	18,203.96	18,567.03	17,938.73	17,948.35	647,676.08
0008001235 (SWIKE PRIMARY SECONDARY)	543,091.35	9,775.55	10,078.63	9,855.58	10,134.14	10,090.97	10,005.59	603,031.81
0006002124 (MOREKO SECONDARY)	299,633.08	26,943.80	27,753.58	27,406.43	27,788.52	27,761.36	27,910.81	465,197.58
0006001569 (MASEMOLA HIGH SCHOOL)	247,944.16	29,571.01	30,458.04	30,095.11	30,488.40	30,464.79	30,654.82	429,676.34
0006001095 (MATSUMANE SECONDARY)	278,717.07	24,196.88	24,924.32	24,610.40	24,956.65	24,931.51	25,062.63	427,399.46
TOTALS								8,177,565.81

6.7 Intangible assets

	2026			2025		
	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 000 937	(1 201 293)	799 644	2 000 937	(1 034 161)	911 178
Work In Progress	0.00	0.00	0.00	0.00	0.00	0.00
	966 776	(1 201 293)	799 644	2 000 937	(1 034 161)	911 178

Reconciliation of intangible assets – 2026					
	Opening balance	Additions	Disposal Cost	Amortisation	Total
Computer software	967 606	0.00	0.00	(167 962)	799 644
Work In Progress	0.00	0.00	0.00	0.00	0.00
	967 606	0.00	0.00	(167 962)	799 644
Reconciliation of intangible assets – 2025					
	Opening balance	Additions	Transfers	Amortisation	Total
Computer software	1 633 977	0.00	0.00	(667 200)	966 778
Work In Progress	0.00	0.00	0.00	0.00	0.00
	1 633 977	0.00	0.00	(667 200)	966 778

Other information

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality. No intangible assets were pledged as security for liabilities as at year end.

6.8 Investment Property

	2026			2025		
	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying Amount	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying Amount
Investment property	461 500	0.00	461 500	513 500	0.00	513 500
	461 500	0.00	461 500	513 500	0.00	513 500

Reconciliation of investment property- 2026

	Opening balance	Additions	Transfers	Amortisation	Total
Investment property	461 500	0.00	0.00	0.00	461 500
	461 500	0.00	0.00	0.00	461 500

Reconciliation of investment property - 2025

	Opening balance	Additions	Transfers	Amortisation	Total
Investment property	513 500	0.00	0.00	25 789	539 289
	513 500	0.00	0.00	25 789	539 289

Details of valuation

Investment property was valued by Montani Property Valuers, an independent professional valuer with registration number PTY2012/199862/07. The Municipal Valour has experience of properties within the jurisdiction of Makhuduthamaga Local Municipality. The valuation was based on an open market value for existing use:

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. No revenue was earned from the investment property as the property is vacant land held for long term capital appreciation

No investment property was pledged as security for liabilities as at year end.

6.9 Property Plant and Equipment

Details	2026			2025		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying Value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 265 000	0.00	1 265 000	1 265 000	0.00	1 265 000
Land – Landfill Site	2 379 604	(1 583 682)	795 922	2 379 604	(1 576 086)	803 518
Buildings	69 935 853	(26 576 691)	47 862 774	69 935 853	(25 659 115)	44 276 738
Furniture and fixtures	10 694 727	(6 189 373)	4 505 353	10 546 236	(6 062 945)	4 483 291
Motor vehicles	58 196 468	(28 344 808)	29 851 660	58 196 468	(27 179 921)	31 016 548
Road Infrastructure	509 595 207	(211 015 357)	298 579 850	509 595 207	(208 041 934)	301 553 273
IT equipment	31 162 293	(18 289 638)	12 872 655	30 086 997	(17 753 135)	12 333 862
Loose tools	7 045 140	(3 696 316)	3 348 823	7 045 140	(3 514 973)	3 530 167
Community Halls	33 894 567	(10 923 699)	22 970 868	33 894 567	(10 605 351)	23 289 216
Capital work in progress	108 031 639	0.00	108 031 639	78 946 231	0.00	78 946 231
	836 704 108	(306 619 564)	530 084 545	801 891 303	(300 393 459)	501 497 843



