MADIBENG
LOCAL MUNICIPALITY

2024/2025
ANNUAL REPORT



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CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



It is with great sense of duty and optimism that I present the Annual Report for the 2024/2025 financial year. This report is more than a statutory requirement; it is a transparent account of our journey towards building a better Madibeng for all. It chronicles our achievements, honestly reflects on our challenges and outlines our unwavering commitment to creating a prosperous, resilient and inclusive future for our communities.

Guided by our vision of "Madibeng, the Prosperous Platinum and Green Tourism City," this administration has focused on the foundational pillars of good governance and sustainable service delivery. A significant milestone in this financial year was steady progress in strengthening our financial management and administrative systems. This has set us on a firm path towards greater accountability and has been instrumental on our efforts to restore stability and public trust.

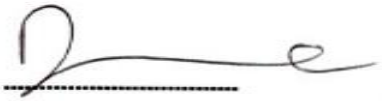
We have made tangible progress in key service delivery areas. Our investments in infrastructure have led to improved water distribution efficiency, better waste management practices and the upgrading of our electricity and road networks. Public participation has been central to our approach, through Mayoral Imbizos, IDP consultations and budget roadshows across all 41 wards, we have ensured that the voice of our community shapes our priorities and actions. Furthermore, our community-based initiatives, such as the "War Against Illegal Dumping" and e-waste recycling projects have not only improved our environment but have also created much-needed green jobs. In the spirit of transparency, we must also acknowledge the areas where we fell short. The journey to excellence is ongoing, and we have faced our share of obstacles. We recognize that community satisfaction with the provision of basic services like water and roads is not yet where it should be. The persistent issue of non-payment for municipal services continues to strain our financial resources and hampers our ability to accelerate infrastructure improvements. While our "War Against Illegal Dumping" has made an impact, its full implementation was hindered by infrastructure delays. We do not shy away from these realities, instead, they strengthen our resolve to improve our strategies and intensify our efforts.

Looking ahead, our focus is clear and resolute. We are committed to accelerating infrastructure development through a comprehensive maintenance plan, investing in renewable energy and modernizing our internal systems to enable real-time service monitoring. We will continue to build a "Smart Municipality" by introducing digital platforms that make municipal services more accessible to our residents. Strengthening our financial base through improved revenue collection and striving for a clean audit remain top priorities.

This past year has been one of rebuilding and renewed purpose. The progress we have made, though sometimes incremental, is a testament to the collective effort of our dedicated municipal officials and the active participation of our residents. I extend my deepest gratitude to every community member and every official who shares our vision and works tirelessly to bring it to life.

Together, we will continue to build a Madibeng that is a beacon of hope, opportunity and shared prosperity.

In conclusion, I am however, under no illusion that this is going to be an easy task, but joining forces we can overcome. I therefore encourage my colleagues in council all appointed officials as well as members of our community across the breath and length of the municipality to put heads and hands together in ensuring that our set objectives are achieved.



CLLR DS MAIMANE
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY



1.1 Municipal Manager's Overview

It is a privilege to present this overview accompanying the 2024/2025 Annual Report for Madibeng Local Municipality. This past year has been characterized by both significant progress and persistent challenges as we strive to deliver on our commitments to the community, strengthen our administration and build a future-ready sustainable municipality.

Administrative and Institutional Achievements

This year witnessed important improvements in organizational efficiency and institutional performance. While the implementation of targeted human resources policies and organizational development strategies, we succeeded in filling critical vacancies, including the Municipal Manager's position and progressed in upskilling our workforce. Our focus on capacitating municipal personnel, through learnerships, skills development and compliance with national performance standards is already yielding improved service delivery outcomes across all departments.

We maintained a strong emphasis on compliance, transparency and risk management. New ICT governance frameworks and revisions to key internal policies have improved operational efficiency and data management practices, laying a robust foundation for our emerging 'Smart Municipality' vision. Our legal and Risk divisions have continued to manage litigation responsibly and advance internal risk-reduction initiatives, supporting institutional stability.

Service Delivery Progress

Service delivery remained at the centre of all our operations. We are proud to report measurable gains in the provision of basic services:

- **Water & Sanitation:** Key projects such as the upgrade of Brits and Schoemansville Water Treatment Works and sanitation infrastructure in Klipgat and Mothutlong advanced despite financial challenges. Our water quality compliance rate rose to 93% with 100% of planned maintenance targets met.
- **Electricity:** Targeted electrification initiatives expanded access in Letlhabile and other areas, and our partnership with Eskom has improved reliability and network coverage.
- **Waste Management:** The Brits Landfill Lagoon upgrade along with expanded recycling and anti-dumping campaigns has bolstered environmental health and operational efficiency.
- **Roads & Infrastructure:** Major rehabilitation and maintenance projects have been delivered in Brits, Letlhabile, and rural wards addressing backlogs and flood risks.

Through public participation forums, Imbizos and ward consultations we have ensured that community voices shape our priorities. Indigent support, youth and social services and expanded library and recreation offerings remain steadfast priorities contributing to the social and developmental fabric of Madibeng.

Financial Health, Controls and Sustainability

Fiscal discipline and improved financial systems have underpinned our recovery and growth. The municipality has strengthened revenue collection through improved billing, credit control and strategic partnerships. Operational expenditure and capital investments are now more closely aligned to community needs and IDP priorities.

A testament to our concerted efforts in this area is the steady and significant improvement in our audit outcomes over the past two years. We have progressively moved from a Disclaimer of Opinion to an Adverse Opinion, and most recently, we have achieved a **Qualified Audit Opinion.** This positive trajectory is a direct result of our enhanced internal controls and unwavering commitment to transparent financial reporting. Building on this momentum, **our goal for the current financial year is to achieve an Unqualified Audit Opinion,** and we have implemented rigorous action plans to make this a reality.

While our liquidity ratio has improved significantly to 0.3, cash flow remains a challenge. Proactive daily management has enabled timely payments to creditors, even as the municipality continues to face high outstanding debt and legacy constraints. Full utilization of government grants and effective control of workforce expenditure have enabled infrastructure investment across essential services.

Key Challenges

Persistent obstacles remain. Infrastructure backlogs, especially in sanitation and roads, continued non-payment of municipal services and limited cash reserves hamper our ambitions and require ongoing corrective actions. Delays in project implementation caused by external funding cycles and procurement bottlenecks affect our ability to deliver on time. Public dissatisfaction with service delivery in certain areas, coupled with rising operational costs highlight the need for continued vigilance and innovation.

Strategic Direction for the Future

Looking ahead, our focus will intensify on:

- Accelerating infrastructure upgrades in water, sanitation and electricity;
- Modernizing internal systems through digital platforms and real-time service monitoring;
- Strengthening partnerships for local economic development and job creation;
- Maintaining fiscal discipline to improve creditworthiness and achieve our goal of a clean audit;
- Enhancing community engagement and participatory governance to deepen trust and responsiveness.

In conclusion, I extend my appreciation to all staff, councilors, partners and residents for their dedication and resilience. The transformation of Madibeng is ongoing, requiring persistence, accountability and a shared commitment to our vision: “A Prosperous, inclusive and sustainable municipality.”

Together we will continue to build a Madibeng that truly serves all its people.

As the Municipal Manager of Madibeng Local Municipality, I am honored to present this overview for the 2024/2025 financial year. This period has been one of determination, collaboration, and steady progress despite the broader economic and operational challenges facing local government

across the country. Our collective focus has remained clear: to deliver reliable, sustainable, and equitable services that improve the quality of life for all residents of Madibeng.

Throughout the year, the municipality worked consistently to implement programmes and projects aligned with the Integrated Development Plan (IDP) and Council priorities. These priorities focused on sustainable service delivery, financial stability, institutional strengthening, and inclusive economic growth. I am pleased to report that we made meaningful progress in these areas, achieving measurable improvements in performance, efficiency, and governance. Access to potable water improved to 94% following upgrades to critical bulk infrastructure in Mothutlung, Jericho, and Majakaneng, and the rehabilitation of 18 boreholes to enhance supply reliability. In sanitation, service coverage increased to 85% with the construction of 1,250 new VIP toilets and the rehabilitation of pump stations. Electricity services reached 1,700 new households while preventative maintenance efforts reduced unplanned outages by 17%. Refuse collection coverage expanded to 80% of formal households, supported by new waste collection vehicles and the rollout of community recycling programmes that diverted more than 420 tons of waste from landfill sites.

Working jointly with the North West Department of Human Settlements, the municipality completed 1,200 RDP housing units and 430 serviced sites, providing many families with safe and dignified housing. Road and storm water infrastructure also received focused attention with 48 kilometres of roads rehabilitated and 15 kilometres of drainage systems upgraded, improving accessibility and reducing flood-related risks in key residential areas.

The municipality's Local Economic Development (LED) programmes continued to promote job creation and small business empowerment. A total of 42 SMMEs received targeted support while 520 temporary and 118 permanent jobs were created through the Expanded Public Works Programme (EPWP). These initiatives contributed to household income and stimulated local economic activity. Financially, the municipality maintained a stable and improving position. Total revenue for the year amounted to approximately R2.53 billion (excluding capital transfers and contributions). Our liquidity ratio improved to 1.7:1 and the collection rate rose to 85%, demonstrating enhanced financial management and accountability. Expenditure remained within National Treasury benchmarks, and we achieved an operating surplus, further strengthening our financial sustainability.

In response to ongoing global economic pressures and tighter municipal budgets, a revised Cost Containment Policy was implemented. This policy limited external travel and conferences, prioritising the use of municipal venues and virtual platforms for meetings and training. These measures reduced travel-related expenditure by 26% while improving coordination and operational efficiency. Environmental sustainability remained a key focus within municipal operations. Solar energy installations at key facilities now supplement our energy use, LED lighting conversions have reduced electricity consumption by 11%, and water-saving initiatives including leak detection, rainwater harvesting, and water-efficient fittings have decreased consumption by 9%. These actions align with our commitment to responsible resource management and complement the conservation practices we encourage among residents.

Institutional efficiency and compliance were strengthened through shared service arrangements with the Bojanala Platinum District Municipality. These arrangements focused on internal audit, ICT support, and financial management, resulting in improved governance and reduced duplication

of costs. While there were no major boundary changes during the demarcation process, certain environmental and waste management functions were reassigned to improve service coordination and accountability.

None of these achievements would have been possible without the dedication of our employees, the support of Council, and the cooperation of our communities. Challenges such as infrastructure backlogs, aging assets, and revenue collection constraints remain, but they are being addressed through improved planning, disciplined implementation, and strengthened oversight.

As Municipal Manager, I remain committed to ensuring that Madibeng Local Municipality continues to operate transparently, manage its finances prudently, and deliver services efficiently. The progress achieved during 2024/2025 demonstrates that through teamwork, accountability, and a shared sense of purpose, meaningful change is possible. The year ahead will focus on deepening these gains, sustaining financial stability, and delivering on the promise of improved living conditions for all residents of Madibeng.



QUIET KGATLA
MUNICIPAL MANAGER

1.2 Municipal Functions, Population and Environmental Overview

Madibeng remains a Category B municipality operating under the Executive Mayoral System with:

- **41 Wards**
- **82 Councillors**
- Urban, peri-urban and rural settlements
- Multiple Traditional Authorities
    - Mmakau Tribal Office
    - Baapo ba Mogale Tribal Office, Bapong
    - Bakwena ba Mogopa, Jericho
    - Bakwena Ba Mogopa Tribal Office, Hebron
    - Bataung Tribal Office, Maboloka
- An economy driven by agriculture, mining, manufacturing and tourism

Municipal functional areas remain unchanged in 2024/25 (Budget and Treasury Office, Corporate Support Services, Human Settlement and Planning, Infrastructure and Technical Services, Community Services, Public Safety, Fleet and Facility Management, Economic Development, Tourism and Agriculture and Office of the Municipal Manager).

Madibeng Local Municipality is responsible for key municipal functions as outlined in Schedules 4B and 5B of the Constitution, including water supply, sanitation, electricity distribution, refuse removal, roads and stormwater management, spatial planning, land-use management and local economic development. These functions are shaped by a diverse natural and economic environment anchored in agriculture, mining, tourism and rich water resources.

The municipality serves an estimated **522,566 residents**, with a predominantly youthful population and growing urbanisation in areas such as Brits, Letlhabile, Mothotlung and Hartbeespoort. Annual population growth of approximately **1.8%** continues to increase demand for housing, bulk infrastructure and social services.

Madibeng's natural assets—including the Hartbeespoort Dam, fertile agricultural land, platinum-rich mineral belt and the Magaliesberg range—play a central role in local development. The municipality continues to implement environmental management, conservation, waste-reduction and resource-efficiency programmes to protect these critical ecological systems.

History of Madibeng: The town Brits was founded on 25 May 1924 on the farm Roodekopjes and named after the owner, Gert Brits. The town gained municipal status in 1944 and during 2000 the Municipalities of Brits and Hartbeespoort were incorporated and named NW372. During 2001 it was renamed to Madibeng Local Municipality.

Madibeng is classified as a category B Municipality, functioning through the Executive Mayoral System. The Municipality was recently demarcated into 41 wards and the Municipal Council comprises of 82 Councillors, (of which 10 are members of the Mayoral Committee), with a full-time Speaker, Chief Whip and Executive Mayor.

Madibeng consists of several urban and rural areas, villages, farm portions, as well as a proper established and serviced industrial area.

One of the advantages of Madibeng is its central location in the North West Province, with Pretoria, Johannesburg, Rustenburg and Krugersdorp as bordering neighbours.

As the neighbouring towns are easily accessible through road networks, residents are not confined to employment in the Madibeng jurisdiction alone, but can easily commute to workplaces in the cities and other towns. Furthermore, the Lanseria Airport is situated a mere 40 kilometres from Brits.

The most prominent economic activities include manufacturing, mining and agriculture. Mining is tending to out-perform the agriculture sector. The area is the world's third largest chrome producer and includes the richest Platinum Group Metals Reserve (situated on the Merensky Reef). Manufacturing is the dominant sector, with motor industry related activities predominant.

Madibeng Local Municipality is defined by its diverse landscape, rich natural resources and a growing population that presents both opportunities and challenges for service delivery and development. As a local authority, the Municipality is mandated to provide essential services that ensure a dignified quality of life for all its residents. These core functions include the provision of clean **water**, adequate **sanitation**, reliable **electricity** and consistent **refuse removal.**

Beyond basic services, our responsibilities extend to fostering a conducive environment for **local economic development (LED)**, primarily by leveraging our unique strengths in agriculture, mining and tourism. We are also tasked with the planning, construction and maintenance of the local **road network** and **stormwater drainage** systems, which are critical for connectivity and mitigating environmental risks. Through our planning and development functions, we manage land use, approve building plans and guide spatial growth of the municipality in a sustainable manner.

High-level overview of the demographic and environmental context in which the municipality operates, highlighting the key characteristics that shape our strategic priorities and service delivery imperatives.

Population Overview

The population of Madibeng Local Municipality is characterised by its youthful demographic with a significant proportion of residents under the age of 35. This represents a "demographic dividend" that if harnessed correctly through education, skills development and job creation can drive significant economic growth. However, it also places pressure on social services, housing and employment opportunities.

The municipality is experiencing steady urbanisation with population growth concentrated in areas like Brits, Hartbeespoort and Letlhabile. This trend increases the demand for formal housing, serviced land and bulk infrastructure. At the same time, a substantial portion of our population resides in rural areas and informal settlements where service backlogs and poverty levels are more pronounced. Addressing these spatial inequalities remains a central focus of our Integrated Development Plans (IDP).

Environmental Overview & Key Resources

Madibeng's identity and economic potential are intrinsically linked to its natural environment. Our logo itself reflects the five key resources that define our municipality:

Water: Represented by the blue in our logo, water is our most critical resource. The Hartbeespoort Dam and the Crocodile River are central to our region's agriculture, tourism and domestic water supply. The responsible management of our water resources, including our two main water treatment works in Brits and Schoemansville is paramount for sustainable development.

Agriculture: The green in our logo symbolises our fertile land and vibrant agricultural sector. The combination of available water and favourable climate makes Madibeng suitable for a diverse range of agricultural activities, including the production of fruits, vegetables, field crops and livestock. This sector is a significant contributor to the local economy and food security.

Mining (Platinum): The red in the logo represents our rich mineral wealth. Madibeng is home to some of the world's richest platinum deposits and significant chromite reserves. The mining sector is a major employer and a key driver of the regional and national economy.

Mountains & Tourism (Green Tourism): The mountains depicted in our logo highlight the natural beauty and tourism potential of the area. The Magaliesberg mountain range and the Hartbeespoort Dam create a scenic landscape that attracts visitors, supporting a growing tourism and hospitality industry. Our vision of a 'Green Tourism City' seeks to capitalise on these natural assets in an environmentally sustainable way.

Energy (The Sun): The rising sun in our logo symbolises the energy that drives our economy and represents a bright future for our communities. It also signifies our forward-looking approach to embracing new opportunities including the potential for renewable energy to support our growth.

The overview for the 2024/2025 financial year. This period has been one of determination, collaboration, and steady progress despite the broader economic and operational challenges facing local government across the country. Our collective focus has remained clear: to deliver reliable, sustainable, and equitable services that improve the quality of life for all residents of Madibeng.

Throughout the year, the municipality worked consistently to implement programmes and projects aligned with the Integrated Development Plan (IDP) and Council priorities. These priorities focused on sustainable service delivery, financial stability, institutional strengthening, and inclusive economic growth. I am pleased to report that we made meaningful progress in these areas, achieving measurable improvements in performance, efficiency, and governance. Access to potable water improved to 94% following upgrades to critical bulk infrastructure in Mothutlung, Jericho, and Majakaneng, and the rehabilitation of 18 boreholes to enhance supply reliability. In sanitation, service coverage increased to 85% with the construction of 1,250 new VIP toilets and the rehabilitation of pump stations. Electricity services reached 1,700 new households while preventative maintenance efforts reduced unplanned outages by 17%. Refuse collection coverage expanded to 80% of formal households, supported by new waste collection vehicles and the rollout of community recycling programmes that diverted more than 420 tons of waste from landfill sites.

Working jointly with the North West Department of Human Settlements, the municipality completed 1,200 RDP housing units and 430 serviced sites, providing many families with safe and dignified housing. Road and storm water infrastructure also received focused attention with 48 kilometres of roads rehabilitated and 15 kilometres of drainage systems upgraded, improving

accessibility and reducing flood-related risks in key residential areas.

The municipality's Local Economic Development (LED) programmes continued to promote job creation and small business empowerment. A total of 42 SMMEs received targeted support while 520 temporary and 118 permanent jobs were created through the Expanded Public Works Programme (EPWP). These initiatives contributed to household income and stimulated local economic activity. Financially, the municipality maintained a stable and improving position. Total revenue for the year amounted to approximately R2.53 billion (excluding capital transfers and contributions). Our liquidity ratio improved to 1.7:1 and the collection rate rose to 85%, demonstrating enhanced financial management and accountability. Expenditure remained within National Treasury benchmarks, and we achieved an operating surplus, further strengthening our financial sustainability.

In response to ongoing global economic pressures and tighter municipal budgets, a revised Cost Containment Policy was implemented. This policy limited external travel and conferences, prioritising the use of municipal venues and virtual platforms for meetings and training. These measures reduced travel-related expenditure by 26% while improving coordination and operational efficiency. Environmental sustainability remained a key focus within municipal operations. Solar energy installations at key facilities now supplement our energy use, LED lighting conversions have reduced electricity consumption by 11%, and water-saving initiatives including leak detection, rainwater harvesting, and water-efficient fittings have decreased consumption by 9%. These actions align with our commitment to responsible resource management and complement the conservation practices we encourage among residents.
Institutional efficiency and compliance were strengthened through shared service arrangements with the Bojanala Platinum District Municipality. These arrangements focused on internal audit, ICT support, and financial management, resulting in improved governance and reduced duplication of costs. While there were no major boundary changes during the demarcation process, certain environmental and waste management functions were reassigned to improve service coordination and accountability.

None of these achievements would have been possible without the dedication of the employees, the support of Council, and the cooperation of our communities. Challenges such as infrastructure backlogs, aging assets, and revenue collection constraints remain, but they are being addressed through improved planning, disciplined implementation, and strengthened oversight.

The municipal manager remains committed to ensuring that Madibeng Local Municipality continues to operate transparently, manage its finances prudently, and deliver services efficiently. The progress achieved during 2024/2025 demonstrates that through teamwork, accountability, and a shared sense of purpose, meaningful change is possible. The year ahead will focus on deepening these gains, sustaining financial stability, and delivering on the promise of improved living conditions for all residents of Madibeng.

Over the past financial year, the municipality have made meaningful progress in fulfilling the constitutional mandate to deliver essential services and improve the quality of life for all residents of Madibeng. Together with the municipal entities and strategic partners, we have worked tirelessly to strengthen service delivery in key areas such as water, sanitation, electricity, refuse removal, housing, roads, stormwater drainage, and local economic development. Each of these functions

remains at the heart of our responsibility to build a municipality that is efficient, sustainable, and responsive to the needs of our people.

Access to clean and reliable water continues to be one of our highest priorities. We have upgraded bulk water infrastructure and rehabilitated boreholes in communities such as Mothutlung, Jericho, and Majakaneng, improving water supply stability for thousands of households. In sanitation, we have constructed new VIP toilets and refurbished existing systems, extending service coverage and reducing health risks in vulnerable communities. Our electricity distribution network has also expanded, connecting additional households to the grid while reducing unplanned outages through preventative maintenance. Refuse removal services have been strengthened with the acquisition of new waste collection vehicles and the rollout of community recycling programmes, ensuring cleaner neighbourhoods and promoting environmental sustainability.

In partnership with the North West Department of Human Settlements, we completed new housing units and serviced sites, providing many families with access to safe, dignified housing. At the same time, our ongoing road rehabilitation and stormwater management projects have enhanced accessibility and improved resilience against flooding in key residential and commercial areas. Through our Local Economic Development programmes, we have supported small and medium enterprises, created local job opportunities, and encouraged investment that drives inclusive growth across the municipality.

The municipality now serve a population of approximately 560,000 residents, a figure that continues to grow as more people are drawn to the area's opportunities and potential. This population is young, with over 60% under the age of 35, a reminder that our development efforts must focus on job creation, education, and youth empowerment. The steady population growth of around 1.8% per year presents challenges in meeting the rising demand for housing, water, and social services, but it also energises our commitment to forward-looking and inclusive planning.

Our natural environment remains one of our greatest strengths and responsibilities. The Hartbeespoort Dam, together with the surrounding river systems, provides essential water for households, agriculture, and recreation. We have continued to focus on improving water quality, rehabilitating catchment areas, and preventing pollution through stricter enforcement of environmental by-laws and community partnerships. Our fertile agricultural land supports crop and livestock farming, while the platinum-rich mineral belt continues to provide employment and sustain local economic activity. We also recognise that these natural resources must be managed responsibly. That is why we have intensified our environmental conservation programmes, expanded waste recycling initiatives, and introduced energy and water-saving measures in municipal operations. The scenic landscapes and biodiversity of areas like the Magaliesberg and Hartbeespoort not only enrich our natural heritage but also support a growing eco-tourism economy that benefits local communities.

As a municipality, we understand that our people and environment are deeply interconnected. Every service we deliver, every project we undertake, and every partnership we build is shaped by this understanding. The progress we have made over the 2024/2025 financial year reflects our ongoing commitment to inclusive growth, responsible resource management, and the sustainable development of Madibeng, a municipality where every resident can thrive.

NATURAL RESOURCES	
Natural Resources	**Relevance to community**
Chrome	3rd largest chrome producer in the world- employs a larger number of the workers around Madibeng.
Platinum	Richest Platinum Group Metals Reserve
Granite	Creating employment
Dams(Hartespoortdam,Klipvoordam	Reserve Water
Rivers(Crocodile)	Source of water
Mountains(magaliesburg Range)	Recreational and Tourism

MUNICIPAL FUNCTIONS	
DEPARTMENT PORTFOLIO	**CORE FUNCTIONS**
Budget and Treasury Office	Revenue; Expenditure and Supply Chain Management; Budget and Risk Management
Corporate Support Services	Human Resource Management and Training; Administration; Records and Secretariat Services,
Human Settlement & Planning	Housing, Land Administration, Town Planning; Building Control
Infrastructure & Technical Services	Project Management Unit, Water & Sanitation, Electricity, Roads & Strom Water
Community Services	Solid Waste and Environmental Management; Parks, Sports and
Economic Development & Planning	Agriculture, Tourism, SMME
Public Safety & Social Development	Security, Traffic, Fleet & Facilities and Fire
IDP, PMS & Internal Audit	Municipal Strategic Planning, Performance Management and
Special Programs and Traditional Affairs	Traditional Leadership, Youth, Gender, Disabled, Children, HIV/Aids and Aged
Intergovernmental Relations and Communications	Marketing, Communications and Intergovernmental and Stakeholder Relations

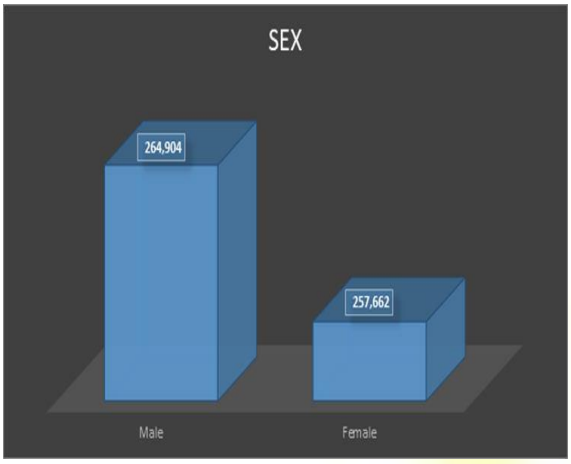
DEMOGRAPHIC STATISTICAL OVERVIEW, AS PER CENSUS 2022

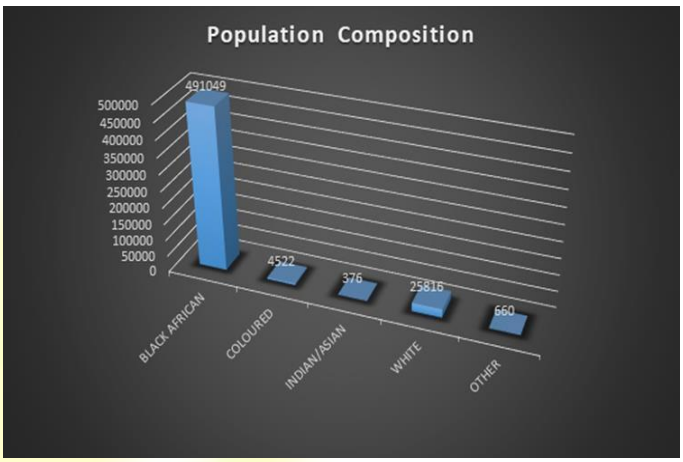
Statistical Overview

Statistics South Africa, Census 2022

Population of Madibeng Local Municipality is 522 566

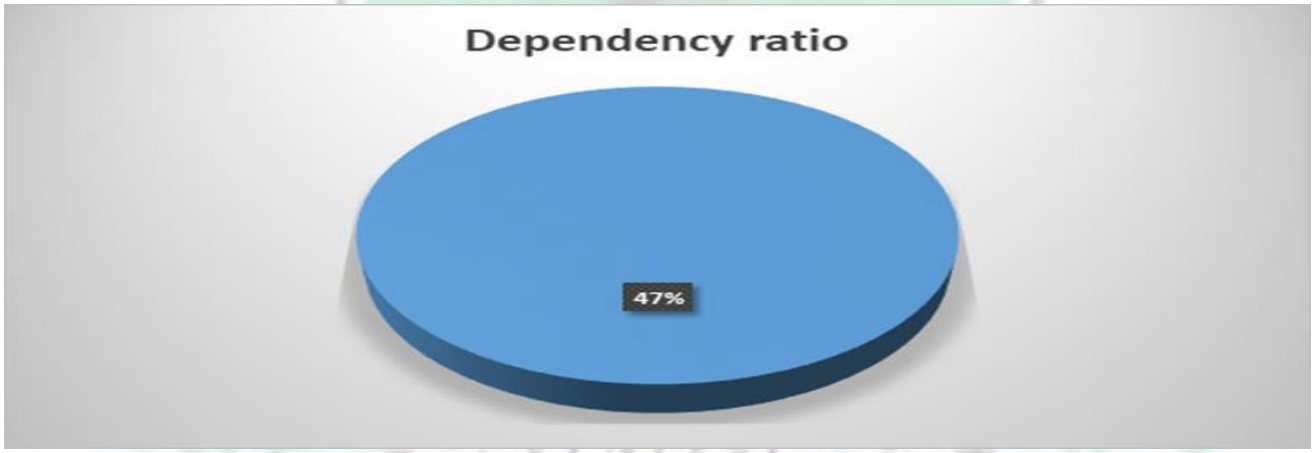
Population	South Africa	North-West Province	Bojanala Platinum District Municipality	Madibeng Local Municipality
Number	62 027 503	3 804 548	1 624 428	522 566



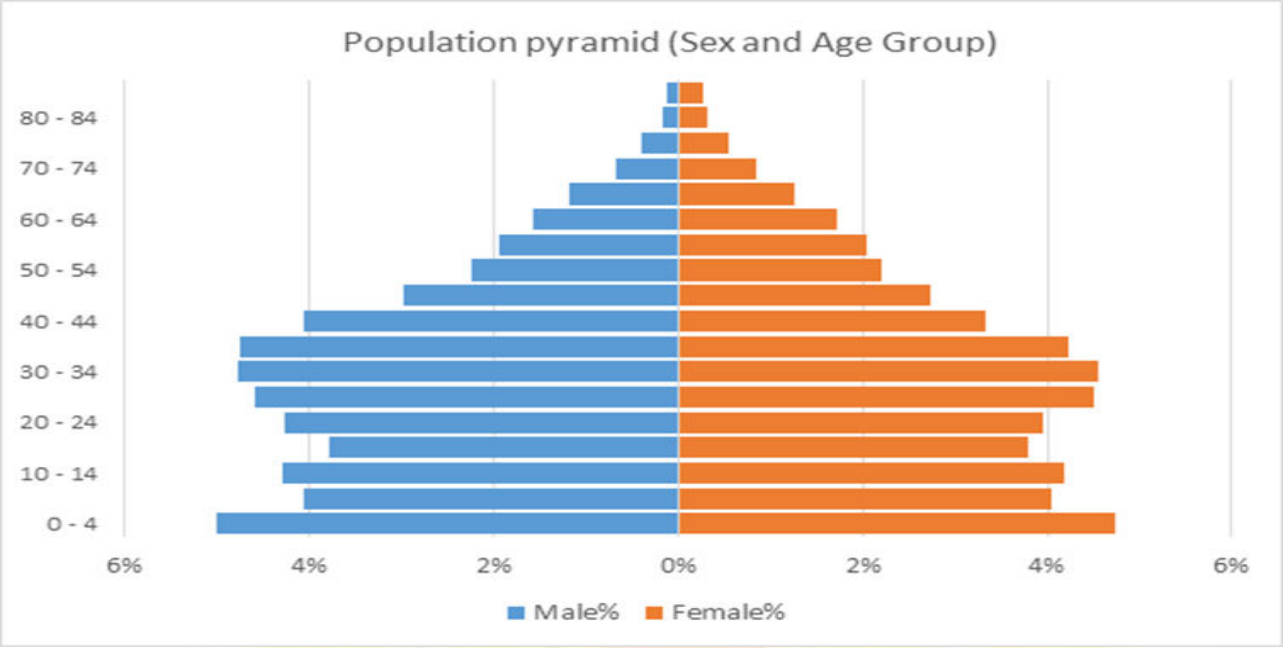


Dependency ratio

Dependency ratio	Male	Female	Total	Sex ratio
0 - 14 (Children)	69532	67729	137261	103%
15 - 34 (Youth)	90779	87880	178659	103%
35 - 64 (Adults)	91319	85074	176393	107%
65 + (Elderly)	13268	16973	30241	78%
Total	264898	257656	522554	103%
Dependency ratio				**47%**

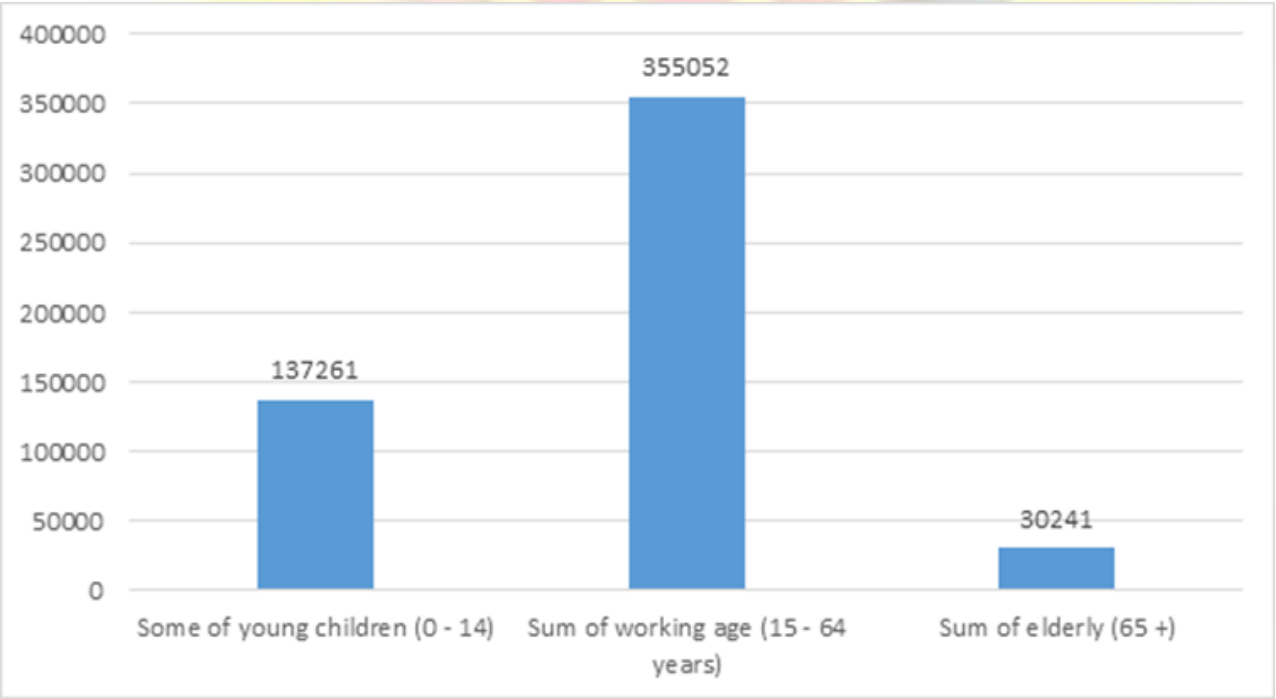


Disability	Seeing	Hearing	Communication	Walking	Remembering	Self-care	Total
No difficulty	417278	448532	454961	445895	450282	455553	462439
Some difficulty	37575	12030	6481	12640	10273	5102	63884
A lot of difficulty	7520	2016	1030	3600	1936	1256	14229
Cannot do at all	376	206	340	660	238	855	1981
Do not know	406	365	335	351	417	377	807
Not applicable	53132	53132	53132	53132	53132	53132	53132
Unspecified	6280	6286	6287	6287	6288	6291	6291
Total	**522566**	**522566**	**522566**	**522566**	**522566**	**522566**	**522566**



