



MAKHUDUTHAMAGA
LOCAL
MUNICIPALITY

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ANNUAL REPORT 2024/2025

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ACRONYMS

AFS	: Annual Financial Statements
AGSA	: Auditor General of South Africa
AIDS	: Acquired Immune deficiency Syndrome
ANC	: African National Congress
APSP	: African People's Socialist Party
AZAPO	: Azanian People's Organisation
BTO	: Budget and Treasury Office
CBO	: Community Based Organisation
CCTV	: Closed Circuit Television
CDW	: Community Development Worker
CFO	: Chief Financial Officer
CLLR	: Councillor
CoGHSTA	: Department of Cooperate Governance, Human Settlement and Human Settlements
DRDLR	: Department of Rural Development and Land Reform
DSAC	: Department of Sports, Arts and Culture
ECD	: Early Childhood Development
EDP	: Economic Development and Planning
EFF	: Economic Freedom Fighters
EPWP	: Expanded Public Works Programme
ESS	: Employee Self Service
EXCO	: Executive Committee
FBE	: Free Basic Electricity
FBO	: Foster faith-based Organization
GBV	: Gender Based Violence
GIS	: Geographic Information System
GRAP	: Generally Recognized Accounting Practice
HIV	: Human Immune Deficiency Virus
HoD	: Head of Department
HR	: Human Resources
ICT	: Information Communication Technology
ID	: Identity Document
IDP	: Integrated Development Plan
INEP	: Integrated National Electrification Program



JDMPT	: Join District Municipal Planning Tribunal
JMPT	: Joint Municipal Planning Tribunal
Km	: Kilometer
LAC	: Local AIDS Council
LED	: Local Economic Development
LEDA	: Limpopo Economic Development Agency
LEDET	: Limpopo Economic Development, Environment and Tourism
LGAAC	: Local Government Advanced Accounting Certificate
LGBTIQA+	: Lesbian Gay Bisexual Transgender Intersex Queer Asexual+
LGE	: Local Government Election
LGMIM	: Local Government Municipal Improvement Model
LGSETA	: Local Government Sector Education Training Authority
LLF	: Local Labour Forum
LUMS	: Land Use Management System
MDG	: Millennium Development Goals
MDRF	: Municipal Disaster Relief Fund
MFMA	: Municipal Finance Management Act
MFMP	: Municipal Finance Management Program
MIG	: Municipal Infrastructure Grant
MLM	: Makhuduthamaga Local Municipality
MMC	: Member of Mayoral Committee
MoU	: Memorandum of understanding
MPAC	: Municipal Public Account Committee
MPT	: Municipal Planning Tribunal
MSA	: Municipal Systems Act
mSCOA	: Municipal Standard Charts of Accounts
N/A	: Not Applicable
NASRA	: National Archive Regulation of South Africa
NDP	: National Development Plan
NGO	: Non - Governmental Organisation
OHS	: Occupational Health and Safety
PGDS	: Provincial Growth Development Strategy
PIGF	: Premier's Intergovernmental Forum
PMS	: Performance Management System
PMT	: Political Management Team
PTO	: Permission To Occupy



COGTA	: Department of Cooperative Governance and Traditional Affairs
CoGHSTA	: Cooperative Governance, Human Settlements and Traditional Affairs
CPMD	: Certificate Programme in Management Development
CSD	: Central Supplier Database
CWP	: Community Works Programme
DA	: Democratic Alliance
DLTC	: Driver's License Testing Centre
DoTCS	: Department of Transport and Community Safety
RDP	: Reconstruction and Development Programme
SAMEBA	: South African Maintenance and Estate Beneficiaries
SAPS	: South African Police Services
SASSA	: South African Social Security Agency
SAWIS	: South African Waste Information System
SCM	: Supply Chain Management
SDBIP	: Service Delivery and Budget Implementation Plan
SDF	: Spatial Development Framework
SDL	: Skills Development Levy
SDM	: Sekhukhune District Municipality
SITA	: State Information Technology Agency
SM	: Senior Managers
SMART	: Specific, Measurable, Achievable, Realistic and Time bound
SMME	: Small, Medium and Micro Enterprises
SOMA	: State Of Municipal Address
SPLUMA	: Spatial Planning and Land Use Management Act
TB	: Tuberculosis
VTS	: Vehicle Testing Station
WSP	: Workplace Skills Plan

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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1. MAYOR'S FOREWORD

Vision: a catalyst of integrated community driven service delivery

Mission: To strive towards service excellence; to enhance robust community-based planning; to ensure efficient and effective consultation and communication with all municipal stakeholders.

Makhuduthamaga Local Municipality hereby, in terms of Section 46 of Municipal System Act No. 32 of 2000 (MSA) and sections 121 and 127(2) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), presents to Council and community the 2024/2025 Annual Report which outlines

achievements and challenges for the year under review.

This chapter has been compiled in terms of Section 52(a) of the MFMA, and MFMA circular no 11 and circular 63 guidelines where the Mayor provides general political guidance over the fiscal and non-financial affairs of the municipality.



The Annual Report reflects the work done to address the needs of our people as stipulated in the IDP in the past financial year. This reflection will strengthen our purpose as we continue to work with our stakeholders towards the achievement of our vision.

This report is a record of accounting mechanisms to our communities we serve on the Municipality's achievements, challenges, mitigation and remedial measures implemented. For the year under review, the Municipality received an Unqualified Audit opinion from AGSA which is a positive reflection in terms of our performance.

1.1.1 Strategic alignment to Provincial Growth and Development Strategy

Makhuduthamaga municipality vision points to democratic local government in which the needs of all, but especially the poor and vulnerable communities, are met with efficiency and

effectiveness. This will ensure that we are accountable, viable, and capable of delivering sustainable services that meet the diverse needs of our communities. The provincial growth development strategy (PGDS) is the provincial perspective on where and what types of investment should be prioritized in different localities. As much must draw on national and sector strategies and their geographical investment implications. This should include commitment made in terms of international treaties and protocols, and continental and global areas of advantage. Coordination with other provinces where sector strategies may be complimentary, or contradictory must also be addressed.

The municipality has a vision of a catalyst of integrated community driven service delivery and a mission to strive towards service excellence, to enhance robust community-based planning and to ensure efficient and effective consultation and communication with all municipal stakeholders.

In 2015 the millennium development goals (MDGs) came to the end of their term, and the sustainable development goals were introduced as the post 2015 agenda comprising 17 sustainable development goals, 169 targets and 229 indicators took their place. The SDG's rebased on the moral principle of the millennium development goals which strived to ensure that no one or one country should be left behind and that each country has a common responsibility in delivering on the global vision. The goals set out a holistic framework to help set the world on a path towards sustainable development, by addressing all three dimensions of economic development, social inclusion, and environmental sustainability. During the development of the 5-year IDP efforts were made to ensure that integration and institutionalization of the SDG in the planning processes of the municipality is achieved.

In consideration of both the National and the Provincial Strategic framework, our Integrated Development Plan (IDP) seeks to ensure that local government is able to fulfill its developmental role. Our attitude as the Municipality is that we need to use IDP as the blueprint of the municipality more strategically to focus our attention on critical priorities in our mandate as local government such as spatial planning, infrastructure and basic services.

The financial year of 2024/2025 Council of Makhuduthamaga adopted its 2025/2026 Integrated Development Plan IDP and Budget by the end of May and the Mayor signed the Service Delivery Budget and Implementation Plan (SDBIP) to establish a fresh start for the Makhuduthamaga Local Municipality. I, therefore, thank the Council and the continuation of implementation and adoption of the 2025/2026 IDP and Budget, which guarantees an opportunity of creating and implementing new strategic goals and concrete plans to achieve service delivery. The Administration was presented with tasks to accomplish enhancements in basic service delivery within the Makhuduthamaga community in lines electricity access; road

networks development; maintenance of infrastructure and sufficient collection of waste in some of areas. The political environment diversified as assorted political parties represented Makhuduthamaga Council decision-making.

In the 2024/2025 financial year, Makhuduthamaga Local Municipality developed strategic plans, as well as sector plans to find expression in our principal strategic plan – the IDP, through which we define our developmental path. The improvements in key performance areas and unsatisfactory underperformance of the municipality reflect the political oversights committees' guidance and recommendations made to ensure effective and efficient use of municipal resources and improve capital budget and grant spending. The section 79 political monitoring committee have met as scheduled, and this engagement has allowed concerns to be raised and interventions to be proposed and implemented.

The municipality developed an approach that has been established by our institution in hopes to improve systems within Makhuduthamaga Local Municipality, recognizing that many of the problems that the community faces are multi-sectoral in nature and cannot be adequately dealt with by a single department and not in one financial year.

Vertical coordination will be strengthened by active participation in intergovernmental relations and working with other spheres of government and private sectors to ensure planning and implementation are integrated.

1.1.2. Corrective actions taken to ensure that strategic objectives stipulated in the IDP were achieved

The municipality held its own strategic planning from 19-21 February 2024 and approved of the IDP on the 24 May 2024. The risk identified and assessed up to 100% which enables the municipality to achieve strategic objectives. The strategic planning objectives are implemented as planned the project. During the current financial year 2024/2025 the municipality had 126 annual targets. Out of these targets, the municipality managed to achieve 121 targets representing 96 % in percentage of the total targets.

1.1.3. Methods used/implemented to improve public participation and accountability

During 2024/2025 community consultations were conducted extensively through social media platforms and thus this method of communication has been improved as a measure of public engagement e.g., Facebook and TikTok. Public consultations initiated were done by the council to comply with the legislative requirements. The IDP review consultation was done.

Regarding the council meetings, the municipality was able to remain stable and managed to hold

a total of four (4) ordinary meetings and ten (10) special meetings.

The mayor of Makhuduthamaga Local Municipality invited the members of the public and stakeholders to attend consultation on the Draft Annual Report of 2023/2024 financial year as per the schedule tabulated below:

Table 1: Draft Annual Report 2023/2024 public consultation Programme

Date	Target Stakeholder	Venue
12/02/2024	Magoshi and Business Sector (Jointly with SDM)	Municipal Chamber, Jane Furse
13/02/2024	Masemola Cluster and Phokoane Cluster	Mogaladi Community Hall
19/02/2024	Schoonoord Cluster and Jane Furse Cluster	Peter Nchabeleng Sports Complex, Schoonoord
20/02/2024	Special Groups	Kgaola Mafiri Municipal Hall, Jane Furse
22/02/2024	Jointly with SDM	Sewulawele Sports Ground, Ga-Moloi Village
23/02/2024	Municipal Staff	Municipal Chamber, Jane Furse

The Municipality working together with all stakeholders such as business, community, unemployed structure, faith-based organisation, CDW's and ward committees has been seen as improved and effective working relations of Local Economic Development Forum, Council, Local AIDS Council and local command council. The active participation by these various stakeholders did not only strengthen the capacity of the municipality but narrowed the social distance between the municipality and the community.

The Speaker's Office facilitated constant interaction with communities through quarterly Ward Committee meetings with their constituencies to identify challenges and problems encountered in their wards. Through that Programme, Speaker's Office initiated the community consultation on monitoring identity documents (ID) application and participation of local stakeholder's forum at Masemola High School, Ramphelane High School, Kgoshi Morwangwato High School and Seopo High School. The Mayor's Office also managed to hold 25 special programs focusing on focal groups i.e. women, children, disabled persons, the elderly, the moral regeneration, men's forum and Lesbian, Gay, Bisexual, Transgender, Intersex, Queer and Asexual + (LGBTIQA+) for the financial year. The total number of 15 outreach/imbizos were also conducted where service

delivery challenges and achievements were shared with the public of the municipality.

The municipality seeks to achieve economic growth and poverty alleviation through ensuring a better life for society by coordinating sustainable social and economic development programs. Furthermore, create a conducive environment for business investments and growth for job creation. EPWP and CWP have contributed positively to maintaining a safety net for the poor communities and alleviating poverty where it matters the most. In terms of human resources, the municipality had a staff complement of 208 employees, with 222 employed on EPWP while 1243 were contracted on CWP programmes.

The Municipality experienced two (2) service delivery protests relating to water shortage and roads infrastructure services in the year under review.

Towards realizing the municipality's vision, the following strategic objectives provide guidance to build and maintain strategic infrastructure:

1. To ensure acquisition and sustainable use of land and promote growth and development.
2. To reduce infrastructure and service delivery backlogs to improve quality of life of the community by providing them with roads, storm water control, bridges, electricity, housing and to promote social cohesion, safety, environmental welfare and disaster management for the municipality.
3. To create and manage an environment that will develop, stimulate and strengthen local economic growth.
4. To provide sound and sustainable management of the financial affairs of Makhuduthamaga Local Municipality.
5. To promote good governance, public participation, accountability, transparency, effectiveness and efficiency.
6. Improve internal and external operations of the municipality and its stakeholder.

1.1.4. Summary of Municipal Service Provider's Performance during the year 2024/2025

The Municipality's Vision will be achieved by growing the economy and meeting people's needs so that all citizens enjoy a high quality of life with equal opportunities. Service providers play a vital role in the performance of the organization. Some of our municipal services are outsourced through service providers. The Municipality is responsible for ensuring effective and efficient service delivery to the community. Therefore, there is a need to monitor the performance of service providers. The objective of performance monitoring of service providers is to obtain a measure of the service provider's performance under the contract. Performance assessments during a contract help both the Municipality and the service provider to reach a common understanding of the requirements of both parties about the work to be done. A rigorous reporting system is an excellent tool to provide feedback to a service provider on its performance on each project. It helps

to identify areas that the Service Provider is excelling in and any areas that need improvement. Performance reports can be used in the assessment of service provider for pre-qualification, selective tender list, registration, tender evaluation and in the event of termination for unsatisfactory performance under a contract. Furthermore, business support strategies and interventions can be appropriately tailored to achieve municipal developmental objectives which is to ensure:

- a high quality of service is maintained,
- detect underperformance early,
- thereby reducing the risks to projects,
- create mechanisms to improve performance where targets are not being achieved,
- provide data to municipal officials so that informed decisions can be made
- assess the suitability of a service provider for pre-qualification, selective tender lists or expressions of interest.

Municipal services are being provided by the Municipality by entering into Service Level Agreement in terms of Section 76(b) of the Municipal Systems Act 32 of 2000 with an external service provider(s). The Municipality is responsible for monitoring and assessing the Implementation of the agreement, including the performance of the service providers in accordance with section 41 of the Municipal Systems Act 32 of 2000.

1.1.5. Projects priorities during 2024/2025 financial year

In the year under review the Municipality successfully managed to construct access roads, access bridges; supply water through Sekhukhune District Municipality (SDM); electrified villages through Eskom plan; provided disaster reliefs; conducted disaster awareness campaigns, conducted awareness campaigns against children and women abuse/violence, back to school campaigns, library awareness campaigns, road safety programs; supported SMMEs; promoted sports, arts and culture; repaired and maintained sanitation projects through SDM MOU, rehabilitated roads, conducted LED forums and provided bursaries to needy students.

Table 2 below shows the capital projects that were implemented to impact positively on the municipality's communities.

Table 2: Capital projects implemented during 2024/2025

No.	Name of Project	Status	Financial Year Completed
1	Construction of access road from Maila Mapitsane to Magolego Tribal Office (5km)	Completed	2024/2025

2	Construction of Madibong internal road	Detailed design developed	2024/2025
3	Construction of access road from Tsopaneng to Moela Kgopane	Inception design developed	2024/2025
4	Construction of Access Road from Phaahla/Mamatjekele to Masehlaneng	Detailed design developed	2024/2025
5	Construction of access road from Molebeledi/Mamatjekele to Masemola Moshate	Constructed up to road bed	2024/2025
6	Construction of access road from Glen Cowie old post office to Phokwane (phase 2) (1km)	constructed up to box cutting	2024/2025
7	Construction of Kome internal road (phase 2) (3.2 km)	Completed	2024/2025
8	Construction of access road from Soetveld/Mathapisa to Ga-Mampane Thabeng (6.1 km)	Constructed up to base layer	2024/2025
9	Construction of Cabrieve Internal Road	constructed up to lay out-setting out	2024/2025
10	Construction of access road from Brooklyn to Makoshala	Detailed design developed	2024/2025
11	Installation of electrical infrastructure at Soetveld village (38H/H)	Completed	2024/2025
12	Installation of electrical infrastructure at Mabintane village (124H/H)	Completed	2024/2025
13	installation of electrical infrastructure at Makhutso village	Inception design developed	2024/2025
14	installation of electrical infrastructure at Leeukraal village (100H/H)	Completed	2024/2025
15	installation of electrical infrastructure at Mohlarekom village (363H/H)	Completed	2024/2025
16	Installation of 24 KM of 22KV line	Completed	2024/2025

In addition to the capital projects indicated above, table 3 shows other projects that were

implemented during the financial year.

Table 3: Other projects implemented during the 2024/2025 financial year

No	Name of the Project	Targets Achieved	Financial Year Completed
1.	Job creation projects through EPWP Projects,	222 EPWP job opportunities	2024/2025
2.	Existing roads, bridges and stormwater maintained	28 existing roads, bridges and stormwater maintained	2024/2025
3.	Repairs and maintenance of electricity infrastructure	12 Existing electricity infrastructure repaired and maintained	2024/2025
4.	Repairs and maintenance of water and sanitation	7 water and sanitation projects repaired and maintained	2024/2025
5.	Households waste/refuse removal/collection	1014 household assisted with solid waste removal	2024/2025
6.	Skips collection	3509 of skips collection were done	2024/2025
7.	Environmental awareness campaigns	09 environmental awareness campaigns conducted	2024/2025
8.	Road safety campaigns and roadblock	34 road safety campaigns and 48 roadblocks conducted	2024/2025
9.	Disaster relief provided to affected families	63 affected families provided with disaster relief	2024/2025
10.	Disaster awareness campaigns and advisory forums	8 disaster awareness campaigns conducted, and 4 disaster advisory forums held	2024/2025
11.	Sports promotions	11 Sports promotion activities conducted	2024/2025

12.	Arts and culture promotions	14 Arts and Culture promotion activities conducted	2024/2025
13.	Library promotions	16 Library promotions held	2024/2025
14.	Development of integrated transport plan	An integrated transport plan was developed	2024/2025
15.	LED forums	2 LED forum held	2024/2025
16.	LED Capacity building/ training	04 LED Capacity building/ training	2024/2025
17.	Provided university bursaries	19 bursaries offered	2023/2024
18.	SMME's Supported	04 SMME's supported (General Funding) 58 Youth owned businesses supported (Makhuduthamaga Youth Fund)	2024/2025

1.1.6. Strategic challenges and corrective measures to improve performance

Table 4 below shows the strategic challenges and corrective measures that were applied to improve performance during the year under review.

Table 4: Strategic challenges and corrective measures to improve performance

Key challenges in 2024/2025	Progress made to date	Remedial Action/Recommendations
Lack of electricity supply capacity on the existing ESKOM power line for implementation of electrification project at Moloji	Installation of 22kv line from Mamatjেকে substation to Moloji/ feeder line project completed.	Completion of feeder bay by Eskom and implementation of the electrical infrastructure
Low revenue billed and collection	High-capacity businesses were served with letters of demands to settle their accounts	Hand over these businesses to an appointed debt collector, if accounts are not settled within stipulated time frame.

Key challenges in 2024/2025	Progress made to date	Remedial Action/Recommendations
Land Acquisition	The Municipality has established a land acquisition advisory Committee, to assist with the land acquisition challenges	To negotiate with Traditional Authorities who are custodians of strategic land parcels to have a Memorandum of Understanding (MoU) for proclamation of Townships.

1.1.7. Statement of corrective actions whereby service delivery can be improved

Going forward, we are guided by our medium to long-term strategic plan – the Municipal Growth and Development Strategy, which constitutes part of our principal strategic medium plan – Integrated Development Plan. In the short term, it is important that the institution addresses the following issue: inadequate maintenance of municipal infrastructure, with certain pockets of poorly maintained infrastructure.

The waste management function is being implemented not to the level expected by the people; although we started with house-to-house collection the increase on this issue needs to be addressed in a systematic manner as soon as possible. Land invasions and the extent to which people comply with the by-laws continue to be a challenge.

1.1.8. Conclusion

As we conclude this financial year, and prepare to engage in the new financial year 2025/2026, the following considerations should be made:

- Strengthening relations with our communities,
- Improving on Service Delivery (particularly on areas of priority needs),
- Filling of critical posts in the reviewed organogram,
- Strengthening fiscal management systems and ensuring that Supply Chain Management bottlenecks are effectively dealt with,
- Improving our financial audit results towards clean audits,
- Investing in infrastructure and spatial development,
- Enhancing our local economic development efforts,
- Dealing effectively with labour relations matters and participation in the LLF to ensure that they become active partners in the delivery of municipal services.

I would like to thank the joint efforts of the Municipal Manager (MM), Mr RM Moganedi with the support of our dedicated Executive Committee (EXCO) Members, Senior Managers (SMs) and the entire municipal staff in obtaining an unqualified audit opinion during 2024/2025 financial year. Additionally, I would like to extend my gratitude to my fellow colleagues and leaders within the legislative wing of Council guided by the erstwhile and current Speakers, Chief Whips, and EXCO members for continuously devoting themselves to the oath of serving our communities.

Furthermore, I would love to thank our communities for sticking together in ensuring that the health and protection of our communities and environment remain intact; for continuously fighting against crime; gender-based violence and femicide, and drugs and substance abuse. On closing remarks, the municipality continues to prioritize service delivery to its communities and the implementation of prioritized projects. Regardless of the challenges faced by the municipality, the institution still attains its strategic vision of being **“a catalyst of integrated community driven service delivery”**.



Mayor: Cllr Mahlase MM



Moganedi Ronald Maisane

Municipal Manager

1.2. MUNICIPAL MANAGER'S FOREWORD

The 2024/25 Annual Report reflects the tremendous achievements and priorities which are aligned to the MFMA Circular No 63 and 11. The financial performance of the organization yielded excellent results as the actual operating revenue and expenditure proved beyond the shade of any doubt, when compared with the Final Adjustments Budget for 2024/2025. The municipality reported the surplus of R19 million in 2024/25 as compared to deficit of R57 Million in 2023/24 financial year. The operating expenditure for the year is R530 million. The total expenditure capitalized for the year in respect of property, plant, and equipment amounted to R62 million.

During 2024/2025 the municipality obtained an unqualified audit opinion with other matters. Based on the Auditor-General of South Africa (AGSA)'s opinion, a detailed audit action plan developed, and it will be monitored on a regular basis to track compliance. The municipality has since implemented over 100% of all the matters raised and emphasized by the AGSA in the previous year. The municipality has put corrective measures to address recurring unauthorized expenditure.

To address matters of emphasis, municipality established the Operation Clean Audit Committee in ensuring proper implementation of the audit action plan during the year. The municipality is currently working tirelessly to ensure that the problems identified are resolved. During the 2023/24 financial year, the municipality continued to comply with the King IV principles.

Council committees were established with proper terms of reference and separation of powers implemented to uphold good governance status. These committees were established to frequently monitor the implementation of council resolutions, play an oversight role and activities that took place at ward and community levels. The municipality has also identified strategic risks, the mitigations of which it is monitored on a quarterly basis. These risks include, amongst others, fraud and corruption, labour unrest and physical security verification. We have put in place control measures to mitigate these identified risks. In addition, the council continues to encourage and empower communities and stakeholders regarding decision-making, implementation and monitoring. This is done through ward participatory systems such as community consultation meetings and council events, e.g. Imbizo, mayoral outreach programmes and various stakeholder forums. We will continue to deepen our relationships with our key stakeholders.

Public participation remains a critical pillar to our governance. Infrastructure maintenance, construction of new infrastructure and local economic development remain key to the development and growth of the municipality. The municipality continues to face challenges in certain areas, including roads backlog and non-payment of property rates by stakeholders and the business.

1.2.1. OVERVIEW OF THE MUNICIPALITY

A. Municipal Profile

The Makhuduthamaga Municipality is a Category B4 municipality that is located within Sekhukhune District Municipality (SDM) of the Limpopo Province. Category B4 municipalities are municipalities which are mainly rural with communal tenure and with, at most, one or two small towns in their area. (COGTA 2009) The Municipality is completely rural in nature, dominated by traditional land ownership and comprises of a land area of approximately 209 695ha (at a low average density of 1, 3 persons per ha). It is made up of 189 settlements with a population of 340 328 (Census 2022) people and 78 497 households, which amounts to more than 24% of the district 1169 762 (Community Survey 2016). Like most rural municipalities in the Republic of South Africa, Makhuduthamaga is characterized by weak economic base, poor infrastructure, major service delivery backlogs, dispersed human settlements and high poverty levels.

Makhuduthamaga is linked with Elias Motsoaledi and Ephraim Mogale Municipalities to the south via routes R579 and R33, and with Fetakgomo Tubatse Municipality to the north-east via route R555. The R579 - a provincial road - is currently the main route used for passengers and goods to support economic activities in the municipality. Figure 1 shows the locality of the municipality within the Sekhukhune District.

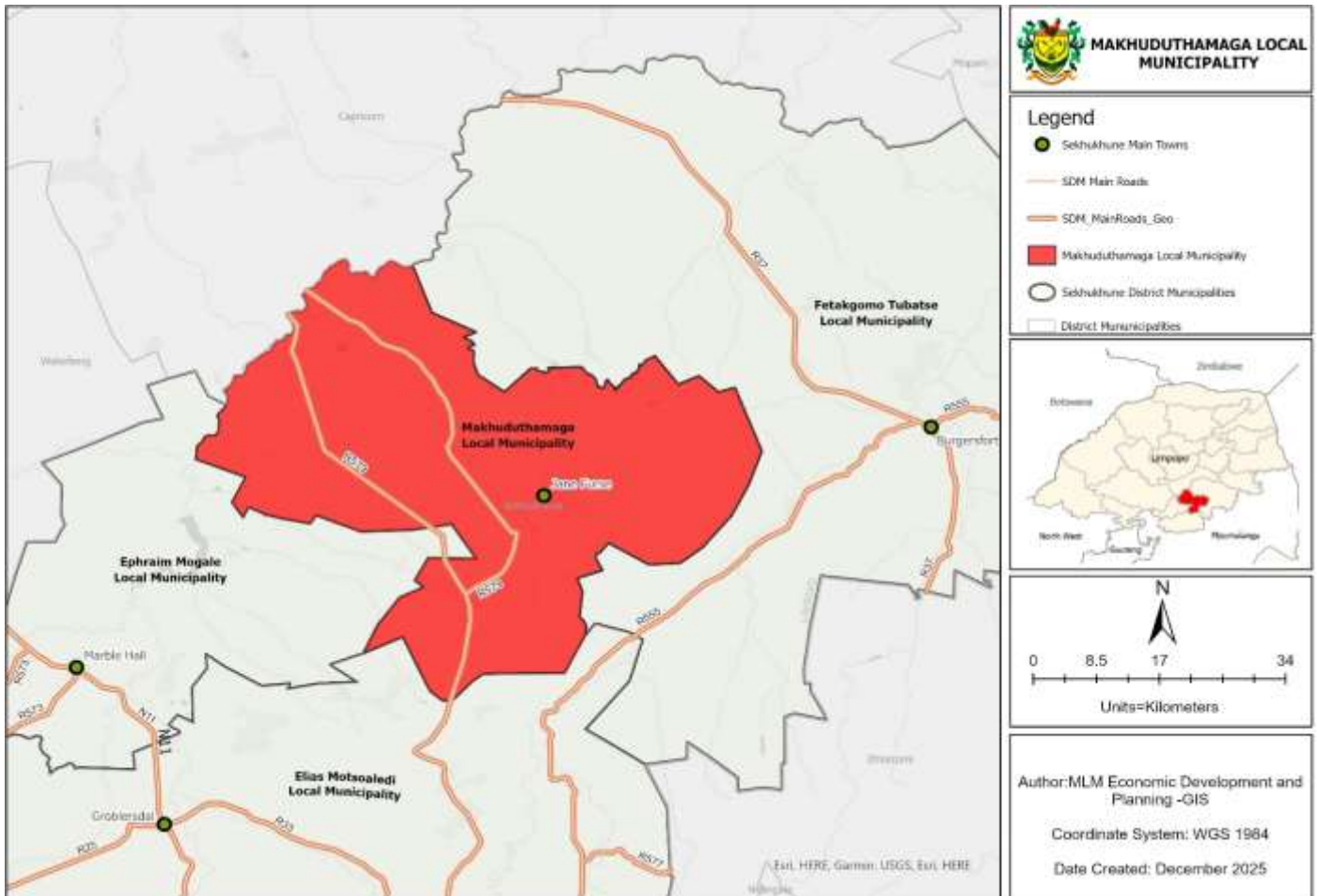


Figure 1: Makhuduthamaga Local Municipality Geographic Location

B. History behind the name

The history of Makhuduthamaga Local Municipality is tied to the anti-apartheid struggle in Sekhukhune land in the 1950s. The name Makhuduthamaga means "executives" and was used to refer to members of the Fetakgomo movement.

C. Economic Growth Development and Employment Profile

Economic growth is one of the main indicators of a progressing and developing municipality. Makhuduthamaga municipality promotes agriculture, tourism and mining as the key growth sectors. There are a number of mining exploration exercises that are taking place within the

municipality and should mining prove feasible, it will have an added impetus on the creation of much-needed jobs in particular and the growth of the economy in general. The local economy is dominated by the tertiary/services sector, which accounted for 85% of the local economic output in 2015. The secondary and primary sectors respectively contributed 9.9% and 5.1% to the local economic output. The major contributor to the municipal economy is the government sector, which contributed approximately 41% to the local economy in 2015. The second largest contributor is wholesale and retail (20%), followed by finance and business services 9% and community, transport and communication services at 8%. Makhuduthamaga Gross Value Added stood at R4.4 billion in 2015, making municipality the third largest economy within Sekhukhune District. The dominant municipal economy in the district is Fetakgomo Tubatse with a GDP of R6.3 billion.

In terms of the natural resources, there are several economic development activities within the municipality which include wheat and maize agricultural activities along the Olifants River Scheme. There are also tourism sites which include accommodation facilities such as Boeketlong Lodge, Lapa Hotel, heritage sites such as Hlako Tisane, Kgoshi Mampuru Statue, Manche Masemola gravesites as well as Leolo Mountains, Yellow Aurum Lilly Flower etc.

D. Employment Profile for Makhuduthamaga

The unemployment rate in Makhuduthamaga is high, and majority of the residents are relying on the government's social grants, as shown in table 5 below.

Table 5: Employment Profile statistics

Status	Statistics
Employed	33.3%
Unemployed	66.7%

Source: LEDET 2023

E. Population

Makhuduthamaga Local Municipality has the second largest population of all municipalities in Sekhukhune District. Table 6 below shows a breakdown of the population within the municipality.

Table 6: Population of Makhuduthamaga Municipality

Municipality	Population			House holds\		
	2011	2016	2022	2011	2016	2022
Makhuduthamaga	274 358	283 956	340 328	88 663	107 577	218 332

MLM	2001			2011			2022			
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
0-14	54 700	55 093	109 793	109 793	51 500	104 466	58 898	59 046	117 944	
15-64	53 332	81 167	134 499	61 579	86 385	147 964	87 632	107 524	195 156	
65+	5 582	12 132	17 714	6 737	15 191	21 928	9 233	17 987	24 220	
Total	113 614	148 392	262 005	121 283	153 076	274 358	155 771	184 557	340 328	
Households within Makhuduthamaga -2011 and 2022										
Municipality			Households 2011			Household 2022			As Percentage	
Makhuduthamaga			65 320			78 497			24 %	

Source: Census 2022

F. People with Disabilities

Makhuduthamaga Local Municipality in Limpopo Province, South Africa has taken steps to improve communication and participation for people with disabilities. Table 7 below gives a detailed breakdown of the categories of people living with disabilities within the municipality.

Table 7: Disability profile for Makhuduthamaga Local Municipality

Blind		Deaf		Self-Care		Inability to Communication		Walking		Remembering/ Concentration	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
411	476	399	377	646	6404	1450	1444	116	1218	1975	2005
				4				7			

G. Service Delivery Overview

The Municipality built quality and safe road infrastructure and electricity network in its communities. Water and sanitation are provided by Sekhukhune District Municipality whilst electricity is provided by Eskom. Table 8 below shows the backlog on services within the municipality.

Table 8: Basic services delivery backlogs

Water			
Households	Households with Water up to RDP Standard	Backlog	
23 616	22 615	25240	
Households with Sanitation up to RDP standard			
Households	Backlog	% Backlog	
65 217	4 565	7%	
Sanitation			
Households	Households with Sanitation up to RDP Standard	Backlog	% Backlog
65 217	17 940	47 277	73%

1.2.2. EXECUTIVE SUMMARY

The Makhuduthamaga Local Municipality has maintained its momentum in realizing steady progress over the course of the past few financial years. This has ensured that the municipality is able to effectively achieve its constitutional mandate of delivering quality services to its citizens, as well as to uphold and implement principles of good governance.

The municipality's progress bears testimony to the recent MEC's Excellence Awards, as the multi awards winning local municipality in the areas of unqualified audits, in-house preparation of Annual Financial Statements (AFS) and 100% Municipal Infrastructure Grant (MIG) spending for seven (7) consecutive financial years which are, 2018/2019, 2019/2020, 2020/2021, 2021/2022, 2022/2023, 2023/2024 and 2024/2025.

The adverse socio-economic conditions within which the municipality operates include high unemployment rate, particularly youth unemployment, substance abuse and social ills, backlogs in infrastructure especially in relation to access roads within the deepest rural areas and a low revenue generation rate. It is legislative requirement to hold the Integrated Development Planning (IDP) and Budget consultations with stakeholders, however during the year under-

review we used media platforms and social media such as Facebook to reach our constituencies and also community participation imbizo.

As a municipality, our strategic framework is premised on the goals laid out in the National Development Plan 2030. As a means of achieving these goals, the National Government has operationalized programmes to which we subscribe to as local government. One such programme includes the Back-to-Basics program which entails five key pillars: putting people first, delivering basic services, good governance, sound financial systems and building capable local government institutions.

Council has been able to set its annual performance plans, linked to senior managers' performance agreements with realistic targets. Council has successfully utilised allocated Municipal Infrastructure Grant (MIG) for this financial year.

1.2.3. SUMMARY PERFORMANCE INFORMATION

The municipality had **126 targets** for the 2024/2025 financial year and managed to attain **121 targets** which is **96% percent** of the total annual targets. There have been an overall improvement as compared to 2023/2024 financial year

a) Summary of Comparison of Annual Performance Reports between 2023/2024 and 2024/25

Table 9: Comparison of Annual Performance Reports between 2023/2024 and 2024/2025

Number	Key Performance Areas	Total Number of Key Performance Indicator		Number of Key Performance Indicators Achieved		Number of Key Performance Indicators Not Achieved		Performance Percentage	
		2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024
		5	24		24	025	024	25	2024
1	Spatial Rationale	08	07	08	07	0	07	100%	100%

2	Basic Services Delivery	39	47	37	44	02	03	95%	96%
3	Local Economic Development	12	10	12	09	0	01	100%	90%
4	Financial Viability	16	19	14	18	02	01	88%	95%
5	Good Governance And Public Participation	27	28	26	27	01	01	96%	96%
6	Municipal Transformation And Organizational Development	24	22	24	22	0	0	100%	100%
Total		126	133	121	127	05	6	96%	95%

1.2.4. VISION AND MISSION

a) VISION

A Catalyst of Integrated Community Driven Service Delivery

b) MISSION

- to strive towards service excellence
- to enhance robust community-based planning
- to ensure efficient and effective consultation and communication with all municipal stakeholders

1.2.5. STRATEGIC OBJECTIVE PER DEPARTMENT AND KEY PERFORMANCE AREA (KPA)

Table 10: Strategic objectives per department and KPA

KPA	Description	Directorate/Department	Strategic objective
KPA 1	Spatial Rationale.	Economic Development and Planning	To ensure efficient and effective Spatial Planning and Land Use

			Management systems for sustainable development
KPA 2	Basic Service Delivery.	Infrastructure Services and Community Services	To reduce infrastructure and service delivery backlogs to improve quality of life of the community by providing them with roads & storm water, bridges and electricity To promote social cohesion, road safety management, environmental welfare and disaster management for the municipality.
KPA 3	Local Economic Development.	Economic Development and Planning	To stimulate economic development through SMMEs support, LED projects, private and public sector investments.
KPA 4	Financial Viability.	Budget and Treasury Office	To provide financial relief to indigent households and provide sound and sustainable management of the financial affairs of Makhuduthamaga Local Municipality.
KPA 5	Good Governance and Public Participation.	Municipal manager's Office and Legislative Support	To promote good governance, public participation, accountability, transparency, effectiveness and efficiency.
KPA 6	Municipal Transformation and Organizational Development.	Corporate Services	Strategic objective: Improve Internal and External operation of the municipality and its stakeholders

1.2.6. MUNICIPAL FUNCTIONS

Makhuduthamaga Local Municipality is a Category B Municipality established to perform the following functions as bestowed upon by the Constitution in terms of section 156 (1) and the division of powers:

Table 11: Municipal functions

	Functions	Description of function performed
1.	Building regulations	Enforcing the building regulations
2.	Child-care facilities	To provides support on crèches
3.	Local tourism	To provide LED support and tourism enhancement support
4.	Municipal planning	Forward planning. Land use control. Policy development at GIS
5.	Municipal public transport	Provide traffic control and licensing services
6.	Storm water	Provide storm water management system
7.	Trading regulations	Regulate trading with support from LEDET
8.	Billboards and the display of advertisements in public places	Regulation control and display of advertisement and billboards
9.	Cemetries, funeral parlors and crematoria	Control and compliance with regulations
10.	Cleansing	Sweeping streets picking litter and emptying of street bins
11.	Control of public nuisance	Control of public nuisance and inspection thereof issuing of notices
12.	Facilities for the accommodation care and burial of animals	Comply with Landfill license permit
13.	Cemeteries funeral, parlors and crematoria	Control and compliance with regulations
14.	Licensing and control of undertakings that sell food to the public	Quality control, safety and hygiene regulations
15.	Local sports facilities	Maintaining and provision of sporting facilities
16.	Markets	Building of stalls market to the community for revenue enhancement and growth of economy.
17.	Municipal parks and recreation	Provision of recreational areas for local communities

18.	Municipal roads	Maintenance of roads upgrading roads from gravel to tar
19.	Noise pollution	Control of noise pollution
20.	Refuse removal, refuse disposal sites and solid waste management	Waste/refuse collection and safe disposal
21.	Street trading	Regulation and control
22.	Street lighting	Provide and maintain
23.	Vehicle licensing and registration	Provide vehicle licensing and registration services
24.	Learners and drivers licensing	Provide learners and drivers licensing services
25.	Disaster management	Provide disaster relief, support and coordinate disaster management incidents
26.	Traffic law enforcement	Ensure compliance with road safety and regulations
27.	Licensing dogs	Regulation and control
28.	Municipal abattoirs	Regulation and control
29.	Local amenities	Regulation and control
30.	Pounds	Impounding of vehicles that infringed road safety
31.	Public places	Regulation and control
32.	Water	To coordinate the provision of water to local communities by the district municipality
33.	Sanitation	To coordinate the provision of sanitation facilities to local communities by the district municipality
34.	Municipal health services	To coordinate the provision of municipal health services by the district municipality
35.	Fire fighting	To coordinate the provision of firefighting rendered by the district municipality
36.	Billboards and display advertisements in public places	Regulation, control and display of advertisement and billboards

37.	Library services	Information sharing platform
38.	Arts and culture	Traditional knowledge conservation and cultural practices

1.2.7. Entities related to the municipality and the sharing of power with the entities

Makhuduthamaga Local Municipality did not have any entity during the financial year 2024/2025 and no power sharing existed.

1.2.8. Sector departments and the sharing of functions between the municipality/entity and sector departments

The municipality has shared services with the Department of Transport and Community Safety, Department of Sport, Arts and Culture, Department of Public Works, Roads and Infrastructure and the Department of Health and Department of Social Development and Sekhukhune District Municipality. Department of Transport and Community Safety together with Makhuduthamaga Local Municipality share the services of Driving License Testing Centers (DLTCs) in the ratio of 80:20 where DoTCS gets 80 percent and MLM gets 20% of revenue collected.

With regard to Department of Sports, arts and Culture, the department undertook to perform the following functions in assisting the municipality in rendering effective and efficient library services:

- c) Free supply of library books to the community
- d) Access to free Internet
- e) Free supply of ICT hardware and ICT infrastructure and relevant software
- f) Free supply of library furniture
- g) Free training and development programmes for library staff
- h) Pay for running costs of the library management system and access to free internet services to communities
- i) Transfer funds for operational functions to the municipality
- j) Payment of electricity bills for Ga-Phaahla; Patantshwane and Phokoane libraries for duration of the library conditional grant

Makhuduthamaga Municipality undertook to perform the following functions

- k) Provide accommodation specifically but not limited to electricity, security/safety and general maintenance
- l) Provide accommodation and accepts responsibility for all the library materials in the library
- m) Reimburse DSAC at the request of HoD for all damage or loss that may be incurred in relation to the library materials
- n) Provide eligible community members with free access to the library
- o) Pay for the remuneration of all library staff appointed by the municipality

1.2.9. Previous financial year's audit opinion: AGSA's opinion

The Municipality obtained audit opinion as follows:

Table 12: Municipal audit opinions

2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

1.2.10. Financial health overview for 2024/25

The Municipality has improved in terms of financial health during the year under review. The municipality reported a Surplus of R19 million in 2024/25 as compared to deficit of R 57 million in 2023/24 financial year. The financial ratios presented in Chapter 5 of this report shows that the municipality's financial status is in good condition.

The municipal council has appointed and strengthened the necessary governance structures such as Audit and Performance Committee, Risk Management Committee, Municipal Public Account Committee and other Management and Council committees to ensure that the municipality works harder to achieve unqualified audit opinion with no material matters in the next financial year for both Financial Statements and the Performance information.

The municipality reviewed all Budget related policies and HR policies during the year under review to keep them up to date considering the changes in the applicable legislation and new regulations issued. The introduction of mSCOA has significantly improved the reporting systems of finances and the fact that the system is fully operational.

Table 13: Municipal financial overview

FINANCIAL OVERVIEW – 2024/2025				
Details	Original Budget	Adjustment Budget	Actual	Actual performance%
Property rates and interest on debtors	R76 000 000	R47 000 000	R54 349 757	116%
Bank and Investment revenue	R3 500 000	R3 500 000	R2 852 208	81%
Transfers recognized – Operational (Grants)	R390 802 000	R403 681 000	R371 359 500	92%
Refuse Removal	R340 000	R390 000	R387 783	99%
Other revenue	R7 330 000	R19 176 000	R26 663 924	139%
Sub-Total	R477 972 000	R473 747 000	R455 613 172	96%
Less Expenditure	(R439 807 898)	(R480 101 016)	(R466 187 354)	97%
(Deficit)/Surplus for the year	R38 164 102	(R6 354 016)	(R10 574 182)	67%

1.2.11. Revenue trend by source including borrowing undertaken by the municipality

The total revenue realized by the Municipality for the financial year 2024/25 is R 549 971 172. The total revenue from exchange transactions is R27 972 215. The municipality did not have any borrowings in the year under review.

The municipality raised this revenue as follows:

Rental of facilities and equipment : R 229 235
 Licenses & Permits : R 6 339 848

Other income	: R 16 853 243
Interest received investment	: R 2 852 208
Refuse removal	: R 387 783
Actuarial Gain	: R 417 909
Leave Gain	:R 66 566

The total revenue from non-exchange transactions amount to R 521 998 957.

This revenue was received as follows:

Property rates	: R40 011 070
Interest on outstanding debtors	: R14 338 687
Government grants and subsidies	: R465 717 500
Traffic fines	: R1 931 700

The bulk of the revenue from non-exchange transactions emanates from government grants and subsidies which clearly indicate that we are a grant-dependent municipality. This represents **89%** of the municipality's total annual revenue as per the audited information for the year ended 30 June 2025.

1.2.12. Internal management changes in respect to sec 56/57 managers

There were internal management changes which took place in 2024/2025 financial year.

Two positions were vacant, which are CFO and Senior manager EDP. These positions were all filled during the financial year under review. The position of Senior Manager: Executive Support was also declared vacant during the financial year under review and was filled effective from 01 September 2025.

1.2.13. Risk management services

The primary responsibility of the unit is to bring specialist expertise to assist the Municipality to embed risk management and leverage its benefits to enhance performance by assisting management to identify potential events that may affect the municipality, manage risk to be within the municipality's risk appetite, and to provide reasonable assurance regarding the achievement of the set objectives.

Below is a summarized table for top 5 risks which were identified during the financial year. Mitigating measures were also developed to reduce the negative impact on the achievement of municipal objectives.

Table 14: Risk root causes, consequences and mitigations

Risk Description	Root cause	Risk Consequences	Mitigation
>Land invasion	<ul style="list-style-type: none"> >Land owned by third party >Intentional occupation of land for future financial compensation when legally evicted >High demand in human settlement >Economic opportunities 	<ul style="list-style-type: none"> >Delays in developing the acquired land >Financial implications due to legal processes >High cost of in provision of services due to uncoordinated developments >Non-compliance with National Building Regulations 	<ul style="list-style-type: none"> >Continue engagements with Tribal authorities to liaise with the municipality from the planning stage of land allocation
Inability to meet some basic service needs	<ul style="list-style-type: none"> >Insufficient funds to implement projects >Poor maintenance of existing national and provincial roads >Municipality is not an electricity license holder >Municipality is not a water service provider >Municipality not funding housing programme 	<ul style="list-style-type: none"> >Community unrest >low business access and low growth in business within municipal jurisdiction >inefficient movement of commuters 	<ul style="list-style-type: none"> >Implementation of roads, bridges and stormwater maintenance plan >Implement electrical maintenance plan >Co-ordinate housing assessment to resolve previous housing backlog with CoGHSTA >Identifying indigents for housing allocation
Lack of socio-economic development and growth	<ul style="list-style-type: none"> >Ineffective implementation of LED strategy 	<ul style="list-style-type: none"> >high unemployment rate >High rate of poverty >Slow Business Growth 	<ul style="list-style-type: none"> >Alignment of the LED strategy and IDP >Continue with implementation of the LED strategy

Financial Unsustainability	>Low and non-collection of revenue	>Inability to meet the municipal financial obligations >Inadequate revenue collection streams	>To engage with Magoshi and CoGHSTA so that property rates could be collected by the municipality not Tribal offices
Environmental pollution	>Illegal Dumping of waste>No implementation of by-Laws (waste management by-Laws)>Inadequate waste collection	>Health hazard to community	>Environmental education and awareness >Clean-up campaigns >Enforcement of waste management by-laws >Training of newly appointed personnel >To engage BTO about the method of payment for villages piloted

In conclusion, we will always be appreciative to our residents who have always shown commitment to their own municipality. On behalf of the administration of the Municipality, we wish to express our profound gratitude to the political leadership provided by Her worship, our mayor and council. Without their support, leadership and oversight, very little would have been achieved during the period under review. Our staff continue to play an important role in ensuring that service delivery is accelerated as our people demand that we expeditiously discharge our mandate. We shall continue accelerating the delivery of services through service delivery innovations.


Moganedi RM
Municipal Manager

CHAPTER 2: GOVERNANCE INTRODUCTION

These chapters have been categorized into four components, namely:

- Component A (Governance Structures)
- Component B (Intergovernmental Relations)
- Component C (Public Accountability and Participation) and
- Component D (Corporate Governance).

2.1. Component A: Governance Structures

To ensure accountability and governance, the municipality is expected to meet the requirements of Section 121(2)(c) of the MFMA and Section 18(1)(d) of the MSA wherein it is stipulated that information on matters of governance should be canvassed and communicated to communities. This should, according to Section 65(1)(a) of the MFMA and 46 of the MSA be undertaken through the compilation of the Annual Report. The purpose of the implied report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures throughout the financial year.

Section 2 of Chapter 2 of the Local Government Municipal Systems Act 2000 (Act 32 of 2000) defines a municipality as follows; “a municipality is –

An organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government Municipal Demarcation Act 1998, consists of –The political structure and the administration of the municipality, andthe community of the municipality”

Section 152 of the Constitution of the Republic of South Africa provides for the following as objects of local government; Section 152(1) the objects of local government are.