**Reconciliation of Property, Plant and Equipment -
2026**

Details	Opening balance	Additions	Disposals - Cost	Disposals - Depreciation	Transfers from WIP	Depreciation	Total
Land	1 265 000	-	-	-	-	-	1,265,000
Landfill Site Asset	803 518	-	-	-	-	(4 292)	795 924
Buildings	48 719 538	-	-	-	-	(856 765)	47 862 774
Furniture and Fixtures	4 599 736	148 491	-	-	-	(202 875)	4 505 353
Motor Vehicles	30 945 333	-	-	-	-	(1 093 673)	29 851 660
IT Equipment	12 574 863	1 075 296	-	-	-	(777 504)	12 872 655
Road Infrastructure	304 118 227	-	-	-	-	(5 538 377)	298 579 850
Other Assets - Loose tools	3 497 657	-	-	-	-	(148 734)	3 348 824
Community Assets	23 337 070	-	-	-	-	(366 201)	22 970 868
Capital Work in progress	78 946 231	34 148 774	-	-	-	-	108 031 639
TOTAL	501 497 843	35 372 561				(8 988 421)	530 084 545



MAKHUDUTHAMAGA
LOCAL MUNICIPALITY

LIM473 -

Budget and Treasury Office – Financial Management Report 2025/26

(Figures in RSA Rand)

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Reconciliation of Property, Plant and Equipment – 2025

Details	Opening balance	Additions	Disposals - Cost	Disposals - Depreciation	Transfers from WIP	Depreciation	Total
Land	1 265 000	-	-	-	-	-	1 265 000
Landfill Site Asset	1 929 672	-	(1 089 253)	-	-	(36 901)	803 518
Buildings	47 499 841	-	-	-	-	(3 223 103)	44 276 738
Furniture and Fixtures	3 213 473	071 002 ²	(673 239)	586 531	-	(714 476)	4 483 291
Motor Vehicles	21 224 649	13 351 561	(2 191 720)	2 191 720	-	(3 559 626)	31 016 548
IT Equipment	12 894 101	3 043 217	(3 091 249)	2 721 031	-	(3 233 238)	301 553 273
Road Infrastructure	322 850 830	-	-	-	-	(21 297 558)	12 333 862
Other Assets - Loose tools	3 276 935	803 500	(599 052)	555 378	-	(506 594)	3 530 167
Community Assets	24 785 885	-	-	-	-	(1 496 669)	23 289 216
Capital Work in progress	34 846 973	56 887 547	-	-	(12 788 289)	-	78 946 231
TOTAL	473 787 359	76 156 827	(6 555 260)	6 054 660	(12 788 289)	(34 068 165)	501 497 843

(Figures in RSA Rand)

2026**2025****6.10 Payables from exchange transactions**

Trade Creditors	29 192 264	94 595 641
Income received in advance	1 167 783	1 532 678
Creditor: Ward committee	-	13 201
Accrued (SDL, UIF, PAYE, Salary, Party Levies, Pension)	5 125 102	5 533 158
Leave provision	10 662 183	10 662 183
Bonus provision	2 780 116	2 780 116
Unknown deposits	1 056	343 838
Retentions	29 615 577	28 021 500
Other creditor	-	-
SDM Water reticulation	-	6 447 153
Solidarity fund	207 534	207 534
	78 751 615	150 137 002

6.11 Unspent Conditional grants and receipts

Unspent conditional grants and receipts comprises of:

LG SETA Discretionary Grant	393 688	319 514
Financial Management Grant	1 395 225	-
DOE (Integrated National Electrification)	2 446 000	-
EPWP Grant	-	-
Municipal Infrastructure Grant	24 103 853	-
WRM(SDM)	-	-
Disaster Grant	9 160 000	-
	37 498 766	319 514

6.12 Revenue**The amount included in revenue arising from exchanges of goods or services are as follows:**

Rental of facilities and equipment	49 457	229 234
Licences and permits	1 953 716	6 339 848
Interests earned on Bank & Investment accounts	798 974	2 852 208
Refuse Removal	113 870	387 783
Other Income	110 657	19 228 390
Gains on disposal of assets	9 252	825 423
Actuarial gain/Loss	-	349 909

(Figures in RSA Rand)

2026

2025

3 035 926

30 212 795

The amount included in revenue arising from non-exchange transactions is as follows:

Property rates	10 010 578	40 011 070
Interest on outstanding debtors	3 866 200	14 338 687
Traffic fines	258 540	2 162 350
Transfers and subsidies	23 434 089	465 717 500
Actuarial (Gain)/loss	-	8 557 357
Gain/loss on disposal of Assets	-	-
	37 569 407	530 853 530
	40 605 333	561 066 325

6.13 Defined benefit obligation

Post-employment Medical Aid Benefits	8 631 000	576 253
	8 631 000	576 253

Long service awards

Long Service Awards Liability

Long service awards - current liability	903 000	531 915
Long service awards - Non-current liability	4 931 000	4 962 085
	5 834 000	5 494 000

6.14 Government grants and subsidies

Equitable share	150 659 000	363 154 000
Municipal Infrastructure Grant (MIG)	46 422 000	97 858 000
Finance Management Grant (FMG)	1 900 000	1 800 000
Integrated National Electrification (DOE Grant)	2 446 000	10 370 000
EPWP Grant	611 000	2 648 000
Disaster Grant	2 446 000	-
LGSETA	-	505 609
	204 484 000	476 335 609

(Figures in RSA Rand)

2026

2025

6.15 Interest on outstanding debtors

Interest charged on trade and other receivables

3 866 200

14 338 687

3 866 200**14 338 687**

NB. All interests relates to property rates outstanding debts.

