



MAKHUDUTHAMAGA

LOCAL MUNICIPALITY

Mmogo re šomela diphetogo!

Department	Budget and Treasury Office
Document Name	Financial Management Report
Period	31 December 2024

A. Table of Contents

ABBREVIATIONS AND ACRONYMS.....	IV
1. EXECUTIVE SUMMARY	2
1.1. OVERALL TOTAL REVENUE AND EXPENDITURE	2
1.2. BUDGETED REVENUE AND ACTUAL REVENUE TO DATE.....	2
1.3 BUDGETED EXPENDITURE AND ACTUAL EXPENDITURE TO DATE.....	7
1.3.1 Operational Expenditure.....	8
1.3.2 Capital Expenditure.....	9
1.3.3 Grants Receipts and expenditure.....	10
i. Overall Spending per departments	11
B. GOING CONCERN AND LIQUIDITY RATIOS.....	11
C. STATEMENT OF FINANCIAL PERFORMANCE AS AT 31 DECEMBER 2024	16
D. CASH FLOW STATEMENT AS AT 31 DECEMBER 2024.....	17
6. NOTES TO THE 31 DECEMBER 2024 FINANCIAL REPORT (STATEMENTS).	ERROR! BOOKMARK NOT DEFINED.
6.1 CASH AND CASH EQUIVALENTS.....	ERROR! BOOKMARK NOT DEFINED.
6.2 INVENTORIES.....	18
6.3 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS.....	19
6.4 RECEIVABLES FROM EXCHANGE TRANSACTIONS	19
6.5 OTHER DEBTORS (VAT RECEIVABLE & RECEIVABLES FROM EXCHANGE TRANSACTION)	19
6.6 TOP TEN (10) BUSINESS DEBTORS	20
6.7 INTANGIBLE ASSETS	21
6.8 INVESTMENT PROPERTY	22
6.9 PROPERTY PLANT AND EQUIPMENT	23
6.10 PAYABLES FROM EXCHANGE TRANSACTIONS	26
6.11 UNSPENT CONDITIONAL GRANTS AND RECEIPTS	26
6.12 REVENUE	26
6.13 DEFINED BENEFIT OBLIGATION	27
6.14 GOVERNMENT GRANTS AND SUBSIDIES	27
6.15 INTEREST ON OUTSTANDING DEBTORS	27

6.16 PROPERTY RATES.....	28
6.17 ACTUARIAL GAIN/ (LOSS).....	28
6.18 TRAFFIC FINES.....	28
6.19 EMPLOYEE RELATED COSTS.....	28
6.20 REMUNERATION AND ALLOWANCES OF COUNCILLORS	35
6.21 DEPRECIATION AND AMORTISATION	37
6.22 ASSETS IMPAIRMENT	37
6.23 FINANCE COSTS	38
6.24 CONTRACTED SERVICES	38
6.25 GRANTS AND SUBSIDIES PAID.....	38
6.26 CAPITAL EXPENDITURE WRITTEN-OFF (D ROADS)	38
6.27 GENERAL EXPENSES	39
6.28 PROVISION - REHABILITATION OF LANDFILL SITE.....	40
6.29 RENTAL OF FACILITIES AND EQUIPMENT	40
6.30 OPERATING LEASE	41
6.31 COMMITMENTS	41
6.32 RISK MANAGEMENT	41
6.33 UNAUTHORISED EXPENDITURE	42
6.34 FRUITLESS AND WASTEFUL EXPENDITURE	42
6.35 IRREGULAR EXPENDITUR	42
6.36 Additional disclosure in terms of Municipal Finance Management Act.....	42



Abbreviations and Acronyms

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



1. Executive Summary

1.1. Overall total revenue and expenditure

The municipality’s total actual operational revenue as at end of **December 2024** amounts to **R 311 965 106** and total actual operational expenditure of **R 212 238 919** translating into an operational surplus of **R 99 726 187**. Capital transfer and grants as at the end of **December 2024** amounted to **R 70 020 069**. The following table summarises the overall revenue and expenditure performance as at the end of **December 2024**:

N.B. Amounts are in “R000”

Description	2023/24 Pre-Audited outcome	2024/25 YTD Budget	2024/25 YTD Actual	2024/25 YTD Variance
Total Operational revenue	426 650	238 986	311 965	(72 979)
Total operational expenditure	(569 214)	(219 754)	(212 239)	(7 515)
Operating Surplus/Deficit	(142 564)	19 232	99 726	(80 494)
Capital transfers and grants	94 109	40 895	38 623	2 272
Net Surplus/Deficit after capital transfers	(48 455)	60 127	138 349	(78 222)

1.2. Budgeted Revenue and Actual Revenue to date

The municipality’s total actual revenue as at 31st December 2024 is **R 350 587 618** which amounts to 125% of the total to date budgeted revenue to the amount of **R 279 880 500**.

From the total actual revenue recorded as at the end of December 2024, **R 316 774 774** is from government grants and transfers and the remaining balance of **R 33 757 844** is from own revenue.

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

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
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										
Revenue										
Exchange Revenue										
Service charges - Waste management	6.11	349	340	–	31	185	170	(15)	9%	340
Sale of Goods and Rendering of Services		475	340	–	476	718	170	(548)	322%	340
Agency services		6,262	6,000	–	553	3,336	3,000	(336)	11%	6,000
Interest from Current and Non Current Assets	6.13	3,784	3,500	–	317	1,846	1,750	(96)	0%	3,500
Rental from Fixed Assets	6.27	263	190	–	3	106	95	(11)	11%	190
Non-Exchange Revenue										
Property rates	6.15	39,628	63,000	–	3,334	20,007	31,500	11,493	-36%	63,000
Fines, penalties and forfeits	6.18	668	800	–	78	590	400	(190)	47%	800
Transfers and subsidies - Operational	6.12	362,492	390,802	–	121,051	278,207	195,401	(82,806)	42%	390,802
Interest	6.18	12,575	13,000	–	1,244	6,971	6,500	(471)	7%	13,000
Other Gains	6.14	154	–	–	–	–	–	–	0%	–
Total Revenue (excluding capital transfers and contributions)		426,650	477,972	–	127,087	311,965	238,986	(72,979)	30%	477,972
Transfers and subsidies - capital (monetary allocations)		94,109	81,789	–	–	38,623	40,895	2,272	-6%	81,789
Total Revenue (including capital transfers and contributions)		520,759	559,761	–	127,087	350,588	279,881	(70,707)	-25%	559,761

The municipality's overall collection rate is 79% as at 31st December 2024 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 70% in the previous financial year ended 30 June 2024. Collection on property rates and interests on outstanding debts are the highest contributors to the poor collection rate. The following table summarises the collection from own sources of revenue per source:

Collection on own sources of revenue

Source of revenue	2024/25 (Current Year)			2023/24		
	Actual revenue billed (R000)	Actual revenue collected (R000)	% collected	Actual revenue billed (R000)	Actual revenue collected (R000)	% Collected
Property rates	26 977	20 232	75%	52 203	33 258	64%
Refuse removal	213	129	61%	349	268	77%
Rental of facilities & Equip	106	106	100%	263	243	92%
Interests on bank and investments	1 846	1 846	100%	3 784	3 784	100%
Traffic fines	624	212	34%	668	269	40%
Agency income and other income	4 053	4 053	100%	6 737	6 737	100%
Totals	33 819	26 578	79%	64 004	44 559	70%

- **Included on the Agency Income and other income amount of R 4 053 131.10 is an amount of R 9 739.20 (Tender Documents), R 707 312.37, Plan Approval, Permission to Occupy and LG Seta), R 3 336 079.53 (License and permits) and R 17 880.00 for vehicles that were tested at the Nebo VTS for road worthy as at 31st December 2024.**
- The following are the challenges and recommendations for implementation to improve revenue generation and collection for the remaining periods of the financial year 2024/25 and the MTREF:

No	Challenges	Progress made to date	Recommendations
1	Non-payment of property rates by the high capacity businesses within our municipality.	<ul style="list-style-type: none"> - Engagements with the house of Traditional Leaders in the Sekhukhune region was held in November 2024. - A meeting was held with the representative of the business owners (Mashadi business chamber) and agreement was reached to have a meeting with their respective traditional leaders to clear the matter of tribal levies. - A list of all tribal authority representatives with their contact details has been sent to CoGHSTA for verification on whether the allegation of them receiving levies from the affected business is correct. - An Attorneys to help the municipality with debt collection has been appointed and letters of demand has been sent to defaulting debtors. 	<ul style="list-style-type: none"> - Office of the mayor to write a letter to MEC Coghta requesting assistance of traditional affairs unit to be part of the meeting with the stakeholders

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

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

1.3 Budgeted Expenditure and Actual Expenditure to date

The municipality's total actual expenditure amounts to **R 255 605 825** as at 31st December 2024. This amounts to **98%** of the total budgeted expenditure to date to the amount of **R 260 648 442**.