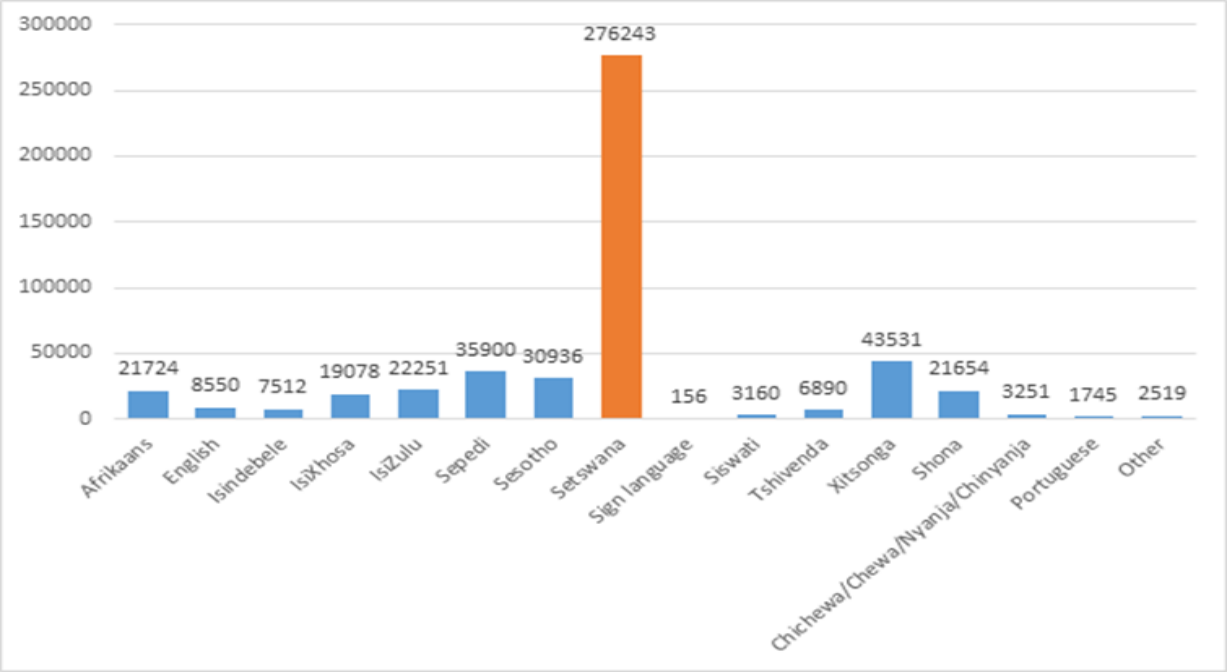
Stats SA, Census 2022

The sum of young children, working age and the elderly group in Madibeng

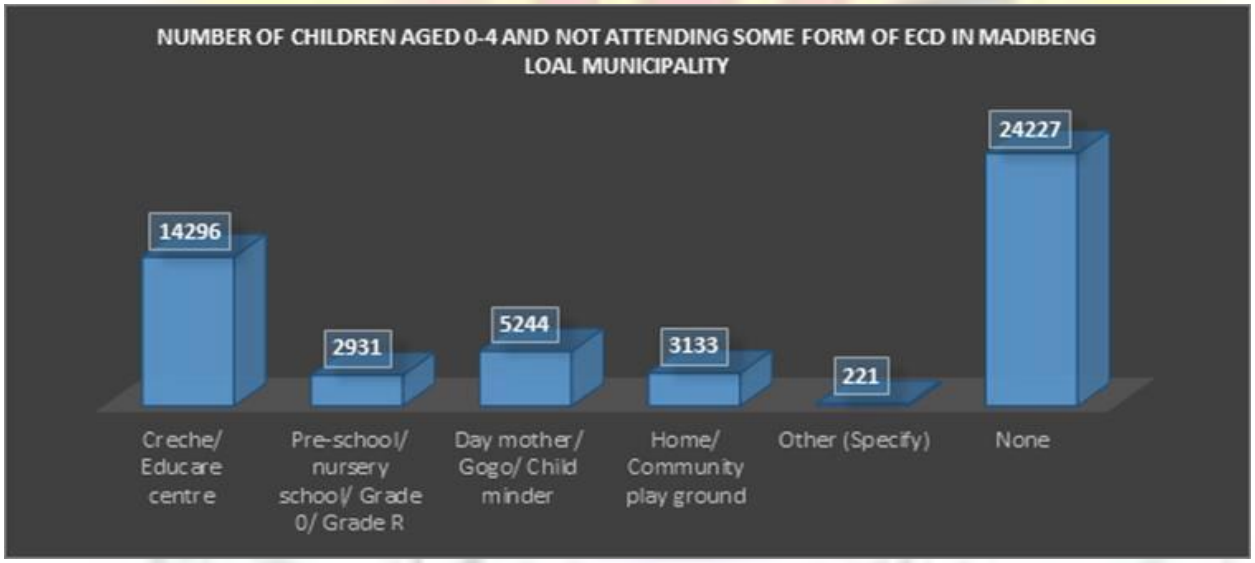


Stats SA, Census 2022

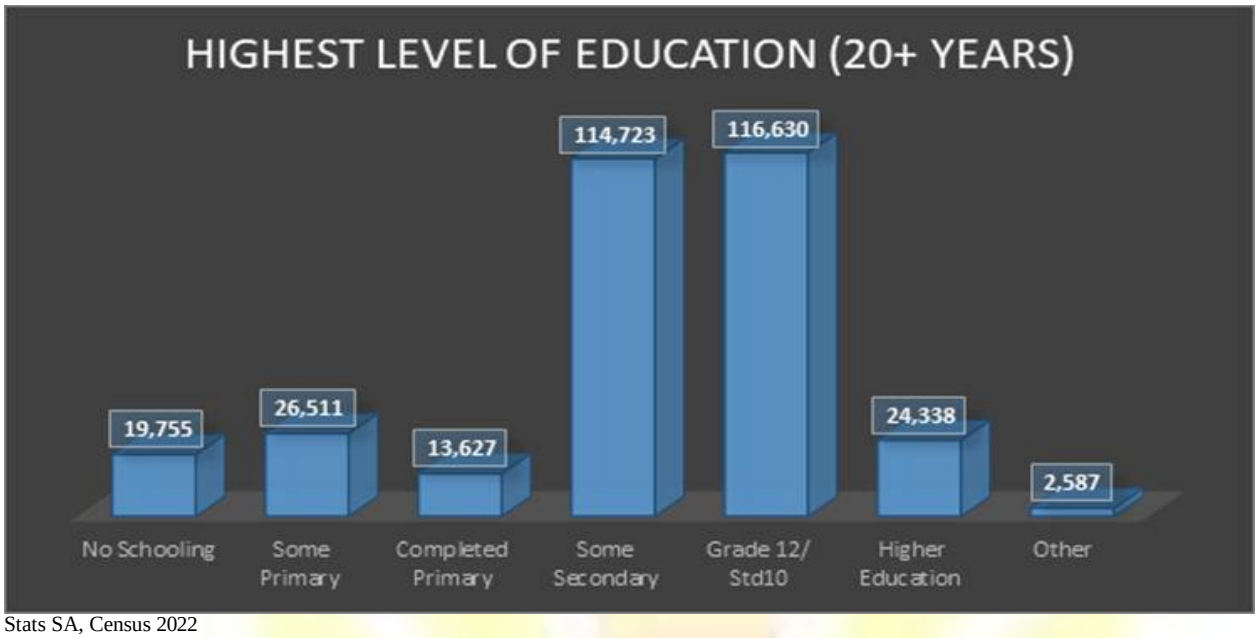
Setswana is the most spoken language in the Madibeng Local Municipality



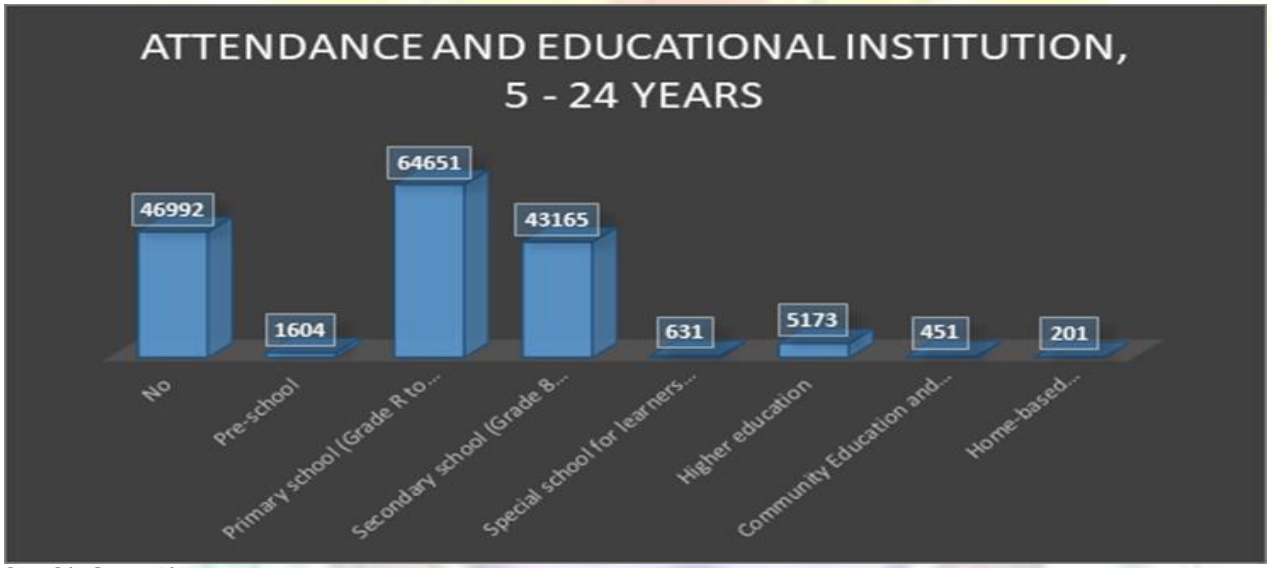
Stats SA, Census 2022



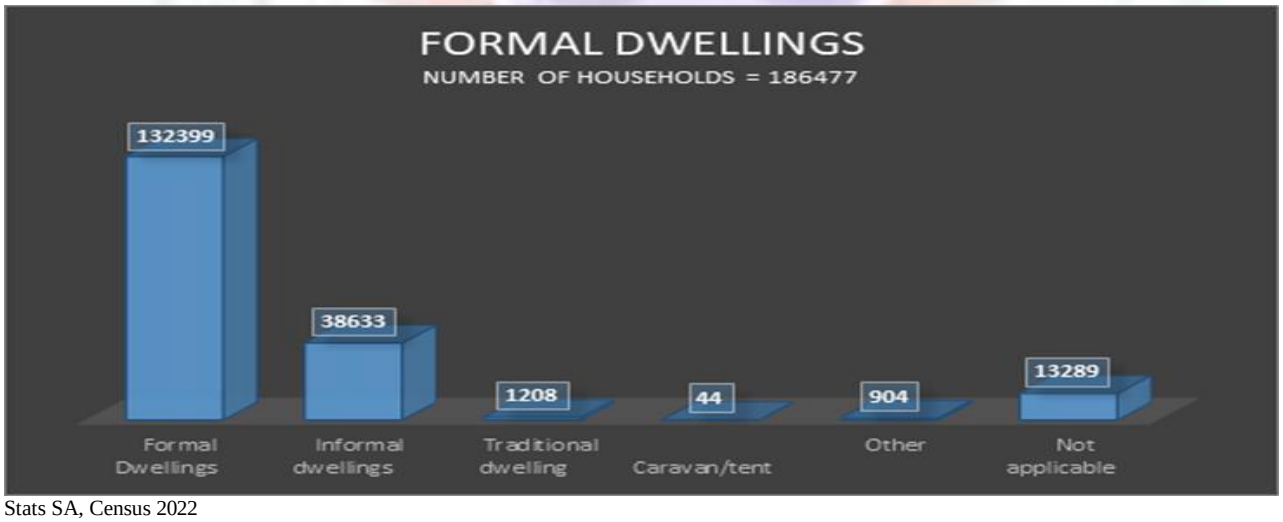
SA, Census 2022



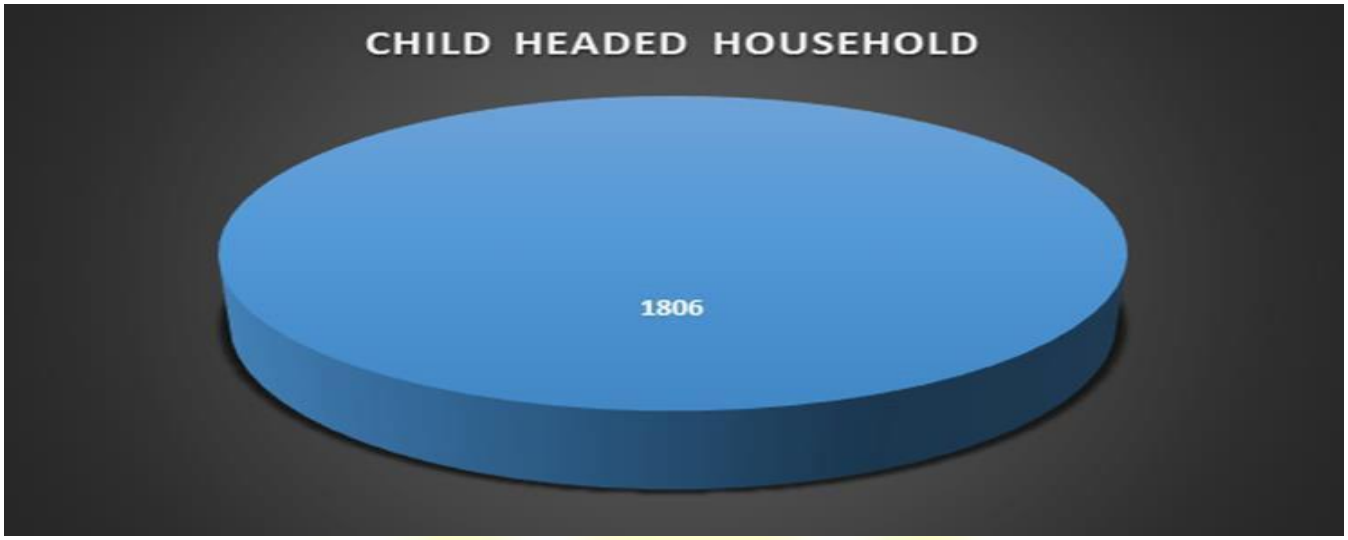
Stats SA, Census 2022



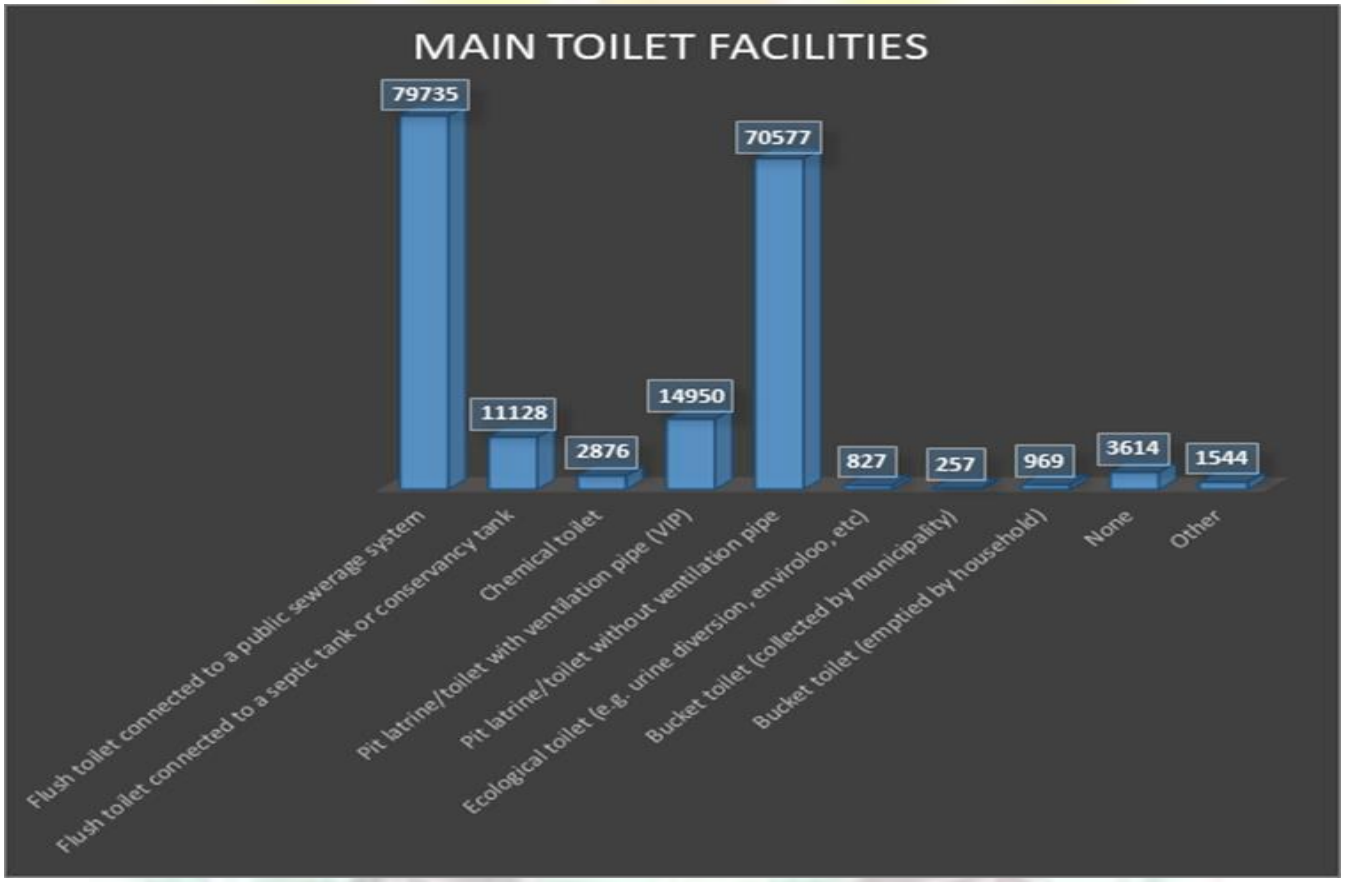
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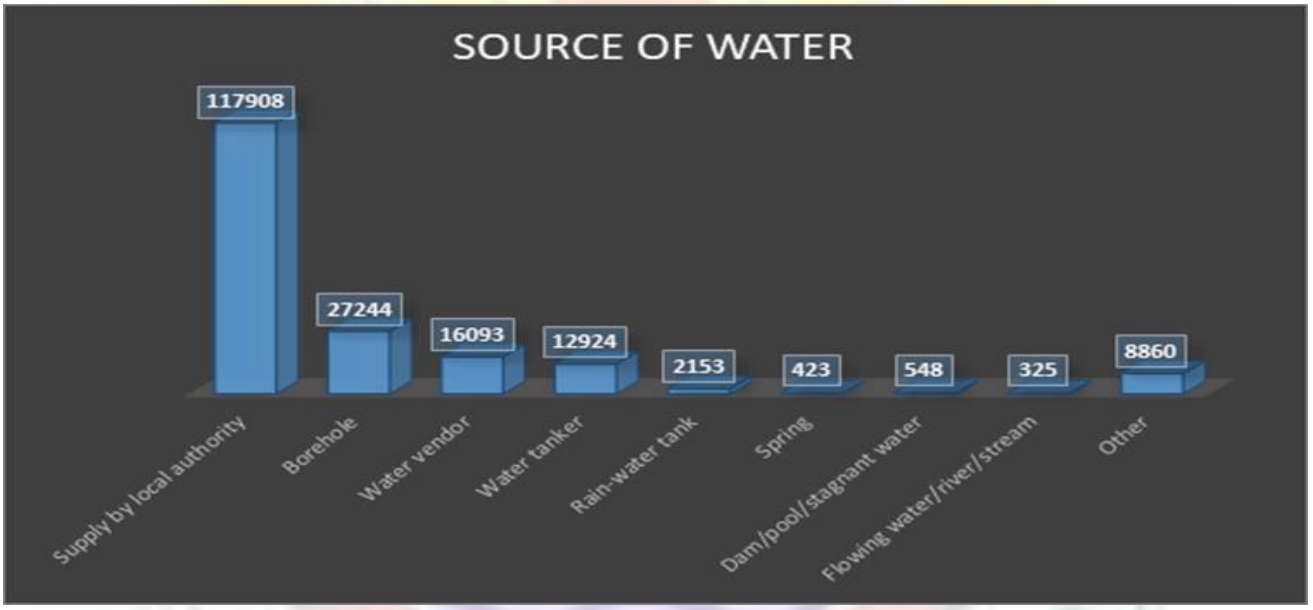
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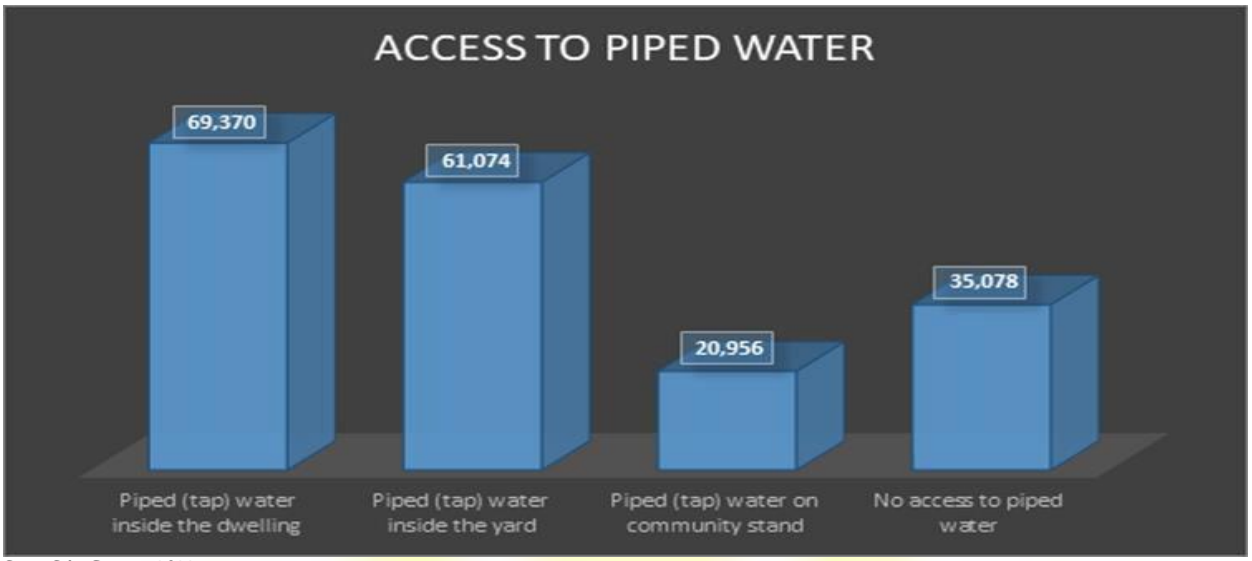
Stats SA, Census 2022



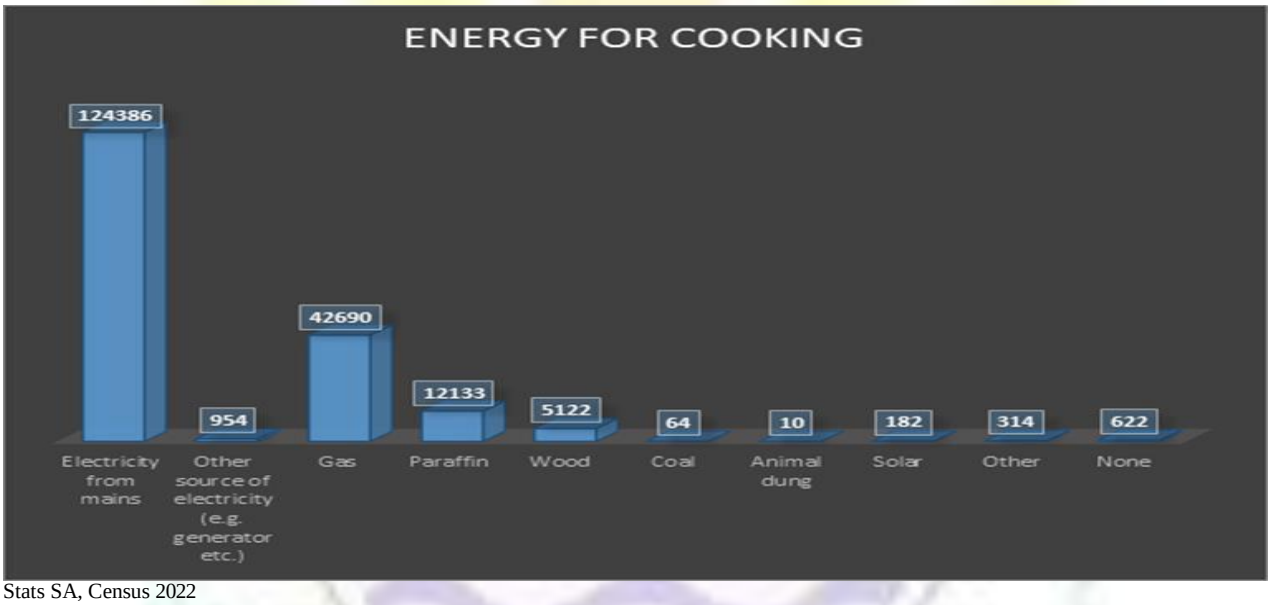
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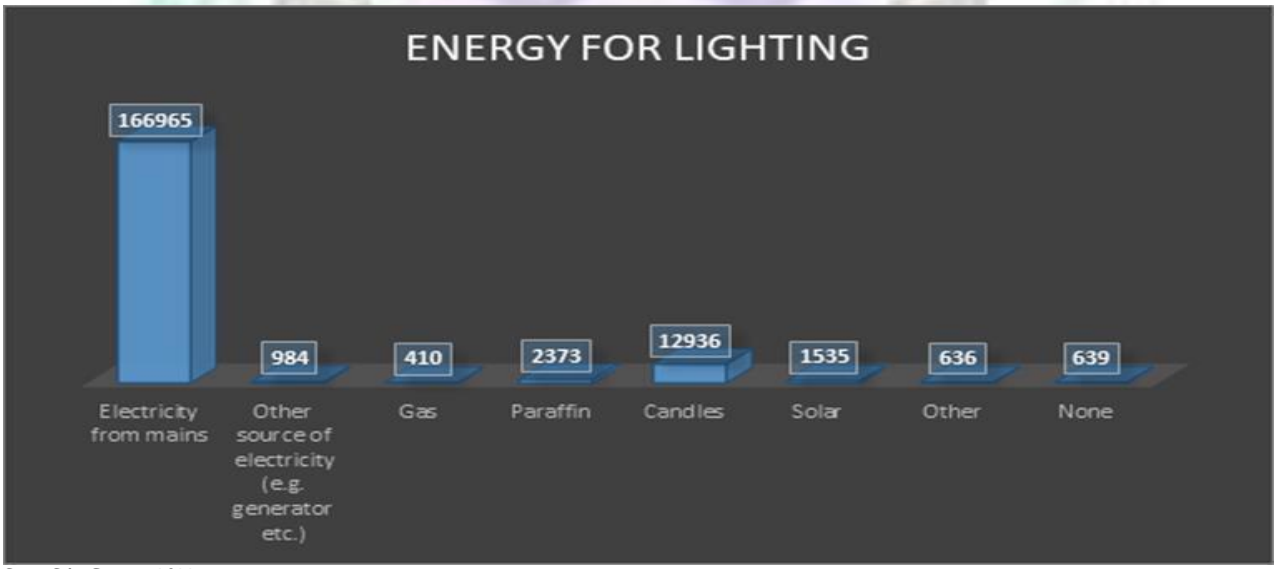
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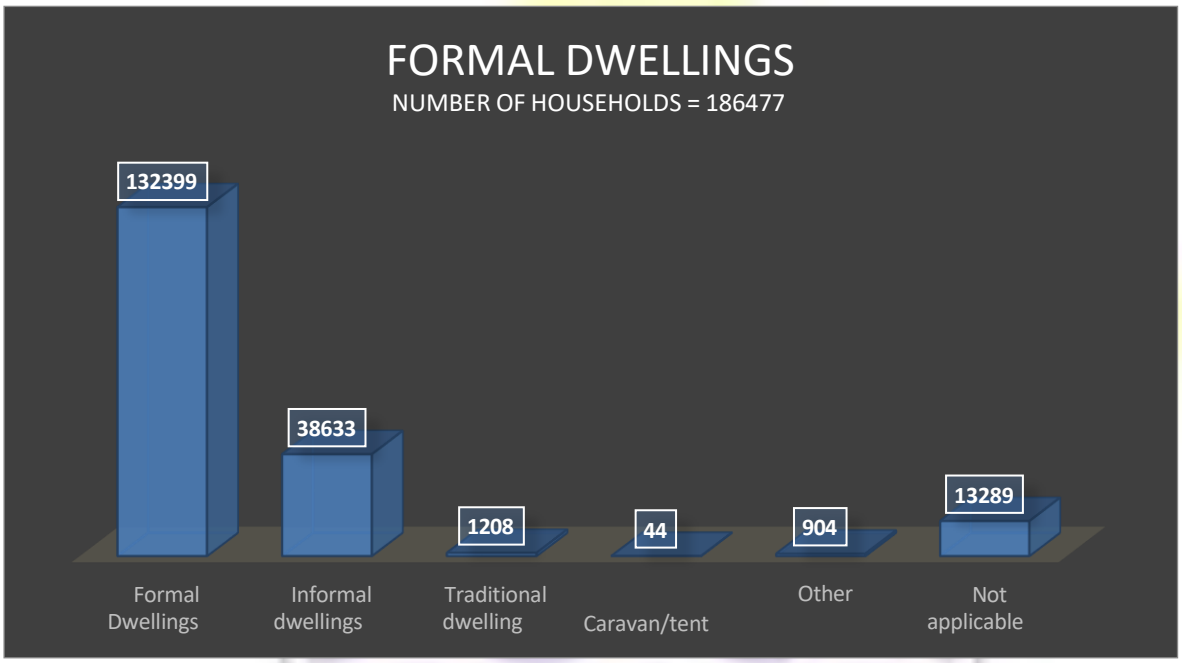


Stats SA, Census 2022

1.3 Service Delivery Overview

Service delivery performance improved in several areas during the year, particularly in pavement roads, water supply, electricity services and waste management. Access to water and electricity increased due to targeted upgrades to infrastructure and operational improvements.

Waste collection services improved following the procurement of new vehicles, and recycling programmes expanded across more wards. However, challenges remain in sanitation services, tarred roads conditions and infrastructure backlogs, which continue to affect service consistency in parts of the municipality. Strengthening operational capacity and prioritising high-need areas remain essential.



1.4 Financial Health Overview

The financial performance of the municipality in the current year shows areas of progress as well as challenges that need attention. Key services continued without major interruption, and some improvement was seen in revenue collection and budget control. These gains supported the municipality's goal of becoming more financially stable.

However, the year also presented several financial pressures. Rising operating costs, ageing infrastructure, and lower-than-expected revenue in some areas created strain on the budget. In response, the municipality strengthened its cost-containment measures, improved monitoring of spending, and focused on recovering outstanding debt from consumers. These steps are aimed at restoring balance and ensuring funds are available for essential services.

The financial ratios in Chapter 5 show that the municipality is still working toward stronger financial health. The liquidity position remains tight, showing that cash flow must be managed carefully. The operating ratio also indicates that spending must remain controlled to avoid deficits. While the debt-collection ratio has shown improvement, further progress is needed to increase cash on hand and reduce long-outstanding consumer accounts.

Overall, the municipality is taking steps to improve financial sustainability by tightening financial controls, improving revenue management, and planning more responsibly for future years. These actions are expected to support better service delivery and a more stable financial position going forward.

Financial Overview: 2024/25			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	459,938	1,137,829	1,506,199
Transfers and subsidies – capital (monetary allocations)	1,137,358	1,137,829	1,129,134
Transfers and subsidies – capital (in-kind)	346,202	351,100	377,064
Taxes, Levies and Tariffs:	1,054,859	1,061,668	444,730
Service charges – Electricity	757,422	725,922	704,307
Service charges – water	175,088	201,190	186,958
Service charge – Wastewater management	55,120	66,178	61,276
Service charge – Waste management	67,229	68,378	67,610
Sub total	1,869,558	1,949,657	1,605,124
Less expenditure	-2,717,642	-2,937,106	-3,590,781
Net total (deficit)	635,475	501,480	-479,458
			-3,590,781
			T 1.4.2

Operating Ratios

Employee costs are expected to be approximately 30% of total operating costs. The adjusted ratio of 21% is below the expected norm. This indicates that the municipality is operating with a lean employee cost structure, possibly due to vacant posts, controlled hiring, or cost-containment measures, resulting in lower staff-related expenditure compared to standard benchmarks.

Repairs and maintenance are typically expected to account for around 20% of total operating costs. The adjusted percentage of 7% is significantly below the norm. This suggests under-maintenance of infrastructure and assets, which may point to budget constraints, delays in maintenance programmes, or reliance on reactive rather than planned maintenance. Sustained low spending in this category could increase future asset failure risks.

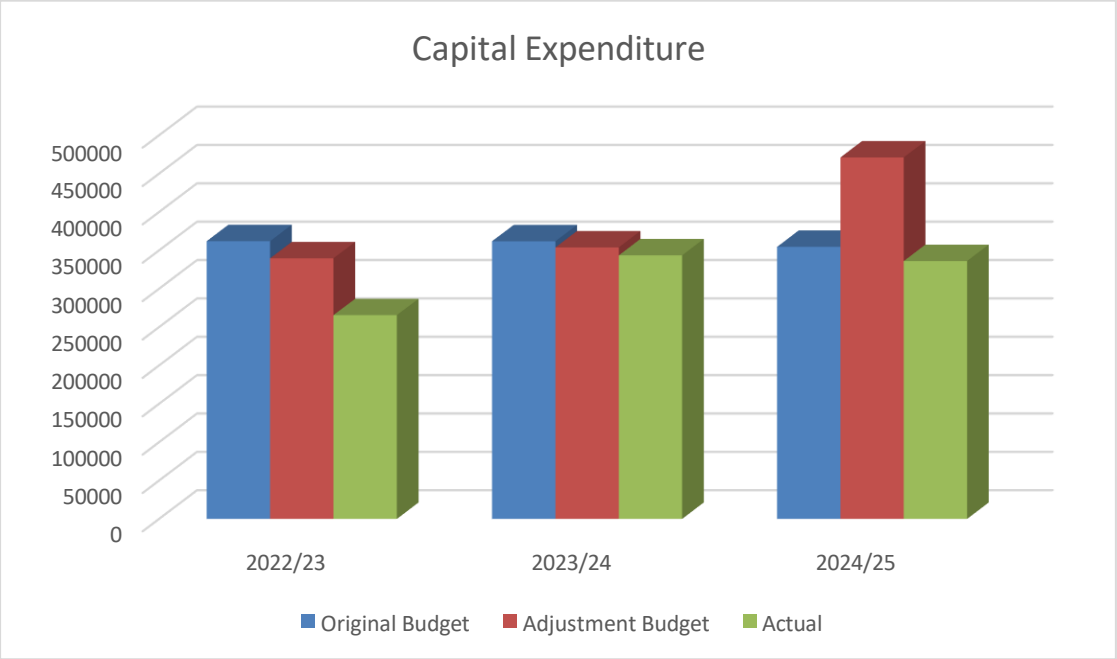
Finance charges and impairment costs are expected to be around 10%. The adjusted proportion of 10% is in line with the expected benchmark. This reflects a balanced level of borrowing costs and impairment adjustments, indicating that debt servicing and asset-related impairments are within a normal and sustainable range.Overall, the operating ratios highlight reduced employee and maintenance expenditure, which may create short-term operating relief but poses long-term concerns regarding service delivery sustainability, while finance-related costs remain stable and within acceptable norms.

Operating Ratios

Detail	Original %	Adjusted %
Employee Cost	27%	21%
Repairs & Maintenance	2%	7%
Finance Charges & Impairment	4%	10%
		1.4.3

Capital Expenditure

Total Capital Expenditure: 2022/23 to 2024/25			R'000
Detail	**2022/23**	**2023/24**	**2024/25**
Original Budget	361908	361808	354602
Adjustment Budget	339631	353871	471095
Actual	265553	343508	336099
			T 1.4.4



Across the three-year period, capital expenditure reflects notable deviations when compared with both the Original and Adjustment Budgets.

In 2022/23, Actual expenditure amounted to R265.553 million, which is materially below the Original Budget of R361.908 million and the Adjustment Budget of R339.631 million. This level of under- expenditure indicates that several planned capital projects were not fully executed, likely due to procurement delays, protracted contractor appointment processes, or other implementation constraints. During 2023/24, Actual expenditure of R343.508 million was more closely aligned with the Adjustment Budget of R353.871 million, reflecting an improvement in spending performance following mid-year budget revisions. Nevertheless, Actual expenditure remained below the Original Budget of R361.808 million, implying that project delivery challenges and reprioritisation continued to have an impact despite the adjustments.

In 2024/25, Actual expenditure totalled R336.099 million, which is below both the Original Budget of R354.602 million and the significantly increased Adjustment Budget of R471.095 million. The substantial upward adjustment indicates the inclusion of additional projects or roll-over allocations; however, the lower Actual spending suggests that the municipality experienced difficulties in implementing the expanded capital programme, possibly due to capacity limitations or extended procurement timelines. Overall, capital expenditure trends demonstrate persistent under-performance against budgeted targets. Strengthening project planning, improving procurement efficiency, and enhancing contract and project management processes will be critical to achieving higher levels of capital budget implementation in future periods.

1.5 Organisational Development Overview

The municipality continued to strengthen institutional capacity through skills development, policy improvements and enhanced human-resource management practices. Critical vacancies were filled across key departments, performance management systems were reinforced, and employee wellness initiatives were implemented in line with labour and legislative requirements. These efforts contributed to improved organisational stability and operational efficiency.

1.6 Auditor-General's Report

The Auditor-General issued a **Qualified Audit Opinion** for 2024/2025, marking sustained progress from previous adverse and disclaimed outcomes. This improvement reflects stronger internal controls, better financial reporting and enhanced performance information management.

The municipality has adopted and is actively implementing an Audit Action Plan to address outstanding deficiencies, with the strategic objective of achieving an **Unqualified Opinion** in the next audit cycle.

Issues raised that led to the Qualified Audit of Opinion are as follows:

- Service charges
- VAT receivables
- GRAP 3 adjustments
- Net cash flows from operating activities
- Trade and other payables from exchange transactions

1.7 Statutory Annual Report Process

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January

The municipality complied with all MFMA requirements for the preparation, tabling and publication of the Annual Report. Adhering to statutory timelines ensured proper alignment between the IDP, Budget and Performance Management System, and strengthened overall accountability. Continuous enhancement of reporting systems remains a priority to support effective governance and long-term institutional improvement.

CHAPTER 2

GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance in Madibeng Local Municipality is anchored in the principles of accountability, transparency and cooperative governance, as required by the Constitution, Municipal Structures Act, Municipal Systems Act (MSA) and Municipal Finance Management Act (MFMA).

This chapter outlines the municipal governance framework across four core pillars:

- **Political and Administrative Governance** – oversight, leadership and decision-making structures.
- **Intergovernmental Relations (IGR)** – collaboration across the three spheres of government.
- **Public Accountability and Participation** – mechanisms enabling community involvement.
- **Corporate Governance** – ethical conduct, internal control, risk management and compliance systems.

Together, these components support effective decision-making and ensure the municipality delivers services in line with constitutional and legislative mandates.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 Political Governance

Madibeng Local Municipality operates under an **Executive Mayoral System** in accordance with the Municipal Structures Act. The Municipal Council—comprising **82 councillors**—is the highest decision-making authority and consists of **41 Ward Councillors** and **41 Proportional Representation Councillors**.

The **Speaker** presides over Council proceedings, while the **Executive Mayor** provides strategic leadership and oversees the municipality's financial and service delivery performance as required by MFMA section 52(a). The Mayor is supported by a **Mayoral Committee**, appointed in terms of section 60 of the Structures Act, which provides political oversight across key service and governance areas.

Council has established **Section 80 Portfolio Committees** to strengthen oversight and facilitate detailed deliberation of departmental performance. These committees are central to ensuring alignment with the IDP, SDBIP and budget processes.

The municipality maintains a **functional Audit Committee**, established in line with MFMA sections 165–166. The committee provides independent assurance on financial management, performance information, compliance, and internal control effectiveness. Its recommendations inform Council and guide the Municipal Public Accounts Committee (MPAC).

MPAC comprising of non-executive councillors performs oversight on the Annual Report, irregular/ unauthorised/ fruitless expenditure, and broader accountability matters, producing a separate Oversight Report as legislated.