6.16 Property rates**Rates – revenue**

Commercial

3 169 747

6 001 330

State

6 601 148

32 007 096

Agricultural

239 683

2 000 444

10 010 578**40 011 070****6.17 Actuarial gain/ (Loss)**

Long service awards - Actuarial Gain/(Loss)

-

(29,909)

Post-employment medical aid - Actuarial gain/(Loss)

-

(320,000)

-

(349,909)**6.18 Traffic fines**

Traffic fines

496 690

2 162 350

496 690**2 162 350**

The municipality issued traffic fines to a total value of R 496 690.00 as at 30 September 2025, and the amount collected for the traffic fines as at 30 September 2025 is R 258 540.00 which is 52 % of the value amount of tickets issued as at end of the 30 September 2025 .

6.19 Employee related costs

Basic

18 446 818

72 370 371

Bonus & P/Bonus

1 730 304

5 707 660

Medical aid - company contributions

1 678 375

6 593 499

UIF

112 759

505 603

SDL

263 033

1 075 569

Leave pay provision charge

162 039

1 096 234

Pension contribution

3 333 567

12 682 607

Overtime payments

354 440

1 631 494

Post-employment benefits costs

114 288

1 467 000

Car allowance

4 438 789

15 544 187

Housing benefits and allowances

1 028 382

3 806 114

(Figures in RSA Rand)

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Bargaining Council	7 780	30 544
Clothing allowance	22 888	57 377
Cell phone allowance	757 677	2 874 992
Acting allowance	39 157	16 695
	32 490 295	125 459 946

Municipal Manager (Mr Moganedi R.M)

Basic salary	224 625	799 137
Travel allowance	112 312	399 569
Cell phone allowance	18 719	66 595
Contributions to medical aid	18 719	66 595
Basic B/P	-	314 269
Travel B/P	-	157 135
Cell B/P	-	26 189
Medical B/P	-	26 189
B/P non pensionable salary	-	20 340
Remote B/P	-	20 951
Contributions to UIF	531	2 125
SDL	3 669	18 389
SALGBE	38	143
Remote allowance	14 975	53 276
	393 588	1 970 902

Acting Chief Financial officer for BTO (Mr Mathabathe C.S.)

Acting allowance	-	2 507
Remote allowance	-	9 351
B/P Remote	-	-
B/P Cash gratuity	-	-
SDL	-	-
	-	11 858

(Figures in RSA Rand)

2026

2025

Chief Financial officer: Budget & Treasury (Mr Mothapo K.T)

Basic salary	144 894	434 681
Travel allowance	63 000	189 000
Cell phone	7 500	22 500
Travel claim	12 282	34 489
Housing	14 096	42 287
Medical aid contributions	12 000	36 000
UIF	531	1 594
SALGBE	38	108
SDL	2 023	6 000
Remote	9 660	28 979
	266 024	795 638

Senior manager: Corporate services (Mr Matsetse P.E)

Basic salary	157 562	618 502
Basic back pay	-	26 845
Travel allowance	52 521	206 167
Back pay travel	-	8 948
Cell phone	3 099	12 165
Back pay cell	-	528
Travel claim	17 663	57 025
Pension	23 162	90 919
Back pay pension	-	3 946
Medical aid contributions	26 260	103 084
Back pay medical	-	4 474
Acting allowance	-	3 943
UIF	531	2 125
SALGBE	38	143
SDL	2 626	10 948
Remote	10 504	41 234
Back pay remote	-	1 790
Non pensionable salary	-	15 255
	293 966	1 208 041

(Figures in RSA Rand)

2026

2025

Senior manager: Community services (Ms Mashao A.M)

Basic salary	157 562	618 502
Travel allowance	52 521	206 167
Cell phone	3 099	12 165
Pension	26 260	103 084
Travel claim	7 900	14 569
Medical aid contributions	23 162	90 919
B/P basic	-	26 845
B/P Travel	-	8 948
B/P cell	-	528
B/P pension	-	4 474
B/P medical	-	3 946
B/P non pensionable salary	-	15 255
B/P remote	-	1 790
UIF	531	2 125
SALGBE	38	143
SDL	2 626	10 908
Remote	10 504	41 234
	284 203	1 161 602

Acting Senior Manager: Corporate services (Mrs Make M.M.)