1.3.1 Operational Expenditure.

The total operational expenditure as at 31st December 2024 amounts to **R 212 238 919** which equates to **97%** of the total operational budget to date of **R 219 753 942**. The municipality has under spent by **3%** as compared to the budgeted expenditure to date

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

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
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	6.19	116,454	145,051	–	10,287	62,146	72,525	10,379	-17%	145,051
Remuneration of councillors	6.2	28,318	29,563	–	3,083	14,152	14,781	630	-6%	29,563
Inventory consumed	6.2	2,465	2,000	–	593	923	1,000	77	64%	2,000
Debt impairment		20,362	10,000	–	–	–	5,000	5,000	-100%	10,000
Depreciation and amortisation	6.21	34,937	34,775	–	2,944	17,414	17,387	(27)	0%	34,775
Interest		2,232	–	–	–	–	–	–	–	–
Contracted services	6.24	67,251	153,146	–	9,773	85,332	76,573	(8,759)	11%	153,146
Transfers and subsidies	6.25	2,145	6,980	–	562	3,278	3,490	212	-6%	6,980
Operational costs	6.27	295,050	57,994	–	5,975	28,994	28,997	3	0%	57,994
Total operational Expenditure		569,214	439,508	–	33,217	212,239	219,754	7,515	-4%	439,508
Total capital expenditure of Transfers and Grants		92,200	81,789	–	5,891	43,367	40,895	(2,472)	6.0%	81,789
Total Expenditure		661,414	521,297	–	39,108	255,606	260,648	5,043	1.9%	521,297

1.3.2 Capital Expenditure

a. The total capital expenditure as at 31st December 2024 amounts to **R 70 020 069** which equates to **90%** of the **R 77 844 498** to-date budget. The municipality has underspent by **10%** on capital expenditure.

b. The following table indicates the capital expenditure per functional classification:

LIM473 Makhuduthamaga - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December										
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>		117,405	7,900	–	943	3,548	3,950	(402)	-10%	7,900
Finance and administration		117,405	7,900	–	943	3,548	3,950	(1,452)	-37%	7,900
<i>Economic and environmental services</i>		46,416	124,558	–	4,969	62,816	62,279	537	1%	124,558
Road transport		46,416	124,558	–	4,969	62,816	62,279	537	1%	124,558
<i>Trading services</i>		12,601	23,231	–	–	3,656	11,616	(7,960)	-69%	23,231
Energy sources		10,317	12,431	–	–	3,656	6,216	(2,560)	-41%	12,431
Waste management		2,284	10,800	–	–	–	5,400	(5,400)	-100%	10,800
Total Capital Expenditure - Functional Classification	3	176,422	155,689	–	5,912	70,020	77,844	(7,824)	-10%	155,689
Funded by:										
National Government		176,422	155,689	–	5,912	70,020	77,844	(7,824)	-10%	155,689
Transfers recognised - capital		176,422	155,689	–	5,912	70,020	77,844	(7,824)	-10%	155,689
Total Capital Funding		176,422	155,689	–	5,912	70,020	77,844	(7,824)	-10%	155,689

1.3.3 Grants Receipts and expenditure.

- a. The following table shows the expenditure on grants as at 31 December 2024 per grant

LIM473 Makhuduthamaga - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

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:		6,360	7,648	-	929	3,957	3,824	133	21.0%	7,648
Expanded Public Works Programme Integrated Grant	-	1,925	2,348	-	529	1,638	1,174	464	39.6%	2,348
Local Government Financial Management Grant	-	1,720	1,800	-	137	908	900	8	0.9%	1,800
Municipal Infrastructure Grant	-	2,715	3,500	-	263	1,410	1,750	(340)	-19.4%	3,500
Total operating expenditure of Transfers and Grants:		6,360	7,648	-	929	7,918	3,824	4,094	107.1%	7,648
Capital expenditure of Transfers and Grants										
National Government:		98,200	81,789	-	5,891	47,328	40,895	2,472	-74.9%	81,789
Integrated National Electrification Programme Grant	-	6,000	12,431	-	-	3,961	6,216	(6,216)	-100.0%	12,431
Municipal Infrastructure Grant	-	92,200	69,358	-	5,891	43,367	34,679	8,688	25.1%	69,358
Total capital expenditure of Transfers and Grants		98,200	81,789	-	5,891	47,328	40,895	2,472	-74.9%	81,789
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		104,560	89,437	-	6,820	51,285	44,719	6,566	14.7%	89,437

- b. The following table shows the receipts and expenditure on grants as at 31 December 2024 per grant:
The municipality's spending per conditional grant is as follows as at the end of December 2024:

Conditional Grant details	Budget for the year	Grant received	Grant expenditure	Received %	Spending %
FMG	1 800 000	1 800 000	908 267	100%	51%
EPWP	2 348 000	1 643 000	1 638 449	70%	100%
MIG	72 858 000	58 858 000	44 776 699	81%	76%
INEP	12 431 000	8 000 000	3 961 209	64%	50%

Agency Allocation					
WRM(SDM)	20 000 000	-	5 143 211	-	26%

i. Overall Spending per departments

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

Expenditure Performance Per Department				
Department	To date Actual Expenditure	To date budget	To date variance	Spending %
Community Services	19,874,556.00	20,029,847.00	155,291.00	99%
Corporate Services	28,878,990.00	29,174,589.00	295,599.00	99%
Infrastructure Development	79,234,700.00	80,399,840.00	1,165,140.00	99%
Budget & Treasury Office	63,512,956.00	64,857,874.00	1,344,918.00	98%
MM's Office	14,798,770.00	15,120,039.00	321,269.00	98%
Economic Planning & Development	22,518,509.00	23,300,494.00	781,985.00	97%
Executive support	26,787,344.00	27,765,759.00	978,415.00	96%
	255,605,825.00	260,648,442.00	5,042,617.00	98%

c. Going concern and Liquidity ratios.

▪ **Going concern**

a. After the assessment of the key factors to the going concern of the municipality it is assumed and concluded that the municipality shall continue operating as a Going Concern as at 31 December 2024

▪ **Liquidity ratios**

a. **Current ratio**

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



(Figures in RSA Rand)

2025

2024

2025	2024
R 96 271: R 101 389	R 57 483: R 150 889
0.95: 1	0.38: 1

This ratio measures the Municipality’s ability to pay its short-term debt with liquid assets which are assets easily converted in to cash. The above ratio indicates a current ratio of **0.95:1** that suggest that the municipality’s liquid assets are currently not easy to be converted into cash to can cover the current liabilities as & when they become due.

b. Debt ratio

Total Liabilities/Total Assets) x 100

2025	2024
R 111 107 / R 635 162 X 100%	R 172 616 / R 543 761 X 100%
=17.49%	=31.74%

This ratio measure how much the municipality’s total liabilities are covered by the total assets the results of which measures the solvency of the municipality. The results above show that the municipality is solvent as the total liabilities are covered by the total assets and total liabilities makes a small percentage portion of the total assets which decreased from 31.74% to **17.49%** in the current year and the means our debt ratio is sound.

c. Net Operating surplus margin.

NORM: Equal to or greater than zero



(Figures in RSA Rand)

2025

2024

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

2025	2024
(R 311 965 – R 212 239)/ R 311 965 x 100	(R 414 012 – R 446 860)/ R 414 012 x 100
=31.97%	=-7.93%

- i. The Ratio assesses the extent to which the Municipality generates Operating Surpluses. The above ratio indicates that the municipality reported a net surplus of **31.97%** for the period ended 31st December 2024 which shows a 39.9% increase from the prior period of -7.93% net surplus.

d. Collection rate.