The Municipal Council during its sitting on the 10th April 2025 elected the Municipal Public Accounts Committee Chairperson Councillor Sarah Mohale.




MADIBENG LOCAL MUNICIPALITY
2030 NDP
WARD COUNCILLORS
CLLR EPHRIAM NKOE
Ward 01
CLLR PETER PHASWANA LEGONG
Ward 02
CLLR KEAOBAKA SEFIKE
Ward 03
CLLR MOTLALEPULE JOHN RATELE
Ward 04
CLLR LETLHOGONOLO PETER SEDIO
Ward 05
CLLR SHADRACK SHANTI MOREKI
Ward 06
CLLR LEVY RAMATLHAPE
Ward 07
CLLR RANKWANA PETER PADI
Ward 08
CLLR LEVY SELOFELA GIFT PHALOANE
Ward 10
CLLR THAMSANQA WILLIAM MHLANGA
Ward 11
CLLR MOJALEFA THEOPHILUS SELIALIA
Ward 12
CLLR NICHOLAS RAMA-JA RAKOLLE
Ward 14
CLLR PHOPHOLO LUCAS MOTAUNG
Ward 15
CLLR THOBI-JOHN MAKHUBELA
Ward 16
CLLR HLANGANANI MATHONSI
Ward 17
CLLR PATRICK RANKILE SONGWANE
Ward 18
CLLR ALEX TEBOGO MATLOU
Ward 19
CLLR GEORGE MOKONOTO
Ward 20
CLLR PETER TSHELANE MOKAU
Ward 21
CLLR KAGISO GODFREY MATLOU
Ward 22
CLLR JOHAN PIETERSE
Ward 23
CLLR MONNANA ISAAC SETHE
Ward 24
CLLR BEAUTY MOGALE
Ward 25
CLLR SAMUEL MAPHORU
Ward 27
CLLR AUBREY SETHOLE
Ward 28
CLLR LIZELLE STOLTZ
Ward 29
CLLR GRAEME PEPLAR
Ward 30
CLLR ISAAC BONGANI BHEBE
Ward 31
CLLR PRISCILLA DAINA MAMOGWE
Ward 32
CLLR MARITZA DU PLESSIS
Ward 33
CLLR JOSEPH MOGOGOLE SIBANDA
Ward 34
CLLR NAKIWE FAITH MOKWENA
Ward 35
CLLR RAYMOND BARENG MATLALA
Ward 36
CLLR WILLIAM KHUMO MOHARE
Ward 38
CLLR JACK MATHIBA MAMABOLO
Ward 39
CLLR CECIL MPHAHLELE
Ward 40
CLLR LEAH MMAKUBU NTOBONG
Ward 41
PROPORTIONAL REPRESENTATIVE (PR) COUNCILLORS
CLLR JOSEPH RATLOI
CLLR TSHEPO ALFRED KWELE
CLLR MAGDELINE DITSHUNGA MORAPEDI
CLLR MPOTOKENG DANIEL BODIGELO
CLLR PHUMZA PRETORIOUS
CLLR ABEL KHEILA MASHILO
CLLR DINNCA REMOFILWE MODIBANE
CLLR RHUFAS MADUMETJA MOKOKA
CLLR SARAH MOHALE
CLLR LEBOGANG NEO SIMANGO
CLLR PAULINA MMANARE SEPURU
CLLR RATINTE SAMUEL KIBA
CLLR KHOMOTJO STANLEY KOMAPE
CLLR TEBOGO JOSEPHINE MOHLABANE
CLLR GERTHA JACOBA ROSSOUW
CLLR NKATEKO STEPHINA MABUNDA
CLLR JAN COLLY VAN RHYN
CLLR BARNARD MARNE
CLLR WILLEM JACOBUS MULLER
CLLR MAHLARI SAMUEL MOLOI
CLLR EUGENE VAN DER SCHYFF
CLLR LERATO ANNAH RATLOU
CLLR ELLA DOROTHEA FREDRIKA LOURENS
CLLR ELIZABETH JOAN SMITH
CLLR JOHANNES ELARDUS KLOPPER
CLLR GULLAUME CLOUSTON
CLLR TSHOLO BRADLEY KHUTOANE
CLLR SYDNEY MONNAKGOTLA
CLLR SUZAN PHOKOANE KUNGOANE
CLLR PETER TSHEOLA
CLLR AYANDA MAGAWANA
CLLR JOHANNES BONGINKOSI CHIYA
CLLR KABELO ASHLY NTHERISO

#	DESCRIPTION		CHAIRPERSON
	COMMITTEE	PORTFOLIO	
PC.01	Finance	Budget & Treasury Office	Cllr T. Matlou
PC.02	Corporate Services	Corporate Support Services	Cllr. E Bopabe
PC.03	Economic Development	Economic Development, Tourism & Agriculture	Cllr. M Modipane
PC.04	Planning	Planning & Human Settlement	Cllr. K Morare
PC.05	Community Development	Community Development	Cllr. L Mohlambi
PC.06	Public Safety	Public Safety & Facilities Management	Cllr. P Legong
PC.07	Infrastructure Development	Infrastructure & Technical Services	Cllr. M Molekoa
PC.08	IDP/PMS/Legal Services	IDP/PMS/Legal Services	Cllr. C Montsho
PC.09	Roads & Transport	Roads & Transport	Cllr. M Masuku
PC.10	IGR & Special Projects	IGR & Special Projects	Cllr. B Bhebe

2.1.1 Political Decision-Making

Council decisions are informed by statutory processes, committee recommendations, administrative reports and community priorities.

During 2024/2025, Council adopted **217 resolutions**, of which **162 (75%)** were fully implemented and **55 (25%)** are in progress. Outstanding resolutions relate mainly to multi-year infrastructure projects, procurement processes and intergovernmental dependencies.

Regular monitoring ensures that resolutions are tracked, escalated where necessary and implemented within legislated timeframes.

Madibeng Local Municipality is an Executive Mayoral and Ward Participatory System type of a the Municipality and Council which exercises both the executive and legislative powers to plough the culture of good governance and accountability in the Municipality as Council.

Political decision making process of Council also depends on the delegation of authority amongst political office bearers.

Municipality established the following ten (10) Portfolio Committees as required by the law:

The following councillors were elected to represent Madibeng Local Municipality at the Bojanala Platinum District Municipality:

#	NAME OF COUNCILLOR	GENDER		PARTY	SEAT ALLOCATION
		MALE	FEMALE		
1	MR.P SEDIO	X		ANC	6
2	MS. LL NTOBONG		X		

#	NAME OF COUNCILLOR	GENDER		PARTY	SEAT ALLOCATION
		MALE	FEMALE		
3	MR. SS MOREKI	X		ANC	
4	MR.TJ MAKHUBELA TJ	X		ANC	
5	MR. L RAMATLHAPE		X	ANC	
6	MS. F MOKWENA		X	ANC	
7	MR. MS MOLOI	X		DA	
8	MR E VAN DER SCHYF	X		DA	2
9	ED LOURENS		X	VF+	1
10	MR.K KOMAPE	X			
11	MS. T MOHLABANE		X	EFF	2
	TOTAL	**6**	**5**	**4**	**11**

During the 2024/25 financial year Council took 217 resolutions, of which 162 have been executed and 55 are still outstanding:

STATUS OF COUNCIL RESOLUTIONS FOR 2024/2025 FINANCIAL YEAR			
DIRECTORATE/OFFICE	**TOTAL**	**EXECUTED**	**OUTSTANDING**
Office of the Municipal Manager	69	33	36
Planning & Human Settlement	13	10	3
Corporate Support Services	61	61	0
Community Development	21	20	1
Budget & Treasury Office	34	20	14
Infrastructure & Technical Services	0	0	0
Economic Development, Tourism & Agriculture	6	6	0
Public Safety, Fleet & Facilities Management	13	12	1
TOTAL	**217**	**162**	**55**

FUNCTIONALITY OF COUNCIL AND SECTION 80 COMMITTEES

Council has an approved municipal calendar and it serves as the annual programme for meetings of the Council, Mayoral Committee and section 80 Committees. The calendar also includes other meetings other than those of Council or its Committees.

Ten (10) Portfolio Committees were established in terms of section 80 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998).

During the 2024/2025 financial year, Council met 20 times (*7 ordinary + 13 special meetings*) as follows:

COUNCIL MEETINGS			
ORDINARY COUNCIL MEETINGS		SPECIAL COUNCIL MEETINGS	
NO	DATE	NO	DATE
1	2024-08-30	1	2024-07-23
2	2024-11-26	2	2024-08-20
3	2025-02-28	3	2024-10-02
4	2025-03-27	4	2024-10-22
5	2025-04-30	5	2024-12-17
6	2025-05-29	6	2025-01-30
7	2025-06-10	7	2025-02-07
8		8	2025-02-10
		9	2025-02-20
		10	2025-03-31
		11	2025-04-10
		12	2025-05-09
		13	2025-06-24

During the 2024/2025 financial year, Mayoral Committee met 10 times (*8 ordinary + 2 special meetings*) as follows:

MAYORAL COMMITTEE MEETINGS			
ORDINARY MEETINGS		SPECIAL MEETINGS	
NO	DATE	NO	DATE
1	2024-07-31	1	2024-08-30
2	2024-10-01	2	2024-10-28
3	2024-10-30	3	
4	2024-11-19	4	
5	2025-02-25	5	
6	2025-03-19	6	
7	2025-04-23	7	
8	2025-06-25		

The Council Portfolio Committees should also meet on monthly basis and during the 2024/2025 financial year, all ten (10) Portfolio Committees met as follows:

PORTFOLIO COMMITTEE MEETINGS				
#	NAME OF PORTFOLIO COMMITTEE	PLANNED	ACTUAL	DEFICIT
PC.1	Financial Committee	11	09	02
PC.2	Corporate Services Committee	11	03	08
PC.3	Economic Development Committee	11	09	02
PC.4	Planning Committee	11	04	07
PC.5	Community Services Committee	11	09	02

PORTFOLIO COMMITTEE MEETINGS				
#	NAME OF PORTFOLIO COMMITTEE	PLANNED	ACTUAL	DEFICIT
PC.6	Public Safety Committee	11	06	05
PC.7	Infrastructure Development Committee	11	04	07
PC.8	IDP/PMS/Legal Services Committee	11	06	05
PC.9	Roads & Transport Committee	11	02	09
PC.10	IGR & Special Projects Committee	11	00	11

During 2024/2025 financial year, Local labour forum meetings met 4 times

LOCAL LABOUR MEETINGS			
ORDINARY MEETINGS		SPECIAL MEETINGS	
NO	DATE	NO	DATE
1	2024/07/10	1	0
2	2025/03/12		
3	2025/05/14		
4	2025/06/18		

These statistics give a negative outcome of the functionality and effectiveness of Council Committees. Some Committees of Council are not functioning well due to non-convening of meetings because no reports were submitted. Sometimes meetings are convened, but there is lack of quorum.

Delegations and Rules of Order Committees were established in March 2022. The core mandate of the Rules of Order Committee should is to enforce the Code of Conduct for Councillors which includes convening of Council Committee meetings and members' attendance of Committee meetings since the failure of some of them is due to lack of the quorum (sufficient attendance).

All Council structures in the form of committees, political office bearers and administration are designed to support the entire process of decision-making to promote the principles of good corporate governance and accountability in the Municipality. This system is also designed to complement a form of collective decision-making, which includes consultation with all the municipality's stakeholder.

The below table illustrates the powers and finctions of Council govenance Structures:

COUNCIL COMMITTEES Perform certain powers & functions of council	**COUNCIL** Exercises both executive and legislative authority	**OTHER COMMITTEES** Advice Council on technical and strategic matters
MAYORAL COMMITTEE Assist Executive Mayor to perform executive powers	**EXECUTIVE MAYOR** Performs executive powers i.t.o legislation or delegations	**PORTFOLIO COMMITTEES** Advice the Executive Mayor & Mayoral Committee
DIRECTORS Assist the Municipal Manager to perform admin functions	**MUNICIPAL MANAGER** Head: municipal administration and accounting officer	**DIRECTORATES** Directorates and Portfolios led by Directors and MMCs
TECHNICAL COMMITTEES Support the management decision making process	**ADMINISTRATION** Staff supports achievement of strategic objectives	**MANAGERS/SUPERVISORS** Contribute towards attaining Council strategic objectives

ESTABLISHMENT OF WARD COMMITTEES

The Office of the Speaker play a vital role in the establishment of coordination of ward committees. The office take into account that the ward committees are trained and skilled to perform their duties. The municipality's Ward Committee By-Law is up for review. However, the Ward Committees were established in term of section 73 of the Local Government: Municipal Structure Act, 2021. The work of the ward committees is governed by the Ward Committee By-Law, 2015 which outlines the establishment, powers/functions, composition and procedures for electing ward committees amongst other things.

FUNCTIONALITY AND EFFECTIVENESS OF THE WARD COMMITTEES

The established ward committees promote participatory democracy in Madibeng Local Municipality and serves as a vehicle for public consultations and they are enablers of community decision making. Their functionality assist council in the implementation of mandate to encourage the involvement of communities in matters of local government in terms of section 152 (1) of the Constitution of the Republic of South Africa, 1996. Ward committees receives a stipend of R1350.00 per month for out of pocket expenses and the municipality has made a provision for the committee's skills development in its annual budget.

Quarter 1

(01 July 2024 – 30 September 2024)

MONTHLY WARD COMMITTEE MEETINGS					
# OF WARDS	TOTAL # OF MEETINGS / REPORTS	PLANNED	ACTUAL	DEFICIT	%
41 wards	Meetings	123	123	0	100
	Reports				
SUBMISSION OF MONTHLY WARD REPORTS					
41 wards	Each ward to submit report	41	41	0	100

Quarter 2

(01 October 2024 – 31 December 2024)

MONTHLY WARD COMMITTEE MEETINGS					
# OF WARDS	TOTAL # OF MEETINGS / REPORTS	PLANNED	ACTUAL	DEFICIT	%
41 wards	Meetings	123	123	0	100
	Reports				
SUBMISSION OF MONTHLY WARD REPORTS					
41 wards	Each ward to submit report	41	41	0	100

Quarter 3

(01 January 2025 – 31 March 2025)

MONTHLY WARD COMMITTEE MEETINGS					
# OF WARDS	TOTAL # OF MEETINGS / REPORTS	PLANNED	ACTUAL	DEFICIT	%

41 wards	Meetings	123	123	0	100

	Reports				
SUBMISSION OF MONTHLY WARD REPORTS					
41 wards	Each ward to submit report	41	41	0	100

Quarter 4

(01 April 2025 – 30 June 2025)

MONTHLY WARD COMMITTEE MEETINGS					
# OF WARDS	**TOTAL # OF MEETINGS / REPORTS**	**PLANNED**	**ACTUAL**	**DEFICIT**	**%**
41 wards	Meetings	123	120	03	98
	Reports				
SUBMISSION OF MONTHLY WARD REPORTS					
41 wards	Each ward to submit report	41	39	3	98
Evaluation of the functionality and effectiveness of ward committees is done based on three (3) monthly meetings of the each ward committee, one (1) quarterly meeting of each ward community meeting and fourth one (41) monthly reporting of ward committees.					

COMPOSITION OF POLITICAL PARTIES DURING 2024/2025 FINANCIAL YEAR.

Madibeng Local Municipality has a total of eighty-two (82) Councillors, forty-one (41) ward councillors and forty (41) proportional representation councillors. There are seven (10) political parties represented in Council as follows:

#	NAME OF POLITICAL PARTY	# OF MEMBERS IN COUNCIL	STATUS IN COUNCIL
1	African National Congress	44	Governing Party
2	Economic Freedom Fighters	14	Official Opposition
3	Democratic Alliance	12	Opposition
4	Freedom Front Plus	04	Opposition
5	Save Madibeng	03	Opposition
6	African Independent Congress	01	Opposition

7	Forum 4Service Delivery	01	Opposition
8	Al Jamaal	01	Opposition
9	African Christian Democratic Party	01	Opposition
10	United Democratic Movement	01	Opposition
	TOTAL	**82**	

Fourteen (14) councillors are designated as full time : Speaker, Executive Mayor, Single Whip, and Chairperson: Municipal Public Accounts Committee and 10 Members of Mayoral Committee.

EQUITY RESPRESENTATION OF MEMBERS IN COUNCIL							
DESIGNATION		**GENDER BALANCE**		**EQUITY BALANCE**		**YOUTH**	**DISABLED**
Full-Time	**Part-Time**	**Male**	**Female**	**Blacks**	72	08	01
07	18		X	**Whites**	10	0	0
07	50	X		**Indians**	0	0	0
				Coloureds	0	0	0
14	**68**			**82**		**08**	**01**

2.2 Administrative Governance

Administrative governance is led by the **Municipal Manager**, who serves as the Accounting Officer in terms of MFMA section 60. The Municipal Manager is responsible for ensuring sound financial management, effective administration, legislative compliance and operational alignment with Council's strategic direction.

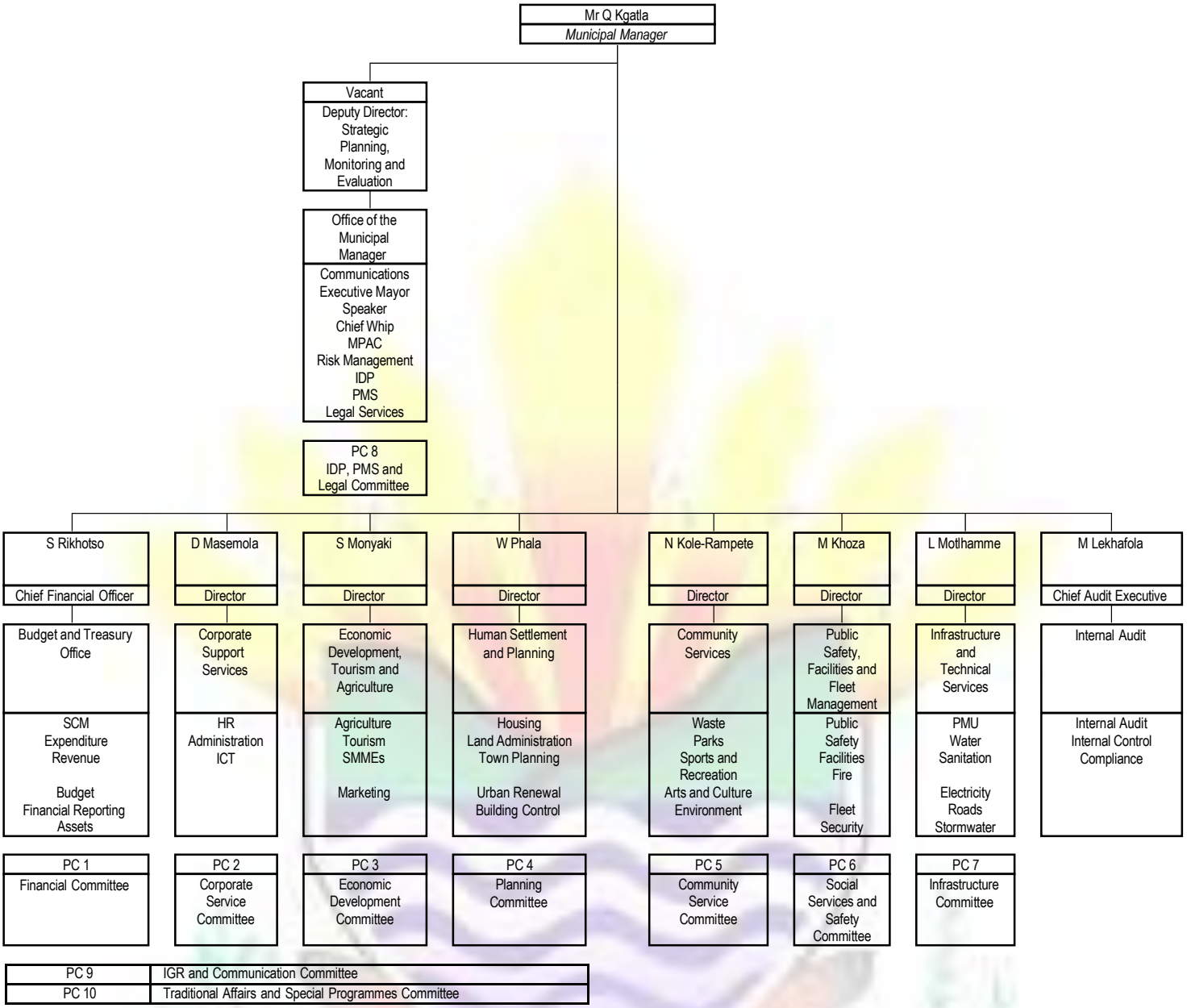
The administration consists of the following departments, led by Directors:

- Office of the Municipal Manager, which include Internal Audit led by Chief Audit Executive
- Corporate Support Services
- Budget and Treasury Office
- Infrastructure & Technical Services
- Community Services
- Economic Development, Tourism and Agriculture
- Public Safety, Fleet & Facilities Management
- Planning and Human Settlements

Section 56/57 managers operate under signed performance contracts, ensuring accountability for departmental delivery.

Administrative coordination is strengthened through management committee meetings, compliance structures and interdepartmental forums. This integrated governance model supports effective implementation of the IDP, Budget and SDBIP.

 **MUNICIPAL MANAGER** MR. Q KGATLA	 **ACTING CHIEF FINANCIAL OFFICER** MR. S RIKHOTSO	 **DIRECTOR: CORPORATE SUPPORT SERVICES** MR. D MASEMOLA
 **ACTING DIRECTOR: INFRASTRUCTURE & TECHNICAL SERVICES** MR. L MOTLHAMME	 **DIRECTOR: COMMUNITY SERVICES** MS. N KOLE-RAMPETE	 **DIRECTOR: PUBLIC SAFETY, FLEET & FACILITIES MANAGEMENT** MR. M KHOZA
 **DIRECTOR: ECONOMIC DEVELOPMENT** MS. S MONYAKI	 **DIRECTOR: HUMAN SETTLEMENT AND PLANNING** MR. W PHALA	 **CHIEF AUDIT EXECUTIVE** MS. M LEKHAFOLA


Mr Q Kgatla
Municipal Manager
Vacant
Deputy Director: Strategic Planning, Monitoring and Evaluation
Office of the Municipal Manager
Communications
Executive Mayor
Speaker
Chief Whip
MPAC
Risk Management
IDP
PMS
Legal Services
PC 8
IDP, PMS and Legal Committee
S Rikhotso
Chief Financial Officer
D Masemola
Director
S Monyaki
Director
W Phala
Director
N Kole-Rampete
Director
M Khoza
Director
L Motlhamme
Director
M Lekhafola
Chief Audit Executive
Budget and Treasury Office
Corporate Support Services
Economic Development, Tourism and Agriculture
Human Settlement and Planning
Community Services
Public Safety, Facilities and Fleet Management
Infrastructure and Technical Services
Internal Audit
SCM
Expenditure
Revenue
Budget
Financial Reporting
Assets
HR
Administration
ICT
Agriculture
Tourism
SMMEs
Marketing
Housing
Land Administration
Town Planning
Urban Renewal
Building Control
Waste
Parks
Sports and Recreation
Arts and Culture
Environment
Public
Safety
Facilities
Fire
Fleet
Security
PMU
Water
Sanitation
Electricity
Roads
Stormwater
Internal Audit
Internal Control
Compliance
PC 1
Financial Committee
PC 2
Corporate Service Committee
PC 3
Economic Development Committee
PC 4
Planning Committee
PC 5
Community Service Committee
PC 6
Social Services and Safety Committee
PC 7
Infrastructure Committee
PC 9
IGR and Communication Committee
PC 10
Traditional Affairs and Special Programmes Committee

Municipal Manager heads the Municipal administration in terms of the Local Government: Municipal System, 2000 (Act 32 of 2000). As the accounting officer, exercises the fiduciary responsibility in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 53 of 2003). Council and political office bearers provide political direction and legal framework within which the Municipal Manager executes official functions, including overseeing senior managers (*managers directly accountable to the municipal manager*), who are heads of Department.

The Municipal Manager, assisted by Senior Managers, also provides an administrative and advisory support to Council and its functionaries. They also interface with political office bearers and political structures for administrative and logistical support to ensure that effective political oversight over administration is exercised within the positive climate to promote good governance and accountability.

ROLES AND RESPONSIBILITY OF DIRECTORS				
PLANNING	**IMPLEMENTATION**	**REVIEW**	**REPORTING**	**PERFORMANCE AUDIT**
• Participation in the identification of IDP priorities and the whole IDP process. • Participates in the formulation and revision of the municipal strategic scorecard. • Enters into Performance agreement with the Municipal manager.	• Manages the implementation of the Departmental SDBIP. • Ensures that annual programmes are implemented according to the targets and timeframes agreed to. • Implements performance improvement measures approved by the Executive Mayor and the Council. • Ensures that performance objectives in the performance agreements are achieved.	• Participates in the formulation of the annual review programme of the IDP and Mid-Term • Annually reviews the performance of the department to improve the economy, efficiency and effectiveness of the departments. • Quarterly and annually evaluates the performance of the department	• Submit monthly and quarterly departmental performance reports. • Comments on the monthly reports in terms of any material variance. • Reports on the implementation of the improvement measures adopted by the Executive Mayor and Council. • Annually reports on the performance of the department.	• Participates in the formulation of the response to the recommendation of the Internal Audit and the Performance Audit Committee. • Participates in the formulation of the response to performance audit report of the Auditor General and makes recommendations to the Municipal manager.

Decisions at senior management level are taken in terms of delegated powers, individually or collectively as a strategic management team, depending on nature of delegation of authority and the decision itself.

Collective decisions are normally taken through the resolutions of the management meetings at strategic management team and Directorates' management, and during the 2024/2025 financial year, a total of 14 meetings *10 ordinary* and 04 special meetings were held as follows:

STRATEGIC MANAGEMENT TEAM (SENIOR MANAGEMENT) MEETINGS			
ORDINARYSMT MEETINGS (2024)		SPECIAL SMT MEETINGS (2025)	
NO	DATE	NO	DATE
1	2024/07/15	1	2024/12/09
2	2024/08/19	2	2024/12/13
3	2024/09/02	3	2025/01/10
4	2024/09/16	4	2025/01/13
5	2024/10/25		
6	2024/11/04		
7	2024/11/18		
8	2025/02/11		
9	2025/04/14		
510	2025/06/23		

CHANGES IN SENIOR ADMINISTRATIVE STRUCTURE IN 2024/2025 FINANCIAL YEAR

DESIGNATION	INCUMBENT NAME	STARTING DATE	ENDING DATE
Municipal Manager	Q Kgatla	01/12/2024	To date
Chief Financial Officer (Acting)	S Rikhotso	30/05/2025	To date
Chief Audit Executive	M Lekhafola	01/03/2024	To date
Director: Corporate Support	D Masemola	01/08/2023	To date
Director: Infrastructure & Technical Services (Acting)	L Motlhamme	28/07/2025	To date
Director: Human Settlement & Planning	WN Phala	12/02/2024	To date
Director: Economic Development, Tourism & Agriculture	S Monyaki	12/02/2024	To date
Director: Community Services	N Kole-Rampete	12/02/2024	To date
Director: Public Safety, Fleet & Facilities Management	M Khoza	01/08/2023	To date

COMPONENT B: INTERGOVERNMENTAL RELATIONS (IGR)

2.3 Intergovernmental Relations Overview

In line with Chapter 3 of the Constitution and the MSA, cooperative governance remains central to municipal functionality. Madibeng participates actively in IGR structures at national, provincial and district levels to ensure alignment of development priorities and support for service delivery programmes.

2.3.1 National IGR Structures

The municipality engages in national forums coordinated by SALGA, National Treasury and sector departments. Participation enables alignment with national policy frameworks—including the MTSF and District Development Model—and supports capacity-building and legislative compliance.

2.3.2 Provincial IGR Structures

Madibeng participates in Bojanala Platinum District IGR forums, including:

- Mayor's Forum
- Municipal Managers' Forum
- CFO Forum
- Technical working groups

These engagements support coordinated planning in areas such as human settlements, road upgrades, education, health services and environmental management.

2.3.3 District-Level IGR

Collaboration with Bojanala Platinum District Municipality includes District Development Model (DDM), forums, public participation and workshops. These arrangements strengthen efficiency, compliance and cost-effectiveness.

2.3.4 Municipal Entities

Madibeng has **no municipal entities**. Functions outsourced to external service providers are governed through service-level agreements and subject to strict performance monitoring and compliance oversight.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public Accountability and Participation Overview



Public participation is implemented in line with MSA sections 16–18 and remains a cornerstone of accountable, people-centred governance.

In 2024/2025, the municipality conducted extensive IDP, Budget and Annual Report engagements across all 41 wards through:

- Community meetings and roadshows
- Public Participations
- IDP Representative Forums
- Ward committees
- Stakeholder engagements with business, civil society and traditional leaders
- Online platforms and social media

These engagements informed planning processes and strengthened transparency in municipal performance reporting.

2.4 Public Meetings

Public Communication and Participatory Initiatives



Madibeng Local Municipality employs a range of public communication and participatory mechanisms to ensure that community members, stakeholders, and organised groups are continuously engaged on service delivery, planning and performance matters. Consultation is not limited to statutory processes; it takes place throughout the year through meetings, outreach programmes, digital platforms, and community feedback systems.

Year-Round Community Engagement Approaches

- **Ward-Based Engagement:** Councillors and ward committees convene regular meetings to capture service concerns, report progress, and escalate community priorities to municipal departments.
- **Community Outreach and Awareness Drives:** These include clean-up campaigns, service-specific education programmes (water conservation, waste management, electricity safety), and mobile help-desk units deployed to rural villages.
- **Stakeholder Dialogues:** Sector engagements are conducted with business forums, civil society organisations, traditional leaders, farm communities, and youth formations to ensure diverse representation.

The IDP Ward Public Participation meetings were conducted from 03 October 2024 to 13 October 2024 as follows:

Ward	Ward Cllr	Venue	Date	Time
1	L Nkoe	Legonyane Community Hall	12/10/2024	10:00
2	PP Legong	Multi-purpose Centre	06/10/2024	10:00
3	K Sefike	Hall 15	05/10/2024	10:00
4	MJ Ratele	Bataung Community Hall	11/10/2024	15:00
5	LP Sedio	Limited Sports Ground	13/10/2024	10:00
6	SS Moreki	Fast Eleven Ground	03/10/2024	10:00
7	L Ramatlhape	Majakaneng Community Hall	13/10/2024	10:00
8	RP Padi	Madibeng Hills Sports Ground	07/10/2024	11:00
9	FJ Motepe	Vodafone	08/10/2024	16:30
10	LSG Phaloane	Kgabalatsane Community Hall	05/10/2024	10:00
11	TW Mhlanga	B. Mpoza	09/10/2024	16:30
12	MT Selialia	Letlhabile Community Hall	07/10/2024	14:00
13	DM Molekoa	Oukasie Community Hall	07/10/2024	17:00
14	NR Rakolle	Kleinfontein Primary School	13/10/2024	10:00
15	PL Motaung	Tlhasedi Primary School	05/10/2024	10:00
16	TJ Makhubela	Itsoseng Community Hall	12/10/2024	10:00
17	KH Mathonsi	Ramogodi Community Hall	09/10/2024	10:00
18	PRD Songwane	Councillor's Office	09/10/2024	13:00
19	AT Matlou	Mmapela Crech	09/10/2024	16:00
20	G Mokonto	Mothotlung Community Hall	06/10/2024	09:00
21	PT Mokau	Damonsville Community Hall	07/10/2024	16:00
22	KG Matlou	Oukasie Community Hall	09/10/2024	17:00
23	NJ Pieterse	Brits Hoer Skool	09/10/2024	17:00
24	MI Sethe	Makanyaneng Sports Ground	05/10/2024	11:00
25	B Mogale	Zandfontein	11/10/2024	16:00
26	M Masuku	Balebetse Crech	11/10/2024	16:00
27	MS Maphuro	Bokamoso Community Hall	10/10/2024	15:00
28	A Sethole	Master Sports Ground	13/10/2024	09:00
29	L Stoltz	Skeerpoort Primary School	02/10/2024	17:00
30	AG Pepler	Meerhof School	10/10/2024	17:30
31	IB Bhebhe	Modderspruit Community Hall	06/10/2024	10:00
32	PD Mamogwe	Segwaelane Community Hall	11/10/2024	16:00
33	M Du Plessis	GHS Primary School	03/10/2024	17:30
34	JM Sibanda	Moiletswane Community Hall	03/10/2024	16:00
35	NF Mokwena	Ipopeng Sports Ground	13/10/2024	10:00
36	RB Matllala	Klipgar Community Hall	05/10/2024	13:00
37	LG Mhlambi	Ikageng Sports Ground	12/10/2024	10:00
38	WK Morare	Pretoria Taxi Rank	10/10/2024	17:00
39	JM Mamabolo	Elandsrand Community Hall	01/10/2024	17:30
40	C Mphahlele	Khalamtwana	12/10/2024	10:00
41	LM Ntobong	Lot Phalaatse Primary School	13/10/2024	11:00

IDP Representative Forum

Purpose of the Forum

The **IDP/Budget Representative Forum** serve as the municipality's primary structured platforms for stakeholder participation. Their purpose is to:

- Validate community priorities for inclusion in the IDP.
- Provide feedback on budget constraints, project planning and implementation progress.
- Strengthen accountability and transparency between the municipality and its stakeholders.

Timing of Meetings

- **IDP/Budget Representative Forums:** Held on 03 December 2025, aligned with the IDP/Budget process plan

An IDP Representative Forum meeting, whereby the outcome of the IDP Ward Public Participation is announced and discussed, took place on 30 November 2023 and the Municipal Wide Needs were determined as follows:

Ranking	Needs
Priority 1	Water and Sanitation
Priority 2	Roads and Storm water
Priority 3	Land and Housing
Priority 4	Electricity
Priority 5	Social Services
Priority 6	LED

Attendance and Representation

- Forum meetings typically attract **120–200 participants**, depending on venue and agenda.
- Representation includes:
  - Ward committees and ward councillors
  - Traditional leaders
  - Community-based and faith-based organisations
  - Business chambers and SMMEs
  - NGOs and social development groups
  - Youth, women, and disability forums
  - Agriculture and environmental groups
  - Sector departments and public entities

These meetings ensure that diverse community interests are reflected in the municipality's planning and performance processes.

Methods to Improve Efficiency and Effectiveness of Forums

To enhance participation quality and improve meeting outcomes, the municipality has implemented the following measures:

- **Early circulation of agendas and background documents** to allow participants to prepare inputs.
- **Hybrid meeting options** (in-person + online participation) to accommodate groups with travel constraints.
- **Use of visual presentations** (maps, project dashboards, financial summaries) to simplify complex information.

- **Improved venue accessibility**, including hosting meetings at community halls across different wards.
- **Stricter attendance registers and feedback tracking**, enabling better follow-up on issues raised.
- **Dedicated facilitation teams** to record action items and ensure cross-departmental responses.

These measures have improved participation rates and led to more constructive, informed contributions.

Budget Public Participation

MADIBENG LOCAL MUNICIPALITY

2030 NDP

INVITATION TO BUDGET PUBLIC PARTICIPATION 2024/2025

PUBLIC NOTICE

Section 23 (1)(a) of the Municipal Financial Management Act states when the annual budget has been tabled, the municipal council must consider any views of the local community. A copy of the draft budget is available on the municipal website, www.madibeng.gov.za and more copies are available at the municipal satellite offices and libraries. For further information about the annual budget 2024/2025 members of the public can contact Mr. James Motaung (jamesmotaung@madibeng.gov.za) on 012 318 9228 or Mr. Mosa Sekori (mosasekori@madibeng.gov.za) 012 318 9225.

Below is the schedule of the meetings:

Date	Wards	Venue	Time	Day
29 April 2024	13, 14 & 22	Oukasie Hall	16:00	Monday
29 April 2024	3, 8 & 34	Hall 15	11:00	Monday
01 May 2024	37, 24 & 36	Klipgat Hall	10:00	Wednesday
01 May 2024	15 & 16	Itsoseng Hall	11:00	Wednesday
02 May 2024	4 & 6	Bataung Tribal Hall	15:00	Thursday
02 May 2024	29, 30 & 33	GHS	17:30	Thursday
04 May 2024	17, 18 & 19	Ramogodi Hall	11:00	Saturday
04 May 2024	10 & 41	Kgabalatsane Hall	10:00	Saturday
05 May 2024	35 & 38	Block F Sports Ground	10:00	Sunday
05 May 2024	20 & 21	Mothotlung Hall	10:00	Sunday
07 May 2024	5 & 34	Maboloka Sports Ground	16:00	Tuesday
09 May 2024	1 & 2	Legonyane Hall	10:00	Thursday
09 May 2024	26, 27 & 32	Moruatona Primary School	16:00	Thursday
10 May 2024	23 & 39	Elandsrand Park	16:30	Friday
12 May 2024	9, 11 & 12	Letlhabile Hall	10:00	Sunday
12 May 2024	7, 28 & 31	Masters Ground	09:00	Sunday
12 May 2024	25 & 40	Bapong Old Police Station	11:00	Sunday

PLEASE CONTACT YOUR WARD COUNCILLOR FOR TRANSPORT ARRANGEMENTS.

Morufa Moloto: **Municipal Manager (Acting)**
Date of Issue: 19 April 2024
CIVIC CENTRE | 53 VAN VELDEN STREET | BRITS
TEL: (012) 318-9100 / 9200 | **EMAIL:** customercare@madibeng.gov.za
"Madibeng, the Prosperous Platinum and Green Tourism City"
Madibeng Local Municipality Madibeng Local Municipality Madibeng Local Municipality

Digital Communication: Website and Social Media

The municipality makes active use of digital platforms to complement physical participation:

Municipal Website

The website is used to:

- Publish IDP and Budget documents, performance reports, and municipal notices
- Upload Council decisions and service interruption alerts
- Provide access to by-laws, forms, tender opportunities, and job postings
- Offer direct links for community feedback and enquiries

This promotes transparency and ensures residents can access information at any time.