B/P Acting allowance	-	9 799
B/P Remote	-	4 810
SDL	-	13
	-	14 622

Senior Manager: Infrastructure Development (Ms Lubisi NB)

Basic salary	144 894	568 775
Travel allowance	48 298	189 574
Cell allowance	12 075	47 402
Housing allowance	12 075	47 402
Medical aid	24 148	94 804
B/P basic	-	13 886
B/P travel	-	4 629
B/P Cell	-	1 157
B/P medical	-	2 314
B/P housing	-	1 157

(Figures in RSA Rand)

2026

2025

	2026	2025
B/P non pensionable salary	-	3 390
Travel claim	12 099	28 678
Acting allowance	-	-
SDL	2 054	8 283
UIF	531	2 125
Remote	9 660	37 918
Acting Remote	-	-
SALGBE	38	143
B/P remote	-	926
	265 872	1 052 563

Senior Manager: Economic Development & Planning (Mrs Tong K.T)

Basic salary	144 894	338 085
Travel allowance	45 000	105 000
Pension	30 000	70 000
Travel claim	8 853	17 627
Medical aid contributions	21 596	50 390
UIF	531	1 240
SALGBE	38	84
SDL	2 052	4 817
Remote	9 660	22 539
	262 624	609 782

Acting Senior Manager: Economic Development and Planning (Mrs Tong K.T)

Acting allowance	-	9 626
Remote	-	9 351
	-	-
	-	18 977

Senior Manager: Executive Manager (Mr Mampuru S.I)

Basic salary	48 298
Travel allowance	13 599
Cellphone Allowance	2 500
Pension	8 050
Housing Allowance	8 050
Travel claim	-
Medical aid contributions	-
UIF	177
SALGBE	-

(Figures in RSA Rand)

2026

2025

SDL
Remote

754
3 220

84 648

6.20 Remuneration and allowances of councillors

Mayor	266 031	1 062 447
Council speakers	215 267	871 079
Executive Committee Members	1 429 699	5 884 901
Other councillors basic salary	2 752 536	11 722 713
Councillors pension contribution	484 763	1 998 921
Travel allowance	1 071 708	4 599 041
Travel claims	54 029	344 265
Cell phone allowance	532 800	2 241 581
Skills development levy	38 178	162 928
Data cards (61 councillors)	47 180	197 384
	6 892 192	29 085 260

Remuneration and allowances of selected members of the council

Remuneration and allowances for the Cllr Maitula B.M

B/P basic	-	7615
B/P non pens	-	2986
SDL and Data card	-	106
	-	10 707

Remuneration and allowances for the Cllr Mahlase M.M

Basic salary	181 815	895 873
Travel Allowance	42 038	
Cell phone allowance	11 751	47 004
Contributions to pension fund	28 376	111 006
SDL and Data card	2 051	8 564
	266 031	1 062 447

(Figures in RSA Rand)

2026

2025

Remuneration and allowance for the council speaker Cllr Nkgadima M.J

Basic salary	179 084	728 210
Cell phone allowance	10 800	43 200
Contributions to pension	22 701	88 805
SDL and Data card	<u>2 683</u>	<u>10 864</u>
	<u>215 268</u>	<u>871 079</u>

Remuneration and allowances of members of the executive committee

Basic salary	816 513	3 317 720
Travel allowance	320 201	1 299 770
Cell phone allowance	108 000	432 000
Pension fund Medical & SDL	154 878	608 316
Travel claims and Data card	<u>30 108</u>	<u>227 095</u>
	<u>1 429 700</u>	<u>5 884 901</u>

The remuneration and allowances of the political office bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.