- To provide democratic and accountable government for local communities
- To ensure the provision of service to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment and.
- To encourage the involvement of communities and community organisations in the matters of local government

2.1.1 Political And Administrative Governance

In terms of the Local Government Municipal Structures Act, the Council of the Municipality is the highest decision-making body. The council appoints the Accounting Officer who runs the day-to-day operations of the municipality on behalf of the council.

2.1.1.1 Political Governance

In line with the provisions of the Local Government: Municipal Structures Act 117 of 1998 Makhuduthamaga Municipality has an established political component. The political component comprises of the Speaker, Chief Whip, Mayor and Councillors. The main role of the political component is provided for in the Structures Act. The council is responsible for policy making and development of bylaws, as well as overseeing its implementation. Its key role in its current structure is to focus on legislative participatory and oversight roles. The municipality adopted separation of powers model marking anew dispensation in history of Makhuduthamaga municipality where the legislative arm of council being separated from executive arm. This is in line with the governance model approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened, and that effective public service delivery takes place to benefit communities.

The mayor is the political head championing the strategy of the municipality. The mayor is assisted by the Executive Committee made up of 10 councillors, of which four including the mayor are full-time councillors as well as the Chief whip, the Speaker and the chairperson of MPAC. Members of Executive Committee serve as heads of portfolios committees . There are also section 79 committees that process all the issues before they go to Council.

The Speaker is the chairperson of the Council and presides over council meetings. The Chief - Whip of the council monitors councillors from various political parties to ensure that they carry out their duties in a responsible manner. The Council Whip deals with the wellbeing and monitors the attendance of all councillors at meetings. The municipal council consists of sixty-two (62) councillors, i.e. thirty-one (31) ward councillors and thirty-one (31) proportional representative councillors. Section 79 committees have been established in accordance with the Standing Rules and Orders of Council. They are chaired by non-executive committee councillors and provide general oversight and monitoring of the Municipal service delivery mandate.

2.1.1.2 Councillors

Council adopted the master plan/corporate calendar that plots the specified dates for council meetings. Executive Committee meetings and Portfolio Committee meetings were included in the Corporate Calendar and were convened and held as per the schedule. There were 62 councillors who served as council members during the 2024/2025 financial year. Below is a table that categorized the Councillors within their specific political parties and wards for the financial year 2024/2025.

Table 15: Categorized Councillors within their specific political parties for the financial year 2024/2025

No.	Surname	Initials	Gender	Capacity	Political Party	Portfolios
1	Vilakazi	SM	F	Ward Councillor -1	ANC	Corporate services
2	Mohlakwane	SS	M	Ward Councillor - 2	ANC	EDP
3	Modige	LS	M	Ward Councillor -3	ANC	Community services
4	Malatjie	BT	F	Ward Councillor -4	ANC	Infrastructure
5	Tau	TT	M	Ward Councillor -5	ANC	MPAC
6	Thokwane	KZ	M	Ward Councillor -6	ANC	Infrastructure
7	Selala	PT	F	Ward Councillor -7	ANC	Community services
8	Morodi	PE	M	Ward Councillor -8	ANC	Budget & treasury
9	Tshehla	MZ	F	Ward Councillor -9	ANC	MPAC
10	Leokane	MD	M	Ward Councillor -10	ANC	EDP
11	Mothupi	SM	M	Ward Councillor -11	ANC	Corporate services
12	Rankoe	TP	M	Ward Councillor -12	ANC	Community services
13	Mogashoa	KJ	M	Ward Councillor -13	ANC	Corporate Service
14	Moretsele	MA	M	Ward Councillor -14	ANC	MPAC
15	Hleko	K	M	Ward Councillor -15	ANC	Corporate services
16	Makuwa	SS	M	Ward Councillor -16	ANC	Budget & treasury
17	Nkadimeng	KT	M	Ward Councillor -17	ANC	Corporate services
18	Aphane	MN	M	Ward Councillor -18	ANC	EDP

19	Moshabane	D	F	Ward Councillor -19	ANC	Chairperson Corporate services Effective March 2024)
20	Ngoanatsobane	MG	M	Ward Councillor -20	ANC	Budget & treasury
21	Morwamakoti	M	M	Ward Councillor -21	ANC	Deputy chairperson Infrastructure department
22	Ngwato	OM	F	Ward Councillor -22	ANC	Infrastructure
23	Maduana	HD	M	Ward Councillor -23	ANC	EDP
24	Tsatsi	MD	M	Ward Councillor -24	INDEP	EDP
25	Diketane	SP	M	Ward Councillor -25	ANC	MPAC
26	Lethuba	MP	M	Ward Councillor -26	ANC	Community services
27	Piitjo	MH	M	Ward Councillor -27	ANC	EDP
28	Mosoane	EM	M	Ward Councillor -28	ANC	EDP
29	Kgatuke	LD	M	Ward Councillor -29	ANC	Chairperson Community services
30	Monakedi	MJ	M	Ward Councillor -30	ANC	MPAC
31	Masemola	TP	M	Ward Councillor -31	ANC	Infrastructure Development
32	Mahlase	MM	F	Mayor	ANC	Mayor
33	Mphelane	MJ	M	Speaker	ANC	Speaker
34	Malaka	MS	M	PR Councillor	ANC	Infrastructure Development
35	Phala	M	F	PR Councillor	ANC	Budget and Treasury Office
36	Mokomane	ML	F	PR Councillor	ANC	Budget and Treasury Office
37	Mampane	AM	M	PR Councillor	ANC	Resigned as a councillor on the 30 April 2024.
	Matlala	AM	M	PR Councillor	ANC	Replacement PR Councillor

38	Thamaga	MM	F	Chief Whip	ANC	Chief whip
39	Matjomane	NM	M	PR Councillor	ANC	Corporate services
40	Mohlala	MJ	M	PR Councillor	ANC	Infrastructure Development
41	Mankge	PR	M	PR Councillor	ANC	Infrastructure Development
No.	Surname	Initials	Gender	Capacity	Political Party	Portfolios
42	Laka	LE	F	PR Councillor	DA	Budget and Treasury Office
43	Machaba	MG	M	PR Councillor	EFF	EDP
44	Mashegoana	MC	M	PR Councillor	EFF	Corporate services
45	Thokoane	A	M	PR Councillor	EFF	Budget and Treasury Office
46	Masemola	ME	M	PR Councillor	EFF	Infrastructure Development
47	Matsomane	ME	M	PR Councillor	EFF	MPAC
48	Kgapola	K	F	PR Councillor	EFF	Community services
49	Machai	MJ	M	PR Councillor	EFF	Community services
50	Mahlase	E	F	PR Councillor	EFF	Budget & treasury
51	Maepa	J	M	PR Councillor	EFF	MPAC
52	Lerobane	MM	F	PR Councillor	EFF	MPAC
53	Tshehla	MB	F	PR Councillor	EFF	Corporate services
54	Mmotong	ML	M	PR Councillor	EFF	EDP
55	Moretsele	LP	M	PR Councillor	EFF	Corporate services
56	Rantho	PK	M	PR Councillor	EFF	Corporate services
57	Sebowane	SH	F	PR Councillor	EFF	MPAC
58	Mokalapa	MS	M	PR Councillor	DAP	Infrastructure Development

59	Maapea	RS	M	PR Councillor	NCC	Infrastructure Development
60	Phala	LL	M	PR Councillor	SADA	Budget and Treasury Office
61	Makobe	PA	M	PR Councillor	SAME BA	Infrastructure Development
62	Boshielo	MP	M	PR Councillor	SAME BA	Community Services
TOTAL: 62					Males	Females
					46	16

NB: COUNCILLORS TURNOVER DURING THE YEAR UNDERVIEW

The municipality received the resignation of Cllr Mohlala MJ as the head of infrastructure and opted to remain an ordinary councillor, Cllr Mampane MA who was occupying a position of Chair of Chairs, also resigned as a PR councillor and was replaced by Cllr Matlala MA and Cllr Selala PT was appointed to the position of chair of chairs. Furthermore, Cllr Mapheto MT resigned as PR council from opposition DA, and he was replaced by Cllr Laka LE, Cllr Ntobeng ML from opposition SADA resigned and replaced by Cllr Phala LL.

EXECUTIVE COMMITTEE MEMBERS

The Executive Committee and Members of each portfolio committee are listed in the table below for the period under review.

Table 16: Executive Committee and Members of each portfolio committee

NAME OF MEMBER EXCO	GENDER	CAPACITY
Cllr. Mahlase M.M.	F	Mayor
Cllr. Malaka MS	M	Head Infrastructure Services
Cllr. Matjomane NM	M	Head Corporate Services
Cllr. Phala M	F	Head Budget and Treasury
Cllr Rankoe TP	M	Head Community Services
Cllr. Moswane EM	M	Head Economic Development and Planning
Cllr. Morwamakoti M	M	Deputy Head Infrastructure
Cllr. Mahlase E.	F	Deputy Head of Budget and Treasury
Cllr. Machaba G.	M	Deputy Head Economic Development and Planning
NB: No appointed deputy head in community services department		

COMMITTEES OF COUNCIL AND PURPOSE OF EACH COMMITTEE

Table 17: Committees of Council and purpose of each committee

NAME OF THE	NAME OF	GENDER	CAPACITY	PURPOSE OF

COMMITTEE OF THE COUNCIL	MEMBER	MEMBER	MEMBER	MAYORS COMMITTEE
Executive Committee	Cllr Rankoe TP	M	Head Community Services	To provides political leadership, setting the vision, identifying community needs, and recommending strategies and services to the Municipal Council
	Cllr. Cllr. Moswane EM	M	Head Economic Development and Planning	
	Cllr. Morwamakoti M	M	Deputy Head Infrastructure	
	Cllr. Mahlase E.	F	Deputy Head Budget and Treasury	
	No appointed deputy head in community services department	Deputy Head Community Services		
	Cllr. Machaba G.	M	Deputy Head Economic Development and Planning	
Budget & Treasury Portfolio committee	Cllr. Phala M.	F	Head	The committee plays oversight and ensures that financial resources of the municipality are managed in line with legislation and accounting policies /Regulation
	Cllr. Mahlase E.	F	Deputy Head	
	Cllr. Mokomane M.L	F	Chairperson	
	Cllr. Morodi P.E	M	Member	
	Cllr. Makua S.S	M	Member	
	Cllr. Ngoanatsobane M.G	M	Member	

	Cllr. Laka LE	F	Member	
	Cllr. Ntobeng M.L	M	Member	
	Cllr. ThokoaneA.	M	Member	
Corporate Services Portfolio committee	Cllr. Matjomane N.M	M	Head	Committee plays oversight and ensures department implements Human Resource development strategy/policy and other related policies and that staff establishment is in line with IDP objectives
	Cllr. Moretsele L. P	M	Deputy Head	
	Cllr Moshabane D	M	Chairperson	
	Cllr. Vilakazi S.M	F	Member	
	Cllr. Hleko K.	M	Member	
	Cllr. Mothupi S.M	M	Member	
	Cllr. Mashegoa na M.C	M	Member	
	Cllr. Tshehla M.B	M	Member	
	Cllr. Mogashoa KJ	M	Member	
Community Services Portfolio committee	Cllr. Rankoe T.P	M	Head	
	Cllr. Mosoane E.M	M	Chairperson	

	Cllr. Lethuba M.P	M	Member	implement core mandate such as Disaster management, environmental and waste management, law enforcement & licensing, sports, arts & culture and Library services
	Cllr. Selala P.T	F	Member	
	Cllr. Modige L.S	M	Member	
	Cllr. Kgaphola R.K	F	Member	
	Cllr. Nkadimeng K.T	M	Member	
	Cllr. Machai M.J	M	Member	
	Cllr. Boshielo M.P	M	Member	
Economic Development and Planning Portfolio committee	Cllr. Cllr. Moswane EM	M	Head	Committee playoversight and ensures that the department deliver on its mandate of economic growth job creation poverty and proper spatial planning
	Cllr. Machaba G.	M	Deputy Head	
	Cllr. Piitjo M.H	M	Chairperson	
	Cllr. Mohlakwane S.S	M	Member	
	Cllr. Leokana M.D	M	Member	
	Cllr. Tsatsi M.D	M	Member	
	Cllr. Maduana H.D	M	Member	
	Cllr. Aphane M.N	M	Member	

	Cllr Mmotong L.	F	Member	
Infrastructure services Portfolio committee	Cllr. Malaka M.S	M	Head	Committee playoversight and ensures that the department provides basic services to communities and capital budget is spent in line with council priorities
	Cllr. Morwamakoti M.	F	Deputy Head	
	Cllr. Thokwane K.Z	M	Chairperson	
	Cllr. Masemola T.P	M	Member	
	Cllr. Malatjie B.T	F	Member	
	Cllr. Masemola M.E	M	Member	
	Cllr. Ngwato O.M	F	Member	
	Cllr. Maapea R.S	M	Member	
	Cllr. Makobe P.A	M	Member	
	Cllr Mokalapa M.S/Mokalapa SM	M	Member	
	Municipal Public Account Committee	Cllr Diketane SP	M	
Cllr Mankge PR		M	Member	

	Cllr Tau T.T	M	Member	and Council committees
	Cllr Tshehla M.Z	F	Member	
	Cllr Moretsele M.A	M	Member	
	Cllr Lerobane M.M	F	Member	
	Cllr Maepa J	M	Member	
	Cllr Sebowane S.H	F	Member	
	Cllr Monakedi M.J	M	Member	
	Cllr Matsomane E	M	Member	
Ethics committee	Cllr Mphelane M.J	M	Chairperson	Committee ensures that standing rules and orders are not violated during proceedings and that may receive referrals from Council on certain rules for engagement and amendments. Petitions are engaged by the Committee after Council Whippery could
	Cllr Thamaga M.M	F	Deputy Chairperson	
	Cllr Mohlakwa ne S.S	M	Member	
	Cllr Lethuba M.P	M	Member	
	Cllr Thokwane K.Z	M	Member	
	Cllr Machai M.j	M	Member	
	Cllr Mokalapa M.S/Mokal apa	M	Member	

	SM			not find each other on the same matte.
	Cllr Ntobeng M.L	M	Member	
	Cllr Maapea R.S	M	Member	

	Cllr Boshiela M.P	M	Member	
	Cllr Mapheto M.T	M	Member	
	Cllr Diketane S.P	M	Member	
	Cllr Mashegoane M.C	M	Member	
Rules and petitions committee	Cllr Mphelane M.J	M	Chairperson	Committee ensures that there is discipline and order in Council and its committees
	Cllr Thamaga M.M	F	Deputy Chairperson	
	Cllr Mohlakwane S.S	M	Member	
	Cllr Selala P.T	F	Member	
	Cllr Mosoane E.M	M	Member	
	Cllr Makobe P.A	M	Member	
	Cllr Mokalapa M.S	M	Member	
	Cllr Tsatsi M.D	M	Member	
	Cllr Maapea R.S	M	Member	
	Cllr Mapheto M.T	M	Member	
	Cllr Modige L.S	M	Member	
	Cllr Kgatuke L.D	M	Member	
	Cllr Kgaphola R.K	F	Member	

10. Whippyery Committee	Cllr. Thamaga MM	F	Chairperson	Committee addresses matters of Council where there are dissatisfaction s about certain matters of Council and seeks to resolvethem.
	Cllr Tsatsi M.D	M	Member	
	Cllr. Masemola ME	M	Member	
	Cllr Makobe PA	M	Member	
	Cllr Maapea RS	M	Member	
	Cllr Ntobeng ML	M	Member	
	Cllr Mokalapa MS	M	Member	
11. Programmin g Committee	Cllr. Mphelane MJ	M	Chairperson)	Committee considers reportsof Executive
	Cllr. Thamaga	F	Deputy	

	MM		Chairperson	Committee and sieves which reports must go to portfolio committees for oversight and which ones must be referred to Council for adoptions or approval
	Cllr. Matlala MA	M	Member	
	Cllr. Makobe PA	M	Member	
	Cllr Ntobeng ML	M	Member	
	Cllr. Mohlala MJ	M	Member	
	Cllr. Leokana MD	M	Member	
	Cllr Makobe PA	M	Member	
	Cllr. Ntobeng ML	M	Member	
	Cllr. Maapea RS	M	Member	
	Cllr. Phala M	F	Member	
	Cllr. Nkadimeng KT	M	Member	
	Cllr Makuwa SS	M	Member	
	Cllr Machaba M G	M	Member	
	Cllr. Mmotong ML	F	Member	
	Cllr Matsomane EM	M	Member	
12. Geographic Names Change Committee	Cllr. Mphelane MJ	M	Chairperson)	Committee facilitates and seeks to get proposals on naming of municipal facilities and other institutions within the
	Cllr. Thamaga MM	F	Deputy Chairperson	
	Cllr. Makobe PA	M	Member	
	Cllr. Mohlala MJ	M	Member	
	Cllr Ntobeng ML	M	Member	

Cllr Sebowane SH	F	Member	municipality and ensures that there is proper public consultation on changing and naming of facilities and institutions
Cllr. Leokana MD	M	Member	
Cllr Tshehla MZ	F	Member	
Cllr. Ntobeng ML	M	Member	
Cllr. Phala M	F	Member	
Cllr Maapea RS	M	Member	
Cllr. Mmotong L	F	Member	
Cllr. Matsomane EM	M	Member	
Cllr. Nkadimeng KT	M	Member	
Cllr Makuwa SS	M	Member	

	Cllr Machaba G	M	Member	
13. Chairperson of Chairpersons Committee	Cllr. Mampana MA	M	Chairperson of Chairpersons	Committee discusses challenges and recommends to the Speaker remedial action that should be applied on matters that affect portfolio committees
	Cllr. Mokomane ML	F	Budget and Treasury	
	Cllr. Mosoane EM	M	Community Services	
	Cllr. Morwamakoti M	M	Corporate Services	
	Cllr. Piitjo MH	M	Economics Development and Planning	
	Cllr. Thokwane KZ	M	Infrastructure Services	
	Cllr. Diketane SP	M	Municipal Public Accounts Committee	
	Cllr. Thamaga MM	F	Council Whippery	
	Cllr. Mphelane M.J	M	Ethics Committee Rules and Petitions Committee Geographical Names Committee	
14. Audit and Performance Committee	Mr. Chuene VK	M	Chairperson	Committee discusses the performance and recommends remedial actions
	Ms Ramutsheli MP	F	Member	
	Ms Mabula RA	F	Member	
	Ms Majuta MS	F	Member	

	Mr Komane TR	M	Member
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Section 81 Traditional Leadership

During year under review of 2024/2025 there was no traditional leaders serving incouncil as per section 81.

District representative councillors

Table 18: District representative councillors

AS FROM 01 JULY 2024 TO 30 JUNE 2025	
SURNAME & INITIALS	PARTY
Cllr. Rankoe T.P	ANC
Cllr. Thokwane KZ	ANC
Cllr. Moswane ME Replaced by Cllr Matlala MA	ANC
Cllr. Leokane MD	ANC
Cllr Machai J Replaced by Cllr. Machaba G	EFF
Cllr. Mashegwane M Replaced by Cllr. Matjomane EM	EFF
Cllr. Makobe PA	SAMEBA
Cllr Mokomane ML	ANC

2.1.2 Administrative Governance

The administration is led by the Municipal Manager, who is appointed in terms of Section 56 of the Municipal Systems Act. The Municipal Manager is employed on a contract basis, which includes an annual performance agreement with performance objectives, targets, and procedures for evaluating performance. The Municipal Manager is also the Accounting Officer of the Makhuduthamaga Local Municipality. The Municipal Manager and five (5) Senior Managers post to implement council resolutions, advise Council and its committees and oversee the implementation of Integrated Development Plan (IDP) and Budget planning. There are functions that are delegated by Council to the Municipal Manager, who, in turn, delegates certain

functions to the Senior Managers in terms of municipal delegation of powers and responsibilities. Under their leadership, municipal officials are assigned with the task to attend community consultative meetings and report to management meetings on plans and progress in addressing community issues.

Makhuduthamaga Top Management

Table 19: Makhuduthamaga Top Management

Designation	Initials & Surname	Gender	Service
Municipal Manager	Mogamedi R.M	M	Head of Administration – Accounting Officer
Chief Financial Officer	Mothapo KT	M	Provision and management of financial services to ensure financial viability, compliance, and reporting
Senior Manager: Corporate Services	Matsetse PE	M	Provides corporate services to ensure efficient support of organizational processes
Senior Manager Economic Development & Planning	Tong KT	F	Provision of economic development and support of SMMEs and town planning
Senior Manager: Community Services	Mashao AM	F	Renders integrated community services to all the municipality's communities
Senior Manager: Infrastructure Development	Lubisi NB	F	Provisions of development, maintenance, and service delivery to ensure sustainable services to all communities
Gender Equity: Female = 3 and Male = 3			

2.2. Component B: Intergovernmental Relations

The purpose of inter-governmental relations is to achieve the constitutional mandate for local government by mobilizing resources and strategic partnerships which will ensure cooperation and co-ordination by all stakeholders (national, provincial, and local).

2.2.1 Intergovernmental Structures

a) National inter-governmental structures

- **National Treasury** – coordinates the development of the Local Government fiscal framework applicable to Municipalities within the context of the Division of Revenue Act. It manages the development of the Local Government Equitable Share formula and ensures compliance with the MFMA to modernise local government budgeting and financial management processes and practices. It provides assistance to improve financial governance and to maximize Municipal capacity to deliver services through efficient, effective and sustainable manner in dealing with corrupt activities. It sets up the accountability cycle by ensuring proper linkages between IDPs, Budgets, SDBIPs, Mid-Year Reports, Annual Financial Statements, Annual Reports, Oversight Reports, and Audit Reports
- **The Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA)** develops various policies and guidelines to enable sustainable development to eradicate poverty and develops a service-orientated culture that requires the active participation of the wider community.
- **SALGA** – Is the national representative body of local government and has a constitutionally defined mandate. It responds to challenges facing organised local governments and addresses past weaknesses.

Provincial Intergovernmental Structures

- **OFFICE OF THE PREMIER** – It focuses on cooperative and good governance through the provision of advice and information, coordination, monitoring, and support to local government.
- **PROVINCIAL TREASURY**– The functions of provincial treasuries are to promote cooperative Government amongst role-players and assist National Treasury in implementing the MFMA, monitor Municipal budgets and outcomes, analyse in-year reports, and take intervention measures to assist Municipalities that breach the MFMA. The Provincial Treasury has established various units to assist and monitor the Municipality. These units specialize in revenue enhancement, assets, accounting standards, and in year reporting. Through the assessment meeting and technical assessment meetings, various Municipal issues in the province are discussed to formulate solutions and plans to improve Governance and service delivery.
- **COGHSTA** – To assist and provide guidance in building a clean, effective, efficient, responsive, and accountable local government. To strengthen partnerships between local

government and communities and ensure Municipalities meet their mandate of providing basic services.

- **SALGA** – It is the official representative of local government, an employer's organization for all Municipalities, and sits as the employer in the South African Local Government Bargaining Council.

2.2.2 Relationships with municipal entities

The Municipality does not have any Municipal entities.

2.2.3 District inter-governmental structures

The Sekhukhune District Municipality has a supporting role to play in the planning and coordinating of activities within its boundaries to ensure the provision of services in the district. It is therefore imperative that the capital allocations from the district be based on community needs. These projects are implemented by the District Municipality such as water and sanitation

District Intergovernmental forums

District monitoring and evaluation forum and Mayor's forum, speaker's forum, Municipal Managers forum, chief-whip forum, CFO's forum IDPs' Forum, MPAC Forum and EPWP's Forum.

2.2.4 Representative Forums

Local Labour Forum

The table below lists the members of the Local Labour Forum (LLF) for the year under review, which is from the 1st of July 2024 to 30th of June 2025.

Table 20: Local Labour Forum members

Name of representative	Capacity	Representing	No of meetings
Cllr. Matsomane NM	Chairperson	Employer	<i>Twelve (12) meetings held</i>
Mr. Letshedi GR	Member	Employer	
Cllr. Phala M	Member	Employer	
Mr. Matsetse PE	Member (SM: Corporate Services)	Employer	
Mr. Makgalemane TM	Member	Employer	
Mr. Leshaba DM	Deputy Chairperson	IMATU (Labour)	
Mr. Sekgala ML	Member	IMATU (Labour)	
Ms. Mogale NB	Member	SAMWU (Labour)	
Ms. Kgothi NM	Member	SAMWU (Labour)	
Mr. Maabane MR	Member	SAMWU (Labour)	
Total	10	Employer: five Labour : five	

2.3 Component C: Public Accountability And Participation

The municipality ensures widespread and conducive stakeholder participation and accountability through the following interventions:

Media such as local newspapers, ward community meetings, local radio stations, and local communicators forums are utilized to inform communities and stakeholders of Council's activities.

All messages/information are conveyed in a language/ understood by the general community.

The venues and times for public meetings are well-communicated, and efforts are made to hold meetings conveniently for all stakeholders. Adequate time is allowed for the community, representatives of organizations, and businesses to report back to their relevant forums and make inputs.

Council meetings are open to the public, and residents are invited to attend through notices in the local newspaper, social media platforms and at notice boards at all municipal key points and libraries. Important documents such as IDP, budget, and valuation roll are made available at all public areas within the municipal jurisdiction.

Ward committee and ward community bi-monthly meetings are convened after an ordinary Council sitting and serve as a platform for interaction, engagement, and sharing of information with ward councillors. Various forums exist on local, district, and provincial levels. At least 12 Mayoral outreach programmes are held during the 2024/2025 financial year through municipal area. Community development workers (CDWs) act as a link between the government and the community. The establishment of the Integrated Service Delivery Model (ISDM) as an innovative and new approach to service delivery.

2.3.1 Public meetings communication, participation, and forums

The municipality regularly engages the community at consultation meetings to provide feedback on development progress. These consultation meetings are also utilised to gather inputs from communities concerning service delivery needs and disseminate information on the roles and responsibilities of the municipality. The Mayoral Outreach Programme is regarded as another form of community consultation. 12 Mayoral Outreach meetings were scheduled for the financial year under reviewed and 24 outreach events on service delivery were conducted in villages such as Ga-Masemola, Phokwane and Mabintane, Molebeledi, Mphane, Mare Setebong, Dichoeung, Magapung, Masanteng etc. There are also mayoral special programmes intended to reach out to vulnerable groups such as the youth, the aged, people living with disabilities etc of which the municipality managed to organise 25 special programmes during the year under review.

The main purpose of these consultations is to ensure that the political principals get closer to the communities and afford community members a chance to voice their needs and participate in council matters.

The IDP forum, constituted by Councillors, Business organisations representatives, Non-Governmental Organisations (NGOs) / Community-Based Organisations (CBOs), government departments, agricultural organisations and other stakeholder representatives, is another platform where representatives of various interest groups are allowed to represent community interests and contribute knowledge and ideas. This

builds consensus and support for the planning process itself and ensures broader ownership of the outcomes. Media Statements were held to update the media with information on the latest developments in the municipality.

Regular interactions and stakeholders' engagement such as business formations and Non-Governmental Organisation, Inclusive of IDP/Budget public participation program. Good customer care is of fundamental importance to any organization and analysis here shows that residents view the Municipality's people relations in a negative light. A successful Communication Strategy therefore links the people to the Municipality's programme for theyear.

Below is a communication checklist of the compliance with communication requirements:

Table 21: Communication Checklist

Communication activity	Yes/No
Communication Unit	Yes
Communication Strategy	Yes
Communication Policy	Yes
Customer Satisfaction Surveys	Yes
Functional Complaint Management Systems	Yes
Newsletters distributed at least quarterly	Yes

2.3.2. IDP Participation and Alignment

Both the IDP and Multi-year Budget process for the period 2024/2025 was open to the public for comments. The documents were available for inspection at the municipal office, all municipal libraries and on the municipal website: www.makhuduthamaga.gov.za . The Mayor of Makhuduthamaga Local Municipality, Honourable Cllr. Mahlase MM invited members of the public and all stakeholders to participate in the IDP and Budget Consultation for 2024/2025 financial year. The following is the programme of IDP public participation for 2024/2025:

Table 22: IDP public participation programme for 2024/25 Financial Year

Stakeholders consulted	Date	Venue
Magoshi and Business people	03/04/2024	Municipal building
Schoonoord and Jane Furse Cluster	04/04/2024	Peter Nchabeleng Sports Complex, Schoonoord
Masemola and Phokoane Cluster	05 /04/2024	Mogaladi Community Hall
Special Focus Group	05 /04/2024	Kgaola Mafiri Municipalbuilding
Municipal Staff	06/04/2024	Municipal Chamber
Masemola Cluster joint with SDM	18/04/2024	Patantshwane Community Hall

The review of IDP by COGHSTA during the year under review

Table 23: IDP Participation and Alignment Criteria

IDP Participation and Alignment Criteria*	Yes/No
Does the Municipality have impact outcome input output indicators?	Yes
Does the IDP have priorities objectives KPIs development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes

Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarterly aligned reports submitted within stipulated time frames?	Yes

The following table is the programme of Annual Report consultation for previous financial year 2023-2024

Table 24: 2022/23 Annual Report Consultation Programme

Date	Target Stakeholder	Venue
12/02/2024	Magoshi and Business Sector (Joint with SDM)	Municipal Chamber, Jane Furse
13/02/2024	Masemola Cluster and Phokoane Cluster	Mologadi Community Hall
19/02/2024	Schoonoord Cluster and Jane Furse Cluster	Peter Nchabeleng Sports Complex, Schoonoord
20/02/2024	Special Groups	Kgaola Mafiri Municipal Hall, Jane Furse
22/02/2024	(Joint with SDM)	Sewulawele Sports Ground, Ga-Moloi Village
23/02/2024	Municipal Staff	Municipal Chamber, Jane Furse

2.3.3 Ward committees

The purpose of the ward committee system is to provide an interface for public participation and the general interaction between the community and Council. The municipality has an intensive community consultation process that is done at ward level, in line with the community-based planning approach. This process stimulates participatory governance by affording community members a fair opportunity to deliberate on issues affecting them in their respective wards. Over and above that, this approach was implemented to inevitably include the local community in decision-making, planning, and to generally allow them to play an active part in their own developmental affairs. To facilitate this community consultation process, thirty-one (31) ward committees were established, chaired by the ward councilor, and supported by ten (10) ward committee members. The ward councilor ensures that the interests of all people / groups in the ward are presented in Council. Ward committee meetings are held monthly to discuss, amongst other things, resolutions taken by Council.

Ward committee structures narrow the gap between the municipality and communities since ward committees have the knowledge and understanding of the residents and communities they represent. CDWs work in conjunction with ward committees to link communities (regarding the municipality's community development initiatives/programs) and the provincial government departments.

The notion of participation remains a key cornerstone of good governance and constitutes an integral component in the policy making process, development planning and budgeting. Section 152 of the Constitution places the participation of communities at the centre of service delivery and other matters of Local Government. Correspondingly, the Local Government: Municipal Structures Act, 1998 and Local Government: Municipal Systems Act, 2000 provides the legislative framework for the establishment of Ward Committees by municipalities.

The Local Government: Municipal Systems Act of 2000 states in section 42 that a municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4, must involve the local community in the development, implementation and review of the municipality's performance management system and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality (Service delivery budget implementation plan).

A general understanding has emerged that a ward committee is an area-based committee whose boundaries coincide with ward boundaries.

The municipality has 310 ward committee members in 31 wards. They successfully met on a monthly basis and were also paid a monthly stipend of R1 500,00. Ward committee reports are submitted to the office of the speaker on a quarterly basis to council.

Ward committees:

- are made up of representatives of groups in a particular ward
- are made up of members who are elected to represent a specific geographical area/block
- are chaired by the ward councilor
- are meant to be an institutionalized channel of communication and interaction between communities and municipalities
- give the community members the opportunity to express their needs and opinions on issues that affect their lives, and to be heard at the municipal level via the ward councilor
- are advisory bodies created within the sphere of civil society to assist the ward councilor in carrying out his or her mandate in the most democratic manner possible

.These committees play a critical role in the development and annual revision of the integrated development plan of the area.

The ward committees support the ward councilor, who receive reports on development, participate in development planning processes and facilitate wider community participation. The municipality constantly strives to ensure that all ward committees' function optimally in terms of the provision of community information, convening meetings, ward planning, service delivery, IDP formulation and feedback on performance to communities.

2.4 COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed

The municipality has implemented a system of corporate governance that encourages the effective, efficient, and economic use of resources towards better service delivery and ensures accountability and responsibility for the stewardship of those resources. This governance framework supports sound financial decision-making, ensuring affordable services to the community, guiding funding and financing priorities, and facilitating performance monitoring and review. During the year under review, the following key governance responsibilities were functional:

- Internal audit unit, which operates in terms of an approved internal audit plan/charter
- Audit Committee, which operates in accordance with approved terms of reference and Charter
- A risk assessment was conducted, which includes a risk management strategy and monitoring of key risks according to a risk register.
- An approved Fraud Prevention Plan exists.
- A strategic plan was prepared and approved for the financial year, which forms the basis for performance monitoring against the SDBIP, the municipal mandate, objectives, outputs, indicators, and targets.
- A performance management system is in place.

- An approved system of delegations exists to maximize administrative and operational efficiency and to provide for adequate checks and balances as required in terms of Section 59 to 65 of the Municipal Systems Act 32 of 2000.

Council has delegated its administration duties to the Municipal Manager who has five Departmental Heads in charge of the following departments:

- Corporate Services
- Economic Development and Planning
- Community Services
- Infrastructure Development and
- Budget and Treasury Office

2.4.1 Risk Management

Section 62 (1) (c) (i) (a) of The Local Government Municipal Finance Management Act 56 of 2000 assigns an extensive responsibility to the Accounting Officer/Municipal Manager to take all reasonable steps to ensure that the Municipality has and maintains effective, efficient, and transparent systems of risk management and internal controls.

Risk management policy of Makhuduthamaga Local Municipality as approved by the council further extends responsibility to all Municipal officials to implement effective systems of risk management within their areas of responsibility. Accordingly, the Risk Management Unit is established in the Office of the Municipal Manager.

Members of Risk Management Committee as at end 2024/2025 financial year

Risk management committee is chaired by external person, and it's composed by the members as per the table below:

Table 25: Members of Risk Management Committee as end 2024/2025 financial year

Committee Members	Gender	Designation
Ms. Ramutsheli M.P	Female	Chairperson
Mr Moganedi RM	Male	Member Municipal Manager
Mr Mothapo KT	Male	Member (Chief Finance Officer)
Mr Matsetse PE	Male	Member (Senior Manager Corporate Services)
Ms Lubisi NB	Female	Member (Senior Manager Infrastructure Development)
Ms Mashao AM	Female	Member (Senior Manager Community Services)

Ms Tong KT	Female	Member (Senior Manager Economic Development and Planning)
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In accordance with the requirements of The Local Government Municipal FMA, the annual risk assessment was conducted through intensive departmental sessions and risk assessment workshops. The annual risk assessment covered both strategic and operational risks and security risk assessments of the Municipality, fraud and corruption risks were also identified in both strategic and operational levels.

A detailed risk register was developed comprised of both strategic and operational risks with the top risks being prioritized by management. All identified risks were grouped into specific risk categories to get a more manageable risk register with greater possibility to overview risks, followed by the rating of the risks and controls. Intervention measures were incorporated into the Risk Register through actions plans with clear time frames and assigning responsibilities to relevant process owners and risk owners.

Table 26: Risk descriptions, Root Cause, Risk Consequences & Mitigations

Risk Description	Root cause	Risk Consequences	Mitigation
>Land invasion	>Land owned by third party >Intentional occupation of land for future financial compensation when legally evicted >High demand in human settlement >Economic opportunities	>Delays in developing the acquired land >Financial implications due to legal processes >High cost of in provision of services due to uncoordinated developments >Noncompliance with National Building Regulations	1. Continue engagements with Tribal authorities to liaise with the municipality from the planning stage of land allocation

<p>Inability to meet some basic service needs</p>	<ul style="list-style-type: none"> >Insufficient funds to implement projects >Poor maintenance of existing national and provincial roads >Municipality is not electricity license holder >Municipality is not a water service provider >Municipality not funding housing programme 	<ul style="list-style-type: none"> >Community unrest >low business access and low growth in business within municipal jurisdiction >inefficient movement of commuters 	<ol style="list-style-type: none"> 1.Implementation of roads, bridges and stormwater maintenance plan 2.Implement electrical maintenance plan 3.Co-ordinate housing assessment to resolve previous housing backlog with CoGHSTA 4. Identifying indigents for housing for 2023/2024 housing allocation
<p>Lack of socio-economic development and growth</p>	<ul style="list-style-type: none"> >Ineffective implementation of LED strategy 	<ul style="list-style-type: none"> >high unemployment rate >High rate of poverty >Slow Business Growth 	<ol style="list-style-type: none"> 1.Alignment of the LED strategy and IDP 2.Continue with implementation of the LED strategy

Financial Unsustainability	>Low and non-collection of revenue	>Inability to meet the municipal financial obligations >Inadequate revenue collection streams	1.To engage with Magoshi and CoGHSTA so that property rates could be collected by the municipality not Tribal offices
Environmental pollution	>Illegal Dumping of waste > None implementation of by-Laws (waste management by-Laws) >Inadequate waste collection	>Health hazard to community	1.Environmental education and awareness 2.Clean-up campaigns 3.Enforcement of waste management by-laws 4.Training of newly appointed personnel 5.To engage BTO about the method of payment for villages piloted from 2020

2.4.2 Anti- Fraud and Corruption

Our Municipality has a commitment to deal with all Fraud, Corruption and Mal-administration activities. This will involve proactive, on-going, and consistent fraud risk management processes to mitigate fraud risks to the lowest levels towards the achievement of the Municipal objectives. Fraud is an ever-increasing global problem that affects us all the Municipality is not immune to this worldwide epidemic and is not prepared to be a victim of fraud but rather seeks to be part of the solution to a fraud free society.

Section 166 of the Local Government Municipal Finance Management Act no 56 of 2003 requires each Municipality to establishment an audit committee, Performance and risk committee as an independent advisory body which must:

advise the municipal council, the political office bearers, the accounting officer and the management staff of the municipality on matters relating to:

internal financial control and internal audits

- (ii) risk management
- (iii) accounting policies
- (iv) the adequacy, reliability and accuracy of financial reporting and information

- (v) performance management
- (vi) Effective Governance
- (vii) compliance with acts and legislations
- (viii) performance evaluation

The above requirement is to ensure appropriate and effective system of internal control for the accounting officer and senior management to prudently incorporate fraud risk management and internal control within the Municipality governance processes.

The accounting officer and senior management make a robust assessment of fraud risk as to how they will be managed and mitigated to suit the service delivery plan of the Makhuduthamaga Local Municipality.

This can be achieved by implementing and designing efficient and effective internal control processes to prevent the likelihood of existing and emerging fraud risks to manifest at an alarming rate.

2.4.3 Audit and Performance Committee

The audit and performance committee reports have been complied with its responsibilities arising from section 166(2) (a) of the MFMA. The audit and performance committee also report that it has adopted appropriate formal terms of reference as its audit and performance committee charter, and that its affairs are in compliance with this charter. It also confirms that it has further discharged all its responsibilities as contained therein. Audit and performance committee reports for all four quarters of the financial year ended 30 June 2025 were submitted and adopted by the municipal council.

2.4.3.1. The effectiveness of internal control

The system of internal controls applied by the municipality over financial management, risk management and governance processes were confirmed to be effective, efficient and transparent as well as in line with the MFMA and the King IV Report on Corporate Governance requirements. The Internal Audit reports to the audit and performance committee and management, were processed and confirmed to be providing assurance that the internal controls within the Municipality are appropriate and effective. This is achieved through all the audit engagement projects performed during the financial year, including audit on risk management processes, performance management and all other components as per its annual plan.

Evaluation of annual financial statements, Risk Management & Performance Management

The Audit and Performance Committee had convened a special meeting with the Accounting Officer, all executive management and stakeholders, purposively for the review of the draft annual financial statements as well as the review of the draft annual performance report, prior to submission thereof to the Auditor-General of South Africa for auditing.

The Audit and Performance Committee also looked at the prior year Auditor-General of South Africa's management report and management's response thereto and discussed the progress on implementation of the management's remedial action plans on a quarterly basis for the year ended 30 June 2025.

We have reviewed the risk assessment registers and risk monitoring progress reports presented to the risk management committee, as well as implementation of the action plans for all four quarters of the financial year ended 30 June 2025, and the audit and performance committee is therefore satisfied with the functionality of the risk management committee and the risk management unit within the municipality.

The Audit and Performance Committee further looked at the municipality's compliance with legal and regulatory provisions through the advice from the legal service unit and it is satisfied, except on matters highlighted in the quarterly reports to council meetings.

The Committee also reviewed the quarterly performance management reports and annual performance report for the year ended 30 June 2025 and discussed the reports with management on a quarterly basis.

2.4.3.2. Internal audit

Section 165 (2) (a) (b) (iv) of the MFMA requires that:

The internal audit unit of a Municipality must– (a) Prepare a risk-based audit plan and an internal audit programme for each financial year; and (b) Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to internal audit.

The audit and performance committee is satisfied that the internal audit function is operating effectively and that it has identified weaknesses in the system of internal controls pertinent to the municipality and also recommended corrective actions to improve the system of internal control.

Quality assurance and improvement programme

Efforts has been made to ensure that external quality assurance reviews are performed in accordance with IIA standards 1300 on the internal audit function, and successfully through the unwavering support and assistance of CoGHSTA in the province, we were able to conduct external quality assurance and improvement program reviews.

However, with effect from the 09th of January 2025, the new Global Internal Audit Standards had been incorporated in the strategic documents that guides internal audit operations. These reviewed strategic documents were submitted to the Auditor General of South Africa during the audit.

Below is the Audit and Performance Committee members appointed with effect from the 1st of August 2023- 31st of July 2026:

Table 27: Audit and Performance Committee members from 1st August 2023 – 31st July 2026

Name	Capacity and Number of Meeting	Dates of APC meetings held
Mr. Chuene Victor Kokoto	Chairperson(11)	23 July 2024 27 August 2024
Mrs. Ramutsheli Mashamaite Peterlia	Member(8)	04 October 2024 24 October 2024
Mrs. Mabula Ramogohlo Anastacia	Member(11)	25 November 2024 02 December 2024
Ms. Majuta Moloko Sarah (CA)SA	Member(11)	24 January 2025 28 March 2025
Mr. Komane Thamaga Ronny	Member (resigned during the financial year under review)(6)	16 April 2025 09 May 2025 28 May 2025

Attendance of Audit and Performance Committee meetings per member.

Table 28: Attendance of meetings by the Audit and Performance Committee members

Name	Capacity	Number of meetings attended
Mr.Chuene Victor Kokoto	Chairperson	11
Ms. Ramutsheli Mashamaite Peterlia	Member	8
Ms Mabula Ramogohlo Anastacia	Member	11
Ms Majuta Moloko Sarah (CA)SA	Member	11
Mr Komane Thamaga Ronny	Member (resigned during the financial year under review)	6

Below are the operational activities and audit engagement projects of the Internal Audit Unit, which were performed and completed during the year under review 2024/2025:

Table 29: Operational activities and audit engagement projects by Internal Audit

Planned Activity/projects	Status
Policies and plans	
Reviewed Audit and Performance Committee Charter	Reviewed and recommended for approval on the 23 rd of July 2024 by Audit and Performance Committee to Council
Reviewed Internal Audit Charter	Reviewed and approved on 23 rd of July 2024 by Audit and Performance Committee. Recommended for adoption by the municipal council

Reviewed Internal Audit Strategy	Reviewed and approved on 23 rd of July by Audit and Performance Committee. Recommended for adoption by the municipal council
Reviewed Internal Audit Methodology	Reviewed and approved on 23 rd of July by Audit and Performance Committee. Recommended for adoption by the municipal council
Three year rolling Internal Audit Plan and annual programme	Developed and approved on 25/11/24 by Audit and Performance Committee
Projects – (Risk based)	
Review of AFS and APR (2024/2025)	Completed
Follow up audit on AGSA report (2023-24 AGSA findings)	Completed
Follow up audit on IA reports (2023 –24 IA findings)	Completed
Risk Management, Security and Loss control	Completed
Review on UIFW(e)-Value for money	Completed
Environmental, Waste Management including disaster relief	Completed
Supply Chain Management Audit	Completed
Human Resource Management and HRD Audit	Completed
Economic Development and Planning (EDP) Audit	Completed
Assets and Inventory Management Audit	Completed
ICT Audit	Completed
IDP/Budget and SDBIP process	Completed
Revenue and cash management Audit	Completed
MSCOA Compliance Audit	Completed
Project and contract management Audit	Completed

Expenditure Management Audit	Completed
Transport and Fleet management Audit	Completed
Regulatory Audit	
Audit of Performance Information (First Quarter, Second Quarter, Third Quarter, and Fourth Quarter)	Completed

2.4.4. Supply Chain Management

Section 217 of the Constitution of the Republic of South Africa requires that when an organ of State contracts for goods and services it must do so in accordance with a system which is fair equitable transparent competitive and cost effective.

The management has developed and a Supply Chain Management (SCM) Policy and practices in compliance with the guidelines set out by the Supply Chain Management Regulations, which was approved by Council. The Preferential Procurement Regulations, 2017, with effect from 1 April 2017, were incorporated into 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 CSD (Central Supplier Database) was implemented for a supplier to be registered before he/she can be used.

The Supply Chain Management Policy guides all SCM role players relative to Sections 47 and 48 of the MFMA SCM Regulations. SCM is centralized and the municipality has established the three (3) bid committee system. No councillors are members of the committee of the committees handling supply chain processed.

2.4.4.1. Supply Chain Management Unit

Chapter 11 of the MFMA compels the municipalities to establish Supply Chain Management Units and implement the SCM Policy which gives effect to all SCM functional areas. The Supply Chain Management Unit has been established and operates under the direct supervision of the Chief Financial Officer.

0. SCM Processes and Procedures

The following processes mentioned here under will be summarized in stages. i.e. from requisition stage up to the final stage of appointment of a service provider.

1. Demand

The user department identifies a need for particular goods and/ service.

Verifies that goods or services requested are in the approved IDP, SDBIP and have funds available as per the approved Annual Budget.

Submit the requisition to the budget unit for confirmation of budget and signature by Manager Budget/delegated official.

Submit the request to Bid Specification committee for the development of detailed specifications of goods or services required.

3. Requisitions

- The user department will raise a requisition on the mSCOA system

- The requisition gets approved by the Head of Department (HOD)

4. Bid Specification Committee

- The Committee is established in terms of sec. 27 of the Supply Chain Management regulation and the policy of the Municipality.

- The Committee performs their tasks as required in terms of sec. 27 of the Supply Chain Management regulation and the policy of the Municipality.

- An advert is then placed with the specification from the said Committee on the Municipal website and notice board.

5. Bid Evaluation Committee

- The Committee is established in terms of sec. 28 of the Supply Chain Management regulation and the policy of the Municipality.

- The Committee performs their tasks as required in terms of sec. 28 of the Supply Chain Management regulation and the policy of the Municipality.

- The Committee prepares a report with recommendation(s) to the Bid Adjudication committee.

6. Bid Adjudication Committee

- The Committee is established in terms of sec. 29 of the Supply Chain Management regulation and the policy of the Municipality.

- The Committee performs their tasks as required in terms of sec. 29 of the Supply Chain Management regulation and the policy of the Municipality.

-The committee analyse the report from the Bid evaluation committee and make recommendations to the Accounting Officer

7. Appointment Stage

The Accounting officer may after due consideration of the reports from the said committees accept or reject recommendations from the Bid Adjudication Committee as in terms of sec. 29(5) (b) of the Supply Chain Management regulation and the policy of the Municipality.

The Municipality has adopted a Supply Chain Management Policy which is in line with the Regulation. The Municipality acquires goods and services through the processes as stated in the policy. No Councillor is a member of any bid committees, and the Municipality is adhering to sec. 117 of MFMA as well as circular No.40.

2.4.5. By-laws

The municipality has adopted by-laws which referred as community laws regarding many aspects of day-to-day activities. They are there to ensure that Municipal rules are maintained and adhered to in the coordination of the daily business activities. By-laws are also there to ensure that the municipality generates its own revenue in order to sustain delivery quality services to its communities.