Ward Committees

1. Key Purposes of Ward Committees

The municipality has 10 ward committees per ward. Ward committees serve as a vital interface between the municipality and communities. Their primary purposes include:

- **Facilitating Community Participation:** Ensuring that residents have a structured platform to raise service delivery concerns, contribute to planning processes, and engage with municipal programmes.
- **Strengthening Communication:** Acting as a communication link between councillors, municipal departments, and community members by relaying information on municipal plans, projects, and statutory processes.
- **Supporting the IDP and Budget Process:** Collecting community needs and development priorities for incorporation into the Integrated Development Plan (IDP) and municipal budget.
- **Monitoring Service Delivery:** Assisting in the identification of service delivery failures, helping to prioritise urgent issues such as water interruptions, waste backlogs, road defects, and electricity faults.
- **Promoting Good Governance:** Encouraging transparency, accountability, and responsiveness through community oversight and feedback mechanisms.
- **Enhancing Social Cohesion:** Mobilising communities around awareness campaigns, clean-up initiatives, safety interventions, and participatory development activities.

2. Major Issues Addressed by Ward Committees

Throughout the reporting year, ward committees played an active role in identifying, discussing, and escalating community concerns. The major issues the committees dealt with include:

a) Water and Sanitation

- Frequent water supply interruptions and pressure fluctuations
- Sewer spillages caused by blockages and ageing infrastructure
- Requests for borehole rehabilitation in rural areas
- Monitoring of water tanker deployment

b) Electricity

- Illegal connections and electricity theft
- Unplanned power outages linked to overloaded transformers
- Requests for streetlight repairs in high-crime areas
- Reporting unsafe electrical infrastructure

c) Roads and Stormwater

- Potholes and deteriorating surfaced roads
- Grading needs for gravel roads, especially in rural wards
- Flooding hotspots requiring improved stormwater drainage
- Vandalism of stormwater grates and culverts

d) Waste Management

- Irregular waste collection in peripheral settlements
- Illegal dumping hotspots and community clean-up initiatives
- Shortages of waste bins and requests for recycling points

e) Human Settlements

- Concerns over informal settlement regularisation
- Illegal land occupation and associated safety risks
- Housing allocation queries and title deed follow-ups

- Infrastructure backlogs delaying township establishment

f) Social and Safety Issues

- Crime-related concerns requiring SAPS or community safety interventions
- Youth employment and skills programme requests
- Monitoring disaster-related incidents (e.g., floods, fires)

g) IDP/Budget Inputs

- Consolidating community priorities ahead of the IDP Representative Forum
- Facilitating feedback on draft budgets and development proposals
- Assisting with mobilisation for performance review sessions

Overall Impact

Ward committees have strengthened participatory governance by ensuring that service delivery issues are promptly escalated and that municipal planning reflects genuine community priorities. Their continuous involvement throughout the year has improved communication, accountability, and responsiveness across all service departments.

Key Benefits for the Municipality and the Public

The participatory meetings and communication platforms used by the municipality provide significant benefits to both the administration and the community. These benefits strengthen governance, build trust, and improve service delivery outcomes.

1. Benefits for the Municipality

- **Improved Planning and Budget Alignment:** Inputs from ward committees, IDP/Budget forums and community stakeholders help the municipality align its development priorities with actual community needs, reducing mismatches between planned projects and service expectations.
- **Early Identification of Service Delivery Issues:** Regular feedback from communities allows municipal departments to detect problems early (e.g., water interruptions, road defects, waste collection gaps), enabling quicker responses and better resource allocation.
- **Strengthened Accountability and Transparency:** Open meetings, performance review sessions, and digital publication of documents improve public confidence in municipal processes and demonstrate compliance with governance legislation.
- **Enhanced Interdepartmental Coordination:** Issues raised through participatory structures often cut across departments. Meetings help streamline coordination and ensure integrated responses to complex service delivery challenges.
- **Better Monitoring of Performance:** Community feedback gathered during PMS and IDP engagements helps the municipality measure performance against public expectations and adjust targets where necessary.
- **Reduced Conflict and Miscommunication:** Regular engagement minimises misinformation, addresses rumours quickly, and reduces the likelihood of service-delivery protests by ensuring concerns are heard and acted upon.

2. Benefits for the Public

- **Direct Access to Decision-Makers:** Community members, civic groups, traditional leaders and business stakeholders can engage directly with municipal officials and councillors, ensuring their concerns are acknowledged at the appropriate level.
- **Greater Understanding of Municipal Processes:** Public meetings help residents understand budgeting limitations, project timelines, performance challenges, and statutory obligations—leading to more realistic expectations and informed participation.
- **Inclusion in Development Planning:** Communities influence the IDP, budget priorities, and service programmes through organised platforms, ensuring development reflects local needs and lived realities.

- **Transparency on Service Delivery Progress:** Progress reports, dashboards, and presentations shared at meetings allow residents to track the status of projects, funding allocations, and performance improvements.
- **Opportunities for Feedback and Problem-Solving:** Residents can raise issues—such as water leaks, unsafe electrical infrastructure, waste challenges, or human settlement concerns—and receive guidance or escalation pathways.
- **Enhanced Social Cohesion and Community Ownership:** Participation fosters community involvement in clean-up drives, safety initiatives, and local development, strengthening shared responsibility for municipal spaces.
- **Improved Digital Access to Information:** Through the municipal website, online surveys and social media updates, residents can access information anytime and provide feedback without needing to attend meetings physically.

2.5 IDP Participation And Alignment

IDP Participation and Alignment Criteria (Section 26 of the Municipal Systems Act, 2000)*	**Yes/No**
Does the municipality have impact, outcome, input, and output indicators?	**Yes**
Does the IDP have priorities, objectives, KPIs, and 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 the stipulated timeframes?	**Yes**

COMPONENT D: CORPORATE GOVERNANCE

Scope of Corporate Governance

Corporate governance refers to the systems, structures, and processes through which an organisation is directed, managed, and held accountable. In our municipality, the scope of corporate governance includes:

- **Leadership and Strategic Direction:** Ensuring that Council, management and oversight structures provide clear vision, policies and strategic guidance.
- **Accountability and Oversight:** Establishing mechanisms such as audit committees, internal audit, MPAC, risk management and performance management systems to monitor how decisions are implemented.
- **Transparency and Ethical Conduct:** Promoting openness in decision-making, ethical behaviour, compliance with legislation, and responsible use of public resources.
- **Stakeholder Participation:** Ensuring that residents, businesses, civil society and other stakeholders participate in planning, budgeting and oversight processes (e.g., IDP, budget consultations, ward committees).
- **Risk and Financial Management:** Maintaining effective financial controls, risk mitigation processes, supply chain governance, and asset management to protect public funds.
- **Service Delivery Improvement:** Using governance systems to ensure that municipal services are planned, implemented and monitored effectively.

2.6 Risk Management

Risk assessment is embedded in the annual planning processes of the municipality and 2024/25 financial year was no exception. This ensures that risks are identified, evaluated and ranked according to impact and likelihood in ensuring that high risks are prioritized. The process also tries to integrate risk management into day to day operations of the municipality in an attempt to infuse it into the practice and culture of the municipality. Whilst, the municipality has consistently performed risk assessment to provide the framework for effective risk management in the institution, it must also be stated that the Enterprise Risk Management Unit and the Risk Management Committee are fully functional.

Municipal Risk Profile

The purpose of reporting on the municipal risk profile is to reflect the risk profile improvement, indicating the extent to which the municipality is:

- Achieving the right balance between risk taking in pursuit of delivering services and mitigating those risks.
- Reducing its risk exposure, to ensure that the municipality is operating within its risk bearing capacity.
- The process also tries to integrate risk management into day to day operations of the municipality in an attempt to infuse it into the practice and culture of the municipality. Whilst, the municipality has consistently performed risk assessment to provide the framework for effective risk management in the institution, it must also be stated that the Enterprise Risk Management Unit and the Risk Management Committee are fully functional.

Risk Management

Section 62 of the Municipal Finance Management Act. requires the Accounting Officer to take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent system of financial and risk management and internal control and of internal audit, as well as the effective, efficient and economical use of the resources of the municipality. The municipality has structures established to support good governance, *amongst* those being the Risk Management Committee, Audit Committee, and MPAC as an Oversight Committee. The Municipality has established a risk management unit which reports functionally to the Risk Management Committee and administratively to the Municipal Manager.

The purpose of the risk management in a municipal environment is to:

- To be an enabler of accelerated and improved quality of services.
- To coordinate and support the overall Institutional risk management process in pursuit of eliminating risks which threatens achievement of municipal objectives
- To monitor the implementation of risk mitigation strategies and to identify any emerging risks the municipality might be exposed to.
  To report regularly to various structures and stakeholders within the municipality in order to facilitate informed decision making, accountability and oversight.

Municipal Risk Management Profile

The purpose of reporting on the municipal risk profile is to reflect the risk profile improvement, indicating the extent to which the municipality is:

- Achieving the right balance between risk taking in pursuit of delivering services and mitigating those risks.
- Reducing its risk exposure, to ensure that the municipality is operating within its risk bearing capacity.

Strategic Risks

- The municipal top 20 risks are ranked as extreme risks and as such unacceptable when compared to the approved appetite framework.
- Immediate implementation of risk mitigating measures by senior managers is required if the municipality is to avert these risks.
- The strategic risk register comprises of the current top 20 priority risks of the municipal profile exposure
- The Strategic Risk Assessment process followed a structured and systematic approach in line with the laid out COSO framework. The process was undertaken at Kosmos Hall on 10 and 11 June 2024
- The strategic / top layer key performance indicators are highly exposed to the risk of non-achievement.
- The reviewed residual risk rating has reduced from the initial rating of 422 to 398 (24) Variance, as at end of the quarter, which demonstrates lack of movement in reducing the residual value and non-implementation of Strategic risks
- Only two risks(2) were adequately responded to from the initial Top 20 risks identified by management as at First Quarter , reduced to 18 risks based on the responses on the strategic risk profile (Implementation of mitigation strategies)

The following strategic risks have materialized during the period 1 July 2024 to 30 September 2024 based on the high residual rating after reviews conducted:

1. Increased losses(Electricity)
2. Failure to adhere to water quality standards
3. Failure to comply to all requirements of SANS 241 and demand requirements
4. Withholding of MIG Grants/ stoppage of a portion of MIG funds
5. The might be failure to provide access to basic level of water
6. The might be an increase in water losses
7. There might be loss of information
8. There might be contraventions of POPIA act
9. Allocated training budget may not be Sufficient
10. Households may not be provided with adequate refuse removal services
11. Financial Recovery Plan might not be adhered to
12. Failure to table audit committee reports to council timely
13. Not all Creditors may be paid within 30 days
14. Approved budget may be unfunded
15. AFS submitted might lack credibility
16. Qualified audit opinion may not be achieved
17. Failure to curb and reduce the UIFW register
18. Increase in Fraud Incidents

Strategic Risk Register 2024/25

Table 1: *Strategic Risks*

No.	IDP REF.	KEY PERFROMANCE INDICATOR	RISK DESCRIPTION	Initial Assessment		MITIGATING MEASURES	DUE DATES
				INHERENT RATING	RESIDUAL RATING		
1	BTO1.3	**Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission by 30 June 2025**	Not all Creditors may be paid within 30 days	20	23	1. Memorandum to all users on submission of monthly payment requisitions 2. Implemenation of credit controls 3. Revenue enhancement strategy implementation report	Monthly
2	ERM	**Approved Funded budget (Y/N) (Municipal)**	Approved budget may be unfunded	25	23	1. Monthly Service Charges Reconciliations (Tariff report, Property, Account charges) 2Timeous Reporting of faulty meters by Technical Department 3. Implement both the financial recovery and revenue enhancement plan 4. Implementation of credit control (100% in non-hostile areas)	1. Monthly 2. monthly 3. monthly 4. monthly

No.	IDP REF.	KEY PERFROMANCE INDICATOR	RISK DESCRIPTION	Initial Assessment		MITIGATING MEASURES	DUE DATES
				INHERENT RATING	RESIDUAL RATING		
3	. ERM	**Submission of credible financial statemet to AG by 31 August 2024**	AFS submitted might lack credibility	25	21	1. Signed and reviewed monthly reconciliations (Unpack recons) 2. PAAP Committee bi-weekly 3. Reviewed Quarterly Financial Statements 4. Subject mid year interim AFS to AG-SA	1. Monthly 2.Quaretely 3. Quarterly 4.31 January 2025
4	ERM	**Qualified Audit opinion**	Qualified audit opinion may not be achieved	25	24	1. Quartely BTO meetings to monitor Implementation of PAAP and Financial statement plan. 2. Use of Records Managemnet System(electronic) 3. Management in PAAP and AFS plan should form part of Directors Performance plans 4 Sending PAAP for a quality review 5. Development of Job Descriptions for financial reporting officials on preparation of AFS	1. Quarterely 2. 30 September 2024 3.. 30 August 4. Quarterly 5. 30 October 2024
5	ERM	**Reduction Plan UIF&W**	Failure to curb and reduce the UIFW register	25	25	1.Expenditure - control measures for curbing irregular expenditurei.e cost containment committee 2.. Development of UIFW reduction plan 3.Availing documents witin 3 days upon request from MPAC	1. Quarterly 2.Quarterly 3.As and when

No.	IDP REF.	KEY PERFROMANCE INDICATOR	RISK DESCRIPTION	Initial Assessment		MITIGATING MEASURES	DUE DATES
				INHERENT RATING	RESIDUAL RATING		
6	CD1.2	**Number of households with access to refuse removal services by 30 June 2025**	Households may not be provided with adequate refuse removal services	25	21	1. Make a follow up on the procurement of fleet 2. Frequent communication with PSFFM regarding repair of vehicles. 3.Where there is a breakdown on waste fleet as an when service provider will be requested to assist.	1-3 Comunique with PSFFM i.e Report, Whatsapp and email communication 3Motivation and report
7	CD1.1	**Number of known informal settlements with access to refuse removal.**	Failure to provide waste removal services to informal settlement	25	21	1.Report on services rendered by Private companies on skip loaders. 2.. Request donation of skip bins. 3. Use of EPWP	1. As and When 2 30 September 2024

No.	IDP REF.	KEY PERFROMANCE INDICATOR	RISK DESCRIPTION	Initial Assessment		MITIGATING MEASURES	DUE DATES
				INHERENT RATING	RESIDUAL RATING		
8	**CSS1.1**	**Percentage of a municipality's budget actually spent on implementing its workplace skills plan by 30 June 2025**	Allocated training budget may not be Sufficient	25	20	Report to request 1% of the budget for skills levy	1.30 September 2024
9	**ERM**	**Number of Records Management Policy Implemented**	1.Records Management policy may not be implemented 2.There might be loss of information	25	23	.1.Records management Implementation Plan 2.Establishment of records unit as per the archives act . 3. Establishment of record management Committee 4.E-Records System 5.Awareness of Records Management with North West Provincial Archives	1.30 June 2025 2.30 September 2024 3.1 30 September 2024 3.2 3.3 Quarterly 4. 30 September 2024 5.As and when

No.	IDP REF.	KEY PERFROMANCE INDICATOR	RISK DESCRIPTION	Initial Assessment		MITIGATING MEASURES	DUE DATES
				INHERENT RATING	RESIDUAL RATING		
	ERM	**Number of ICT Governance Framework and related policies reviewed and implemented**	Unreviewed ICT Governance Framework and Related Policies 2.An ICT Strategy implemenation might not be developed and reported frequently	20	18	10	1.30 September 2024 2.Quarterly 3.30 September 2024 3.1Quarterely
11		**Appointment and registration of IO and Deputy IO with the information regulator**	There might be contraventions of POPIA act	25	25	1. Draft POPIA Policy 2. Apointment Information officer and Deputy information officer 3Training/Workshop on POPI Act to all departments and role player	Bi anually

No.	IDP REF.	KEY PERFROMANCE INDICATOR	RISK DESCRIPTION	Initial Assessment		MITIGATING MEASURES	DUE DATES
				INHERENT RATING	RESIDUAL RATING		
12	**ITS1.3.1**	**Number of initiatives to reduce Technical electricity losses by 30 June 2025**	Increased electricty Losses	25	23	1.Upgrade the existing Infrastructure 2Installation of split meters 3.Meter Audits	1.30 September 2024 2.Quarterly 3.Quarterely
13	. **ITS1.14**	**Number of households with access to basic level of water by 30 June 2025**	Failing to provide access to basic level of water	25	23	1.24 Hour customer care centre, continous engagement with the Fleet Department, SCM for material and HR for Labour 2.Quarterely report	Quarterly
14	**ITS1.15**	**Percentage of drinking water samples complying to SANS 241 by June 2025**	1.Inadequate water treatment, 2.Aging infrastructure, 3.Insufficient monitoring and testing	25	23	1. Regular and regorous qulaity monitoring, Infrastructure uppgrades and maintenance and training & capacity building 2. Implemenation of the water safety plan and maintence plans	Quarterely

No.	IDP REF.	KEY PERFROMANCE INDICATOR	RISK DESCRIPTION	Initial Assessment		MITIGATING MEASURES	DUE DATES
				INHERENT RATING	RESIDUAL RATING		
15	**ITS1.15.1**	**Number of initiatives reduction of water loss by 30 June 2025**	Increased Water Losses	25	21	1.Infrastructure maintenance and upgrades, Improved metering & monitoring	Quarterely
16	**ITS1.16.5**	**Percentage of MIG Budget Spent by 30 June 2025**	1. Underutilization of funds 2. Delayed project completion and Future funding cuts	25	20	Monitoring & adherance to the procurement plan, Induction and training for PSC & CLO's for their roles & functions, Monitoring and Capacity Building & Training of internal staff	Quarterely
17	**LED1.2**	**Number of reports on progress made on SLP projects implementation**		25	20	1.1. Add reporting lines as a standing item at Mining Forum meetings 1.2 Include SLP reporting lines as a standing item for SMT 2. Communique with DMRE 3. Formulate a letter to the Speakers Office for intervention	1. Quartely 2. Once off 3. As and when

No.	IDP REF.	KEY PERFROMANCE INDICATOR	RISK DESCRIPTION	Initial Assessment		MITIGATING MEASURES	DUE DATES
				INHERENT RATING	RESIDUAL RATING		
18	MLM FRP	**Percentage implementation of (MLM) Financial Recovery Plan 30 June 2025**	Financial Recovery Plan might not be adhered to	25	20	. Progress Report on FRP	Quarterly
19	AC:1	**Number of Audit Committee report submitted to Council on quarterly basis**	Failure to table audit committee reports to council timely	25	20	Esclating non-responsiveness of management comments on internal audit report to MM 2.1 Advertised Audit Committee 2.2 Audit Committee meetings as scheduled 3.Audit Committee reports to Coucil	1.As and When 2.30 September 2024 3.Quarterely
20	ERM	**% of implemented fraud prevention plan**		25	21	1. Fraud Prevention Plan 2.Fraud Awareness programme 3.Progress report on the fraud plan	1.30 September 2024 2.Quarterely 3.Quarterly
Aggregate risk rating				495	438		

2.7 Anti-Corruption and Fraud

Integrity Ethics

Local Government legislation, the Local Government Integrity Framework and King IV points out that the Council should provide effective leadership on an ethical foundation

Madibeng Local Municipality is committed to integrity-based performance that protects and enhances its stakeholder value and reputation. It recognizes the essential role that ethics and compliance plays in the governance and sustainability of its municipality.

The Municipality has approved a Municipal Integrity and Ethics Management Framework which seeks to strengthen measures and principles for managing integrity and to promote ethical conduct as well as to attain its core purpose of Establishing a common understanding of integrity and ethics which is to be observed and adhered to by all employees and stakeholders; and

- Preventing the infringement of municipal integrity framework and the code of conduct by defining unacceptable behavior for all employees and stakeholders.

The framework provides a clear indication of what constitutes ethical municipal conduct. In such instances MLM has taken a zero tolerance approach on unethical conduct, fraud and corruption irrespective of whether the consequences for MLM resulting from the unethical conduct are big or small. The framework is applicable to all MLM employees and all MLM stakeholders.

PILLAR A: Prevention

Continuous Training and Awareness

- We are now looking into digitalising our training material and content to reach out to as many employees as possible in a convenient, safe and reusable method with the assistance of the recommended Service Provider for Anti-Corruption hotline service.
- Fraud Awareness were conducted with departments quarterly on the hotline services and integrity and ethics framework.

Municipality has made an Appointment of an anonymous anti-corruption hotline “tip-offs ‘’ –in February of 2023. The purpose of this hotline is to enable reporting of fraud, corruption, theft, illicit dealings of municipal employees and councillors. The Service Provider which was appointed is **Advanced Call Ethics and Fraud Hotline**, was based on our specifications that company retains the previous number of **0800 555 774**” from the previous company **(Whistle Blowers 2019-2021)** for continuity and to avoid confusion from whistle blowers i.e. Community members, suppliers, employees and stakeholders.

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The duration of the contract runs for a period not exceeding 24 months.

Advance Call

All reports on hotline cases will be submitted to the End-User Department Director to make preliminary investigations on the allegations and to Municipal Manager to be aware of the nature of allegations were it warrants **(depending on the nature of case if it permits for internal or external investigation)** make an approval for a forensic investigation.

Integrity and Ethics Management Plan (Fraud Prevention) 2024/2025

The detailed Fraud Prevention Plan detailed below.

No	Key Performance Area	Performance Target	Performance Indicator (Portfolio Of Evidence)	Due Date	Responsible Person
1	**2024/2025 Fraud Prevention Management Plan**	Develop the 2024/2025 Ethics and Fraud Management Plan	Approved 2024/2025 Ethics and Fraud Management Plan	30 October 2024	ERM Manager
2	**Establishment of ethics management committee**	Appointment of the members of the Ethics Management Committee Ethics terms of reference	Appointed Ethics Committee reporting to the Accounting officer Approved ethics term of reference	30 October 2024 30 September 2024 30 September 2024	ERM Manager /Accounting Officer
3	**Review of the Integrity and Ethics Management Framework**	Review Integrity and Ethics Management Framework	Approved Integrity and Ethics Management Framework	30 November 2024	ERM Manager / Accounting Officer
		Provide each department head with a copy of the approved Integrity and Ethics Management Framework	Published / Circulated Integrity and Ethics Management Framework on the website	30 November 2024	ERM Manager

No	Key Performance Area	Performance Target	Performance Indicator (Portfolio Of Evidence)	Due Date	Responsible Person
		Place the reviewed Integrity and Ethics Management Framework on the municipality's website		30 November 2024	ERM and Communication division
		Incorporate Ethics and Fraud Management responsibilities into the performance contracts of section 56 managers in respect of below indicator: 1. Implement ethics and fraud plans	Performance Agreement of senior managers and municipal manager	30 August 2023	PMS, ERM Manager
	Submit integrity and ethics management reports to the RMC/AC/SMT	Ethics Management Reports	Quarterly	ERM Manager	Submit integrity and ethics management reports to the RMC/AC/SMT on anti-corruption hotline cases

No	Key Performance Area	Performance Target	Performance Indicator (Portfolio Of Evidence)	Due Date	Responsible Person
4	**Brand the Municipal Ethics/Antifraud statement and hotline on 2 municipal buildings (Licensing and Stores).** **Brand the Municipal Ethics/Anticorruption hotline on the municipal Fleet, Newsletter, and email signature documents**	Images of Branded ethics/Anti-fraud statements on the said buildings Picture of branded fleet, email signatures and physical newsletter	30 October 2024 30 October 2024	ERM Man. / Comms Man.	Brand the Municipal Ethics/Antifraud statement and hotline on 2 municipal buildings (Licensing and Stores). Brand the Municipal Ethics/Anticorruption hotline on the municipal Fleet, Newsletter, and email signature documents
5	**Incorporate ethics test in the interview questions of all new recruits**	Reviewed recruitment and selection policy	30 September 2024	ERM Manager / HR Manager / Director	Incorporate ethics test in the interview questions of all new recruits
6	**Perform the fraud and ethics risk assessment to identify fraud and ethics risks facing the municipality**	Fraud and Ethics Risk Registers	30 June 2024	ERM Manager	Perform the fraud and ethics risk assessment to identify fraud and ethics risks facing the municipality

No	Key Performance Area	Performance Target	Performance Indicator (Portfolio Of Evidence)	Due Date	Responsible Person
7	**Continued Development of staff**	Train Officials on ethics and fraud management	Attendance register / Programs	ERM Manager	Institute of risk management SA and Ethics Management SA on training offers through our training division budget
8	**Engage the local Anti-corruption Forum**	Invite the Local Anti-Corruption for regular engagement on the status of ethics in Madibeng local Municipality	Minutes of Meetings/Attendance Register	30 November 2024	Speakers Office/ERM
9	**Ethics and Anti-Corruption Awareness**	Conduct a broader ethics and ant-corruption awareness session across various functional units and stakeholders of the municipality Conduct an ethics and fraud awareness across all directorates Induction of new employees joining the municipality on ethics and fraud	Attendance Registers and Training Evaluation forms	Quarterly Annually Continuous	ERM Manager Manager HR

Management of Conflict of Interest

Municipalities are required to ensure that conflict of interest is pro-actively managed through declarations and disclosures (hereafter referred to as disclosures) of interest, gifts and external remuneration work.

The Municipal Systems Act. requires for both councillors and employees to disclose their financial interest, gifts and rewards solicited or received to the accounting officer / council.

In enhancing the provision of the MSA, the Integrity and Ethics Management Framework further requires councillors and employees to disclose details of their family members, this came in response to the AG findings on related parties contracting business with the municipality, and as such the AG requires that both employees and councillors to disclose details of their family members.

The following is a summative report on the extent to which councillors and employees a have disclosed:

Current Year Disclosures

Councillor Disclosures

The table below will break down the level of disclosures on each category required from the 82 councillors.

Current Year

Disclosed	Not Disclosed	Total
58 or 70%	24 or 30%	82 or 100%

Table1: Analysis of disclosures received from councillors for the current year

Employee Disclosures 2024/2025

- ✓ Only 356 of the 411 employees have submitted their disclosures.
- ✓ The number of employees considered for purposes of these disclosures excludes all employees below salary level 6.

The table below will break down the level of disclosures per directorate and on each level of management:

Department	No. of Employees Submitted	No. of Employees Outstanding	Total employees required to disclose	% submission
OMM	54	04	58	93%
BTO	55	02	57	96%
ITS	80	39	119	67%
CS	32	05	37	86%
CSS	30	05	35	85%
PHS	32	0	32	100%

LED	14	0	14	100%
PSFFM	59	0	59	100%
Total	**356**	**55**	**411**	**87%**

Table2: Analysis of disclosures received from employees per directorate for the current year 2024/2025

Employees who have disclosed	Employees who have not disclosed	Total
356 or 87%	55 or 13%	411or 100%

Table3: Summary of employee disclosures for the current year

- There was a significant progress for the current year under review with employees submitting 87% of financial interest disclosures of the prescribed levels of employees(1-6) , when we compare from previous year 2023/2024 of which was at **78%** .
- There should be a 100% submission which will be aligned with MSA Schedules.
- The Auditor General has already issued findings in relation to employees who failed to disclose business and financial interest in the prior year.

Pillar B: Detection

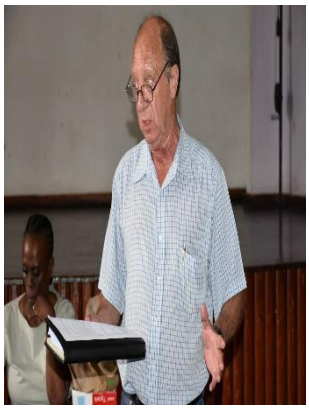
In terms of the detection principle, the municipality is required to put in place systems and processes to ensure that they detect instances of corruption that may occur.

Anonymous Anti-Corruption Hotline

The municipality is required to have a mechanism to allow for the anonymous reporting of fraud and corruption.

The municipality has ceased functionality of its anonymous anti-corruption hotline “tip-offs anonymous – **0800 555 774**”.

Oversight and Accountability Structures



- **Audit Committee:** The municipality has an independent Audit Committee whose voting members exclude both councillors and officials. The committee provides oversight on audit outcomes, risk management, financial reporting, and internal control improvements.
- **Municipal Public Accounts Committee (MPAC):** Ensures accountability for expenditure, audit queries, and implementation of corrective measures.
- **Internal Audit Unit:** Conducts ongoing reviews, reports independently to the Audit Committee, and monitors management implementation of recommendations.

*Audit Committee recommendations are set out in **Appendix G.***

2.8 Supply Chain Management (SCM)

The municipality maintains an SCM system compliant with MFMA Chapter 11 and SCM Regulations. All competitive bidding processes follow prescribed thresholds and transparency requirements.

Key SCM oversight mechanisms include:

- Quarterly internal audit reviews
- Bid committee system (Specification, Evaluation, Adjudication Committees)
- Regular National Treasury reporting

Ongoing efforts focus on improving compliance, reducing irregular expenditure and strengthening contract management.

This chapter reflects the municipality's commitment to ethical, accountable and effective governance in support of sustainable service delivery.

Supply Chain Management (SCM) Policies, Processes and Performance

1. Overview of SCM Policies and Processes

The municipality's Supply Chain Management (SCM) system is guided by the **SCM Policy**, developed in accordance with **Section 111 of the Municipal Finance Management Act (MFMA)** and the standards and procedures prescribed in **Section 112**.

The policy provides a framework for:

- Demand management (planning and needs analysis)
- Acquisition management (quotation and bidding processes)
- Logistics management (inventory, asset control, and distribution)
- Contract and supplier performance management
- Disposal management
- Reporting and record-keeping

The municipality follows a decentralised demand-planning approach supported by a centralised bid administration unit to ensure compliance and transparency. Bid committees—**Bid Specification**, **Bid Evaluation** and **Bid Adjudication Committees**—are properly constituted and function in line with MFMA requirements.
Long-term contracts concluded during the year are listed in **Appendix H**.

2. Improvements Contributing to Effective Service Delivery

Several improvements were implemented to enhance procurement efficiency and support reliable service delivery:

- **Strengthened Demand Management:** Earlier preparation of procurement plans to reduce delays in securing critical goods, services and infrastructure projects.
- **Improved Bid Turnaround Times:** Standardisation of bid documents and stricter internal timelines have reduced the overall procurement cycle.
- **Enhanced Contract Management:** Introduction of performance monitoring tools to evaluate contractors and service providers, helping address poor performance more rapidly.
- **Increased Compliance Training:** Continuous training for officials involved in SCM processes has improved adherence to legislative requirements and reduced audit findings.
- **Automation of Key Processes:** Expanded use of electronic document management and audit trails to improve transparency and record-keeping.

These improvements have supported better service delivery by ensuring timeous procurement of essential materials, fleet parts, water and electricity components, waste management equipment and infrastructure-related services.

3. Challenges in Achieving MFMA Section 112 Standards

Despite progress, several challenges continue to impact full compliance with SCM regulations and standards set out in **MFMA Circular 40**:

- **Delays in Procurement Planning:** Inconsistent or late submission of demand plans by departments results in bottlenecks in acquisition management.
- **Capacity Constraints:** Limited staffing within the SCM unit affects speed of processing bids and conducting supplier performance monitoring.
- **Non-Performance of Suppliers/ Service Providers:** Poor or inconsistent performance by some contractors affects service delivery timelines and quality.
- **Document Management Gaps:** Incomplete or late submission of supporting documentation from departments affects compliance and audit readiness.
- **Irregular Expenditure Risks:** Occasional deviations necessitated by emergencies or unforeseen needs increase the risk of non-compliance if not fully justified and documented.

Further commentary on these financial and SCM-related challenges is provided in **Chapter 5, Component D: Financial Performance**.

4. Remedial Actions to Address Shortfalls
To strengthen SCM governance and address the challenges identified, the municipality has implemented (or is implementing) the following remedial actions:

- **Tightening Demand Management:** Enforcement of procurement plan submission deadlines and closer alignment with the IDP, Budget and SDBIP.

- **Capacity Building:** Filling critical SCM vacancies and providing targeted training on procurement regulations and contract management.
- **Improved Supplier Performance Controls:** Introducing corrective action procedures, performance scorecards and stricter consequences for underperforming suppliers.
- **Strengthening Record-Keeping:** Standardising documentation checklists and improving digital storage to support compliance and audit requirements.
- **Enhanced Oversight:** Regular reporting to the Audit Committee, MPAC and senior management to track SCM performance and mitigate risks.
- **Reduction in Deviations:** Implementing stricter internal controls to reduce reliance on emergency procurement and ensure compliance with MFMA Section 113.

2.9 By-Laws

Public Participation on New By-Laws and Enforcement Measures

1. Nature of Public Participation Conducted
The municipality followed a structured and compliant public participation process in developing and adopting new by-laws, as required by the Municipal Systems Act and the Municipal Structures Act. Key public involvement activities included:

- **Publication of Draft By-laws:** Draft by-laws were published in local newspapers, on the municipal website, and on notice boards at municipal offices and community halls.
- **Ward-Based Consultations:** Ward councillors facilitated discussions at ward committee meetings, allowing residents to engage directly with the content of the proposed by-laws and raise local concerns.
- **Community Meetings and Stakeholder Workshops:** Public meetings were held across various wards, including sessions with business forums, civil society organisations, traditional councils, and sector departments.
- **Submission of Written Comments:** Residents and organisations were invited to submit written representations during the comment period. These inputs were consolidated and presented to Council for consideration.
- **IDP/Budget Forums:** Draft by-laws were also presented during IDP/Budget Representative Forum meetings to ensure alignment with municipal planning and to secure broader community input.
- **Digital Engagement:** Notices and summaries were posted on the municipal website and social media platforms to increase accessibility, for residents unable to attend physical meetings.

This process ensured that consultation occurred throughout the year and that community perspectives informed the final adoption of the by-laws.

2. Enforcement of New By-laws
Once adopted by Council, new by-laws are enforced through coordinated municipal and law-enforcement mechanisms, including:

- **Appointment of Authorised Officials:** Municipal law enforcement officers, inspectors and compliance officials are designated to enforce the provisions of each by-law.
- **Awareness and Education Campaigns:** Public education is conducted to explain residents' responsibilities, penalties for non-compliance, and reporting procedures.
- **Integration with SAPS:** In cases where by-law infringements constitute a criminal offence, matters are referred to the South African Police Service (SAPS) for further investigation and prosecution.

- **Fines and Penalties:** Contraventions are addressed through the issuing of fines, compliance notices or directives as provided for in the by-laws.
- **Monitoring and Inspections:** Regular inspections are undertaken in areas such as waste management, building control, informal trading, health and safety, and land use.
- **Interdepartmental Coordination:** Enforcement is supported by departments responsible for waste, water, electricity, human settlements, environmental health and public safety to ensure consistent application.

Name	Status	Adoption Date
Business Licensing By-Law		N/A
Credit Control & Debt Collection policy & By-Law	Reviewed	01/03/2023
Fire & Disaster Management By-Law		28/02/2017
Outdoor Advertising By-Law	Review	N/A
Procedures on Development & Adoption of Policies & By-Laws.		26/05/2017
Property Rates Policy & By-Law		01/03/2023
Public Parks By-Law		26/05/2017
Spatial Planning & Land Use Management By-Law		28/02/2017
Street Trading By-Law	Review	N/A
Tariff Setting Policy & By-Law	Reviewed	01/03/2023

2.10 MUNICIPAL WEBSITE

Municipal Website Requirements, Compliance and Improvement Measures

1. MFMA Section 75 Requirements

In terms of **Section 75 of the Municipal Finance Management Act (MFMA)**, municipalities are required to maintain a municipal website and publish key financial, governance and service delivery information. This includes:

- The IDP, Budget and all budget-related documents
- Annual reports, performance reports and SDBIP
- Supply Chain Management (SCM) information, tenders, contracts and awards
- Policies, by-laws and tariffs
- Council agendas and minutes
- Quarterly reports submitted in accordance with Section 52(d) of the MFMA
- Annual financial statements and audit reports

The municipality acknowledges these requirements and continues to strengthen its online publication and information accessibility.

2. Addressing Shortfalls in Website Content

Although the municipality has made progress in improving its website, gaps remain in the completeness, timeliness, and consistency of uploaded information.

To address these shortfalls, the following measures are being implemented:

- **Dedicated Website Administration Team:** Assigning trained staff responsible for regular updates and ensuring compliance with Section 75 requirements.

- **Content Upload Schedule:** Adoption of a formal upload timetable aligned with legislative reporting cycles (IDP, budget, SDBIP, quarterly performance reports, SCM reports).
- **Improved Document Management:** Introducing standardised templates and digital filing systems to streamline the process of preparing and publishing public documents.
- **Quality Assurance Checks:** Internal Audit and Corporate Services conduct periodic checks to ensure accuracy, completeness, and relevance of uploaded information.
- **Upgraded Website Functionality:** Enhancements to improve navigation, searchability, and download speeds, particularly for communities with low-bandwidth access.

These interventions aim to ensure that all mandatory information is consistently published and easy for the public to access.

3. Public Access to Online Information

To broaden public access to municipal information, the municipality is making progress in placing computers and internet-enabled devices in convenient public locations, such as:

- Community libraries

These access points allow community members—particularly in rural and underserved areas—to view the municipal website, download documents, submit online comments, and access IDP/Budget notices.

Further expansion of public access terminals is planned as ICT funding becomes available.

4. Monitoring Public Use of the Website

The municipality recognises the importance of monitoring public usage of its website to inform improvements and measure accessibility. Current and planned actions include:

- **Website Analytics:** Tracking the number of page views, hits, downloads and unique visitors using built-in analytics tools.
- **Feedback Mechanism:** Providing an online feedback form where users can report broken links, missing documents, or suggest improvements.
- **Quarterly Reporting:** Including website statistics in quarterly performance reports to monitor trends and assess public engagement.
- **Public Awareness Drives:** Encouraging greater use of the website through ward committee meetings, community announcements, and social media notices.

These measures help ensure that the website remains a reliable and actively used communication and accountability platform.

2.11 Public satisfaction on municipal services

Public Satisfaction with Municipal Service Delivery (Brief Overview)

Overall public satisfaction with municipal service delivery during the year reflected a mixed but improving trend, influenced by service improvements in some areas and ongoing challenges in others.