Related party transactions

Section 57 Employees

Municipal Manager: (Mr Moganedi R.M)		1 970 902
Senior Manager: Corporate Services (Mr Matsetse P.E)	393 588	1 208 041
Senior Manager: Community Services (Ms Mashao A.M)	293 966	1 161 602
Senior Manager: Budget & Treasury (CFO) (Mr Mothapo K.T)	284 203	795 638
Senior Manager: Economic Development & Planning (Mrs Tong K.T)	266 024	609 782
Senior Manager: Infrastructure Development (Ms Lubisi N)	<u>262 624</u>	<u>1 052 563</u>
	<u>1 850 925</u>	<u>5 849 478</u>

South African Local Government Association

Annual membership fee	-	1 117 253
	-	<u>1 117 253</u>

(Figures in RSA Rand)

2026

2025

Councillors

Remuneration of Councillors

6 895 192 28 173 290

6 895 192 28 173 290

6.21 Depreciation and amortisation

Property, plant and equipment

8 988 421 2 835 659

Intangible assets

167 962 55 600

9 156 383 2 891 259

6.22 Assets impairment

Property, plant and equipment

- -

Intangible Assets

- -

Investment Property

- -

- -

6.23 Finance Costs

Interest cost: Employee benefit obligations

- 1 644 000

Interest cost: Landfill site provision

- 1 036 914

- 2 680 914

6.24 Contracted Services

Repairs and Maintenance: Other Assets

7 998 438 14 913 900

Repairs and Maintenance: Infrastructure Assets

7 326 837 54 982 144

Operating Lease and Cash collection

6 534 965 7 353 107

Solid waste collection

4 446 085 17 448 805

Development of valuation roll

86 957 -

Cleaning and Security services & other

12 374 000 36 272 780

Publications, Spatial Planning & GIS

5 231 143 1 617 313

44 112 424 132 588 049

6.25 Grants and subsidies paid

Indigents grants (Free Basic Electricity)

494 441 2 472 846

(Figures in RSA Rand)

2026

2025

494 441

2 472 846

6.26 Capital expenditure written-off (D Roads)

Property Plant and Equipment

10 949 578

4 672 317

10 949 578**4 672 317**

In terms of the General Notice 217 of 2014 ownership and jurisdiction of roads by municipality in Limpopo Province is listed in schedule B of the notice. The municipality has constructed roads under the ownership of Roads Agency Limpopo SOC Limited (RAL) in terms of the Notice during the 2020/21 financial year. The roads cannot be capitalised and will have to be written off at year end and as at 30 June 2026 the expenditure for D roads to date is **R 4 672 317**

6.27 General expenses

1. Advertising	145 113	2,494,458
2. Bank charges	75 627	249,089
3. Consulting and professional fees	1 912 712	4,703,725
4. Consumables	-	2,453,066
5. Entertainment	-	-
6. Insurance	1 622 331	3,370,374
7. IT operating expenses	-	738 940
8. Marketing	-	8,480,131
9. Promotions and sponsorships	-	8,682,064
10. Fleet Management & System	4 454	225,932
11. Fuel and oil	693 675	4,342,406
12. Staff welfare	-	-
13. Telephone and Fax	586 128	2,028,741
14. Training	442 695	3,046,210
15. Travel and accommodation	548 009	4,923,689
16. Spatial planning - demarcation of sites	-	-
17. Water and electricity	630 731	6,421,857
18. SMME Support	-	180,354
19. Sitting allowance ex-officio	-	-
20. Publications	466 957	1,617,313
21. Audit committee support	-	996,357
22. Bursary fund	2 280 542	3,973,791
23. Legal costs and Development of by-laws	-	13,309,879
24. Customer care	-	1,327,270

(Figures in RSA Rand)

	2026	2025
25. Financial System support	948 097	6,152,570
26. Vehicle tracking	21 231	121,613
27. Disaster relief fund	483 727	2,609,614
28. EPWP	611 000	7,852,005
29. NYDA	-	1 000 000
	14 226 231	86 309 456

6.28 Provision - Rehabilitation of Landfill Site

Opening Balance	9 717 660	8 037 416
Interest charged	1 036 913	918 000
Change in landfill closure provision	(1 089 252)	762 244
	9 665 321	9 717 660

The cost of rehabilitating the Landfill Site was determined to be R9,665,321 as at June 30, 2025 and the change in landfill closure provision was recognised as property, plant & equipment in the statement of financial position at the amount of R(1,089,252). A non-current liability of R9,665,321 was also recognised in the statement of the financial position for the year ended June 30, 2025.

6.29 Rental of facilities and equipment

Site rentals and facilities	48 413	21 111
	48 413	21 111

The amount for site rentals is for the advertising billboards from PRIMEDIA around Makhuduthamaga municipal area

6.30 Operating lease

The Municipality has entered into an operating lease with Velaphanda Trading & Projects for Photocopier machines for a period of three years.

The total future minimum operating lease payments payable under existing operating lease arrangements are categorised in the following categories:

Within one year of the operating date	2 317 257	2 317 257
More than one year but less than five years of the reporting date	592 814	592 814
	2 910 071	2 910 071

(Figures in RSA Rand)

2026

2025

6.31 COMMITMENT

CAPITAL COMMITMENTS	333 844 222
OPERATIONAL COMMITMENTS	165 142 804
TOTAL COMMITMENTS	<u>498 987 026</u>

6.32 Risk management

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.