Table 30: By-laws adopted by the Municipality

Name of the Bylaw	By-law gazette
Credit controls	Yes
Property Rates	Yes
Street advertising.	Yes
Street Trading	Yes
Waste Management	Yes
Public Nuisance	Yes
Public Amenities	Yes

NB: No new by- laws were promulgated during the year under review 2024-2025.

2.4.6. Municipal Website

The municipal website is an integral part of a Municipality's communication infrastructure and strategy. It serves as a tool for community participation and

improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. It also assists with public information sharing platforms; it serves as compliance tool. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, among others are IDP; SDBIP; the annual budget adjustments and budget related documents and policies. The Municipality has a service level agreement with the State Information Technology Agency (SITA) for website maintenance.

2.4.7. Public Satisfaction in Municipal Services

During the year under review the municipality conducted customer satisfaction survey on municipal services.

2.4.8. All Municipal Oversight Committees

The municipality has four committees namely: MSA s79 portfolio committees, s79 standing committee (Municipal Public Accounts Committee), MFMA s165 (Audit Committee) and Risk Management Committee. The municipal council established section 79 in terms of the Municipal Structures Act. This committee plays oversight on the work of the Executive Committee monthly by engaging in the reports of the executive committee and visiting projects. The Audit Committee's role is to play oversight on the work of the Council and provide advice on the performance of the municipality on a quarterly basis. The Risk Management Committee has been established to advise the municipal manager on risk management issues. The committee is chaired by a member of the Audit Committee and reports from the Risk Management Committee are then tabled to the Audit Committee. The Risk Management Committee is composed of Risk Management Unit, Risk Champions and Audit Committee members

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

INTRODUCTION

This chapter focuses on service delivery on a service-by-service basis. It reflects municipal performance derived from the IDP objectives, translated into SDBIP and presents data on community needs and resource deployment.

3.1 Basic services performance

The Municipality performs the following functions in relation to the provision of Basic Services:

- Provision of electricity
- Provision of roads and storm water system
- Repair and maintenance of existing infrastructure related to electricity, roads, bridges, storm- water
- Promotion of social cohesion, road safety management, environmental welfare and disaster management

3.1.1 Electricity

The Municipality has entered into a Service Level Agreement (SLA) with the National Department of Energy for the provision of household connections. After the completion of the projects the municipality transfers the projects to Eskom for maintenance. The Municipality is experiencing the following household electrification challenges:

- Insufficient capacity on the existing network.
- New extensions of residential sites for post connections
- Budgetary Constraints
- Illegal connections to households

Makhuduthamaga Local Municipality is not an electricity license holder. The municipality has entered into a Service Level Agreement (SLA) with the National Department of Energy for the provision of household electrical connections. Once these projects are completed, they are transferred to Eskom for ongoing maintenance and management. Therefore, while the municipality plays a role in initiating and completing the connections, Eskom is the entity responsible for addressing the issue of illegal connections, including those through KRN2, and for taking the necessary steps to manage these illegal activities.

Comment on electricity services' performance overall

The municipality was allocated an amount of R10 370 000 INEP allocation for the 2024/25 financial year. The allocation was used to implement five (7) projects which were for electrification. One project had inception designs completed at the end of 2024/25 financial year, four (4) projects were completed up to installation of electrical infrastructure, and two (2) projects were not completed due to delays emanating from the late approvals of designs by ESKOM, scope change control was implemented to re-allocate the funds to other projects.

Table 31: Households provided with electrical infrastructure

Name of villages		Number of Households			
Mohlarekoma		363			
Mabintane		124			
Leeukraal		100			
Soetveld		38			
Job Level	2024/2025	2024/2025			
	Employees No.	Approved Post No.	Filled Post No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total post) %
0-3	0	0	0	0	0
4-6	0	0	0	0	0
7-9	0	0	0	0	0
10-12	1	1	1	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	1	1	1	0	0

Financial Performance 2024/25: Electricity and housing

Table 32: Financial Performance 2024/25: Electricity and Housing

Details	2024/25			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure	0	0	0	0
Employees	R 745 994	R 726 100	R 715 392	R 10 707
INEP	R12 431 000	R 10 370 000	R 10 370 000	R 2 061 000
Repairs and Maintenance	R 1 500 000	R 2 500 000	R 2 361 653	R138 347
Capital Expenditure	0	0	0	0
Total	R 14 676 994	R13 596 100	R 13 447 045	R 2210054

Expenditure				
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3.1.2. Water and Sanitation

Makhuduthamaga has entered a memorandum of understanding with Sekhukhune District Municipality for the implementation of repair and maintenance of water & sanitation projects on behalf of the Sekhukhune District Municipality and that once completed, the works be transferred to the district municipality for operation and maintenance.

3.1.3. Free Basic Services and Indigent Support

Table 33: Free basic services provided by MLM

Service provided	Number of households benefitted
1. Electricity FBE collected	1 st quarter 2068
	2 nd quarter 2134
	3 rd quarter 2052
	4 th quarter 2120
2. Refuse removal (households)	1014

The total number of beneficiaries on the municipal database is 2059, however cognisance should be taken that, the municipality is currently in the process of updating the indigent register which will be finalised by the end of March 2025.

3.1.4. Waste Management (refuse collection and disposal)

3.1.4.1. Waste management

In terms of Schedule 5 Part B of the Constitution of South Africa Act, 1996 (Act 108 of 1996), waste management, including the removal of refuse, refuse dumps and solid waste disposal, is a local government function that must be executed to protect humans and environment. The Constitution of the Republic of South Africa, 1996, in Section 24 of the Bill of Rights, gives relevance in as far as the environment is concerned. The section states that everyone has the right to an environment that is not harmful to their health and well-being, and to have the environment protected for the benefit of the present and the future generations through reasonable legislative and other measures. Additionally, the National Environmental Management Act (NEMA), 1998 (Act 107 of 1998), provides for cooperative environmental governance for coordination of the environmental functions. Taking relevance to waste management functions, the National Environmental Management: Waste Act (NEMWA), 2008 (Act 59 of 2008) which is enacted by NEMA, seeks to regulate waste management

to ensure prevention of pollution and environmental degradation, and securing ecologically sustainable development, to protect human health and the environment. Makhuduthamaga Local Municipality has developed a Waste Management Policy that was approved by the council, which guides the management of waste, including the storage and transportation of waste within the Municipality.

On this function of waste management, the Municipality has taken a full responsibility of refuse removal services by placing skip bins at several strategic points within the municipal jurisdiction namely: Vleischboom, Mabintane Road, Maserumule Park, Phokoane, Brooklyn, Mohlarekoma, Glen Cowie, Moloi, Mogorwane, Riverside, Mokwete, Jane Furse, Moretsele, Makgane, Mogashoa, Schoonoord, Manganeng, Tjatane, Malegale, Marishane, Mashabela, Masemola, Apel Cross and Malope. Additionally, the Municipality has contracted various institutions for refuse removal services including: Moratiwa shopping complex, Moratiwa Cash build, Viva Garage Glen Cowie, Saint Ritas Hospital, Jane Furse Hospital, Jane Furse Plaza, Jane Furse Comprehensive School, Kwena Motors, Rakgoadi Progressive Bakery, Kgolane Shopping Complex, Jane Furse Chickanos Chicken, Mathomomayo Investment, Marotobale Primary School, Kgaladi Primary School, Makubarate Primary School, Guardian Angels College, Serokolwane Primary School, Blue Sky Supermarket, Mahlagaume Enterprise, Maphanga Residences, Jane Furse SAPS, Schoonoord SAPS, Nebo SAPS, Masemola SAPS, Nebo Magistrate Court and Boeketlong Pub and Lodge.

The waste generated and collected from the municipal jurisdiction is disposed off at the registered Jane Furse Waste Disposal Site, also referred to as Jane Furse Class GCB disposal site. This is a general communal and general small disposal site or landfill site, with permit number 12/11/9/D1. The waste disposed in the landfill site is recorded and reported to South African Waste Information System (SAWIS) on monthly basis. There are co-operatives and individuals permitted to collect recyclables from the landfill on daily basis. During 2024/2025 financial year, the Municipality conducted four (4) internal landfill site audits, one (1) in each quarter of the financial year and one (1) external audit for the financial year.

The municipality faced illegal dumping challenges across the municipal jurisdiction. To tackle some of the waste challenges, the municipality in partnership with the Department of Fisheries, Forestry and the Environment (DFFE) has implemented the Greening and Cleaning Programme whereby 65 beneficiaries were appointed. The programme started in November 2023 and ended in October 2024. The main aim of this project was to assist the municipality with litter picking, street cleaning, eradication of illegal dumps and tree planting. As at the end of June 2025, three (3) waste compactor trucks, four (4) skip loaders, one (1) tipper truck, one (1) front end loader, two (2) cage trucks and sixty (60) skip bins were in place. The municipality has successfully introduced kerbside (house-to-house/households) collection at Glen Cowie (Mathousand and New Stands) and in

Marishane Gardens. Table 34 below shows the data for the waste collected for the 2024/2025 financial year.

Table 34: Waste collection data for 2024/2025 financial year

Waste collection	Quantities
Annual skips collections made by the municipality	3509 collections
Households waste/refuse removal conducted by the municipality from households that had access for collection (at least once a week)	1014 households

Financial Performance 2024/25: Solid Waste Management Services

Table 35: Financial Performance 2024/2025: Solid Waste Management Services

Details	Original Budget	Adjustment Budget	Actuals	Variance to Budget
General Expenditure	R300 000	R200 000	R105 300	R94 700
Employees	R10 002 238	R7 166 030	R4 152 814	R3 013 216
Repairs and Maintenance	R0.00	R0.00	R 0.00	R0.00
Contracted Services	R20 000 000	R20 000 000	R17 448 805	R2 551 195
Total Expenditure	R30 302 238	R27 366 030	R21 706 919	R5 659 111

The table below is a comparison of waste collection and provides data for waste collection for a three-year period from 2022/2023 until 2024/2025.

Table 36: Comparison of waste collection for the three-year period

Description	2022/23 Actual No.	2023/24 Actual No.	2024/25 Actual No.
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Solid Waste Removal (Minimum Street level collection)	Daily street to street collection in areas where a major need was realized including Jane Furse, Phokoane, Glen Cowie, and Schoonoord.	Daily street to street collection in areas where a major need was realized including Jane Furse, Phokoane, Glen Cowie, Mokwete and Schoonoord.	Daily street to street collection in areas where a major need was realised including Jane Furse, Phokoane, Glen Cowie, Mokwete and Schoonoord.
Households waste collection (on weekly basis)	1282 households' collection for houses which had access to waste collection.	1014 households' collection for houses which had access to waste collection.	1014 households' collection for houses which had access to waste collection, which later was amended to 1014.

The municipality is experiencing the below minimum solid waste service delivery levels as shown in the table below.

Table 37: Households - Solid Waste Service Delivery Levels below the minimum

Description	2022/23 Actual No.	2023/24 Actual No.	2024/25 Actual No.
Total Households for Formal Settlements			
Households below minimum service level	Entire Makhudutha maga Municipality	Entire Makhudutha maga Municipality	Entire Makhudutha maga Municipality
Proportion of households below minimum service level	0	0	0
Informal Settlements			
Households below minimum service level	Entire Makhuduthamaga Municipality	Entire Makhuduthamaga Municipality	Entire Makhuduthamaga Municipality

Proportion of households below minimum service level	0	0	0
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Table 38: Employees: Solid Waste Management Services and Waste Disposal and Other Services

Employees: Solid Waste Management Services					
Job Level	2024/25	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	13	13	13	0	0
4 – 6	03	03	03	0	0
7 – 9	01	01	01	0	0
10 – 12	01	01	01	0	0
13 – 15	0	0	0	0	0
16 – 18	0	01	0	01	100
19 – 20	0	0	0	0	0
Total	18	19	18	01	5,56 %
Employees and Posts numbers are as at 30 June 2025. The 19 posts are a combination of general workers and truck-drivers, with 01 Waste Officer, and 01 Landfill Supervisor.					
Employees: Waste Disposal and Other Services					

	2024/25	2024/25			
	Employees No	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)

Job Level	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
Total	0	0	0	0	0

3.1.5. Roads, Bridges and Storm Water

The Municipality has the following related strategic objective for the reporting period:

To reduce infrastructure and service delivery backlogs to improve quality of life of the community by providing them with roads and storm water.

Municipality receives MIG funds and Equitable Shares In order to achieve its objective. Municipality needs more resources, both financial and human resources, to be able to address the backlog. The table shows previous comparison of prior years and the year under review.

Table 39: Gravel Road Infrastructure

Gravel Road Infrastructure Kilometers				
Financial years	Total Gravel Roads	New Gravel roads constructed/ established	New KM roads Gravel upgraded to asphalt.	Gravel km roads are maintained.
2022/23	296	4	10	55 km
2023/24	300	8	29	35.98 km
2024/25	308	2	8	56.7km

Asphalt Road Infrastructure Kilometres					
Financial years	Total asphalted roads	New asphalt roads	Existing asphalt roadsre-asphalted roads	Existing asphalt roadsre-sheeted	Asphalt roads maintained

2022/23	170	14	2.2	1	0	
2023/24	184	9	1.3	1	4	
2024/25	193	8	0	2	4	
Cost of Construction/Maintenance:						
Financial years	Gravel			Asphalt		
	New	Gravel – Asphalt amounts (R 000)	Amounts Maintained (R 000)	New (R 000)	Re-worked (R 000)	Maintained (R 000)
2022/23	14km	R 97 980	R 36 541	R 97 980	R 9 000	0
2023/24	0km	R 108 236	R 38 110	R 108 236	R 5 221	R 3 447
2024/25	2	R 45 165	R 34 999	R 14 165 263	R0.00	R 4 999

Table 40: Employees: Road Services, bridges and storm water

Job Level	No Approved Posts 2024/2025	No Filled posts 2024/2025	No Vacancies (fulltime equivalents)	No Vacancies (as a % of total posts)
0 – 3	10	10	0	0
4 – 6	8	7	1	12,5
7 – 9	1	1	0	0
10 – 12	7	6	1	14,29
13 – 15	0	0	0	0
16 – 18	2	2	0	0
19 – 20	0	0	0	0
Total	28	26	2	7,14%

Table 41: Financial Performance 2024/25: Road Services, Bridges and Storm water

Financial Performance 2024/25: Road Services, Bridges and Storm water				
Details	2024/25			
	Original Budget (R 000)	Adjustment Budget (R 000)	Actual (R 000)	Variance (R 000)
Total Operational Revenue (excluding tariffs)	R0	R0	R0	R0
Expenditure:	R6 316	R 5 827	R 5 250	R577
Employees				
Repairs and Maintenance	R 20 000	R 35 000	R 34 999	R 14 999
General Expenditure	R 4 900	R 7 900	R 5 827	R2 073
Total Operational Expenditure	R31 216	R48 727	R 46 077	R 2 651

Table 42: Capital Expenditure 2024/25: Road Services, Bridges and Storm water

No	Capital Projects	2024/25			
		Budget (R 000)	Adjustment Budget (R 000)	Actual Expenditure: (R 000)	Variance from original budget (R 000)
1.	<i>Construction of road from Mokwete to Molepane (Phase 2)</i>	<i>R 9 000</i>	<i>R261</i>	<i>R260</i>	<i>R 8 740</i>
2.	<i>Construction of access road from Maila Mapitsane to Magolego Tribal Office</i>	<i>R 20 000</i>	<i>R 16 100</i>	<i>R 15 791</i>	<i>R 4 209</i>
3.	<i>Construction of Madibong internal road</i>	<i>R 3 000</i>	<i>R 7 369</i>	<i>R 1 190</i>	<i>R 1 810</i>

No	Capital Projects	2024/25			
		Budget (R 000)	Adjustment Budget (R 000)	Actual Expenditure: (R 000)	Variance from original budget (R 000)
4.	<i>Construction of access road from Tsopaneng to Moela Kgopane</i>	R 2 500	R 500	R 426	R 2 074
5.	<i>Construction of Access Road from Phaahla/Mamatjেকে to Masehlaneng</i>	R 7 000	R 5 927	R 5 427	R 1 573
6.	<i>Construction of access road from Motor-gate Wonderboom to R579</i>	R 2000	R 1 048	R 1 048	R 952
7.	<i>Construction of access road from Molebeledi /Mamatjেকে to Masemola Moshate</i>	R 12 000	R 6 000	R 5 995	R 6 005
8.	<i>Construction of access road from Glen Cowie old post office to Phokwane (phase 2)</i>	R 8 000	R 6 000	R 5 618	R 2 382
9.	<i>Design and construction of access road from Moloji to Phushulang</i>	R 3000	R0	R0	R 3000
10.	<i>Repair and Maintenance of roads, bridges, and storm water</i>	R 20 000	R 35 000	R 34 999	R 14 999
11.	<i>Repairs and maintenance of electrical infrastructure</i>	R 1 500	R 2 500	R 2 361	R 861
12.	<i>Maintenance of municipal facilities</i>	R 3 000	R 4 000	R 3 906	R 906
13.	<i>Repairs and Maintenance of water and sanitation</i>	R 20 000	R 27 030	R 27 030	R 7 030
14.	<i>Construction of Kome internal road phase 2 (3.56km)</i>	R15 673	R 33 620	R 29 373	R 13 700
15.	<i>Construction of access road from Mathapisa/Soetveld to</i>	R 30 000	R 19 150	R 19 150	R 10 850

No	Capital Projects	2024/25			
		Budget (R 000)	Adjustment Budget (R 000)	Actual Expenditure: (R 000)	Variance from original budget (R 000)
	<i>Kgaruthuthu/Ga-Mampane Thabeng (6.5km)</i>				
16.	<i>Construction of Cabrieve Internal Road (4.12km)</i>	<i>R 7 385</i>	<i>R 16 745</i>	<i>R 16 745</i>	<i>R 9 360</i>
17.	<i>Construction of access road from Brooklyn to Makoshala (3.2km)</i>	<i>R2 500</i>	<i>R 10 119</i>	<i>R 6 199</i>	<i>R 3 699</i>
18.	<i>Procurement of waste management vehicles</i>	<i>R10 800</i>	<i>R 10 925</i>	<i>R 10 634</i>	<i>R 166</i>
19.	<i>Construction of Grade A DLTC station</i>	<i>R 1 500</i>	<i>R 500</i>	<i>R 250</i>	<i>R 1 250</i>

3.1.6. Municipal infrastructure grant performance

Table 43: Municipal Infrastructure Grant (MIG)* Expenditure 2024/25 on Service backlogs

Municipal Grant (MIG) Expenditure 2024/ 25 on service Backlog						
Details	Budget	Adjustment t Budget	Actual	Variance		Major condition s applied by donor (continue below if Necessar y
				Budget	Adjustmen t Budget	
Construction of Kome Internal Street phase 2_4.6km	<i>R15 673</i>	<i>R 33 620</i>	<i>R 29 373</i>	<i>R 13 700</i>	<i>R0</i>	<i>N/A</i>
Construction of Mathapisa/Soetveld to	<i>R 30 000</i>	<i>R 19 150</i>	<i>R 19 150</i>	<i>R 10 850</i>	<i>R0</i>	<i>N/A</i>

Kgaruthuthu/Mamp ana Thabeng access Road_6km						
Construction of access road from Brooklyn to Makoshala_3.2km	R 7 385	R 16 745	R 16 745	R 9 360	R 0	N/A
Construction of carbrievie internal street(4.12km)	R2500	R 10 119	R 6 199	R 3 699	R 3 920	N/A
Procurement of waste management vehicles	R10 800	R 10 925	R 10 634	R 166	R 291	N/A
Design and construction of Madibong internal road (3.2km)	R3 000	R3 869	R3 869	R 869	R 0	N/A
MIG Overheads	R3 500	R3 645	R3 645	R145	R0	N/A
Total	R 72 858	R 97 858	R 97 858	R 14 238	R 3 920	N/A

3.2 Planning and Development

The Makhuduthamaga Municipality is predominantly rural and most of its communities are under the leadership of traditional authorities. The Traditional Authorities are the custodians of higher proportion of land, as a result, for the Municipality to acquire land for spatial development, it must negotiate with Traditional Authorities through a land acquisition process, a process that also requires facilitation by the Department of Rural Development and Land Reform (DRDL). The Municipality has a challenge of acquiring land due to exorbitant purchase rates demanded by traditional authorities that do not match with the professional valuation of the subject properties. Most traditional authorities are also reluctant to release land as this is seen to be weakening their authority.

The Municipality facilitated consultations meetings with various traditional authorities in quest to create awareness on land use management. These traditional authorities still require more awareness to understand that the municipality requires land to facilitate spatial development within the Municipal area. This helps attract investors to come and invest within the Municipal jurisdiction, to help develop the local economy and improve the overall standard of living of all its communities.

The Municipal Council approved and adopted, the Local Economic Development (LED) Strategy together with Spatial Development Framework (SDF). The LED strategy identified the municipality's major economic drivers and proposed how they can streamline in a manner that can grow the local economy and create job opportunities for local communities. On the other hand, the SDF identified potential economic clusters (nodes) which the Municipality must pay attention to in respect of directing spatial development to unlock local economic development within the Municipal area.

Makhuduthamaga Local Municipality is predominantly rural in character and as a result, faces challenges in implementing most town planning and land use management tools. The Spatial Planning and Land Use Management Act (SPLUMA) (Act 16 of 2013) was passed to ensure that effective and standard land development procedures and land use management are followed and implemented across the country. The promulgation of the said Act further ensures that the responsibility of considering developments applications lies with the municipalities as opposed to the previous arrangement, which allowed other spheres of government to play that role. As per SPLUMA, municipalities are required to adhere to and comply with the provisions of the said Act by affecting the following changes amongst others:

- Establish Municipal Planning Tribunal (MPT) to consider relevant development applications.

- Categorize development applications.
- Promulgate Municipal Spatial Planning and Land Use Management (SPLUM) by-law.
- Appoint Members of Municipal Planning Tribunal (MPT) and nominate Municipal Authorized Official (AO)
- Develop of a wall-to-wall land use scheme
- Develop a SPLUMA compliant SDF.

3.2.1 Spatial Planning

Sekhukhune District Municipality has advised all its local municipalities to be part of a District Joint Municipal Planning Tribunal (DJMPT) as to ensure sharing of available scarce resources and further to avoid service delivery gaps within its local Municipalities. As a result, Makhuduthamaga Local Municipality through its Council resolved to be part of the district DJMPT.

Initially, the process of developing Municipal SPLUM bylaw was faced with some challenges from local traditional leaders and was then resolved after intensive consultations with the stakeholders. The resolution of the matter has opened a way for finalization of the Municipal SPLUM by-law. Nevertheless, the Council approved and adopted the SPLUM by-law in 2020 and was gazetted in the same year. The processes and/or sessions to review the said by-law were commenced in the financial year under review, with anticipation to complete the review in the financial year 2025/26.

Additionally, the municipality has finalized its Land Use Management Scheme (LUMS) which was adopted by the Council and promulgated. The completion of LUMS means that the municipality can effectively process all land development applications to speed up spatial development, influence local economic growth and influence investments. Moreover, the municipality has a Council approved SPLUMA compliant Spatial Development Framework (SDF) which has also been promulgated.

Amongst others the SDF outlines the following key priority areas:

- the need to initiate the process of formalizing Jane Furse as the primary growth point.
- introduction of formal planning of settlements.
- the need to contain development sprawl.
- conservation of protected areas.
- Development and enhancement of municipal economic potential nodes.

In implementing programs that have been identified and recommended in the SDF, the municipality has initiated projects such as development of precinct plans for economic potential nodal zones, formalization of rural settlements through sites demarcation, etc. The municipality has already conducted feasibility study for formalization of Jane Furse as the Municipal primary

node. This was done by undertaking specific studies and investigations to inform the formal township establishment process of formalizing Jane Fuse. Moreover, the Municipality has commenced with processes to formalize Jane Furse, covering a total area of 234.17ha in extent with approximately ± 1000 stands. Although the processes are at an advanced stage with layout plans in place, the Municipality and the affected traditional authority are still negotiating and/or exploring a feasible land release model that would be beneficial for both parties. As such, the project could not be completed in the financial year under review.

The municipality also identified settlements that are formally planned, the following settlements were formally planned (formal sites demarcated):

- Groblersvrede (Makgane).
- Korenvelden
- Ga-Mashabela (along R579 to Lebowakgomo)
- Ga-Marishane
- Maila Mapitsane
- Maila Segolo

This is done in response to SDF recommendations to introduce formal planning and to avoid haphazard land allocation which makes it difficult and costly to provide services such as roads, electricity and water. The Municipality received and decided on development applications and/or proposals for key economic developments (Regional shopping centres, filling stations etc.) which were subjected to formal processes, and therefore complimentary to the recommendations and/or objectives of the SDF.

3.2.2 Land Acquisition

The Municipality has been negotiating with strategic landowners for years in quest to acquire land to fulfil its constitutional mandate. Disappointingly, adequate land could not be acquired as anticipated. Consequently, the municipality resolved during its strategic planning session in February 2024, to establish a land acquisition advisory committee, that will be mandated to provide specialist advice and guidance to the Municipality on matters relating to acquisition of land. To date, the Municipality has established the Land Acquisition Advisory Committee, through a council resolution, comprising of political component (Head and the Chairperson of the Economic Development & Planning Portfolio Committee), the sector departments such as Department of Land Reform and Rural Development (Land Claims & Property Management), Cooperative Governance, Human Settlements and Traditional Affairs (Spatial Planning and Traditional Affairs, Sekhukhune District Municipality (Town Planning), Limpopo Department of Public Works, Roads and Infrastructure (Property Land Management), Office of the Mayor and

Office of the Premier (Town Planning) etc. Among other anticipated outcomes from the establishment of the above-mentioned committee is the concluded Memorandum of Understanding (MoUs) if any, with the traditional authorities on development related matters

Moreover, the Minister for Agriculture, Land Reform and Rural Development, on the 5th of July 2024, approved the transfer of ten (10) hectares located on a portion of Portion 3 of the farm Vergelegen 819KS, for the purposes of Municipal offices in complementary to the much-anticipated Sekhukhune District Government Offices precinct.

3.2.3 Local Economic Development

The Local Economic Development (LED) Strategy forms part of Makhuduthamaga Local Municipality's overall strategic plans as outlined in the Integrated Development Planning (IDP) processes in seeking to promote viable local economic activities that benefit the local community. The LED Strategy provides the Municipality with guidelines to create and facilitate local economic development and further realize the underlying economic development potential as well as to encourage private sector involvement in job creation within the jurisdiction of the Municipality.

The local economy is highly dependent upon agriculture with vegetable production, grains and fruit being the key players followed by retail services, taxi industry and manufacturing. While grain farming is a major player on a subsistence farming basis.

The LED strategy outlined the role of the municipality and other stakeholders in supporting SMMEs. Four (4) SMMEs were financially supported during the 2024/5 financial year in line with the LED Strategy. Furthermore, the Municipality formulated a strategic partnership with NYDA (Makhuduthamaga Youth Fund), for the purpose of funding businesses that are owned by youth within the Municipal area, fifty-eight (58) youth owned businesses received financial support through the youth fund. In addition, the business sector has been supported through training sessions which were conducted in collaboration with key stakeholders such as NYDA, SEDA, DALRRD, etc. The LED strategy has identified various issues and strategic areas for intervention as indicated below:

Table 44: Various issues and strategic areas for intervention

Thrust	LED Programmes
Economic Sector Development	<ul style="list-style-type: none"> • Agriculture cluster development • Mining development • manufacturing development • Construction development • wholesale and retail sector development

	<ul style="list-style-type: none"> • Transport storage and communications development • Tourism development • Enterprise development
Economic Infrastructure Development	<ul style="list-style-type: none"> • Roads and transport • Water supply • Electrification • Waste Management Integrated infrastructure investment plan
Social Infrastructure Development	<ul style="list-style-type: none"> • Skills Development • Housing • Health • Education
Institutional Support	<ul style="list-style-type: none"> • Business Regulatory Environment • Financial Soundness and Management • LED Directorate Capacity Building

LED Initiatives

With a limited budget for LED projects (versus high needs), the following initiatives have been implemented:

Table 45: LED initiatives executed during 2024/25 Financial Year

DESCRIPTION OF PROJECT	PERFORMANCE HIGHLIGHTS
SMME Support	<p>Four (4) SMMEs were financially supported (General Funding)</p> <p>Fifty-eight (58) youth owned businesses were supported through Makhuduthamaga Youth Fund</p>
Forums	<p>Two (2) LED Forums conducted</p> <p>Two (2) Tourism Forums conducted</p>
Capacitation Programs	<p>Four (4) Capacity building programs conducted</p>

Development of LED Policies	Draft Informal Sector Strategy developed Development of the Township Economy By-law
Implementation of Tourism Strategy	Two (2) tourism exhibitions conducted
Agricultural Development	Two (2) Agri Expos were held
Enforcement of the Limpopo Business Registration Act (LIBRA), 2003	Fifty (50) business establishments were inspected to ensure compliance with the provisions of the act.

Challenges: LED

Table 46: Challenges faced in LED

Challenge	Proposed Solution
Limited budget	To budget enough to cater for more increased number of SMMEs and skills training
Product market establishment	Engagement with other stakeholders e.g. DALRRD, SEDA, etc to establish stable market

3.3. COMMUNITY SERVICES

The Community Services Department is comprised of the following divisions: Environmental and Waste Management Services; Community and Social Services, and Traffic and Licensing.

3.3.1. Environmental and Waste Management

The basic services offered under environmental and waste management include waste/refuse collection and disposal, and environmental education and awareness to promote environmental protection and environmental sustainability.

3.3.1.1 Environmental management/protection

The priorities of the environmental management services section are to ensure a safe and healthy environment for the community through the following:

- ensuring compliance with environmental legislation through monitoring and enforcement.
- providing technical environmental input during development projects
- providing environmental pollution control
- facilitating pauper's burials
- controlling and monitoring hazardous substances
- Managing of cemeteries

3.3.1.2 Environmental Education and Awareness, and Cleanup Activities

The municipality conducted Nine (9) environmental awareness campaigns in an attempt to promote a safe and clean environment as follows:

- Environmental awareness on tree planting held on the 24th of August 2024 at Kgaladi Primary school
- Environmental awareness and a clean-up campaign held on the 11th of September 2024 at Serokolwane Primary School.
- Environmental awareness on International Day of Climate Change Action held on the 24th of October 2024 at Kgaola Mafiri Building.
- Environmental awareness and a clean-up held on 03rd December 2025 at Jane Furse Vergelegen A & B.
- Environmental awareness on Wetlands Day celebrations held on the 21st of February 2025 at Ga- Marishane.
- Environmental awareness and a clean-up campaign held on the 24th of February 2025 at Ga- Marishane.
- Environmental awareness on wetlands day celebrations held on the 26th of February 2025 at Sepheu Moleke Secondary School.
- Environmental awareness on waste management services held on the 24th of April 2025 at River side Village.
- Environmental awareness and a clean-up held on the 27th of May 2025 at Jane Furse Vergelegen A.

3.3.1.3 Waste Collection and Disposal

Waste is collected at various villages across the municipality and from contracted institutions and is disposed of at the registered landfill site i.e., Jane Furse Landfill Site based in Madibong village. According to the landfill license conditions both internal and external audits should be conducted by the municipality on a quarterly basis and annual basis, respectively. The municipality has managed to conduct four (4) internal audits and one (1) external audit during the 2024/25 financial year.

3.4. Traffic and Licensing

Safety is the responsibility of all residents of Makhuduthamaga and all citizens of South Africa. The socio-economic challenges of inequality, poverty and unemployment are major contributors to unsafe situations. With awareness campaigns on safety and security being held, the residents commit themselves to maintain and promote a zero-tolerance approach to crime and to ensure the safety of the residents. Safety needs to be approached from different angles, as no entity on its own will be able to successfully ensure the safety of the communities of Makhuduthamaga Local Municipality. Therefore, instead of working in silos, a combined strategy has been implemented to increase the capacity of manpower to assist Makhuduthamaga Safety Forum in combatting crime, insecurity and unsafe environment. Additionally, a Transport Forum was developed to act as a crucial collaborative platform, for the municipality, other government departments, private sector, and community at large to identify, plan, and solve local transport issues like road safety, infrastructure gaps, and public transport access, to ensure a sustainable, safe, affordable, and integrated mobility by aligning local needs with broader provincial and national goals.

3.4.1 Road Traffic and Law Enforcement

The purpose of this sub-division is to render road traffic law enforcement services to ensure safety and security. The main functions are to provide and manage road traffic law enforcement field services as well as to provide road traffic law enforcement administrative services. Traffic law enforcement services were previously rendered by the Department of Transport and Community Safety, however, due to devolutions, these functions are now the responsibility of the municipality. These services are carried out in concurrence and jointly with the provincial and national departments of transport. The traffic services offered in Makhuduthamaga Local Municipality are a culmination of discussions and subsequent agreement between the Municipality and the Limpopo Department of Transport and Community Safety to ensure compliance and promote road safety, by

rendering traffic law enforcement services. Some of the challenges experienced have been enforcement of law regarding the mini taxi operations within the Jane Furse CBD, especially after the DoTCS has, after a recommendation by the municipal council, issued operating licenses for the Jane Furse 6+1 mini taxi operations, to the qualified operators.

The municipality has developed and implemented standing orders for the traffic officers to ensure effective and efficient traffic management. Additionally, the municipality has an approved 'roster' system for traffic officers, that was approved by the municipal council. The municipality used to experience huge convoys during Easter and Festive Seasons, and the approved system assists with tackling the traffic challenges experienced. Other attempts were also made to tackle the traffic challenges experienced, which includes, for motorists to use other bypass routes. However, the attempt to ensure that other bypass routes are used has not been maximally achieved. There are two main bypass routes in Jane Furse that are meant to reduce congestion at Jane Furse Plaza entrances and Jane Furse Crossing Mall, four ways stop. These bypass routes are at entrance to SAPS Jane Furse from Nebo and the other at first traffic light near main municipal office via Vergelegen C to R579 to Mamone village. Table 47 below shows the road safety awareness campaigns conducted within the 2024/2025 financial year.

Table 47: Road safety awareness campaigns and roadblocks conducted within the 2024/2025 financial year

No.	Activities	Date	Place/Venue
<i>Road Safety Awareness Campaigns</i>			
1.	Road Safety Awareness Campaign	24 – 07 - 2024	Municipal traffic lights
2.	Road Safety Awareness Campaign Road Safety Awareness Campaign	25 – 07 - 2024	Municipal traffic lights
3.	Road Safety Awareness Campaign	26 – 07 - 2024	Municipal traffic lights
4.	Road Safety Awareness Campaign	31 – 07 - 2024	Jane Furse next to Kwena Garage
5.	Road Safety Awareness Campaign	01 – 08 - 2024	Jane Furse SAPS

			crossroads
6.	Road Safety Awareness Campaign	06 – 08 - 2024	Jane Furse main road
7.	Road Safety Awareness Campaign	30 - 10 - 2024	Nebo main road
8.	Road Safety Awareness Campaign	19 -11- 2024	Mokwete R579 main road
9.	Road Safety Awareness Campaign	20 – 12 - 2024	Ga Moloi next to X-Fuel Filling station
10.	Road Safety Awareness Campaign	16 – 01 - 2025	Jane Furse main road
11.	Road Safety Awareness Campaign	28 – 01 - 2025	Jane Furse main road
12.	Road Safety Awareness Campaign	03 – 02 - 2025	Jane Furse main road
13.	Road Safety Awareness Campaign	04 – 02 - 2025	Ga-Moretsele main road Swift Garage
14.	Road Safety Awareness Campaign	05 – 02 - 2025	Hulabela main road
15.	Road Safety Awareness Campaign	07 – 02 - 2025	Ga-Marishane main road R579
16.	Road Safety Awareness Campaign	10 – 02 - 2025	Jane Furse main road
17.	Road Safety Awareness Campaign	11 – 02 - 2025	Jane Furse main road New Hospital
18.	Road Safety Awareness Campaign	12 – 02 - 2025	Ga-Moretsele Tshehlwaneng main road
19.	Road Safety Awareness Campaign	13 – 02 - 2025	Mokwete R579 main road
20.	Road Safety Awareness Campaign	24 – 02 - 2025	Jane Furse main road
21.	Road Safety Awareness Campaign	25 – 02 - 2025	Mokwete R579 road
22.	Road Safety Awareness Campaign	26 – 02 - 2025	Ga-Moretsele road
23.	Road Safety Awareness Campaign	05 – 03 - 2025	Ga Moloi R579 road
24.	Road Safety Awareness Campaign	06 – 03 - 2025	Jane Furse main road
25.	Road Safety Awareness Campaign	18 – 03 - 2025	Tshehlwaneng main road
26.	Road Safety Awareness Campaign	02 – 04 - 2025	Jane Furse main road
27.	Road Safety Awareness Campaign	07 – 04 - 2025	Jane Furse main road
28.	Road Safety Awareness Campaign	11 – 04 - 2025	Rivercross R37 road
29.	Road Safety Awareness Campaign	17 – 04- 2025	Jane Furse CBD

30.	Road Safety Awareness Campaign	06 – 05- 2025	Ga-Moretsele
31.	Road Safety Awareness Campaign	14 - 05 - 2025	R579 Brooklyn
32.	Road Safety Awareness Campaign	16-05-2025	GaMoretsele main road
33.	Road Safety Awareness Campaign	28-05-2025	Jane Furse main road
34.	Road Safety Awareness Campaign	03- 06 - 2025	Jane Furse main road
Roadblocks Conducted			
1.	Roadblock Women's month Joint Operation	07 – 08 - 2024	R579 Mokwete road
2.	Roadblock K78 Trailer	05 – 09 - 2024	Jane Furse Groblersdal main Road
3.	Roadblock K78 Trailer	06 – 09 - 2024	Mokwete Main Road
4.	Roadblocks K78 Trailer	10-12-2024	Mokwete Main Road
5.	Roadblocks K78 Trailer	06-02-2025	Mokwete Main Road
6.	Roadblocks K78 Trailer	14-02-2025	Jane Furse main road
7.	Roadblocks K78 Trailer	17-02-2025	Jane Furse main road
8.	Roadblocks K78 Trailer	27-02-2025	Jane Furse main road
9.	Roadblocks K78 Trailer	04-03-2025	Ga-Moretsele main Road
10.	Roadblocks K78 Trailer	07-03-2025	Ga-Moretsele main Road
11.	Roadblocks K78 Trailer	10-03-2025	Mashishing main road
12.	Roadblocks K78 Trailer	11-03-2025	Jane Furse main road

13.	Roadblocks K78 Trailer	12-03-2025	Ga-Moretsele main road
14.	Roadblocks K78 Trailer	19-03-2025	Jane Furse main road
15.	Roadblocks K78 Trailer	20-03-2025	Jane Furse main road
16.	Roadblocks K78 Trailer	24-03-2025	Jane Furse main road
17.	Roadblocks K78 Trailer	25-03-2025	Jane Furse main road
18.	Roadblocks K78 Trailer	03-04-2025	Jane Furse main road
19.	Roadblocks K78 Trailer	04-04-2025	Jane Furse main road
20.	Roadblocks K78 Trailer	08-04-2025	Jane Furse main road
21.	Roadblocks K78 Trailer	15-04-2025	Tshehlwaneng
22.	Roadblocks K78 Trailer	21-04-2025	Jane Furse main road
23.	Roadblocks K78 Trailer	22-04-2025	Jane Furse main road
24.	Roadblocks K78 Trailer	23-04-2025	Ga-Moretsele
25.	Roadblocks K78 Trailer	30-04-2025	Jane Furse main road
26.	Roadblocks K78 Trailer	02-05-2025	Jane Furse main road
27.	Roadblocks K78 Trailer	05-05-2025	Jane Furse main road
28.	Roadblocks K78 Trailer	07-05-2025	Jane Furse crossing main road
29.	Roadblocks K78 Trailer	08-05-2025	Jane Furse main road
30.	Roadblocks K78 Trailer	09-05-2025	Jane Furse main road

31.	Roadblocks K78 Trailer	13-05-2025	R579 Phokwane main road
32.	Roadblocks K78 Trailer	19-05-2025	Jane Furse main road
33.	Roadblocks K78 Trailer	20-05-2025	Jane Furse main road
34.	Roadblocks K78 Trailer	21-05-2025	R579 Moratiwa road
35.	Roadblocks K78 Trailer	22-05-2025	Jane Furse main road
36.	Roadblocks K78 Trailer	23-05-2025	Jane Furse main road
37.	Roadblocks K78 Trailer	27-05-2025	Jane Furse main road
38.	Roadblocks K78 Trailer	29-05-2025	Jane Furse Mashishing
39.	Roadblocks K78 Trailer	05-06-2025	Jane Furse mashishing
40.	Roadblocks K78 Trailer	10-06-2025	Jane Furse Main Road
41.	Roadblocks K78 Trailer	11-06-2025	Jane Furse Main Road
42.	Roadblocks K78 Trailer	18-06-2025	Jane Furse Main Road
43.	Roadblocks K78 Trailer	19-06-2025	Jane Furse Main Road
44.	Roadblocks K78 Trailer	24-06-2025	Jane Furse Main Road
45.	Roadblocks K78 Trailer	25-06-2025	Jane Furse Main Road
46.	Roadblocks K78 Trailer	26-06-2025	Jane Furse Main Road
47.	Roadblocks K78 Trailer	27-06-2025	Jane Furse Main Road

48.	Roadblocks K78 Trailer	30-06-2025	Jane Furse Main Road
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3.4.2 Licensing Services

Makhuduthamaga Local Municipality has entered into an agreement with the Limpopo Provincial Department of Transport and Community Safety on 20/80 ratio for the split of revenue generated for certain licensing services. The municipality comprises of two Driving License Testing Centres (DLTCs) at Nebo and Sekhukhune, and a vehicle testing station at Nebo. Additionally, there is a registering authority that has been opened at the municipal main offices in Jane Furse, known as Sekhukhune Registering Authority. Furthermore, the municipality has commenced on a project to establish another DLTC and VTS at GaMasemola area, as a way of expanding the licensing services within the municipality.

Table 48: Revenue generated by Sekhukhune and Nebo DLTCs, Sekhukhune RA (satellite office) and Nebo VTS in 2024/2025 financial year

<i>Revenue generated from Sekhukhune and Nebo DLTCs, and Sekhukhune Registering Authority</i>			
	Council (Makhuduthamaga)	Province (incl. Prodiba & RMTC)	Total (MLM & Prov.)
Quarter one	R 2 593 943	R 3 990 591	R 6 584 534
Quarter two	R 954 044	R4501414.12	R 4 902 069
Quarter three	R 1 196151	R 3 948 025	R 5 574 620
Quarter four	R 1 595 710	R 4 378 469	R 4 338 725
Total	R 6 339 848	R 15 059 877	R 21 399 725
<i>Revenue generated from Nebo VTS</i>			
Quarter one	R7655.00	00	R7655.00
Quarter two	R7722.00	00	R7722.00
Quarter three	R11226.00	00	R11226.00

Quarter four	R6111.00	00	R6111.00
Total	R32724.00	00	R32724

3.5 Community and Social Services

3.5.1 Library services

The municipality comprises of four (4) libraries located across the three clusters of the municipality, except in the Schoonoord Cluster. A total of sixteen library awareness campaigns were conducted in 2024/2025 from its library services, as shown in table 49 below.

Table 49: Listing of Library Awareness Campaign 2024/2025

ACTIVITY NO	NATURE OF THE EVENT	VENUE	DATE
1.	Library awareness: Literacy week build-up	Phuthikwena High School, GaMachacha Village	29 th July 2024
2.	Library awareness: Mandela Month Celebrations	Dikoetse Centre for the Mentally Handicapped, GaMoloi Village	23 rd July 2024
3.	Library awareness: Spelling Bee for the underperformers	Modipadi Secondary School, GaMashabela Village	2 nd August 2024
4.	Library awareness: Training of the blind on new devices	Ga-Phaahla Library, Ga-Phaahla Village	29 th August 2024
5.	Library awareness: Health Talk	Pathantshwane Library, Pathantshwane Village	15 th October 2024

6.	Library awareness: Exam Preparation	Jane Furse Library, Mamone Village	23 rd October 2024
7.	Library awareness: Holiday programmes	All the four libraries	From 29 th November 2024 – 31 December 2024
8.	Library awareness: Consultation and establishment of writer's corner	Jane Furse	04 th December 2024
9.	Library awareness: Schools visit	Mpole Secondary School	15 th January 2025
10.	Library awareness: Back to school motivation	Makwetla Secondary School	30 th January 2025
11.	Library awareness: Read Alot Celebration	Success Preschool	21 st February 2025
12.	Library awareness: Library Week Celebration	Pathantswane Library	19 th March 2025
13.	Library awareness: Holiday Program – Digital Skills	Jane Furse Library	3 rd April 2025
14.	Library awareness: Marketing of Library Services	Riverside Village	9 th April 2025
15.	Library awareness: World book celebration	Ngwanamashile Primary School	15 April 2025
16.	Library awareness: Africa Day Celebrations	GaPhaahla Library	30 th June 2025

3.5.2 Disaster Management

The municipality responds to disaster incidents in terms of the Disaster Management Act, 2002 (Act 57 of 2002), as amended. Section 16 of the Act shows that the local municipality has been given full responsibility to deal with disasters within their areas of jurisdiction. The municipality assists in providing relief materials in the form of temporary shelters, sponges and blankets. Eight (8) disaster awareness campaigns and four (4) disaster advisory forums were conducted during the 2024/2025 financial year. Additionally, 63 disaster incidents were reported and attend to, and relief materials were provided in various wards within the municipality as shown below.