NORM: 95%

Formula

= Actual Revenue Received / Billed Revenue x 100

2025	2024
R 26 578 / R 33 819 x 100%	R 44 559 / R 64 004 x 100%
= 79%	= 70%



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

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

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

A.1.1.1.1 Statement of Financial Position as at 31 December 2024

LIM473 Makhuduthamaga - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents	6.1	13,901	30,199	–	55,655	30,199
Trade and other receivables from exchange transactions	6.4	3,086	2,779	–	787	2,779
Receivables from non-exchange transactions	6.3	19,363	56,688	–	17,326	56,688
Inventory	6.2	628	2,328	–	1,202	2,328
VAT		18,587	41,800	–	16,191	41,800
Other current assets		1,117	–	–	5,110	–
Total current assets		56,681	133,795	–	96,271	133,795
Non current assets						
Investment property	6.7	539	514	–	539	514
Property, plant and equipment	6.8	484,105	544,039	–	536,004	544,039
Intangible assets	6.6	1,634	–	–	2,348	–
Total non current assets		486,278	544,553	–	538,891	544,553
TOTAL ASSETS		542,959	678,348	–	635,162	678,348
LIABILITIES						
Current liabilities						
Trade and other payables from exchange transactions		142,419	46,269	–	66,288	46,269
Trade and other payables from non-exchange transactions		7,158	1,871	–	34,569	1,871
Provision		532	813	–	532	813
Total current liabilities		150,109	48,953	–	101,389	48,953
Non current liabilities						
Provision		21,727	11,797	–	9,718	11,797
Total non current liabilities		21,727	11,797	–	9,718	11,797
TOTAL LIABILITIES		171,836	60,751	–	111,107	60,751
NET ASSETS	2	371,123	617,597	–	524,056	617,597
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		371,123	617,597	–	524,056	617,597
TOTAL COMMUNITY WEALTH/EQUITY	2	371,123	617,597	–	524,056	617,597

d. Statement of Financial Performance as at 31 December 2024

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Waste management	6.11	349	340	–	31	185	170	(15)	-9%	340
Sale of Goods and Rendering of Services		475	340	–	476	718	170	(548)	-322%	340
Agency services		6,262	6,000	–	553	3,336	3,000	(336)	-11%	6,000
Interest from Current and Non Current Assets	6.13	3,784	3,500	–	317	1,846	1,750	(96)	-5%	3,500
Rental from Fixed Assets	6.27	263	190	–	3	106	95	(11)	-11%	190
Non-Exchange Revenue										
Property rates	6.15	39,628	63,000	–	3,334	20,007	31,500	11,493	36%	63,000
Fines, penalties and forfeits	6.18	668	800	–	78	590	400	(190)	-47%	800
Transfers and subsidies - Operational	6.12	362,492	390,802	–	121,051	278,207	195,401	(82,806)	-42%	390,802
Interest	6.18	12,575	13,000	–	1,244	6,971	6,500	(471)	-7%	13,000
Other Gains	6.14	154	–	–	–	–	–	–	0%	–
Total Revenue (excluding capital transfers and contributions)		426,650	477,972	–	127,087	311,965	238,986	(72,979)	-31%	477,972
Expenditure By Type										
Employee related costs	6.19	116,454	145,051	–	10,287	62,146	72,525	10,379	14%	145,051
Remuneration of councillors	6.2	28,318	29,563	–	3,083	14,152	14,781	630	4%	29,563
Inventory consumed	6.2	2,465	2,000	–	593	923	1,000	77	8%	2,000
Debt impairment		20,362	10,000	–	–	–	5,000	5,000	100%	10,000
Depreciation and amortisation	6.21	34,937	34,775	–	2,944	17,414	17,387	(27)	0%	34,775
Interest		2,232	–	–	–	–	–	–	–	–
Contracted services	6.24	67,251	153,146	–	9,773	85,332	76,573	(8,759)	-11%	153,146
Transfers and subsidies	6.25	2,145	6,980	–	562	3,278	3,490	212	6%	6,980
Operational costs	6.27	295,050	57,994	–	5,975	28,994	28,997	3	0%	57,994
Total Expenditure		569,214	439,508	–	33,217	212,239	219,754	7,515	3%	439,508
Surplus/(Deficit)		(142,564)	38,464	–	93,870	99,726	19,232	(80,494)		38,464
Transfers and subsidies - capital (monetary allocations)		94,109	81,789	–	–	38,623	40,895	2,272	6%	81,789
Surplus/(Deficit) after capital transfers & contributions		(48,455)	120,253	–	93,870	138,349	60,127	(78,222)		120,253
Surplus/(Deficit) after income tax		(48,455)	120,253	–	93,870	138,349	60,127	(78,222)		120,253
Surplus/(Deficit) attributable to municipality		(48,455)	120,253	–	93,870	138,349	60,127	(78,222)		120,253
Surplus/ (Deficit) for the year		(48,455)	120,253	–	93,870	138,349	60,127	(78,222)		120,253



MAKHUDUTHAMAGA
LOCAL MUNICIPALITY

LIM473 -

Budget and Treasury Office – Financial Management Report 2024/25

(Figures in RSA Rand)

2025

2024

e. Cash Flow Statement as at 31 December 2024

LIM473 Makhuduthamaga - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		33,723	49,770	-	1,436	20,031	24,885	(4,854)	-20%	49,770
Service charges		5,135	309	-	34	102	154	(53)	-34%	309
Other revenue		7,825	44,160	-	641	19,506	22,080	(2,573)	-12%	44,160
Transfers and Subsidies - Operational		362,492	403,233	-	108,608	272,365	201,617	(37,860)	-19%	403,233
Transfers and Subsidies - Capital		94,089	69,358	-	9,000	58,858	34,679	15,179	44%	69,358
Interest		3,784	3,500	-	-	-	1,750	(1,750)	-100%	3,500
Payments										
Suppliers and employees		(406,858)	(418,515)	-	(70,708)	(321,851)	(191,372)	165,661	-87%	(441,868)
Transfers and Subsidies		-	(3,080)	-	-	-	1,540	1,540	100%	(3,080)
NET CASH FROM/(USED) OPERATING ACTIVITIES		100,190	148,734	-	49,011	49,011	95,333	135,290	(0)	125,381
CASH FLOWS FROM INVESTING ACTIVITIES										
Payments										
Capital assets		(92,915)	(179,042)	-	-	-	(77,844)	(77,844)	100%	(155,689)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(92,915)	(179,042)	-	-	-	(77,844)	(77,844)	0	(155,689)
NET INCREASE/ (DECREASE) IN CASH HELD		7,275	(30,308)	-	49,011	49,011	17,489	57,446	(0)	(30,308)
Cash/cash equivalents at beginning:		6,644	60,508	-	6,644	6,644	60,508			60,508
Cash/cash equivalents at month/year end:		13,919	30,199	-	55,655	55,655	77,996	57,446	(0)	30,199

(Figures in RSA Rand)

2025

2024

6. Notes to the 31st December 2024 Financial Report (Statements).

6.1 Cash and cash equivalents

Cash and cash equivalents consists of:

Cash on hand	2	2
Bank balances	55 652 240	13 919 983
Call account investment	-	-
	55 652 242	13 919 985

Short-term Investments

The municipality had no short-term investments with any financial institution during the 2023/24 financial year and the municipality did not have any investment as at the period ended of 31 December 2024.

Details

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

Account number / description	Bank statement balances		Cash book balances	
	31-DEC-24	30-JUNE-24	30-NOV-24	30-Jun-24
ABSA BANK - 4050384145 - (Primary Cheque Account)	48 395 713	12 693 549	51 272 373	12 693 549
ABSA BANK - 4076690079 - (Salaries)	90 472	500	3 232 931	500
ABSA BANK - 4098981597 - (Solidarity Fund)	201 888	202 448	201 890	202 448
ABSA BANK - 2078073033 Term Deposit Investment	945 046	1 023 486	945 046	1 023 486
	49 633 119	13 919 983	55 652 240	13 919 983

6.2 Inventories

Inventories consists of:

Consumable stores	598 412	627 614
	598 412	627 614

Reconciliation of Inventory

Opening Balance	627 614	707 345
Add: Receipts	302 535	2 326 675
Less: Issues	(331 737)	(2 465 410)
CLOSING BALANCE	598 412	627 614

(Figures in RSA Rand)

2025

2024

6.3 Receivables from non-exchange transactions

Gross balances

Rates	122 209 387	115 246 830
Traffic fines	2 904 707	2 286 490

125 114 094	117 533 320
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Less: Allowance for impairment

Property Rates	(104 862 298)	(95 309 335)
Traffic Fines	(2 646 642)	(1 868 850)

(107 508 940)	(97 178 185)
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Net balances

Property Rates	17 347 089	19 937 495
Traffic Fines	258 065	417 640

17 605 154	20 355 135
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6.4 Receivables from exchange transactions

Accrued income (interest on bank)	-	81 806
Accrued income(Primedia)	-	11 401
Other debtors		
Employee		
Other debtors-ABSA	-	378 264
Other debtor-Caseware	-	62 425
Waste collection	140 850	313 044
SALGA Levy	-	1 117 253
SDM water reticulation		2 227 092