1. General Satisfaction Trends

Community feedback received through ward committee meetings, IDP/Budget Representative Forums and other communication platforms indicates:

- **Moderate satisfaction** with services where visible improvements were made, such as refuse collection, certain road rehabilitation projects, and expanded electrification in new settlements.
- **Continued dissatisfaction** in areas affected by aging infrastructure, service interruptions, and capacity limitations—particularly relating to water supply reliability, sanitation system failures, road maintenance backlogs, and illegal dumping hotspots.
- **Positive feedback** regarding the municipality's increased communication efforts, including improved responsiveness to faults reported via ward committees and call centre channels.

MUNICIPAL WEBSITE: CONTENT AND CURRENT MATERIAL + INFORMATION		
DOCUMENTS PUBLISHED ON THE MUNICIPALITY'S WEBSITE	**YES/NO**	**PUBLISHING DATE**
Current annual and adjustments budgets and all budget-related documents	**YES**	**30 June 2024**
All current budget-related policies	**YES**	**30 June 2024**
The previous annual report (2023/2024) financial year		
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards	**YES**	**AUGUST 2024**
All service delivery agreements	**N/A**	**N/A**
All long-term borrowing contracts	**N/A**	**N/A**
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4)	**N/A**	**N/A**
Contracts having future budgetary implications agreed in to which subsection (1) of section 33 apply, subject to subsection (3) of that section	**N/A**	**N/A**
Public-private partnership agreements referred to in section 120 of the MFMA	**None**	**None**
Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.		

2. Key Drivers of Satisfaction
Residents generally expressed greater satisfaction in wards where:

- Regular refuse collection schedules were stabilised
- Road patching and gravel blading were consistently implemented
- Communication on planned maintenance and outages was timely
- New electrification projects improved household access
- Community clean-up and recycling initiatives were actively supported

3. Key Drivers of Dissatisfaction
Areas that contributed to lower satisfaction levels included:

- Intermittent water supply and pipe bursts
- Sewer blockages and spillages in high-density areas
- Prolonged electricity outages linked to aging infrastructure and illegal connections
- Delays in responding to reported infrastructure faults
- Stormwater challenges during periods of heavy rainfall

4. Digital and Survey-Based Feedback
Opinion surveys conducted through the municipal website and community outreach events underscored similar trends:

- **Higher satisfaction** with customer service interactions and online information availability
- **Lower satisfaction** with turnaround time for major infrastructure repairs and capital project delays
- **Improved trust** in the municipality's reporting and planning transparency

Website analytics also show increasing public use of online platforms for accessing notices, reporting issues, and providing feedback.

5. Strengthening Public Confidence
To improve satisfaction further, the municipality is:

- Prioritising essential infrastructure upgrades (water, sewer, roads, electricity)
- Increasing maintenance fleets and technical capacity
- Enhancing call centre and digital reporting systems
- Expanding community awareness and engagement initiatives
- Strengthening monitoring and response times through the SDBIP and departmental KPIs

2.12 Municipal Public Accounts (MPAC)



Cllr Sarah Mahale
Chairperson: MPAC

Municipal Public Accounts Committee (MPAC) is established as a section 79A Committee of Council in terms of the Local Government: Municipal Structures Amendment Act 3 of 2021. The initial establishment of the Committee was in December 2011. The current Committee was reestablished on 07th December 2021 after a new Council was sworn in with Council resolution number A.0519. 13 (Thirteen) members were elected to form the committee including the Chairperson. The following are members of MPAC during the 2024/2025 financial year

Ordinary Members Of The Municipal Public Accounts Committee (MPAC)					
 JM Sibanda (ANC)	 F Mokwena (ANC)	 J Mamabolo (ANC)	 E.D.F Lourens (FF+)	 D Mamogwe (ANC)	 F Phaloane (ANC)
 KS Komape (EFF)	 E Nkala (SAVE MADIBENG)	 J Ratele (ANC)	 E van Der Schyff (DA)	 MS Moloi (DA)	 P Makhongela (ANC)

Purpose And Functionality

The Municipal Public Accounts Committee (MPAC) is established to assist Council to exercise political oversight over the executive as well as the administrative arms of the municipality and hold these authorities accountable to Council on how the public funds are spent (value for money).

The Committee reviews and adopts its annual work plan and the terms of reference, which clearly defines the specific functions of the committee on an annual basis. The annual work plan and the terms of references for the 2024/2025 were reviewed and adopted by Council on the 26th

November 2024 as per Council resolution number A.0925. The office of MPAC comprises of 4 permanently appointed officials to support the committee to execute its functions.

Governance And Challenges

The Municipal Public Accounts Committee is scheduled to meet monthly as adopted in the approved Municipal calendar. Eleven (11) meetings were planned during the 2024/2025 financial year with no meetings scheduled for December. The below table shows meetings planned for the 2024/2025 financial year.

DATE	STATUS
18 July 2024	Meeting not held
15 August 2024	Meeting not held
19 September 2024	Meeting did not continue due to lack of quorum
17 October 2024	Meeting successful
29 October 2024	Meeting successful (special meeting)
14 November 2024	Meeting successful
14 January 2025	Meeting held on the 16th however did not continue due to lack of quorum
11 February 2025	Meeting Successful (held on 15 February 2024)
11 March 2025	Virtual meeting held on the 22nd March 2024
25 March 2025	Special meeting failed due to lack of quorum
27 March 2025	Special meeting failed due to lack of quorum
17 April 2025	Planned meeting was held on the 18th April 2025 lack of quorum
13 May 2025	Meeting successful
26 June 2025	Meeting successful

Non-attendance of the meetings by members of the Municipal Public Accounts Committee (MPAC) has been brought to the attention of the Speaker for intervention. Council dissolved MPAC during the month of July 2024 under item A.0849 due to none functionality of the committee and reestablished a new committee on the 02nd October 2024 under item A.0896.

Again, during the month of March 2024 Council dissolved the committee and reestablished a new committee on the 10th April 2024 under item A.0996.

Project Site Inspections

No project site inspection were conducted during the 2024/2025 financial year due to none functionality of the committee.

Inter Governmental Relations

Invitations from different stakeholders were received during the 2024/2025 financial year as per table below:

NO	DATE	INVITEE	PURPOSE	PLACE
1	07 & 08 November 2024	NW Provincial Treasury	UIF capacity building workshop	Rustenburg
2	21 & 22 November 2024	SALGA	North West Provincial Members Assembly	Sun City
3	29 November 2024	BPDM	District MPAC Chairpersons Forum	Rustenburg
4	20 May 2025	PPAC	Oversight session on the implementation of PAAP	Madibeng
5	27 May 2025	SALGA/COGHSTA	Training for MPAC	Kosmos
6	30 May 2025	COGHSTA	Visit to support MPAC Madibeng	Madibeng
7	11 June 2025	PPAC	Provincial Chairpersons Forum	Rustenburg
8	13 June 2025	PPAC	Public hearing on 2023/24 Audit reports	Madibeng
9	27 June 2025	NWPL	Speakers Forum	Christiana

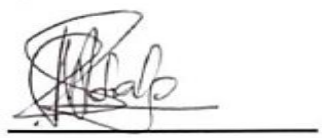
Oversight Processes On The Annual Report

It is required in line with Section 129 of the Municipal Finance Management Act, No. 56 of 2003 that the municipality considers the oversight report on the annual report no later than two months from the date which the annual report was tabled. The oversight on the annual report for the 2024/2025 financial year was tabled and adopted with reservation by council on 30th April 2025 as per resolution no. A.0792 in accordance with section 129 (a) of the MFMA.

The annual report was advertised on the website for public written comments and community meetings held to solicit comments on the annual report.

U.I.F & W Reports

MPAC is required by law to investigate section 32 reports as reported by Council. No section 32 reports (Unauthorized, Irregular, fruitless & Wasteful expenditure reports) were tabled in Council and referred to MPAC for further investigations during the 2024/2025 financial year which led to the committee not conducting any investigations on the U.I.F & W for the year under review.



CLLR S MOHALE
MPAC CHAIRPERSON

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CHAPTER 3

SERVICE DELIVERY PERFORMANCE

INTRODUCTION TO SERVICE DELIVERY PERFORMANCE

The provision of basic services remains one of the Municipality's core priorities and a central pillar of its developmental mandate. In line with the Constitution of the Republic of South Africa and the Municipal Systems Act (Act 32 of 2000), Madibeng Local Municipality strives to improve the well-being of communities through reliable access to essential services such as water, sanitation, electricity, roads, solid-waste management, and community safety.

According to the 2024/25 Integrated Development Plan (IDP) and the Annual Performance Report (APR), the Municipality's service delivery initiatives are guided by the objective of improving community well-being through accelerated service delivery. The focus areas include ensuring access to safe drinking water and adequate sanitation, improving the reliability and coverage of electricity supply, maintaining a sustainable and healthy environment through effective waste removal, and enhancing mobility through the rehabilitation and surfacing of municipal roads.

Madibeng also continues to implement the District Development Model (One Plan), which promotes integrated planning and coordination across all service delivery sectors. This approach is aimed at achieving equitable access to basic services in both urban and rural areas, addressing infrastructure backlogs, and supporting sustainable growth across the Municipality's 41 wards.

The following sections provide a detailed overview of each core service—water, sanitation, electricity, roads and storm water, waste management, and community facilities—highlighting key achievements, challenges, and measures taken to enhance service delivery during the reporting period

COMPONENT A : BASIC SERVICES

3.1 WATER PROVISION

Madibeng Local Municipality serves as both a Water Services Authority (WSA) and a Water Services Provider (WSP) with the following service providers, Magalies Water, and the Department of Water and Sanitation, tasked with ensuring equitable, reliable, and sustainable access to potable water for all residents. The Municipality's water services are governed by the Water Services Act (Act No. 108 of 1997) and the National Water Act (Act No. 36 of 1998), with strategic priorities aligned to its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP).

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The Municipality owns and manages most of its water infrastructure, which serves both urban and rural settlements. Its two main water supply schemes are the Brits Water Treatment Works

(WTW) and the Schoemansville (Hartbeespoort) WTW. The Brits WTW has a design capacity of 60 megalitres per day (Ml/d) and sources raw water from the Crocodile River downstream of the Hartbeespoort Dam. It supplies treated water to major service areas such as Brits CBD, Oukasie, Elandsrand, Damonsville, Mothotlung, and surrounding settlements. To meet rising demand, the plant is currently undergoing an upgrade to increase capacity by 20 Ml/d, funded through the Department of Water and Sanitation's Regional Bulk Infrastructure Grant (RBIG).

The Schoemansville WTW, with a capacity of 10 Ml/d, supplies the Hartbeespoort, Kosmos, Ifafi, and Melodie areas, and is supplemented by bulk water from Rand Water and the City of Tshwane. Expansion of the plant to 20 Ml/d is planned to improve reliability and accommodate growth.

In rural settlements such as Kwarriekraal, Fafung, Sephai, Legonyane, and Klipvoor, groundwater systems (boreholes) remain an essential source of supply, supported by maintenance and rehabilitation projects identified in the IDP.

According to the 2024/25 Annual Performance Report, the Municipality achieved an average water quality compliance rate of 90% against SANS 241 standards, despite operational challenges such as load-shedding and temporary chlorine system breakdowns. Preventive maintenance targets were fully met, with 100% of planned maintenance completed during the reporting period.

Water provision remains the Municipality's top priority, with strategic objectives to:

a) Ensure all communities have access to clean and safe water;
b) Upgrade and maintain bulk and reticulation infrastructure;
c) Improve water quality monitoring and compliance; and address network losses and illegal connections contributing to non-revenue water.

Through Rand Water, Magalies Water, and the Department of Water and Sanitation, Madibeng continues to strengthen its capacity to deliver sustainable water services and reduce infrastructure backlogs across its 41 wards.

Water Service Delivery Levels Households				
Description	**2021/22**	**2022/23**	**2023/24**	**2024/25**
	Actual No.	**Actual No.**	**Actual No.**	**Actual No.**
Water: **(above min level)**				
Piped water inside dwelling	445 733,00	457 950,00	515 985,00	539 964,00
Piped water inside yard (but not in dwelling)	88 506,00	90 932,00	102 455,00	107 216,00
Using public tap (within 200m from dwelling)	19 898,00	20 444,00	23 034,00	24 104,00
Other water supply (within 200m)				
Minimum Service Level and Above sub-total	554 137,00	569 326,00	641 474,00	671 284,00
Minimum Service Level and Above	82%	82%	82%	83%
Water: **(below min level)**				
Using public tap (more than 200m from dwelling)	118 168,00	121 407,00	136 174,00	141 913,00

Other water supply (more than 200m from dwelling				
No water supply				
Below Minimum Service Level sub-total	118 168,00	121 407,00	136 174,00	141 913,00
Below Minimum Service Level	18%	18%	18%	17%
Total number of households*	**672 305**	**690 733**	**777 648**	**813 197**
** - To include informal settlements*				*T 3.1.3*

Total Use of Water by Sector (cubic meters)					
	Agriculture	**Forestry**	**Industrial**	**Domestic**	**Unaccountable water losses**
2023/24	N/A	N/A	787.4	2120.54	0,54
2024/25	N/A	N/A	570,65	1 807,44	0,40

COMMENT ON WATER USE BY SECTOR:

Overall water consumption patterns in Madibeng Local Municipality remain consistent with previous years, with the domestic sector continuing to account for the largest share of total water use. This reflects the Municipality's focus on household service delivery and population growth in urban areas such as Brits, Letlhabile, and Hartbeespoort. Industrial consumption remains moderate, supported mainly by manufacturing and commercial activities in Brits and surrounding industrial zones. Agricultural water use is stable and primarily drawn from groundwater and irrigation schemes outside the municipal supply network.

The Municipality continues to face challenges with unaccountable water losses, mainly due to aging infrastructure, leaks, and illegal connections. To address these, the Municipality has prioritised the replacement of old meters, the implementation of a non-revenue water reduction strategy, and increased maintenance of the bulk distribution network. While overall demand continues to grow due to urban expansion, current supply levels remain adequate, supported by the operation of the Brits and Schoemansville Water Treatment Works and augmentation from Rand Water. Continuous monitoring, infrastructure rehabilitation, and public awareness campaigns remain essential to ensuring sustainable water use and reducing system losses over time.

Water Service Policy Objectives Taken From IDP									
Service Indicators (i)	Outline Service Targets (ii)	2023/24		2024/25			2025/26	2026/27	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective: Improved access to basic level of water									
Percentage of new Applications for water and sewer received and attended to by 30 June 2025	The total number of new applications sewer/water connections (defined as connections to a flush toilet connected to the sewerage system or a septic tank or a VIP	**New**	**New**	**New**	**100%**	**100%**	**100%**	**100%**	**N/A**
Number of households with access to basic level of water and sewer by 30 June 2025	This indicator measures the access of water by the community. MLM must provide services to the community to make life easier for the community, to minimise health risks. The RSA Constitution states that municipalities have the responsibility to make sure that all citizens	**166965**	**160724**	**166965**	**160724**	**0**	**16024**	**160724**	**166965**
Percentage of drinking water complying to SANS 241 by 30 June 2025	This indicator measures Drinking water complying to SANS 241. Standard of water quality and compliance monitoring. The scientific services department receives compliance results from Magalies water on monthly basis.	**95 %**	**93%**	**95%**	**95%**	**90%**	**90%**	**90%**	**93%**
Percentage planned maintenance of water infrastructure by 30 June 2025	The indicator measures the efficiency of the equipment. For full functionality of the equipment. the municipality should maintain its infrastructure equipment to maintain its life span of the equipment. To improve the quality of the final effluent.	**New**	**New**	**New**	**100%**	**100%**	**100%**	**100%**	**100%**

Employees: Water Services					
Job Level	2023/24	2024/25			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
4 - 6	3	4	3	1	25%
7 - 9	12	14	12	2	14%
10 - 12	10	22	10	12	55%
13 - 15	20	24	20	4	17%
16 - 18	21	58	21	37	64%
Total	66	122	66	56	46%

Financial Performance 2024/25: Water Services					
					R'000
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		191	15 286	15	37
Expenditure:					–
Employees	76	43 152	42 556	14	27 645
Repairs and Maintenance					–
Other		33 428	37 188	14	22 908
Total Operational Expenditure	76	76 580	79 744	29	50 553
Net Operational Expenditure	76	76 389	64 458	13	50 516
					T 3.1.8

Capital Expenditure 2024/25: W ater Services					
					R' 000
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original	Total Project Value
Total Capital Projects:5	10	70 277	47 178	23	
Underground Water Augmentation	3	14 000	12 613	11%	12 613
Hebron To Madidi Bulk Water Pipeline	5	–	–	–	–
Hebron/ Kgabalatsane/ Rockvil/Itsoseng	2	16 734	15 058	11%	15 058
Klipgat Extention Water Supply	–	23 543	19 507	21%	19 507
Replacement Of Water Meters	–	16 000	–	–	–
Total project value represents the estimated cost of the project on approval by council (including past and future					*T 3.1.9*

Comment On Water Services Performance Overall:

The Municipality's water services performance for 2024/25 reflects steady progress toward achieving its strategic objectives despite ongoing financial and operational challenges. The total operational revenue amounted to R15.249 million, closely aligned with the adjusted budget, while total operational expenditure stood at R79.744 million, showing a variance of R50.553 million from the original budget, mainly due to increased employee costs and unplanned maintenance linked to load-shedding impacts and equipment breakdowns.

The Municipality confirms that Year 5 IDP targets for water provision remain attainable within the approved budget framework, provided that external grant funding—particularly from the Regional Bulk Infrastructure Grant (RBIG) and Municipal Infrastructure Grant (MIG) continues to support bulk and reticulation upgrades.

Failure to fully meet certain 2024/25 performance targets, such as reduction in water losses and consistent blue-drop compliance, was largely due to aging infrastructure, borehole system failures, and limited chemical supply during the first quarter. Corrective actions include the replacement of old water meters, intensifying maintenance programs, and fast-tracking the Brits WTW upgrade.

The four largest capital projects—Underground Water Augmentation (R12.613m), Hebron to Madidi Bulk Pipeline (R15.058m), Hebron/Kgabalatsane Rockville Itsoseng (R15.058m), and Klipgat Extension Water Supply (R3.797m)—collectively achieved an average expenditure rate of 67% of the adjusted budget. These projects are prioritized for addressing backlogs and ensuring sustainable supply to high- demand areas.

Overall, water service delivery remains the Municipality's top priority, with continued efforts directed toward infrastructure rehabilitation, quality improvement in line with SANS 241, and improved operational efficiency to meet both community needs and Year 5 IDP targets.

3.2 SANITATION PROVISION

Madibeng Local Municipality is responsible for the provision and maintenance of sanitation services across both urban and rural areas. The Municipality operates several wastewater treatment works, including the Brits, Letlhabile, and Hartbeespoort (Schoemansville) plants, ensuring the safe collection, treatment, and disposal of wastewater in line with environmental and health standards. Sanitation remains a key priority in the IDP, focusing on expanding access, upgrading aging infrastructure, and ensuring compliance with Green Drop requirements to promote a healthy and sustainable environment.

The Municipality continues to implement sanitation projects aimed at eradicating backlogs in informal settlements and rural villages, while improving the operational efficiency of treatment plants. Emphasis is also placed on ensuring that all sanitation services are environmentally compliant and aligned with the principles of sustainable human settlement development.

Sanitation Service Delivery Levels	*Households			
Description	2021/22	2022/23	2023/24	2024/25
	Outcome No.	Outcome No.	Outcome No.	Actual No.
Sanitation/sewerage: **(above minimum level)**				
Flush toilet (connected to sewerage)	275569	283123	317560	330944
Flush toilet (with septic tank)	275569	537304	16391	17082
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	70462	72394	81198	84620
Other toilet provisions (above min.service level)	233727	467454	254886	233727
Minimum Service Level and Above sub-total	855327	1360275	670035	666373
Minimum Service Level and Above Percentage	90,4%	98,7%	86,5%	87,2%
Sanitation/sewerage: **(below minimum level)**				
Bucket toilet	17748	18235	20452	18520
Other toilet provisions (below min.service level)				
No toilet provisions	73122	0	84264	79245
Below Minimum Service Level sub-total	90870	18235	104716	97765
Below Minimum Service Level Percentage	9,6%	1,3%	13,5%	12,8%
Total households	**946197**	**1378510**	**774751**	**764138**
Total number of households including informal settlements				*T 3.2.3*

Households - Sanitation Service Delivery Levels below the minimum						
						Households
Description	2021/22	2022/23	2023/24	2024/25		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households						
Households below minimum service						
Proportion of households below minimum service level						
Informal Settlements						
Total households	946197	1378510	774751	764138	764138	764138
Households ts below minimum	90870	18235	104716	97765	97765	97765
Proportion of households ts below minimum service level	10%	1%	14%	13%	13%	13%
						T 3.2.4

Service Indicators (i)	Outline Service Targets (ii)	2023/24		2024/25			2025/26	2026/27	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective: Improved water sustainability and Improved quality of water and sanitation services									
Number of Waste Water Treatment works maintained by 30 June 2025	This indicator measures the quantity of of waste water treatment works complying 90% against applicable water qualifying standards. (4 x WWTW are under refurbishment) Eagles	4x waste water treatments in compliance	4x waste water treatments in compliance	4x waste water treatments in compliance	4x waste water treatments in compliance	4x waste water treatments in compliance	4x waste water treatments in compliance	4x waste water treatments in compliance	4x waste water treatments in compliance
Percentage of new Applications for water and sewer received and attended to by 30 June 2025	The total number of new applications sewer/water connections (defined as connections to a flush toilet connected to the sewerage system or a septic tank or a VIP toilet) made as part of state- subsidised human settlements development. This is inclusive of new sewer connections to communal facilities that meet basic sanitation standards.	new	new	new	100%	100%	100%	100%	n/a
Number of households with access to basic level of water and sewer by 30 June 2025	This indicator measures the access of water by the community. MLM must provide services to the community to make life easier for the community, to minimise health risks.	160 724	160 724	160 724	160 724	0	160 724	160 724	166965

Employees: Sanitation Services					
Job Level	2023/24	2024/25			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
4 - 6	7	10	7	3	30%
7 - 9	33	46	33	13	28%
10 - 12	13	43	13	30	70%
13 - 15	4	9	4	5	56%
16 - 18	62	146	62	84	58%
Total	119	254	119	135	53%

Financial Performance 2024/25: Sanitation Services					R'000
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		206 212	268 293	264 826	3 467
Expenditure:					
Employees	4 628	70 953	73 299	68 525	4 774
Repairs and Maintenance					–
Other		215 596	405 680	444 577	(38 897)
Total Operational Expenditure	4 628	286 549	478 979	513 102	(34 123)
Net Operational Expenditure	4 628	80 337	210 686	248 276	37 590
					T 3.2.8

Capital Expenditure 2024/25: Sanitation Services					R' 000
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total Capital Projects: 5	40	56 176	50 359	5 817	
				–	
Eradication Of Water &	–	14 799	13 893	906	13 893
Upgrading Mothotlung Outfall	–	11 717	10 541	1 176	10 541
Upgrading Oukasies Outfall	–	9 742	8 399	1 342	8 399
Klipgat Sanitation Project	40	19 744	17 372	2 371	17 372
Furniture & Equipment	–	174	153	21	153
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.2.9*

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

Sanitation services continue to form a critical part of Madibeng Local Municipality's core mandate of ensuring a clean and healthy environment for all communities. The total operational and capital expenditure for the 2024/25 financial year demonstrates positive progress toward the Municipality's strategic objective of universal access to dignified sanitation.

The four largest capital projects for the period were the Klipgat Sanitation Project (R17.372 million), Eradication of Water & Sanitation Backlogs (R13.893 million), Upgrading Mothutlong Outfall (R10.541 million), and Upgrading Oukasie Outfall (R8.399 million). These projects were prioritised based on community demand, aging infrastructure, and the need to address service backlogs in both formal and informal settlements. Collectively, these initiatives achieved an average expenditure rate of 90% of the adjusted budget, reflecting strong implementation despite fiscal constraints and procurement delays.

The variance between the original and adjusted capital budgets (R40 million to R56.176 million) arose mainly from the reprioritisation of funds from lower-performing projects and savings within the technical services vote, aimed at accelerating progress in high-need areas such as Klipgat and Mothutlong. Operational variances were primarily linked to unplanned maintenance costs and inflationary increases in chemical and energy prices, which were offset through internal reallocations within the approved budget envelope.

Based on current progress and available grant funding, the Municipality confirms that its Year 5 IDP targets for sanitation are achievable within the approved budget, provided that funding from the Municipal Infrastructure Grant (MIG) and Water Services Infrastructure Grant (WSIG) continues to support priority projects. However, if additional cost pressures arise—particularly from load-shedding disruptions or network failures—the Municipality will review project timelines and phase implementation to remain within fiscal limits.

At present, no significant variation to the total approved project values is anticipated, as all projects remain within their approved financial frameworks. Going forward, emphasis will be placed on improving the operational efficiency of wastewater treatment plants, expanding access in rural areas, and maintaining compliance with Green Drop standards through effective monitoring and maintenance programmes.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Madibeng Local Municipality is licensed by the National Energy Regulator of South Africa (NERSA) to distribute electricity to urban and peri-urban areas within its jurisdiction, including Brits, Hartbeespoort, Letlhabile, and surrounding townships. The Municipality's primary objective is to provide reliable, affordable, and sustainable electricity to all households and businesses while reducing technical and non-technical losses. Electricity supply infrastructure is maintained through

routine inspections, network upgrades, and new connections to support housing developments and local economic growth.



The Municipality continues to align its energy provision strategies with national priorities such as the Integrated Energy Plan and the National Development Plan (NDP). Projects outlined in the IDP focus on upgrading outdated infrastructure, expanding electrification in rural settlements, and improving energy efficiency through network rehabilitation and street-lighting programmes. In collaboration with Eskom and other service providers Madibeng seeks to improve service reliability, minimise load reduction impacts, and ensure that all communities have access to safe and compliant electricity connections.

Electricity Service Delivery Levels				Households
Description	**2021/22**	**2022/23**	**2023/24**	**2024/25**
	Actual No.	**Actual No.**	**Actual No.**	**Actual No.**
***Energy:* (above minimum level)**				
Electricity (at least min.service level)	465809	478577	536788	559411
Electricity - prepaid (min.service level)	76289	78380	87914	91619
Minimum Service Level and Above sub-total	**542098**	**556957**	**624702**	**651030**
Minimum Service Level and Above Percentage				
***Energy:* (below minimum level)**				
Electricity (< min.service level)				
Electricity - prepaid (< min. service level)				
Other energy sources	206497		237962	227154
Below Minimum Service Level sub-total	**206497**	**0**	**237962**	**227154**
Below Minimum Service Level Percentage				
Total number of households	**748595**	**556957**	**862664**	**878184**
				T 3.3.3

Households - Electricity Service Delivery Levels below the minimum						Households
Description	2021/22	2022/23	2023/24	2024/25		
	Actual No.	Actual No.	Actual No.	Original Budge	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households						
Households below minimum service						
Proportion of households below minimum service level						
Informal Settlements						
Total households	748595	556957	862664	878184	878184	878184
Households ts below minimum service	206497	0	237962	227154	227154	227154
Proportion of households ts below minimum service level	28%	0%	28%	26%	26%	26%
						T 3.3.4

Electricity Service Policy Objectives Taken From IDP									
Service Indicators (i)	Outline Service Targets (ii)	2023/24		2024/25			2025/26	2026/27	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Cur r e	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective: Improved water sustainability and Improved quality of water and sanitation services									
Number of new Households with access to basic electricity supply by the municipality by 30 June 2025	The indicator assist on the number of new residential electricity connections to dwellings provided by the municipality	767 electrified	1864 78	1193 Letlhabile B/H	100%	100%	1193	100%	100%
Percentage of unplanned electricity outages that are restored to supply within 72 hours by 30 June 2025	The proportion of MTTRs that are within industry standards where MTTR is the average time it takes to restore unplanned outages. The following five categories of restoration time are applied as industry standards NSR 047: X=1.5, 3.5, 7.5, 24 and 168	10%	10%	10%	100%	100%	100%	100%	100%
Percentage adherence to planned electricity maintenance program by 30 June 2025	This is a measure of the actual executed maintenance jobs planned as a percentage of budgeted planned maintenance effort in scheduled 'jobs'. A 'job' is a planned maintenance task scheduled by the municipality.	new	100%	100%	100%	100%	100%	100%	100%

Employees: Electricity Services					
Job Level	2023/24	2024/25			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
4 - 6	8	11	8	3	27%
7 - 9	11	20	11	9	45%
10 - 12	22	31	22	9	29%
13 - 15	0	5	0	5	100%
16 - 18	14	40	14	26	65%
Total	55	107	55	52	49%

Financial Performace 2024/25 : Electricity Services					R'000
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		795 630	777 215	762 641	14 574
Expenditure:					
Employees	32 972	30 780	34 023	39 781	(5 758)
Repairs and Maintenance					–
Other		749 613	1 049 604	1 111 992	
Total Operational Expenditure	32 972	780 393	1 083 627	1 151 774	(5 758)
Net Operational Expenditure	32 972	(15 237)	306 412	389 133	20 332

Capital Expenditure 2024/25: Electricity Services					R' 000
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total Capital Projects: 6	29 684	66 581	–	–	–
Block H Electrification 1193 Erven		28 238	–	–	–
Letlhabile C Substation		4 000	–	–	–
Letlhabile Block I Electrification 2000 H/H		1 500	–	–	–
Pendoring Substation Refurbishment		2 371	–	–	–
Lethlabile Substation	25		–	–	–
High Mass Light	4	30	–	–	–
Total project value represents the estimated cost of the project on approval by council (including past and future					

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Electricity provision remains one of Madibeng Local Municipality's core functions and a key enabler of local economic development. The Municipality continues to operate as a licensed electricity distributor under NERSA, supplying power to urban and peri-urban areas while collaborating with Eskom to extend service to rural and newly developed settlements. Performance during 2024/25 reflects progress in infrastructure development and network expansion, with key projects implemented to strengthen capacity and improve reliability in high-demand areas such as Letlhabile, Hartbeespoort, and Brits.

The four largest capital projects during the financial year were:

Letlhabile Block H Electrification (R28.238 million) – aimed at providing grid connections to 1,193 erven, addressing long-standing electrification backlogs in residential extensions.

High Mast Lighting and Energy Efficiency Programme (R30.472 million) – focused on improving public lighting and reducing safety risks across townships.

Letlhabile Substation (R25.184 million) – a critical upgrade to stabilise supply and accommodate increased demand from residential and commercial developments.

Letlhabile C Substation (R4.000 million) – supporting load management and redundancy within the local network.

Together, these projects reflect a strong emphasis on infrastructure reliability, community safety, and universal access, consistent with the Municipality's IDP priority of modernising its electricity network.

The Municipality confirms that Year 5 IDP electrification targets remain achievable within the approved budget, supported by ongoing partnerships with Eskom, which is responsible for network extensions in areas outside municipal supply boundaries. Regular technical coordination meetings between Eskom and Madibeng ensure alignment of projects, minimise duplication, and support planned bulk upgrades.

To sustain progress, the Municipality will continue to focus on completing electrification of outstanding erven in Letlhabile and surrounding areas, maintaining street-lighting infrastructure, and implementing energy efficiency initiatives. These interventions will contribute to improved service reliability, community safety, and gradual reduction in technical losses across the distribution network.

3.4 Waste management services

1. Introduction: Progress Toward National Weekly Refuse Collection Standard

Madibeng Local Municipality continues to work towards achieving the National Standard for weekly refuse collection from every household, a target originally set for 2012. Although full universal coverage has not yet been realised—especially in rural and low-density settlements—significant progress was made to improve the consistency, reliability, and reach of refuse collection services.

The municipality's strategy focuses on:

- Increasing fleet availability and acquiring additional compactor trucks
- Expanding collection routes into previously underserved wards



- Strengthening waste disposal operations and improving landfill compliance
- Promoting recycling and community clean-up initiatives
- Prioritising indigent and vulnerable households lacking basic waste collection

2. Major successes achieved

a. Acquisition of New Waste Compactor Trucks

The additional vehicles significantly improved route reliability and reduced missed collection days.

b. Extension of Weekly Refuse Collection Coverage

Service was extended to more rural wards, bringing the municipality closer to full compliance with national standards.

c. Improved Landfill Site Operations

Enhanced operational controls, site personnel deployment, and improved access roads resulted in better compliance with environmental regulations.

d. Implementation of Community Recycling Initiatives

Recycling points and community awareness programmes helped reduce waste volumes and promoted environmental stewardship.

e. Increased Street Cleaning in High-Traffic Areas

Central business districts (CBDs), township nodes, and public transport hubs received more frequent cleaning cycles.

3. Key challenges faced

- **Inconsistent services in remote and sparsely populated rural wards**
- **Aging fleet** resulting in breakdowns despite new acquisitions
- **Illegal dumping hotspots**, especially near informal settlements and open spaces
- **Limited landfill capacity**, requiring stricter waste compaction and future expansion planning
- **High operational costs**, including fuel, repairs, and protective equipment for workers

These challenges influenced operational efficiency and required strategic interventions throughout the year.

4. Progress on waste disposal, street cleaning and recycling

Waste Disposal

- Improved compliance at landfill sites through upgraded controls, fencing repairs, and stricter waste compaction procedures.
- Implementation of health and safety protocols for workers and scavenger management.
- Progress on licensing upgrades and planning for future landfill capacity.

Street Cleaning

- Expanded cleaning teams operating in CBDs, taxi ranks, and high-density residential areas.
- Introduction of scheduled street sweeping in certain townships and public facilities.
- Reduction in litter accumulation in priority zones.



Recycling

- Community recycling programmes rolled out in partnership with local cooperatives.
- Increased public awareness on waste separation at source.
- Small but steady growth in recyclable material diverted from landfills.

5. Waste management service delivery priorities and their impact

Priority 1: Expanding Weekly Refuse Collection Coverage



Impact:

- Increased number of households receiving regular collection, especially in rural wards.
- Reduction in illegal dumping associated with lack of formal collection services.

Priority 2: Improving Landfill Compliance and Capacity

Impact:

- Better environmental management, reduced fire risks, and improved public health.
- Enhanced readiness for future landfill licensing audits.

Priority 3: Enhancing Fleet Availability and Maintenance

Impact:

- More reliable service delivery with fewer missed collection days
- Reduced downtime and improved utilisation of waste management staff

6. Measures taken to improve performance

To strengthen waste management services, the municipality implemented the following measures:

- **Planned fleet maintenance** to increase the lifespan and availability of compactor trucks
- **Route optimisation**, improving turnaround times and reducing fuel consumption
- **Introduction of community clean-up campaigns**, helping to clear illegal dumping sites
- **Strengthened landfill operations** through increased supervisory staff and improved access control
- **Expansion of recycling education programmes** in schools and community halls
- **Improved coordination** between waste collection crews and street cleaning teams

7. Major efficiencies achieved

- Reduced fuel use through optimised routing
- Better utilisation of fleet due to preventative maintenance
- Fewer missed collection days due to improved fleet reliability
- Increased throughput at landfill sites through enhanced compaction
- Improved productivity of cleaning teams through staggered shift management

8. Identifying and supporting poor and undeserved communities

Madibeng identifies areas lacking adequate waste collection through:

- Ward committee reports
- Community complaints and service request data
- GIS mapping of underserved households
- Indigent register assessments
- Monitoring of illegal dumping hotspots as indicators of service gaps

Targeted Interventions Include:

- Prioritised weekly collection in indigent and high-poverty areas
- Placement of communal skip bins in informal settlements
- Subsidised service provision for indigent households
- Regular clean-up campaigns in vulnerable communities
- Education programmes on safe waste disposal practices

These interventions ensure that the municipality reduces health risks and promotes environmental cleanliness in communities most affected by poverty.

Madibeng Local Municipality has made measurable progress in expanding refuse collection, improving landfill operations, strengthening street cleaning programmes, and supporting recycling initiatives. While challenges remain—particularly in rural accessibility, fleet shortages, and illegal dumping—the measures implemented in 2025 have significantly improved service reliability and community satisfaction.

3.5 Housing

Introduction To Human Settlement And Planning

The Department of Human Settlement Directorate and Planning consists of four (4) sub-directorates or divisions, which are:

Building Control Services

Governed by National Building Regulations and Standard Act (Act 103 of 1977) or commonly known as The NBR.

Housing & Land Administration

Governed by Housing Act 107 OF 1997, Rental Housing Act, 1999 and other related legislation

Urban Renewal & Informal Settlement

Governed by Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (Act 19 of 1998) or PIE Act,

Spatial Planning And Land Use Management

Spatial Planning and Land Use Management Act (Act 16 of 2013), often known as SPLUMA,

governs The sub-directorate.

Housing And Land Administration

Housing and land Administration is governed by the Housing Act 107 OF 1997, Rental Housing

Act,1999, and other relevant legislation. The Housing and Land Administration Division objective is to facilitate sustainable human settlement and promote security of tenure.

In terms of the division's planning, an annual submission is made to the Department of Human Settlements - North West as custodians of funding for housing projects as well as acquisition of land for Human Settlements through Housing Development Agency (HDA). In this way, beneficiaries are Provided with shelter as well as security of tenure once title deeds are transferred to them.