Table 50: List of disaster incidents reported

NO	NAME AND SURNAME	TYPE OF DISASTER	FAMILY NO	VILLAGE/WARD	RELIEF PROVIDED
1.	FAMILY	Structural fire	05	Mohlarekoma(ward 05)	Blankets:10 Sponge:03
2.	FAMILY	Structural fire	06	Hlalanikahle (ward 01)	Blankets:12 Sponges:06
3.	FAMILY	Structural fire	04	Masemola Maphutha (ward 28)	Blankets:08 Sponge:03
4.	FAMILY	Structural fire	06	Schoonoord phase 4 (ward 13)	Blankets12 Sponges:06
5.	FAMILY	Structural fire	01	Ga-Legare (ward 16)	Blankets:02 Sponges:01
6.	FAMILY	Structural fire	02	Ga mogashoa manamane (ward 13)	Blankets:04
7.	Family	Structural fire	04	Dihlabaneng (Ward 16)	Blankets:10 Sponges:06
8.	Family	Structural fire	04	Ga moretsela (ward 12)	Blankets :04
9.	Family	Structural fire	05	RDP Jane Furse (ward 18)	Blankets08 Sponge:03
10.	Family	Structural fire	01	Eenzaam Trust (ward 06)	Blankets:02 Sponges:01
11.	Family	Structural fire	02	Mokgoma park Phokoane (ward 03)	Blankets:12 Sponges:05
12.	Family	Structural fire	04	Magabaneng Mashabela (ward 25)	Blankets:08 Sponges:04
13.	Family	Structural fire	01	Maila Mapitsane (ward 15)	Temporary shelter: 01
14.	family	Structural fire	06	Ga moretsele (ward 12)	Blankets:08
15.	Family	Structural damage	04	Ga Mosehla (ward 11)	Blankets:04 Temporary shelter :01
16.	family	Structural fire	02	Makgwane, Ga mashbela (ward 25)	Blankets:02 Sponges:01
17.	Family	Structural fire	01	Ga-Seopela (ward 14)	Blankets:02 Sponges:01
18.	family	Structural damage	06	Mogaladi (ward 30)	Temporary shelter : 01

19.	Family	Structural damage	06	Hoepakrans (ward 15)	Temporary shelter: 01
20.	Family	Structural damage	08	Matlokwaneng Madibaneng (ward 22)	Blankets:05 Sponges:02
21.	Family	Structural damage	05	Mogaladi (ward 30)	Temporary shelter: 01
22.	Family	Structural fire	02	Makgapung Tisane (ward 20)	Blankets:04 Sponges:02 Temporary shelter: 01
23.	family	Structural fire	05	Matlokwaneng (ward 22)	Blankets:03 Sponges:02 Temporary shelter: 01
24.	Family	Structural damage	05	Kobe (ward 15)	Temporary shelter: 01
25.	Family	Structural damage	06	Masanteng (ward 30)	Temporary shelter: 01
26.	family	Structural damage	03	Skoti Phola (ward 02)	Blanket: 02
27.	Family	Structural damage	06	Maila Mapitsane (ward 15)	Blankets: 06 Temporary shelter: 01
28.	Family	Structural fire	05	Thabampshe Ga-Masemola (ward 28)	Blankets:10 Sponges:04
29.	Family	Structural damage	05	Mashite Matsebeng (ward 17)	Temporary shelter: 01
30.	Family	Structural fire	04	Maseleseleng (ward 23)	Temporary shelter: 01
31.	Family	Structural damage	03	Mabonyane Ga-Mogashoa (ward 13)	Blankets:06 Sponges:02
32.	Family	Structural damage	05	Mohwelere (ward 25)	Temporary shelter: 01
33.	Family	Structural damage	05	Mogaladi (ward 30)	Temporary shelter: 01
34.	Family	Structural damage	05	Diphagane (ward 24)	Temporary shelter: 01
35.	Family	Structural damage	04	Dicheung Mmabahlako (ward 18)	Temporary shelter: 01
36.	Family	Structural damage	06	Dinotsi (ward 23)	Temporary shelter: 01
37.	Family	Structural damage	03	Maila mapitsane (ward 15)	Blankets: 04 Temporary shelter: 01
38.	Family	Structural damage	07	Mokgoma Phokoane (ward 02)	Blankets: 07 Temporary shelter: 01

39.	Family	Structural fire	02	Ga-Molepane (ward 11)	Blankets: 04 Sponges: 02 Temporary shelter: 01
40.	Family	Structural fire	04	Glen Cowie new stans (ward 08)	Blankets: 08 Sponges: 04
41.	Family	Structural fire	02	Tswaing Matwaneng (ward 28)	Blankets: 04 Sponges: 02
42.	Family	Structural damage	04	Rietfontein Ngwaritsi (ward 04)	Temporary shelter: 01
43.	Family	Structural fire	06	Kutupu (ward 06)	Blankets: 12 Sponges: 06
44.	Family	Structural damage	07	Ga-Mogashoa Manamane(ward13)	Blankets: 04
45.	Family	Structural fire	02	Phase 4 Section	Blankets: 03 Sponges: 01
46.	Family	Structural damage	08	Glen cowie Magapung (ward 08)	Blankets: 08
47.	Family	Structural fire	07	Riverside B (ward 09)	Blankets: 06 Sponges: 03
49.	Family	Structural damage	06	Mokgapaneng (ward 03)	Blankets: 06 Sponge: 05
50.	Family	Structural fire	05	Glen cowie new stand (ward 08)	Blankets: 10 Sponge: 04
51.	Family	Structural fire	05	Maserumule park (ward 05)	Blankets: 10 Sponges: 03 Temporary shelter: 01
52.	Family	Structural damagr	02	Mogaladi (ward 30)	Blankets: 04 Sponges: 02 Temporary shelter: 01
53.	Family	Structural damage	04	Mshongo section Phokoane (ward 02)	Blankets: 08 Sponges: 03
54.	Family	Structural fire	03	Sebitsane Malegale (ward 22)	Blankets: 06 Sponges: 03 Temporary shelter: 01
55.	Family	Structural fire	05	Ga-Masemola (ward 28)	Blankets: 10 Sponge: 04
56.	Family	Structural fire	02	Mamone Ga-Mohlala (ward 21)	Blankets: 04 Sponge: 02
57 .	Family	Structural fire	04	Eenzaam trust (ward 06)	Blankets: 08 Sponges: 03
58.	Family	Structural fire	02	Kutupu (ward 06)	Blankets: 04 Sponge: 02

59.	Family	Structural fire	02	Thabampshe Ga-Masemola (ward 28)	Blankets: 04 Sponge: 02
60.	Family	Structural fire	08	Ga-Tshehla (ward 01)	Blankets: 16 Sponge: 04
61.	Family	Structural damage	02	Ga-Mashabela (ward 25)	Temporary shelter: 01
62.	Family	Structural fire	05	Maserumule park (ward 05)	Blankets: 10 Sponges: 04 Temporary shelter: 01
63.	Family	Structural fire	02	Thabampshe Ga-Masemola (ward 28)	Blankets: 04 Sponge: 02

Blankets: 322

Sponge: 129

3.5.3 Sports and Recreation

The municipality conducted sports promotion activities within the municipality to encourage sports participation and healthy living within the municipality while fighting social ills. The municipality believes that sports have power to unite the communities. A total of 11 sports promotion activities were conducted in 2024/2025. The sports promotion activities included the following:

1. Consultative workshop held on the 10th August 2024 at Kgaola Mafiri Community Hall.
2. Makhuduthamaga Mayor's Marathon was held on the 21st September 2024 at Jane Furse Artificial Pitch.
3. Sports Unit, in Partnership with five South African Police Services local stations, the Department of Social Development, and local schools, hosted Tournament Against Drugs on the 16th of October 2024 at Ga-Masemola
4. Sports Unit held Tups tournament on the 4th December 2024 at Gobe Leolo Hoepakrans ground
5. Sports Unit held Hockey Tournament on the 25th January 2025 at Marishane Sports Facility.
6. Sports Unit held Consultative workshop on the 13th March 2025 Municipal Chamber
7. Basketball Tournament on the 22nd March 2025 at Kgwana Community Center (Manganeng)
8. Sports Unit held Sports Grass Roots Talent Development on the 5th April 2025 at Jane Furse Artificial Pitch
9. Sports Unit held Dance Sport Workshop on the 05th April 2025 at Kgaola Mafiri Municipal Hall
10. School Tournament Against GBV on the 17th April 2025 at Masemola Sports Facility
11. Cricket Tournament on to 31st May 2025 at Peter Nchabeleng

Additionally, the unit facilitated bookings of facilities and a total of R95 300.00 was generated from the facilities bookings as shown in figure 2 below.

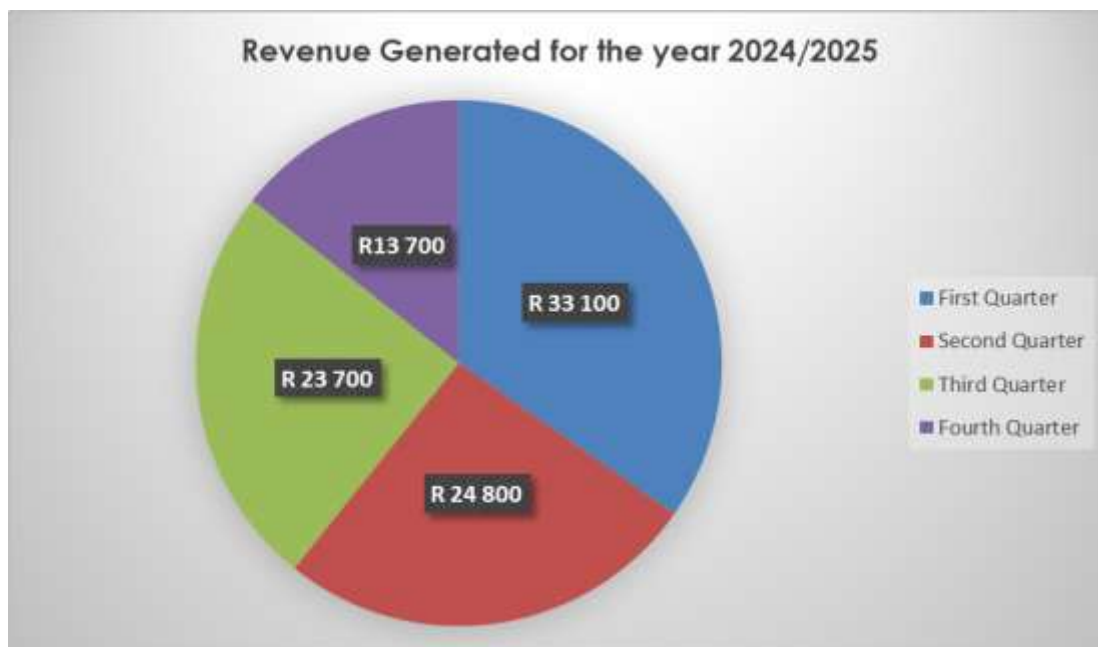


Figure 2: Summary of revenue generation recorded for the year 2024/2025 through facilities bookings.

In addition to sports promotion activities, the municipality provided sports promotion and external support to the various sporting codes within the municipality which included.

Table 51: Community Sports Support Activities for the year 2024/2025

No	Name of activity	Date	Venue
01	External: Provided support to Makhuduthamaga Indigenous team with transport to attend Jukskei workshop	13 July 2024.	Polokwane, Totius ST, Ivy Park
02	External: Provided support to Makhuduthamaga Paravolley Team with transport to attend training camp	26 July 2024	Polokwane, Seshego Zone 2,
03	External: Provided support to Makhuduthamaga Sports Confederation Committee to attend awareness of Golf Development	28 July 2024	Groblersdal Golf Club

04	External: Provided support to Makhuduthamaga Para Volley Team with transport to attend training camp in preparation for National Championship League Games	23 August 2024	Polokwane, Department of Sports, Arts and Culture,
05	External: Provided support to Makhuduthamaga Sports Confederation with transport to attend Sekhukhune District Indigenous Games Meeting	28 of August 2024	Fetakgomo Tubatse Municipality
06	External: Provided support to Makhuduthamaga Sports Confederation with transport to attend the Team Management Workshop of Sports Confederation	30 of August 2024	Sekhukhune Lodge, Ga – Masha,
07	External: Provided support to athletes of Ben Choue Athletic Club with transport to participate in the Cross-Country Championships.	06 September 2024.	Vaal University of Technology o
08	External: Provided support to Makhuduthamaga Volley Team with transport to attend training camp in preparation for National Championship League Games	27 September 2024	in Venda, Makhado College
09	External: Provided support to Makhuduthamaga Para Volley Team with transport to participate in Provincial League game	24 of January 2025	Makhado
10	External: Provided support to Makhuduthamaga Sports Confederation and Anti – Drugs Motivational Speakers to attend the Tournament Against Drugs Abuse	16 October 2024	Masemola, Masemola High School
11	External: Provided support to Makhuduthamaga Paravolley team with transport to participate in the Paravolley South African National and Sub – Zonal Championships Games	31 October 2024	Polokwane Olympic Towers Building

12	External: Provided support of transport to collect Makhuduthamaga Paravolley team	10 November 2024	Polokwane Towers Building.
13	External: Provided transport to collect Cricket Mat	18 November 2024.	Polokwane
14	External: Provided support to Makhuduthamaga Para Volley Team with transport to participate Provincial League games	21 February 2025	Polokwane
15	External: Provided support to Makhuduthamaga Sports confederation Committee members to attend induction	09 March 2025	Ga-nkwana
16	External: Provided support to Collect Makhuduthamaga Para Volley Team from National Training Camp	23 March 2025	23 March 2025
17	External: Provided support to Makhuduthamaga Cricket with transport to collect cricket match	09 May 2025	From Malegale Village to Ngwana matlang Village
18	External: Provided support to Makhuduthamaga Paravolley team with transport to attend the Provincial Training Camp	30 May 2025	Ngoako Ramahlodi Sports Complex

3.5.4. Arts and Culture

It is the mandate of Sports, Arts, and Culture unit to support and promote cultural activities, heritage practitioners, and the sector at large. The following programmes we executed successfully:

Table 51: Community Arts and Culture Support Activities recorded during 2024/2025 financial year.

NO		Date	Venue
1.	Internal: The Arts and Culture unit held Local Book and Arts Exhibition activity	14 September 2024	at Jane Furse, Crossing Complex.

2.	Internal: Community services directorate in its Arts and Culture Sub – directorate held Cultural Exchange and Language Promotion	28 September 2024.	Dlamini Village, ward 15.
3.	Internal: Community arts centers exchange programme	06 February 2025	IEC Board room
4.	Internal: Arts and Culture Plenary Session	28 February 2025	IEC board room
5.	Internal: Arts and culture held Arts Business information session	04 March 2025	Kgaola Mafiri Hall
6.	Internal: Arts and culture held Establishment of Arts Sectors Representatives	04 April 2025	Makhuduthamaga IEC Boardroom
7.	Internal: Arts and culture held the 7 th Annual Africa Day Celebration	17 May 2025	Ga – Masemola, Thabampshe, Leboneng Art Centre
8.	Internal: Arts and culture held Arts Development at Schools	07 June 2025	Ga – Molepane
9.	External: The unit provided support to forty-three local artists with transport to participate in the National Heritage Extravaganza Competition	07 September 2024.	Phiri'a Gae Primary School, Ntwane VillagTzaneen, Nkowankoa Stadium.

The municipality provided support to the following external arts and culture activities to promote arts and culture within the municipality.

- The unit provided support to forty-three local artists with transport to participate in the National Heritage Extravaganza Competition, 07 September 2024, Tzaneen, Nkowankoa Stadium.
- Community services in partnership with Sekhukhune District Municipality held Language Promotion on ,21 September 2024, Phiri'a Gae Primary School, Ntwane Village. 21 September 2024, Phiri'a Gae Primary School, Ntwane Village.
- Provided support to Makhuduthamaga Arts Council transport to participate in Arts Council elections, 08 March 2025, in Ga-nkwana
- Provided support to Makhuduthamaga Arts Council transport to Inductions, 09 March 2025, in Ga-nkwana
- Provided support to Makhuduthamaga Authors with transport to attend the Limpopo Books and Publishing Dialogue , 05 May 2025, at Polokwane, Department of Sports, Arts and Culture Archives

- Provided support to Makhuduthamaga Arts and Culture Council Committee members with transport to attend the Limpopo Music Dialogue, 31 May 2025 , Polokwane, Provincial Archives

3.6. CORPORATE POLICIES AND OTHERS

3.6.1. Property valuation

The department is responsible for providing an updated basis for the levying of property rates. During the 2024/25 financial year, the 4th supplementary valuation roll for the 2024/25 general valuation roll was compiled and submitted in June 2025. The department is also responsible for the alienation of Council's properties as per the prescripts of the relevant legislation.

3.6.2. Legal and Administrative Services

The Legal unit is responsible for the provision of legal advice, ensuring legal compliance, and providing support services to the Council. It also has the responsibility of developing the contracts and providing legal opinion. The unit maintains the litigation register of all cases. It is represented by a legal firm which takes litigation matters to court to ensure that all cases are treated with utmost care and due diligence is applied in the management of these cases.

3.6.3. Risk Management Services

The primary responsibility of the unit is to bring specialist expertise to assist the Municipality to embed risk management and leverage its benefits to enhance performance by assisting management to identify potential events that may affect the municipality, manage risk to be within the municipality's risk appetite, and to provide reasonable assurance regarding the achievement of the set objectives.

3.6.4. Procurement Services

This unit is responsible for the acquisition of supplies and services in support of the municipality's business. It ensures that all procurement processes are fair, equitable,

competitive and cost effective and that it complies with the regulatory framework and consistent with all applicable legislation.

3.6.5. Summary of Municipal Service Provider's Performance during the year 2024/2025

The Municipality's Vision will be achieved by growing the economy and meeting people's needs so that all citizens enjoy a high quality of life with equal opportunities. Service providers play a vital role in the performance of the organization. Some of our municipal services are outsourced through service providers. The Municipality is responsible for ensuring effective and efficient service delivery to the community. Therefore, there is a need to monitor the performance of service providers. The objective of performance monitoring of service providers is to obtain a measure of the service provider's performance under the contract. Performance assessments during a contract help both the Municipality and the service provider to reach a common understanding of the requirements of both parties about the work to be done. A rigorous reporting system is an excellent tool to provide feedback to a service provider on its performance on each project. It helps to identify areas that the Service Provider is excelling in and any areas that need improvement. Performance reports can be used in the assessment of a service provider for pre-qualification, selective tender list, registration, tender evaluation and—in the event of termination— for unsatisfactory performance under a contract. Further, business support strategies and interventions can be appropriately tailored to achieve Municipal developmental objectives which are to ensure:

- a high quality of service is maintained,
- detect underperformance thereby reducing the risks to projects,
- create mechanisms to improve performance where targets are not being achieved,
- provide data to municipal officials so that informed decisions can be made
- assess the suitability of a service provider for pre-qualification, selective tender lists or expressions of interest.

Municipal services are being provided by the Municipality by entering into Service Level Agreement in terms of Section 76(b) of the Municipal Systems Act 32 of 2000 with an external service provider. The Municipality is responsible for monitoring and assessing the Implementation of the agreement, including the performance of the service provider in accordance with section 41 of the Municipal Systems Act 32 of 2000.

The performance of service providers that have been selected to aid in the provision of municipal services is required by Section 116 of the Municipal Finance Management Act, to be monitored and reported on. While departments have mechanisms in place to monitor the work done by service providers.

The following Service providers' performance as at the end of financial year 2024/2025

Table 50: Service providers' performance as at the end of financial year 2024/2025



Description of service provider	Term Of Contract	Contract to Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/Service rendered	Performance Rating	Performance comment	Corrective measure	Expenditure to Date
Multichoice DStv	Pay per view	22/02/2018	20/03 2025	N/A	Pay per view	Subscription to active internal television screen	Good	Good	N/A	R 394,800.00
Moetamoeletsi Investments (Pty) Ltd	3 Years	06/12/2023	05/12/2026	N/A	Applicable Rates	Provision of social media services and SMS for the period of three years	Good	Good	N/A	R2,155,156.00
Re Basadi Creates (Pty) Ltd	3 Years	06/12/2023	05/12/2026	N/A	Applicable Rates	Provision of Marketing and Branding for Makhuduthamaga Local Municipality	Good	Good	N/A	970,560.00



Description of service provider	Term Of Contract	Contract to Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/Service rendered	Performance Rating	Performance comment	Corrective measure	Expenditure to Date
Description of service provider	Term Of Contract	Contract to Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/Service rendered	Performance Rating	Performance comment	Corrective measure	Expenditure to Date
						of three (03) years				



Description of service provider	Term Of Contract	Contract Start Date	Contract to End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance Comments	Corrective Measure	Expenditure to Date
Telkom SA	3 Years	01/07/2021	30/06/27	yes	Applicable Rates	Provision of Telephone Services	Good	Good	N/A	R1,484,586.25
Masa M Projects (Pty) Ltd	3 Years	'01/11/2023	'31/10/2026	N/A	Applicable Rates	Provision of Travel Agency for a period of three (03) years.	Good	Good	N/A	R5,977,119.70
Regen Institute of Leadership JVU and Projects	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of Budget and treasury trainings for the period of 3 years.	Good	Good	N/A	0



Dirane Trading(Pty) Ltd	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of corporate, governance and admin trainings for the period of Three (3) years.	Good	Good	N/A	R438,000.00
Black Sky Investment and Holdings	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of community services training for the period of 3 years.	Good	Good	N/A	0
White Rock 75 Investment and Holdings	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of infrastructural services training for the period of 3 years.	Good	Good	N/A	0
Mahayi HRD Services		31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of planning and LED training for the period of 3 years	Good	Good	N/A	0



Deunice Trading(Pty) Ltd	3 Years	31/08/2021	30/08/2024	N/A	Applicable Rates	Provision of Printing and publication for a period of 3years	Good	Good	N/A	0
DR LG Nemukongwe	3 Years	17/05/2023	16/05/2026	N/A	Applicable Rates	Provision of occupational medical practitioner for period of three years	Good	Good	N/A	R104,304.32
LCK Technologies	3 Years	21/04/2023	20/04/2026	N/A	Applicable Rates	Repair and maintenance for access control and time management	Good	Good	N/A	R8,022,566.52
LCK Technologies (Pty) Ltd	3 Years	'29/09/2023	'28/09/2026	N/A	Applicable Rates	Provision of Maintenance and Support of ICT systems and infrastructure for a period of three (03) years.	Good	Good	N/A	



Bonaledi Holdings (Pty) Ltd	3 Years	'20/10/2023	'19/10/2026	N/A	Applicable Rates	Renewal of Electronic document management system for a period of three (03) years.	Good	Good	N/A	R2,000,000.00
Velaphanda Trading & Projects	3 Years	'29/09/2023	'28/09/2026	N/A	Applicable Rates	Provision of Lease for photocopier machines for a period of three (03) years.	Good	Good	N/A	R7,952,688.05
Winivox (Pty) Ltd	3 Years	29/09/2023	28/09/2026	N/A	Applicable Rates	Supply and delivery of ICT equipment for a period of three (03) years	Good	Good	N/A	R1,139,723.30



Melvin Margaret Enterprise & Winivox (Pty) Ltd JV	3 Years	13/06/2024	12/06/2027	N/A	Applicable Rates	Maintenance and support of IP Based CCTV Camera Surveillance System for a period of three (03) years	Good	Good	N/A	R2,116,977.50
Providence Software Solutions (Pty) Ltd	3 Years	09/12/2024	08/12/2027	N/A	Applicable Rates	Procurement of Electronic content digital system a Three years (03) years maintenance plan	Good	Good	N/A	0
Segeru General Suppliers	3 Years	13/09/2024	12/09/2027	N/A		Provision of Publication and Printing Services for a period of three (03) years	Good	Good	N/A	R991,730.00
Montani property Valuers (PTY)Ltd	5 Years	01/07/2024	30/06/2029	N/A	Applicable Rates	Development and maintaining of property	Good	Good	N/A	R700,000.00



						valuation roll for Makhuduth amaga Municipality for a period of five (5) years				
Marweshe Attorneys	3 Years	05/12/2022	04/12/2025	N/A	Applicable Rates	Provision of Civil litigation services for the period of three	Good	Good	N/A	R4,961,897.50
Kwena Mohlakoana attorneys	3 Years	05/12/2022	04/12/2025	N/A	Applicable Rates	Provision of commercial law services for the period of three years	Good	Good	N/A	0



Budget and Treasury

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
ABSA Bank	5 Years	'06/09/2023	'05/09/2028	N/A	Applicable Rates	Provision of Banking services	Good	Good	N/A	0
Camelsa Consulting Group (CCG Systems (Pty) Ltd)	3 Years	01/10/2022	30/09/2025	N/A	Applicable Rates	Provision of integrated financial system with support and maintenance for a period of three (03) years	Good	Good	N/A	R1,955,598.49
Montani Property Valuers (Pty) Ltd	5 Years	01/07/2024	30/06/2029	N/A	Applicable Rates	Development and maintaining of Property	Good	Good	N/A	R700,000.00



Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
						Valuation Roll				
Onkntlwile Security Services	3 Years	01/04/2022	31/03/2025	N/A	Applicable Rates	Provision of Security Services and access control services for a period of three (03) years	Good	Good	N/A	R35,632,050.00



Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure bdate
Fleet Horizon Solutions (Pty) Ltd	3 Years	01/09/2022	31/08/2025	N/A	Applicable Rates	Provision of tracking devices on all municipal vehicles for a period of three (03) years	Good	Good	N/A	R179,130.99
PK Financial Consultants CC	3 Years	01/05/2022	30/04/2025	N/A	Applicable Rates	Provision of VAT recovery for a period	Good	Good	N/A	R5,388,461.69



Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
						of three (03) years				
Omega OS Segaswane Holdings (Pty) Ltd	3 Years	15/12/2022	14/12/2025	N/A	Applicable Rates	Provision of advertising agency	Good	Good	N/A	R3,077,800.00
Tabudi Komana Projects (Pty) Ltd	3 Years	'20/10/2023	'19/10/2026	N/A	Applicable Rates	Supply, delivery and installation of Fire System for registry office with maintenance plan for a period of three (03) years.	Good	Good	N/A	0



Five Star Trading Enterprise T/A Auction	3 Years	02/06/2023	01/06/2026	N/A	Applicable Rates	Professional Auctioneer for period of 3 years	Good	Good	N/A	0
Pheladichue ne Maintenance and General Supplier	3 Years	'01/10/2023	'30/09/2026	N/A	Applicable Rates	Provision of cleaning services on all municipal buildings for a period of three (03) years.	Good	Good	N/A	R8,771,901.49
Bra Mesh Group (Pty) Ltd	3 Years	'01/11/2023	'31/10/2026	N/A	Applicable Rates	Service, Repairs & Maintenance of Yellow Fleet and Other Heavy Vehicles for a period of three (03)	Good	Good	N/A	R12,251,193.96



						years.				
G4S Cash Solutions (SA) (Pty) Ltd	3 Years	'01/11/2023	'31/10/2026	N/A	Applicable Rates	Provision of cash collection, conveyance , and deposits for a period of three (03) years.	Good	Good	N/A	R220,812.71



Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
Pontsee Holdings (Pty) Ltd	3 Years	02/06/2023	01/06/2026	N/A	Applicable Rates	Supply and delivery of Tyres on all Municipal Fleet, Graders, TLB, and Heavy-Duty Trucks for a period of three (03) years.	Good	Good	N/A	R6,294,425.00



Tlou Ya Ditlou Trading (Pty) Ltd	3 Years	01/06/2025	31/05/2028	N/A	Applicable Rates	Provision of Security and Access control services for a period of three years	Good	Good	N/A	R3 139 500.00
McDon Valor Group	3 Years	'09/06/2023	'08/06/2026	N/A	Applicable Rates	Supply and delivery of Stationery for a period of three (03) years	Good	Good	N/A	R1,916,871.06
Alex Construction, Maintenance & Air Conditioning Services	3 Years	17/11/2022	16/11/2025	N/A	Applicable Rates	Supply, Installation and maintenance of Air Conditioners with Three (03) years maintenance	Good	Good	N/A	R813,106.35



Velaphanda Trading & Projects	3 Years	29/09/2023	28/09/2026	N/A	Applicable	Provision of Lease for photocopying machines for a period of three (03) years.	Good	Good	N/A	R7,952,688.05
Cumo O Consulting	3 Years	18/03/2024	17/03/2027	N/A	Applicable Rates	Provision of vetting service	Good	Good	N/A	R617,750.00
Kunene Makopo Risk Solutions	3 Years	13/06/2024	12/06/2027	N/A	Applicable Rates	Provision of Comprehensive Insurance cover for a period of (03) three years	Good	Good	N/A	R1,467,626.12

COMMUNITY SERVICES

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure	Expenditure re to date
Stonefound Engineering Solutions	3 Years	01/05/2025	30/04/2028	N/A	Applicable Rates	Maintenance of Landfill Site for a period of three (03) years	Good	Good	N/A	R1,723,042.50
Stonefound Engineering Solutions	3 Years	01/05/2022	30/04/2025	N/A	Applicable Rates	Maintenance of Landfill Sitefor a period of three (03) years	Good	Good	N/A	R20,391,918.33
4 Interconnect Project Developers	3 Years	02/11/2022	01/11/2025	N/A	Applicable Rates	Distribution of water services for a period ofthree (03) years	Good	Good	N/A	R2,692,500.00
Crystal Africa Venture (Pty) Ltd	3 Years	'18/03/2024	'17/03/2027	N/A	Applicable Rates	Supply and delivery of branded waste collection	Good	Good	N/A	R3,795,638.25

						bags for a period of three (03) years				
Truvelo Africa Electronics Division (Pty) Ltd	3 Years	23/06/2023	22/06/2026	N/A	Applicable Rates	Supply of licenced K78 Trailer with maintenance and support for the period of 36 Months	Good	Good	N/A	1,691,640.00
Tshwane Engineering and Hydraulic Supplies cc	3 Years	'17/05/2024	'16/05/2027	N/A	Applicable Rates	Supply and Installation of Temporary Shelters for disaster relief for the period of three (03) years	Good	Good	N/A	R3 474121.06
Deacon Business Enterprise	3 Years	'18/03/2024	'17/03/2027	N/A	Applicable Rates	Environmental assessment for new landfill site for a period of three (03) years	Good	Good	N/A	R2,715,357.67

Mampane Corporates (Pty) Ltd	3 Years	'20/05/2024	'19/05/2027	N/A	Applicable Rates	Supply and delivery of Blankets for a period of three (03) years	Good	Good	N/A	R1,117,500.00
Environmental and Sustainability Solutions	3 Years	23/06/2023	22/06/2026	N/A	Applicable Rates	Provision for the final rehabilitation and disclosure costs for madibong landfill site for a period of three (03) years	Good	Good	N/A	R32,285.00
Mahlako TM Holdings (Pty) Ltd	3 Years	09/12/2024	08/12/2027	N/A	Applicable Rates	Supply, delivery and Installation of Two speed measuring equipments for road safety management with three years maintenance	Good	Good	N/A	R836,500.00

Infrastructure Services

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
Mwelase Thops Construction & Projects	3 Years	28/10/2021	27/10/2024	N/A	Applicable Rates	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	R2,454,882.00
Kgwadi Ya Madiba General Trading & Projects	3 Years	29/10/2021	28/10/2024	N/A	Applicable Rates	Maintenance of roads and storm water within Makhudutha maga Municipality	Good	Good	N/A	R15,037,660.37



						for a period of three years				
Kgwadi Ya Madiba General Trading & Projects	3 Years	29/11/2024	19/11/2027	N/A	Applicable Rates	Maintenance of roads and storm water within Makhudutha maga Municipality for a period of three years	Good	Good	N/A	R10,841,326.00
White Rock 75 Investment and Holdings	3 Years	'01/09/2023	'31/08/2026	N/A	Applicable Rates	Repairs and maintenance of Municipal facilities for a period of three (03) years.	Good	Good	N/A	R4,125,692.14

Jusben Engineering Services cc	3 Years	09/12/2024	08/12/2027	N/A	Applicable Rates	Maintenance of Electrical Infrastructure for a period of Three (03) years	Good	Good	N/A	0
Dikgale and Sebego Energies (Pty) Ltd	3 Years	14/05/2025	13/05/2028	N/A	Applicable Rates	Operation, Repair & Maintenance of a Sewage Network Pond System in Jane Furse RDP for a period of three (03) years	Good	Good	N/A	R4 543 395.59
Deocon Business Enterprise	3 Years	30/04/2025	30/04/2028	N/A	Applicable rates	Enviromental Assessment				0



Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Appointed amount	Performancee Areas/Service rendered	Perfor mance Rating	Performan ce comment	Correc tive measu re	Expenditure to date
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

3.6.6 Human Resource Services

Human Resources Management unit priorities to define and align organizational purpose, create organizational alignment, and build a successful and sustainable organization. The unit focuses on effective workforce planning and changing management processes to help the municipality employees to drive individual transitions and organizational change to reach municipal objectives. Human resources capacitation and empowerment where employees can reach their highest potential with value added to the municipality, recruit and attract the best talent, correct skills, and knowledge by creating, marketing, and selling an employee value proposition fit for purpose employment.

Human resources provide an enabling platform for learning, and transfer of critical skills and knowledge to cultivate a high-performance culture. It is also responsible for communicating the municipality's ethics through HR policies and disciplinary codes.

This unit has effectively completed the Job evaluation process by evaluating all the job descriptions, allocating TASK Grades to all job on the organizational structure. The municipality has implemented wage curves from the 1st of March 2023 which resulted in the municipality having salary notches and offering competitive salaries and wages.

The Human Resources Management unit focuses on effective workforce planning, talent acquisition, talent management, and performance management development system.

The Human Resources Unit maintained its recruitment strategy during 2024/2025 to recruit qualified and competent staff to fill vacancies. Verification of qualifications, working record/history, possible fraudulent activities, and criminal record are being done for selected positions through an independent service provider.

In addition, a Workplace Skills Plan has been compiled, submitted to the Local Government Sector Education Training Authority (LGSETA) on an annual basis, and implemented accordingly to attend to the most critical skills development needs. The Human Development Committee was also functional to recommend training needs of all stakeholders of the Municipality.

The Municipality has an external bursary policy that focuses on the recruitment and financing of best performing students who are coming from previously disadvantaged backgrounds. Currently the municipality is funding a total of 18 students in various fields of studies which are identified as scarce and critical within the municipality,

- a. The Return of Earnings (ROE) is an annual earnings declaration that employers must submit to the Compensation Fund. It represents the total remuneration paid by an employer to their employees during a specific period.

- b. All employers are compelled by law to register for COIDA within 7 days of employing their first employee. COIDA covers compensation resulting from occupational injuries, illnesses, or death during the employee's employment.
- c. The municipality submitted WCA's, which is between 1 April 2024 to 31 May 2025, met the requirements, paid the assessment fees, and received a Letter of Good Standing (LOGS).
- d. Makhuduthamaga Local Municipality has adopted a performance management and development system that complies with the provisions of chapter 4 of local government: staff regulations:
- e. The performance management and development system that applies to all staff members of a municipality excluding a staff member—
 - appointed on a fixed term contract with a duration of less than 12 months.
 - serving notice of termination of his or her contract of employment; or
 - to retire on reaching the statutory retirement age.
- f. appointed to an internship programme or participating in the national public works programme or any similar scheme; and the municipality has cascaded the PMDS and all employees from the 1st of July 2023 signed performance agreements. The implementation of PMDS as a compliance tool is also to ensure that all employees' performance is assessed and rewarded yearly.

3.6.7. Information and Communication Technology

Information and Communication Technology Services Unit provides a platform to enable the Municipality to use ICT systems and ICT services to provide the much-needed services to the Community of Makhuduthamaga Local Municipality.

ICT Services functions include setting systems and providing services that enable various departments in the municipality to provide their products and services to the community by hosting such systems on ICT infrastructure. The services also include securing Municipal Information by enforcing Cyber Security Controls.

We have continued to host financial, human resources, electrical, civil engineering, planning, audit, records, communication and traffic systems to enable departments to provide efficient and reliable products and services. We have improved our server infrastructure and networking through the provision of backup and retentions services, introducing new buildings to municipal network infrastructure. We have also improved our wireless network capacity, provided tools of trade to our users, introduced an Intranet System to improve communication and continued the use of various communication mediums to interact with the community, provision of telecommunication services and dataservices and enabling a platform for our users

3.6.8 PERFORMANCE MUNICIPAL SCORE CARD

KPA 1: SPATIAL RATIONALE

Strategic Objective: To ensure efficient and effective Spatial Planning and Land Use Management systems for sustainable development

Total Number of Indicators	Total Number of Annual Targets	Total Number of Adjusted Targets
09	08	08

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 1)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved / Not Achieved	Variance	Reasons for variances			
SR01	EDP	Land Acquisition	To have Municipal land ownership	No of land acquisition committee meetings held by 30 June 2025	New indicator	N/A	04 land acquisition committee meetings held by 30 June 2025	04 land acquisition committee meetings held	04 land acquisition committee meetings held	Achieved	None	None	Minutes and attendance registers	0.00	0.00
SR02	EDP	Spatial Planning and Land Use	To improve spatial planning and	To review SPLUM bylaw by 30 June 2025	Approved SPLUM by law	N/A	Reviewed SPLUM bylaw by 30	Reviewed SPLUM bylaw	Reviewed SPLUM bylaw	Achieved	None	None	Reviewed SPLUM bylaw	0.00	0.00

NO.	DIRECTOR ATE	PROJEC T	MEASUR ABLE OBJECTI VE	KEY PERFORMA NCE INDICATO R.	BASELIN E	2023/24 Year Actual Achieve d/ Not Achieve d	SPECIAL ADJUSTE D ANNUAL TARGET 2024/20 25	2024/2025 ANNUAL TARGETS (KPA 1)					MEANS OF VERIFIC ATION	Special Adjusted Annual budget 2024- 2025	Expenditu re
								Annual target	Annual actual	Achieved / Not Achieved	Varian ce	Reason s for varianc es			
		Manag ement	land use manage ment systems				June 2025								
				No of Land Use Managem ent workshops held by 30 June 2025	04 Land Use Managem ent worksho ps held	04 Land Use Managem ent worksho ps held Achieve d	04 Land Use Managem ent worksho ps held by 30 June 2025	04 Land Use Managem ent worksho ps held	04 Land Use Managem ent worksho ps held	Achieved	None	None	Minutes and attend ance register s	0.00	0.00
SR03	EDP	Formali sation of Settlem ents	To improve spatial planning and land use manage ment systems	No of layout plans develope d within Makhudut hamaga jurisdiction by 30 June 2025	Feasibilit y Study	Feasibilit y Study Achieve d	01 layout plan develop ed within Makhud uthama ga jurisdicti on by 30 June 2025	01 layout plan develope d within makhudu thamaga jurisdictio n	01 layout plan develope d within Makhudut hamaga jurisdiction	Achieved	None	None	Layout plan	645,000.0 0	344,000.0 0

NO.	DIRECTOR ATE	PROJEC T	MEASUR ABLE OBJECTI VE	KEY PERFORMA NCE INDICATO R.	BASELIN E	2023/24 Year Actual Achieve d/ Not Achieve d	SPECIAL ADJUSTE D ANNUAL TARGET 2024/20 25	2024/2025 ANNUAL TARGETS (KPA 1)					MEANS OF VERIFIC ATION	Special Adjusted Annual budget 2024- 2025	Expenditu re
								Annual target	Annual actual	Achieved / Not Achieved	Varian ce	Reason s for varianc es			
				No of general plans approved by chief surveyor general by 30 June 2025	Layout plans	Layout plans Achieve d	0	N/A	N/A	N/A	N/A	N/A	N/A	0.00	0.00
SR04	EDP	Land Use Audit	To improve spatial planning and land use manage ment systems	To develop land use analysis report within Makhudut hamaga jurisdiction by 30 June 2025	New indicato r	N/A	Land use analysis report develop ed within Makhud uthama ga jurisdicti on by 30 June 2025	Land use analysis report develope d within Makhudu thamaga jurisdiction	Land use analysis report develope d within Makhudut hamaga jurisdiction	Achieved	None	None	Land use analysis report	560,000.0 0	320,040.0 0
SR05	EDP	Implem entatio n of Nation	To promote compliance with	No. of building inspection s	100 building inspecti ons	100 building inspecti ons	200 building inspecti ons	200 building inspecti ons	200 building inspecti ons	Achieved	None	None	Building inspecti	0.00	0.00



NO.	DIRECTOR ATE	PROJEC T	MEASUR ABLE OBJECTI VE	KEY PERFORMA NCE INDICATO R.	BASELIN E	2023/24 Year Actual Achieve d/ Not Achieve d	SPECIAL ADJUSTE D ANNUAL TARGET 2024/20 25	2024/2025 ANNUAL TARGETS (KPA 1)					MEANS OF VERIFIC ATION	Special Adjusted Annual budget 2024- 2025	Expenditu re
								Annual target	Annual actual	Achieved / Not Achieved	Varian ce	Reason s for varianc es			
		al Building Regulati ons and Building Standar ds	Building Regulati ons and Standar ds	conducte d by 30 June 2025	conduct ed	conduct ed Achieve d	conduct ed by 30 June 2025	conduct ed	conducte d				on Reports		

SR06	EDP	Assessment of Building Plans	To promote compliance with Building Regulations and Standards	% of building plans received and assessed by 30 June 2025 (total number of building plans assessed/ total number of building plans received)	100% assessment of building plans received	100% assessment of building plans received Achieved	100% of building plans received and assessed by 30 June 2025 (total number of building plans assessed / total number of building plans received)	100% of building plans received and assessed (total number of building plans assessed/ total number of building plans received)	100% of building plans received and assessed (22 building plans assessed/22 building plans received)	Achieved	None	None	Building plans Register	0.00	0.00
TOTAL														1,205,000.00	664,040.00

KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objective:

1.To ensure provision, coordination and maintenance of quality basic services to communities.

2. To promote social cohesion, road safety management, environmental welfare and disaster management for the municipality.

Total Number of Indicators		Total Number of Annual Targets				Total Number of Adjusted Targets					2024/2025 ANNUAL TARGETS (KPA 2)	MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure	
NO	DIRECTOR	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASE LINE	2023/24	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	Annual target	Annual actual	Achieved/ Not Achieved					Variance
BSO 1	Infrastructure Services	Construction of road from Mokwete to Molepane Phase 2(5km)	To improve accessibility of villages within Makhuduthamaga	No of km road from Mokwete to Molepane (phase 02) constructed up to box cutting by 30 June 2025	5 km of access road from Mokwete to Molepane consructed(P hase 01)	5 km of access road from Mokwete to Molepane consructed(P hase 01)	5km of road from Mokwete to Molepane (phase 02) consructed up to box cutting by 30	5km of road from Mokwete to Molepane (phase 02) consructed up to box cutting	0 km road from Mokwete to Molepane (phase 02) consructed up to box cutting	Not Achieved	5km of road	The project was advertised for contractor appointment, however, all tenders received were deemed non-responsiv	Tender Advert/ Appointment letter	R 261 000.00	R 260 869.56

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFOR MANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
							June 2025					e. Project has been deferred to the 2025/26fy.			
BSO 2	Infrastructure Services	Construction of access road from Maila Mapitsane to Magolego Tribal Office	To improve accessibility within Makhuduthamaga	No of km of access road from Maila Mapitsane to Magolego Tribal Office constructed by 30 June 2025	5 km access road from Maila Mapitsane to Magolego Tribal Office constructed up to	5 km access road from Maila Mapitsane to Magolego Tribal Office constructed up to sub base layer	5 km access road from Maila Mapitsane to Magolego Tribal Office constructed by 30 June 2025	5 km access road from Maila Mapitsane to Magolego Tribal Office constructed	5 km access road from Maila Mapitsane to Magolego Tribal Office constructed	Achieved	None	None	Completion Certificate	16,100,000.00	15,791,758.98

NO	DIRECTOR ATE	PROJECT	MEASURA BLE OBJECTIV E	KEY PERFOR MANCE INDICAT OR.	BASE LINE	2023/2 4 Year Actual Achiev ed/ Not Achiev ed	SPECIA L ADJUST ED ANNUA L TARGET 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFIC ATION	Special Adjuste d Annual budget 2024- 2025	Expenditur e
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
					sub base layer										
BS0 3	Infrastruct ure Services	Constructio n of Madibong internal road	To improve accessibili ty of villages within Makhudut hamaga	To develop detailed design for construc tion of Madibo ng internal road by 30 June 2025	Incep tion desig ns deve lope d for constru ction of Madi bong inter nal road	Incepti on desig ns develo ped for constru ction of Madib ong internal road Achiev ed	Detaile d design develo ped for constru ction of Madib ong internal road by 30 June 2025	Detailed design develope d for constructi on of Madibon g internal road	Detailed design develop ed for construc tion of Madibo ng internal road.	Achieved	None	None	Detailed Designs	7,369,3 66.01	1,190,753. 05
BS0 4	Infrastruct ure Services	Constructio n of access road from Tsopaneng to Moela Kgopane	To improve accessibili ty of villages within	To develop inceptio n design for construc tion of	New indic ator	N/A	Incepti on design develo ped for constru ction	Inception designs develope d for constructi on of road from	Inceptio n Design develop ed for construc tion of road	Achieved	None	None	Detailed Designs	500,000 .00	426,086.96

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
			Makhudut hamaga	road from Tsopane ng to Moela Kgopane by 30 June 2025			of road from Tsopane ng to Moela Kgopane by 30 June 2025	Tsopane ng to Moela Kgopane	from Tsopane ng to Moela Kgopane						
BS05	Infrastructure Services	Construction of Access road from Phaahla/Mamatjেকে to Masehlane ng	To improve accessibility within Makhudut hamaga	To develop details designs for Construction of access road from Phaahla /Mamatjেকে to Masehlane ng by	New indicator	N/A	Detailed design developed for construction of access road from Phaahla /Mamatjেকে to Masehl	Detailed design developed for construction of access road from Phaahla/ Mamatjেকে to Masehlane ng	Detailed design developed for construction of access road from Phaahla /Mamatjেকে to Masehlane ng	Achieved	None	None	Detailed Designs	5,927,826.09	5,427,826.09

NO	DIRECTOR ATE	PROJECT	MEASURA BLE OBJECTIV E	KEY PERFOR MANCE INDICAT OR.	BASE LINE	2023/2 4 Year Actual Achieved/ Not Achieved	SPECIA L ADJUST ED ANNUA L TARGET 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFIC ATION	Special Adjuste d Annual budget 2024- 2025	Expenditur e
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
				30 June 2025			aneng by 30 June 2025								
BS0 6	Infrastruct ure Services	Constructio n of access road from Motor-gate Wonderboom to R579	To improve accessibili ty within Makhudut hamaga	No of Km of access road from Motor- gate Wonder boom to R579 construc ted up to road bed by 30 June 2025	Adv ertise ment for app oint ment of contr act for the constru ction of access road from Moto r- gate	Adverti sment for appoin tment of contra ct for the constru ction of access road from Motor - gate Wonde rboom to R579	4.5 Km of access road from Motor- gate Wonde rboom to R579 constru cted up to road bed by 30 June 2025	4.5 Km of access road from Motor- gate Wonderb oom to R579 construct ed up to road bed	0 Km of access road from Motor- gate Wonder boom to R579 construc ted up to road bed	Not Achieved	4.5 Km of access road	The project was advertise d for contracto r appointm ent, however, all tenders received were deemed non- responsiv e. Project has been deferred	Appoint ment letter	R 1,048, 200.28	R 1,048, 200.28

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
					Wonderboom to R579	Achieved						to the 2025/26fy.			
BS07	Infrastructure Services	Construction of access road from Molebeledi /Mamatjেকে to Masemola Moshate	To improve accessibility within Makhuduthamaga	No of km of access road from Molebeledi /Mamatjেকে to Masemola Moshate constructed up to roadbed by 30 June 2025	Advertisement for appointment of contractor for access road from Molebeledi /Mamatjেকে to Masemola Moshate constructed up to roadbed by 30 June 2025	Advertisement for appointment of contractor for access road from Molebeledi /Mamatjেকে to Masemola Moshate constructed up to roadbed by 30 June 2025	3.5 km access road from Molebeledi /Mamatjেকে to Masemola Moshate constructed up to roadbed by 30 June 2025	3.5 km access road from Molebeledi /Mamatjেকে to Masemola Moshate constructed up to roadbed	3.5 km access road from Molebeledi /Mamatjেকে to Masemola Moshate constructed up to roadbed	Achieved	None	None	Progress Report	6,000,000.00	5,995,486.31

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
					ekel e to Mas emola Moshate	Achieved	June 2025								
BS08	Infrastructure Services	Construction of access road from Glen Cowie old post office to Phokwane (phase 2)	To improve accessibility within Makhuduthamaga	No of km of access road from Glen Cowie old post office to Phokwane constructed up to Box Cutting by 30 June 2025	New indicator	N/A	01 km access road from Glen Cowie old post office to Phokwane constructed up to box cutting by 30	01 km access road from Glen Cowie old post office to Phokwane constructed up to box cutting	01 km access road from Glen Cowie old post office to Phokwane constructed up to box cutting	Achieved	None	None	Progress Report	6,000,000.00	5,618,516.88

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
							June 2025								
BS09	Infrastructure Services	Design and construction of access road from Moloi to Phushulang	To improve accessibility within Makhuduthamaga	To develop detailed designs for construction of access road from Moloi to Phushulang by 30 June 2025	New indicator	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BS10	Infrastructure Services	Repair and Maintenance of roads, bridges and storm water	To improve accessibility within Makhuduthamaga	No of Existing roads, bridges and storm water maintained	40 Existing roads, bridges and storm water	40 Existing roads, bridges and storm water	28 Existing roads, bridges and storm water maintained	28 Existing roads, bridges and storm water maintained	28 Existing roads, bridges and storm water	Achieved	None	None	Maintenance report	35,000,000.00	34,999,988.87

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
				ed within MLM by 30 June 2025	storm water main- tain- ed	mainta- ined Achieved	ined within MLM by 30 June 2025		maintain- ed						
BS1 1	Infrastruct- ure Services	Repairs and maintenan- ce of electrical infrastructu- re	To improve the lifespan of electrical infrastructu- re	No of existing electrical infrastru- cture repaired and maintain- ed within MLM by 30 June 2025	15 Existi- ng elect- ricity infras- tructu- re repa- ired and main- tain- ed	15 Existi- ng elect- ricity infras- tructu- re repa- ired and main- tain- ed Achieved	12 Existi- ng elect- ricity infras- tructu- re repa- ired and main- tain- ed within MLM by 30 June 2025	12 Existi- ng elect- ricity infras- tructu- re repa- ired and main- tain- ed	12 Existi- ng elect- ricity infras- tructu- re repa- ired and main- tain- ed	Achieved	None	None	Mainten- ance report	2,500,0 00.00	2,361,653. 00
BS1 2	Infrastruct- ure Services	Maintenan- ce of	To improve the lifespan of	No of municip- al facilities	10 Muni- cipal facilit	10 Muni- cipal facilitie	10 Muni- cipal facilitie	10 Municip- al facilities	17 Municip- al facilities	Achieved	7 additional Municipal facilities	Additional requests for maintena	Mainten- ance report	4,000,0 00.00	3,906,750. 25