140 850	3 993 292
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6.5 Other debtors (VAT receivable & receivables from exchange transaction)

VAT	8 251 662	18 578 291
-----	-----------	------------

(Figures in RSA Rand)

2025

2024

8 251 662

18 578 291

VAT Reconciliation

Balance at the beginning of the year	18 587 291	24 034 529
Add: Net Refunds as per VAT receivable	20 596 937	58 597 258
Add: Current year VAT suspense - Retention amount	5 109 509	5 678 536
Less: Prior year suspense - Retention amount	(5 678 536)	(5 473 330)
Less: VAT Payments by SARS - Current year	(20 596 937)	(48 830 656)
Less: VAT payments by SARS - Previous year	(9 766 602)	(15 419 046)
Adjustments	-	-
	8 251 662	18 578 291

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

6.6 Top ten (10) Business Debtors

Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
Group By Rep: (None)								
0008001146 (JANE FURSE CROSSING)	3,126,147.51	164,385.47	166,183.45	165,117.95	169,098.20	167,803.91	172,732.69	4,131,469.18
0008001143 (BAPEDI STORES AND TOTAL GARAGE)	3,083,610.45	37,046.23	37,451.09	35,012.92	37,566.61	35,129.38	38,361.56	3,304,178.24
0008001142 (BAPEDI GARAGE AND SHOPS)	2,653,179.92	34,481.39	34,858.28	32,789.36	35,015.18	32,942.33	35,757.29	2,859,023.75
0008001153 (HYPER SAVE)	2,434,324.28	37,822.30	38,235.83	36,406.17	38,516.24	36,671.76	39,335.09	2,661,311.67
0006000444 (BUILD IT. TOP CASH AND CARRY (SC	2,332,670.26	41,012.32	41,460.80	39,760.45	41,834.73	40,111.52	42,725.75	2,579,575.83
0006001766 (KGOLANE SHOPPING CENTRE)	2,354,630.03	34,078.27	34,437.44	32,671.21	34,637.05	32,862.08	35,345.83	2,558,661.91
0008001128 (MASANTENG LODGE AND ENTERTAINMENT)	2,275,021.53	27,182.27	27,479.33	25,678.84	27,561.26	25,761.73	28,144.42	2,436,829.38
0008001123 (JANE FURSE MEAT AND CHICKEN)	2,076,790.07	26,014.83	26,299.16	24,668.88	26,400.45	24,768.86	26,959.58	2,231,901.83
0008001253 (MORENA SHOPPING COMPLEX)	1,528,939.17	27,902.30	28,207.43	27,104.28	28,475.05	27,355.05	29,081.84	1,697,065.12
0006000655 (LOVELIFE CENTRE)	1,372,374.93	23,106.28	23,358.94	22,347.24	23,556.38	22,533.08	24,057.79	1,511,334.64
TOTALS								25,971,351.55

Top ten (10) Government Debtors

Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
00008001119 (SASSA SEKHUKHUNE DISTRICT OFFICE)	3,628,871.29	53,208.89	53,790.59	51,027.91	54,138.60	51,359.58	55,288.50	3,947,685.36
0008001057 (HOME AFFAIRS & DEPT OF LABOUR)	2,700,691.00	35,891.94	36,284.29	34,279.50	36,484.25	34,471.82	37,258.36	2,915,361.16
0008001232 (SEKHUKHUNE AREA OFFICE)	2,377,898.54	43,797.40	44,276.37	42,565.13	44,701.45	42,963.29	45,654.13	2,641,856.31
0006000280 (MAMULUBE PRIMARY)	1,814,201.31	28,608.32	27,499.01	26,139.05	27,716.21	26,331.18	28,304.64	1,978,799.72
0008001152 (STATISTICS SA)	1,523,255.80	22,418.14	22,663.24	21,588.49	22,831.85	21,748.07	23,317.30	1,657,822.89
0006001158 (DEPT OF WATER AFFAIRS)	1,130,313.90	12,478.64	12,615.00	11,709.06	12,633.05	11,729.46	12,899.89	1,204,379.00
0008001219 (NEBO HOME AFFAIRS)	904,235.55	19,321.16	19,532.49	18,911.34	19,752.96	19,116.73	20,174.71	1,021,044.94
0006001885 (PHOKWANE TRADITIONAL AUTHORITY)	846,171.60	11,288.01	11,411.40	10,754.79	11,467.86	10,809.47	11,711.03	913,614.16
0008001182 (LIMPOPO ECONOMIC DEVELOPMENT)	776,574.88	13,887.61	14,039.48	13,476.01	14,169.13	13,597.62	14,470.98	860,215.71
0006000032 (LOBAMBA SECONDARY)	712,560.53	12,406.70	12,574.04	12,083.33	12,715.62	12,188.43	12,986.12	787,514.77
TOTALS								17,928,294.02

6.7 Intangible assets

	2025			2024		
	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	10 216 007	(8 917 955)	1 298 053	10 216 008	(8 582 030)	1 633 978
Work In Progress	0.00	0.00	0.00	0.00	0.00	0.00
	10 216 007	(8 917 955)	1 298 053	10 216 008	(8 582 030)	1 633 978

Reconciliation of intangible assets – 2025					
	Opening balance	Additions	Transfers	Amortisation	Total
Computer software	1 633 978	0.00	0.00	(335 924)	1 298 053
Work In Progress	0.00	0.00	0.00	0.00	0.00
	1 633 978	0.00	0.00	(335 924)	1 298 053

Reconciliation of intangible assets – 2024					
	Opening balance	Additions	Transfers	Amortisation	Total
Computer software	0.00	2 000 937.30	0.00	(366 960)	1 633 977
Work In Progress	0.00	0.00	0.00	0.00	0.00
	0.00	2 000 937	0.00	(366 960)	1 633 977

Other information

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

6.8 Investment Property

	2025			2024		
	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying Amount	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying Amount
Investment property	539 289	0.00	539 289	513 500	0.00	513 500
	539 289	0.00	539 289	513 500	0.00	513 500

Reconciliation of investment property- 2025

	Opening balance	Additions	Transfers	Amortisation	Total
Investment property	539 289	0.00	0.00	0.00	539 289
	539 289	0.00	0.00	0.00	539 289

Reconciliation of investment property - 2024

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

Details of valuation

Investment property was valued by Mod Hope (Pty) Ltd an independent professional valour with registration number 1988/001677/07. The Municipal Valour has experience of properties within the jurisdiction of Makhuduthamaga Local Municipality. The valuation was based on an open market value for existing use:

Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. No revenue was earned from the investment property as the property is vacant land held for long term capital appreciation

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

6.9 Property Plant and Equipment

Details	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying Value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 265 000	0.00	1 265 000	1 265 000	0.00	1 265 000
Land – Landfill Site	2 706 613	(1 558 083)	1 148 530	2 706 613	(1 537 815)	1 168 798
Buildings	72 742 147	(24 104 470)	48 637 677	72 742 147	(22 436 011)	50 306 136
Furniture and fixtures	9 148 473	(6 300 548)	3 221 124	9 148 473	(5 997 142)	3 151 331
Motor vehicles	49 035 587	(27 506 495)	21 529 092	47 036 627	(25 811 982)	21 224 644
Road Infrastructure	505 595 207	(197 494 113)	312 100 894	505 595 207	(186 744 377)	322 850 830
IT equipment	31 009 496	(18 986 095)	12 023 401	30 114 973	(17 356 541)	12 758 432
Loose tools	6 868 192	(3 805 346)	3 062 846	6 840 692	(3 550 454)	3 290 238
Community Halls	33 894 567	(6 594 774)	27 299 793	33 894 567	(5 842 839)	28 051 728
Capital work in progress	58 345 404	0.00	58 345 404	43 957 217	0.00	43 957 217
	774 983 885	(286 350 124)	488 633 761	757 301 516	(269 272 145)	488 029 371



**Reconciliation of Property, Plant and Equipment -
2025**

Details	Opening balance	Additions	Disposals - Cost	Disposals - Depreciation	Transfers from WIP	Depreciation	Total
Land	1 265 000	-	-	-	-	-	1 265 000
Landfill Site Asset	1 168 797	-	-	-	-	(20 268)	1 148 529
Buildings	50 260 455	-	-	-	-	(1 622 777)	48 637 678
Furniture and Fixtures	3 207 338	373 199	-	-	-	(359 414)	3 221 123
Motor Vehicles	21 218 393	1 998 959	-	-	-	(1 688 260)	21 529 092
IT Equipment	12 758 433	894 522	-	-	-	(1 629 554)	12 023 401
Road Infrastructure	322 851 771	8 942 147	-	-	-	(10 750 879)	312 100 894
Other Assets - Loose tools	3 290 239	27 500	-	-	-	(254 892)	3 062 846
Community Assets	28 051 727	-	-	-	-	(751 935)	27 299 793
Capital Work in progress	45 119 031	13 226 373	-	-	-	-	58 362 335
TOTAL	489 191 184	16 520 553	-	-	-	(17 077 979)	488 633 758