Land Administration

The following properties have been secured during this period

Area	Property description	Extent
Oukasie	Portion 480 of the farm Roodekopjes of Zwartkopjes 427 JQ	17.72ha
	Portion 329 of the farm Roodekopjes of Zwartkopjes 427 JQ	2.81ha
	Portion 888 of the farm Roodekopjes of Zwartkopjes 427 JQ	16.70ha
Modderspruit/Majakaneng	Portion 51 of the farm Groenkloof 464 JQ	8.56ha

Title Deeds

Municipal funding for this project was a challenge and that resulted in the Department of Human Settlements funding the title deeds restoration program, appointing service providers as well as funding projects**.**

The following represent the status:

2024/2025 Overall Title Deeds Registered and Issued	
Title Deeds Issued	1282
Title Deeds Registered	2275

Housing

Madidi (B17040010/2)	517	Wall-plates 268 and 35 still busy to complete, Completions 249 and occupied
Segwaelane (B15100003/1)	25	25 completions
Hebron (B18080006/1)	102	Foundation – 85 Wall plates – 72

		Roofing – 0 Completions – 3825
Mmakau (B171110001/10	239	35 foundations & 25 wall plates
Majakaneng (B16040011/3)	409	50 foundations



Foundation setting



Wall plate level



Complete house 1



Complete house 2

Revenue Generated: Municipal Housing Rentals And Propety Leases

The table below highlights the activities of the division for the financial year 2024/25;

Employees: Housing and Land Administration					
Job Level	2023/24	2024/25			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
3-2	1	1	1	0	0%
4	2	2	2	0	0%
8-6	17	17	11	6	0%
10	1	1	0	1	0%
13-11	0	0	0	0	0%

ACTIVITIES (2024/2025)	ACTUAL PERFORMANCE
Number of Housing Rentals	30
Number of Properties/Land Leases	2
Revenue Generated	R2 007 086.00

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2024/25	186477	38633	21%

Financial Performance 2024/25: Housing Services					R'000
Details	**2023/24**	**2024/25**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue		**0**	**0**	**0**	0
Expenditure:					
Employees		5 035 370	5 029 805	4 944 828	84977
Repairs and Maintenance					
Other		613 665	613 665	829 009	215344
Total Operational Expenditure		**5 649 035**	**5 643 470**	**5 773 837**	130367
Net Operational Expenditure		**5 649 035**	**5 643 470**	**5 773 837**	130367
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.5.5*

Staff Complement: Housing And Land Administration

Employees: Housing and Land Administration					
Job Level	**2023/24**	**2024/25**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
3-2	1	1	1	0	0%
4	2	2	2	0	0%
8-6	17	17	11	6	0%
10	1	1	0	1	0%
13-11	0	0	0	0	0%
Total	21	21	14	7	0%

Building Control

The National Building Regulations and Standard Act (Act 103 of 1977), or NBR governs the division. The division's mandate is to establish an effective administrative/regulatory framework for construction

planning and approval. Another key objective of the division is to improve law enforcement in compliance with the National Building Regulation.

The Building Control Division is responsible for the approval process of building plan applications and the enforcement of statutory requirements regulating buildings, in terms of the National Building Regulations and Building Standards Act (Act 103 of 1977). It ensures that all applicable legislation and other relevant standards are conformed with.

Building Plans Submitted, Approved, Inspections Performed, Occupancy Certicated Issued, Contravention Notices Issued And Revenue Generated

Submission Of Building Plans

The applicant submits the building plan application through the Building Control Office, the plans receiver checks and verifies if the application is fully compliant. If correct, the scrutiny fees are calculated for invoicing. The invoice for payment of the scrutiny fees is forwarded to the applicant. The payment can be made at the Rates Hall or via EFT.

Approval Of Building Plans

A pre-inspection (refers to any on-site inspection done prior to the formal approval of the building plan) will be conducted by the area-building inspector. The building plans are thereafter forwarded to various departments for comments.

After departments comments are received, the plans are circulated to the building inspector who scrutinizes the plans and reviews the comments, an outcome is formulated and submitted to the building control officer for a memorandum of recommendation to the decision-maker for an outcome. The applicant will be informed through the system email correspondence of the outcome of the application.

Inspection During Construction

Once the building plan has been approved, different inspections has to be carried out, namely;

- Excavations inspection
- Trenches inspections
- Drainage / Sewer inspection
- Roof Inspection and
- Final inspection

OCCUPANCY CERTIFICATE

A certificate of occupancy is issued in terms of s14 of the National Building Regulations and Building Standard Act 103 of 1977 as amended. In terms of this provision, the local authority is required to issue such certificate within 14 days of being requested to do so by the owner of the building or any person having interest therein.

The certificate is issued by the local authority indicating that the building is in compliance with locally adopted building codes and standards and local by-laws as determined when the drawing where approved and that the building is in a suitable condition to be occupied or inhabited.

The table below shows the activities of the division for the financial year 2024/25

ACTIVITIES (2024/2025)	ACTUAL PERFORMANCE
Building Plans Submitted	353
Occupancy Certificate Issued	335
Building Inspections Performed	227
Contravention Notices Issued	225
Revenue Generated	R 1 317 328, 15
Approved Plans	337

Types of inspections



Trenches Inspection



Foundation/Compaction Inspection



Open Drainage Inspection



Open Drainage Inspection



Roof inspection



Completed House/Dwelling (The Islands Estate)

Staff Complement: Building Control

Job Level	2024/2025				
	Employees no.	Posts no.	Employees no.	Vacancies (fulltime equivalents no.)	Vacancies (as a % of total posts) %
3-2	1	1	1	0	0%
4	2	2	2	0	0%
7	8	4	11	6	0%
10	2	2	0	1	0%
13-11	0	0	0	0	0%
Total	21	21	14	7	0%

Urban Renewal And Land-Use

3.6 Free basic services and indigent support

1. Introduction: Progress Toward Achieving Free Basic Services

Madibeng Local Municipality continues to make steady progress in implementing **Free Basic Services (FBS)** in line with national policy. The municipality's FBS programme is designed to ensure that **indigent and vulnerable households** have access to a minimum level of essential municipal services, thereby safeguarding dignity, reducing poverty, and promoting inclusive development.

During the current reporting year, the municipality strengthened its FBS delivery systems through improved indigent registration, better data verification practices, and enhanced coordination with service delivery departments. While infrastructure challenges remain in certain rural and informal settlements, the municipality has increased the number of qualifying households receiving free basic water, electricity, sanitation, and refuse removal—either through direct metered services or through alternative supply mechanisms.

2. Summary of Free Basic Services Provision

Free Basic Water (FBW)

- Households registered as indigent receive the national basic standard of **6 kl of free water per month**.
- In areas without formal connections, potable water is provided through communal standpipes, water tankers, or borehole support.
- Ongoing infrastructure rehabilitation (e.g., Brits WTW upgrades, borehole repairs) continues to improve reliability of FBW supply.

Free Basic Electricity (FBE)

- Indigent households connected to the municipal network qualify for **50 kWh of free electricity per month**.
- The municipality has expanded prepaid metering to improve accuracy, prevent losses, and ensure that FBE subsidies reach the correct beneficiaries.
- In Eskom-supplied areas, FBE is provided through arrangements aligned with national policy.

3. Indigent Policy and Support: Summary of Madibeng's Approach

Madibeng's Indigent Policy provides the framework for identifying and supporting households that cannot afford basic municipal services. Key features include:

Indigent Registration and Verification

- Households apply through ward offices, customer service centres, or community campaigns.
- Verification is conducted using income thresholds, affidavits, household composition checks, and cross-referencing with national social grant databases.
- Annual revalidation ensures that only qualifying households remain on the register.

Benefits Provided

Registered indigent households receive some or all of the following:

- Free Basic Water (6 kl)
- Free Basic Electricity (50 kWh, where applicable)
- Free sanitation services or subsidised desludging (VIP Toilets)
- Free refuse removal
- Waiving of certain municipal charges and interest on arrears
- Access to emergency services such as fire and disaster relief at no cost

Targeting Vulnerable Sections of the Community
The municipality prioritises:

- Child-headed households
- Elderly-headed households
- Persons with disabilities

- Unemployed and low-income households
- Households residing in informal settlements awaiting formalisation

Community Outreach & Education

- Regular indigent registration drives through ward committees
- Awareness campaigns on FBS benefits and processes
- Mobile registration units for remote rural communities
- Collaboration with social workers to verify vulnerable households

4. Progress and Improvements Achieved During the Year

- **Growth in the indigent register:** More eligible households were registered due to targeted outreach in informal settlements and rural villages.
- **Improved subsidy targeting:** Expansion of prepaid metering and enhanced data verification helped reduce leakage and ensure accurate allocation of FBE and FBW.
- **Infrastructure improvements:** Upgraded water and sanitation infrastructure increased the reliability of basic services for indigent communities.
- **Better reporting and monitoring:** Improved alignment of indigent data with the FBS reporting framework strengthened transparency and compliance.
- **Enhanced community partnerships:** Ward committees and CDWs supported door-to-door verifications and community feedback loops.

5. Challenges

Despite progress, challenges persist:

- Infrastructure backlogs in informal settlements delay full access to FBS.
- Continuous migration into urban areas affects the accuracy of indigent registers.
- Vandalism, illegal connections, and water losses strain service costs and reliability.
- Limited municipal financial resources affect the extent of subsidies offered.

Madibeng Local Municipality continues to advance its commitment to Free Basic Services as a core poverty-alleviation programme. Strengthened indigent management processes, improved infrastructure reliability, and ongoing community engagement have enhanced access for vulnerable households. While infrastructure and budgetary limitations remain, the municipality is steadily improving equity of service delivery, ensuring that indigent households receive essential municipal services at a level that preserves dignity and supports sustainable living.

COMPONENT B: ROADS TRANSPORT

3.7 ROADS



Madibeng Local Municipality's roads strategy is focused on creating a safe, reliable and well-maintained road network that supports economic growth, improves mobility, and enhances access for all communities, including rural and low-income areas. The strategy is guided by the Roads Asset Management Plan (RAMP), the IDP, and the Transport Master Plan.

The key pillars of the strategy are:

1. **Preserving existing road assets** through routine maintenance, pothole repairs, resealing and rehabilitation.
2. **Improving access in rural and underserved communities** by blading and gravelling roads and enhancing stormwater drainage.
3. **Targeted upgrades** of strategic roads supporting economic activity, public transport routes and social facilities.
4. **Strengthening coordination** with the District and Provincial Departments, as certain major roads fall outside municipal control.

Steps Taken Toward Implementing the Strategy

The municipality implemented several actions to operationalise the roads strategy:

- **Deployment of yellow plant fleet** to increase internal capacity for grading, paving, pothole patching and stormwater clearing.
- **Routine gravel road blading** across rural wards to ensure all-season access.
- **Resealing and rehabilitation** of tarred roads in Brits, Letlhabile and Mothotlung.
- **Improved stormwater management**, including clearing of culverts, constructing lined drains and repairing damaged channels.
- **Strengthened coordination with District and Province**, particularly for regional roads and high-volume corridors falling outside local jurisdiction.
- **Enhanced pothole response programme**, including precinct-based teams and better reporting through ward committees and the call centre.

Major Successes Achieved in 2025

Success 1: Rehabilitation of Key Urban Roads

Several high-traffic roads in Brits, Letlhabile and Mothotlung were rehabilitated or resurfaced, improving safety and reducing vehicle damage.

Impact:

- Improved travel times
- Increased road lifespan
- Better access to hospitals, schools and business centres

Success 2: Extensive Gravel Road Blading in Rural Wards

The municipality completed multiple cycles of blading, reshaping and compacting gravel roads, supported by drainage improvements.

Impact:

- Reliable access for rural residents, farmers and public transport
- Improved mobility for indigent communities dependent on clinics and schools
- Reduced isolation during rainy seasons



Success 3: Strengthened Pothole Repair Programme

Targeted pothole patching was implemented in high-damage areas, supported by community reporting and rapid-response teams.

Impact:

- Safer driving conditions
- Reduced municipal liability and vehicle damage complaints
- Protection of pavement structure and extended road life

Key Challenges Faced

- **Aging road infrastructure** requiring full rehabilitation rather than basic patching
- **Severe rainfall** causing accelerated road deterioration and washaways
- **Limited funding from MIG and operational budgets** relative to the size of the road network
- **Vandalism and illegal dumping** blocking stormwater channels
- **Mandate split**: certain collector and regional roads fall under **Bojanala District or Province**, causing delays when repairs are required outside local control
- **Rapid urbanisation**, increasing pressure on existing road systems
- **Shortage of specialised road maintenance equipment** and contractor capacity in peak seasons

Top 3 Service Delivery Priorities and Impact

Priority 1: Gravel Road Maintenance in Rural Areas

- Continuous grading, compacting and drainage improvements
- **Impact:** reduced travel disruptions, improved access for emergency and scholar transport, strengthened socioeconomic participation for impoverished communities.

Priority 2: Rehabilitation and Resealing of Tarred Roads

- Focused on urban centres and public transport routes
- **Impact:** extended asset life, improved safety, and reduced long-term maintenance costs.

Priority 3: Pothole Patching and Stormwater Upgrades

- Rapid pothole response teams and improved stormwater channel clearing
- **Impact:** prevented road failures, reduced local flooding, and improved mobility during rainy seasons.

Measures Taken to Improve Performance



- **Adoption of precinct-based maintenance teams**, improving responsiveness.
- **Better planning of resealing cycles** using RAMP data to prioritise roads nearing failure.
- **Strategic procurement** of asphalt, gravel, and road maintenance materials to reduce downtime.
- **Partnerships with the private sector** for stormwater cleaning and pothole repairs in industrial areas.
- **Increased monitoring and reporting** through ward committees, engineering inspections, and GIS mapping.
- **Collaborative maintenance** with District and Province to avoid duplication and address mandate gaps.

Major Efficiencies Achieved



- **Improved utilisation of yellow fleet**, reducing contractor dependency and lowering costs.
- **Bundled procurement of maintenance materials**, achieving economies of scale.
- **Integrated stormwater and road maintenance**, reducing repeat failures after heavy rain.
- **Better scheduling of blading and resealing**, minimising fuel consumption and enhancing route planning.
- **Use of community-based reporting** (ward committees, call centre, WhatsApp channels) to target maintenance more efficiently.

Support to Communities Living in Poverty

Madibeng continues to prioritise road services in underserved and low-income areas:

- **Rural villages and informal settlements** received the highest share of gravel road grading and stormwater maintenance.
- Roads serving **clinics, schools, social grant points and public transport nodes** were prioritised for rehabilitation.
- Improvements directly supported indigent households reliant on walking, cycling and public transport.
- **EPWP labour** was drawn from low-income communities, providing temporary employment during road maintenance projects.
- Upgraded access routes improved delivery of **water tankers, refuse trucks and emergency services** to poor households.

Madibeng Local Municipality made meaningful progress toward improving road infrastructure, enhancing mobility and supporting under-served communities. While significant challenges remain—particularly funding constraints and adverse weather conditions—the municipality's focused priorities, improved maintenance planning and stronger coordination with District and Provincial authorities continue to strengthen the overall transport network.

The municipality has a mixture of formal and informal settlements which are interconnected by means of paved (tarred, concrete and block paved) and unpaved (gravel, dirt, pathways) roads. The division of Roads and Transport is responsible for the planning and maintenance of the roads, stormwater and public transport systems in the jurisdiction of Madibeng Local Municipality.

The function of Transport is the responsibility of all spheres of government including the local authority in line with the provisions of Part B of schedule 4 of the Constitution of South Africa. Section 84 (1) (a)(f)(g)(h)(of the Municipal Structures Act of 1998 firther confirms that local government also has responsibility towards this function.

The division has in place multi year contracts for the provision of materials and services for the enhancement of the delivery of service in the area. The division is succefully implementing the Expanded Public Works Programme in that over 70% of the maintenance work is declared and executed as Labour Intensive projects whereby scores of Women, Youth and Child headed family members are employed on a fixed contracts on an ongoing basis. Through the Project Management Unit and the mining sector, local collector roads are upgraded from gravel to paved (block paving) including in areas the tribal authorities

Other departments responsible for the provision and maintenance of Roads in the municipal area are the Department of Transport as well as the North West Department of Public Works and Roads as they have assets within the municipal area.

The Integrated Transport Plan is in place which provides for infrastructure improvements projects reviewable annually. The organisational Structure is also ready for the devolvement of the function to local municipality.

GRAVEL ROAD INFRASTRUCTURE		
Fin Year	**Total Gravel Roads**	**Gravel Roads Graded / Maintained**
2020/2021	3423.08km	7.51km
2021/2022	3423.08km	36.243km
2022/2023	327.29km	327.29km
2023/2024	3502.39km	425.42km
2024/2025	3927.72km	627.56km

TARRED ROAD INFRASTRUCTURE			
	Total Tarred Roads	**Existing Tar Roads Re-Tarred**	**Tar Roads Maintained**
2020/2021	700km	0	10 154.83m^2
2021/2022	700km	0	33 139.61m^2
2022/2023		18km	32 626.35M^2
2023/2024	1047.81km	18km	23 842.53m^2
2024/2025	1047.81km		21944.37m^2

COST OF CONSTRUCTION/MAINTENANCE		
	Gravel Maintained	**Tar- Maintained**
2020/2021	R5 000 000.00	R5 000 000.00-
2021/2022	R5 000 000.00	R5 000 000.00
2022/2023	R5 000 000.00	R5 000 000.00
2023/2024	R5 000 000.00	R6 000 000.00
2024/2025	R2 889 601.00	R 5 696 000.00

ROADS AND STORMWATER SDBIP:

TARRED ROADS MAINTAINED 2024/25

Target	**1st Quarter : Actual**	**2nd Quarter : Actual**	**3rd Quarter : Actual**	**4th Quarter : Actual**	**Total Achieved**	**Annual Budget**
12000m^2	9534.85 m2	4403.52m^2	5363.82m^2	6242.14m^2	21944.37m^2	R5 696 000

Gravel Roads Maintained 2024/2025

Target	**1st Quarter : Actual**	**2nd Quarter : Actual**	**3rd Quarter : Actual**	**4th Quarter : Actual**	**Total Achieved**	**Annual Budget**
80km	183.62km	144.72km	157.6km	141.62km	627.56km	R2 889 601.00

3.8 Transport (including vehicle licensing & public bus operation)

1. Brief Transport Strategy

Although **public transport is not a direct mandate of Madibeng Local Municipality**, the municipality plays an important **facilitation, planning and coordination role** to ensure that residents have access to safe, affordable and reliable transport options.

The strategy focuses on:

1. **Supporting integrated mobility** through road maintenance and improved access to taxi ranks, bus stops and public transport routes.
2. **Coordinating with the Provincial Department of Transport** to ensure alignment of routes, scholar transport, and operating licences.
3. **Enhancing pedestrian safety** through sidewalks, signage, road markings and intersections around busy taxi/bus nodes.
4. **Ensuring transport accessibility for poor and rural communities** through improved feeder roads, stormwater upgrades and maintenance of public transport corridors.

This strategy is embedded in the IDP, Transport Planning Framework and Roads Asset Management Plan.

2. Steps Taken Toward Implementing the Strategy (2025)

Madibeng undertook several actions that support mobility and public transport operations:

- **Upgrading and cleaning of taxi ranks** in Brits and Letlhabile to improve safety and functionality.
- **Improved maintenance of public transport routes**, including pothole repairs, resurfacing, blading of gravel feeder roads and stormwater clearing.
- **Regular engagement with taxi associations and bus operators** to address route conflicts, safety concerns and peak-hour congestion.
- **Strengthening scholar transport support**, including identifying safe boarding/zoning areas near schools.
- **Collaboration with the Provincial Department of Transport** on the monitoring of bus operations, licensing, and compliance.

Even without direct operational control of transport services, these steps significantly improved mobility and access for residents.

3. Major Successes Achieved

Success 1: Improved Public Transport Route Conditions

Routine pothole repairs, re-gravelling and stormwater upgrades on key taxi and bus corridors improved accessibility and reduced disruptions.

Impact:

- Safer and shorter travel times
- Improved reliability of public and scholar transport
- Lower vehicle maintenance costs for operators

Success 2: Support to Taxi Ranks and Pedestrian Safety

Improvements at transport hubs—including lighting, cleaning, signage and pedestrian walkways—enhanced safety and user experience.

Impact:

- Reduced accidents near boarding points
- Increased safety for schoolchildren and commuters
- Better organisation of taxi movements

Success 3: Strengthened Collaboration with Province

Effective coordination ensured smoother route planning, better enforcement of operating licences and more responsive engagement on community concerns.

Impact:

- Improved compliance
- Reduced informal/unregulated operations
- Enhanced planning for future transport nodes

4. Challenges Faced in 2025

- **Transport is mandated to Province**, limiting the municipality's operational control.
- **Population growth** increased pressure on existing taxi and bus services.
- **Congestion in Brits and Letlhabile** during peak periods.
- **Lack of dedicated public transport infrastructure**, such as formal bus lanes or integrated terminals.
- **Limited funding for pedestrian and NMT (non-motorised transport) projects**.
- **Inadequate shelters and stops in rural and informal settlements**, leaving vulnerable communities exposed.

5. Top 3 Service Delivery Priorities and Their Impact

Priority 1: Maintenance of Public Transport Routes

Strengthening road maintenance where taxis and buses operate.

Impact:

- Reliable commuter transport
- Better access for rural and indigent communities

- Support for local economic activity

Priority 2: Safety Enhancements at Public Transport Nodes

Upgrades such as signage, lighting, walkways and cleaning.

Impact:

- Reduced pedestrian accidents
- Improved operating environment for taxi and bus operators
- Enhanced commuter safety

Priority 3: Rural Access Roads to Transport Points

Improved gravel roads feeding into taxi and bus routes in villages.

Impact:

- Greater mobility for poor households
- Improved access to clinics, schools and social services
- Reduced isolation during rainy seasons

6. Major Efficiencies Achieved in 2025

- **Integrated maintenance planning** for roads and stormwater on bus/taxi routes reduced repeat failures.
- **Precinct-based road maintenance teams** improved turnaround time and reduced fuel and transport costs.
- **Collaborative scheduling with operators** reduced disruptions to roadworks.
- **Use of the yellow fleet** reduced contractor expenses and allowed more frequent blading in remote villages.
- **Community reporting through ward committees** improved prioritisation of hotspots.

7. Approach to Public Bus Operations

While Madibeng does not manage bus operations directly, the municipality:

- Works with the **Provincial Department of Transport** for route approval and monitoring.
- Ensures **roads used by bus services are maintained** to safe standards wherever possible.
- Provides and maintains **designated bus stops and shelters**, subject to available funding.
- Facilitates engagements with bus operators on safety, route changes, scholar transport and commuter needs.
- Coordinates with schools and SAPS to ensure safe boarding zones and anti-congestion measures.

This ensures residents—especially learners, workers and rural communities—have **accessible and affordable bus mobility**.

8. Support for Communities Living in Poverty

Madibeng prioritises transport access for indigent and rural communities through:

- **Improved gravel road access** to taxi and bus boarding points.
- **Enhanced street lighting** near transport hubs in high-crime areas.
- **Stormwater clearing** to ensure uninterrupted mobility during rainy seasons.
- **Prioritised maintenance** on routes connecting poor households to clinics, schools, work opportunities and social grant facilities.
- Inclusion of rural youth in **EPWP road maintenance teams**, providing temporary employment.

Although transport is not a direct municipal mandate, Madibeng Local Municipality has made significant progress in 2025 in improving the condition of transport routes, supporting operators, strengthening safety at taxi and bus facilities, and enhancing mobility for impoverished communities. Continued collaboration with the Provincial Department of Transport, combined with improved road maintenance, will remain central to ensuring accessible, safe and efficient transport services across the municipality.

3.9 Wastewater (Stormwater drainage)

1. Introductory Comments on Stormwater Improvement Efforts

Madibeng Local Municipality continues to prioritise the enhancement of stormwater drainage systems to protect infrastructure, reduce flooding, and ensure safer mobility for communities. The strategy focuses on upgrading critical stormwater channels, maintaining existing drainage networks, and improving resilience in urban, rural and informal settlement areas. Given the impact of severe rainfall patterns in recent years, stormwater interventions have become central to safeguarding roads, public facilities, and vulnerable households.

2. Major successes achieved

Success 1: Upgrading of Priority Stormwater Channels in Urban Areas

Major channels and culverts in Brits, Letlhabile and Mothotlung were cleared, repaired and, where necessary, restructured to improve water flow.

Impact:

- Reduced surface flooding in high-risk intersections
- Protected roads from rapid deterioration
- Improved safety for motorists and pedestrians
- Lowered maintenance costs for associated road infrastructure

Success 2: Stormwater Interventions in Informal Settlements

Targeted interventions—including gravel reshaping, earth drains, and inlet clearing—were implemented in informal settlements where poor drainage often leads to household flooding.

Impact:

- Reduced flooding of homes and community facilities
- Improved habitability and living conditions
- Enhanced access for emergency and service vehicles
- Direct support to indigent and vulnerable households

Success 3: Rural Drainage Maintenance Programme

Rural roads received significant attention through culvert cleaning, shaping of side drains, and construction of small concrete crossings.

Impact:

- Improved mobility during rainy seasons
- Reduced washaways and road closures
- Enhanced access to schools, clinics and farming zones
- Direct benefit to low-income rural communities dependent on gravel road networks

3. Challenges faced

- **Severe rainfall patterns** caused frequent blockages, infrastructure erosion and culvert damage.
- **Illegal dumping** in stormwater channels worsened flooding and required repeated clearing.
- **Aging and inadequate infrastructure** in some urban areas is not sized for current runoff volumes.
- **Funding constraints** limited the scale of new stormwater upgrades.
- **Rapid urbanisation and growing informal settlements** increased pressure on undersized or non-existent drainage systems.
- **Vandalism and theft** of steel grates and stormwater covers created safety risks.

4. Stormwater priorities and their impact

Priority 1: Clearing and Rehabilitation of Major Stormwater Channels

Focusing on high-flood-risk areas in Brits, Letlhabile and Mothotlung.

Impact:

- Significant reduction in local flooding events
- Extended lifespan of road surfaces
- Improved community safety and reduced accident risks

Priority 2: Informal Settlement Drainage Support

Installation of rudimentary drains, reshaping, and clearing out blocked inlets.

Impact:

- Direct protection for indigent households against flooding
- Improved environmental health
- Increased accessibility for municipal services and emergency vehicles

Priority 3: Rural Road Drainage Improvements

Cleaning culverts, reshaping gravel shoulders, and stabilising earth channels.

Impact:

- Greater all-weather access in rural wards
- Lower risk of road washaways
- Improved access for learners, social grant beneficiaries, and small-scale farmers

5. Measures taken to improve performance

- **Precinct-based stormwater maintenance teams** were deployed to improve rapid response.
- **Integrated stormwater and road maintenance planning** reduced repeat failures.
- **Prioritisation of high-risk nodes** using GIS mapping and community feedback.
- **Routine inspections** conducted before and after heavy rainfall patterns.
- **Partnerships with private sector and local industries** for joint clean-up initiatives.
- **Public awareness campaigns** through ward committees to reduce illegal dumping in drains.

6. Major efficiencies achieved

- **Improved use of yellow fleet**, reducing contractor dependency and lowering operational costs.
- **Combined stormwater–road maintenance operations**, saving fuel, labour and time.
- **Standardisation of culvert designs** reduced procurement delays and installation time.
- **Community-based early reporting systems** (WhatsApp groups, ward committees, call centre) enabled faster identification of problem areas.
- **Better scheduling around rainfall forecasts** reduced rework and improved efficiency.

7. Support to informal settlements, rural areas and poor communities

Madibeng placed strong emphasis on supporting vulnerable households through stormwater interventions:

Informal Settlements

- Earth drains installed to divert water away from homes
- Clearing of blocked inlets and culverts near densely populated areas
- Placement of sandbags and temporary channels during emergencies
- Direct benefit to indigent households exposed to recurring flooding

Rural Communities

- Improvement of drainage along gravel routes connecting rural villages
- Protection of access routes used by learners, clinics, buses and taxis
- Enhanced mobility for farming households and low-income communities

Low-Income and Poverty-Stricken Communities

- Prioritised maintenance in wards with high indigent registers
- Reduced flooding around grant pay points, clinics and schools
- Improved accessibility for water tankers, refuse trucks and emergency vehicles

Stormwater improvements therefore contributed directly to **risk reduction, safety, mobility and living conditions** for poor and vulnerable households.

Madibeng Local Municipality made meaningful progress in 2025 in strengthening and expanding its stormwater drainage systems despite funding limitations, rapid settlement growth and adverse weather. Major successes included upgraded urban channels, improved drainage in informal settlements and targeted rural interventions. Through improved planning, efficient resource use and coordinated maintenance, the municipality enhanced resilience, protected road infrastructure and significantly benefited indigent and vulnerable communities.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 Planning

Planning, Town Planning and Building Control: Overview of Strategies, Achievements and Challenges

1. Main Elements of the Planning Strategy

Madibeng's planning and land use management strategy focuses on creating well-structured, sustainable and economically vibrant settlements. The main elements include:

a) Integrated Spatial Planning

- Alignment of the Spatial Development Framework (SDF) with the IDP
- Prioritisation of compact, efficient settlement patterns
- Protection of environmental assets and promotion of sustainable land use

b) Accelerated Township Establishment & Regularisation

- Formalisation of informal settlements in partnership with the Province
- Township establishment to unlock serviced land for housing and business
- Improved tenure security for communities

c) Efficient Development Control & Land Use Management

- Streamlining rezoning, subdivision and consent use applications
- Implementing SPLUMA-compliant processes



• Ensuring that developments comply with environmental, engineering and spatial requirements

d) Building Regulation and Compliance Enforcement

• Ensuring that all buildings comply with the National Building Regulations
• Monitoring illegal building work and issuing notices where required
• Enhancing safety and structural integrity in public and private developments

2. Achievements

Achievement 1: Improved Turnaround Time for Land Use Applications

The municipality successfully reduced approval timelines for rezoning, consolidation and subdivision applications through improved internal coordination between planning, engineering services and GIS.

Impact:

- Increased investor confidence
- Faster release of land for housing and business development
- Improved responsiveness to development demands

Achievement 2: Progress in Informal Settlement Regularisation

Several informal settlements progressed in layout approval, basic services planning and tenure processes through collaboration with the North West Department of Human Settlements.

Impact:

- Greater security of tenure for low-income communities
- Enhanced access to basic services in priority settlements
- Strengthened planning compliance and reduced unregulated growth

Achievement 3: Strengthened Building Control and Enforcement

The municipality intensified inspections, focusing particularly on unsafe structures, illegal additions and non-compliant commercial developments.

Impact:

- Improved public safety and structural integrity
- Increased compliance with building regulations
- Protection of the municipal spatial vision and development standards

3. Challenges experienced

- **High volume of land use and building applications** slowed turnaround times.
- **Infrastructure backlogs**, especially water and electricity, restricted new development approvals.
- **Unregulated settlement growth** increased pressure on planning systems.
- **Staff shortages** in planning and building control reduced inspection capacity.
- **Environmental sensitivities** in Hartbeespoort and peri-urban areas required complex assessments that delayed approvals.

4. Service delivery priorities and their impact

Priority 1: Acceleration of Township Establishment

Focused on unlocking serviced land for housing and economic uses.

Impact:

- Supported provincial housing delivery
- Expanded the rates base
- Enabled planned land development instead of uncontrolled growth

Priority 2: Strengthening Building Control and Compliance

Targeted enforcement in high-growth urban areas and informal settlements.

Impact:

- Reduced illegal construction
- Improved structural safety
- Supported proper planning standards and service alignment

Priority 3: Formalisation of Informal Settlements

Alignment of layouts, engineering inputs and land use rights.

Impact:

- Improved access to services for indigent communities
- Safer, more organised settlements
- Better targeting of social and infrastructure investments

5. Measures taken to improve performance and efficiency

- **Digitalisation of planning processes** to improve tracking and transparency
- **Joint technical meetings** between Planning, Engineering and Human Settlements
- **Updated zoning and cadastral maps** to support faster decision-making
- **Standardisation of building plan checklists** to reduce rejections and delays
- **Increased field inspections** through better operational planning
- **Targeted training** for planning and building control staff

6. Support to low-income communities and those living in poverty

The Planning and Building Control units provided direct and indirect support through:

a) Informal Settlement Upgrading

- Approved layout plans that pave the way for service installation
- Safer siting of structures to reduce flooding and safety risks
- Prioritised planning support in wards with high indigent registrations

b) Assistance with Building Plan Queries

- Technical guidance to indigent households building starter homes
- Simplified requirements for low-cost structures in approved areas

c) Protection of Vulnerable Communities

- Monitoring illegal developments that compromise health, safety or access
- Enforcement to prevent unsafe building practices in densely populated areas

d) Inclusive Spatial Planning

- Ensuring that new developments include provision for social services, pedestrian access and affordable housing options

Madibeng Local Municipality made meaningful progress in strengthening spatial planning, development control and building compliance despite infrastructure shortages, resource constraints and rapid settlement growth. Through improved processes, targeted inspections, and a strong focus on informal settlement upgrading, the municipality supported sustainable development while protecting vulnerable households and guiding orderly urban growth.

3.11 LOCAL ECONOMIC DEVELOPMENT including Tourism And Agriculture



The Local Economic Development Strategy of the Madibeng Municipality has identified five key economic pillars which includes Mining, Agriculture, Tourism, Manufacturing and Retail. These sectors contribute a huge percentage to the Gross Domestic Product (GDP) and job creation. The Strategy further identifies Informal Trade as another sector which should not be overlooked as it also plays a pivotal role in the local economic growth and development.

Madibeng Local Municipality is the world's third largest Chrome producer and is included in the richest Platinum Group Metals Reserve (situated on the Merensky Reef). The mining of granite stones is also prevalent around Brits – Oukasie, Sonop, Kareepoort, Geluk and Mmakau.

Madibeng Local Municipality has a comparative advantage over other Municipalities in the Province in that, it is strategically located as it borders 3 big cities; Rustenburg, Pretoria and Johannesburg on the N4 for economic development. Madibeng also has good hutton soil with high water holding capacity and 90km irrigation canal which allows local farmers to grow various crops for the local, national and international market making it more competitive over others in the Agricultural sector. Furthermore, Madibeng prides itself with the Hartbeespoort Dam which was filled for the first time in 1925, attracting many tourists and boosting the tourism economy in the area.

Madibeng Local Municipality's manufacturing capacity include the motor industry, granite processing, auto cables, gas production to name but a few. The retail sector is also booming due to an increase in income per capita.

The Mineral Petroleum and Resources Development Act of 2002 (MPRDA) and the Mining Charter, allows the Municipality to govern their Social and Labour Plans derived from the integrated development of Madibeng Local Municipality. Other opportunities include ability of local business, especially in mining communities to engage with mines regarding procurement programs and mines also offer job opportunities to the local communities.

The transformation initiative effected for water users through Water Act 1998 (1956) opened an opportunity to have Irrigation Water Boards that accommodate previously disadvantaged farmers. Though there are gapping gaps and grey areas in the Water Act 1998, it is a surest intervention mechanism for inclusion and irrigation water equity distribution to boost plant production in the fertile Hutton Soils.

Madibeng economic development prospects have not escaped or rather were not immune to the impact of COVID 19 pandemic. All the sectors are still reeling as a result of economic slump, job losses and increased poverty due to Disaster Management protocols which were implemented during that time.

Additionally, the economy is negatively impacted by ageing infrastructure, resulting in the limited civil services (limited water & electricity supply and poor condition of roads) and maintenance at its lowest ebb.

Migration of industries to Rosslyn and to neighbouring countries like Botswana also causes an economic slump and despair hence need for review the LED Strategy and investment promotion and attraction strategy.

The programs to resuscitate distressed mining towns, like Small Town Regeneration, diversification, establishment of organizations like Proudly Madibeng serve as strategic initiatives to revive and rekindle the local economy and beautification of the town.

The other obvious challenge is influx of undocumented foreign nationals who dominate opportunities that could benefit local SMME 's. Foreign nationals officially overtake the informal sector in the wholesale fraternity, with Spaza industry and local residents are pure consumers whilst 99% of historically-locally owned Spaza have been rented out to foreign nationals.



Outdoor advertising is identified as part of the revenue enhancement strategy for the Municipality. It has capacity to reactivate economy and generate revenue for the municipality. Plans are underway to implement the strategy using the relevant bylaws.

Business licensing as another wing and stream in the department, has been contributing to some extend has been transferred to the province through NW Business Licencing Act, whilst, the Act abrogated licensing authority from all municipalities, there is some level of licensing the municipality do, on businesses that sell perishable commodities.

Agricultural sectors creates more job opportunities, but with the lowest wage levels. This results in such jobs occupation by foreigners out of desperation. This does not make any meaningful impact to local community.

Large-scale beef production is booming in the eastern part of the municipality because of Jericho Feedlot build through the national Agri-parks program. The upgraded feedlot facilities created rare opportunities for cattle farmers.

The other booming Sector is Citrus with three black female farmers from Sand drift, Mooinooi and Kleinfontein who have secured permits to export oranges to Europe, Singapore and Russia.

LED ORGANISATIONAL STRUCTURE

Job Level	Posts		Employees	Vacancies	% Vacancies	% Filled Posts
0-3	5		3	2	40	60
4-6	13		8	5	39	61
7-9	8		7	1	12	88
10-12	6		4	2	34	66
	32		22	10	31	69

Local Economic Development Strategy, Vision and Mission

The delegated strategic objective of the department is anchored on the following key priority areas and all of these find expression in the SDBIP's:

1. Review of LED Strategy, Tourism Master Plan, Marketing Strategy and Investment Incentive Scheme review.
2. Promulgation of Street Trading Bylaws, and development of Business Licensing By-Laws.
3. Management and regulation of Dept By-Laws (Informal Trade (Street Trading), Outdoor Advertising, and Business Licensing.
4. Monitoring and Reporting on Mining Houses Social Labour Plans.
5. Small Town Regeneration in collaboration with local businesses (Mining houses and Proudly Madibeng Organisation)
6. SMME's support, capacity building, registration to CSD's, institutional developments.
7. Agricultural development and support with focus on project developments: Fresh Produce Markets, Beef Cattle Feedlots, and support to the flourishing plant production (vegetable, grains and citrus)
8. Institutional Development to encompass holistic Business Licensing.
9. Manage, Record and report on jobs creation (EPWP, CWP, any other external programs like Environmental management etc)
10. Collaboration with National and Provincial Local Economic Development initiatives.