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
		municipal facilities	municipal facilities	maintained by 30 June 2025	ies maintained	s maintained Achieved	s maintained by 30 June 2025	maintained	maintained		were maintained	nce of facilities were received after the initial assessment was done.			
BS13	Infrastructure Services	Construction of Kome internal road (phase 2)	To improve accessibility within Makhudut hamaga	No of km of access road for Kome internal street constructed (phase 2) by 30 June 2025	Detailed Designs	Detailed Designs Achieved	3.2 km access road for Kome Internal street constructed (phase 2) by 30 June 2025	3.2 km access road for Kome Internal street constructed (phase 2)	3.2 km access road for Kome Internal street constructed (phase 2)	Achieved	None	None	Completion Certificate	33,620,000.00	29,373,504.50

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
BS14	Infrastructure Services	Construction of access road from Soetveld/Mathapisa to Ga-Mampane Thabeng	To improve accessibility within Makhudut hamaga	No of km of access road from Soetveld/Mathapisa to Ga-Mampane Thabeng constructed up to base layer by 30 June 2025	6.1 KM of Access road from Soetveld/Mathapisa to Ga-Mampane Thabeng constructed up to base layer by 30 June 2025	6.1 KM of Access road from Soetveld/Mathapisa to Ga-Mampane Thabeng constructed up to site establishment	6.1 km access road from Soetveld/Mathapisa from Soetveld/Mathapisa to Ga-Mampane Thabeng constructed up to base layer	6.1 km access road from Soetveld/Mathapisa from Soetveld/Mathapisa to Ga-Mampane Thabeng constructed up to base layer	Achieved	None	None	Progress Report	19,150,759.00	19,150,759.00	

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFOR MANCE INDICAT OR.	BASE LINE	2023/2 4 Year Actual Achieved/ Not Achieved	SPECIA L ADJUST ED ANNUA L TARGET 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFIC ATION	Special Adjuste d Annual budget 2024- 2025	Expenditur e
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
BS1 5	Infrastruct ure Services	Constructio n of Cabrieve Internal Road	To improve accessibili ty of villages within Makhudut hamaga	No of km for Cabrieve internal road construc ted up to lay out setting out by 30 June 2025	New Indic ator	N/A	4.12 km for Cabrie ve internal road constru cted up to lay out- setting out by 30 June 2025	4.12 km for Cabrieve internal road construct ed up to lay out- setting- out	4.12 km for Cabrieve internal road construct ed up to lay out- setting- out	Achieved	None	None	Progress Report	16,745, 533.26	16,745,533 .26
BS1 6	Infrastruct ure Services	Constructio n of access road from Brooklyn to Makoshala	To improve accessibili ty of villages within Makhudut hamaga	To develop detailed design for construc tion of 3.2 km of access	New indic ator	N/A	Detaile d design develo ped for constru ction of 3.2 km of access	Detailed design develope d for construc tion of 3.2 km of access road from Brooklyn	Detailed design develop ed for construc tion of 3.2 km of access road	Achieved	None	None	Detailed design	10,119, 688.07	6,199,823. 51

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFOR MANCE INDICAT OR.	BASE LINE	2023/2 4 Year Actual Achiev ed/ Not Achiev ed	SPECIA L ADJUST ED ANNUA L TARGET 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFIC ATION	Special Adjuste d Annual budget 2024- 2025	Expenditur e
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
				road from Brooklyn to Makosh ala by 30 June 2025			road from Brookly n to Makos hala by 30 June 2025	to Makoshal a	from Brooklyn to Makosh ala.						
BS1 7	Infrastruct ure Services	Procureme nt of waste managem ent vehicles	To improve waste manage ment	No of waste manage ment vehicles procure d by 30 June 2025	New indic ator	N/A	05 waste manag ement vehicle s procu red by 30 June 2025	05 waste manage ment vehicles procured	05 waste manage ment vehicles procure d	Achieved	None	None	Delivery note	10,925, 693.00	10,634,793 .77
BS1 8	Infrastruct ure Services	Installation of electrical infrastructu re	To improve access to electricity connectio ns for	No of Househo lds/stan ds provide d with	New Indic ator	N/A	38 Househ olds/st ands provid ed with	38 Househo lds/stand s provided with access to	38 Househo lds/stand s provide d with	Achieved	None	None	Comple tion Certifica te	900,000 .00	782,608.70

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFOR MANCE INDICAT OR.	BASE LINE	2023/2 4 Year Actual Achiev ed/ Not Achiev ed	SPECIA L ADJUST ED ANNUA L TARGET 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFIC ATION	Special Adjuste d Annual budget 2024- 2025	Expenditur e
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
			househol ds	access to electric al infrastru cture at Soetveld by 30 June 2025			access to electric al infrastru cture at Soetvel d by 30 June 2025	electrical infrastruct ure at Soetveld.	access to electric al infrastru cture at Soetveld						
BS1 9	Infrastruct ure Services	Installation of Electrical Infrastructu re	To improve access to electricity connectio ns for househol ds	No of Househo lds/stand s provide d with access to electric al infrastru cture at Mabintane by 30	New Indic ator	N/A	124 Househo lds/st ands provide d with access to electric al infrastru cture at Mabintane by	124 Househol d/ stands provided with access to electrical infrastruct ure at Mabintane	124 Househo lds/stand s with electric al infrastru cture installed at Mabintane	Achieved	None	None	Comple tion Certifica te	2,986,2 30.00	2,596,721. 74

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFOR MANCE INDICAT OR.	BASE LINE	2023/2 4 Year Actual Achiev ed/ Not Achiev ed	SPECIA L ADJUST ED ANNUA L TARGET 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFIC ATION	Special Adjuste d Annual budget 2024- 2025	Expenditur e
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
				June 2025			30 June 2025								
BS2 0	Infrastruct ure Services	Installation of electrical infrastructu re	To improve access to electricity connectio ns for househol ds	To develop inceptio n design report for the installati on of electric al infrastru cture at Makhuts o by 30 June 2025	New Indic ator	N/A	incepti on design report develope d for the installati on of electrical infrastruct ure at Makhutso	inception design report develope d for the installati on of electrical infrastruct ure at Makhutso	inceptio n design report develop ed for the installati on of electric al infrastru cture at Makhuts o	Achieved	None	None	Inceptio n Design Report	130,000 .00	113,043.47
BS2 1	Infrastruct ure Services	Installation of electrical	To improve access to electricity	No of househol ds/ stands	New Indic ator	N/A	53 Househ olds/st ands	53 Househol ds/ stands provided	0 Househo lds/stan ds	Not Achieved	53 Households /Stands	Delays in design	Comple tion	1,266,6 56.00	392,500.00

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
		infrastructure	connections for households	provided with access to electrical infrastructure at Hlalanikahle by 30 June 2025			provided with access to electrical infrastructure at Hlalanikahle by 30 June 2025	with access to electrical infrastructure at Hlalanikahle	provided with access to electrical infrastructure at Hlalanikahle			approval by Eskom Change control has been implemented to re-allocate the funds to Mohlarekoma Electrification project	Certificate		
BS2 2	Infrastructure Services	Installation of electrical infrastructure	To improve access to electricity connections for households	No of households provided with access to electrical infrastructure	New indicator	N/A	100 Households/stands provided with access to electrical	100 households provided with access to electrical infrastructure at Leeukraal	100 households provided with access to electrical infrastructure	Achieved	None	None	Completion Certificate	2,018,436.96	1,755,162.55

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
				cture at Leeukraal by 30 june 2025			infrastr ucture at Leeukraal by 30 June 2025		cture at Leeukraal						
BS2 3	Infrastruct ure Services	Installation of electrical infrastructu re	To improve access to electricity connectio ns for househol ds	No of Househo lds/stand s provide d with access to electric al infrastru cture at Mohlare koma by 30 June 2025	New Indic ator	N/A	203 Househ olds/ stands provid ed with access to electri cal infrastr ucture at Mohlare koma by 30 June 2025	203 Househo lds/ stands provided with access to electrical infrastruct ure at Mohlarek oma	363 Househo lds/stand s provide d with access to electric al infrastru cture at Mohlare koma	Achieved	160 Households /stands provided with access to electrical infrastructur e at Mohlarekoma	Change control has been implemen ted to re- allocate the funds to Mohlarek oma Electrifica tion project, hence more househol	Comple tion Certifica te	4,810,0 00.00	4,135,148. 70

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
												ds were covered			
BS24	Infrastructure Services	Installation of electrical infrastructure	To improve access to electricity connections for households	No of households provided with access to electrical infrastructure at Ga Moloji by 30 June 2025	Inception design	Inception design Achieved	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BS25	Infrastructure Services	Installation of 24 KM of 22KV line	To improve access to electricity connections for	Installation of 22KV line from Mamatjেকে to Ga-	Poles installed for 24km from Mamatjek	Poles installed for 24km from Mamatjেকে to Ga-	22KV line from Mamatjেকে to Ga-installed	22KV line from Mamatjেকে to Ga-moloi installed	22KV line from Mamatjেকে to Ga-moloi installed	Achieved	None	None	Completion certificate	4,745,202.01	1,556,603.98

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
			households	moloi by 30 June 2025	electro to Gamoloi for 22 KV line	moloi for 22 KV line Achieved	d by 30 June 2025								
BS26	Infrastructure Services	Installation of electrical infrastructure	To improve accessibility of villages within Makhudut hamaga	No of households/stands provided with electrical infrastructure at Kgwaripe by 30 June 2025	New indicator	N/A	25 households/stands provided with electrical infrastructure at Kgwaripe by 30 June 2025	25 households/stands provided with electrical infrastructure at Kgwaripe	0 households/stands provided with electrical infrastructure at Kgwaripe	Not Achieved	25 households/stands	Delays in design approval by ESKOM Change control has been implemented to re-allocate the funds to Mohlarekoma Electrifica	Completion Certificate	600,000.00	297,500.00

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
												tion project			
BS2 7	Infrastructure Services	Repairs and maintenance of water and sanitation	To address water and sanitation backlog	No of water infrastructure projects maintained by 30 June 2025	04 water and sanitation assets maintained	04 water and sanitation assets maintained	04 water infrastructure projects maintained by 30 June 2025 Achieved	04 water infrastructure projects maintained	07 water infrastructure projects maintained	Achieved	03 water infrastructure projects	The over achievement was due to the urgent interventions requested by the communities.	Completion certificate	27,030, 219.29	27,030,219 .29
				No of sewerage pond maintained at Jane Furse RDP by 30 June 2025	New Indicator	N/A	01 Sewerage Pond maintained at Jane Furse RDP by 30	01 Sewerage Pond maintained at Jane Furse RDP	01 Sewerage Pond maintained at Jane Furse RDP	Achieved	None	None	Maintenance report		

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
							June 2025								
BS28	Infrastructure Services	Environmental authorization for environmental related projects within Makhuduthama Local Municipality	Environmental compliance and regulatory applications for infrastructure project.	To appoint environmental consultant to carry out environmental impact assessment for projects within Makhuduthama by 30 June 2025	New Indicator	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFOR MANCE INDICAT OR.	BASE LINE	2023/2 4 Year Actual Achieved/ Not Achieved	SPECIA L ADJUST ED ANNUA L TARGET 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFIC ATION	Special Adjuste d Annual budget 2024- 2025	Expenditur e
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
BS2 9	Infrastruct ure service	Constructio n of Grade A DLTC station	To improve licensing service through provision of Grade A DLTC station	To develop detailed design for construc tion of Grade A DLTC station by 30 June 2025	New indic ator	N/A	Detaile d design develo ped for constru ction of Grade A DLTC station by 30 June 2025	Detailed design develope d for constructi on of Grade A DLTC station	Detailed design develop ed for the construc tion of Grade A DLTC station	Achieved	None	None	Detailed Designs	500,000 .00	250 000.00
BS3 0	Communi ty support services	Solid waste collection	To promote a healthy and a clean environm ent	No of househo lds with access to solid waste removal services by 30 June 2025	1014 hous ehol ds with acce ss to solid wast e remo val	1014 househ olds with access to solid waste remov al service s	1014 househ olds with access to solid waste remov al service s by 30	1014 househo lds with access to solid waste removal services	1014 househo lds with access to solid waste removal services	Achieved	None	None	Collecti on Registers	20,000, 000.00	17,448,805 .00

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
					services	Achieved	June 2025								
				No of skips collections done by 30 June 2025	3 380 skips collections done	3 380 skips collections done Achieved	3 380 skips collections done by 30 June 2025	3 380 skips collections done	3 509 skips collections done	Achieved	129 skips collected	The over achievement was due to the increase in the generation of waste that needed to be cleared	Collection register		
BS3 1	Community support services	Landfill site operation	To enhance landfill operation	No of landfill sites audit reports compiled by 30	04 landfill sites audit reports	04 landfill sites audit reports compiled	05 landfill sites audit reports compiled by 30	05 landfill sites audit reports compiled	05 landfill sites audit reports compiled	Achieved	None	None	landfill site audit reports		

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
				June 2025	com piled	Achieved	June 2025								
				No of environmental impact assessments conducted for the new landfill site by 30 June 2025	New indicator	N/A	01 environmental impact assessments conducted for the new landfill site by 30 June 2025	01 environmental impact assessments conducted for the new landfill site	01 environmental impact assessments conducted for the new landfill site	Achieved	None	None	Environmental impact assessment report	2,679,313.48	2,379,313.47
BS3 2	Community support services	Environmental care awareness to communities	To promote sustainable environmental system and	Number of Environmental awareness campaigns held	04 Environmental awareness campaigns	04 Environmental awareness campaigns held	08 Environmental awareness campaigns held	08 Environmental awareness campaigns held within the	09 Environmental awareness campaigns held within	Achieved	01 Environmental awareness campaign	The over achievement was informed by the need to conduct more	Attendance registers	200,000.00	105,300.00

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
			improve community awareness	within the jurisdiction of Makhuduthamaga by 30 June 2025	paings held	Achieved	within the jurisdiction of Makhuduthamaga by 30 June 2025.	jurisdiction of Makhuduthamaga	the jurisdiction of Makhuduthamaga			environmental awareness as a result of increased environmental and waste management challenges experienced within the municipality			
BS33	Community support services	Library Promotions	To promote the culture of reading and learning	No of Library Awareness Campaign held within	12 Library Awareness Campaigns	12 Library Awareness Campaign held	16 Library awareness campaigns held	16 Library awareness campaigns held within the jurisdiction	16 Library awareness campaigns held within	Achieved	None	None	Attendance registers	200,000.00	168,875.00



NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
				the jurisdiction of Makhuduthamaga by 30 June 2025.	paigin held	Achieved	within the jurisdiction of Makhuduthamaga by 30 June 2025	n of Makhuduthamaga	the jurisdiction of Makhuduthamaga						
BS34	Community support services	Disaster Relief	To provide relief to disaster affected households	% of Disaster relief provided.(Disaster cases attended /total number of reported disaster cases) by 30	100% Disaster relief provided.	100% Disaster relief provided. Achieved	100% Disaster relief provided.(Disaster cases attended /total number of reported disaster	100% Disaster relief provided. (Disaster cases attended /total number of reported disaster cases)	100% Disaster relief provided. (63 disaster cases attended / 63 reported disaster cases)	Achieved	None	None	Reports	3,300,000.00	2,531,639.38

NO	DIRECTOR ATE	PROJECT	MEASURA BLE OBJECTIV E	KEY PERFOR MANCE INDICAT OR.	BASE LINE	2023/2 4 Year Actual Achiev ed/ Not Achiev ed	SPECIA L ADJUST ED ANNUA L TARGET 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFIC ATION	Special Adjuste d Annual budget 2024- 2025	Expenditur e
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
				June 2025			cases) by 30 June 2025								
BS3 5	Communi ty support services	Disaster managem ent awareness	To educate communit ies to respond adequate ly to disaster events	No of Disaster awareness campaigns conducted within jurisdiction of Makhud uthama ga by 30 June 2025	04 Disas ter awar enes s cam paigns con ducte d	04 Disaste r aware ness camp aigns condu cted Achiev ed	08 Disaste r aware ness camp aigns condu cted within jurisdiction of Makhu dutha maga by 30 June 2025	08 Disaster awareness campaigns conducted within jurisdiction of Makhudut hamaga	08 Disaster awareness campaigns conducted within jurisdiction of Makhud uthama ga	Achieved	None	None	Attenda nce registers	150,000 .00	71,465.00
				No of disaster advisory forums	04 disas ter adv is	04 disaste r adv isor	04 disaste r adv isor	04 disaster advisory	04 disaster advisory	Achieved	None	None			

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
					held by 30 June 2025	ory forums held	y forums held Achieved	y forums held by 30 June 2025	forums held	forums held					
BS3 6	Community support services	Sports Promotion	To promote healthy lifestyle and social cohesion	No of Sports promoti on activities held by 30 June 2025	08 Sport s prom otion activi ties held	08 Sports promot ion activiti es held Achieved	08 Sports promot ion activiti es held by 30 June 2025	08 Sports promoti on activities held	11 Sports promoti on activities held	Achieved	03 Sports promotion activities held	The over achievement was informed by more requests received by the Municipal ity to address social ills e.g., drugs and substanc e abuse)	Attenda nce registers	1,285,0 68.00	1,285,068. 00
BS3 7	Community	Arts and culture promotions	To promote and	No of Arts and culture	08 Arts and	08 Arts and culture	08 Arts and culture	08 Arts and culture	14 Arts and culture	Achieved	06 Arts and culture	The over achievement was	Attenda nce registers	810,264 .00	810,264.00

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
	support services		sustain cultural heritage	promotion activities held within Makhuduthama ga community by 30 June 2025	culture promotion activities held	promotion activities held within Makhuduthama ga community by 30 June 2025 Achieved	promotion activities held within Makhuduthama ga community by 30 June 2025	promotion activities held within Makhuduthama ga	promotion activities held within Makhuduthama ga		promotion activities	informed by the need to address the unsatisfactory arts and culture activities as requested by the community			
BS38	Community support services	Road safety Management	To promote road safety	No of Road safety campaigns conducted by June 2025	04 Road safety campaigns conducted	04 Road safety campaigns conducted by June 2025 Achieved	16 Road safety campaigns conducted by June 2025	16 Road safety campaigns conducted	34 Road safety campaigns conducted	Achieved	18 Road safety campaigns conducted	The over achievement was informed by the need to conduct more road safety	Attendance registers	410,000.00	287,946.00

NO	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure	
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances				
					ucted							awareness as a result of continual unlawfulness				
					No of Speed measuring equipment procured by 30 June 2025	New indicator	N/A	02 Speed measuring equipment procured by 30 June 2025	02 Speed measuring equipment procured	02 Speed measuring equipment procured	Achieved	None	None	Delivery note	837,000.00	837,000.00
					No of roadblocks conducted by 30 June 2025	New Indicator	N/A	48 roadblocks conducted by 30 June 2025	48 roadblocks conducted by 30 June 2025	48 roadblocks conducted	Achieved	None	None	Roadblock attendance registers.		

NO	DIRECTOR ATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASE LINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 2)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024- 2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
BS39	Community support services	Development of Integrated Transport plan	To enhance transport network for the community	To develop integrated transport plan developed by 30 June 2025	New Indicator	N/A	Integrated transport plan developed by 30 June 2025	integrated transport plan developed	Integrated transport plan developed	Achieved	None	None	Integrated Transport plan	2,369,000.00	1,751,000.00
														238 047 000.00	224 409 417.00

KPA 3: LOCAL ECONOMIC DEVELOPMENT (LED)

Strategic Objective: To stimulate economic development through SMMEs support, LED projects, private and public sector investments.



Total Number of Indicators	Total Number of Annual Targets	Total number of Annual Adjusted Targets
14	14	12

NO.	DIREC TORA TE	PROJECT	MEASURA BLE OBJECTIV E	KEY PERFORMAN CE INDICATOR	BASELI NE	2023/2 4 Year Actual Achiev ed/ Not Achiev ed	SPECIA L ADJUST ED ANNUA L TARGET S 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 3)					MEANS OF VERIFICA TION	Speci al Adjus ted Annu al budg et 2024- 2025	Expen diture
								Annual target	Annual actual	Achieved / Not Achieved	Variance	Reasons for variances			
LED01	EDP	LED Forums	To stimulate economic development through SMMEs support, LED projects, private and public sector investments	No of LED forums held by 30 June 2025	02 LED forums held	02 LED forums held Achieved	02 LED forums held by 30 June 2025	02 LED forums held	02 LED forums held	Achieved	None	None	Attenda nce registers and Minutes	315,000.00	161,520.23
LED02	EDP	SMMEs Support	To stimulate economic development	No of SMMEs financially supported by 30 June 2025	02 SMMEs financi ally	02 SMMEs financi ally	04 SMMEs financi ally suppor	04 SMMEs financial ly	04 SMMEs financial ly supporte d	Achieved	None	None	SMMEs Report	1,197,780.00	1,171,795.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGETS 2024/2025	2024/2025 ANNUAL TARGETS (KPA 3)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved / Not Achieved	Variance	Reasons for variances			
			through SMMEs support, LED projects, private and public sector investments		supported	supported	supported by 30 June 2025	supported							
LED02	EDP	SMMEs Support	To stimulate economic development through SMMEs support, LED projects, private and public sector investments	No of youth businesses funded through Municipal Youth Fund by 30 June 2025	New Indicator	N/A	58 youth businesses funded through Municipal Youth fund by 30 June 2025	58 youth businesses funded through Municipal Youth fund	58 youth businesses funded through Municipal Youth fund	Achieved	None	None	Reports	1,000,000.00	1,000,000.00



NO.	DIREC TORA TE	PROJECT	MEASURA BLE OBJECTIV E	KEY PERFORMAN CE INDICATOR	BASELI NE	2023/2 4 Year Actual Achieved/ Not Achieved	SPECIA L ADJUST ED ANNUA L TARGET S 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 3)					MEANS OF VERIFICA TION	Speci al Adjus ted Annu al budg et 2024- 2025	Expen diture
								Annual target	Annual actual	Achieved / Not Achieved	Variance	Reasons for variances			
LED02	EDP	SMMes Support	To stimulate economic development through SMMes support, LED projects, private and public sector investments	No of monitoring of previously financially supported SMMes conducted by 30 June 2025	15 previously supported SMMes monitored.	15 previously supported SMMes monitored. Achieved	20 monitoring of previously financially supported SMMes conducted by 30 June 2025	20 monitoring of Previously financialy supported SMMes done	20 monitoring of Previously financiall y supported SMMes done	Achieved	None	None	SMMes monitoring Report	0.00	0.00
LED02	EDP	SMMes Support	To stimulate economic development through SMMes support, LED projects, private	To develop Informal sector strategy by 30 June 2025	New indicator	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



NO.	DIREC TORA TE	PROJECT	MEASURA BLE OBJECTIV E	KEY PERFORMAN CE INDICATOR	BASELI NE	2023/2 4 Year Actual Achieved/ Not Achieved	SPECIA L ADJUST ED ANNUA L TARGET S 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 3)					MEANS OF VERIFICA TION	Speci al Adjus ted Annu al budg et 2024- 2025	Expen diture
								Annual target	Annual actual	Achieved / Not Achieved	Variance	Reasons for variances			
			and public sector investmen ts												
LED03	EDP	LED Capacity Building Workshops	To stimulate economic developm ent through SMMEs support, LED projects, private and public sector investmen ts	No of LED capacity building workshops conducted by 30 June 2025	4 LED capac ity buildin g worksh ops condu cted	4 LED capaci ty buildin g worksh ops condu cted Achieved	4 LED capaci ty buildin g worksh ops condu cted by 30 June 2025	04 LED capacit y building worksho ps conduct ed	04 LED capacity building workshop s conduct ed	Achieved	None	None	Attenda nce registers and reports	100,0 00.00	161,42 0.23
LED04 LED04	EDP	Business registratio n and licensing	To stimulate economic developm ent through	To develop township economy by- law 2by 30 June 2025	New Indica tor	N/A	Townsh ip econo my by- laws develo	Townshi p econo my by- law	Township economy by- law develop ed	Achieved	None	None	Township economy by- law	0.00	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGETS 2024/2025	2024/2025 ANNUAL TARGETS (KPA 3)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved / Not Achieved	Variance	Reasons for variances			
			SMMEs support, LED projects, private and public sector investments				ped by 30 June 2025	developed							
	EDP	Business registration and licensing	To stimulate economic development through SMMEs support, LED projects, private and public sector investments	No of Business outlets inspected by 30 June 2025	New Indicator	N/A	50 Business Outlets inspected by 30 June 2025	50 Business Outlets inspected	50 Business Outlets inspected	Achieved	None	None	Inspection forms	0.00	0.00



NO.	DIREC TORA TE	PROJECT	MEASURA BLE OBJECTIV E	KEY PERFORMAN CE INDICATOR	BASELI NE	2023/2 4 Year Actual Achiev ed/ Not Achiev ed	SPECIA L ADJUST ED ANNUA L TARGET S 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 3)					MEANS OF VERIFICA TION	Speci al Adjus ted Annu al budg et 2024- 2025	Expen diture
								Annual target	Annual actual	Achieved / Not Achieved	Variance	Reasons for variances			
LED05	EDP	Agricultur al Developm ent	To stimulate economic developm ent through SMMEs support, LED projects, private and public sector investmen ts	No of Agri Expos conducted by 30 June 2025	New Indica tor	N/A	02 Agri Expo condu cted by 30 June 2025	02 Agri Expo conduct ed	02 Agri Expo conduct ed	Achieved	None	None	Attenda nce registers and Minutes	350,0 00.00	76,050 .00
LED05	EDP	Agricultur al Developm ent	To stimulate economic developm ent through SMMEs support, LED projects, private	No of soil tests conducted for the Olifants Agricultural Scheme sites by 30 June 2025	Busine ss plan	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



NO.	DIREC TORA TE	PROJECT	MEASURA BLE OBJECTIV E	KEY PERFORMAN CE INDICATOR	BASELI NE	2023/2 4 Year Actual Achieved/ Not Achieved	SPECIA L ADJUST ED ANNUA L TARGET S 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 3)					MEANS OF VERIFICA TION	Speci al Adjus ted Annu al budg et 2024- 2025	Expen diture
								Annual target	Annual actual	Achieved / Not Achieved	Variance	Reasons for variances			
			and public sector investmen ts												
LED06	EDP	Tourism Promotion	To unlock tourism potential in the Municipal area	No of tourism exhibitions held by 30 June 2025	02 touris m exhibiti ons	02 tourism exhibiti ons Achieved	02 tourism exhibiti ons held by 30 June 2025	02 tourism exhibitio ns held	02 tourism exhibition s held	Achieved	None	None	Attenda nce register and minutes	215,0 00.00	106,53 8.00
	EDP	Tourism Promotion	To unlock tourism potential in the Municipal area	No of tourism forums held by 30 June 2025	02 touris m forums	02 tourism forums held by 30 June 2025 Achieved	02 tourism forums held	02 tourism forums held	Achieved	None	None	Attenda nce registers and minutes			
	EDP	Tourism Promotion	To unlock tourism potential in the Municipal area	To develop Tourism guide by 30 June 2025	New indicat or	N/A	Tourism guide develo ped by 30 June 2025	Tourism guide develop ed	Tourism guide develop ed	Achieved	None	None	Develop ed Tourism guide		



NO.	DIREC TORA TE	PROJECT	MEASURA BLE OBJECTIV E	KEY PERFORMAN CE INDICATOR	BASELI NE	2023/2 4 Year Actual Achie ved/ Not Achie ved	SPECIA L ADJUST ED ANNUA L TARGET S 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 3)					MEANS OF VERIFICA TION	Speci al Adjus ted Annu al budg et 2024- 2025	Expen diture
								Annual target	Annual actual	Achieved / Not Achieved	Variance	Reasons for variances			
LED07	EDP	EPWP	Alleviate unemployment and poverty	No of job opportunities created through EPWP by 30 June 2025	146 job opportunities extended through EPWP	146 job opportunities extended through EPWP Achieved	222 job opportunities created through EPWP by 30 June 2025	222 job opportunities created through EPWP by 30 June 2025	222 job opportunities created through EPWP	Achieved	None	None	Contract of Employment	7,900,000.00	5,827,004.92
TOTAL														12,049,530.00	8,842,328.38

KPA 4: FINANCIAL VIABILITY

Strategic objective: To provide financial relief to indigent households; and provide sound and sustainable management of the financial affairs of Makhuduthamaga Local Municipality.



Total Number of Indicators	Total Number of Annual Targets	Total Number of Adjusted Annual Targets
17	17	16

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGETS 2024/2025	2024/2025 ANNUAL TARGETS (KPA 4)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
BT01	BTO	Implementation of mSCOA	To enhance financial reporting	No of mSCOA financial system modules running live by 30 June 2025	9 mSCOA financial system modules running live	9 mSCOA financial system modules running live by 30 June 2025 Achieved	9 mSCOA financial system modules running live	9 modules running live	9 modules running live	Achieved	None	None	Trial Balance	2,000,000.00	928,101.78
BT02	BTO	Revenue Management	To increase own revenue and reduced	% of own revenue increment by 30 June 2025	Revenue Enhancement Strateg	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGETS 2024/2025	2024/2025 ANNUAL TARGETS (KPA 4)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
			dependency on grants.		y Implemented										
				No of Supplementary valuation rolls developed and implemented by 30 June 2025.	01 of Supplementary valuation rolls developed and implemented	01 of Supplementary valuation rolls developed and implemented	01 Supplementary valuation rolls developed and implemented done by 30 June 2025.	01 Supplementary valuation rolls developed and implemented done	01 Supplementary valuation rolls developed and implemented done	Achieved	None	None	Supplementary valuation roll	700,000.00	608,695.65
BT03	BTO	Own Revenue Collection	To increase own revenue and reduced dependency	% of billed revenue collected (revenue amount collected vs	95% of billed revenue collected (95% of billed revenue collected (70% billed revenue collected	70% billed revenue collected (revenue	60% billed revenue collected (R41 131 000	Not Achieved	10% of billed revenue	Non-payment of property rates by the high	Approved revenue reports	0.00	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGETS 2024/2025	2024/2025 ANNUAL TARGETS (KPA 4)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
			cy on grants.	amount billed) by 30 June 2025	revenue amount collected vs amount billed	revenue amount collected vs amount billed Achieved	(revenue amount collected vs amount billed) by 30 June 2025	revenue amount collected vs amount billed)	revenue collected vs R69 024 000 billed)			capacity businesses within our municipality. The municipality is currently pursuing settlement agreements with the business people.			
BT04	BTO	Procurement Management Activities	To facilitate effective and efficient implementation of SDBIP.	To develop and implement procurement plan by 30 June 2025	Approved procurement plan	Approved procurement plan	Procurement plan Developed and implemented	Procurement plan Developed and	Procurement plan Developed and	Achieved	None	None	Developed procurement plan	0.00	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGETS 2024/2025	2024/2025 ANNUAL TARGETS (KPA 4)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
						Achieved	mented by 30 June 2025	implem- ented	implem- ented						
BT05	BTO	Financial Management capacity building.	To enhance human resource competency.	% of FMG spent by 30 June 2025	100% spending on FMG	Achieved	100% FMG spent (FMG Amount received/ FMG Amount spent) by 30 June 2025	100% FMG spent (FMG Amount received/ FMG Amount spent)	100% FMG spent (R1 800 000 FMG amount received/ R1 800 000 FMG Amount spent)	Achieved	None	None	Expenditure report	1,800,000.00	1,800,000.00
BT06	BTO	Budget and Reporting	To ensure Credible and compliant	No of Municipal Budgets prepared and adopted by	03 Municipal Budgets	03 Municipal Budgets	03 Municipal Budgets	03 Municipal Budgets	03 Municipal Budgets	Achieved	None	None	Municipal budget and	0.00	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGETS 2024/2025	2024/2025 ANNUAL TARGETS (KPA 4)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
			municipal budgeting and reporting.	council by 30 June 2025	prepared and adopted by council	ts prepared and adopted by council Achieved	ts prepared and adopted by council by 30 June 2025	prepared and adopted by council	prepared and adopted by council				council resolutions		
				No. of section 71 reports submitted within first 10 working days of every month by 30 June 2025	12 section 71 reports submitted within the first 10 working days of every month	12 section 71 reports submitted within the first 10 working days of every month	12 section 71 reports submitted within first 10 working days of every month by 30	12 section 71 reports submitted within first 10 working days of every month	12 section 71 reports submitted within first 10 working days of every month				Section 71 Reports and Proof of submission	0.00	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGETS 2024/2025	2024/2025 ANNUAL TARGETS (KPA 4)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
						every month	June 2025								
				No. of AFS submitted to AGSA by 31 August 2025	01 AFS submitted to AGSA by 31 August 2024	01 AFS submitted to AGSA by 31 August 2024	1 AFS submitted to AGSA by 31 August 2024	01 AFS submitted to AGSA by 31 August 2024	01 AFS submitted to AGSA by 31 August 2024	Achieved	None	None	AFS & Acknowledgement of receipt	0.00	0.00
BT07	BTO	Expenditure Management	To ensure authorized expenditure and timeous payment of obligations.	% of creditors paid within 30 days period by 30 June 2025 (invoices paid within 30 day/	100% of creditors paid within 30 days period	100% of creditors paid within 30	100% of creditors paid within 30 days period	100% Creditors paid within 30 days period (invoices paid	100% Creditors paid within 30 days period (1497 invoices	Achieved	None	None	Payables aging analysis	0.00	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGETS 2024/2025	2024/2025 ANNUAL TARGETS (KPA 4)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
				invoices received)		days period Achieved	(invoices paid within 30 day/ invoice received)by 30 June 2025	within 30 day/ invoices received)	paid within 30 day/ 1497 invoices received)						
			To ensure authorized expenditure and timeous payment of obligations.	No. of creditors reconciliations prepared and signed within first 10 working days of every month by June 2025	12 creditors reconciliations prepared	12 creditors reconciliations prepared and signed within first 10 workin	12 creditors reconciliations prepared and signed within first 10 working days of	12 creditors reconciliations prepared and signed within first 10 working days of	12 creditors reconciliations prepared and signed within first 10 working days of	Achieved	None	None	Signed Creditors reconciliations	0.00	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGETS 2024/2025	2024/2025 ANNUAL TARGETS (KPA 4)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
							g days of every month by 30 June 2025	every month	every month						
BT08	BTO	Asset Management	To manage all municipal assets..	No of assets verification activities conducted by 30 June 2025.	8 assets verification activities conducted	8 assets verification activities conducted by 30 June 2025. Achieved	08 assets verification activities conducted by 30 June 2025.	08 assets verification activities conducted	08 assets verification activities conducted	Achieved	None	None	Signed asset verification reports	0.00	0.00
				No. of assets maintenance reports compiled by 30 June 2025.	04 assets Maintenance reports	04 assets Maintenance reports	04 assets Maintenance reports compiled	04 assets maintenance reports	04 assets maintenance reports	Achieved	None	None	Maintenance reports	12,000,000.00	14,210,992.24



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGETS 2024/2025	2024/2025 ANNUAL TARGETS (KPA 4)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
					compiled	compiled Achieved	ed by 30 June 2025.	compiled	compiled						
				No of asset registers prepared by 30 June 2025	12 asset registers prepared	12 asset registers prepared Achieved	12 asset registers prepared by 30 June 2025	12 asset registers prepared	12 asset registers prepared	Achieved	None	None	Asset Register		
				No of movable municipal assets purchased by 30 June 2025	03 movable municipal assets purchased	03 movable municipal assets purchased	05 movable municipal assets purchased by 30	05 movable municipal assets purchased	04 movable municipal assets purchased	Not Achieved	01 vehicle	The order was placed timeously, however, the service provider	Delivery note and invoice	3,500,000.00	3,212,903.58



NO.	DIRE CTOR ATE	PROJEC T	MEASURABL E OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELIN E	2023/2 4 Year Actual Achiev ed/ Not Achiev ed	SPECIA L ADJUS TED ANNU AL TARGE TS 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 4)					MEANS OF VERIFIC ATION	Special Adjuste d Annual budget 2024- 2025	Expend iture
								Annual target	Annual actual	Achieve d/ Not Achieve d	Varianc e	Reasons for varianc es			
						Achiev ed	June 2025					was unable to deliver even after multiple follow ups. The purchas e order will be sourced from another supplier on RT 57 transvers al contract .			
BT09	BTO	Unquali fied AGSA	To improve AGSA audit opinion.	Obtain Unqualified audit opinion with no	Unquali fied audit opinion.	Unqual ified audit	Obtain Unqual ified audit	Obtain Unqualifi ed audit opinion	Obtaine d Unqualifi	Achieve d	None	None	Audit Report	5,297,9 85.00	5,299,7 99.98



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED ANNUAL TARGETS 2024/2025	2024/2025 ANNUAL TARGETS (KPA 4)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
		audit opinion		material finding by 30 June 2025.		opinion. Achieved	opinion with no material finding by 30 June 2025.	with no material finding	audit opinion with no material finding						
BT10	BTO	Provision of Free Basic Electricity	To improve lives of indigents	No of reports compiled on provision of FBE to registered indigents by 30 June 2025	indigents register	indigents register Achieved	04 reports compiled on provision of FBE to registered indigents by 30 June 2025	04 reports compiled on provision of FBE to registered indigents	04 reports compiled on provision of FBE to registered indigents	Achieved	None	None	FBE Reports	2,500,000.00	2,472,846.00



NO.	DIRE CTOR ATE	PROJEC T	MEASURABL E OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELIN E	2023/2 4 Year Actual Achiev ed/ Not Achiev ed	SPECIA L ADJUS TED ANNU AL TARGE TS 2024/2 025	2024/2025 ANNUAL TARGETS (KPA 4)					MEANS OF VERIFIC ATION	Special Adjuste d Annual budget 2024- 2025	Expend iture
								Annual target	Annual actual	Achieve d/ Not Achieve d	Varianc e	Reasons for varianc es			
Total													27,797, 985.00	28,533, 339.23	

5: Good governance and public participation

Strategic objective: To promote good governance, public participation, accountability, transparency, effectiveness and efficiency.

Total Number of Indicators	Total Number of Annual Targets	Total Number of annual Adjusted Targets
27	27	27

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
GG 01	MUNICIPAL MANAGER'S OFFICE	Risk Assessments	To assess, identify, manage risk and uncertainty in order to safeguard assets, enhance productivity and build resilience	No. of Strategic Risk assessment conducted, and Operational Risk Assessment reviewed by 30 June 2025	1 Strategic Risk assessment conducted, and 4 Operational Risk Assessments reviewed	1 Strategic Risk assessment conducted and 4 Operational Risk Assessments reviewed by 30 June 2025	1 Strategic Risk assessment conducted and 4 Operational Risk Assessments reviewed by 30 June 2025	1 Strategic Risk assessment conducted, and 4 Operational Risk Assessments reviewed	1 Strategic Risk assessment conducted, and 4 Operational Risk Assessments reviewed	Achieved	None	None	Assessment Reports	0.00	0.00

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
			ce into operations.												
GG 02	MUNICIPAL MANAGER'S OFFICE	Monitoring of physical security	To assess, identify, manage risk and uncertainty in order to safeguard assets, enhance productivity and build resilience into operations.	No of Physical Security Monitoring's conducted by 30 June 2025	04 of Physical Security monitoring's conducted	04 of Physical Security monitoring's conducted	12 Physical Security Monitoring's conducted by 30 June 2025	12 Physical Security monitoring's conducted	12 Physical Security monitoring's conducted	Achieved	None	None	Security monitoring reports	0.00	0.00

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
GG 03	MUNICIPAL MANAGER'S OFFICE	Facilitate implementation of business continuity plan	To assess, identify, manage risk and uncertainty in order to safeguard assets, enhance productivity and build resilience into operations.	No of Business Continuity projects implemented	New Indicator	N/A	01 Business Continuity project implemented by 30 June 2025	01 Business Continuity project implemented	01 Business Continuity project implemented	Achieved	None	None	Business continuity implementation report	250,000.00	0.00
GG 04	MUNICIPAL MANAGER'S OFFICE	Facilitate risk management	To assist the Accounting Officer/ Authority	No of Risk Management Committee	04 Risk Management Committee	04 Risk Management Committee (RMC) meetings	04 Risk Management Committee (RMC) meetings	04 Risk Management Committee (RMC)	04 Risk Management Committee (RMC)	Achieved	None	None	Approved risk management committee reports	0.00	0.00

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
		committee (RMC) meetings	y in addressing its oversight requirements of risk management.	(RMC) meetings held by 30 June 2025	(RMC) meetings	Achieved	held by 30 June 2025	meetings held	meetings held						
GG 05	MUNICIPAL MANAGER'S OFFICE	Internal audit projects and programs	To ensure proper functionality of internal audit activity.	No. of Internal Audit policies and procedures reviewed and approved by 30 June 2025	03 Internal Audit policies and procedures reviewed and approved.	03 Internal Audit policies and procedure s reviewed and approved.	03 Internal Audit policies and procedure s reviewed and approved by 30 June 2025	03 Internal Audit policies and procedure s reviewed and approved	03 Internal Audit policies and procedure s reviewed and approved				Approved internal audit policies and procedures	0.00	0.00
				No of three-year rolling plans reviewed and	Reviewed three-year rolling plans review	Reviewed three-year rolling plans reviewed and approved	01 three-year rolling plan reviewed and approved by audit	01 three-year rolling plan reviewed and approved	01 three-year rolling plan reviewed and approved						Approved three-year rolling plan

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
				approved by audit and performance committee by 30 June 2025	ed and approved by audit and performance committee	by audit and performance committee Achieved	and performance committee by 30 June 2025	approved by audit and performance committee	d by audit and performance committee						
GG 06	MUNICIPAL MANAGER'S OFFICE	Internal Audit engagements project and programmes	To ensure the effectiveness of internal controls and governance processes	No of risk-based Internal audit engagements performed by 30 June 2025	14 risk-based internal audit engagements performed	Achieved	14 risk-based internal audit engagements performed by 30 June 2025	14 risk-based internal audit engagements performed	14 risk-based internal audit engagements performed	Achieved	None	None	Risk-based audit engagement reports	500,000.00	497,574.05
GG 07	MUNICIPAL MANAGER'S OFFICE	Internal Audit compliance	To provide assurance that the	No of performance information audit	04 performance information	04 performance information audit	04 performance information audit	04 performance information audit	04 performance information audit	Achieved	None	None	Performance information audit reports	0.00	0.00

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
		projects	municipality 's established objectives and goals will be achieved	engagements performed (AOPO) by 30 June 2025	audit engagements	engagement Achieved	engagement performed (AOPO) by 30 June 2025	engagements performed	engagements performed						
GG 08	MUNICIPAL MANAGER'S OFFICE	Internal Audit activity's AGSA and IA follows up review	To ensure proper monitoring of audit action plan for clean administration	No of internal audit follow-up reviews performed by 30 June 2025.	08 internal audit follow-up reviews performed	08 internal audit follow-up reviews performed Achieved	08 internal audit follow-up reviews performed by 30 June 2025.	08 internal audit follow-up reviews performed	08 internal audit follow-up reviews performed	Achieved	None	None	Follow-up review progress reports	0.00	0.00
GG 09	MUNICIPAL MANAGER'S OFFICE	Audit and Performance Committee (APC)	To ensure effectiveness of sound financial	No. of Audit and Performance Committee meeting	04 Audit and Performance Committee	04 Audit and Performance Committee meetings held	04 Audit and Performance Committee meetings	04 Audit and Performance Committee meetings held	11 Audit and Performance Committee meetings held	Achieved	07 Audit and Performance Committee meetings	More special APC meetings were held to address the	Attendance registers and minutes	850,000.00	927,996.32

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
		support	management, risk management and controls, internal audit and performance management	s held by 30 June 2025	meetings held	Achieved	held by 30 June 2025					operation clean audit campaigns per the request from the Committee and for tabling of other Internal Audit legislated documents.			
GG 10	CORPORATE SERVICES	Develop customer care implementation plan.	To improve service delivery through customer engagements	No. of customer care activities implemented in line with the approved customer	04 customer care activities implemented	04 customer care activities implemented Achieved	4 customer care activities implemented in line with the approved customer care plan	04 customer care activities implemented in line with the approved customer	04 customer care activities implemented in line with the approved customer	Achieved	None	None	Attendance registers	1,400,000.00	1,327,270.00

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
			platforms	rcare plan by 30 June 2025			by 30 June 2025	rcare plan	rcare plan						
			No of customer satisfaction surveys conducted by 30 June 2025	New indicator	N/A		01 customer satisfaction survey conducted by 30 June 2025	01 customer satisfaction survey conducted	01 customer satisfaction survey conducted	Achieved	None	None	Customer satisfaction survey report		
			No of Municipal service standards reviewed by 30 June 2025	New indicator	N/A		01 municipal service standards reviewed by 30 June 2025	01 municipal service standards reviewed	01 municipal service standards reviewed	Achieved	None	None	Reviewed Municipal Service Standards		
GG 11	CORPORATE SERVICES	Publications	To enhance public participation in	No. of documents published by	06 documents published done	06 documents published done	06 documents published by 30 June 2025	06 documents published	06 documents published	Achieved	None	None	Hardcopies of documents published	2,219,910.00	1,617,313.04

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
			the affairs of the municipality	June 2025.		Achieved									
GG 12	MUNICIPAL MANAGER'S OFFICE	Branding and Marketing	To profile and promote Makhutha magabrand.	No of branding and marketing activities performed by 30 June 2025	04 branding and marketing activities performed	04 branding and marketing activities performed	04 branding and marketing activities performed by 30 June 2025	04 branding and marketing activities performed	04 branding and marketing activities performed	Achieved	None	None	Branding and marketing Reports	2,370,000.00	1,076,300.00
GG 13	SPEAKER'S OFFICE	Capacity building of councilors and council committee	To ensure effective and efficient good governance.	No of trainings provided to councilors by 30 June 2025	08 trainings provided to councilors	08 trainings provided to councilors	09 trainings provided to councilors by 30 June 2025	09 trainings provided to councilors	09 trainings provided to councilors	Achieved	None	None	Attendance register	1,600,000.00	1,157,471.14
GG 14	SPEAKER'S OFFICE	Speakers outreach	To promote public	No of Speakers outreach	04 Speakers outreach	04 Speakers outreach	08 Speakers outreach events	08 Speakers outreach	12 Speakers outreach	Achieved	04 Speaker outreach	The overachievement	Report and Attendance	1,330,000.00	1,327,395.00



IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
		ch events	participation and deepening participatory democracy.	h events conducted by 30 June 2025	ch events held	events held Achieved	conducted by 30 June 2025.	h events conducted	h events conducted		h events conducted	was necessitated by community needs submitted to the Speaker's Office (i.e Complaints about ward cllr, wards delimitation etc), compelling the Speaker's office to be responsive to such.	ce Register		

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
GG 15	SPEAKER'S OFFICE	Council Logistics	To fulfill legislative mandate	No of ordinary Council meetings held by 30 June 2025	04 ordinary council meetings held	04 ordinary council meetings held Achieved	4 ordinary Council meetings held by 30 June 2025	04 council meetings held	04 council meetings held	Achieved	None	None	Minutes and Attendance Register	800,000.00	728,502.86
				No of special council meetings held by 30 June 2025	08 special council meetings held	08 special council meetings held Achieved	08 special council meetings held by 30 June 2025	08 special council meetings held	07 special council meetings held	Not Achieved	01 special council meeting	Lack of issues that needed council sittings	Minutes and Attendance Registers		
GG 16	SPEAKER'S OFFICE	Council oversight on service delivery performance	To improve municipal performance and service delivery.	No. of project visits conducted by MPAC by 30 June 2025	04 project visits conducted by MPAC	04 project visits conducted by MPAC Achieved	04 project visits conducted by MPAC by 30 June 2025	04 project visits conducted by MPAC	04 project visits conducted by MPAC	Achieved	None	None	Oversight reports and attendance Registers	730,000.00	689,753.61
				% of cases investigated by	100% of cases investigated	100% of cases investigated	100% of cases investigated by	100% of cases investigated by	100% of cases investigated by	Achieved	None	None	Investigation Reports		