Credit risk

Credit risk consists mainly of cash deposits cash equivalents and receivables. The municipality only deposits cash with credible banking institutions and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument

Receivables from non-exchange transactions	29 485 554	51,230,266
Receivables from exchange transactions	6 799 071	9,079,068
Cash & Cash equivalents	33 729 328	4,394,220
VAT Receivable	9 533 269	17,362,265
Maximum exposure	<u>79 547 222</u>	<u>82,065,819</u>

6.33 Unauthorised expenditure

Opening balance	-	30 511 957
Current year	-	-
Less amounts: written-off by council	-	(30 511 957)
	<u>-</u>	<u>-</u>

6.34 Fruitless and wasteful expenditure.

Opening balance	-	64 753
Current year	-	-

(Figures in RSA Rand)

2026

2025

Recovered/written off by council

- (64 753)

- -

6.35 Irregular expenditure

Opening balance

- 1 537 829

Add: Irregular Expenditure - current year

- (1 537 829)

Less: Amounts written-off by council

- -

6.36 Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Amount incurred current year

1 595 145 5 299 800

Amount paid - current year

(1 595 145) (5 299 800)

- -

PAYE and UIF

Opening balance

2 157 501 2 137 876

Amount incurred current year

6 747 831 28 781 582

Amount paid - current year

(6 643 565) (28 761 957)

2 261 767 2 157 501

Pension and Medical Aid funds deductions

Opening balance

2 808 605 2 257 206

Amount incurred current year

8 589 082 32 960 430

Amount paid - current year

(8 534 353) (32 409 031)

2 863 334 2 808 605

TOP TEN CREDITORS

Name of supplier	Project name	Amount
1. Mawatle Business solutions	Cession : Construction of Cabrievie internal road	R7 389 900.00
2. Dikgale & sebegu Energies	Construction of Cabrievie internal road	R3 921 952.82
3. Stonefound Engineering	Construction of Glen Cowie Old post Office to Phokwane access Road Phase 2	R2 595 790.14
4. Mobile Batching	Cession: Construction of Cabrievie internal Road	R2 371 631.20
5. Bo-Mamohlala projects	Construction of Masemola Moshate to Mohloding Mamatjekele access road phase 1	R2 267 177.76
6. Masa M projects	Accomodation	R1 445 264.16
7. Bra Mesh group	Maintanance on yellow fleet and other Plant	R1 338 485.58
8. Auditor General	Accounting and Auditing	R1 200 827.73
9. TOBC Intergration PTY Ltd	Cession: construction of Masemola Moshate to Mohloding Mamatjekele access road phase 1	R830 392.00
10. Van stone Precast	Cession : Construction of Cabrievie internal road	R754 784.79

Number of invoices received

Number of invoices Paid

84

34

6.37 Deviations as per section 36 of the SCM policy 2025/26 financial year.

The accounting officer may dispense with the official procurement processes established by SCM Policy and to procure any required goods which may include direct negotiations, but only –

(i) In an emergency.

NO	Date	COMPANY NAME	DESCRIPTION	AMOUNT
TOTAL (Closing Balance as at 30th September 2025)				R 0.00

(ii) If such goods or services are produced or available from a single provider only

NO	Date	COMPANY NAME	DESCRIPTION	AMOUNT
1.	04/07/2025	CCG System	Training for payroll training	R 174 018.00
TOTAL (Closing Balance as at 30th September 2025)				R 174 018.00

(iii) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; therefore, the below transactions are incurred because it.

NO	Date	COMPANY NAME	DESCRIPTION	AMOUNT
1.	01/07/2025	Renvest Properties	Student Accommodation	R 18 600.00
2.	01/07/2025	Kingsway Place	Student Accommodation	R 31 075.00
3.	01/07/2025	Focus 1	Student Accommodation	R 25 000.00
4.	01/07/2025	Van Schaik Bookstore	Stationery	R 11 844.93
5.	01/07/2025	Sefako Makgatho	Tuition Fees	R 88 742.28
6.	02/07/2025	PNS Court	Student Accommodation	R 18 000.00
7.	02/07/2025	Simonsberg	Student Accommodation	R 42 000.00
8.	02/07/2025	Campus Central	Student Accommodation	R 37 000.00
9.	02/07/2025	Van Schaik Bookstore	Stationery	R 12 077.71
10.	02/07/2025	Eris Property Group	Student Accommodation	R 43 800.00
11.	02/07/2025	KPA	Student Accommodation	R 36 885.00
12.	03/07/2025	The Campus	Student Accommodation	R 39 000.00
13.	03/07/2025	Ren Property	Student Accommodation	R 35 000.00
14.	03/07/2025	Respublica Student Living	Student Accommodation	R 34 950.00
15.	03/07/2025	Growth Point	Student Accommodation	R 26 750.00
16.	03/07/2025	Van Schaik Bookstore	Stationery	R 24 880.84
17.	03/07/2025	University of Pretoria	Tuition Fees	R 92 612.65
18.	03/07/2025	University of Stellenbosch	Tuition Fees	R 229 879.52
19.	04/07/2025	Van Schaik Bookstore	Stationery	R 30 941.71