The Vision and Mission Statement Of Economic Development, Agriculture And Tourism Of Madibeng Local Municipality

The vision and mission are listed below:

Vision

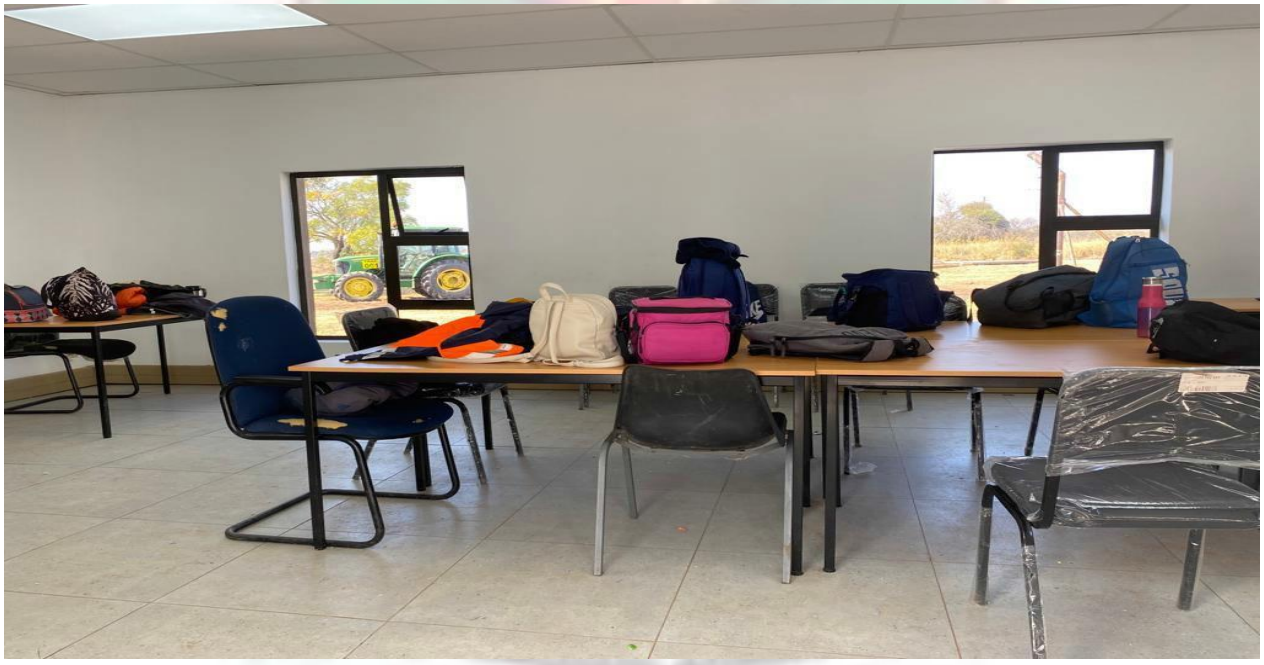
"Vibrant local economy, with special focus on jobs creation and improved quality of life for all".

Mission
"The creation of a diversified local economy, focused on the creation of jobs, improved quality of life and deliberate economic interventions. Inspiring economic initiatives that are pro-development, pro-poor, balanced and integrated".

PRIMARY SECTOR

AGRICULTURE
Northam Eland Platinum Mine established an Agri Academy, School for all new entrants into the agriculture sector. Current intake is 40 learners from Mmakau Village







Agriculture is one of the largest contributor to the Madibeng income accounting for 17.7% of the economic activity. There are four different types of agriculture which can be identified in the area:

INTENSIVE AGRICULTURE

Intensive agriculture is the one that is environmentally controlled, where winter can be created in summer, or summer in winter. This is done through tunnel production system, and livestock production intensive houses. In Madibeng most vegetables are produced both intensively and extensively (cucumbers, tomatoes, and butternuts).

Intensive livestock involves pigs and poultry (broilers / chicken production and eggs). Beef produced intensively is under feedlot systems which are slowly growing.

EXTENSIVE AGRICULTURE

Extensive agriculture in animal production is dominated by communal livestock production, with high stocking rates and little grazing capacity in villages. The grazing areas are compromised by illegal land invasion by informal settlements.

Under plant production there is both dry land and irrigation systems production. Commodities dominating the crop production sector is barley, wheat, soya-beans, green mealies, sorghum, and sunflower. Groundnuts are produced to a smaller extent because of the soil quality requirements. Dominant fruit in Madibeng is Citrus. (Lemons, Oranges and naartjies)

Madibeng is the land of vegetables. The Municipality boasts supply of vegetables to the Free-State, Northern Cape and Gauteng Provinces. All kinds of vegetables are produced both intensively (nets and tunnels) and extensively. Sweet potatoes, butternuts, carrots, cabbage, spinach, lettuce. The only struggling commodity is potatoes because of the heavy clay soils. However, the Agricultural Research Council is assisting with production of a new potato variety to suit the environment. Sweet Potato varieties thrive very well with all different cultivars planted.

GAME FARMING

These areas are located in the north-western quadrant of the Municipality in Ward 1, flanked by Rooikoppies Dam and the Elandsberg mountains. The location makes it accessible to tourists as well as visitors to the game-farming region.
However, the Southern side boasts tourism game sanctuaries. The Elephant, Monkey Sanctuary and the Snake-Park also serve as tourism attraction areas
Furthermore, approval of funding for the establishment of Letlhabile Game Farm remains key tourism initiative intended to ensure local economic development in areas around.

SUBSISTENCE AGRICULTURE

Subsistence farming is well covered below in the Household food security section
The Madibeng farming community is classified into three categories with different development needs:

- Commercial sector farmers,
- Emerging / Up-coming farmers and
- Household food security producers.

COMMERCIAL FARMING SECTOR

It is dominated by well-established farmers who have knowledge, experience and the means to produce. They serve as the pride of Madibeng because they contribute to the economic development through food production at a close range, as well as jobs creation. The agricultural plant products include vegetables, fruit, field crops and flowers. The animal products are broilers (chicken), dairy products and beef. Pork and egg production are lesser scales in Madibeng. Technical Support is from the Government Development Sectors. Most of the Commercial producers are linked to markets all over the country and some even export their produce. The current booming sector is goat farming, beef and citrus with ability to export to SADC and even to European Countries.

EMERGING / UPCOMING FARMERS SECTOR

These include the new Land Reform beneficiaries as well as the farmers in the communal areas of Madibeng. Cognizance must be paid to the fact that Madibeng is dominated by resource poor rural villages. Agricultural production is limited to small scale production of environmentally controlled projects. These include chickens, small scale vegetable gardens and pigs for income generation.

However, culturally livestock like cattle, sheep, goats, horses and donkeys are kept and also need some care. These generate income in limited levels. They need water, grazing and medication. All of these get technical support from Government Development Sectors.

Communal farming in Madibeng villages is threatened by the invasion of informal settlements. Grazing camps and arable lands are so reduced resulting in non-viable businesses. Farmers are forced to reduce stocking rates, or even to stop farming; crop production has to be changed to horticulture. This is a serious economic slump, and it is very risky to the general socio-economy to practice farming very far from the households in attempts to secure larger farming spaces.

Currently the beef production farmers have engaged in the Agri-Park mode of feedlot ting and are producing beef on large scale basis. Feeding their weaner calves to required masses and selling at the local auctioneers on the R511 road.

BOJANALA AGRIPARKS PROJECT

Madibeng has been identified for both vegetables and beef production. Jericho Cattle Feedlot is the currently developed Farmer Production Support Unit for National Agri Parks. Farmer groups and Cooperatives place weaner cattle stock into the feedlot for rounding up, for a specific period. It can either be 120 days or 90 days minimum. The target carcass mass is 300 to 350 kg, of which the farmers found it easy to reach. The biggest challenge is the cost of feed, which forms 70 % of the production costs.

Some of the latest cattle intake at Jericho Cattle Feedlot, inside the newly renovated kraals.



HOUSEHOLD FOOD SECURITY

These projects are supported mostly by the Department of Social Services and technically by all agricultural development sectors. They are meant to produce food just in small quantities to address the household needs or for poverty alleviation. That is small food-plots in the back yards, few layers for breakfast eggs and some cows for milk production. All of these need financial support for sustainability. All government sectors have a responsibility to address this for a balanced community diet

NATURE CONSERVATION IN MADIBENG

Agricultural production depends on sustainable natural resource management. The National Department of Environmental Affairs (Natural Resource Management Division) started the following processes in Madibeng as a nature conservation practice. The processes ran for the past 5 years.

- Eradication of alien plants and invader species.
- Reclamation of dongas
- Control bush encroachment

• Control soil erosion

• Preservation of indigenous plants

MINING

The mining sector is the highest employer. In the North Western part of Brits town there is a mining activity. The location is few kilometres from Bakwena Platinum High way and therefore offers opportunities for the integration of mining activities and products with other economic sectors.

There are also small scales mining activities scattered throughout the Madibeng Local Municipality. Within the past few years the area witnessed new open-cast mines. Products comprises of Platinum Group Metals, Chromium, intensive granite and sand mining. Other mining products include ferrochrome, stone and granite quarries, silica sand and vanadium pentoxide. Some of the world's richest platinum deposits and the largest chromate reserves are found in Madibeng Local Municipality. The Municipality launched a Mining Forum where all relevant stakeholders can engage with the Mining Houses. The Forum sits on quarterly basis.

The current list of Mining Houses who are members of Madibeng Mining Forum is as follows:

- Eland Platinum Mine
- Dikwena Samancor
- Lesedi Samancor
- Kelly Granite
- Kudu Granite
- African National Granite
- Buffelsfontein Chrome
- Eastern Platinum
- Elandskraal Chrome
- Mangwe
- PPC
- Protea Granite
- Sibanye Stillwater
- Vametco Bushveld and
- Western Samancor Platinum
- Eastplats
- Platchro
- Jubilee
- Lenong Granite
- Afplats – (Impala)

SECONDARY SECTOR

Manufacturing

The manufacturing sector plays a huge role in employment creation in Madibeng. The industrial activities in Madibeng includes:

- Motor industry/ Auto motive dominates the industrial scene: e.g. Afmit Tools; Bosch; Bridgestone Firestone
- Granite processing industries: granite cleansing, and manufacturing tombstones.
- Auto cable, e.g. CBI.
- Agri-processing, e.g. animal feed and juice.
- Agri-equipment and trailers.
- Plastic containers.

- Industrial gas supplier.
- Concrete roof tiles and roof trusses.
- Packaging material: International bag buyers.

ENTERPRISE SUPPORT

The Small, Medium and Micro Enterprises including informal businesses within the Municipal area contributes positively to the Local Economy of the municipality and community benefits enormously. Due to high unemployment rate, the community seeks for opportunities within all sectors: retail, agriculture, services and manufacturing.

There is a serious need for business infrastructure in townships and rural areas as funding institutions do not cater for building facilities and start-up capital. Small Industries need to be prioritized.

Entrance and growth within the business sector is challenged by government red tape especially when it comes to the following main aspects:

- Access to business land,
- Funding,
- Compliance processes (e.g. EIA),
- Access to markets, etc.

This results in limited growth, and stagnant or declining economy.
The Municipality, Government Departments, Agencies, Private Sector and NGO's provide support to local enterprises including the Informal sector.

LED Department supported ± 1000 local SMMEs, through training, skills as empowerment to run businesses, provision of trading equipment (with funding from external stakeholders and Sector Provincial & National Government Dept).

BUSINESS LICENSING

The North West Provincial Department of DEDECT is in the process of taking over the Business Licensing authority of businesses within the Province. The Business Licensing regulations are completed and will be implemented in the near future.
The new Business Licensing Act encompasses all types of businesses whilst, the Municipal Business Licensing Policy catered only for perishable food stores, renewable on annual basis.
New Business Licensing By-Laws will be in line with the new Business Licensing Act. Implementation will depend entirely on staff complement and tools of trade.

JOB CREATION THROUGH EPWP

Table of jobs to be created in 2024/2025:

Programme	Number of jobs created
Department of Public works (CWP)	1100
EPWP (RE A DIRA)	80
EPWP Slip meters	250
EPWP Libraries	8
EPWP Parks	15
EPWP Waste	36
Tourism safety monitors	30
Tourism Cookery	30
Total Jobs created	**1549**

TERTIARY SECTOR

Tourism









Alba boat is the first of its kind in South Africa and it has capacity of seventy-two seats (72). It is fully compliant with all safety regulations of the South African Maritime Authority (SAMSA). The captain and the crew are seasoned veterans, fully qualified to handle a vessel of its size. It is the biggest boat in the North West Province. It is going to have a huge impact in the tourism industry

The Madibeng Local Municipality is rich in tourism attractions as it is the second most visited tourism destination after Cape Town Waterfront.

It is strategically situated between three major cities: Rustenburg, Pretoria and Joburg, and is also enroute to Sun-City and Madikwe Game Reserve.

The Magaliesberg Mountain ranges extents in the east-west direction across the southern half of Madibeng. The Magaliesberg biosphere was proclaimed an international Biosphere Reserve by UNESCO on the 09 July 2015, having been recognized for its exceptional natural, cultural and human characteristics.

Hartbeespoort Dam is located in the southern part of Madibeng and is fed by Crocodile River. It is regarded as the second most visited town to V&A waterfront in Cape town. Hartbeespoort Dam occupy the major open space within Madibeng. Hartbeespoort Dam as well as its shores is preferred by most people for residential purpose as well due to its beautiful landscape,

Historical and Archaeological Sites are located in the Magaliesberg and Witwatersberg surroundings within declared Biosphere reserves. Situated on the south of Witwatersberg is the Cradle of Humankind which is proclaimed as a World Heritage Site.

There are also farm buildings dating back to the 20th century which are proclaimed National Monuments as well as archaeological site on these mountain ranges of Magaliesberg and Witwatersberg. Also historic elements such as old forts and fortifications of historic battlefields including categorizations of prehistoric farming, mining, metal production as well as cultural villages.

Madibeng is rich in culture and heritage, and to increase the length of stay of tourists in the area a list of things to do and places of interest are listed below:

Arts & Culture: Damdoryn offers, amongst others, a wide variety of handmade curio and other interesting items. Currently the area needs a lot of renovation to enhance its vibe.

Science & Nature: Natural attractions of the town include the 40,000ha Vaalkop Dam Nature Reserve and Borakalalo Nature Reserve where bird-watchers can spot over 340 bird species and game drives.
Madibeng boast breeding of animal species such as Cheetahs, lions, and crocodiles. De Wildt Cheetah Research Centre, Ukuthula Lodge and Chameleon Village are amongst the most popular tourism attraction areas.

Entertainment: Famous herbalist Margaret Roberts has her wonderful herb garden in Brits, and visitors can view the garden and buy herbal products. Hartbeespoort is also the home of the Welwitchia Country market, Harties aerial cableway, monkey- and elephant sanctuary, crocodile farm, Lion Park Safari, as well as snake and animal park mentioned earlier under game farming.

Sport: The well known Hartbeespoort Dam is extremely popular for its water sports, i.e. fishing, sailing, boating and water-skiing. The adventurers can enjoy, amongst others, river rafting and

absailing. There is also a zip-line tour where tourists can have an air adventure, moving in the air near Broederstroom, at Lajoya and it is called Amazwingzwing. There is also the Hot Air Balloon adventure in Skeerpoort. There are also a number of excellent golf courses in the Madibeng area, Magaliespark, Seasons, Peaconwood, Mooinooi.

The National Development Plan has also identified Tourism as a key contributor to the gross domestic product (GDP) of the country. Collaboration with both government and private sector programs is boosting the tourism economy and monitoring safety in Madibeng. The municipality continue to enjoy tourism safety monitors Learnership which is offered by the National Department of Tourism and the cooperation received from host employers.

Tourism Business Compliance:

- Tourism businesses must comply with Town Planning scheme e.g.the re-zoning processes.
- Monitoring of businesses by law enforcement officers including penalties
- Affiliation to the tourism associations (compulsory)
- Assistance grading processes through partnerships (grading made compulsory)
- Tourism signage
- Tour Guides
- Tour Operators

Tourism Associations

The Tourism industry took a dip due to Covid 19, and it also collapsed the Tourism Associations. There is a need to revive Tourism association to encourage the product owners to market and promote the industry as a collective.

Disinvestment is also experienced in the tourism sector with the shutting down of some popular tourism products like African Island which had high tourism attraction potential.

DEPARTMENTAL HIGHLIGHTS

1. LED Department held a Successful Investment Summit in November 2024. Small Local Businesses had a platform to network with intenational markets. Ambassador for six international countries attended**.**









2. Madibeng Business People with disabilities received equipment from the National Department of Small Business Development to enhance their businesses.





3. MMC Motladi Modipane received business support equipment form MMC Annikie Selebogo (Bojanala District) for local SMME's , Moagi Bricks in Mmakau.





4. Boiketlo Bakery in Maboloka





COMPONENT D: COMMUNITY AND SOCIAL SERVICES

Madibeng Local Municipality continues to implement its developmental mandate by prioritising services and programmes that directly enhance the quality of life of all residents, particularly communities living in poverty. Across all service delivery functions, the municipality places strong emphasis on equitable access, ensuring that vulnerable households benefit from targeted interventions such as indigent support, Expanded Public Works Programme (EPWP) job opportunities, informal-trader infrastructure, and improved access to basic services in rural and informal settlements. Through ongoing community engagement, infrastructure upgrades and poverty-alleviation initiatives, the municipality remains committed to building a more inclusive, sustainable and economically resilient environment for all residents.

3.12 Libraries; Community Facilities; Other (Theatres, Zoos, Etc)



Libraries and Community Facilities: Introductory Comments

Madibeng Local Municipality remains committed to strengthening social development through accessible libraries and community facilities that support learning, cultural expression, and community wellbeing. These facilities play a critical role in providing safe public spaces for education, digital access, youth development and community programmes. As many residents—particularly in rural areas and informal settlements—face socio-economic challenges, the municipality continues to prioritise equitable access, ensuring that libraries and community halls serve as centres for poverty alleviation, information access and community support.

Priorities and impact

Priority 1: Expansion of Library Access and Digital Inclusion



Impact:

- Extended operating hours in selected libraries to increase accessibility for students and job seekers.
- Additional public access computers and free Wi-Fi hotspots rolled out, supporting unemployed youth, learners and indigent households.
- More residents accessed e-learning platforms, job portals and study materials, narrowing the digital divide in poor communities.

Priority 2: Upgrading and Maintenance of Community Facilities

Impact:

- Renovation of community halls improved safety, lighting, ablutions and accessibility for public programmes.

- Facilities became more functional for community meetings, youth programmes, skills workshops and social gatherings.
- Upgraded venues strengthened community-based activities in underserved rural wards.

Priority 3: Strengthening Literacy, Youth Development and Outreach Programmes

Impact:

- Reading programmes, school support initiatives and mobile library outreach reached children in remote areas.
- Holiday programmes, cultural events and educational workshops increased youth participation and reduced social vulnerability.
- Targeted initiatives supported households facing poverty by offering free access to learning resources, career guidance and skills development sessions.

Measures taken to improve performance

- Improved coordination with the Provincial Department of Arts, Culture and Recreation to secure books, equipment and programme support.
- Deployment of trained library assistants to improve service quality and support school learners.
- Strengthened partnership programmes with NGOs, schools and community groups to expand outreach and literacy activities.
- Digital systems introduced to improve book cataloguing, circulation tracking and facility scheduling.



Major efficiencies achieved

- Shared use of community halls for multiple programmes reduced operational costs and increased utilisation rates.
- Centralised procurement of library materials improved turnaround time and standardised services.
- Mobile outreach reduced the need for new library buildings by bringing services directly to remote and impoverished communities.
- Use of volunteers and youth interns expanded service hours at minimal cost.

Support to communities living in poverty

Libraries and community facilities remain vital support structures for poor and vulnerable households. Key interventions included:

- Free digital access for job searches, schoolwork and SASSA-related online services.
- Literacy and homework support for learners without study environments at home.

- Skills development workshops for unemployed youth and women.
- Safe spaces for community gatherings and social support programmes, particularly in informal settlements and rural wards.
- Outreach programmes ensuring that communities without formal library buildings still receive reading materials and educational support.

3.13 Cemeteries

Madibeng Local Municipality recognises the importance of dignified burial and memorial services as an essential component of community wellbeing. Cemeteries remain critical public facilities that serve all residents, especially communities living in poverty who rely entirely on municipal burial services. During the year, the municipality focused on improving cemetery infrastructure, expanding burial capacity, and maintaining clean, accessible, and safe facilities across both urban and rural areas. These efforts ensure that all residents—regardless of income—receive dignified burial services aligned with cultural and social expectations.

Area/ Locality	Facilities in the cemeteries
Langberg	Office, Ablution, blocks, Caretaker Home
Old Brits	Mosque
Damonsville	Office, Tool room, Ablution block, 2nd Office and 2nd Ablution Block
Oukasie	Office, Tool room, Ablution block (Need to be extended)
Oukasie New	Ablution block ,Office space & Store room
Lethlabile	Ablution block, tool room, office Different burial blocks
Mothutlung	Tool room, toilets
Moddersprui t	Office, Ablution blocks, tool room
Klipgat	Office, Tool room, Ablution block Different burial blocks

Cemeteries priorities and impact

1. Expansion of Burial Space and Cemetery Capacity

Impact:

- Additional burial plots were prepared in high-demand cemeteries, reducing pressure on fully utilised sites.
- Rural cemeteries received boundary fencing, clearing, and levelling to make additional sections usable.
- Vulnerable and indigent families benefited from improved access to affordable burial options without long delays.

2. Maintenance and Upgrading of Existing Cemetery Infrastructure

Impact:

- Routine grass cutting, clearing, road grading, and fence repairs improved safety and accessibility for mourners.
- Ablution facilities were repaired in major cemeteries, ensuring cleaner and more dignified conditions.

- Improved maintenance cycles helped reduce vandalism and illegal dumping within cemetery premises.

3. Indigent Burial Support and Community Assistance Programme

Impact:

- The municipality provided support to indigent households through subsidised or fully funded burials.
- Transport support and grave preparation services were offered to qualifying families.
- This reduced the financial burden on low-income households and ensured respect and dignity during bereavement.

Measures taken to improve performance

- **Strengthened cemetery maintenance schedules**, including seasonal grass cutting and more frequent waste removal.
- **Improved coordination with funeral homes**, traditional leaders and ward committees to address community concerns quickly.
- **Digitisation of cemetery records** began in phases to improve tracking of available space and reduce administrative delays.
- **Enhanced security measures**—including fencing repairs and controlled access—to minimise vandalism and unauthorised burials.
- **Resourcing of cemetery maintenance teams** with additional equipment to improve operational efficiency.

Major efficiencies achieved

- **Reduced turnaround times** for grave preparation through better scheduling and equipment allocation.
- **Improved utilisation of existing space**, delaying the need for new land acquisition.
- **Centralised procurement of maintenance materials**, lowering costs and ensuring consistency.
- **Streamlined indigent burial processes**, reducing administrative barriers for poor families during bereavement.
- **Better coordination between Community Services and Ward Committees**, resulting in faster response to community requests.

Support to communities living in poverty

The municipality continued to prioritise households facing economic hardship by:

- Providing **indigent burial support**, including grave digging, coffins, and administrative assistance.
- Ensuring free or subsidised access to designated burial sections in municipal cemeteries.
- Offering counselling referrals and logistical guidance through community outreach teams.
- Maintaining cemeteries in rural and informal settlements where residents do not have access to private burial services.

- Ensuring that all burial services are respectful, culturally sensitive, and accessible to the poorest residents.

3.14 Child care, aged care, social programmes

Madibeng Local Municipality continues to strengthen its social development mandate by supporting vulnerable groups—children, older persons, youth, women, and indigent households—through targeted community-based programmes. These services aim to protect rights, improve well-being, and promote social inclusion, particularly in rural and informal settlements where poverty levels remain high. Working closely with provincial departments, NGOs and local community structures, the municipality delivers programmes that address social risks and enhance access to essential services.

Priorities and impact

1. Strengthening Early Childhood Development (ECD) Support

Priority: High
Actions & Impact:

- Provided municipal support, minor maintenance, and safety upgrades to community-based ECD centres.
- Facilitated training sessions for ECD practitioners in partnership with the Department of Social Development (DSD).
- Improved early learning environments for children in low-income communities, particularly in Mothotlung, Oukasie and Letlhabile.

2. Support to Older Persons Through Community Care and Active Ageing Programmes

Priority: High
Actions & Impact:

- Coordinated senior citizen activity programmes, health awareness campaigns, and referrals to social services.
- Expanded access to meal support and wellness screenings for elderly residents in poverty-affected wards.
- Ensured older persons' social inclusion and strengthened community-based care structures.

3. Social Relief and Poverty Alleviation Programmes

Priority: High
Actions & Impact:

- Distributed food parcels, school uniforms, blankets and emergency relief to indigent families, in collaboration with DSD and NGOs.
- Supported vulnerable households affected by service disruptions and socio-economic hardship.

- Increased access to psychosocial support and strengthened social safety nets in rural villages and informal settlements.

Measures taken to improve performance

- **Improved coordination with DSD, SAPS, SASSA and NGOs** to enhance response times for child protection, disability support, and crisis interventions.
- **Expanded outreach campaigns** in deeply rural wards through mobile teams and community-based workers.
- **Strengthened referral systems** for vulnerable families, linking them to indigent support, free basic services, and EPWP opportunities.
- **Enhanced monitoring tools** for ECD centres and community programmes to ensure compliance with service standards.

Major efficiencies achieved

- **Leveraging partnerships** reduced municipal administrative costs while expanding programme reach.
- **Integrated outreach campaigns** (combining health, social development, and community safety visits) reduced duplication of activities.
- **Volunteer and NPO support mobilisation** increased programme capacity without significant increases in operational budgets.

Support to communities living in poverty

The municipality prioritises low-income households in all social programmes by:

- **Targeting indigent families**, child-headed households, the elderly and persons with disabilities.
- **Providing access to free basic services** via the indigent register.
- **Linking poor households to social grants**, EPWP employment, food security programmes and psychosocial support.
- **Partnering with CBOs and faith-based organisations** to ensure consistent support within vulnerable communities.
- **Ensuring rural and informal settlements** receive equal access through mobile outreach and community-based service points.

COMPONENT E: ENVIRONMENTAL PROTECTION

Madibeng Local Municipality continues to advance its environmental management mandate by promoting cleaner air, safeguarding natural ecosystems, and strengthening pollution control measures across both urban and rural areas. The municipality's approach is guided by national environmental legislation, provincial frameworks, and local by-laws that aim to protect public health and preserve the region's ecological integrity.

Air quality management remains a priority due to pressures from urbanisation, industrial activity, mining operations, and increased vehicle emissions. Routine monitoring, compliance inspections and awareness campaigns help ensure that emission sources adhere to regulatory standards and that communities—especially those living near industrial zones—are protected from harmful pollutants.

Pollution control efforts focus on illegal dumping, litter management, stormwater contamination, and the regulation of waste-handling activities. Through enhanced enforcement, partnerships with environmental agencies, and community clean-up campaigns, the municipality is working to reduce pollution hotspots and restore degraded areas.

Madibeng also places strong emphasis on biodiversity conservation and landscape protection, recognising the value of natural habitats, wetlands, and green corridors in sustaining ecological balance and supporting tourism and recreation. Programmes for alien plant removal, open-space management, and protection of sensitive areas form a key part of the municipality's environmental stewardship.

Together, these interventions aim to create a healthier, cleaner and more resilient environment for all residents while preserving the natural landscape for future generations.

3.15 Pollution control

Madibeng Local Municipality continues to strengthen its pollution control function to safeguard public health, protect the environment, and enhance the quality of life of all residents—particularly vulnerable communities living near industrial sites, waste hotspots, and densely populated informal areas. Pollution control activities focus on reducing illegal dumping, monitoring air and water contamination risks, enforcing environmental by-laws, and rehabilitating degraded land. Through collaborative efforts with provincial environmental authorities, community structures, and waste-management partners, the municipality works to create cleaner, safer, and more resilient neighbourhoods.

Priorities and impact

1. Reduction of Illegal Dumping and Environmental Degradation

Priority: Very High
Actions:

- Intensified clean-up campaigns in informal settlements and high-density urban areas.
- Deployment of waste awareness teams and community-based volunteers.

- Increased monitoring of hotspots and enforcement of anti-dumping by-laws.

Impact:

- Significant reduction of illegal dumping sites in Elandsrand, Oukasie, Mothotlung and Letlhabile.
- Improved living conditions for low-income households exposed to public-health risks.
- Enhanced cleanliness and environmental safety around schools and public facilities.

2. Strengthening Air and Water Pollution Monitoring

Priority: High
Actions:

- Routine inspections of industrial operations, workshops, waste-handling facilities and automotive spray operations.
- Monitoring of potential stormwater contamination points.
- Collaboration with the Department of Environmental Affairs on compliance matters.

Impact:

- Early identification of pollution risks and improved enforcement of environmental standards.
- Reduced exposure of vulnerable communities to harmful emissions and contaminated water.
- Improved response to community complaints regarding odours, smoke, and industrial nuisances.

3. Rehabilitation and Protection of Natural Open Spaces

Priority: High
Actions:

- Clearing waste from wetlands, green corridors and community parks.
- Removing minor sources of soil contamination in collaboration with municipal waste teams.
- Promoting environmental awareness in rural and low-income areas.

Impact:

- Restoration of environmentally sensitive areas and improved biodiversity value.
- Increased usability of open spaces for recreation and community activities.
- Enhanced environmental resilience in wards affected by poverty and overcrowding.

Measures taken to improve performance

- **Strengthened by-law enforcement** through joint operations with Public Safety and Environmental Health.
- **Deployment of mobile inspection teams** to improve coverage in rural and informal settlements.
- **Improved complaint-handling system**, ensuring timely responses to community reports.

- **Partnerships with NGOs and provincial departments** to support education and compliance programmes.
- **Use of GIS mapping** to identify and monitor pollution hotspots more efficiently.
- **Increased coordination with Waste Management Services** to integrate clean-up and monitoring activities.

Major efficiency achieved

- **Shared resources** between Waste Management, Environmental Health and Public Safety reduced operational costs.
- **Use of community volunteers and EPWP workers** expanded the reach of clean-up campaigns without additional budget pressure.
- **Centralised data management** allowed faster identification of recurring pollution issues.
- **Integrated field inspections** reduced duplication and improved the speed of compliance interventions.

Support to communities living in poverty

Madibeng prioritises pollution control interventions in low-income communities where environmental risks are highest.

Key support includes:

- Regular clean-ups and illegal-dumping removal in informal settlements.
- Awareness campaigns on safe waste disposal and environmental health.
- Improved access to waste services and recycling in rural and poverty-stricken wards.
- Rapid response to pollution complaints that may impact children, the elderly, and vulnerable households.
- Involvement of unemployed youth through EPWP to promote job creation while improving environmental conditions

3.16 Bio-diversity, landscape (incl. open spaces), and other

Madibeng Local Municipality continues to prioritise the protection, restoration and sustainable management of its natural environment, which includes wetlands, river corridors, grasslands, open spaces and urban green areas. Biodiversity and landscape management play a critical role in climate resilience, environmental health, tourism appeal and the overall quality of life of residents—especially those living in poverty who depend heavily on natural resources and safe, well-maintained open spaces.

The municipality works in partnership with provincial environmental agencies, local conservancies and community-based organisations to conserve sensitive ecosystems, eradicate invasive alien plants, and maintain the functionality of natural landscapes across rural and urban areas. The overarching focus is to promote environmental sustainability while enhancing community well-being.

Priorities and impact

1. Protection and Rehabilitation of Sensitive Ecological Areas

Priority: Very High
Actions:

- Clearing illegal dumping in wetlands and conservation areas.
- Removal of invasive alien plants, including wattle and prickly pear, especially in rural zones.
- Restoration of damaged natural spaces through planting and soil stabilisation.

Impact:

- Improved ecosystem health and reduced flood risks.
- Enhanced water quality in streams and wetlands.
- Better environmental safety for low-income communities often residing near degraded open spaces.

2. Maintenance and Beautification of Public Parks and Open Spaces

Priority: High
Actions:

- Grass cutting, tree pruning, pathway upgrades and installation of benches.
- Revitalisation of parks in Letlhabile, Oukasie and Mothotlung.
- Partnerships with community groups for park upkeep and waste removal.

Impact:

- Safer, cleaner, and more usable recreational spaces for families.
- Increased community pride and reduced vandalism.
- Improved access to green spaces for residents of informal and low-income settlements.

3. Community Education and Environmental Awareness

Priority: High
Actions:

- Environmental awareness campaigns in schools and community halls.
- Conservation-themed events focusing on waste, water protection, and biodiversity.
- Engagement of EPWP workers in landscape maintenance and awareness projects.

Impact:

- Improved community understanding of natural-resource protection.
- Increased public participation in conservation activities.
- Job creation for unemployed youth and women through EPWP-linked programmes.

Measures taken to improve performance

- **Strengthened coordination** between Environmental Management, Waste Management and Public Safety to ensure quicker response to environmental complaints.
- **Use of GIS mapping** to identify biodiversity hotspots and prioritise intervention areas.
- **Introduction of maintenance schedules** for parks, wetlands and green corridors.
- **Partnerships with provincial environment departments** and NPOs to support alien-plant removal.
- **Community-based environmental stewardship programmes** that empower local volunteers and reduce municipal pressure.

Major efficiency achieved

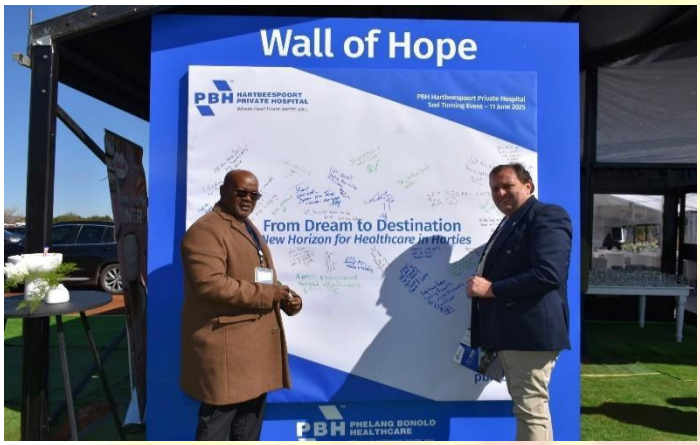
- **Integration of EPWP labour** reduced operational costs while expanding the municipality's capacity to maintain landscapes.
- **Shared equipment and cross-departmental collaboration** (e.g., tractor and brush-cutter sharing) improved turnaround times and reduced duplication.
- **Rehabilitation projects using local materials** (composting green waste, reusing stones and soil) lowered project costs.
- **Environmental education initiatives** reduced vandalism and illegal dumping, lowering future maintenance needs.

Support to communities living in poverty

Madibeng prioritises biodiversity and landscape interventions in low-income and environmentally vulnerable communities through:

- Rehabilitation of degraded land in informal settlements to reduce health and safety risks.
- Maintenance of parks and open spaces in poverty-affected wards, providing safe recreational areas.
- EPWP job creation in alien-plant removal, park maintenance and environmental clean-up projects.
- Community education programmes to build environmental awareness and support sustainable living.
- Protection of wetlands and natural systems that benefit rural communities reliant on natural resources.

COMPONENT F: HEALTH



3.17 Clinics

Although primary health care is a mandate of the **North West Department of Health**, Madibeng Local Municipality continues to play a supporting and facilitative role to ensure that communities—especially those living in poverty—can access clinic services more effectively.

Priorities and Impact

1. Support to Provincial Health Facilities Through Infrastructure & Environmental Maintenance

Madibeng prioritised the upkeep of municipal-owned surrounds at clinics, including grass cutting, waste collection, minor repairs, and site accessibility improvements.
Impact: Provincial staff are able to operate in cleaner, safer environments, improving patient experience—particularly in high-use areas such as Oukasie, Letlhabile and Mothotlung.

2. Strengthening Coordination With the Department of Health

The municipality maintained regular communication platforms with the Brits Sub-District Health Office to address issues such as service interruptions, community complaints, and the functioning of mobile clinics in remote rural wards.
Impact: Faster resolution of patient-related concerns and improved scheduling of mobile health units, benefiting low-income and farm communities.

3. Community Health Awareness and Social Support Programmes

Through its Community Development Workers (CDWs), youth programmes and social services outreach, Madibeng supported public education on hygiene, nutrition, substance abuse, TB, and HIV/AIDS.
Impact: Improved community awareness, early detection of illnesses, and stronger linkages between vulnerable households and health facilities.

Measures Taken to Improve Performance and Efficiencies

- **Strengthened intergovernmental relations** with the Department of Health to fast-track service escalation and resolve resource shortages impacting clinics.

- **Improved municipal service delivery inputs**—such as water, sanitation, waste removal and electricity reliability—around clinics to reduce operational disruptions.
- **Expanded community outreach**, using ward committees and local NGO partners to communicate health campaigns to informal settlements and rural wards.
- **Better coordination of mobile clinic routes**, ensuring that areas with transport challenges (e.g., farming communities and new informal settlements) receive more regular provincial health visits.

These measures led to **reduced complaint volumes**, more predictable clinic access for vulnerable communities, and improved cooperation between municipal and provincial personnel.

Support to Communities Living in Poverty

Madibeng places specific emphasis on assisting poor and marginalised communities in accessing health services by:

- Facilitating **mobile clinic access** in rural, farm and informal settlement areas where transport costs are prohibitive.
- Ensuring **clean, safe access roads** to health facilities during maintenance cycles.
- Making municipal community halls available to host **vaccination drives and health screenings**.
- Using indigent household registers to support social workers and health outreach teams with targeted interventions.
- Working closely with NGOs providing **home-based care and chronic illness support**.

These interventions help bridge the gap between provincial health services and the daily realities of vulnerable households.

Although clinics in Madibeng Local Municipality fall under the mandate of the **North West Department of Health**, key performance indicators such as **average patient waiting time** and **daily medical staff availability** are obtained through coordinated monitoring conducted by the provincial clinic management teams. The municipality reports on this information for purposes of intergovernmental planning.

How the Data Is Collected

To ensure accuracy and representativeness, both indicators are measured using a **sampling method** applied:

- **On different days of the week**
- **At different times of the day**
- **At regular intervals throughout the workday**
- **Using both staff-based and patient-based observation techniques**

This method provides a clear picture of service performance under varying levels of clinic activity and patient flow.

Relevance for Madibeng Local Municipality



Although health service delivery is **not the municipality's mandate**, these indicators:

- Guide municipal planning for services that support clinics (e.g., electricity, waste removal, water supply, access roads, etc.).
- Inform community engagement and ward-based reporting structures.
- Assist in identifying resource constraints affecting vulnerable communities dependent on public health facilities.

3.18 Ambulance Services

Ambulance and emergency medical response (EMS) services fall under the exclusive mandate of the **North West Department of Health**, and Madibeng Local Municipality does not operate, manage, staff or fund ambulance services. However, the municipality plays a supportive role in enabling efficient access for ambulance teams, facilitating intergovernmental coordination, and strengthening community-level emergency response awareness—especially in poorer and rural communities where response times are often longer.