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
				MPAC (total number cases investigated / total number of cases referred) by 30 June 2025	gated by MPAC	d by MPAC Achieved	MPAC (total number cases investigated / total number of cases referred) by 30 June 2025	MPAC (total number cases investigated / total number of cases referred)	MPAC (02 cases investigated / 02 cases referred)						
	SPEAKER'S OFFICE	Council oversight on service delivery performance and service delivery	To improve municipal performance and service delivery	No. of MPAC meetings held by 30 June 2025	12 MPAC meetings held	Achieved	12 MPAC meetings held by 30 June 2025	12 MPAC meetings held	12 MPAC meetings held	Achieved	None	None	Minutes and attendance registers		
				No of Oversight reports compiled and presented to Council by 30	01 Oversight report compiled and presented to	01 Oversight report compiled and presented to Council by 30 June 2025	01 Oversight report compiled and presented to Council	01 Oversight report compiled and presented to Council	Achieved	01 Oversight report compiled and presented to Council	01 Oversight report compiled and presented to Council	Achieved	None	None	Oversight report and council resolution

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
				June 2025	Council										
GG 17	CHIEF WHIP'S OFFICE	Whippery Support	To promote healthy lifestyle and social cohesion	No of Whipper y meetings held by 30 June 2025	12 whippery meetings held	12 whippery meetings held	12 Whipper y meetings held by 30 June 2025	12 Whipper y meetings held	12 Whipper y meetings held	Achieved	None	None	Minutes and Attendance Registers	R1 559 000	0.00
			To promote healthy lifestyle and social cohesion	No. of whippery report generated and submitted to council by 30 June 2025	04 whippery report generated and submitted to Council	04 whippery report generated and submitted to council by 30 June 2025	04 Wippery report generated and submitted to council	04 Wippery report generated and submitted to council	Achieved	None	None	Whippery Reports			
GG 18	MAYOR'S OFFICE	Mayor's Outreach Programmes	To advance social responsibility,	No of Mayor's Outreach events held by	12 Mayor's outreach events	12 Mayor's outreach events held	12 Mayor's Outreach events held by 30 June 2025.	12 Mayor's Outreach events held	23 Mayor's Outreach events held	Achieved	11 Mayoral outreach events	This is due to unforeseen protests and	Reports and Attendance Registers	1,600,000.00	1,328,850.23

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
			improve quality of life of citizen and deliver quality basic services	30 June 2025.	held conducted	Achieved						unexpected challenges that threatens service delivery, prompting more Mayoral Outreach programmes to address service delivery issues.			
GG 19	MAYOR'S OFFICE	Special Programmes	To advance social responsibility, improve quality of life of citizen	No of special programmes conducted by 30 June 2025.	20 Special programmes conducted.	Achieved	20 of special programmes conducted by 30 June 2025.	20 special programmes conducted	25 special programmes conducted	Achieved	05 special programmes conducted	The over achievement was informed by more requests from the focal groups within	Report and Attendance Register	3,900,000.00	4,219,353.26



IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE		SPECIAL ADJUSTED ANNUAL TARGET 2024/2025	2024/2025 ANNUAL TARGETS (KPA 5)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variance			
			and deliver quality basic services									the Municipality.			
Total													17,549,910.00	14,897,779.51	



KPA 6: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Strategic objective: To promote effective, efficient municipal administration, and governance through application of credible and approved municipal systems/ processes

Total Number of Indicators	Total Number of Annual Targets	Total Number of Adjusted Targets
23	23	23

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
MTO D01	EDP	2025/2026 IDP review Activities.	To improve governance and deepen community involvement in the affairs of the	No of IDP process plan compiled by 30 June 2025	01 compiled 2025/2026 IDP/Budget	01 compiled 2025/2026 IDP/Budget Achieved	01 IDP 2026/2027 process plan compiled by 30 June 2025	01 IDP 2026/2027 process plan compiled	01 IDP 2026/27 process plan compiled	Achieved	None	None	Compiled IDP process plan	0.00	0.00
				No of IDP process plan implementation	12 IDP process plan implementation	12 IDP process plan implementation	12 IDP process plan implementation	12 IDP process plan implementation	12 IDP process plan implementation	12 IDP process plan implementation	Achieved	None	None	IDP process plan reports	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
			municipality.	reports developed by 30 June 2025.	reports developed	reports developed Achieved	reports developed by 30 June 2025	tion reports developed	reports developed						
				No of 2025/2026 IDP adopted by Council by 30 June 2025	01 2024/2025 IDP	01 2024/2025 IDP Achieved	01 2025/2026 IDP adopted by Council 30 June 2025	01 2025/2026 IDP adopted by Council 30 June 2025	01 2025/2026 IDP adopted by Council 30 June 2025	01 2025/2026 IDP adopted by Council 30 June 2025	Achieved	None	None	2025/2026 IDP and Council resolution	0.00
MTO D02	EDP	Performance Management	To improve municipal performance and service delivery	No of 2025/2026 SDBIP approved by 30 June 2025	01 2024/2025 SDBIPs approved	01 2024/2025 SDBIPs approved Achieved	01 2025/2026 SDBIP approved by 30 June 2025	01 2025/2026 SDBIP approved	01 2025/2026 SDBIP approved	Achieved	None	None	Approved SDBIP	0.00	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
				No of 2024/2025 adjusted SDBIP approved by 30 June 2025	01 2023/2024 adjusted SDBIPs approved	01 2023/2024 adjusted SDBIPs approved Achieved	01 2024/2025 adjusted SDBIP approved by 30 June 2025	01 2024/2025 adjusted SDBIP approved	01 2024/2025 adjusted SDBIP approved	Achieved	None	None	Approved adjusted SDBIP and council resolution	0.00	0.00
				No of PMS reports approved by 30 June 2025	04 PMS reports approved	Achieved	10 PMS reports approved by 30 June 2025	10 PMS reports approved	10 PMS reports approved	Achieved	None	None	PMS reports	0.00	0.00
				No performance agreements signed by appointed Senior Managers by 30 June 2025	04 performance agreements signed by appointed Senior Managers	Achieved	06 performance agreements signed by appointed Senior Managers	06 performance agreements signed by appointed Senior Managers	06 performance agreements signed by appointed Senior Managers	Achieved	None	None	Signed performance Agreements	0.00	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
								Managers							
			No of Performance Management Framework reviewed by 30 June 2025	01 Performance management Framework reviewed	01 Performance management Framework reviewed	01 Performance management Framework reviewed by 30 June 2025	01 Performance management Framework reviewed	01 Performance management Framework reviewed	Achieved	None	None	Reviewed PMF	0.00	0.00	
			No of 2023/24 annual senior managers' performance assessments conducted by 30 June 2025	01 2022/23 annual Senior Managers' performance assessments conducted	01 2022/23 annual Senior Managers' performance assessments conducted	01 2023/24 annual senior managers' performance assessments conducted by 30 June 2025	01 2023/24 annual senior managers' performance assessments	01 2023/24 annual senior managers' performance assessments	Achieved	None	None	Annual Assessments report.	0.00	0.00	



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
								conducted							
				No of 2024/25 midterm senior managers' performance assessments conducted by 30 June 2025	01 2023/24 midterm senior managers' performance assessments conducted	01 2023/24 midterm senior managers' performance assessments conducted Achieved	01 2024/25 midterm senior managers' performance assessments conducted by 30 June 2025	01 2024/25 midterm senior managers' performance assessments conducted	01 2024/25 midterm senior managers' performance assessments conducted	Achieved	None	None	Midterm Assessments report.	0.00	0.00
				No of 2023/2024 Annual reports compiled by 30 June 2025	2022/2023 Annual report compiled	2022/2023 Annual report compiled Achieved	01 2023/2024 annual report compiled by 30 June 2025	01 2023/2024 annual report compiled	01 2023/2024 annual report compiled	Achieved	None	None	Annual Report	0.00	0.00



NO.	DIRE CTOR ATE	PROJEC T	MEASURAB LE OBJECTIVE	KEY PERFORMA NCE INDICATO R.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFIC ATION	Special Adjuste d Annual budget 2024- 2025	Expendit ure
								Annua l target	Annual actual	Achieve d/ Not Achieve d	Variance	Reasons for varienc es			
MTO D03	COR POR ATE SERVI CES	Provisio n of Occup ational Health and safety services	To provide occupatio nal health and safety (medical surveillanc e)	No of occupatio nal health and safety reports produced by 30 June 2025	04 occupati onal health and safety reports	04 occupatio nal health and safety reports Achieved	04 occupatio nal health and safety reports produced by 30 June 2025	04 occup ationa l health and safety report s produ ced	04 occupat ional health and safety reports produce d	Achieve d	None	None	OHS reports	800,000 .00	295,049. 40
MTO D04	COR POR ATE SERVI CES	Provisio n of human resourc e develop ment and organis ational design services	To provide skilled and capable workforce to support service delivery	No of skills developm ent training reports generated by 30 June 2025	04 training report generate d	04 training report generated Achieved	04 skills developm ent training reports generated by 30 June 2025	04 skills devel opme nt trainin g report s gener ated	04 skills develop ment training reports generat ed	Achieve d	None	None	Training Reports	1,200,0 00.00	1,090,61 8.36
MTO D05	COR POR ATE SERVI CES	Manag e Bursary Funds	To provide academic support to students and	No of External Bursary fund reports	04 External Bursary fund reports	04 External Bursary fund reports Achieved	04 External Bursary fund reports generated	04 Extern al Bursar y fund	04 External Bursary fund reports	Achieve d	None	None	External bursary fund reports	4,620,0 00.00	3,556,13 0.54



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
			employees for higher education	generated by 30 June 2025	generated.	reports generated Achieved	by 30 June 2025	reports generated	generated						
				No of Employees Bursary fund reports generated by 30 June 2025	04 Employees Bursary fund reports generated	04 Employees Bursary fund reports generated Achieved	04 Employees Bursary fund reports generated by 30 June 2025	04 Employees Bursary fund reports generated	04 Employees Bursary fund reports generated	Achieved	None	None	Internal bursary fund Reports	500,000.00	363,260.00
MTO D06	CORPORATE SERVICES	Implementation of Performance management system (PMDS)	To Improve municipal performance and service delivery.	% of Performance agreement signed by 30 June 2025 (Total number of employee signed agreements/ total number of	New indicator	N/A	100% of Performance agreement signed by 30 June 2025 (Total number of employee signed agreements/ total number of employee	100% of Performance agreement signed (Total number of employee signed	100% of Performance agreement signed (212 employees signed agreements/ 212 employ	Achieved	None	None	Report/list of employee signed	0.00	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
				employees appointed)			s appointed)	agreements / total number of employees appointed)	ees appointed)						
				No of PMDS assessments conducted by 30 June 2025	New indicator	N/A	02 PMDS assessments conducted by 30 June 2025	02 performance assessments conducted (2023/2024 annual)	02 performance assessments conducted (2023/2024 annual)	Achieved	None	None	Assessment Report	0.00	0.00
MTO D07	CORPORATE SERVICES	Provision of Human resource manag	To reduce vacancy rate and strengthen workforce	% of funded vacant posts as at the beginning	75 % of funded vacant posts as at the beginning	75 % of funded vacant posts as at the beginning	75% of funded vacant posts as at the beginning	75% of funded vacant posts	86% of funded vacant posts as at the beginning	Achieved	11% of funded vacant posts as at the beginning	Municipality filled more funded positions	Recruitment report	0.00	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
		ement services		of financial year filled in line with the approved Organizational structure (total number of funded vacant positions filled /number of vacant positions as at beginning of financial year) by 30 June 2025.	g of financial year filled in line with the approved Organizational structure (total number of vacant positions filled /number of vacant position as at beginning of financial year	of the financial year filled Achieved	of financial year filled in line with the approved Organizational structure (total number of vacant positions filled /number of vacant position as at beginning of financial year) by 30 June 2025.	as at the beginning of financial year filled in line with the approved Organizational structure (total number of vacant positions filled /number of vacant position as at beginning of financial year) by 30 June 2025.	g of financial year filled in line with the approved Organizational structure (19 vacant positions filled /22 vacant positions as at beginning of financial year)		g of financial year filled in line with the approved Organizational structure (02 vacant positions filled)	as these positions emanated from service delivery departments and had expedited to service delivery backlogs			



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
								vacant position as at beginning of financial year)							
			To provide corporate services, systems, policies and standard operating procedure .	No of HR policies reviewed by 30 June 2025	15 HR policies reviewed	15 HR policies reviewed Achieved	10 HR policies reviewed by 30 June 2025	10 HR policies reviewed	18 HR policies reviewed	Achieved	08 HR policies reviewed	More HR policies were reviewed as a result of changes in employment laws and regulations. Additionally, the variance	Approved HR policies and council resolutions	0.00	0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
												e was also to cater for the growth of the organisation and staff compliment.			
MTO D08	CORPORATE SERVICES	Local labour forum/ provide employee relations services	To ensure compliance with SALGBC collective agreement through functional LLF each year.	No. of LLF resolution reports created by 30 June 2025	09 LLF resolution reports created	09 LLF resolution reports created Achieved	04 LLF resolution reports created by 30 June 2025	04 LLF resolution reports created	04 LLF resolution reports created	Achieved	None	None	LLF resolution reports	0.00	0.00
MTO D09	CORPORATE SERVICES	Manage municipal Litigation cases	To ensure proper monitoring of legal cases	No. of municipal litigation cases reports compiled	04 Litigation cases reports	04 Litigation cases reports Achieved	04 municipal litigation cases reports compiled	04 municipal Litigation cases report	04 municipal Litigation reports	Achieved	None	None	Municipal Litigation reports	10,500,000.00	11,387,954.13



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
				by 30 June 2025			by 30 June 2025	s compiled	compiled						
MTO D10	CORPORATE SERVICES	ICT governance	To strengthen municipal ICT governance and systems.	No. of ICT steering committee resolutions reports generated by 30 June 2025	04 ICT steering committee resolutions reports generated	Achieved	04 ICT steering committee resolutions reports generated by 30 June 2025	04 ICT steering committee resolutions reports generated by 30 June 2025	04 ICT steering committee resolutions reports generated	Achieved	None	None	ICT steering Committee resolution reports	0.00	0.00
MTO D11	CORPORATE SERVICES	ICT systems support	To enhance productivity of ICT systems	No of reports for ICT Systems supported by 30 June 2025	12 ICT systems support reports	Achieved	12 reports for ICT Systems supported by 30 June 2025	12 reports for ICT systems supported	12 reports for ICT systems supported	Achieved	None	None	ICT systems support reports	12,955 000	13,602,8 84.66



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2023/24 Year Actual Achieved/ Not Achieved	SPECIAL ADJUSTED 2024/2025 ANNUAL TARGETS	2024/2025 ANNUAL TARGETS (KPA 6)					MEANS OF VERIFICATION	Special Adjusted Annual budget 2024-2025	Expenditure
								Annual target	Annual actual	Achieved/ Not Achieved	Variance	Reasons for variances			
MTO D12	CORPORATE SERVICES	ICT infrastructure assets	To fully Automate Municipal Business processes	No of Automation/Digital System Procured by 30 June 2025	Municipal Business processes	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MTO D13	CORPORATE SERVICES	Provision of administrative support	To enhance administrative support services	No of records management reports generated by 30 June 2025	12 records management reports	12 Records management reports generated Achieved	12 Records management reports generated by 30 June 2025	12 Records management reports generated	12 Records management reports generated	Achieved	None	None	Records management reports	0.00	0.00
TOTAL														30,492,413.16	30,295,897.09

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4. Introduction

This chapter addresses information pertaining to the information of an effective performance management system. Organizational development and performance of the municipality. It is classified into four components, namely:

- Component A (Introduction to Municipal Workforce),
- Component B (Managing Municipal Workforce),
- Component C (Capacitating Municipal Workforce) and
- Component D (Managing Municipal Workforce Expenditure)

4.1 Component A: Introduction To The Municipal Workforce

The Makhuduthamaga Municipality workforce plays a pivotal role in ensuring that the efficient and effective service delivery to communities and to provide support function to the core service delivery departments. The organizational development and human resources management section highlights the structure, size, policies and key initiatives aimed at building a capable and ethical workforce.⁴

The municipality's organizational structure is designed to support its strategic objectives, integrated development planning (IDP), service delivery budget implementation plan(SDBIP), and execution of council resolutions.

The municipality has also cascaded and implemented Performance management development system (PMDS) which ultimately ensures that the workforce is competent. The municipal workforce in 2024/2025 has for the first time undergone performance assessment process.

To ensure that the organization's effectiveness is increased, the municipality conducts personnel needs analysis and makes the necessary provision in the Municipal Budget on an annual basis. To ensure effectiveness and efficiency within the organisation, the municipality annually develops a Workplace Skills Plan and the personal development plans, after conducting training needs analysis. The necessary capacity building and skills programs are then provided depending on available financial resources. Employees are also provided with all the necessary tools including, but not limited to, ICT tools, furniture, and machinery.

The operational policies, systems, procedures, and mechanisms are put in place to ensure organizational development. These include recruitment, selection, training, discipline, and staff retention. Employees are developed as far as possible to assist them to function effectively as human beings and to reach their full potential. Changes in business process and changing environments require the organization to review its organizational structure on a regular basis.

The municipality also in collaboration with LGSETA and other stakeholders introduced the formal implementation of WIL programme (work-Integrated learning which benefits 20 unemployed youth), HRM and HRD internship which benefits 10 graduates, Municipal finance Administration learnership which benefits 20 unemployed youth, and 5 municipal employees/

4.1.1 Organizational Structure

Table 51: Organizational Structure

NAME OF DEPARTMENT	NUMBER OF POSTS	FILLED	VACANT	M	F
Office of the Mayor	19	11	08	06	05
Office of the Speaker	11	11	0	06	05
Office of the Municipal Manager	11	10	01	03	07
Budget and Treasury	34	34	0	19	15
Community Services	98	79	19	47	32
Corporate Services	26	25	01	14	11
Economic Development and Planning	14	12	02	07	05
Infrastructure Development Services	30	27	03	14	13
TOTAL	243	209	34	116	93

4.1.2 Information and Communication Technology (ICT)

Information Communication Technology (ICT) services are best positioned to promote effective administration to achieve service delivery targets and ultimately have an impact on socio-economic development. It is therefore integral to the functionality and efficiency of the Municipality. The target for the reporting period was to achieve improved ICT systems processes compliant infrastructure and Strategies.

Service delivery priorities for ICT are to ensure that the Municipality has efficient and effective ICT Systems and Infrastructure. The Municipality has adopted and implemented Corporate Governance of ICT Policy Framework and Related policies as per Department of Public Service and Administration.

The Municipality has during the year under review developed and approved Digital Strategy, and Disaster Recovery Plan aimed at addressing the following:

- To digitize all its processes and to include the residence of Makhuduthamaga Local Municipality in accessing internet services.
- To have proper processes to follow should disaster happen and to enforce cyber security policies.

Table 52: ICT Services

Service Objective:				
Installation of Service Desk System		For Management of ICT Service requests.		
Procurement of ICT Infrastructure		To procure ICT equipments as and when required.		
Maintenance of ICT Systems and Infrastructure		For routine maintenance of ICT Systems and Infrastructure		
Renewal of Software Licenses		To renew software licenses on an annual basis.		
Employees: ICT Services				
Job Level	Job Level			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	0	0	0	0
4 – 6	1	1	0	0
7 – 9	0	0	0	0

10 – 12	1	1	0	0
13 – 15	1	1	0	0
16 – 18	1	1	0	0
19 – 20	0	0	0	0
Total	4	4	0	0

NB:

Financial Performance 2024/25: ICT Services

Details	2024/25			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure:				
Employees	R 3 200 119	R 3 243 119	R 3 079 547	R163 572
Repairs and Maintenance	R 12 555 382	R12 955 382	R12 955 382	R0.00
Total Operational Expenditure	R 15 755 501	R 16 198 501	R 16 034 929	R163 572
Capital Projects	R 1 900 000	R 2 400 000	R 1 934 655	R 465 344
Total Expenditure	R 17 655 501	R 18 598 501	R 19 370 360	R628 916

4.2 Component B: Managing The Municipal Workforce Levels

4.2.1 Municipal workforce management

Makhuduthamaga Municipality has established policies and procedures for the management of the workforce.

The municipal workforce is structured as follows:

- The Municipal Manager as head of administration
- Six (6) Senior Manager positions of which five (5) of them are filled and one (1) is vacant, namely: Senior Manager: Executive Support. All the appointed senior

managers meet the minimum qualifications requirements (NQF level 7 and competency requirements).

- Moreover, the Municipality has twenty-five (25) middle management positions in various departments; twenty (20) of the 25 positions are filled while six (5) of them are vacant. All the officials occupying the filled positions meet the minimum qualifications requirements (NQF level 6).
- Other employees of the Municipality are Senior Officers, Officers, Chief Traffic Officers, Traffic Superintendents, Traffic Wardens, Traffic Officers, Clerks, Plant Operators, Librarian, Library Assistants, Cashiers, Supervisor Cashiers, Admin Assistants, Personal Assistants and General Workers.

Employees					
Description	2024/2025				
	Employees	Approved		Variance	Variance
	(Filled)	posts			
	No.			No.	%
Water	No.			No.	%
Waste Water (Sanitation)	0	0		0	0
Electricity and Electricity	1	1		0	0
Waste Management	18	29		11	37.93%
Roads Wastewater and Storm water Drainage	22	25		3	12%
Transport	0	0		0	0
Local Economic Development and Planning	12	14		2	14,29
Community & Social Services	11	12		1	8,33
Environmental Protection	0	0		0	0
Health	0	0		0	0
Security and Safety	0	0		0	0
Corporate Policy Offices and Other	0	0		0	0

	Posts	vacancies exist using fulltime equivalents)	total posts in each category)
	No	No.	%
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	4	1	0
Other S57 Managers (Finance posts)	0	0	0
Municipal Police	0	0	0
Fire fighters	0	0	0
Senior management: Levels 13-15 (excluding Finance Posts)	19	1	0
Senior management: Levels 13-15 (Finance posts)	6	0	7.69
Highly skilled supervision: levels 9 – 12 (excluding Finance posts)	68	2	2.9
Highly skilled supervision: levels 9 – 12 (Finance posts)	21	0	0
	120	4	3.33

4.2.2 Policies

The Municipality reviewed fifteen (15) HR Policies during the year under review, namely: OHS Policy, HIV/AIDS Policy, Incapacity due to Ill Health Policy, Incapacity due to Poor Work Performance Policy, Substance Abuse Policy, Private Work and Declaration of Interest Policy, Relocation Policy, Smoking Policy, Succession Policy, Leave Policy, Placement Policy, Retention Policy, Parking Policy, Dress Code, Uniforms & Protective Clothing Policy, and Sexual Harassment Policy.

4.2.3 Injuries, sickness and suspensions

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Average injury leave taken per employee	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	
Required basic medical attention only	56	06	04	01	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	56	06	04	01	0

Number of days and Cost of Sick Leave (excluding injuries on duty)

Salary band	Total sick leave	Proportion of sick leave without	Employees using sick leave	Total employees in post*	*Average sick leave per	Est imated cost
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		medical certification			Employees	
--	--	------------------------------	--	--	------------------	--

	Days	%	No.	No.	Days	
Lower skilled (Levels 1-2)	0	0	0	0	0	
Skilled (Levels3-5)	145	18	25	25	3 days	
Highly skilled production (levels 6-8)	393	81	59	59	3 days	
Highly skilled supervision (levels 9-12)	563	83	87	87	3 days	
Senior management (Levels 13-15)	298	62	32	32	3 days	
MM and S57	0	0	6	6	0	
Total	1399	244	209	209	09 days	
* - Number of employees in post at the beginning of the year						

4.2.3. Number and Period of Suspensions

During the year under review, the Municipality had a total of four (4) suspensions. Three (3) of the 4 suspended officials were fleet drivers who were charged for gross dishonesty. The 3 fleet drivers resigned while on suspension. The other employee was a Chief Traffic Officer who was suspended for releasing vehicles without following correct processes; his suspension was uplifted and his disciplinary processes are still ongoing.

4.3. Component C: Capacitating The Municipal Workforce

4.3.1 Skills Development and Training

Makhuduthamaga Municipality has in terms of MSA 2000 S 68(1) has endeavored to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economically effective efficient and accountable way by identifying training focused to

improve service delivery and also trained various Cllrs on various skills programs and 35 officials in line with the Workplace Skills Plan (WSP).

Skills Development and related expenditure and on the financial competency regulations:

The Municipality was able to prepare and submit WSP for 2023/2024 to LGSETA on time. The Municipality has an appointed Skills Development Facilitator (SDF) who ensures that the WSP is adhered to.

The municipality also has an allocated budget specifically for municipal employees' capacity building and skills development

Makhuduthamaga Municipality has also in the 2024/2025 financial year sponsored and enrolled 27 undergraduate students studying from various universities through the Makhuduthamaga bursary scheme.

The municipality also sponsored and enrolled 10 officials through the Makhuduthamaga internal bursary scheme to further studies and ensuring skilled and competent workforce.

The Makhuduthamaga Local Municipality was for the first time in 2024/2025 financial year awarded five (05) discretionary grants programmes by LG-SETA. The municipality was awarded the following program:

Municipal finance & administration which is a 12-month skills program, and it benefited 10 municipal employees & 15 unemployed youth in collaboration with skills development providers.

National Certificate: Local Economic development which is a 12-month skills program, and it benefited 05 employees and 20 unemployed youth in collaboration with skills development providers.

WIL programme: Diploma in public management which is an 18-months program, and it benefited 20 unemployed youth.

Human Resources Management internship benefited 05 unemployed youth and Human Resources development benefited 05 unemployed youth

4.4. Component D: Managing The Municipal Workforce Expenditure

4.4.1 Employee related Costs

The municipality has spent R131 294 065 as salaries for 209 officials. The expenditure/ is summarized as follows:

Basic : R 75 808 016

Bonus	: R 5 950 800
Medical Aid-company contribution	: R 6 593 499
UIF	: R 505 603
SDL	: R 1 075 569
Leave pay provision charge	: R 1 096 234
Pension Contribution	: R 12 682 607
Overtime payments	: R 1 629 307
Post-employment benefits costs	: R 1 467 000
Acting Allowance	: R 16 695
Car allowance	: R 17 112 202
Housing benefits and allowances	: R 4 197 618
Bargaining Council	: R 30 544
Clothing allowance	: R 57 377
Cell phone allowance	: R 3 070 994

4.4.2. Remuneration and allowances of councillors

The municipality has spent **R 28 178 721** as remuneration for 62 councillors. The remuneration and allowances of political office bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution of the Republic of South Africa Act 108 of 1996. The expenditure is summarized as follows:

Mayor	: R 1 073 155
Council Speaker	: R 871 080
Executive Committee Members	: R 5 479 345
Other Councillors' Basic Salary	: R 11 450 005
Councillors Pension Contribution	: R 1 953 509
Travel Allowances	: R 4 492 062
Travel Claims	: R 308 358
Cellphone Allowance	: R 2 198 381

Skills Development Levy	: R 159 246
Data Cards	: R 193 580

4.4.3. Disclosure of financial interest

All municipal officials and councilors have disclosed their financial interests in compliance with the MunicipalSystems Act, 32 of 2000

CHAPTER 5: FINANCIAL PERFORMANCE

INTRODUCTION

This Chapter contains four components, namely:

- Component A (Statement of Financial Performance),
- Component B (Spending against Capital Budget),
- Component C (Cash flow Management and Investments) and
- Component D (Other Financial Matters).

5.1 Component A: Statements of Financial Performance

The Municipality's total original budgeted revenue for the 2024/25 financial year to the amount of R 559 761 000 was adjusted to R 568 105 000 which consists of R70 066 000 from own sources of revenue and R 498 039 000 from government grants during the second adjustment period in April.

The total actual revenue to date is R 549 971 172 which makes up 97% of the total budgeted annual revenue to the amount of R 568 105 000.

The Municipality's total budgeted expenditure for the 2024/25 financial year to the amounts of R 595 496 898 which is made of operational expenditure to the amount of R 439 807 898 and capital expenditure to the amount of R 155 689 000 was adjusted to R 637 017 037 which is made of operational expenditure to the amount of R 480 101 016 and capital expenditure to the amount of R 156 916 021.

The to-date actual expenditure amounts to R 593 003 643 for the 2024/25 financial year. The municipality's bank balance as at 30 June 2025 was R 4 394 220.

The municipality's total actual revenue as at the end of 30 June 2025 amounts to R 549 971 172 and total actual operational expenditure of R 530 061 192 translating into a net surplus of R 19 909 980. Capital expenditure transfers and grants as at the end of 30 June 2025 amounted to R 94 358 000 (vat inclusive) for MIG and R 17 456 525 (vat inclusive) for electrification .

The following table summarizes the overall revenue and expenditure performance at the end of the financial period 30 June 2025:

Description	2023/24 Audited Outcome	2024/25 YTD Budget	2024/25 YTD Actual	2024/25 YTD Variance
Total Operational revenue	412 412 476	473 747 000	455 613 172	18 133 828
Total operational expenditure	(447 449 177)	(480 101 016)	(466 187 354)	(13 913 662)
Operating Surplus/Deficit	(35 036 701)	(6 354 016)	(10 574 182)	(4 220 166)
Capital transfers and grants	108 372 475	94 358 000	94 358 000	0.00
Net Surplus/Deficit after capitaltransfers	73 335 774	88 003 984	83 783 818	(4 220 166)

5.1.1 Budgeted Revenue and Actual Revenue to date

From The municipality's total actual revenue as at the end of 2024/25 is R 549 971 172 which amounts to 97% of the total budgeted annual revenue to the amount of R 568 105 000.

The total actual revenue recorded as at the end of 2024/25, R 465 717 500 is from government grants and transfers, and the remaining balance of R 84 253 672 comes from the own revenue sources.

The municipality's overall collection rate is 29% as at the end of 2024/25 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 38% in the prior year ended 30 June 2024. Collection on property rates and interest on outstanding debts are the highest contributors to the poor collection rate, and the National Treasury was requested to intervene on the Government properties debts as they contribute the highest percentage to the municipality's debt book.

5.1.2 Budgeted Expenditure and Actual Expenditure to date

The municipality incurred a total actual expenditure amount of R 593 003 643 as at the end of 2024/25 ending 30 June 2025. This amounts to 93% of the total annual expenditure budgeted, the amount of R 637 017 037.

5.1.3 Asset Management

The municipality has approved Assets management policy which governs the utilisation of the municipal assets to ensure that they effectively and efficiently contribute to delivery service to the communities. The municipality maintains an Asset Register which is updated monthly and quarterly. Assets physical verifications are conducted by the Assets management unit within the Budget and Treasury Office.

The assets verification reports are used to update the repairs and maintenance plan which the main purpose is to ensure that the municipal assets are always in good condition for service delivery and to prolong the life span of the assets. All assets of the municipality except the roads and infrastructure assets are insured and all vehicles of the municipality are monitored through reputable tracking devices.

The Assets management division is within the Budget and Treasury Office and have one Assistant manager, two Accountant and led by Manager – Assets. All Assets management staff have completed the minimum competency assessment successfully and are capacitated through regular training.

5.1.4 Financial ratios based on key performance indicators

Calculation and analysis of the municipality’s financial ratios.

The municipality considered the following ratios as part of assessing the going concern status of themunicipality as of 30 June 2025 in terms of GRAP1; 27-30:

Going concern and liquidity ratios.Going concern

Liquidity ratiosCurrent ratio

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

2025	2024
R'000	R'000
R 53 548: R 154 008	R 56 085: R150 889
0,35: 1	0,34: 1

This ratio measures the Municipality's ability to pay its short-term debt with liquid assets which are easily converted into cash. The above ratio indicates a current ratio of 0,38:1 that suggests that the municipality's liquid assets are not currently easy to be converted into cash can cover the current liabilities as and when they become due.

Debt ratio

Total Liabilities/Total Assets

2025	2024
R'000	R'000
R 171 233/ R 558 678 X 100%	R 171 835/ R 530 599X 100%
=31.7%	=32.3%

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.

Collection rate.NORM: 95%

Formula = Actual Revenue Received / (Opening +Billed Revenue)x 100

2025	2024
R'000	R'000
R41 131 / R 140 511x 100%	R 44 559 / R 116 959 x 100%
= 29%	= 38%

The Ratio indicates the collection rate, i.e. level of payments. It measures increases or decreases in Debtors relative to annual billed revenue over and above, the municipality receives government grants on annual basis and thus there are no indication that the municipality will not receive grants

in the foreseeable future. The decrease in collection rates is due to increase in billing of property rates for business sector, which is not substantiated by the corresponding payments.

5.2 Component B: Spending Against The Capital Budget

5.2.1 Source Of Finance

The municipal finance was sourced from:

Local Government Equitable Shares

Finance Management Grant

Expanded Publics Works Program

Municipal Infrastructure Grant

5.2.2 Capital Spending on 5 Largest Projects

Project Name	Expenditure (R)
Construction of Kome Internal Street phase 2_4.6km	33,619,857.00
Construction of Mathapisa/Soetveld to Kgaruthuthu/Mampana Thabeng access Road_6km	19,151,150.39
Construction of carbrievie internal street(4.12km)	16,745,533.26
Construction of access road from Maila Mapitsane to Magolego Tribal Office(5km)	15,791,758.98
Construction of access road from Brooklyn to Makoshala_3.2km	10,119,688.07

5.3 Component C: Cash Flow Management And Investment

The municipality will have to cut expenditure to ensure that the approved budget is within the available resources and reliably estimated cash flows going forward to avoid a net decrease in cash.

5.3.1 Cash Flow

Analysis of Future cash flow projections and cash flow assumptions.

The following table indicates the cash flow forecasts for the next three financial years in terms of MBRR and MFMA which shows favorable closing cash balances for each financial year:

LIM473 Makhuduthamaga - Table B7 Adjustments Budget Cash Flows - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		49 770	-					(10 340)	(10 340)	39 430	66 150	70 119
Service charges		309	-					45	45	354	403	414
Other revenue		44 160	-					29 453	29 453	73 613	68 714	74 050
Transfers and Subsidies - Operational	1	403 233	-					2 579	2 579	405 812	378 664	367 028
Transfers and Subsidies - Capital	1	69 358	-					(144)	(144)	69 214	72 707	79 112
Interest		3 500	-					-	-	3 500	3 800	4 000
Dividends		-	-					-	-	-	-	-
Payments												
Suppliers and employees		(418 515)	-					(35 332)	(35 332)	(453 847)	(409 975)	(404 039)
Finance charges		-	-					-	-	-	-	-
Transfers and Subsidies	1	(3 080)	-					(1 540)	(1 540)	(4 620)	(3 222)	(3 367)
NET CASH FROM/(USED) OPERATING ACTIVITIES		148 734	-	-	-	-	-	(15 279)	(15 279)	133 455	177 241	187 317
Capital assets		(179 042)	-					33 118	33 118	(145 924)	(179 969)	(194 941)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(179 042)	-	-	-	-	-	33 118	33 118	(145 924)	(179 969)	(194 941)
NET INCREASE/ (DECREASE) IN CASH HELD		(30 308)	-	-	-	-	-	17 839	17 839	(12 469)	(2 728)	(7 623)
Cash/cash equivalents at the year begin:	2	60 508	-					(46 588)	(46 588)	13 920	30 199	27 594
Cash/cash equivalents at the year end:	2	30 199	-					(28 748)	(28 748)	1 451	27 471	19 971

The 2023/2024 MTREF provides for a net decrease in cash of R 12 million for the 2024/25 financial year, net decrease of R 2 million in 2025/26 and net decrease in cash R 7.6 million in 2026/27.

Cash flow assumptions

Assumption for projected revenue

Property rates - R 39 million will be received in 2024/25 financial year and increases to R 66 million by 2025/26 financial year. The municipality collected R 40 million in the current year ended 30 June 2025. The projections for the MTREF are realistic based on the current collection rate on Property rates. Other Income - R 73.6 million - will be received from other income which consists mainly of VAT recovery for capital expenditure and other contracted services for operational purposes. VAT recovery collection is R 44 million as at 30 June 2025.

Transfers from National government - Projected to be received at 100%. There has not been any indication that National Treasury will withdraw any of the gazetted grants allocated for the municipality for the 2024/25 MTREF. Trade and other payables – Projected to be paid within 30 days of receiving the invoice in the ordinary course of business. Capital and Operational expenditure – Projected to be spent above 100% considering commitments and payables as of 30 June 2025. Basis for the assumptions and management future plans on cash flow management.

The cash flow projections for Property rates were calculated based on the historical trends on property rates collection rate. The municipality has signed payment agreements with certain local businesses and are currently paying on a monthly basis. A debt collector has also been contracted to assist the municipality in enforcing the credit control policy of the municipality to improve collection on property rates.

The municipality always strives to comply with all reporting requirements by National Treasury and other transferring departments for grants and therefore, it is not expected that any part of the grants allocated to the municipality as per the DoRA published in 2024 will be withheld. Therefore, the grants are expected to be received at 100% as budgeted for in 2024/25 MTREF.

Management of the municipality has resolved to procure goods and services for operational expenses using termed contracts to solve the challenges of delays in Supply Chain Processes which affect service delivery and budgeted expenditure negatively. Therefore, it is assumed that the municipality will be able to spend over 100% of its operational expenditure by year end. The consultants for capital projects are appointed a year before construction is expected to start to complete the designs for the projects on time. Contractors for all capital projects implemented during 2024/25 financial year have been appointed already, which allows them enough time to complete the projects targets within the planned financial year. Other factors such as Natural factors and strikes were considered in assuming

that the projects will be completed by the end of the 2024/24\5 financial year. It is therefore assumed that the capital expenditure as per the budget will be spent above 100% by year end.

5.3.2 Borrowing and investments

The municipality did not have any borrowings for the year ended 30 June 2025. The municipality did not make any investment during the year ended 30 June 2025. The interests earned were for the positive bank balance throughout the year.

5.3.3. Public Private Partnerships

The municipality did not enter into any Public Private Partnership agreements during and before the year ended 30 June 2025.

5.4. COMPONENT D: OTHER FINANCIAL MATTERS

5.4.1. Supply chain management

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.

Adoption of SCM Policy

The Council has adopted an SCM policy in terms of SCM regulation 3

Staff Employed in SCM unit

The unit comprises of Seven filled posts and no vacant post. SCM Baseline survey completed and sent to National Treasury.

Job descriptions

The posts have job descriptions

Implementation Plan for SCM

The Detailed Procurement Plan has been developed and approved by the municipal manager. The plan is implemented.

Performance of Vendors

Performance of vendors performed regularly by the Contract management officer in consultation with the user department.

Monitoring of SCM Policy

SCM processes are independently monitored to ensure the SCM policy is followed and desired objectives are achieved

Threshold values

Threshold values contained in the SCM Policy are aligned with the values stipulated in regulation 12.

Municipal bid documents

Municipal bid documents include evaluation criteria for use by the bid evaluation and adjudication committees. The documents are made available for at least three days before the compulsory briefing date (if applicable).

Code of Conduct

All SCM Officials and Bid committee members have signed a Code of Conduct.

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)).

In addition, all invitations for competitive bids are publicly advertised

All invitations for competitive bids are publicly advertised in newspapers commonly circulated locally(reg. 2(1))

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).

Bid Specification Committee.

Bid Specification Committee membership complies with regulation 27.

Bid Evaluation Committee

Bid Evaluation Committee membership complies with regulation 28.

Bid Adjudication Committee membership complies with regulation 29 Bid Adjudication Committee membership complies with regulation 29

Regulation 29(4), which stipulates that a member of a bid evaluation committee or an advisor may not be a member of a bid adjudication committee

Regulation 29(4), which stipulates that a member of a bid evaluation committee or an advisor may not be a member of a bid adjudication committee, has never been breached.

Circular 82 approved by council and implemented.

Municipal Cost containment policy developed and awaiting council approval.

5.4.2. GRAP compliance

The municipality is currently implementing the Municipal Standard Chart of Account which is aligned to both the requirements of the MBRR and the GRAP Standards to ensure fair presentation of the municipality's financial information in the Annual Financial Statements and to ensure accountability by those charged with the responsibilities to manage and govern the municipality.

The municipality's Annual Financial Statements for the year ended 30 June 2025 are GRAP compliant and the municipality has received an Unqualified Audit Opinion from The Auditor General of South Africa for the said financial year.

The Budget and Treasury Office has the CFO and Deputy CFO, managers who possess the minimum competency requirements for financial management officials and are regularly capacitated on GRAP compliance through annual training at institutions of higher learning and those offered by SALGA and CIGFARO.

CHAPTER 6 – AUDITOR GENERAL OF SOUTH AFRICA AUDIT FINDINGS

6.1. Auditor-General of South Africa’s opinion of financial statements

6.1.1. Auditor General of South Africa summary of findings for prior Year 2024/2025

Operational Expenditure.

The total operational expenditure as at the end of 2024/25 amounts to R 466 187 354 which equates to 97% of the total annual operational budget of R 480 101 016.

The following table indicates the operational expenditure per standard classification:

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
Description	Ref	2023/24	Budget Year 2024/25							
		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		116,454	145,051	131,509	8,198	131,294	131,509	215	0%	131,509
Remuneration of councillors		28,318	30,217	28,587	2,268	28,179	28,587	408	1%	28,587
Inventory consumed		2,395	2,000	2,652	466	2,395	2,652	257		2,652
Debt impairment		20,362	10,000	23,242	–	19,777	23,242	3,466	15%	23,242
Depreciation and amortisation		31,386	34,775	35,298	–	35,496	35,298	(199)	-1%	35,298
Interest		2,145	–	–	–	–	–	–		–
Contracted services		162,740	118,741	81,979	5,368	75,956	81,979	6,023	7%	81,979
Transfers and subsidies		9,077	6,980	6,218	25	2,473	6,218	3,745	60%	6,218
Operational costs		83,425	92,045	170,616	5,272	170,616	170,616	–		170,616
Total Expenditure		456,302	439,807	480,101	21,596	466,187	480,101	13,914	97%	480,101

Capital Expenditure

The total capital expenditure as at the end of 2024/25 amounts to R 126 816 289 which equates to 81% of the total to date budget of R 156 916 021.

LIM473 Makhuduthamaga - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		67,088	8,900	8,908	463	5,376	8,908	3,532	40%	8,908
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		67,088	8,900	8,908	463	5,376	8,908	3,532	40%	8,908
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		117,405	146,789	148,008	19,458	121,440	148,008	26,567	18%	148,008
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		117,405	146,789	148,008	19,458	121,440	148,008	26,567	18%	148,008
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		12,601	-	-	0	0	-	(0)		-
Energy sources		10,317	-	-	0	0	-	-		-
Waste management		2,284	-	-	0	0	-	-		-
<i>Other</i>		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	197,095	155,689	156,916	19,921	126,816	156,916	30,099	19%	156,916

Grants expenditure.

a. The following table shows the expenditure as at the end of 2024/25 per grant:

Conditional Grant details	Budget for the year	Grant received	Grant expenditure	Received %	Spending %
FMG	1 800 000	1 800 000	1 800 000	100%	100%
EPWP	2 348 000	2 348 000	2 348 000	100%	100%
EPWP ADDITIONAL FUNDING	300 000	300 000	300 000	100%	100%
MIG	72 858 000	72 858 000	72 858 000	100%	100%
MIG ADDITIONAL FUNDING	25 000 000	25 000 000	25 000 000	100%	100%
INEP	10 370 000	10 370 000	10 370 000	100%	100%

Agency Allocation					
WRM(SDM)	32 435 000	32 435 000	32 153 386	99%	99%

LIM473 Makhuduthamaga - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June										
Description	Ref	2023/24	Budget Year 2024/25							
		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:		12 360	7 648	-	3 643	22 463	8 092	14 371	177.6%	7 648
Expanded Public Works Programme Integrated Grant	-	1 925	2 348	-	-	2 648	2 648	(0)	100.0%	2 348
Local Government Financial Management Grant	-	1 720	1 800	-	86	1 800	1 800	-	100.0%	1 800
Municipal Infrastructure Grant	-	2 715	3 500	-	712	3 644	3 644	0	100.0%	3 500
Total operating expenditure of Transfers and Grants:		12 360	7 648	-	3 643	22 463	8 092	14 371	177.6%	7 648
Capital expenditure of Transfers and Grants										
National Government:		92 200	81 789	-	18 598	94 214	106 645	-		81 789
Integrated National Electrification Programme Grant	-	-	12 431	-	-	-	12 431	-	100.0%	12 431
Municipal Infrastructure Grant	-	92 200	69 358	-	18 598	94 214	94 214	-	100.0%	69 358
Total capital expenditure of Transfers and Grants		92 200	81 789	-	18 598	94 214	106 645	-		81 789
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		104 560	89 437	-	22 241	116 677	114 737	14 371	12.5%	89 437

6.2. Findings and action plan

6.2.1. Auditor General's Findings

Auditor-General Report on Financial Performance: Year – 2024/2025	
Audit Report Status:	Unqualified
Non-Compliance Issues	Remedial Action Taken

Material misstatement identified on cashflow statement and completeness of risk management disclosure notes.	Management will thoroughly review the cashflow calculation based on Auditor 's recommendation and apply NT GRAP checklist to verify if all the AFS disclosure requirement have been adhered to
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Auditor-General Report on Service Delivery Performance: Year 2024/2025	
Status of audit report**:	Unqualified
Non-Compliance Issues	Remedial Action taken
AGSA identified material misstatements in the annual performance report: these material misstatements were on the reported performance information on KPA 2:Basic service delivery and infrastructure Development	To review the reported performance against means of verification thereby insuring that accurate and complete records.

Report of the auditor-general to Limpopo Provincial Legislature and council on Makhuduthamaga Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Makhuduthamaga Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget information with actual information 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 Makhuduthamaga Local Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (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 matter below. My opinion is not modified in respect of this matter.
7. As disclosed in note 5 to the financial statements, an allowance for impairment of R113 494 607 was recorded relating to receivables from non-exchange transactions as a result of long outstanding receivables.

Other matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.
9. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.
10. The supplementary information 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.

Responsibilities of the accounting officer for the financial statements

11. 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.
12. 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

13. 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.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 7, forms part of my auditor's report.

Report on the audit of the annual performance report

15. 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 development priorities presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

16. I selected the following development priorities presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected development priorities that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Development priority	Page numbers	Purpose
KPA 2 – Basic service delivery and infrastructure development	XX	To promote provision, coordination and maintenance of quality basic services to communities and to promote social cohesion, road safety management, environmental welfare and disaster management for the municipality.
KPA 3 – Local Economic Development	XX	To stimulate economic development through SMMEs support, local economic development projects, private and public sector investments.

17. I evaluated the reported performance information for the selected development priorities 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.

18. I performed procedures to test whether:

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

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

20. I did not identify any material findings on the reported performance information for the selected development priorities.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. 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.

23. The table that follows provide 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.

Basic service delivery and infrastructure development

<i>Targets achieved: 95%</i>		
<i>Budget spent: 94%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
BS21 – Number of households/stands provided with access to electrical infrastructure at Hlalanikahle by 30 June 2025	53 households	0 households
BS26 – Number of households/stands provided with electrical infrastructure at Kgwaripe by 30 June 2025	25 households	0 households

Material misstatements

24. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for KPA 2 – Basic service delivery and infrastructure development. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

25. 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.

26. 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.

27. 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.
28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Financial statements, performance and annual reports

29. 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 disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

30. The accounting officer is responsible for the other information included in the annual report the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.
31. My opinion on the financial statements, and my reports on the audit of the annual performance report and 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.
32. 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 development priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
33. 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

34. 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.
35. 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.
36. The accounting officer did not adequately review the annual financial statements before submitting them for audit.