Reconciliation of Property, Plant and Equipment – 2024

Details	Opening balance	Additions	Disposals - Cost	Disposals - Depreciation	Transfers from WIP	Depreciation	Total
Land	1 265 000	-	-	-	-	-	1 265 000
Landfill Site Asset	1 193 148	-	-	-	-	(24 350)	1 168 798
Buildings	44 386 173	5 960 770	-	-	806 294	(2 892 782)	50 260 454
Furniture and Fixtures	3 595 635	264 150	(1 625 899)	1 592 873	-	(670 397)	3 207 339
Motor Vehicles	18 378 281	7 136 868	(4 221 953)	3 124 530	-	(3 199 332)	21 218 392
IT Equipment	14 699 469	2 013 510	(5 334 752)	4 698 792	-	(3 318 586)	12 758 432
Road Infrastructure	241 153 846	1 006 500	(449 697)	(255 001)	103 697 479	(22 725 358)	322 851 773
Other Assets - Loose tools	2 485 073	823 395	(23 988)	17 408	476 279	(487 918)	3 290 238
Community Assets	20 075 946	1 694 692	-	-	321 440	(1 510 111)	28 051 728
Capital Work in progress	75 213 451	77 486 858	-	-	(108 215 492)	-	43 957 217
TOTAL	351 138 897	99 386 743	- 11 656 299	6 748 336	-	(35 056 434)	488 029 370

(Figures in RSA Rand)

2025

2024

6.10 Payables from exchange transactions

Trade Creditors	11 347 147	89 645 177
Income received in advance	1 449 890	1 193 299
Creditor: Ward committee	13 201	13 201
Accrued(SDL,UIF,PAYE,Salary,Party Levies, Pension)		5 929 629
Leave provision	10 920 938	10 920 938
Bonus provision	1 278 796	3 360 657
Unknown deposits	856 845	28 958 721
Retentions	28 688 006	28 958 721
Other creditor	-	42 328
SDM Water reticulation	4 081 987	2 619 792
Solidarity fund	207 534	207 534
	58 844 344	143 199 401

6. 11 Unspent Conditional grants and receipts

Unspent conditional grants and receipts comprises of:

LG SETA Discretionary Grant	210 963	170 041
Financial Management Grant	905 964	-
DOE (Integrated National Electrification)	12 125 316	7 086 525
EPWP Grant	4 551	-
Municipal Infrastructure Grant	14 081 302	-
WRM(SDM)	-	-
	27 253 096	7 256 566

6.12 Revenue

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

Rental of facilities and equipment	105 781	262 732
Licences and permits	3 336 080	6 261 884
Interests earned on Bank & Investment accounts	1 845 599	3 784 346
Refuse Removal	213 000	349 435
Other Income	707 312	433 516
Tender Documents	9 739	41 879
	6 217 511	11 133 792

(Figures in RSA Rand)

2025

2024

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

Property rates	20 006 635	39 627 958
Interest on outstanding debtors	5 727 046	12 574 615
Traffic fines	623 600	667 650
Transfers and subsidies	51 350 392	111 916 650
Actuarial (Gain)/loss		-
Gain/loss on disposal of Assets		-
	77 707 673	164 786 873
	83 925 184	175 920 665

6.13 Defined benefit obligation

Post-employment Medical Aid Benefits	5 387 000	7 047 000
	5 387 000	7 047 000

Long service awards

Long Service Awards Liability

Long service awards - current liability	813 000	531 915
Long service awards - Non-current liability	3 760 000	4 962 085
	4 573 000	5 494 000

6.14 Government grants and subsidies

Equitable share	272 365 000	344 706 000
Municipal Infrastructure Grant (MIG)	58 858 000	94 109 000
Finance Management Grant (FMG)	1 800 000	1 720 000
Integrated National Electrification (DOE Grant)	8 000 000	14 263 475
EPWP Grant	1 643 000	1 783 000
LGSETA	115 000	-
	342 781 000	456 581 475

6.15 Interest on outstanding debtors

Interest charged on trade and other receivables	6 970 689	12 574 615
	6 970 689	12 574 615

(Figures in RSA Rand)

2025**2024**

NB. All interests relates to property rates outstanding debts.

6.16 Property rates**Rates – revenue**

Commercial	2 500 884	12 264 634
State	13 338 050	26 404 590
Agricultural	833 628	958 734
	16 672 562	39 627 958

6.17 Actuarial gain/ (Loss)

Long service awards - Actuarial Gain/(Loss)	-	265 834
Post-employment medical aid - Actuarial gain/(Loss)	-	372 000
	-	637,834

6.18 Traffic fines

Traffic fines	623 600	667 650
	623 600	667 650

The municipality issued traffic fines to a total value of **R 623 600** as at 31 December 2024, and the amount collected for the traffic fines as at 31st December 2024 is **R 211 510** which is 34% of the value amount of tickets issued as at end of the 31st December 2024.

6.19 Employee related costs

Basic	35 136 000	66,685,623
Bonus & P/Bonus	3 139 223	5,420,594
Medical aid - company contributions	3 190 780	6,218,338
UIF	228 955	455,617
SDL	503 608	956,355
Leave pay provision charge	568 673	327,027
Pension contribution	6 280 748	12,077,767
Overtime payments	712 906	2,290,219
Post-employment benefits costs	338 242	1,025,000
Car allowance	8 479 387	14,547,251
Housing benefits and allowances	1 916 597	3,501,789
Bargaining Council	15 212	28,767
Clothing allowance	32 318	61,197
Cell phone allowance	1 457 765	2,719,504

(Figures in RSA Rand)

2025

2024

		2025	2024
Acting allowance		145 381	
		62 145 795	116,453,931
Chief Financial officer Mr Chuene MV			
Basic salary	-	254 214	
Travel allowance	-	63 554	
Cell	-	8 474	
Pension fund	-	42 369	
Medical aid	-	42 369	
Housing	-	12 711	
Contributions to UIF	-	886	
Bargaining council	-	57	
SDL	-	4 605	
Leave payout	-	32 534	
Travel claim	-	4 449	
Remote allowance	-	16 948	
		483 170	
Municipal Manager (Mr Moganedi R.M)			
Basic salary	364 082	785,012	
Travel allowance	182 041	391 364	
Cell phone allowance	30 340	65 227	
B/P Basic	-	18,187	
B/P Trv	-	9,093	
B/P Cell	-	1,516	
B/P Med	-	1,516	
Performance Bonus	-	64,550	
Travel claims	-	-	
Contributions to medical aid	30 340	65 227	
Contributions to UIF	1 063	2 125	
SDL	5 947	13 953	
SALGBE	72	137	
Remote allowance	24 272	52 182	
B/P Remote	-	1,212	
B/P Non Pen	-	20,341	
	638 157	1,491,642	
Chief Financial Officer(former) (Mr Moganedi R.M)			
Basic salary	-	-	

(Figures in RSA Rand)

2025

2024

Travel allowance	-	-
Cell phone allowance	-	-
Acting allowance	-	-
B/P Basic	-	18 187
B/P Non Pens	-	20 340
B/P Trv	-	9 093
B/P Cell	-	1 516
B/P Med	-	1 516
Travel claims	-	-
Contributions to medical aid	-	-
Contributions to UIF	-	-
SDL	-	-
Leave pay-out	-	-
SALGBE	-	-
Remote allowance	-	-
B/P Remote	-	1 212
Performance Bonus	-	64 551
Long Service Award	-	-
	-	116 415
Acting Chief Financial officer for BTO 2023/24 (Mr Makgalemane T.M.)		
B/P Acting allowance	-	4085
B/P Remote	-	272
Cash gratuity	-	5085
SDL	-	94
	-	9 536
Acting Chief Financial officer for BTO 2023/24 (Mr Mothapo K.T.)		
B/P Acting allowance	-	8 170
B/P Remote allowance	-	545
B/P Cash gratuity	-	10 170
SDL	-	189
	-	19 074
Acting Chief Financial officer for BTO 2023/24 (Mr Mathabathe C.S.)		
Acting allowance	2 507	
Remote allowance	9 351	12 650
B/P Remote	-	363
B/P Cash gratuity	-	5085
SDL	-	54