20.	04/07/2025	University of Pretoria	Tuition Fees	R 48 451.50
21.	07/07/2025	Van Schaik Bookstore	Stationery	R 2 919.52
22.	08/07/2025	Van Schaik Bookstore	Stationery	R 36 191.32
23.	08/07/2025	University of Johannesburg	Tuition Fees	R 140 000.00
24.	09/07/2025	South Point Management	Student Accommodation	R 40 595.00
25.	09/07/2025	University of Free State	Tuition Fees	R 86 249.55
26.	10/07/2025	Wits	Tuition Fees	R 412 993.63
27.	14/07/2025	Gateway	Student Accommodation	R 28 500.00
28.	15/07/2025	Gateway	Student Accommodation	R 32 000.00
29.	17/07/2025	Bookit	Stationery	R 745.00
30.	21/07/2025	Tshwane University of Technology	Tuition Fees	R 139 365.00
31.	29/07/2025	University of Johannesburg	Tuition Fees	R 152 062.56
32.	29/07/2025	University of Cape Town	Tuition Fees	R 29 478.78
33.	05/08/2025	University of Limpopo	Tuition Fees	R 89 790.00
34.	07/08/2025	Bursaries		R 25 000.00
35.	18/08/2025	RSE Electronics	Student Accommodation	R 1 217.39
36.	26/08/2025	Ebenezer	Student Accommodation	R 12 500.00
37.	03/09/2025	Bursaries		R 25 000.00
TOTAL (Closing Balance as at 30th September 2025)				R 2 209 048.89

4. Contract Management

7.5.1 . SERVICE PROVIDERS STRATEGIC PERFORMANCE AS AT 30th SEPTEMBER 2025

Section 116(2) of the MFMA

(2) The accounting officer of a municipality or municipal entity must—

- (a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
- (b) monitor on a monthly basis the performance of the contractor under the contract or agreement;
- (c) establish capacity in the administration of the municipality or municipal entity—
 - (i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and
 - (ii) to oversee the day-to-day management of the contract or agreement; and
- (d) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

The table below indicates service providers utilised according to functional areas:

MUNICIPAL MANAGER

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Multichoice DStv	Pay per view	Subscription to active internal television screen	Good	Good	N/A	Terminated
Re Basadi Creates (Pty) Ltd	3 Years	Provision of Marketing and Branding for a period of three (03) years	Good	Good	N/A	05/12/2026

CORPORATE SERVICES

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Telkom SA	3 Years	Provision of Telephone Services	Good	Good	N/A	30/06/2027
LCK Technologies	3 Years	Provision of maintenance and ICT systems and infrastructure for a period of three (03) years	Good	Good	N/A	28/09/2026
Segeru General Suppliers	3 Years	Provision of Printing and publication for a period of 3 years	Good	Good	N/A	12/09/2027

BUDGET AND TRASURY

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
ABSA Bank	5 Years	Provision of Banking services	Good	Good	N/A	05/09/2028
Pheladichuene Maintenance and General Supplier	3 Years	Provision of cleaning services	Good	Good	N/A	30/09/2026
Camelsa Consulting Group	3 Years	Provision of Mscoa System	Good	Good	N/A	30/06/2027
Camelsa Consulting Group	3 Years	Provision of Integrated Financial System with support and maintenance	Good	Good	N/A	30/09/2025
Mod Hope Properties CC	3 Years	Development and maintaining of Property Valuation Roll	Good	Good	N/A	30/06/2026