Auditor General

Polokwane

28 November 2025



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 development priorities 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.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

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 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Disciplinary Regulations for Senior Managers	Regulation 5(2); 5(3); 5(6) Regulation 8(4)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)

Legislation	Sections or regulations
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)



MAKHUDUTHAMAGA
LOCAL MUNICIPALITY

Annual Financial Statements
for the year ended June 30, 2025

These annual financial statements were prepared by:
Chief Financial Officer
Makhuduthamaga Local Municipality

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

General Information

Legal form of entity	Municipality in terms of section 1 of the Local Government: Municipal Structures Act 117 of 1998 read with section 155 (1) of the Constitution of the Republic of South Africa (Act 108 of 1996)
Nature of business and principal activities	The provision of services to communities in a sustainable manner, to promote social and economic development, and to promote a safe and healthy environment.
Executive committee	
Municipal Mayor	ClIr Mahlase M.M
Councillors	ClIr Mahlase N.E (Deputy Head of BTO Portfolio Committee) ClIr Mosoane E.M (Head of EDP Portfolio Committee) ClIr Matjomane N.M (Head of Corporate Services Portfolio Committee) ClIr Moretsele LP (Deputy Head of Corporate services Portfolio Committee) ClIr Malaka M.S (Head of Infrastructure Development Portfolio Committee) ClIr Machaba M.G. (Deputy Head of EDP Portfolio Committee) ClIr Morwamokoti M (Deputy Head of Infrastructure Development Portfolio Committee) ClIr Phala M (Head of BTO Portfolio Committee) ClIr Rankoe T.P (Head of Community Services Portfolio Committee)
Council Speaker	ClIr Nkgadima M.J
Council Chief Whip	ClIr Thamaga M.M
Accounting Officer	Mr Moganedi R.M
Grading of local Authority	Grade 3
Chief Financial Officer	Mr Mothapo KT
Registered office	Makhuduthamaga Municipality LIM473 No 1 Groblersdal Road Next to Jane Furse Plaza 1085
Business address	No 1 Groblersdal Road Next to Jane Furse Plaza Jane Furse 1085 www.makhuduthamaga.gov.za
Postal address	Private Bag x 434 Jane Furse 1085 Tel:013 265 8600 Fax:013 265 1975
Bankers	ABSA Bank Limited
Auditors	Auditor General South Africa
Attorneys	Marweshe attorneys

General Information

Kwena Mahlakoana attorneys

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

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Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

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Abbreviations used:

ANC	African National Congress
BTO	Budget and Treasury Office
CoGHSTA	Cooperative Governance Human Settlement and Traditional Affairs
CFO	Chief Financial Officer
CIGFARO	Chartered Institute of Government Finance Audit and Risk Officers
CPI	Consumer Price Index
DLTC	Driving License and Testing Centre
EDP	Economic Development and Planning
EFF	Economic Freedom Fighters
EPWP	Expanded Public Works Programme
FMG	Financial Management Grant
GRAP	Generally Recognised Accounting Practice
INEP	Integrated National Electricity Programme
LGSETA	Local Government Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
MM	Municipal Manager
MOU	Memorandum of Understanding
mSCOA	Municipal Standard Chart of Accounts
MYF	Makhuduthamaga Youth Fund
NYDA	National Youth Development Agency
RAL	Roads Agency Limpopo
SDL	Skills Development Levy
SDM	Sekhukhune District Municipality
SMME	Small, Medium and Macro Enterprises
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
WIP	Work In Progress

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Accounting Officer's Report

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 will be given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with 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 municipality has a Council of 62 Councillors with ANC as the majority party, EFF as the official opposition and four (4) other opposition parties. The mayor of the municipality is Cllr Mahlase MM who was appointed on the 16th of November 2023 after the resignation of the Mayor Cllr Maitula BM on the 15th of November 2023 and the Council has elected (9) executive committee members to assist the mayor in the execution of her full time responsibilities as the political head of the municipality. All departments of the municipality have portfolio committees that meet on a monthly basis to review the reports on implementation of the approved IDP, Budget and SDBIP for the year ended 30 June 2025, all portfolio committees were functional and managed to meet monthly. Council has appointed an Audit and Performance Committee and Municipal Public Accounts Committee to assist the council on effective, efficient and high level of governance in the municipality and the committees were functional during the year ended 30 June 2025. The Audit and Performance Committee and the municipal public accounts committee were functional during the year under review and managed to have meetings and to execute their responsibilities adequately.

I, the Accounting Officer acknowledges that I am 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 me to meet these responsibilities, I set 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.

I am 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.

I have reviewed the municipality's cash flow forecast for the year to June 30, 2026 and, in the light of this review and the current financial position, I am satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

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.

I certify that the salaries, allowances and benefits of councillors disclosed in note 28 of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

I further certify that the salaries, allowances and benefits of the Municipal Manager and manager directly accountable to the Municipal Manager as disclosed in note 27 of these annual financial statements are within the upper limits as set out in the Upper Limits of total remuneration packages payable to Municipal Manager and manager directly accountable to the Municipal Manager as issued by the Minister for Cooperative Governance and Traditional Affairs in November 2023.

The Auditor General of South Africa are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements will be examined by the municipality's external auditors and their report shall be presented to council when finalised and signed.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Accounting Officer's Report

The annual financial statements set out on page 10 to 74, which have been prepared on the going concern basis, were approved and signed by the accounting officer on 31 August 2025.

Mr Moganedi R.M
Accounting Officer

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Audit and Performance Committee Report

We are pleased to present our report for the financial year ended June 30, 2025.

Audit and Performance Committee members and attendance

The Audit and Performance Committee consists of the members listed hereunder and should meet four times per annum as per its approved terms of reference. During the current year eleven (11) meetings were held, of which four (4) were ordinary and seven (7) were special.

Name of member	Number of meetings attended
Chuene V.K (Chairperson)	11
Ramutsheli M.P.(Member)	8
Mabula R.A.(Member)	11
Majuta M.S CA (SA) (Member)	11
Komane T.R.(Member)	6

Audit and performance committee responsibility

The Audit and Performance Committee report that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

The Audit and Performance Committee also report that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The quality of in-year management and monthly/quarterly reports submitted in terms of the MFMA and the Division of Revenue Act were satisfactory. The Audit and Performance Committee took resolutions and made recommendations to management during the year under review to strengthen the internal controls of the municipality and to improve service delivery and all resolutions and recommendations were implemented by management.

Evaluation of annual financial statements, Risk Management & Performance Management

The Audit and Performance Committee had:

- reviewed and discussed the unaudited annual financial statements to be included in the annual report, with the Auditor-General for external audit and the accounting officer and senior management of the municipality;
- reviewed the Auditor-General of South Africa's management report and management's response thereto; and discussed the progress on implementation of the management's remedial action plans on a quarterly basis for the year ended June 30, 2025
- reviewed the risk management registers and progress report for implementation of the action plans for all four quarters of the financial year ended June 30, 2025 and is satisfied with the functionality of the risk management committee and the risk management committee and the risk management unit of the municipality.;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed the quarterly performance management reports and annual performance reports for the year ended June 30, 2025 and discussed the reports with management on a quarterly basis.

The Audit and Performance Committee concur with and accept the annual financial statements of the municipality presented for external audit and are of the opinion that the unaudited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa after completion of the external audit.

Internal audit

The Audit and Performance Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits.

Auditor-General of South Africa

The Audit and Performance Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues and is satisfied with their work.

Chairperson of the Audit and Performance Committee

Makhuduthamaga Local Municipality
Annual Financial Statements for the year ended June 30, 2025

Audit and Performance Committee Report

Date: _____

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Statement of Financial Position as at June 30, 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	4	186,186	627,611
Receivables from exchange transactions	6	9,262,432	3,086,464
Prepayments	52	-	1,117,253
VAT receivable	7	10,218,386	13,335,533
Receivables from non-exchange transactions	5	27,015,980	18,998,729
Cash and cash equivalents	3	4,394,220	13,919,985
		51,077,204	51,085,575
Non-Current Assets			
Investment property	9	461,500	539,289
Property, plant and equipment	10	503,700,405	477,340,081
Intangible assets	8	967,606	1,633,978
		505,129,511	479,513,348
Total Assets		556,206,715	530,598,923
Liabilities			
Current Liabilities			
Payables	11	152,783,707	142,418,669
Unspent conditional grants and receipts	13	319,513	7,157,929
Long service awards	12	903,000	531,915
		154,006,220	150,108,513
Non-Current Liabilities			
Post employment medical aid benefit	12	8,631,000	7,047,000
Long service awards	12	4,863,000	4,962,086
Provision - Rehabilitation of landfill site	14	9,665,321	9,717,660
		23,159,321	21,726,746
Total Liabilities		177,165,541	171,835,259
Accumulated surplus		379,041,174	358,763,664
Total Net Assets		379,041,174	358,763,664

* See Note 48

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Refuse removal	19	387,783	349,435
Rental of facilities and equipment	15	229,235	262,732
Licences & permits	21	6,339,848	6,261,884
Other income	16	16,853,243	12,878,417
Interest received - investment	20	2,852,208	3,784,346
Gain on disposal of assets and liabilities	24	825,423	-
Actuarial gains	23	417,909	-
Leave Gain	53	66,566	154,077
Total revenue from exchange transactions		27,972,215	23,690,891
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	40,011,070	39,627,958
Interest on outstanding debtors	17	14,338,687	12,210,680
Traffic fines	18	1,931,700	667,650
Transfer revenue			
Government grants & subsidies	26	465,717,500	442,318,000
Public contributions and donations	55	-	19,595
Fair value adjustment-Investment property	54	-	25,789
Total revenue from non-exchange transactions		521,998,957	494,869,672
Total revenue	22	549,971,172	518,560,563
Expenditure			
Employee related costs	27	(131,294,065)	(116,453,931)
Remuneration of councillors	28	(28,178,721)	(28,318,097)
Administration	31	(15,001,696)	(14,983,300)
Depreciation and amortisation	29	(35,496,430)	(31,386,142)
Loss on fair value adjustment-Investment property	56	(77,789)	-
Finance costs	30	(2,680,914)	(2,232,000)
Debt Impairment	58	(19,776,670)	(20,361,730)
Contracted services	32	(76,254,278)	(79,654,111)
Transfers and Subsidies	33	(2,472,846)	(2,144,561)
Loss on disposal of assets and liabilities	24	-	(983,843)
Actuarial losses	23	-	(637,834)
General Expenses	34	(79,619,571)	(83,424,903)
Auditor's remuneration	35	(5,306,612)	(4,844,497)
Repairs and maintenance	36	(70,027,762)	(70,876,753)
Capital expenditure write-off (D-Roads)	37	(63,873,838)	(119,704,748)
Total expenditure		(530,061,192)	(576,006,450)
Operating surplus/deficit		-	-
Surplus (deficit) before taxation		19,909,980	(57,445,887)
Taxation		-	-
Surplus (deficit) for the year		19,909,980	(57,445,887)

* See Note 48

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	419,872,784	419,872,784
Adjustments		
Prior period error: sales of goods and rendering of services	(3,391,386)	(3,391,386)
Prior period error: Depreciation	95,683	95,683
Balance at July,1 2023	416,577,080	416,577,080
Surplus/(Deficit) as previously reported	(48,454,604)	(48,454,604)
Changes in net assets		
Prior period error: sales of goods and rendering of services	(1,860,453)	(1,860,453)
Prior period error: Depreciation	3,550,499	3,550,499
Prior period error: Transfer to eskom	(10,317,393)	(10,317,393)
Prior period error: Interest on outstanding debtors	(363,936)	(363,936)
Surplus/Deficit for the year restated	(57,445,887)	(57,445,887)
	-	-
Restated* Balance at July 1, 2024	359,131,194	359,131,194
Changes in net assets		
Surplus (deficit) for the year	19,909,980	19,909,980
Total changes	19,909,980	19,909,980
Balance at June 30, 2025	379,041,174	379,041,174
Note(s)		

* See Note 48

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Property rates and traffic fines		28,416,933	33,925,010
Cash received from consumers and other sources of revenue		860,088	4,176,887
Grants		465,965,609	442,318,000
Interest income		2,897,008	4,011,087
VAT		47,692,590	64,249,702
Other receipts		9,995,953	20,227,674
		555,828,181	568,908,360
Payments			
Employee costs		(128,730,479)	(117,331,675)
Suppliers		(282,600,940)	(211,660,351)
Assets write-off D Roads		(66,140,248)	(117,397,712)
Councillor's allowance	28	(28,178,721)	(28,318,097)
		(505,650,388)	(474,707,835)
Total receipts		555,828,181	568,908,360
Total payments		(505,650,388)	(474,707,835)
Net cash flows from operating activities	38	50,177,793	94,200,525
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(61,029,580)	(85,887,586)
Proceeds from sale of property, plant and equipment	10	1,326,022	963,602
Purchase of other intangible assets	8	-	(2,000,937)
Net cash flows from investing activities		(59,703,558)	(86,924,921)
Net increase/(decrease) in cash and cash equivalents		(9,525,765)	7,275,604
Cash and cash equivalents at the beginning of the year		13,919,985	6,644,381
Cash and cash equivalents at the end of the year	3	4,394,220	13,919,985

* See Note 48

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Statement of comparison of Budget and actual amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments 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
2025											
Financial Performance											
Property rates	76,000,000	(29,000,000)	47,000,000	-	-	47,000,000	54,349,757	-	7,349,757	116 %	72 %
Service charges	340,000	50,000	390,000	-	-	390,000	387,783	-	(2,217)	99 %	114 %
Investment revenue	3,500,000	-	3,500,000	-	-	3,500,000	2,852,208	-	(647,792)	81 %	81 %
Transfers recognised - operational	390,802,000	12,879,000	403,681,000	-	-	403,681,000	371,359,500	-	(32,321,500)	92 %	95 %
Other own revenue	7,330,000	11,846,000	19,176,000	-	-	19,176,000	26,663,924	-	7,487,924	139 %	364 %
Total revenue (excluding capital transfers and contributions)	477,972,000	(4,225,000)	473,747,000	-	-	473,747,000	455,613,172	-	(18,133,828)	96 %	95 %
Employee costs	(145,050,520)	13,541,520	(131,509,000)	-	-	(131,509,000)	(131,294,065)	-	214,935	100 %	91 %
Remuneration of councillors	(30,216,663)	1,630,000	(28,586,663)	-	-	(28,586,663)	(28,178,721)	-	407,942	99 %	93 %
Depreciation and asset impairment	(34,774,578)	(523,000)	(35,297,578)	-	-	(35,297,578)	(35,496,430)	-	(198,852)	101 %	102 %
Debt impairment	(10,000,000)	(13,242,292)	(23,242,292)	-	-	(23,242,292)	(19,776,670)	-	3,465,622	85 %	198 %
Finance costs	(3,000,000)	-	(3,000,000)	-	-	(3,000,000)	(2,680,914)	-	319,086	89 %	89 %
Transfers and grants	(3,690,000)	5,528,000	(6,217,775)	-	-	(6,217,775)	(2,472,846)	-	3,744,929	40 %	67 %
Contracted services	(121,031,323)	(23,100,000)	(144,131,323)	-	62,500,000	(81,631,323)	(76,254,278)	-	5,377,045	93 %	63 %
Other expenditure	(92,044,814)	(16,071,571)	(108,116,385)	-	(62,500,000)	(170,616,385)	(170,033,430)	-	582,955	100 %	185 %
Total expenditure	(439,807,898)	(32,237,343)	(480,101,016)	-	-	(480,101,016)	(466,187,354)	-	13,913,662	97 %	106 %
Total revenue (excluding capital transfers and contributions)	477,972,000	(4,225,000)	473,747,000	-	-	473,747,000	455,613,172	-	(18,133,828)	96 %	95 %
Total expenditure	(439,807,898)	(32,237,343)	(480,101,016)	-	-	(480,101,016)	(466,187,354)	-	13,913,662	97 %	106 %
Surplus/(Deficit)	38,164,102	(36,462,343)	(6,354,016)	-	-	(6,354,016)	(10,574,182)	-	(4,220,166)	166 %	(28)%

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Statement of comparison of Budget and actual amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments 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 and subsidies - capital (monetary allocations) (National / Provincial and District)	81,789,000	12,569,000	94,358,000	-		94,358,000	94,358,000		-	100 %	115 %
Surplus/(Deficit)	38,164,102	(36,462,343)	(6,354,016)	-	-	(6,354,016)	(10,574,182)	-	(4,220,166)	166 %	(28)%
Capital transfers and contributions	81,789,000	12,569,000	94,358,000	-	-	94,358,000	94,358,000	-	-	100 %	115 %
Surplus (Deficit) after capital transfers and contributions	119,953,102	(23,893,343)	88,003,984	-		88,003,984	83,783,818		(4,220,166)	95 %	70 %
Surplus (Deficit) after capital transfers and contributions	119,953,102	(23,893,343)	88,003,984	-	-	88,003,984	83,783,818	-	(4,220,166)	95 %	70 %
Surplus/(Deficit) for the year	119,953,102	(23,893,343)	88,003,984	-		88,003,984	83,783,818		(4,220,166)	95 %	70 %
Capital expenditure and funds sources											
Total capital expenditure	(155,689,000)	(1,227,021)	(156,916,021)	-		(156,916,021)	(126,816,289)		30,099,732	81 %	81 %

Makhuduthamaga Local Municipality

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Statement of comparison of Budget and actual amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds Virement (i.t.o. s31 of the MFMA)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Cash flows										
Net cash from (used) operating	148,734,000	18,724,000	167,458,000	-	167,458,000	50,177,793		(117,280,207)	30 %	34 %
Net cash from (used) investing	(179,042,000)	(1,721,000)	(180,763,000)	-	(180,763,000)	(59,703,558)		121,059,442	33 %	33 %
Net increase/(decrease) in cash and cash equivalents	(30,308,000)	17,003,000	(13,305,000)	-	(13,305,000)	(9,525,765)		3,779,235	72 %	31 %
Cash and cash equivalents at the beginning of the year	60,508,000	(46,587,015)	13,920,985	-	13,920,985	13,919,985		(1,000)	100 %	23 %
Net increase / (decrease) in cash and cash equivalents	(30,308,000)	17,003,000	(13,305,000)	-	(13,305,000)	(9,525,765)		(3,779,235)	72 %	31 %
Cash and cash equivalents at the beginning of the year	60,508,000	(46,587,015)	13,920,985	-	13,920,985	13,919,985		1,000	100 %	23 %
Cash and cash equivalents at year end	30,200,000	(29,584,015)	615,985	-	615,985	4,394,220		(3,778,235)	713 %	15 %

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Changes from the approved budget to the final budget

The changes between the approved and final budget are as the result of additional MIG funds and budget reduction on amount initially allocated to INEP grant.

Below are some explanations for material differences between budget and actual amounts.

An item is considered material if the variance is over or under the budgeted amount by 10%

Capital expenditure

The variance under capital expenditure was due to some savings realised on the implementation of road infrastructure projects

Debt impairment

The material variance was informed by the estimated provision for impairment which was more than the estimated provision recognised in the prior financial period which resulted in the realisation of impairment loss recognised.

Transfers and grants

During the budgeting process the municipality anticipated to receive more applications for free basic services, however lesser applications were received and processed as most of the applications were send back due to errors

Property rates

Included in the amount for Property rates, there is an amount for interest on outstanding debtors. At the beginning of the financial period interest was budgeted appropriately however during the adjustment budget the budgeted interest amount was reduced significantly after the engagement with the business community whereby a decision to waive the interest amount was taken, provided that the respective consumers start paying their property rates billing on monthly basis.

Investment revenue

At the beginning of the year, the municipality had high amount of commitments emanating from prior year, consequently a substantial amount of cash was required in order to fulfil the municipality's financial obligations and as result, the period at which cash was withheld at the bank was short and therefore the municipality did not earn enough interest on the bank balance.

Other own revenue

The variance on other own revenue was informed by the reclassification of INEP grant to other income of which its prior year unspent grant revenue was recognised in the current financial year after the conditions were met.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

Figures in Rand	Note(s)	2025	2024
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1. Presentation of Annual Financial Statements

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

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurements, unless specified otherwise

A summary of significant accounting policies which have been consistently applied in 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

We draw attention to the fact that as at June 30, 2025, the municipality had an accumulated surplus of R 381 444 101 and that the municipality's total assets exceed its liabilities by R 381 444 101 .

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.

Management believes that the municipality has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on the basis of going concern. Management is satisfied that the municipality is in sound financial position and as at year end, there were no any new material conditions that may impact the municipality's ability to continue as a going concern.

1.3 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.

1.4 Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short term highly liquid investments, readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdraft are carried at amortised cost

For the purpose of the cashflow statement, cash and cash equivalents comprise of cash on hand, deposits held on call with banks, net of bank overdrafts.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1.4 Cash and cash equivalents (continued)

Accounting by principals and agent

Sekhukhune District Municipality

The municipality is party to a principal-agent arrangement for water reticulation. In terms of the arrangement the municipality is the agent and is responsible for Repairs and Maintenance of the water reticulation within Makhuduthamaga.

Department of Roads and Transport

The municipality is party to a principal-agent arrangement for Licences and permits. In terms of the arrangement the municipality is the agent and is responsible for issuing licences and permits

1.5 Offsetting

Financial assets and liabilities are offset and the net amount reported on the Statement of Financial Position only when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

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.

Significant Accounting Policies

1.7 Property, plant and equipment (continued)

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.

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.

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

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

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

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

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	25 years
Plant and machinery	Straight-line	5-10 years
Furniture and fixtures	Straight-line	5-10 years
Motor vehicles	Straight-line	12 years
Office equipment	Straight-line	8 years
IT equipment	Straight-line	5-8 years
Prime coat	Straight-line	15 years
Pavement layers	Straight-line	15 years
Double seal	Straight-line	15 years
Pitching, stonework and protection	Straight-line	15 years

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1.7 Property, plant and equipment (continued)

Gabions	Straight-line	25 years
Guardrails	Straight-line	25 years
Road signs	Straight-line	15 years
Road markings	Straight-line	12 months
Concrete block paving for roads	Straight-line	15 years
Concrete for structures	Straight-line	15 years
Street lighting	Straight-line	15 years
High mast lights	Straight-line	15 years
Capital work in progress	Straight-line	Not depreciated
Asphalt surface	Straight-line	15 years
Landfill Assets	Straight-line	49 years
Concrete kerbing, channeling, chutes and downpipes	Straight-line	40 years
Mass earthworks	Straight-line	80 years
Prefabricated culverts	Straight-line	15 years
Loose tools	Straight-line	5-10 years
Bridges	Straight-line	15 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.

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.

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.

Significant Accounting Policies

1.8 Site restoration and dismantling cost (continued)

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

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

An intangible asset is recognised when:

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

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1.9 Intangible assets (continued)

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	Straight-line	3 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 intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.10 Comparative of actual information to budgeted information

The annual budget figures have been prepared in accordance with the Municipal Budget and Reporting Regulations, 2009. A comparative of actual to budgeted amounts are reported in a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the notes to the Statement giving motivations for over- or under spending on line items where it is found to be material. The budgeted figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is prepared and approved on an accrual basis by nature classification. The approved budget covers the period from 1 July 2024 to 30 June 2025. In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the financial statements in determining whether a difference between the budgeted and actual amount is material.

1.11 Segment reporting

The municipality is organised and reports to management and council on the basis of six (06) major functional areas: Executive Support, Corporate Services, Budget and Treasury Office, Community Services, Infrastructure Development services and Economic Development and Planning.

The departments are centralised to provide service delivery function to all the geographical areas namely Ward 1 to Ward 31 on implementation of infrastructure requirements of the municipality. Based on how the budget of the municipality is determined, annually the communities from all wards are consulted on their needs through the Integrated Development Plan processes. This information is then used to allocate resources available to implement these needs. Resources are not allocated based on how the unit has performed or the activity within the unit has performed, but based on the needs priorities and the available funds at the time that the municipality holds.

Municipal revenue, expenditure and assets are not reviewed as per geographical area, these are the same services across all wards and presented as a consolidated figure. The service provided to communities are the same for all wards, therefore the level of information of each ward within the municipal jurisdiction may not be relevant for decision making purposes, as such reporting of segments is deemed not applicable.

1.12 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. Financial instruments are classified into three categories namely, financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The Municipality determines the classification of its financial instruments at initial recognition.

Initial recognition and measurement.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1.12 Financial instruments (continued)

A financial instrument is recognised, when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instrument not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added or deducted from the fair value, as appropriate on initial recognition.

Subsequent measurement – financial assets.

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the carrying amount of the provision is recognised in the Statement of Financial Performance. When a receivable is considered uncollectible, it is written off against the provision. Any gains or losses arising from the change in fair value of investments measured at fair value are recognised in the Statement of Financial Performance.

Residual interests that do not have a quoted market price in an active market, and the fair value of which cannot be reliably are subsequently measured at cost less any impairment. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Any calculated impairment is recognised in the Statement of Financial Performance.

Subsequent measurement – financial liabilities.

Financial liabilities consist of payables, interest bearing loans and bank overdrafts. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Finance costs are expensed in the Statement of Financial Performance in the period in which they are incurred except where stated otherwise.

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 using a valuation technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs.

1.13 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset. This include VAT, Property rates and traffic fines receivables.

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

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

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

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1.13 Statutory receivables (continued)

- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Derecognition

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

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

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.14 Current year comparatives

Current year comparatives

When the presentation or classification of items in the Annual 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.

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. The presentation and classification of items in the current year is consistent with prior periods.

Significant Accounting Policies

1.15 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

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

Municipality as Lessee

Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on the straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

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

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

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

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

Operating leases - lessee

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

1.16 Inventories

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

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

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

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

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

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

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

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1.16 Inventories (continued)

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

1.17 Revenue

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Recognition and measurement

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore, services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.18 Grants

Unconditional Grants

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.

1.19 Related parties and related party transactions

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1.20 Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

1.21 Accumulated Surplus

When the presentation or classification of items in the annual financial statements are amended, prior period comparative amounts are restated, the nature and reasons for the reclassification is disclosed, where accounting errors 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 the accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparative are restated accordingly.

1.22 Expenditure

The municipality uses the accrual basis of accounting and recognises expenditure when they occur and are recognised in the period to which they relate and not only recognised when cash is paid.

Expenditure is decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net ssets, other than those realting to distributions to owners.

1.23 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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 expected cost of surplus sharing and bonus payment is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plans

Significant Accounting Policies

1.23 Employee benefits (continued)

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performance at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees.

Any assets is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Other post retirement obligations

The municipality provides post-retirement health care benefits 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 of employment. Independent qualified actuaries carry out valuations of these obligations.

1.24 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.

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).

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1.24 Provisions and contingencies (continued)

If the municipality 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 40.

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:

- 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.

1.25 Commitments

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

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

a) Approved and contracted commitments.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1.25 Commitments (continued)

b) Where the expenditure has been approved and the contract has been awarded at the reporting date, and

c) Where disclosure is required by a specific standard of GRAP.

1.26 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

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.

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 revenue is recognised by reference to the stage of completion of the transaction at the reporting date. .

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1.26 Revenue from exchange transactions (continued)

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised 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.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

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

1.27 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.

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.

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

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.

A government grant is recognised only when there is reasonable assurance that the municipality will comply with any conditions if any attached to the grant and the grant will be received.

The grant is recognised as income over the period necessary to match it with related costs, for which they are intended to compensate on a systematic basis.

A grant received from conditional grant is recorded as a liability as unspent grant and grant recognised when expenditure is incurred.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1.27 Revenue from non-exchange transactions (continued)

Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect.

Subsequent to initial recognition and measurement, the municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

1.28 Value Added Tax (VAT)

Initial recognition and measurement.

Value added Tax is accounted for on an invoice basis and a liability is recognised in the statement of Financial Position when VAT output is more than the VAT input. An asset is recognised in the statement of Financial Position when VAT input exceeds the VAT output. In terms of paragraph 5 of GRAP 108 and paragraph 104 of GRAP 19. Statutory receivables are receivables that arise from legislation, supporting regulations or, similar means; and require settlement by another entity in cash or another financial asset.

VAT subsequent measurement .

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

1.29 Investment income

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

1.30 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.31 Comparative figures

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

1.32 Unauthorised expenditure

Unauthorised expenditure means:

- any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No. 56 of 2003), and includes:
- overspending of the total amount appropriated in the municipality's approved budget.
- Expenditure from a vote unrelated to the department or functional area covered by the vote.
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose.
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of allocation otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with the Municipal Finance Management Act.

Significant Accounting Policies

1.32 Unauthorised expenditure (continued)

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.

A note with details of the incidences that resulted in the unauthorised expenditure is disclosed in the notes to the financial statements of the municipality.

1.33 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. 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.

1.34 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure 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).

1.35 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.

Sub-heading

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

2. New standards and interpretations

2.1 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 1, 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 2023 Improvements to the Standards of GRAP 2023	April 1, 2025	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	April 1, 2025	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	April 1, 2025	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	April 1, 2025	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	April 1, 2025	Unlikely there will be a material impact
• Guideline: Guideline on Accounting for Landfill Sites	April 1, 2025	Unlikely there will be a material impact

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3	3
Bank balances	4,394,217	13,919,983
	4,394,220	13,919,986

Balance of cash and cash equivalent did not include any amount pledged as security.

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
ABSA BANK-4050384145 (Primary Cheque Account)	3,074,076	12,693,549	3,074,076	12,693,549
ABSA BANK-4076690079 (Salaries)	500	500	500	500
ABSA BANK-2078073033 (Term Deposit Investment)	1,118,362	1,023,486	1,118,362	1,023,486
Municipal Covid 19 Solidarity fund	201,278	202,448	201,278	202,448
Total	4,394,216	13,919,983	4,394,216	13,919,983

4. Inventories

Consumable stores	186,186	627,611
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4.1 Reconciliation of Inventory

Opening balance	627,611	707,345
Add: Receipts	1,954,041	2,385,675
Less: Issues	(2,395,466)	(2,465,409)
	186,186	627,611

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
5. Receivables from non-exchange transactions		
Gross balances		
Rates	136,849,350	114,672,469
Traffic fines	3,661,237	2,286,490
	140,510,587	116,958,959
Less: Allowance for impairment		
Rates	(111,052,969)	(95,897,550)
Traffic fines	(2,441,638)	(2,062,680)
	(113,494,607)	(97,960,230)
Net balance		
Rates	25,796,381	18,774,919
Traffic fines	1,219,599	223,810
	27,015,980	18,998,729
Summary of debtors by customer classification		
Traffic Fines		
Current (0 -30 days)	242,300	57,000
31 - 60 days	275,250	82,250
61 - 90 days	412,100	49,600
91 - 120 days	341,500	56,750
121 - 365 days	2,390,087	2,040,890
	3,661,237	2,286,490
Less: Allowance for impairment	(2,441,638)	(2,062,680)
	1,219,599	223,810
Property rates - commercial		
Current (0 -30 days)	1,643,490	2,602,377
31 - 60 days	1,341,047	1,241,033
61 - 90 days	1,353,922	1,272,537
91 - 120 days	1,253,676	1,163,273
> 365 days	80,770,955	68,049,233
	86,363,090	74,328,453
Less: Allowance for impairment	(85,591,566)	(58,434,047)
	771,524	15,894,406
National and provincial government		
Current (0 -30 days)	3,978,112	3,010,937
31 - 60 days	1,892,378	1,389,581
61 - 90 days	1,814,523	1,326,410
91 - 120 days	1,688,876	1,235,867
> 365 days	41,112,371	33,381,221
	50,486,260	40,344,016
Less: Allowance for impairment	(25,461,401)	(37,463,503)
	25,024,859	2,880,513
Total		

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
5. Receivables from non-exchange transactions (continued)		
Current (0 -30 days)	5,863,902	5,670,314
31 - 60 days	3,508,675	2,712,864
61 - 90 days	3,580,545	2,648,547
91 - 120 days	3,279,302	2,455,890
> 365 days	124,278,163	103,471,344
	<u>140,510,587</u>	<u>116,958,959</u>
Less: Allowance for impairment	(113,494,607)	(97,960,230)
	<u>27,015,980</u>	<u>18,998,729</u>

Property rates

Property rates are levied in accordance with section 2 of the local Government: Municipal Property Rates, 2004 (Act No. 6 of 2004). All properties that are within the jurisdiction of the municipality are required to be charged a property rates levy. The value of all properties are recorded in the municipal valuation roll. The municipality calculates the property rates levy by using the value of the property as well as the relevant tariff obtained from the council approved property rates policy. The tariff used in the calculation is based on the nature of the property (residential, commercial, state, businesses and farms).The property rates are charged to the owner of the property on a monthly basis. At the end of the reporting period, the municipality assesses the collectability of the outstanding debts owing from customers in respect of property rates. The assessment includes a trend analysis per customer account in order to estimate the recoverability of the outstanding debt at the financial year end. The uncollectable portion is considered to be impaired and is included in an allowances for impairment account. The effects of discounting estimated future cash flows are considered immaterial as property rates are short term receivables and the initial credit period granted is consistent with the terms used in the public sector. The property rate receivable attributable to department of public works is impaired at 10% as the credit risk is low and there is no objective evidence that the municipality will not be able to collect future cashflows. The department of public works signed the Memorandum of agreement with the municipality regarding payment arrangement and so far it has consistently honoured the repayment terms.

Traffic fines.

Traffic fines are levied in accordance with the Administrative Adjudication of Road Traffic Offences, 1998 (Act No. 46 of 1998) (AARTO). The charge per traffic fine is based on schedule 3 of the AARTO Regulations, 2008. Interest is not charged on outstanding traffic fines. In certain circumstances, traffic fines are contested in court by the offender and the court determines the final amount payable by the offender. The provision for impairment is based on the uncollectable portion of the fine as determined by the court.

6. Receivables from exchange transactions

Other debtor - Caseware	89,253	62,425
Refuse removal	266,715	210,425
SDM water reticulation	8,038,610	2,227,092
Accrued Income (Interest on investment)	37,006	81,806
Accrued Income (Primedia)	11,136	11,401
Other debtors - Employee	476,949	115,051
Other debtors - ABSA BANK	342,763	378,264
	<u>9,262,432</u>	<u>3,086,464</u>

Receivables from exchange transactions are not considered for impairment as the credit risk associated with them is assessed to be low. The probability of collecting future cashflows arising from this receivables is more likely than not.

7. VAT receivable

VAT	<u>10,218,386</u>	<u>13,335,533</u>
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Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
7. VAT receivable (continued)		
Reconciliation		
Balance at the beginning of the year	13,335,533	20,643,224
Add: Net refunds as per VAT receivable	44,463,976	56,736,805
Add: current year VAT suspense - retention amount	5,790,003	5,678,536
Less: Prior year suspense- retention amount	(5,678,536)	(5,473,330)
Less: VAT Payments by SARS- Current year	(37,925,988)	(48,830,656)
Less: VAT payment by SARS - Previous year	(9,766,602)	(15,419,046)
	10,218,386	13,335,533

The municipality account for VAT on an invoice basis and the VAT receivable or VAT payable is accounted for on accrual basis as required by GRAP.

Statutory VAT receivable	4,428,383	7,656,997
VAT accrual receivable	5,790,003	5,678,536
	10,218,386	13,335,533

Statutory VAT receivable relates to receivables that arise from the legislation. i.e "VAT act" and are confirmed by SARS.

VAT accrual receivable represent the accrual VAT that is still to be collected from SARS and it is not yet confirmed.

VAT Receivable is not considered for impairment as the amount accrued as at June 2025 will be received in July 2025 and thus the credit risk is assessed to be low.

Makhuduthamaga Local Municipality

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8. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2,000,937	(1,033,331)	967,606	2,000,938	(366,960)	1,633,978

Reconciliation of intangible assets - 2025

Computer software, other	Opening balance	Amortisation	Total
	1,633,978	(666,372)	967,606

Reconciliation of intangible assets - 2024

Computer software	Opening balance	Additions	Amortisation	Total
	-	2,000,937	(366,960)	1,633,978

9. Investment property

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	461,500	-	461,500	539,289	-	539,289

Makhuduthamaga Local Municipality

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9. Investment property (continued)

Reconciliation of investment property - 2025

	Opening balance	Fair value adjustments	Total
Investment property	539,289	(77,789)	461,500
	539,289	(77,789)	461,500

Reconciliation of investment property - 2024

	Opening balance	Fair value adjustments	Total
Investment property	513,500	25,789	539,289
	513,500	25,789	539,289

Pledged as security

No investment was pledged as a security for liabilities

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

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 the long term capital appreciation.

Makhuduthamaga Local Municipality

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10. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1,265,000	-	1,265,000	1,265,000	-	1,265,000
Buildings	74,439,464	(25,719,926)	48,719,538	69,935,853	(22,436,012)	47,499,841
Land (Landfill assets)	2,379,604	(1,579,390)	800,214	3,468,857	(1,539,185)	1,929,672
Motor vehicles	58,196,468	(27,251,135)	30,945,333	47,036,627	(25,811,978)	21,224,649
Office equipment	10,546,236	(5,986,498)	4,559,738	9,148,473	(5,847,478)	3,300,995
IT equipment	30,086,997	(17,512,134)	12,574,863	30,135,030	(17,018,941)	13,116,089
Infrastructure	509,595,207	(205,476,980)	304,118,227	509,595,207	(183,504,796)	326,090,411
Loose tools	7,045,140	(3,547,582)	3,497,558	6,840,692	(3,564,174)	3,276,518
Community assets	33,894,567	(10,557,498)	23,337,069	33,894,567	(9,104,633)	24,789,934
Capital work in progress	73,882,865	-	73,882,865	34,846,972	-	34,846,972
Total	801,331,548	(297,631,143)	503,700,405	746,167,278	(268,827,197)	477,340,081

Makhuduthamaga Local Municipality

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10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers from WIP	Disposal accumulated depreciation	Other changes, movements	Depreciation	Expensed	Total
Land	1,265,000	-	-	-	-	-	-	-	1,265,000
Buildings	47,499,841	-	-	4,637,278	-	-	(3,283,914)	(133,667)	48,719,538
Land (Landfill Asset)	1,929,672	-	-	-	-	(1,089,253)	(40,205)	-	800,214
Motor vehicles	21,196,461	13,351,561	(2,191,720)	-	2,191,720	-	(3,602,689)	-	30,945,333
Office equipment	3,300,995	2,071,002	(673,239)	-	586,531	-	(725,551)	-	4,559,738
IT equipment	13,114,801	2,864,217	(3,091,249)	179,000	2,721,031	-	(3,212,938)	-	12,574,862
Infrastructure	326,091,339	-	-	-	-	-	(21,973,112)	-	304,118,227
Loose tools	3,276,618	803,500	(599,051)	-	555,378	-	(538,787)	-	3,497,658
Community Assets	24,789,934	-	-	-	-	-	(1,452,865)	-	23,337,069
Capital work in progress	34,846,972	43,852,171	-	(4,816,278)	-	-	-	-	73,882,865
	477,311,633	62,942,451	(6,555,259)	-	6,054,660	(1,089,253)	(34,830,061)	(133,667)	503,700,504

The amount of R133 667, represent the elements of cost that are not directly attributable to the cost of construction of the assets and therefore should not be capitalised.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Disposal accumulated depreciation	Other changes, movements	Depreciation	Total
Land	1,265,000	-	-	-	-	-	-	1,265,000
Buildings	44,386,173	5,960,769	-	-	-	-	(2,847,101)	47,499,841
Land (Landfill Asset)	1,193,147	-	-	-	-	762,245	(25,720)	1,929,672
Motor vehicles	18,350,093	7,136,867	(4,221,953)	-	3,124,530	-	(3,193,076)	21,196,461
Office equipment	3,706,227	264,150	(1,625,897)	-	1,592,945	-	(636,430)	3,300,995
IT equipment	14,770,926	2,033,567	(5,334,636)	-	4,698,792	-	(3,053,847)	13,114,802
Infrastructure	241,156,005	1,006,500	(449,697)	103,611,479	255,001	-	(19,487,949)	326,091,339
Loose tools	2,481,780	777,400	(23,997)	476,279	17,408	-	(452,252)	3,276,618
Community Assets	24,884,659	-	-	1,321,440	-	-	(1,416,164)	24,789,934
Capital work in progress	75,269,612	64,986,558	-	(105,409,198)	-	-	-	34,846,972
	427,463,622	82,165,811	(11,656,180)	-	9,688,676	762,245	(31,112,539)	477,311,634

Other changes, movements

	2025	2024
The amount included in 'other changes movement', represent an increase/(decrease) from provision for landfill site amount	(1,089,253)	762,244

Makhuduthamaga Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
10. Property, plant and equipment (continued)		
Property, plant and equipment under development/construction or halted(WIP)		
Building Plan		
Included in WIP, there is a buiding plan that has been halted for longer period due to Budget re-prioritisation: The municipality bought the land next to the main office building to continue with the project for additional space for administrative offices. The project will be allocated budget in the 2025/2026 MTREF.	1,127,383	1,127,383
Construction of Thusong centre		
Included in WIP there is an expenditure amount for the design and fencing of the Thusong centre. Due to budget constraints the municipality decided to make the project a multi year project and will be allocated budget in the 2025/2026 MTREF.	2,257,493	2,257,493
Installation of High mast at various villages		
The project is halted due to insufficient capacity on the existing Eskom network	3,565,320	3,565,320
Construction of Rietfontein(Ngwaritsi) Sports facility		
Included in WIP, there is a buiding plan that has been halted for longer period due to Budget re-prioritisation	1,432,168	1,432,168
11. Payables		
Trade payables	97,517,561	89,687,505
Income received in advance	1,122,695	1,193,299
Creditor: Ward committee	13,201	13,201
Accrued: SDL	99,512	99,287
Accrued Union	51,479	48,101
Leave provision	10,662,183	10,920,938
Accrued: PAYE	2,067,242	2,061,242
Accrued: Pension Fund	1,894,595	1,769,884
Accrued: Salary	30,009	654,154
Accrued Medical Aid	914,010	852,096
Accrued UIF	90,259	76,634
Bonus provision	2,780,116	2,579,925
Unknown Deposits	341,294	308,125
Accrued - Employee Deduction	375,572	368,231
Retentions	28,169,292	28,958,721
SDM water reticulation	6,447,153	2,619,792
Solidarity Fund	207,534	207,534
	152,783,707	142,418,669
12. Defined benefit obligations		
Post employment medical aid benefits liability		

Makhuduthamaga Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
12. Defined benefit obligations (continued)		
Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	7,047,000	5,387,000
Current year service cost	888,000	557,000
Interest charge	1,016,000	731,000
Acturial (Gain) Loss	(320,000)	372,000
	8,631,000	7,047,000
Net expense recognised in the statement of financial performance are as follows:		
- Current year service cost	888,000	557,000
- Interest cost	1,016,000	731,000
- Actuarial gain(Loss)	(320,000)	372,000
	1,584,000	1,660,000
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Present value of the defined benefit obligation -wholly unfunded	8,631,000	7,047,000
Key assumptions used		
Assumptions used at the reporting date:		
	2025	2024
Expected retirement age	63	63
The nominal and real zero curves were used as at June 30, 2025 supplied by the JSE to determine the disclosed rates and CPI assumptions at each relevant prime period.		
Long service awards		
Long-service awards liability		
Long-services awards- current liability	903,000	531,915
Long-services awards- Non-current liability	4,863,000	4,962,085
	5,766,000	5,494,000
Movements in the long service awards liability		
Opening balance	5,494,000	4,573,000
Current year service cost	579,000	468,000
Interest cost	628,000	583,000
Benefits paid	(837,111)	(395,834)
Acturial (gain)/loss	(97,889)	265,834
	5,766,000	5,494,000
Expense and income recognition in surplus for the year		
Current year service cost	579,000	468,000
Interest cost	628,000	583,000
Acturial (gain)/loss	(97,889)	265,834
	1,109,111	1,316,834

Makhuduthamaga Local Municipality

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12. Defined benefit obligations (continued)

Other assumptions

A percentage point change in the normal salary inflation assumption would have the following effects:

	+1% Normal salary inflation	-1% Normal salary inflation
Effect on the current service cost	598,000	579,000
Effect on the interest cost	572,000	628,000
Effect on the defined benefit obligation	5,766,000	5,494,000

Amounts for the current and previous four years are as follows:

	2025	2024	2023	2022
Long service awards	5,766,000	5,494,000	4,573,000	4,392,000

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

LG SETA Grant	319,513	71,404
INEP grant	-	7,086,525
	319,513	7,157,929

Movement during the year

Balance at the beginning of the year	7,157,929	71,404
Additions during the year	10,875,609	21,350,000
Income recognition during the year	(17,714,025)	(14,263,475)
	319,513	7,157,929

The municipality received a grant from LG SETA for their implementation of the learnership programme. Learners were deployed to the municipality under the learnership programme and the grant was utilized to pay their monthly stipend.

14. Provision - Rehabilitation of landfill site

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.

Reconciliation - Landfill Site Provision

Opening balance	9,717,660	8,037,416
Interest charge	1,036,913	918,000
Change in Landfill closure provision	(1,089,252)	762,244
	9,665,321	9,717,660

Makhuduthamaga Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
15. Rental of facilities and equipment		
Site rental - Premises	139,126	201,905
Venue hire	90,109	60,827
	229,235	262,732

The amount of site rentals is for the advertising billboards from Primedia around Makhuduthamaga municipal area.

16. Other income

Tender Documents	26,296	41,879
Sale of goods	1,647,360	433,516
Rendering of services-Electrical services	15,179,587	12,403,022
	16,853,243	12,878,417

Included in the amount for Sales of goods and rendering of services there is an amount for approval of building plans, clearance certificates, LG SETA and approvals of Permission to occupy.

Over and above, Municipal mSCOA Circular No. 16 requires that, the recognition of INEP revenue should be reclassified to sales of goods and rendering of services for municipalities without electricity license, hence this line item has increased significantly.

The municipality recognised R 15 179 587 as INEP revenue in terms of GRAP 11: construction contracts. The revenue associated with this transaction is recognised by reference to stage of completion, which is as and when the municipality is being invoiced for workdone.

INEP grant

Balance unspent at beginning of year	7,086,525	-
Current-year receipts	10,370,000	21,350,000
Conditions met-transferred to revenue	(17,456,525)	(14,263,475)
	-	7,086,525

17. Interest on outstanding debtors

Interest charged on trade and other receivables - Property rates	14,338,687	12,210,680
	14,338,687	12,210,680

Receivables are recorded when invoices are issued out to the customers for the services rendered or for non exchange transactions and must be settled within 60 days from the date of the invoice. Interests are charged on outstanding receivables at prime rate + 1 when they fall over due and are accounted for as revenue as required by GRAP.

18. Traffic Fines

Traffic fines	1,931,700	667,650
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Traffic fines are levied in accordance with the Administrative Adjudication of Road Traffic Offences, 1998 (Act No. 46 of 1998) (AARTO). The charge per traffic fine is based on schedule 3 of the AARTO Regulations, 2008.

Interest is not charged on outstanding traffic fines.

In certain circumstances, traffic fines are contested in court by the offender and the court determines the final amount payable by the offender. The provision for impairment is based on the uncollectable portion of the fine as determined by the court.