(Figures in RSA Rand)

2025

2024

11 858 **18 152**

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

Basic salary	144 894	-
Travel allowance	63 000	-
Cell phone	7 500	-
Travel claim	3 380	-
Housing	14 096	-
Medical aid contributions	12 000	-
UIF	531	-
SALGBE	36	-
SDL	2 000	-
Remote	9 660	-
	257 097	-

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

Basic salary	305 057	457 585
Travel allowance	101 685	152 528
Cell phone	6 000	8 000
Travel claim	19 046	26 340
Pension	44 843	68 264
Medical aid contributions	50 843	76 264
UIF	1 063	1 594
SALGBE	72	102
SDL	5 084	7 626
Remote	20 337	30 506
	554 030	828 809

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

Basic salary	305 057	457 585
Travel allowance	101 685	152 528
Cell phone	6 000	8 000
Pension	50 843	76 264
Travel claim	-	12 899

(Figures in RSA Rand)

2025

2024

Medical aid contributions	44 843	68 264
UIF	1 063	1 594
SALGBE	72	102
SDL	5 084	7 626
Remote	20 337	30 506
	534 984	815 368

Senior manager: Corporate services (Ms Mahlare M.A)

Basic salary	-	-
Travel allowance	-	-
Acting Allowance	-	-
Medical aid contributions	-	-
B/P Basic	-	65 395
B/P Non Pens	-	20 340
B/P Trv	-	27 520
B/P Med	-	16 076
Performance bonus	-	45 393
UIF	-	531
Leave pay out	-	20 932
SALGBE	-	-
SDL	-	1 491
Travel claims	-	-
Remote	-	4 360
Long Service Award	-	-
	-	202 038

Acting Senior Manager: Corporate services 2023/24 (Mrs Make M.M.)

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

Senior manager: Community services (Ms Marishane M.E)

Basic salary	-	-
Travel allowance	-	-
Cell phone allowance	-	-
Housing allowance	-	-
B/P Basic	-	59 945

(Figures in RSA Rand)

2025

2024

B/P Trv	-	20 481
B/P Cell	-	3 747
B/P Hou	-	7 993
B/P Non Pens	-	18 645
Travel claims	-	-
P bonus	-	-
B/P pen	-	7 743
Leave pay out	-	20 923
UIF	-	531
SALGBE	-	-
SDL	-	1 394
Long Service award	-	-
Performance Bonus	-	-
Remote allowance	-	3 996
	-	145 398
Acting Senior manager: Community services (Mrs Makola B.C)		
Acting Allowance		2 442
Remote allowance	-	1 376
		3 818
Acting Senior Manager: Community Services2023/24 (Mr Matsimela M.J)		
B/P Acting allowance	-	9 799
B/P Remote	-	4 810
SDL	-	13
	-	14 622
Senior Manager: Infrastructure Development (Mr Segale M.A)		
Basic salary	-	140 265
Travel allowance	-	51 122
Cell phone allowance	-	7 522
Medical contribution	-	35 066
B/P Basic	-	77 658
Non Pens	-	20 340
B/P Trv	-	26 395
B/P Cell	-	5 963
B/P Med	-	4 085
UIF	-	1 062
SALGBE	-	34

(Figures in RSA Rand)

2025

2024

	2025	2024
Performance bonus	-	45 393
SDL	-	6 135
Remote allowance	-	9 351
Performance bonus	-	-
Leave payout	-	200 665
B/P Remote	-	5 177
	-	636 234
Senior Manager: Infrastructure Development 2023/24 (Ms Lubisi NB)		
Basic salary	233 775	93 510
Travel allowance	77 913	31 165
Cell allowance	19 484	7 794
Housing allowance	19 484	7 794
Medical aid	38 969	15 588
Travel claim	11 408	-
Acting allowance	-	26 962
SDL	3 300	1 320
UIF	886	354
Remote	15 585	6 234
Acting Remote	-	6 779
SALGBE	60	23
	420 864	197 523

Senior manager Economic Development and Planning (Mr Thabela A.P)

Basic salary	-	284 618
Travel allowance	-	88 527
Cell phone allowance	-	12 352
Pension contribution	-	77 239
Medical aid contribution	-	57 955
B/P Basic	-	16 342
B/P Non Pens	-	20 340
B/P Trv	-	4 085
B/P Cell	-	583
B/P Med	-	2 649
B/P Pens	-	3 578
UIF	-	1 063
SALGBE	-	68
SDL	-	7 513
Leave payout	-	170 805
Performance bonus	-	-

(Figures in RSA Rand)

2025

2024

Remote allowance	-	18 884
B/P Remote	-	5 813
Travel Claim	-	36 620
	-	809 033
Acting Senior Manager: Economic Development and Planning 2024/25 (Mrs Tong K.T)		
Basic salary	48 298	
Travel allowance	15 000	-
Pension	10 000	-
Medical aid	7 199	-
Travel claim	-	-
Acting allowance	18 977	12 377
SDL	696	-
UIF	177	-
Remote	3 220	-
SALGBE	12	-
	103 579	12 377

6.20 Remuneration and allowances of councillors

Mayor	540 924	1,309,161
Council speakers	440 545	887,419
Executive Committee Members	2 758 412	5,498,017
Other councillors basic salary	5 803 968	11,232,606
Councillors pension contribution	949 307	1 980 105
Travel allowance	2 276 388	4 403 693
Travel claims	107 988	169,559
Cell phone allowance	1 096 781	2 291 912
Skills development levy	80 771	158 970
Data cards (61 councillors)	96 578	386,656
	14 151 662	28,318,098

Remuneration and allowances of selected members of the council

Remuneration and allowances for the Cllr Maitula B.M

Basic salary	-	282 567
Cell phone allowance	-	24 764
Contributions to pension fund	-	161 790

(Figures in RSA Rand)

2025

2024

SDL and Data card

- 3 780

- **472 900**

Remuneration and allowances for the Cllr Mahlase M.M

Basic salary

321 291

315 440

Cell phone allowance

21 600

23 185

Contributions to pension fund

181 129

179 368

SDL and Data card

6 196

4 510

530 216

522 503

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

Basic salary

265 804

474 425

Cell phone allowance

21,600

42 000

Contributions to pension

147 641

274 042

SDL and Data card

5 499

13 756

440 544

804 223

Remuneration and allowances of members of the executive committee

Basic salary

1 575 089

2 741 421

Travel allowance

616 387

1 075 068

Cell phone allowance

194 400

367 200

Pension fund Medical & SDL

279 069

520 057

Travel claims and Data card

93 467

145 518

2 758 412

4 849 264

(Figures in RSA Rand)

2025**2024**

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

**Related party transactions
Section 57 Employees**

Former Senior Manager: Budget & Treasury(CFO) (Mr Chuene M.V)	-	483 170
Municipal Manager: (Mr Moganedi R.M)	638 157	1,491,642
Senior Manager: Corporate Services (Mr Matsetse P.E)	554 030	828 809
Senior Manager :Budget & Treasury (CFO) (Mr Mothapo K.T)	257 097	-
Former Senior Manager: Corporate Services (Ms. Mahlare M.A	46 024	156 645
Former Senior Manager: Community Services (Ms. Marishane M.E)	-	145 398
Senior Manager: Community Services (Ms Mashao A.M)	534 984	815 368
Former Senior Manager: Budget & Treasury(CFO) (Mr. Moganedi R.M)		-
Former Senior Manager: Economic Development & Planning (Mr. Thabela A.P)		809 033
Senior Manager :Economic Development & Planning (Mrs Tong K.T)	84 608	-
Senior Manager :Infrastructure Development (Ms Lubisi N)	502 755	502 755
Former Senior Manager: Infrastructure Development (Mr. Segale M.A)	-	636 234
	2 617 655	5 680 237

South African Local Government Association

Annual membership fee	-	1,117,253
	-	1,117,253

Councillors

Remuneration of Councillors	14 151 662	28 318 097
	14 151 662	28 318 097

6.21 Depreciation and amortisation

Property, plant and equipment	17 077 979	35 056 434
Intangible assets	335 923	0
	17 413 902	35 056 434

6.22 Assets impairment

Property, plant and equipment	-	-
Intangible Assets	-	-

(Figures in RSA Rand)

2025

2024

Investment Property

- -

- -

The municipality has completed an asset verification process for the period ended 28 February 2023 and no impairment loss identified and reported.