Onkntlwile Security Services	3 Years	Provision of Security Services and access control services for a period of three (03) years	Good	Good	EXPIRED	31/05/2025
Velaphanda Trading & Projects	3 Years	Provision of Lease for photocopier machines for a period of three (03) years	Good	Good	N/A	28/09/2026
G4S Cash Solutions (SA) (Pty) Ltd	3 Years	Provision of cash collection services for a period of three (03) years	Good	Good	N/A	31/10/2026
Bra Mesh Group (Pty) Ltd	3 Years	Provision of service, maintenance & repairs of yellow fleet for a period of three (03) years	Good	Good	N/A	31/10/2026
Cumo O Consulting	3 Years	Provision of Vetting System for a period of Three (03) years	Good	Good	N/A	17/03/2027
Kunene Makopo Risk Solutions	3 Years	Provision of Short Term Comprehensive Insurance	Good	Good	N/A	12/06/2027
Fleet Horizon Solutions (Pty) Ltd	3 Years	Provision of tacking devices on all municipal vehicles for a period of three (03) years	Good	Good	N/A	31/08/2025
Omega OS Segaswane Holdings (Pty) Ltd	3 Years	Provision of advertising agency	Good	Good	N/A	14/12/2025

COMMUNITY SERVICES

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Crystal Africa Venture (Pty) Ltd	3 Years	Supply and delivery of waste collection bags for a period of 03 Years	Good	Good	N/A	17/03/2027
Stonefound Engineering Solutions	3 Years	Maintenance of Landfill Site for a period of three(03) years	Good	Good	N/A	30/04/2028
4 Interconnect Project Developers	3 Years	Distribution of water services for a period of three (03) years	Good	Good	N/A	01/11/2025
Deocon Business Enterprise	3 Years	Enviromental assessment for new landfill site	Good	Good	N/A	17/03/2027
Mampane Corporates (Pty) Ltd	3 Years	Supply and delivery of Blankets for a period of three (03) years	Good	Good	Good	19/05/2027

INFRASTRUCTURE SERVICES

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Jusben Engineering Services	3 Years	Repairs and Maintenance of All Municipal Electrical Infrastructure: Including Highmast, Traffic Lights, Streets Lights, and Lights on All Municipal Facilities for a period of three (03) years.	Good	Good	N/A	08/12/2027
Kgwadi Ya Madiba General Trading & Projects	3 Years	Maintenance of roads and storm water within Makhuduthamaga	Good	Good	N/A	19/11/2027

		Municipality for a period of three years				
White Rock 75 Investment and Holdings	3 Years	Repairs and maintenance of Municipal facilities for a period of three (03) years	Good	Good	N/A	31/08/2026

ECONOMIC DEVELOPMENT AND PLANNING

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
N/A		N/A		N/A		N/A

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY 30 SEPTEMBER 2025

Section 6.3 of the Supply chain management Policy” The Accounting Officer must, within 10 working days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the executive committee”
Section 6.4 of the Supply Chain Management Policy” The reports must be made public in accordance with section 21A of the Municipal Systems Act”.

1. Adoption of SCM Policy
The Council has adopted an SCM policy in terms of SCM regulation 3
2. Staff Employed in SCM unit
The unit comprise of six filled posts.
3. Job descriptions
The posts have job descriptions
4. Implementation Plan for SCM
Detailed Procurement Plan has been developed. The plan is updated on daily basis and serves on monthly reports
5. Needs assessment.
Necessary needs assessment undertaken before each acquisition through user Dept.

6. Performance of Vendors
Performance of vendors performed regularly by the Contract management officer in consultation with the user department.
7. Monitoring of SCM Policy
SCM processes are independently monitored to ensure the SCM policy is followed and desired objectives are achieved
8. Threshold values
Threshold values contained in the SCM Policy are aligned with the values stipulated in regulation 12.
9. Municipal bid documents
Municipal bid documents include evaluation criteria for use by the bid evaluation and adjudication committees. The documents made available for at least three days before the compulsory briefing date (if applicable).
10. Code of Conduct
All SCM Officials and Bid committee members have signed a Code of Conduct.
11. Invitations for bids.
All invitations for bids above R30 000 are advertised for at least 7 days on the website and official notice board (reg 18(a)).
12. In addition, all invitations for competitive bids are publically advertised
All invitations for competitive bids are publically advertised in newspapers commonly circulating locally (reg 22(1))
13. Training strategy for SCM practitioners
 - Training strategy for SCM practitioners has been developed through corporate Services.
 - SCM officials have completed a minimum requirement level (MFMP).
14. Bid Specification Committee.
Bid Specification Committee membership comply with regulation 27.
15. Bid Evaluation Committee
Bid Evaluation Committee membership comply with regulation 28.
16. Bid Adjudication Committee membership comply with regulation 29
Bid Adjudication Committee membership comply with regulation 29
17. Regulation 29(4), which stipulates that a member of a bid evaluation committee or an advisor October not be a member of a bid adjudication committee
18. Circular 82 approved by council and implemented.