Makhuduthamaga Local Municipality

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Figures in Rand	2025	2024
19. Refuse removal		
Refuse removal	387,783	349,435
20. Interest received (Investment revenue)		
Interest revenue		
Bank and investments	2,852,208	3,784,346
	-	-
	2,852,208	3,784,346
21. Licenses and permits		
Agency fee for Sekhukhune and Nebo DLTCs	6,339,848	6,261,884
<p>The municipality is rendering service of licenses and permits on behalf of the department of transport and community safety and is retaining an agency fees in terms of the signed service level agreement with the department.</p>		
22. Revenue		
Refuse removal	387,783	349,435
Rental of facilities and equipment	229,235	262,732
Licences & permits	6,339,848	6,261,884
Other income	16,853,243	12,878,417
Interest received - investment	2,852,208	3,784,346
Property rates	40,011,070	39,627,958
Interest on outstanding debtors	14,338,687	12,210,680
Traffic fines	1,931,700	667,650
Government grants & subsidies	465,717,500	442,318,000
Gain on disposal of assets	825,423	-
Leave Gain	66,566	154,077
Fair value adjustment-Investment property	-	25,789
Public contributions and donations	-	19,595
Actuarial gains/losses	417,909	-
	549,971,172	518,560,563
The amount included in revenue arising from exchanges of goods or services are as follows:		
Refuse removal	387,783	349,435
Rental of facilities and equipment	229,235	262,732
Licences & permits	6,339,848	6,261,884
Gain on disposal of assets	825,423	-
Other income	16,853,243	12,878,417
Actuarial gains/losses	417,909	-
Interest received - investment	2,852,208	3,784,346
Leave Gain	66,566	154,077
	27,972,215	23,690,891

Makhuduthamaga Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
22. Revenue (continued)		
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	40,011,070	39,627,958
Property rates - Interest on outstanding debtors	14,338,687	12,210,680
Traffic fines	1,931,700	667,650
Transfer revenue		
Government grants & subsidies	465,717,500	442,318,000
Fair value adjustment-Investment property	-	25,789
Public contributions and donations	-	19,595
	521,998,957	494,869,672
23. Actuarial (Gain)/loss		
Long service awards - Actuarial (Gain)/loss	(97,909)	265,834
Post employment medical aid - Actuarial (Gain)/loss	(320,000)	372,000
	(417,909)	637,834
24. Gain(Loss) on disposal of assets		
Gain / loss on the disposal of assets	825,423	(983,843)
Gain on the disposal of assets resulted from the municipal public auction held on the 20th of June 2025. The proceeds received were more than the carrying amount of the assets disposed.		
25. Property rates		
Rates received		
Commercial	12,647,746	12,264,634
State	26,404,590	26,404,590
Agricultural	958,734	958,734
	40,011,070	39,627,958

Makhuduthamaga Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
26. Government grants & subsidies		
Operating grants		
Equitable share	363,154,000	344,706,000
Municipal Infrastructure Grant (MIG)	97,858,000	94,109,000
Finance Management Grant (FMG)	1,800,000	1,720,000
EPWP Grant	2,648,000	1,783,000
LG - SETA - Discretionary Grant	257,500	-
	465,717,500	442,318,000

LG-SETA - Discretionary Grant

Balance unspent at beginning of year	71,404	71,404
Current-year receipts	505,609	-
Conditions met - transferred to revenue	(257,500)	-
	319,513	71,404

The municipality received a grant from LG SETA to be used for training of learners identified within Makhuduthamaga Local Municipality jurisdictions. As at 30 June 2025 an amount of R319 513 was not spent.

Finance Management Grant

Current-year receipts	1,800,000	1,720,000
Conditions met - transferred to revenue	(1,800,000)	(1,720,000)
	-	-

The Finance Management Grant was spent under Budget and Treasury vote for financial management interns programme, financial management systems maintenance and training of the Budget and Treasury officials.

Municipal Infrastructure Grant

Current-year receipts	97,858,000	94,109,000
Conditions met - transferred to revenue	(97,858,000)	(94,109,000)
	-	-

The Municipal Infrastructure Grant was used to fund the construction of access roads approved by Cogtha and the municipal council under the Infrastructure Development Vote.

EPWP Grant

Current-year receipts	2,648,000	1,783,000
Conditions met - transferred to revenue	(2,648,000)	(1,783,000)
	-	-

The EPWP Grant was used for the procurement of EPWP working materials, remuneration of EPWP personnel.

Makhuduthamaga Local Municipality

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Figures in Rand	2025	2024
27. Employee related costs		
Basic	75,808,016	66,685,623
Bonus	5,950,800	5,420,594
Medical aid - company contributions	6,593,499	6,218,338
UIF	505,603	455,617
SDL	1,075,569	956,355
Leave pay provision charge	1,096,234	327,027
Pension contributions	12,682,607	12,077,767
Overtime payments	1,629,307	2,290,219
Long-service awards - Current service cost(Post employment benefits)	1,467,000	1,025,000
Acting allowances	16,695	138,883
Car allowance	17,112,202	14,547,251
Housing benefits and allowances	4,197,618	3,501,789
Bargaining council	30,544	28,767
Clothing allowance	57,377	61,197
Cellphone allowance	3,070,994	2,719,504
	131,294,065	116,453,931
Acting Chief financial officer (Mr Mothapo KT)		
Acting allowance	-	32,697
B/P remote allowance	-	2,180
Non Pensionable	-	10,170
	-	45,047
Acting Chief financial officer Mr Makgalemane T.M		
B/P Acting allowance	-	16,348
Non pensionable	-	5,085
	-	21,433
Acting Chief financial officer (Mr Mathabathe CS)		
Remote allowance	9,351	17,220
Acting Allowance	2,507	4,698
B/P remote allowance	-	363
B/P Acting allowance	-	836
	11,858	23,117
Senior manager: Corporate services (Ms Mahlare M.A)		
B/P UIF	-	708
B/P SDL	-	1,945
Leave payout	-	20,932
B/P performance bonus	-	45,393
B/P non pension	-	20,340
B/P Basic salary	-	65,395
B/P Travel allowance	-	27,520
B/P Medical aid	-	16,076
B/P Remote	-	4,360
	-	202,669

Makhuduthamaga Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
27. Employee related costs (continued)		
Acting Senior manager: Corporate services(Ms Make M.M)		
B/P Acting allowance	-	32,307
B/P Remote	-	10,525
	-	42,832
Senior manager:Community services (Ms Marishane M.E)		
B/P UIF	-	531
B/P SDL	-	1,394
B/P Leave payout	-	20,923
B/P basic salary	-	59,945
B/P travel allowance	-	20,481
B/P cellphone allowance	-	3,747
B/P housing allowance	-	7,993
Non pension fund contribution	-	18,645
B/P remote	-	3,996
B/P pension	-	7,743
	-	145,398
"Acting senior manager: community services (Mr Matsimela M.J)"		
B/P acting allowance	-	26,962
B/P remote	-	10,169
	-	37,131
Senior manager: infrastructure development : Lubisi N.B		
Basic salary	568,775	93,510
travel allowance	189,574	31,165
cellphone allowance	47,402	7,794
medical aid	94,804	15,587
UIF	2,125	354
SALGBC	143	23
SDL	8,283	1,320
Remote allowance	37,918	6,234
Housing allowance	47,402	7,794
travel claim	2,676	-
travel non taxable	26,003	-
B/P Remote	926	-
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	-
B/P non pensionable	3,391	-
	1,052,565	163,781
Senior Manager : infrastructure Development (Mr Segale M.A)		
Basic salary	-	140,265
Travel allowance	-	51,122
Performance allowance	-	45,393
Contribution to medical aid	-	35,066

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
27. Employee related costs (continued)		
Contribution to UIF	-	1,240
SALGBC	-	34
SDL	-	6,589
Remote allowance	-	9,351
Cellphone allowance	-	7,522
Leave payout	-	200,665
B/P Basic salary	-	123,051
B/P Non pension fund	-	20,340
B/P travel allowance	-	26,395
B/P Cellphone allowance	-	5,963
B/P Medical	-	4,085
B/P Remote	-	5,177
	-	682,258
Senior manager Economic Development and planning (Mr Thabela A.P)		
Annual Remuneration	-	284,618
Car Allowance	-	88,527
Performance Bonuses	-	12,352
Contributions to Pension Funds	-	77,239
Contribution to medical aid	-	57,955
SDL	-	7,513
Travel claim	-	36,620
Leave payout	-	170,805
UIF	-	1,063
SALGBC	-	68
Remote allowance	-	18,884
Non pension fund contribution	-	20,340
B/P Medical aid	-	2,649
B/P Travel allowance	-	4,085
B/P Cellphone allowance	-	583
B/P Basic salary	-	16,342
B/P Remote	-	5,813
B/P Pension	-	3,577
	-	809,033
Remuneration of Chief financial officer: Mr Mothapo KT		
Basic	434,681	-
Car Allowance	189,000	-
cellphone	22,500	-
medical aid	36,000	-
housing	42,287	-
UIF	1,594	-
Travel claim	13,045	-
Travel non tax	21,444	-
SALGBC	108	-
SDL	6,000	-
Remote	28,979	-
	795,638	-
Acting senior manager: Economic Development and planning : Ms Tong K.T		
Acting allowance	9,626	26,962

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
27. Employee related costs (continued)		
B/P Remote allowance	9,351	10,169
	18,977	37,131
Remuneration of Municipal Manager Mr Moganedi RM		
Annual Remuneration	799,137	785,012
Car Allowance	399,569	391,364
Cellphone allowance	66,595	65,227
Medical aid	66,595	65,227
UIF	2,125	2,125
SDL	18,389	13,953
SALGBC	143	137
Remote allowance	53,276	52,182
Performance bonus	-	64,550
B/P Cellphone	26,189	1,516
B/P Basic	314,269	18,187
B/P Travel allowance	157,135	9,093
B/P Medical	26,189	1,516
B/P Remote	20,951	1,212
B/P Non pension	20,341	20,341
	1,970,903	1,491,642
Remuneration of Chief financial officer : Mr Chuene MV		
Basic	-	254,214
Car Allowance	-	63,553
Cellphone	-	8,474
medical	-	42,369
housing	-	12,710
pension	-	42,369
UIF	-	886
Leave payout	-	32,534
SALGBC	-	57
SDL	-	4,605
Travel claim	-	4,449
Remote	-	16,948
	-	483,168
Remuneration of Senior Manager Community services: Ms Mashao AM		
Basic salary	618,502	457,585
Car allowance	206,167	152,528
Pension	103,084	76,264
Medical aid	90,919	68,264
Cellphone	12,165	8,000
UIF	2,125	1,594
salgbc	143	102
SDL	10,908	7,627
travel claim	14,569	12,899
Remote	41,233	30,506
B/P Remote	1,790	-
B/P basic	26,845	-
B/P Travel	8,948	-

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
27. Employee related costs (continued)		
B/P Pension	4,474	-
B/P Medical	3,947	-
B/P Cell	528	-
Non pensionable Salary	15,255	-
	1,161,602	815,369
Remuneration of Director corporate : Mr Matsetse P.E		
Basic salary	618,502	457,585
Car Allowance	206,167	152,528
Medical aid	103,084	76,264
Pension fund	90,919	68,264
Cellphone	12,165	8,000
UIF	5,360	1,594
SALGBC	804	102
Travel claim	13,915	25,800
SDL	7,407	7,626
Toll gate	3,541	540
Remote	41,233	30,506
B/P Basic	26,845	-
B/P Travel	8,948	-
B/P medical	4,474	-
B/P pension	3,946	-
B/P cellphone	528	-
travel claim non taxable	43,110	-
Non pensionable salary	15,302	-
B/P Remote	1,790	-
	1,208,040	828,809
Remuneration of Senior Manager Economic Development and Planning: Ms Tong KT		
Basic	338,085	-
Travel allowance	105,000	-
Pension	70,000	-
Medical	50,390	-
UIF	1,240	-
SALGBC	84	-
SDL	4,816	-
Travel claim	17,627	-
Remote	22,539	-
	609,781	-

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
28. Remuneration of councillors		
Mayor	1,073,155	1,309,161
Council speakers	871,080	887,419
Executive Committee Members	5,479,345	5,498,017
Other councillors basic salary	11,450,005	11,232,606
Councillors pension contribution	1,953,509	1,980,105
Travel allowance	4,492,062	4,403,693
Travel claims	308,358	169,559
Cellphone allowance	2,198,381	2,291,912
Skills development levy	159,246	158,970
Data cards (62 councillors)	193,580	386,656
	28,178,721	28,318,098

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.

The municipal council consists of 62 councillors and none of the councillors owe the municipality any amounts in a form of unpaid rates and taxes or any other services.

Remuneration and allowances of selected members of the council

Mayor Cllr Mahlase MM

Basic	895,873	490,808
cellphone	47,004	48,862
Data	-	6,559
Travel claim	-	47,502
Pension	111,006	230,225
SDL	8,564	12,305
	1,062,447	836,261

Former Mayor - Cllr Maitula BM

Basic salary	7,615	282,567
cellphone	-	24,764
Pension	2,986	161,790
SDL and Data card	106	3,780
	10,707	472,901

Council speaker - Cllr Nkgadima MJ

Basic	728,210	530,061
cellphone	43,200	45,600
pension	88,805	297,137
SDL and Data	10,864	14,621
	871,079	887,419

Remuneration and allowances of members of the executive committee

Basic salary	3,088,790	3,065,714
Travel allowance	1,209,994	1,236,808
Cellphone	388,800	417,200
Pension and SDL	566,128	601,492
Travel claim and Data	225,633	176,803
	5,479,345	5,498,017

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
28. Remuneration of councillors (continued)		
In-kind benefits		
<p>The Mayor, speaker of council, chief whip of council, Head of corporate service portfolio committee, Head of Budget and Treasury Office Portfolio, Head of Infrastructure Development Portfolio and MPAC chairperson are full-time. Each is provided with an office and secretarial support at the cost of the council.</p> <p>The Mayor and the Speaker of council each has the use of separate Council owned vehicles for official duties.</p> <p>The Mayor has one full-time Chauffeur. The Speaker of council has one full-time Chauffeur.</p> <p>The Mayor has personal security at the cost of council.</p> <p>The speaker has personal security at the cost of council.</p>		
29. Depreciation and amortisation		
Property, plant and equipment	34,830,059	31,019,182
Intangible assets	666,371	366,960
	35,496,430	31,386,142
30. Finance costs		
Interest cost: Employee benefit obligations	1,644,000	1,199,000
Interest cost: Landfill site provision	1,036,914	1,033,000
	2,680,914	2,232,000
31. Administrative expenditure		
Ward committee incentives	6,168,257	5,580,800
Administration and management fees	8,833,439	9,402,500
	15,001,696	14,983,300
32. Contracted services		
Cash collection services	392,346	217,137
INEP Grant - Payment to suppliers	15,179,586	12,403,022
Operating Leases	6,960,761	5,939,629
Cleaning Services	7,058,390	6,589,636
Security services	29,214,390	28,310,994
Solid waste collection	17,448,805	26,193,693
	76,254,278	79,654,111
<p>The spending for INEP Grant has been reclassified from "Transfer to Eskom" to "Contracted services" as required by the Municipal mSCOA circular No. 16. The comparative figures have been restated accordingly.</p>		
	-	-
	-	-
33. Transfer and subsidies		
Indigent grants (Free Basic Electricity)	2,472,846	2,144,561

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

33. Transfer and subsidies (continued)

The municipality subsidises the indigent households that are on the eskom Free basic electricity beneficiary list with the allocation of the free basic electricity at 50kwh per household on a monthly basis.

34. General expenses

Advertising	2,494,458	3,044,003
Bank charges	249,089	346,777
Consulting and professional fees	4,723,278	4,878,799
Consumables	2,453,066	2,552,809
Insurance	1,334,199	2,346,495
Marketing	3,370,374	1,661,667
Promotions and sponsorships	8,682,064	8,480,131
Fleet Management & system	225,932	196,299
Fuel and oil	4,019,405	6,244,774
Promotions	522,660	2,679,201
Protective clothing	1,844,100	148,000
Formalisation of Jane furse	350,180	-
Telephone and fax	2,028,741	1,901,636
Training	3,048,160	5,041,745
Travel and Accommodation	4,925,612	5,013,752
LED Forum	175,940	-
Water and Electricity	6,421,857	5,811,899
SMME support	180,354	148,125
Publications	1,617,313	5,142,620
Audit committee support	996,357	769,502
Bursary fund	3,971,247	4,132,693
Legal costs and Development of by-laws	6,941,113	6,378,988
Customer care	1,327,270	227,100
Financial system support (Implementation of mSCOA)	6,133,570	6,842,498
Vehicle tracking	121,613	106,807
Disaster Relief Fund	2,609,614	2,509,775
EPWP	7,852,005	5,837,583
NYDA	1,000,000	-
Spacial planning. Dermacation of sites	-	981,225
	79,619,571	83,424,903

35. Auditors' remuneration

Current Year Audit fees	5,306,612	4,844,497
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36. Repairs and maintenance

Repairs and maintenance: Infrastructure(Roads & Bridges)	34,999,989	32,042,587
Repairs and maintenance :Electrical infrastructure	2,361,653	1,443,672
Repairs and maintenance: Municipal facilities	3,906,750	3,549,946
Repairs and maintenance: Other assets	15,045,618	19,020,817
Repairs and maintenance:ICT infrastructure	13,713,752	14,819,731
	70,027,762	70,876,753

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
37. Capital expenditure write-off (D-Roads)		
Capital expenditure write-off (D-Roads)	63,873,838	119,704,748
	63,873,838	119,704,748

The capital expenditure write-off (D-Roads) amount of R 63 873 838 relates to the D-roads projects which when completed are transferred to RAL (Road Agency Limpopo).

38. Cash generated from operations

Surplus (deficit)	19,909,980	(57,445,887)
Adjustments for:		
Depreciation and amortisation	35,496,430	31,386,142
(Gain)/Loss on disposal of assets	(825,423)	983,843
Fair value adjustments	-	(25,789)
Leave Gain	(66,566)	(154,077)
Impairment loss	77,789	-
Debt impairment/Reversal of debt impairment loss	19,776,670	20,361,730
Current service cost - Post employment benefits & Long service awards	1,467,000	1,025,000
Interest costs - Post employment benefits & Long service awards	1,644,000	1,314,000
Actuarial (Gain/Loss-Post employment medical aid benefits & Long service awards	(417,909)	637,834
Interest costs- Landfill site	1,036,914	918,000
Non-cash donations and other in-kind benefits	-	(19,595)
Long service awards paid	-	-
Changes in working capital:		
Inventories	441,425	79,734
Receivables from exchange transactions	(6,175,968)	(1,752,540)
Receivables from non exchange transactions	(27,793,920)	(18,783,403)
Payables	10,365,038	96,958,519
VAT receipts	47,692,590	64,249,702
VAT payments	(47,469,659)	(49,429,114)
Retention PPE	(330,184)	(4,173,727)
Unspent conditional grants and receipts	(6,838,416)	7,086,525
Increase/(decrease) in Long service awards	339,999	921,001
(Increase)/Decrease in Prepayments	1,117,253	276,681
Increase(decrease) Post employment medical aid benefit	1,584,000	1,680,244
Increase(decrease) in Capital payables	(853,250)	(1,894,298)
	50,177,793	94,200,525

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
39. Commitments		
Authorised operating and capital expenditure		
Already contracted for but not provided for		
• Operational commitment	170,062,144	94,039,648
	170,062,144	94,039,648
Already contracted for but not provided for		
• Capital commitment	-	-
• Building facilities	5,682,147	4,069,867
• Electricity infrastructure	10,722,521	10,920,195
• Roads & Bridges	316,739,857	198,476,493
• Movable assets	583,175	-
• Sports facility	1,648,327	-
	335,376,027	213,466,555
Total Commitments		
Operational commitment	170,062,144	94,039,648
Capital Commitment	335,376,027	213,466,565
	505,438,171	307,506,213
Total commitments		
Total commitments		
Authorised capital and operational expenditure	505,438,171	308,402,200

The municipality still has future commitments to service providers for services still to be rendered. The minimum payments still due to the service providers as at June 30, 2025 amount to R 170 062 144 for operational commitments and R 335 376 027 for capital commitments. Contracts of which the amount disclosed is for more than one financial year.

The capital commitments mainly relates to Roads and Electrical infrastructure.

As at year end the municipality had 10 long term contracts that are rates based. This contracts are used as and when required and therefore it is impracticable to realible to determine the total future commitment.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
40. Contingent Liabilities		
Masenya Construction vs Makhuduthamaga Local Municipality	175,551	175,551
Alfred Malekane vs Makhuduthamaga Local Municipality	-	5,655,584
Ratale Mashifane attorneys vs Makhuduthamaga Local Municipality	65,519	65,519
Onnica Sehlola vs Makhuduthamaga Local Municipality	81,459	81,459
City Patrick vs Makhuduthamaga Local Municipality	2,400,000	2,400,000
	2,722,529	8,378,113

Masenya Construction vs Makhuduthamaga Local Municipality

The municipality penalised Masenya construction for an amount of R 175 551 the reason for the penalties was that Masenya construction failed to complete its work on time as per the contract it entered into with the municipality. The company has challenged the municipality in court, the power of attorney was filed and served at Nebo Magistrate Court on the 12th of November 2019 by the Municipality's legal representatives. Judgement was granted in favour of the applicant (Masenya Construction) in respect of costs but the main application was postponed to an unknown date. The Municipality's attorneys filed a review application to the high court of Polokwane in respect of the cost judgement and for now we are still waiting for response on the review application; and as at year end the case was not yet finalised

Alfred Malekane vs Makhuduthamaga Local Municipality

Mr Alfred Malekane was dismissed as an employee by the municipality on grounds of financial misconduct following the conclusion of the disciplinary processes by the municipality. Mr Malekane has since challenged his dismissal arguing that he was unfairly dismissed by the municipality. During the year under review 2024-25, the court has ruled in favour of Mr Malekane whereby the judgement indicated that that the municipality must reinstate Mr Malekane and the court judgement was implemented.

Ratale Mashifane Attorneys vs Makhuduthamaga Local Municipality

Ratale Mashifane Attorneys has issued the summons against municipality wherein he demanded to be paid an amount of R 65 519 from services which were not rendered. The plaintiff obtained a default judgement - which we have filed an application to rescind it. As at year end the case was not yet finalised.

Onicca Mathabathe Sehlola VS Makhuduthamaga Local Municipality

Onica Mathabathe Sehlola has sued the municipality an amount of R 81 549 for the damage caused by pothole. The plaintiff has not served the municipality with a notice of bar, Marweshe Attorneys had prepared a notice of exception to the summons, had been served filed at Nebo court. The exception is unopposed the matter shall be set down on unopposed roll for hearing.

City Patrick Maphutha Vs Makhuduthamaga Local municipality

City Patrick Maphutha issued summons against the municipality demanding that he be appointed in the position of senior manager community services which was re-advertised in 2018. The municipality opposed the application in court of law and as year end the matter was still on. The amount of R 2 400 000 contingent liability was informed by Mr Maphutha CP's settlement request amount that was sent to the municipality.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

41. Related parties

Related party transactions

Section 57 transactions

Municipal Manager (Mr Moganedi R.M)	1,970,903	1,491,642
Senior Manager: Corporate Services(Ms Mahlare M.A)	-	202,669
Senior Manager: Corporate Services(Mr Matsetse P.E)	1,208,040	828,809
Acting Senior Manager: Corporate Services(Ms Maake M.M)	-	42,832
Senior Manager: Community services(Ms Marishane M.E)	-	145,398
Senior Manager: Community services(Ms Mashao A.M)	1,161,602	815,369
Acting Senior Manager: Community services(Ms Matsimela M.J)	-	37,131
Senior Manager: Budget and Treasury (Mr Chuene M.V)	-	483,168
Senior Manager: Budget and Treasury (Mr Mothapo K.T)	795,638	45,047
Acting Senior Manager: Budget and Treasury (Mr Makgalemane T.M)	-	21,433
Acting Senior Manager: Budget and Treasury (Mr Mathabathe C.M)	11,858	23,117
Senior Manager: Economic Development and Planning(Mr Thabela A.P)	-	809,033
Senior Manager: Economic Development and Planning(Ms Tong K.T)	628,759	37,131
Senior Manager: Infrastructure development(Mr Segale M.A)	-	682,258
Senior Manager: Infrastructure development(Ms Lubisi N.B)	1,052,565	163,781

Remuneration of councillors

Councillors

2025

Name	Basic salary	Cellphone allowance	Car allowance	Travel claim,Data,Pension,SDL	Total
Cllr Mahlase MM(Mayor)	895,873	47,004	-	119,570	1,062,447
Cllr Maitula B	7,615	-	-	3,093	10,708
Cllr Nkgadima MJ	728,210	43,200	-	99,670	871,080
Cllr Phala M	490,516	43,200	192,359	119,095	845,170
Cllr Matjomane NM	490,516	43,200	192,359	132,635	858,710
Cllr Rankoe TP	273,573	43,200	107,284	60,392	484,449
Cllr Malaka MS	467,277	43,200	181,916	141,749	834,142
Cllr Machaba MG	273,573	43,200	107,284	58,999	483,056
Cllr Mahlase NE	273,573	43,200	107,284	59,921	483,978
Cllr Moretsele LP	273,573	43,200	107,284	57,697	481,754
Cllr Morwamakoti M	273,480	43,200	107,246	53,950	477,876
Cllr Mosoane EM	272,708	43,200	106,979	107,326	530,213
Cllr Mokomane ML	265,548	43,200	104,137	52,494	465,379
Cllr Mogide LS	206,921	43,200	81,145	41,848	373,114
Cllr Thamaga MM(Chief Whip)	490,516	43,200	192,359	93,347	819,422
Cllr Leokana MD	206,921	43,200	81,145	41,848	373,114
Cllr Mohlala MJ	228,931	43,200	89,777	45,992	407,900
Cllr Masemola ME	206,921	43,200	81,145	41,848	373,114
Cllr Aphane MN	206,921	43,200	81,145	41,848	373,114
Cllr Moretsele MA	206,921	43,200	80,794	54,455	385,370
Cllr Lethuba MP	206,921	43,200	81,145	49,647	380,913
Cllr Mohlakwane SS	206,921	43,200	81,145	62,503	393,769
Cllr Maapea RS	206,921	43,200	81,145	111,656	442,922
Cllr Tau TT	206,921	43,200	81,145	47,319	378,585

Makhuduthamaga Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand				2025	2024
41. Related parties (continued)					
Cllr Ngwato OM	206,921	43,200	81,145	41,848	373,114
Cllr Lerobane MM	206,921	43,200	81,145	44,263	375,529
Cllr Monakedi MJ	206,921	43,200	81,145	41,848	373,114
Cllr Masemola TP	206,921	43,200	81,145	43,027	374,293
Cllr Mmotong ML	206,921	43,200	81,145	45,192	376,458
Cllr Tshehla MB	206,921	43,200	81,145	41,848	373,114
Cllr Kgatuke LD	254,571	43,200	99,832	51,559	449,162
Cllr Machai MJ	206,921	43,200	81,145	41,848	373,114
Cllr Malatjie BT	206,921	43,200	81,145	46,671	377,937
Cllr Maepa KJ	206,921	43,200	81,145	45,453	376,719
Cllr Makuwa SS	206,921	43,200	81,145	43,225	374,491
Cllr Matsomane EM	206,921	43,200	81,145	47,733	378,999
Cllr Mashegoana MC	206,921	43,200	81,145	41,848	373,114
Cllr Tshehla MZ	206,921	43,200	81,145	46,024	377,290
Cllr Kgaphola RK	206,921	43,200	81,145	44,448	375,714
Cllr Ngoanatswana MG	206,921	43,200	81,145	41,848	373,114
Cllr Sebowane SH	206,921	43,200	81,145	48,164	379,430
Cllr Nkadimeng KT	206,921	43,200	81,145	46,641	377,907
Cllr Hleko K	206,921	43,200	81,145	44,448	375,714
Cllr Moshabane D	282,528	43,200	110,794	63,088	499,610
Cllr Thokwane GA	206,921	43,200	81,145	41,848	373,114
Cllr Mothupi SM	206,921	43,200	81,145	43,938	375,204
Cllr Selala PT	254,560	43,200	99,830	51,530	449,120
Cllr Vilakazi SM	206,921	43,200	81,145	41,848	373,114
Cllr Rantho PK	206,921	43,200	81,145	41,848	373,114
Cllr Thokwane KZ	265,548	43,200	104,137	52,494	465,379
Cllr Makobe PA	206,921	43,200	81,145	41,848	373,114
Cllr Boshielo MP	206,921	43,200	81,145	44,530	375,796
Cllr Piitjo MH	265,548	43,200	104,137	120,996	533,881
Cllr Maduana HD	206,921	43,200	81,145	41,848	373,114
Cllr Morodi PE	206,921	43,200	81,145	41,848	373,114
Cllr Ntobeng ML	22,264	3,600	8,731	3,462	38,057
Cllr Tsatsi MD	206,921	43,200	81,145	41,848	373,114
Cllr Mogashoa KJ	206,921	43,200	81,145	74,726	405,992
Cllr Diketane SP	475,987	43,200	186,674	128,124	833,985
Cllr Mkalapa SM	206,921	43,200	81,145	41,848	373,114
Cllr Mankge PR	203,547	43,200	80,767	41,812	369,326
Cllr Laka LE	203,547	43,200	80,767	41,812	369,326
Cllr Phala LL	181,935	38,990	71,510	42,707	335,142
Cllr Matlala MA	181,935	38,990	71,510	37,818	330,253
Cllr Mampane A	6,186	-	2,427	80	8,693
Cllr Mapheto	3,856	-	1,512	51	5,419
	16,170,492	2,677,384	5,702,055	3,628,790	28,178,721

2024

Name	Basic salary	Cellphone allowance	Car allowance	Pension,SDL,Data cards and travel claims	Total
Cllr Nkgadima MJ(Speaker)	530,061	45,600	-	311,758	887,419
Cllr Thamaga MM(Chief Whip)	489,894	45,600	192,115	106,220	833,829
Cllr Mokomane ML	265,280	45,600	104,031	58,074	472,985
Cllr Phala M	489,894	45,600	192,115	109,869	837,478
Cllr Mapheto MT	137,500	30,092	53,922	33,354	254,868

Makhuduthamaga Local Municipality

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Figures in Rand			2025	2024	
41. Related parties (continued)					
Cllr Mahlase NE	273,292	45,600	107,173	66,395	492,460
Cllr Diketane SP(MPAC Chairperson)	471,603	45,600	184,943	103,587	805,733
Cllr Mogide LS	206,711	45,600	81,063	47,050	380,424
Cllr Leokana MD	206,711	45,600	81,063	47,050	380,424
Cllr Matjomane NM	489,894	45,600	192,115	147,975	875,584
Cllr Masemola ME	206,711	45,600	81,063	48,928	382,302
Cllr Maitula BM	286,487	24,764	-	165,569	476,820
Cllr Aphane MN	206,711	45,600	81,063	47,050	380,424
Cllr Moretsele MA	206,711	45,600	81,063	47,050	380,424
Cllr Lethuba MP	206,711	45,600	81,063	54,407	387,781
Cllr Mohlala MJ	489,894	45,600	192,115	100,354	827,963
Cllr Mohlakwane SS	206,711	45,600	81,063	50,683	384,057
Cllr Rankoe TP	273,292	45,600	107,173	67,015	493,080
Cllr Maapea RS	206,711	45,600	81,063	105,281	438,655
Cllr Machaba MG	273,292	45,600	107,173	64,342	490,407
Cllr Tau TT	206,711	45,600	81,063	49,744	383,118
Cllr Ngwato OM	206,711	45,600	81,063	47,050	380,424
Cllr Lerobane MM	206,711	45,600	81,063	48,912	382,286
Cllr Monakedi MJ	206,711	45,600	81,063	47,050	380,424
Cllr Malaka MS	273,292	45,600	107,173	83,642	509,707
Cllr Masemola TP	206,711	45,600	81,063	47,050	380,424
Cllr Mmotong ML	206,711	45,600	81,063	47,050	380,424
Cllr Tshehla MB	206,711	45,600	81,063	48,788	382,162
Cllr Kgatuke LD	206,711	45,600	81,063	47,050	380,424
Cllr Machai MJ	206,711	45,600	81,063	49,413	382,787
Cllr Malatjie BT	206,711	45,600	81,063	48,788	382,162
Cllr Maepa KJ	206,711	45,600	81,063	48,397	381,771
Cllr Makuwa SS	206,711	45,600	81,063	52,871	386,245
Cllr Matsomane EM	206,711	45,600	81,063	47,050	380,424
Cllr Mashegoane MC	206,711	45,600	81,063	49,752	383,126
Cllr Tshehla MZ	206,711	45,600	81,063	47,050	380,424
Cllr Moretsele LP	273,292	45,600	107,173	63,740	489,805
Cllr Morwamakoti M	269,642	45,600	105,742	58,934	479,918
Cllr Kgaphola RK	206,711	45,600	81,063	48,928	382,302
Cllr Ngoanatsobane MG	206,711	45,600	81,063	48,389	381,763
Cllr Sebowane SH	206,711	45,600	81,063	48,928	382,302
Cllr Hleko K	206,711	45,600	81,063	47,050	380,424
Cllr Mashabane D	206,711	45,600	81,063	56,617	389,991
Cllr Thokwane GA	206,711	45,600	81,063	48,606	381,980
Cllr Mothupi SM	206,711	45,600	81,063	47,050	380,424
Cllr Selala PT	206,711	45,600	81,063	47,050	380,424
Cllr Vilakazi SM	206,711	45,600	81,063	47,050	380,424
Cllr Rantho PK	206,711	45,600	81,063	47,050	380,424
Cllr Thokwane KZ	265,280	45,600	104,031	58,074	472,985
Cllr Makobe PA	206,711	45,600	81,063	47,050	380,424
Cllr Boshielo MP	206,711	45,600	81,063	48,686	382,060
Cllr Piitjo MH	265,280	45,600	104,031	89,353	504,264
Cllr Maduana HD	206,711	45,600	81,063	47,050	380,424
Cllr Mampane MA	224,042	38,400	87,860	49,600	399,902
Cllr Morodi PE	206,711	45,600	81,063	47,050	380,424
Cllr Mosoane EM	269,950	45,600	104,031	65,231	484,812
Cllr Ntobeng ML	206,711	45,600	81,063	49,434	382,808
Cllr Tsatsi MD	206,711	45,600	81,063	47,050	380,424
Cllr Mogashoa KJ	206,711	45,600	81,063	55,591	388,965
Cllr Mokalapa SM	211,183	47,200	82,817	45,026	386,226
Cllr Mokalapa MS	12,277	1,800	4,092	3,055	21,224

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Figures in Rand				2025	2024
41. Related parties (continued)					
Cllr Nkadimeng KT	206,711	45,600	81,063	48,767	382,141
Cllr Mankge PR	72,576	14,958	29,765	15,256	132,555
Cllr Laka LE	72,576	16,262	28,461	15,270	132,569
Cllr Mahlase MM(Mayor)	490,808	47,502	48,862	249,088	836,260
	15,645,732	2,820,178	5,670,496	4,181,691	28,318,097

42. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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.

Cash flow forecasts are prepared monthly and monitored.

2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
Trade payables	97,517,561	-	-	-	97,517,561
Retentions	28,169,292	-	-	-	28,169,292
	125,686,853	-	-	-	125,686,853
2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
Trade payables	89,687,505	-	-	-	89,687,505
Retentions	28,958,721	-	-	-	28,958,721
	118,646,226	-	-	-	118,646,226

Makhuduthamaga Local Municipality

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42. Risk management (continued)

Credit risk

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

Financial instrument

2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
Receivables from exchange transactions	9,262,432	-	-	-	9,262,432
Cash and cash equivalents	4,394,220	-	-	-	4,394,220
VAT receivables	5,790,003	-	-	-	5,790,003
	19,446,655	-	-	-	19,446,655

2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	above 5 years	Total
Receivables from exchange transactions	3,086,464	-	-	-	3,086,464
Cash and cash equivalents	13,919,985	-	-	-	13,919,985
VAT receivables	5,678,536	-	-	-	5,678,536
	22,684,985	-	-	-	22,684,985

Market risk

Interest rate risk

The municipality's interest rate risk arises from short-term investments.

Concentration risk

Included in the payables there's and amount for retention which arises from projects which have been completed years ago which raises the concentration risk in a sense that should all those service providers appeal to the municipality claiming those retentions will the municipality be able to pay all that debt.

43. Unauthorised expenditure

Opening balance as previously reported	30,511,957	23,008,909
Add: Unauthorised expenditure - current	-	30,511,957
Less: Written off - current	(30,511,957)	(23,008,909)
Closing balance	-	30,511,957

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	-	20,361,730
Cash	-	10,150,227
	-	30,511,957

Makhuduthamaga Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
43. Unauthorised expenditure (continued)		
Analysed as follows: non-cash		
Provision of impairment	-	20,361,730
Analysed as follows: cash		
Contracted services	-	9,032,256
General expenditure	-	1,117,971
	-	10,150,227
Unauthorised expenditure: Budget overspending – per municipal department:		
Budget and treasury Office	-	30,511,957

Council Approval on unauthorised expenditure

During the current year ended June 30, 2025, MPAC investigated all Unauthorised expenditure and council has written off the unauthorised expenditure as irrecoverable. The amount of R 30 511 957 was approved by council to be written off as irrecoverable. There were no Unauthorised expenditure incurred during the current year.

44. Fruitless and wasteful expenditure

Opening balance as previously reported	64,753	64,753
Add: Fruitless and wasteful expenditure identified - current	5,978,585	-
Less: Amount recovered - current	(64,753)	-
Closing balance	5,978,585	64,753

Included in the amount of R5 978 585, there is an amount of R323 001 which relates to misuse of fuel cards by fleet drivers. The other amount of R5 655 584 emanates from the re-instatement of municipal official who was previously dismissed. The municipality recovered fruitless and wasteful expenditure amounting to R64 753 during the year.

Makhuduthamaga Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
45. Irregular expenditure		
Opening balance as previously reported	-	65,100
Add: Irregular expenditure - current	1,537,829	1,471,039
Less: Amount written off - current	(1,537,829)	(1,536,139)
Closing balance	-	-

As per MFMA circular no 68 municipalities are advised to record their irregular expenditure in the irregular expenditure register and consequently disclose it in the annual financial statements inclusive of VAT the circular became into existence in October 2021. The latter is due to the amount of the transgression from the provisions of the applicable legislation as contained in the definition of the irregular expenditure is the full value of the transaction involved and not just a portion of the transaction and the adjustment is effected from the financial year 2024/25. The irregular expenditure disclosed above is VAT inclusive.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

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Figures in Rand	2025	2024
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46. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance :

Net surplus (deficit) per the statement of financial performance	19,909,980	(57,445,887)
Capital expenditure write-off(D -roads)	63,873,838	119,704,748
Net surplus per approved budget	83,783,818	62,258,861

The reconciling differences emanate from D-roads which are expensed on the Statement of Financial Performance, while budgeted under capital expenditure on the Statement of Budget and Actual Amounts

47. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Amount paid - current year	(5,306,612)	(4,844,497)
	(5,306,612)	(4,844,497)

PAYE and UIF

Opening balance	2,137,876	-
Current year subscription / fee	28,668,092	24,575,743
Amount paid - current year	(28,648,467)	(22,437,867)
Outstanding balance as at year end	2,157,501	2,137,876

Pension and Medical Aid Deductions

Opening balance	2,587,206	17,387
Current year subscription / fee	32,960,431	31,048,652
Amount paid - current year	(32,739,031)	(28,478,833)
Outstanding balance as at year end	2,808,606	2,587,206

VAT

VAT receivable	10,218,386	13,336,052
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VAT output payables and VAT input receivables are shown in note 7.

All VAT returns have been submitted by the due date throughout the year.

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

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47. Additional disclosure in terms of Municipal Finance Management Act (continued)

Supply chain management regulations

In terms of regulation 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved by the Municipal Manager/her delegate and noted by Council. The expenses incurred as listed hereunder have been condoned by council

Incident

Deviation as per section 36(1)(a)(i) of the SCM regulations (Emergency)	-	255,506
Deviation as per section 36(1)(a)(ii) of the SCM regulations (Single provider)	387,802	867,534
Deviation as per section 36(1)(v) of the SCM regulations (Impractical to follow SMC processes)	7,616,814	9,942,684
	8,004,616	11,065,724

48. Prior period errors

Transfer to Eskom

In terms of Municipal mSCOA circular No. 16, the municipalities without electricity license should record the spending of INEP Grant under Contracted services. Previously Makhuduthamaga Local Municipality accumulated the spending under WIP: Electrical infrastructure and transferred the spending of completed projects to Eskom through the statement of financial performance. It is for this reason that the spending of INEP Grant has been reclassified from "Transfer to Eskom" to "Contracted services" in order to comply with the requirements of mSCOA circular No. 16. The comparative figures for Transfer to Eskom have been cleared to zero together with WIP: Electrical infrastructure. The contracted services have been restated retrospectively as a result of this circular.

INEP grant revenue

In addition, Circular 16 further requires that upon the recognition of revenue, the INEP transactions should be recognised as revenue from exchange transactions under sales of goods and rendering of services instead of non-exchange transactions under INEP Grant revenue. The impact of the implementation of this circular resulted in INEP Grant revenue being reclassified to sales of goods and rendering of services retrospectively

Over and above, the municipality previously recognised INEP grant revenue inclusive of vat after the conditions were met and as a result, the revenue recognised was overstated by a portion of vat output. The comparative figures for both revenue and vat output have been restated retrospectively.

Interest on outstanding debtors

In the previous financial period, the interest rate used to calculate interest on outstanding debtors was incorrect and as a result, the municipality reviewed the interest rate i.e. prime plus one against the market rate and therefore the comparative figures have been appropriately restated. The correction of the error resulted in the decrease of interest on outstanding debtors and receivables from non-exchange transactions respectively.

Property, Plant and Equipment

Depreciation

In the previous financial periods the municipality erroneously omitted to revise the useful lives of the certain classes of assets and consequently some of the assets were sitting at zero in the municipality's fixed assets register while still in use. In the current financial period, management decided to revise the useful lives of these classes of assets with effect from 01 July 2023 in order to fairly present the carrying amount of the property, plant and equipment amounting to R 3 550 499. The results of this omission constitute an error, which resulted in the decrease of both depreciation and accumulated depreciation. Had management previously revised the useful lives of this classes of assets, the municipality would not be having assets still in use and sitting at zero in the municipality's fixed asset register. Furthermore in July 2022 depreciation amounting to R 95 683 was corrected retrospectively as a result of incorrect calculation of depreciation.

Statement of financial position

Makhuduthamaga Local Municipality

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2025

2024

48. Prior period errors (continued)

2022

	Note	As previously reported	Adjustments	Restated
VAT receivables		18,587,291	(2,608,696)	15,978,595
		18,587,291	(2,608,696)	15,978,595

2023

	Note	As previously reported	Adjustments	Restated
VAT receivables		15,978,595	(782,609)	15,195,986
Property, plant and equipment		286,904,479	95,683	287,000,162
		302,883,074	(686,926)	302,196,148

2024

	Note	As previously reported	Adjustments	Restated
VAT receivables		15,195,986	(1,860,453)	13,335,533
Work in progress: Electrical infrastructure		10,317,392	(10,317,392)	-
Receivables from non exchange		115,036,405	(363,936)	114,672,469
Property, plant and equipment		367,022,831	3,550,499	370,573,330
		507,572,614	(8,991,282)	498,581,332

Statement of financial performance

2024

	Note	As previously reported	Adjustments	Restated
Interest on outstanding debtors		12,574,615	(363,936)	12,210,679
Sales of Goods and Rendering of Services		433,516	12,403,022	12,836,538
INEP Grant		14,263,475	(14,263,475)	-
Contracted services		(67,251,089)	(12,403,022)	(79,654,111)
Transfer to Eskom (Clearing WIP)		(2,085,630)	(10,317,392)	(12,403,022)
Transfer to Eskom (Reclassification to Contracted services)		-	12,403,022	12,403,022
INEP Grants		14,263,475	(1,860,453)	12,403,022
Depreciation		34,936,641	(3,550,499)	31,386,142
		7,135,003	(17,952,733)	(10,817,730)

2023

	Note	As previously reported	Adjustments	Restated
INEP Grant		6,000,000	(782,609)	5,217,391
		6,000,000	(782,609)	5,217,391

Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024		
48. Prior period errors (continued)				
2022				
	Note	As previously reported	Adjustments	Restated
INEP Grant		20,000,000	(2,608,696)	17,391,304
		20,000,000	(2,608,696)	17,391,304

49. Events after the reporting date

Non-adjusting events:

Appointment of the Executive support senior manager:

- The council of Makhuduthamaga local municipality has appointed Mr Mampuru SI as the Senior Manager for Executive support department on the 31st of July 2025.

50. Operating lease-as lessee (commitment)

Within one year of the reporting date	2,371,257	2,371,257
More than one year but less than five years of the reporting date	592,814	2,964,071
	2,964,071	5,335,328

The operational lease commitment relates to Lease of photocopier machines.

51. Principal agents

The municipality has signed a binding memorandum of agreement with Limpopo Department of transport and public safety for the administration of learners, drivers licenses and vehicle registrations, and the municipality earns Agency fees. The amount collected on behalf of the Limpopo Department of transport and public safety is (R 15 059 877) for the current year and (R 13 406 927) for the prior year.

Makhuduthamaga Local Municipality

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51. Prepayments (continued)

Limpopo Department of transport and public safety

Revenue recognised for transactions carried out on behalf of the principal	6,339,848	6,261,884
Revenue received for principal	15,059,877	13,406,927
	21,399,725	19,668,811

Receivables on behalf of the principal

Additions	15,059,877	13,406,927
Cash paid	(15,059,877)	(13,406,927)
	-	-

Sekhukhune District Municipality water reticulation

In terms of GRAP 104, par 7.13, when an entity intends to exercise the right or to settle simultaneously, presentation of the assets and liability on a net basis reflects more appropriately the amount and timing of the expected future cash flow i.e. When an entity has right to receive or pay a single net amount and intend to do so, only single financial asset or liability should be disclosed. In all other circumstances, financial assets and liabilities are presented separately from each other.

In our circumstances, Makhuduthamaga Local Municipality has no intention to exercise the right or to settle the transactions simultaneously as single net amount. All the water reticulation transactions are invoiced to Sekhukhune District Municipality and subsequently paid in full. The VAT payable to Sekhukhune District Municipality will also be paid in full, thus separate presentation of financial assets and liability constitute fair presentation.

Expenditure for transactions carried out on behalf of the principal	(32,153,386)	(21,147,518)
Revenue received from principal	30,169,229	21,540,218
	(1,984,157)	392,700

Receivables from SDM as at year end

Opening balance	2,227,092	-
Amount paid (Previous year)	(1,164,645)	-
Outstanding invoices	5,884,585	1,164,646
Outstanding retention	1,295,807	1,062,446
Retention paid	(204,229)	-
	8,038,610	2,227,092

Payables to SDM as at year end

Opening balance	2,619,792	-
VAT received on behalf of the principal (current year)	3,827,361	2,619,792
	6,447,153	2,619,792

52. Prepayments (SALGA Levy)

SALGA Levy relates to prepayments of Annual membership fee to SALGA	-	1,117,253
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53. Leave Gain

Leave Gain	66,566	154,077
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The municipality realised leave gain due to the decreased leave balances as at the end of the financial period

Makhuduthamaga Local Municipality

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54. Fair value adjustment- Investment property

Fair value adjustment-investment property	-	329,789
Change during the year	-	25,789
	-	355,578

55. Public contributions and donations

Donation Income	-	19,595
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The Municipality has received a donation in kind of computer equipment from the Department of Economic development, Environment & Tourism during the 2023-24 financial year.

56. Loss on fair value adjustment-investment property

Property, plant and equipment	(77,789)	-
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Loss on fair value adjustment was due to other properties which were valued at the market value less than the value reported in the previous financial period.

57. Segment reporting

The following terms are used in this Standard with the meanings specified:

Management comprises those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

A segment is an activity of an entity:

(a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);

(b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and

(c) for which separate financial information is available.

Terms defined in other Standards of GRAP are used in this Standard with the same meaning as in those other Standards.

The municipality is organised and reports to management and council on the basis of six (06) major functional areas: Executive Support, Corporate Services, Budget and Treasury Office, Community Services, Infrastructure Development services and Economic Development and Planning. for which separate financial information is not applicable nor available and the municipality has one set of financial statement. The departments are centralised to provide service delivery function to all the geographical areas namely Ward 1 to Ward 31 on implementation of infrastructure requirements of the municipality. Based on how the budget of the municipality is determined, annually the communities from all wards are consulted on their needs through the Integrated Development Plan processes. This information is then used to allocate resources available to implement these needs. Resources are not allocated based on how the unit has performed or the activity within the unit has performed, but based on the needs priorities and the available funds at the time that the municipality holds. Municipal revenue, expenditure and assets are not reviewed as per geographical area, these are the same services across all wards and presented as a consolidated figure. The service provided to communities are the same for all wards, therefore the level of information of each ward within the municipal jurisdiction may not be relevant for decision making purposes, as such reporting of segments is deemed not applicable.

58. Debt Impairment (Debtors)

Debt Impairment	(19,776,670)	(20,361,730)
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The impairment on debtors was mainly informed by the commercial debtors who are not paying their property rates on a monthly basis.

Makhuduthamaga Local Municipality
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