6.23 Finance Costs

Interest cost: Employee benefit obligations

- 1,199,000

Interest cost: Landfill site provision

- 1,033,000

- **2,232,000**

6.24 Contracted Services

Repairs and Maintenance: Other Assets

7 142 513 38 834 166

Repairs and Maintenance: Infrastructure Assets

17 274 150 32,042,587

Operating Lease and Cash collection

4 723 522 6 156 766

Solid waste collection

11 249 835 26,193,693

Development of valuation roll

0 -

Cleaning and Security services & other

39 003 699 34 900 630

Publications VAT recovery services Spatial Planning & GIS

5 908 767 6,842,498

85 332 486 144 970 340

6.25 Grants and subsidies paid

Indigents grants (Free Basic Electricity)

305 497 2,144,561

305 497 2 144 561

6.26 Capital expenditure written-off (D Roads)

Property Plant and Equipment

51 456 800 115 615 163

51 456 800 115 615 163

Provision – Rehabilitation of Landfill Site

The cost of rehabilitating the Landfill site was determined to be R9,717,660 as at 30 June 2024 and the change in Landfill Closure provision was recognised as Property, plant and Equipment in the statement of Financial Position at the amount

(Figures in RSA Rand)

2025**2024**

of R762,244. A non-current liability of R9,717,660 was also recognised in the statement of Financial position for the year ended 30 June 2024.

Reconciliation – Landfill Site

	2024	2023
Opening balance	8 037 416	17 667 408
Interest charge	918 000	1 653 404
Change in landfill closure provision	762 244	(11 283 394)
	<u>9 717 660</u>	<u>8 037 416</u>

In terms of the General Notice 217 of 2014 ownership and jurisdiction of roads by municipality in Limpopo Province is listed in schedule B of the notice. The municipality has constructed roads under the ownership of Roads Agency Limpopo SOC Limited (RAL) in terms of the Notice during the 2020/21 financial year. The roads cannot be capitalised and will have to be written off at year end and as at 30 June 2025 the expenditure for D roads to date is **R 51 456 800**.

6.27 General expenses

1. Advertising	529 989	3,044,003
2. Bank charges	39 627	346,777
3. Consulting and professional fees	2 900 009	4,706,879
4. Consumables	900 340	2,552,809
5. Entertainment	-	-
6. Insurance	1 539 900	2,346,495
7. IT operating expenses	928 182	738 940
8. Marketing	6 985 096	8,480,131
9. Promotions and sponsorships	2 280 534	2,679,201
10. Fleet Management & System	90 981	196,299
11. Fuel and oil	1 906 645	6,244,774
12. Staff welfare	-	-
13. Telephone and Fax	1 448 317	1,901,636
14. Training	296 405	5,338,540
15. Travel and accommodation	2 998 833	4,888,877
16. Spatial planning - demarcation of sites	479 828	981,225
17. Water and electricity	3 229 462	5,811,899
18. SMME Support	-	148,125
19. Sitting allowance ex-officio	-	-
20. Publications	-	5,142,620

(Figures in RSA Rand)

	2025	2024
21. Audit committee support	61 130	769,502
22. Bursary fund	1 497 141	4,132,693
23. Legal costs and Development of by-laws	687 230	6,378,988
24. Customer care	-	227,100
25. Financial System support	-	6,842,498
26. Vehicle tracking	58 815	106,807
27. Disaster relief fund	0	2,509,775
28. EPWP	135 798	5,837,583
	28 994 262	83,424,903

6.28 Provision - Rehabilitation of Landfill Site

Opening Balance	-	8,037,416
Interest charged	-	918,000
	-	762,244
	-	9,717,660

The Madibong Landfill Site was previously included in the asset register of the Sekhukhune District Municipality together with the provision for the rehabilitation of the Landfill Site in its 2017/18 audited annual financial statements. On the 30th of August 2019 the Landfill Site was transferred to the Makhuduthamaga Local Municipality.

The valuation of the rehabilitation on the Landfill Site was performed by Mr Seakle Godschalk a professional registered environmental scientist of the Environmental and Sustainability Solutions (ESS) Company The Company has developed and used the General Landfill Closure Costing Model (GLCCM) since 2011.

The future and discounted cash flows regarding the Landfill closure and rehabilitation related expenses were calculated using the CPI at 4.4437% and a discount rate of 7.9437%.

The cost of rehabilitating the Landfill Site was determined to be R 8 037 416 as at 30 June 2024 and was recognised at cost and depreciated over time as property, plant & equipment in the statement of the financial position of the municipality.

6.29 Rental of facilities and equipment

Site rentals and facilities	105 781	262,732
	105 781	262,732

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

(Figures in RSA Rand)

2025

2024

6.30 Operating lease

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

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

Within one year of the operating date	2 371 257	1 030 981
More than one year but less than five years of the reporting date	2,766,466	9 825 293
	5,137,723	10 856 274

6.31 TOTAL AMOUNT COMMITTED FOR JUNE 2024/25

CAPITAL COMMITMENTS	171 192 556
OPERATIONAL COMMITMENTS	59 532 373
TOTAL COMMITMENTS	230 724 929

6.32 Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

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

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

Financial instrument

Receivables from non-exchange transactions	16 911 397	20,355,135
Receivables from exchange transactions	140 850	3,993,292
Cash & Cash equivalents	4 529 873	13,919,985
VAT Receivable	8 434 845	18,587,291
Maximum exposure	30 016 965	56 855 703

6.33 Unauthorised expenditure

Opening balance	29 923 012	23,008,909
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(Figures in RSA Rand)

2025

2024

Current year	-	29 923 012
Less amounts: written-off by council	(-)	(23 008 909)
	29 923 012	29 923 012

6.34 Fruitless and wasteful expenditure.

Opening balance	64 753	64 753
Current year	-	-
Recovered/written off by council	(64 753)	-
	-	64 753

6.35 Irregular expenditure

Opening balance	65 100	65 100
Add: Irregular Expenditure - current year	1 537 479	1 471 629
Less: Amounts written-off by council	(-)	(1 471 629)
	1 602 579	65 100

6.36 Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Amount incurred current year	5 014 067	4,844,497
Amount paid - current year	(5 014 067)	(4 844 497)
	-	-

PAYE and UIF

Opening balance	2 137 876	
Amount incurred current year	13 154 207	24,575,743
Amount paid - current year	(12 843 212)	(22,437,867)
	2 448 871	2,137,876

Pension and Medical Aid funds deductions

Opening balance	2 587 206	17,387
Amount incurred current year	16 078 595	31,048,652
Amount paid - current year	(18 704 460)	(28,478,833)
	1 890 547	2,587,206

TOP TEN CREDITORS FOR THE PERIOD ENDING 31ST DECEMBER 2024

Name of supplier	Project name	Amount
1. Polokwane surfacing	Construction of access road from Mathapisa to Soetveld	R 10 479 304.85
2. Aro Trading(PTY)LTD	Supply and Delivery of Assets	R 3 849 397.00
3. Bra Mesh Group(PTY)LTD	Repairs and Maintenance	R 2 351 228.16
4. Ford Motor Company of SA	Supply and Delivery of Assets	R 1 213 944.96
5. PK Financial Consultants	VAT Recovery	R 757 445.38
6. Mwelase thobs	Maintenance	R 387 394.75
7. Masa M Projects	Travel Agency	R 315 596.00
8. Wits business school	Fees	R 310 000.00
9. Mampane Corporates	Supply and Delivery of Blankets	R 250 000.00
10. Omega OS Segaswane Holdings (PTY)LTD	Advertising	R 126 000.00

6.37 Deviations as per section 36 of the SCM policy 2024/25 financial year.

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

(i) In an emergency;

NO	Date	COMPANY NAME	DESCRIPTION	AMOUNT
TOTAL (Closing Balance as at 31st December 2024)				R 0.00

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

NO	Date	COMPANY NAME	DESCRIPTION	AMOUNT
1.	01/07/2024	Limpopo Toyota	Service-FXZ 842L	R 6 756.35
2.	19/07/2024	Limpopo Toyota	Service-DDK 932L	R 13 890.57
3.	30/07/2024	Limpopo Toyota	Service-DFS 501L	R 9 387.78
4.	05/08/2024	Autohaus BMW	Service-FWX 218L	R 6 901.14
5.	09/09/2024	BMW Autohaus	Service-FWX 218L	R 5 860.79
6.	23/09/2024	Isuzu Groblersdal	Service-FYG 761L	R 6 114.02
7.	30/09/2024	VW Polokwane	Service-FFN 914L	R 5 695.95
8.	11/10/2024	Limpopo Toyota	Service-DDK 932L	R 6 677.65
9.	15/10/2024	VW Polokwane	Service-FYC 031L	R 2 593.25

10.	17/10/2024	Autohaus BMW	Service-FWX 218L	R 6 901.14
11.	30/10/2024	Limpopo Toyota	Service-FXZ 842L	R 6 903.16
12.	20/11/2024	VW Polokwane	Service-FFN 914L	R 3 750.61
13.	11/12/2024	Limpopo Toyota	Service-DDK 932L	R 2 982.46
TOTAL (Closing Balance as at 31st December 2024)				R 84 414.97

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

NO	Date	COMPANY NAME	DESCRIPTION	AMOUNT
1.	10/07/2024	South Point Management	Accommodation for bursary holder	R 31 500.00
2.	12/07/2024	Simonsberg Guest House	Accommodation for bursary holder	R 37 550.00
		The Campus	Accommodation for bursary holder	R 21 989.96

3.	12/07/2024			
4.	15/07/2024	Sefako Makgatho health science	Tuition Fees	R 75 528.54
5.	22/07/2024	Eris Property Group	Accommodation for bursary holder	R 36 000.00
6.	25/07/2024	University of Free State	Tuition Fees	R 67 446.11
7.	25/07/2024	Respublica Student Living	Accommodation for bursary holder	R 63 500.00
8.	30/07/2024	Moloi Filling Station	Fuel	R 131 068.76
9.	30/07/2024	BP	Fuel	R 74 461.08
10.	30/07/2024	Shell	Fuel	R 124 312.20
11.	30/07/2024	Focus 1	Student Accommodation	R 48 085.00
12.	07/08/2024	Van Schaik Bookstore	Stationery	R 2 105.68

13.	16/08/2024	University of Witwatersrand	Tuition Fees	R 131 798.05
14.	20/08/2024	University of Pretoria	Tuition Fees	R 12 800.00
15.	20/08/2024	Van Schaik Bookstore	Stationery	R 1 206.90
16.	21/08/2024	University of Witwatersrand	Tuition Fees	R 184 736.21
17.	21/08/2024	Focus 1	Accommodation for bursary holder	R 25 000.00
18.	31/08/2024	Moloi Filling Station	Fuel	R 113 717.67
19.	31/08/2024	BP	Fuel	R 48 948.03

20.	31/08/2024	Shell	Fuel	R 104 828.99
21.	30/09/2024	Moloi Filling Station	Fuel	R 204 547.54
22.	30/09/2024	BP	Fuel	R 42 853.41
23.	30/09/2024	Shell	Fuel	R 87 629.15
24.	30/09/2024	Van Schaik Book Store	Stationery	R 7 746.69
25.	31/10/2024	Moloi Filling Station	Fuel	R 144 346.20
26.	31/10/2024	BP	Fuel	R 19 998.45
27.	31/10/2024	Viva	Fuel	R 6 350.70
28.	31/10/2024	Shell	Fuel	R 98 685.10
29.	30/11/2024	Moloi Filling Station	Fuel	R 157 812.01

30.	30/11/2024	BP	Fuel	R 12 655.43
31.	30/11/2024	Viva	Fuel	R 8 658.60
32.	30/11/2024	Shell	Fuel	R 91 530.48
33.	31/12/2024	Moloi Fulling Station	Fuel	R 146 770.24
34.	31/12/2024	BP	Fuel	R 43 171.34
35.	31/12/2024	Viva	Fuel	R 3 111.20
36.	31/12/2024	Shell	Fuel	R 120 397.75
TOTAL (Closing Balance as at 31 st December 2024)				R 2 532 847.47

4. Contract Management

7.5.1 SERVICE PROVIDERS STRATEGIC PERFORMANCE AS AT 31ST DECEMBER 2024 Section 116(2) of the MFMA

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

- (a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
- (b) monitor on a monthly basis the performance of the contractor under the contract or agreement;

- (c) establish capacity in the administration of the municipality or municipal entity—
- (i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and
- (ii) to oversee the day-to-day management of the contract or agreement; and
- (d) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

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

MUNICIPAL MANAGER

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

CORPORATE SERVICES

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Telkom SA	3 Years	Provision of Telephone Services	Good	Good	N/A	30/06/2027
LCK Technologies	3 Years	Provision of maintenance and ICT systems and infrastructure for a	Good	Good	N/A	28/09/2026

		period of three (03) years				
Segeru General Suppliers	3 Years	Provision of Printing and publication for a period of 3 years	Good	Good	N/A	12/09/2027

BUDGET AND TREASURY

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
ABSA Bank	5 Years	Provision of Banking services	Good	Good	N/A	05/09/2028
Pheladichuene Maintenance and General Supplier	3 Years	Provision of cleaning services	Good	Good	N/A	30/09/2026
Camelsa Consulting Group	3 Years	Provision of Integrated Financial System with support and maintenance	Good	Good	N/A	30/09/2025
Montani valuer	3 Years	Development and maintaining of Property Valuation Roll	Good	Good	N/A	30/06/2026
Onkutlwile Security Services	3 Years	Provision of Security Services and access control services for a period of three (03) years	Good	Good	N/A	31/03/2025
Velaphanda Trading & Projects	3 Years	Provision of Lease for photocopy machines for a	Good	Good	N/A	28/09/2026

		period of three (03) years				
G4S Cash Solutions (SA) (Pty) Ltd	3 Years	Provision of cash collection services for a period of three (03) years	Good	Good	N/A	31/10/2026
Bra Mesh Group (Pty) Ltd	3 Years	Provision of service, maintenance & repairs of yellow fleet for a period of three (03) years	Good	Good	N/A	31/10/2026
Cumo O Consulting	3 Years	Provision of Vetting System for a period of Three (03) years	Good	Good	N/A	17/03/2027
Kunene Makopo Risk Solutions	3 Years	Provision of Short Term Comprehensive Insurance	Good	Good	N/A	12/06/2027
Fleet Horizon Solutions (Pty) Ltd	3 Years	Provision of tacking devices on all municipal vehicles for a period of three (03) years	Good	Good	N/A	31/08/2025
PK Financial Consultants CC	3 Years	Provision of VAT recovery for a period of three (03) years	Good	Good	N/A	30/04/2025
Omega OS Segaswane Holdings (Pty) Ltd	3 Years	Provision of advertising agency	Good	Good	N/A	14/12/2025

COMMUNITY SERVICES

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

INFRASTRUCTURE SERVICES

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Mwelase Thops Construction & Projects	3 Years	Repairs and Maintenance of All Municipal Electrical Infrastructure: Including Highmast, Traffic Lights, Streets Lights, and Lights on All Municipal Facilities for a period of three (03) years.	Good	Good	N/A	28/10/2024 Expired

Kgwadi Ya Madiba General Trading & Projects	3 Years	Maintenance of roads and storm water within Makhuduthamaga Municipality for a period of three years	Good	Good	N/A	28/10/2024 Expired
White Rock 75 Investment and Holdings	3 Years	Repairs and maintenance of Municipal facilities for a period of three (03) years	Good	Good	N/A	31/08/2026

ECONOMIC DEVELOPMENT AND PLANNING

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

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY 31st December 2024

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

1. Adoption of SCM Policy

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

2. Staff Employed in SCM unit

The unit comprise of six filled posts.

3. Job descriptions

The posts have job descriptions

4. Implementation Plan for SCM

Detailed Procurement Plan has been developed. The plan is updated on daily basis and serves on monthly reports

5. Needs assessment.

Necessary needs assessment undertaken before each acquisition through user Dept.

6. Performance of Vendors

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

7. Monitoring of SCM Policy

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

8. Threshold values

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

9. Municipal bid documents

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

10. Code of Conduct

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

11. Invitations for bids.

All invitations for bids above R30 000 are advertised for at least 7 days on the website and official notice board (reg 18(a)).

12. In addition, all invitations for competitive bids are publically advertised
All invitations for competitive bids are publically advertised in newspapers commonly circulating locally (reg 22(1))
13. Training strategy for SCM practitioners
 - Training strategy for SCM practitioners has been developed through corporate Services.
 - SCM officials have completed a minimum requirement level (MFMP).
14. Bid Specification Committee.
Bid Specification Committee membership comply with regulation 27.
15. Bid Evaluation Committee
Bid Evaluation Committee membership comply with regulation 28.
16. Bid Adjudication Committee membership comply with regulation 29
Bid Adjudication Committee membership comply with regulation 29
17. Regulation 29(4), which stipulates that a member of a bid evaluation committee or an advisor October not be a member of a bid adjudication committee
18. Circular 82 approved by council and implemented.