Priorities and impact

1. Improving Access Roads and Routes Used by Ambulances

Priority: High
Madibeng focused on maintaining key access roads to clinics, settlements, and major residential areas by grading gravel routes, repairing potholes, and clearing stormwater blockages.
Impact:

- Faster ambulance response times, particularly in rural and informal settlements.
- Improved mobility for emergency vehicles during peak hours and rainy seasons.
- Enhanced safety for residents requiring urgent transport to health facilities.

2. Strengthening Coordination With Provincial Emergency Medical Services

Priority: High
The municipality worked closely with the Provincial EMS operations centre to escalate delays, report inaccessible areas, and provide accurate ward-level information on emergencies.
Impact:

- Better alignment between ambulance deployment and community needs.
- Improved communication between ward committees and EMS, reducing waiting time for critical calls.
- Increased EMS visibility during community events and high-risk periods.

3. Community Awareness, Safety Education and First Response Support

Priority: Medium
Through ward committees, CDWs and local NGOs, Madibeng supported public education on emergency numbers, accident reporting, basic first aid and safety practices.
Impact:

- Better-informed households, reducing preventable delays in requesting EMS.
- Enhanced community ability to stabilise patients while waiting for ambulances.
- Increased outreach to poorer communities that face transport and communication constraints.

Measures taken to improve performance and major efficiencies achieved

Even though ambulance service provision is not municipal, Madibeng implemented several measures that improve overall emergency response outcomes:

1. Improved Road and Stormwater Maintenance Near High-Demand Zones

Ensuring key routes remain accessible has reduced travel disruptions for EMS, especially in dense and low-income settlements.

2. Faster Escalation Through Intergovernmental Platforms

Regular IGR meetings allowed Madibeng to escalate EMS shortages, peak-time delays and challenges in unserved rural wards.

3. Use of Local Structures to Relay Emergency Information

Ward committees and CDWs have been instrumental in relaying urgent community health and emergency needs to provincial EMS, speeding up response.

4. Support for High-Risk Communities

Targeted interventions were carried out in wards where emergency needs are higher due to poverty, mobility challenges, or distance from clinics.

Support to communities living in poverty

Madibeng prioritised poorer communities with specific interventions that complement ambulance services:

- **Improved road access** for ambulances in remote rural, farm and informal settlement areas.
- **Public education** on emergency procedures to reduce confusion and waiting time.
- **Facilitation of EMS outreach programmes** at community halls and taxi ranks.
- **Improved lighting and safety** in high-risk areas to assist night-time ambulance access.
- **Better coordination** with ward-based outreach teams supporting vulnerable households.

These actions ensure that even without having the mandate, the municipality still enhances emergency medical accessibility for its most disadvantaged residents.

Measures of average turnout and turnaround times – Ambulance services

Ambulance and emergency medical response services are delivered by the **North West Department of Health**, and Madibeng Local Municipality does not manage or fund these operations. However, for planning, oversight and public accountability, the municipality receives and analyses certain performance indicators supplied by Provincial Emergency Medical Services (EMS).

Two key indicators used to assess emergency response efficiency are **average turnout time** and **average turn-round time**.

Relevance for Madibeng Local Municipality

While the municipality has **no mandate** over ambulance services, understanding turnout and turn-round times helps Madibeng to:

- Identify **areas with delayed EMS access**, often linked to poor roads or long travel distances.
- Prioritise **road maintenance**, street lighting and stormwater improvements on ambulance routes.
- Support intergovernmental engagements aimed at improving EMS deployment.
- Strengthen ward-level communication for emergency reporting and community health risks, especially in poor or rural areas.

3.19 Health inspection, food and abbatoir licensing and inspection, etc.



Health inspections — including food safety control, waste management compliance, vector control, water quality monitoring, and enforcement of public health standards—fall under the mandate of the **Bojanala Platinum District Municipality** as per the legislative assignment of **Municipal Health Services** under Section 84 of the Municipal Structures Act.

Although Madibeng Local Municipality **does not perform health inspections**, it plays an important **supporting, facilitating and coordinating role** to ensure that environments within communities, business areas and public facilities remain healthy, clean and compliant with public health norms. This includes intergovernmental coordination, municipal by-law enforcement, and addressing environmental conditions that may contribute to public health risks.

Priorities (Support Role) and Impact

Priority 1: Improving Environmental Cleanliness in High-Risk Areas

Actions:

- Intensified refuse collection schedules in informal settlements and dense townships.
- Removal of illegal dumping hotspots that contribute to rodent infestation and health risks.
- Deployment of EPWP teams for street sweeping and public space cleaning.

Impact:

- Reduced environmental health complaints.
- Better living conditions in poorer communities where health risks are higher.
- Improved response conditions for the District's health inspectors.

Priority 2: Supporting Water Quality Compliance Efforts

Actions:

- Collaborated with the District's environmental health practitioners (EHPs) during water sampling activities.
- Rapid municipal response to reported sewer spillages and water interruptions.
- Improved reporting systems between Water Services and the District Health inspectors.

Impact:

- Faster containment of sewer overflows and reduced contamination risks.
- Improved consumer confidence and reduced health-related complaints.
- Enhanced compliance monitoring aligned with Blue Drop standards.

Priority 3: Strengthening the Enforcement of Environmental By-Laws

Actions:

- Enforcement of by-laws relating to waste disposal, noise control, trading hygiene and public nuisances.
- Joint operations with SAPS and District EHPs targeting unlicensed food traders and unsafe food handling environments.
- Education and awareness campaigns for informal traders in poor communities.

Impact:

- Improved compliance among food traders, especially in historically disadvantaged areas.
- Reduced risks of food-related illness outbreaks.
- Increased awareness among communities about the importance of hygiene and safe waste practices.

Measures Taken to Improve Performance and Efficiencies Achieved

Although not responsible for health inspections, Madibeng improved its **support capacity** through:

a) Enhanced Intergovernmental Coordination

- Regular Environmental Health IGR meetings with Bojanala District.
- Joint inspection schedules for informal settlements and public markets.

b) Faster Turnaround in Responding to Environmental Risks

- Quicker response times to sewer blockages, broken water pipes and illegal dumping.
- Improved internal reporting lines between Community Services, Technical Services and the District's EHPs.

c) Strengthening Community Involvement and Awareness

- Environmental health education integrated into ward committee meetings.
- Awareness campaigns focusing on poor communities exposed to high environmental risk.
- Collaboration with EPWP for community-based cleanliness interventions.

Efficiencies Achieved:

- Lower recurrence of health-risk conditions in targeted hotspots.
- Reduced complaints relating to food trading areas and waste accumulation.
- Improved support to the District EHPs, enabling more effective inspection coverage.

Support to Communities Living in Poverty

Madibeng placed special emphasis on vulnerable communities by:

- Prioritising waste collection in informal settlements.
- Addressing sewer blockages and water issues more urgently in indigent and high-density communities.
- Conducting trader education campaigns in low-income markets and taxi ranks.
- Allocating EPWP workers specifically to under-serviced areas to improve hygiene and environmental cleanliness.

These interventions complement the District's formal inspection mandate and contribute to improved public health conditions for communities most at risk.

COMPONENT G: SECURITY AND SAFETY

3.20 Police

Policing, crime prevention, criminal investigations, and law enforcement in terms of national safety legislation fall under the mandate of the **South African Police Service (SAPS)** in accordance with the Constitution of the Republic of South Africa (Schedule 4 and 5). As such, **Madibeng Local Municipality does not provide policing services**, nor does it perform SAPS functions such as crime response, criminal investigations, or public order policing.

However, the municipality plays a critical **supportive and complementary role** through:



- municipal by-law enforcement,
- traffic law enforcement,
- community safety partnerships with SAPS and CPF structures,
- environmental interventions that reduce conditions contributing to crime, especially in vulnerable and impoverished communities.

This collaborative approach contributes to safer, cleaner and more stable communities.

Priorities (Support Role) and Their Impact

Priority 1: Strengthening By-Law Enforcement and Traffic Regulation

Actions:



- Increased visibility of municipal law enforcement officers in high-risk nodes.
- Joint operations with SAPS targeting illegal trading, noise disturbances, and non-compliance with municipal by-laws.
- Traffic enforcement to reduce road accidents and improve pedestrian safety.

Impact:

- Greater compliance with municipal by-laws.
- Reduced public disturbances, particularly in busy township areas.
- Improved road safety, benefiting taxi commuters and residents in low-income areas.

Priority 2: Supporting SAPS Through Integrated Community Safety Initiatives

Actions:

- Participation in SAPS Community Police Forums (CPFs) and cluster safety meetings.
- Sharing municipal information and reporting of suspicious or unsafe activities through IGR structures.
- Providing logistical support for joint safety campaigns, especially during festive periods and special events.

Impact:

- Improved coordination between municipal departments and SAPS.
- Faster response to crime-related environmental hazards (broken lights, illegal dumping, vacant unsafe sites).
- Enhanced community engagement, particularly in informal settlements.

Priority 3: Environmental Interventions to Reduce Crime-Risk Conditions

Actions:

- Repairing and maintaining streetlights in high-crime areas.
- Clearing overgrown vegetation and illegal dumps that serve as hiding spots for criminal activity.
- Upgrading public spaces (parks, taxi ranks, walkways) to improve safety.

Impact:

- Safer mobility for residents, especially women, children and elderly people in poor communities.
- Reduced opportunities for petty crime and vandalism.
- Increased community ownership of public spaces.

Measures Taken to Improve Performance and Efficiencies Achieved

a) Improved Intergovernmental Coordination

- Strengthened joint operations with SAPS, Traffic Services and Community Services.
- Regular safety and security meetings to improve response alignment.

b) Data-Driven Deployment

- Use of community complaints, streetlight outage reports, and hotspot mapping to guide patrols.
- Faster identification of high-risk areas, leading to improved allocation of municipal enforcement resources.

c) Expanded Community Awareness Campaigns



- Road safety education in schools.
- Anti-illegal dumping and by-law awareness drives in townships and informal settlements.
- Support for CPF crime-prevention awareness events.

d) Efficiencies Achieved

- Reduced operational duplication through joint operations.
- Better coverage of municipal by-law enforcement in crime-prone zones.
- Improved turnaround times for environmental risk mitigation (streetlights, waste hotspots).

Support to Communities Living in Poverty

Madibeng's safety support initiatives particularly benefited vulnerable communities through:

- Prioritising streetlight repairs in low-income areas to improve night-time safety.
- Clearing illegal dumping and overgrown vegetation in informal settlements.
- Increasing law enforcement visibility in areas with high pedestrian movement and taxi activity.
- Supporting CPFs operating in poorer neighbourhoods by providing venues and logistics for meetings.

These interventions, although not policing activities, contribute meaningfully to community safety and reduce public exposure to crime-enabling conditions.

Measurement of officer availability

Although policing is a national function performed by the **South African Police Service (SAPS)** and **not** a mandate of Madibeng Local Municipality, the municipality participates in intergovernmental safety forums where SAPS shares information on operational capacity. As part of national policing standards, the **availability of police officers** is calculated through standardised sampling methods conducted by SAPS.

The number of officers available for policing duties is determined by **sampling police personnel at different times and locations throughout the year**. This sampling is designed to give a realistic picture of operational capacity, including both visible policing and administrative support functions.

Role of Madibeng Local Municipality

Even though SAPS undertakes these measurements internally, Madibeng supports safety efforts by:

- Sharing environmental risk information with SAPS (e.g., dark streets, dumping hotspots).
- Participating in CPF and cluster policing forums where staffing challenges and resource deployment are discussed.

- Assisting SAPS with municipal by-law enforcement to reduce non-criminal policing burdens.
- Prioritising high-crime communities—often low-income areas—when planning streetlighting, waste removal, and other safety-supporting services.

Traffic and Licensing

Introduction

The Traffic and Licensing Division of PSFFM is mandated by the National Road Traffic Act 93 of 1996 and other related legislations to ensure road safety by:

1. Preforming joint operations (Road blocks)
2. Conducting Road Safety Educations
3. Law enforcements
4. Evaluations of Learner Drivers competency
5. Issuing of Professional drivers permits
6. Ensuring that vehicle operating on Public Road are registered and Licensed

Staff Establishment

Vacant And Filled Positions For Traffic and Licensing Section					
Job Level	**Job Designation**	**Number Of Employees**	**Number Of Vacancies**	**Filled Post**	**Vacancies as % of the Total Post**
2-3		1	1	0	100%
4		2	1	0	50%
6		11	2	9	19%
7		8	5	3	38%
8		11	2	9	19%
9		35	31	4	12%
10		11	1	10	20%
11		5	0	5	0%
15-12		8	1	7	3%

Traffic Officers Service Data							
No.	**Details**	**2022/23**		**2023/24**		**2024/2025**	
		Estimate No.	**Actual No.**	**Estimate No.**	**Actual No.**	**Estimate No.**	**Actual No.**
1	No. of road traffic accidents during the year	588	588	438	485	560	496

No	Transaction Description	2023/24	2024/25
1	Vehicles Registration on eNaTis	12844	13919
2	Renewal of Vehicle Licenses	69495	82326
3	Application for Road Worthy Certificate	0	0

The performance of the Driver learner and Testing Centre (DLTC) for the period under review:

No	Transaction Description	2023/24	2024/25
1	Applications tested for Driver's Licenses	4975	6505
2	Applications tested for Learner Licenses	5930	6753
3	Application for Professional Driver's License (PrDP)	7508	8771
4	Applications for Drivers License renewal	23806	26508
5	Vehicles Registration of Natis	12785	13919
6	Renewal of Vehicle Licenses	89095	82326

3.21 FIRE



Fire Services within Madibeng Local Municipality form a critical component of public safety, disaster response, and community protection. The service is mandated in terms of the Fire Brigade Services Act (Act 99 of 1987) and includes fire prevention, fire suppression, rescue services, emergency incident response, risk reduction, and public safety education.

Madibeng operates local fire stations (i.e. Brits, Letlhabile and Hebron) strategically located to support both urban areas (Brits, Hartbeespoort, Letlhabile, Mothotlung) and more remote rural settlements. The municipality has continued to strengthen its response capacity through improved staffing, better equipment, and enhanced interdepartmental coordination.

Priorities and Impact
Priority 1: Improving Emergency Response Times

Actions:

- Reallocation of firefighting resources to high-demand zones.
- Additional training for firefighters on rapid response and vehicle extrication.
- Maintenance and upgrades of fire engines and operational vehicles.

Impact:

- Faster turnout time, particularly in high-density communities.
- Improved ability to contain structural and shack fires before escalation.
- Increased public safety, especially in informal settlements.

Priority 2: Strengthening Fire Safety Education and Community Awareness

Actions:

- Fire safety workshops in schools, churches and community halls.
- Targeted outreach in informal settlements prone to shack fires.
- Distribution of educational materials in local languages.

Impact:

- Reduction in fire incidents caused by unattended stoves, candles and illegal electricity connections.
- Increased community knowledge about emergency reporting, evacuation, and fire prevention.
- Enhanced safety awareness among vulnerable, low-income households.

Priority 3: Enhancing Fire Prevention and Risk Reduction Measures

Actions:

- Fire safety inspections of businesses, public buildings and industrial areas.
- Issuing compliance notices to high-risk properties.
- Collaboration with Building Control to ensure adherence to fire safety regulations in new developments.

Impact:

- Improved compliance with fire safety standards.
- Reduced risk of large-scale fires in commercial and industrial zones.
- Safer building environments for residents and workers.

Measures Taken to Improve Performance and Efficiencies Achieved

a) Investment in Skills and Training

- Continuous professional development for firefighters.
- Advanced training in hazardous materials (HAZMAT), rescue operations and ventilation techniques.
- Training partnerships with district and provincial emergency management centres.

b) Improved Maintenance of Firefighting Fleet and Equipment

- Regular servicing of fire engines and rapid-response vehicles.
- Procurement of new PPE (boots, helmets, fire jackets).
- Replacement of outdated hoses and communication equipment.

c) Strengthening Coordination and Dispatch Systems

- Better coordination between Fire Services, Traffic, SAPS and EMS.
- Consolidation of emergency call logging and dispatch procedures.
- Improved communication channels and radio systems.

d) Efficiencies Achieved

- Reduced downtime of fire vehicles.
- Enhanced accuracy in incident reporting.
- More efficient deployment of personnel to high-risk areas.
- Reduced incident losses due to improved response and prevention efforts.

Support to Communities Living in Poverty

Fire Services prioritised vulnerable communities through the following interventions:

- **Targeted fire awareness programmes** in informal settlements (e.g., Oukasie, Letlhabile, Hebron).
- **Rapid response prioritisation** during shack fires where dwellings are densely clustered.
- **Public education drives** on candle safety, paraffin stove use, electrical hazards, and safe cooking practices.
- **Support to indigent households** through free fire prevention advice and compliance inspections.
- **Coordination with Disaster Management** to assist households affected by fires through relief materials and shelter arrangements.

These interventions aim to reduce fire incidents, minimise loss of life and property, and ensure equitable access to emergency services across the municipality.

Measurement of key performance indicators

1. Average Turnout Time Measurement

Average turnout time is a critical indicator of the efficiency and effectiveness of Fire Services. Madibeng Local Municipality determines this indicator using a standardised and auditable method:

How turnout times are measured:

1. **Time logging begins at the moment an emergency call is received**
    - The call-taker records the exact timestamp of the incident notification.
2. **The clock continues through the dispatch and mobilisation stage**
    - The time at which the crew leaves the station is automatically logged.
3. **Time logging ends when the first fire appliance arrives on scene**
    - Arrival time is recorded by the incident commander or logged through the dispatch system.
4. **Data is captured for every incident throughout the year**
    - Structural fires, shack fires, vehicle accidents, hazardous materials incidents, grass fires, and rescue calls.
5. **Average turnout time is calculated by analysing these records**
    - Monthly and annual averages are produced to monitor trends and identify areas requiring improvement.

Purpose:

- To ensure response standards are met.
- To highlight delays caused by fleet issues, traffic congestion, or staffing limitations.
- To support planning for station locations and resource deployment.

2. Fire Appliances Availability (“Appliances Off the Road”)

Fire appliance availability has a direct impact on emergency response capability. Madibeng measures the average number of appliances **off the road** (unavailable for service) using sampling throughout the year.

How appliance availability is determined:

1. **Sampling is conducted on different days of the week**
    - Both peak and off-peak operational days are included.
2. **Sampling occurs at different times of the day**
    - Morning, midday, and night shifts are sampled separately.
3. **Data is captured for all fire vehicles**
    - Major fire engines
    - Water tankers
    - Rescue vehicles
    - Rapid response units
4. **Vehicles are recorded as “off the road” if:**
    - Undergoing scheduled maintenance
    - Undergoing repairs
    - Awaiting spare parts or mechanical work
    - Awaiting licensing or compliance clearance
    - Temporarily withdrawn due to equipment failure
5. **The annual average is calculated from sampled data**
    - This gives a realistic view of fleet availability, rather than relying on a single monthly report.

Purpose:

- To measure the reliability of the firefighting fleet.
- To assess workshop performance and maintenance turnaround time.
- To determine whether more vehicles or additional funding are required.

Supporting Fire Service Delivery for Vulnerable Communities

These performance measurements directly improve services for communities—especially low-income and high-risk settlements—through:

- Faster response to shack fires and overcrowded areas.
- Better planning of fleet distribution to rural wards.
- Prioritised deployment of available appliances to underserved communities.
- Evidence-based justification for additional funding for fleet renewal and station upgrades.

Madibeng Fire and Disaster main station is located in Brits town and the two sub-stations are at Letlhabile and Klipgat.

Letlhabile sub-station was completed but was not operational due to lack of equipment and vehicles, currently burnt and vandalised.

Klipgat sub–station is completed and still waiting for official opening.
Brits Main Station is operational and renovation phase one its done.

Madibeng Fire Services renders, fire-fighting, fire prevention, rescue and special services and the main responsibilities of the Disaster Management Division, are as follows: Mobilization of resources to assist and respond to natural disasters other than drought, hail storms, cold and Multi-Hazard Early Warning Systems etc.
Little has been done to address the demand for fire services as mandated by SANS 10090, to improve service delivery to the community of Madibeng

The goal of the Fire and Disaster Management Services is to improve services and reduce the respond time to any incidents. The objectives are to save lives and property and to provide humanitarian help when the need arises. Madibeng Local Municipality's fire risk classification:
- High risk 21%
- Medium risk 33%
- Low risk 46%

- Reduce the incidence of injury, loss of life, and property damage by providing public education programs, and prevention services to secure public safety and code compliance.
- Conform to Government Acts, Regulations, Municipal Bylaws, and policies thereby mitigating liabilities/losses to the City's assets attributed to personal, property or environmental litigations.
- Be responsive to local and global economics so that our service model reflects the needs of the community we serve and the changing technologies that influence cost effective delivery of services to recognized standards.
- Acknowledge and seek to balance the interest of private and corporate clients, employees, suppliers and the public at large, taking into account their differing social, cultural and economic characteristics.
- Maintain the highest standards of integrity in the conduct of all phases of the Fire Service business

Municipal Fire Service Data					
No.	Details	2023/24		2024/25	
		Estimate No.	Actual No.	Estimate No.	Actual No.
1	Total fires attended in the year	407	407	370	370
2	Total of other incidents attended in the year	51	51	98	98
3	Average turnout time – urban areas	3min/15min	3min/15min	3min/15min	3min/15min
4	Average turnout time – rural areas	3min/30min	3min/30min	3min/30min	3min/30min
5	Fire fighters in post at year end	110	99	110	86
6	Total fire appliances at year end	07	09	15	09
7	Average number of appliances off the road during the year	03	03	03	03

FIRE RISK ASSESSMENT

Veldfire is an important natural hazard in South Africa. Fire in the ecosystem is an ecological process and part of our environment. It has a fundamental role in sustaining biodiversity. However, if fire is mistimed, occurs too frequently or too seldom, or is too severe, it may result in ecosystem degradation. Without fire, many of our ecosystems would look quite different, because fires rejuvenate grasses and fynbos scrub lands and prevent the development of dense woodlands and forests.

Most of South Africa has strongly seasonal rainfall and a dry season which lasts for five or more months. The eastern half of the country receives enough rainfall for the grasses to produce enough fuel to support a fire every year or two. This means that veldfires are frequent and inevitable. Today, more than 90% of fires are lit by people, either deliberately or accidentally.

	Employees: Fire Services				
Job Level	Year 2023\24	Year 2024\2025			
	Employees no.	Posts no. (Expected Number)	Employees (Curent number.)	Vacancies (fulltime equivalents no.)	Vacancies (as a % of total posts) %
0-3	1	1	0	1	100 %
4-6	2	4	4	0	0 %
7-9	22	28	22	12	45 %
10-12	72	77	72	05	06 %
13-15	N/A	N/A	N/A	N/A	00%
16-18	N/A	N/A	N/A	N/A	00%
19-20		0			00 %
Total	**97**	**110**	**99**	**11**	**10 %**
	Personnel The Fire Services staff compliments for the Fire services not complete that is for Main Station and Letlhabile sub station including Senior Officers. The vacant positions for senior personnel need to be filled with qualified personnel				

3.22 Other (Disaster management, animal licensing and control, control of public nuisances and other)

	Employees: Disaster Management				
Job Level	Year 2023\24	Year 2024\25			
	Employees no.	Posts no. (Expected Number)	Employees (Curent number.)	Vacancies (fulltime equivalents no.)	Vacancies (as a % of total posts) %
4-6	1	1	1	0	00 %
7-9	2	6	2	4	67%
10-12	0	2	0	2	100 %
13-15	N/A	N/A	N/A	00	%
16-18	N/A	N/A	N/A	00	%
19-20	N/A	N/A	N/A	00	%
Total	**3**	**9**	**3**	**6**	**50 %**
	Personnel **The Disaster Management staff compliments for they service, personnel need to be filled with qualified personnel for Brits Main Station**				

Madibeng Local Municipality's Disaster Management function focuses on building community resilience, reducing disaster risk, and strengthening the municipality's ability to respond quickly and effectively to emergencies. Although the function is legislatively supported at district and provincial levels, Madibeng plays a direct operational role in **early warning dissemination, community preparedness, incident coordination, and response support**, particularly in flood-prone, fire-prone, and vulnerable rural settlements.

During the year under review, the municipality intensified its efforts to align disaster management operations with the IDP priorities, strengthen interdepartmental coordination, and improve preparedness in communities most at risk. The approach remained centred on **prevention, mitigation, response, and recovery**, with a specific focus on low-income households, informal settlements, and rural villages that experience greater exposure to environmental hazards.

Priorities and impact

Priority 1: Strengthening Early Warning Systems and Community Preparedness

Impact:

- Improved dissemination of weather alerts to rural and informal settlements through SMS broadcasts, ward committees, and loudhailing.
- Reduced incident severity during heavy rainfall events due to earlier evacuation communication.
- Schools and community halls were supported with preparedness plans and emergency contact protocols.

Priority 2: Fire, Flood and Severe Weather Risk Reduction in High-Risk Areas

Impact:

- Drainage clearing campaigns in flood-prone villages such as Maboloka, Mmakau, and Letlhabile were conducted before the rainy season.
- Installation of sandbags and temporary mitigation barriers in low-lying informal settlements.
- Firebreak creation in wildfire-prone rural areas through collaboration with farmers and local community groups.

Priority 3: Strengthening Response and Relief Support for Vulnerable Communities

Impact:

- Timely provision of relief materials (blankets, food parcels, plastic sheeting, mattresses) to affected households following storm and fire incidents.
- Improved coordination with the District Disaster Centre ensured quicker mobilisation of emergency resources.
- Vulnerable households were prioritised in post-disaster assessments to ensure faster recovery and stability.

Measures taken to improve performance

To enhance the effectiveness of the Disaster Management Unit, the following measures were implemented:

- **Enhanced interdepartmental coordination** between Fire Services, Technical Services, Social Development and Public Safety.
- **Regular disaster preparedness drills** with communities, schools, and municipal staff.
- **Upgraded incident reporting tools**, including a WhatsApp-based reporting system for ward councillors.
- **Capacity-building workshops** for ward committees and community volunteers on basic first aid, evacuation procedures, and hazard identification.
- **Closer collaboration with the South African Weather Service (SAWS)**, enabling more accurate and timely localised weather alerts.
- **Review of the Disaster Management Plan** to include updated risk profiles and climate-change-related vulnerabilities.

Major efficiencies achieved

- **Reduced response times** through improved communication channels and pre-positioned response materials.
- **Lower disaster relief costs** achieved by placing short-term contracts with local suppliers for immediate supply of emergency items.
- **More accurate risk mapping**, enabling resources to be directed to wards with the highest vulnerability levels.
- **Better coordination** with NGOs and faith-based organisations, reducing duplication of relief efforts.

- **Use of digital platforms** (WhatsApp, SMS groups, municipal website alerts) significantly shortened the time to distribute warnings.

Support to communities living in poverty

The Disaster Management Unit prioritised vulnerable and indigent communities in all stages of disaster risk management. Key support included:

- **Provision of emergency assistance** (shelter, clothing, food parcels, hygiene packs) to indigent families affected by flooding, shack fires or severe windstorms.
- **Awareness and training campaigns** held in informal settlements and deeply rural villages, focusing on fire safety, flood preparedness, and emergency contact protocols.
- **Deployment of mobile loudhailer teams** in areas with limited access to cell networks.
- **Community-based disaster risk committees** established in selected high-risk settlements to improve local-level detection and reporting.
- **Collaborative efforts with Social Development** to ensure affected households are referred to the indigent register and social support programmes after disasters.

Incidents on floods

Background

Section 49(1)(a)(c) and (d) of the Disaster Management Act 57 of 2002 as amended, states that (a) initiate efforts to assess the magnitude and severity or potential magnitude and severity of the disaster, (c) alert disaster role-players in the municipal area that may be of assistance in the circumstances, and (d) initiate the implementation of any contingency plans and emergency procedures that may be applicable in the circumstances.

Disaster Management Centre has received the floods alert on the 1st January 2025 until to date. Upon receipt of the alert, the centre informed the relevant role-players. The affected areas were assessed the same day and they are as follows: Letlhakaneng Oskraal, Maboloka, Letlhabile, Kgabalatsane, Hebron, Itsoseng, Oukasie, Elansrand, Bapong, Modderspruit, Jericho, Klipgat, Makau, Mothutlung, Geluk and Sonop.

Discussions

Various stakeholders were informed to assist to mitigate the impact of this incidents including SASSA, Social Development and Public Works & Roads. The incidents were further elevated to the Bojanala Platinum District Municipality due to the magnitude of the impact. Madibeng was not the only municipality that experienced this challenge in the District and requested District Disaster Management for Classification of the State of Disaster in Madibeng Local Municipality and are awaiting response, the municipality still conducting thorough assessment to the entire area with assistance of stakeholders.

The following table and pictures indicates all bridges affected by floods:

Name of the bridge	Status quo
Karee spruit (Geluk)	It was completely closed, water over flowing and structural damaged to bridge.
Low lying area between Green Filling Station and Pansdrift Primary School (Soutpansdrift)	It was completely closed, water over flowing and structural damaged to bridge.
Dekroon Road	It was almost to over flowing
Brits to Thabazimbi (rehab project)	The road was completely closed due to flooding
Ga-Rasai (Moretele river)	Road closed due to overflow
Klipvoorstad (Moretele stream)	Road closed due to overflow and could not be reached for Assessment.
Moiletswane (Tolwane river)	Road closed due to overflow and could not be reached for Assessment.
Madinyane (Maboloka stream)	Road closed due to overflow and could not be reached for Assessment.
Ramukgatla (Tolwane river)	Road closed due to overflow and could not be reached for Assessment.
Assen (Tolwane river)	The road was completely closed due to flooding
Maboloka (bridge)	It was completely closed, water over flowing and structural damaged to bridge
Wonerkop	Road closed due to overflow
Lekgonyane (Tolwane Bridge)	Road closed due to overflow and could not be reached for Assessment

Place	Status Quo
Provincial Road (Brits to Letlhabile Rashop , New road Letlhabile)	Road is terrible with multiple of potholes
Provincial Road (old Rusternburg R512)	Road under construction
Geluk and Soutpansdrift	Road is terrible with multiple of potholes
Letlabile all Blocks and zones	Tar street with potholes All gravel street are in terrible state
Bapong and Modderspruit	All gravel street are in terrible state
Makau, Hebron and Mothutlung	All gravel street are in terrible state
Oukasie	Most of gravel street in terrible state
Sonop	Most of gravel street in terrible state
Maboloka	Most of gravel street in terrible state







COMPONENT H: SPORT AND RECREATION

3.23Sports and Recreation

Although the primary policy, programming and large-scale sports facility delivery may be led by provincial or national departments, Madibeng supports community sport and recreation through municipal capital contributions (refurbishment of township facilities, provision of local multi-purpose courts, playgrounds, park maintenance and support for community clubs). These investments aim to promote healthy lifestyles, youth development and social cohesion — especially in poorer wards.



Priority of the four largest capital projects

Project 1 — Refurbishment / Upgrade of Multi- purpose centres

Priority rationale: flagship facility for regional competitions, school sport and community events; reduces need to travel to distant venues.
Expected impact: increased participation, income opportunities from events, safer venues for youth.

Project 2 — Township Sports Complex & Playgrounds Programme (Letlhabile / Oukasie / Mothotlung clusters)

Priority rationale: high-demand, local access to safe play and organised sport for children and youth in low-income areas.
Expected impact: improved youth engagement, crime prevention through positive activity, accessible recreation for indigent households.

Project 3 — Rural Multi-Purpose Sport Hubs & School Fields (rural wards)

Priority rationale: supports rural schools, farmer communities and outlying villages with shared facilities.
Expected impact: improved rural participation, supports school sport development and weekend community use.

Project 4 — Parks, Green Open-space Upgrades and Walking / Fitness Trails

Priority rationale: promotes general public health, provides low-cost recreation close to home, and improves neighbourhood amenity value.
Expected impact: passive recreation for all ages, increased use of public spaces (benefiting poorer communities that lack private facilities).

Governance and mitigation measures (to keep projects on budget and protect poor communities)

- **Stronger project preparation**: full site assessments and geotechnical checks before tender.
- **Community involvement**: ward committees and user groups sign off on scope to avoid mid-project change requests.
- **Security planning**: budget for low-cost protective measures (anti-theft fixings, community night-watch arrangements).
- **Leveraging EPWP**: use local labour to reduce costs and deliver social benefits to poor households.
- **Partnership model**: sign MOUs with sport federations and NGOs to deliver programming and maintenance support.





Short concluding note on social impact and poverty support

Even though Sports & Recreation is not a core mandate, the municipality's enabling investments are targeted to deliver high social return in poorer wards — local courts, safe playgrounds, rural hubs and park improvements provide affordable recreation, reduce social isolation, create short-term work, and support youth development. Managing budget variances proactively and leveraging partnerships will be essential to meet the IDP's Year-5 ambitions while protecting scarce municipal resources.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.24 EXECUTIVE AND COUNCIL

Priority

Although the Executive and Council do not deliver service infrastructure directly, several capital projects support effective governance, improved administrative functioning and enhanced oversight. The following projects are still needs to be implemented:

1. ICT Modernisation & Network Infrastructure Upgrade (Council & Administration)

Priority:
To improve digital communication, connectivity, cybersecurity, and council meeting efficiency through upgraded servers, network equipment, data storage, and security systems.

Reason for Priority:
Enhances decision-making, improves administrative turnaround times, enables hybrid/virtual Council meetings, and ensures compliance with MFMA and MSA reporting obligations.

2. Council Chamber Audio-Visual & Recording System Upgrade

Priority:
To modernise the sound, recording, and voting systems within the Council Chamber and Committee Rooms.

Reason for Priority:
Supports transparent deliberations, accurate minute-taking, public accessibility, and improved legislative governance.

3. Refurbishment of Offices for Councillors & Senior Management

Priority:
To maintain functional, safe and compliant office space for councillors, committee staff and the municipal manager, ensuring an environment conducive to governance operations.

Reason for Priority:
Addresses ageing facilities, improves accessibility, and ensures compliance with occupational health and safety requirements.

4. Acquisition of Mayoral & Administrative Fleet (Oversight and Support Vehicles)

Priority:
To provide reliable transport for statutory oversight functions, community engagement, public participation, and administrative deployment in wards.

Reason for Priority:
Supports councillor outreach, service-delivery monitoring and executive oversight in all wards, including rural communities.

3.25 Financial Services

The **proportion of account value billed** is a financial performance indicator used to assess the accuracy and efficiency of the municipality's billing system. It measures how much of the billed revenue for the financial year has actually been collected.

How the Indicator Is Calculated

The proportion is calculated using the following formula:

The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues Meaning of Each Component

- **Total Revenue Collected:**
  The amount of money the municipality successfully receives from customers during the financial year **specifically for bills issued within the same year**.
- **Total Billed Revenue:**
  The total value of all service charges, rates, and fees billed to consumers during the financial year.

Purpose of the Indicator

This indicator helps the municipality:

- Measure billing accuracy and completeness.
- Assess the effectiveness of revenue collection processes.
- Identify potential weaknesses such as incorrect billing, non-payment, or system errors.
- Improve financial planning and cash flow management.
- Support audit readiness and MFMA compliance, especially for sections 45, 62, and 71.

What a High or Low Ratio Means

- **High proportion (close to 100%)**
  Indicates that the municipality is collecting most of what it bills, suggesting strong revenue management and accurate billing.
- **Low proportion**
  Suggests challenges such as:
  - Consumer non-payment
  - Billing inaccuracies
  - Meter reading issues
  - Ineffective credit control procedures
  - Data integrity problems in the billing system

Priorities

Although Financial Services is not a service-delivery department in the traditional sense, several capital projects are essential to strengthening financial governance, revenue management efficiency, internal control systems, and MFMA compliance. The four largest capital programmes were:

1. Financial Management System (FMS) Upgrade & Automation Programme

Priority:
To modernise the municipality's core financial system, improve real-time reporting, automate billing, streamline SCM workflows, and enhance audit compliance.

Reasons for Priority:

- Required to meet MFMA reporting standards.
- Enables faster billing and revenue collection.
- Reduces audit findings related to manual processing.
- Supports improved budgeting and in-year monitoring.

2. Customer Care and Revenue Enhancement Centres (Infrastructure & ICT)

Priority:
To establish or upgrade pay-points, customer service centres, walk-in billing offices, and supporting ICT infrastructure across Madibeng.

Reasons for Priority:

- Improves accessibility for rural and low-income communities.
- Supports revenue enhancement through improved customer engagement.
- Ensures safer, compliant cash-handling environments.

3. Fixed Asset Verification & Asset Register Modernisation Tools

Priority:
Procurement of handheld asset scanners, GIS integration tools, valuation software, and secure asset-recording equipment.

Reasons for Priority:

- Responds directly to repeat audit findings on asset management.
- Ensures accurate depreciation, GRAP compliance and asset valuation.
- Improves safeguarding of municipal assets.

4. ICT Hardware

Priority:
To replace obsolete computers, upgrade network security, and improve the digital capacity of financial staff.

Reasons for Priority:

- Supports faster processing of payroll, procurement, payments and reporting.
- Reduces system downtime and processing delays.
- Improves controls over supply chain and financial information.

3.26 Human Resource Services

Although Human Resource (HR) Services is predominantly an operational support function, Madibeng Local Municipality has not implemented several capital projects aimed at institutional strengthening, improved workforce management, and compliance with legislative requirements. Madibeng is still running human resource services manually.

3.27 Information and Communication Technology (ICT) services

Madibeng Local Municipality's ICT function is central to institutional performance, financial integrity, communication, and compliance with national standards (including MFMA, MSCOA, POPIA, and Cybersecurity Guidelines). The municipality has prioritised ICT modernisation to support efficiency, transparency and improved service delivery.

It must be noted that the municipality experienced a procurement problems in relation to ICT which affected the following priorities:

1) ICT Infrastructure Upgrade (Networks, Servers and Data Storage)

Purpose:
To replace outdated municipal servers, network switches, wireless infrastructure, and data storage units and ensure reliable connectivity across administrative buildings, service depots and satellite offices.

Priority Justification:

- Ensures continuity of billing, revenue management and internal systems
- Reduces system downtime and data loss risks
- Supports MSCOA-compliant financial systems and real-time processing

2) Cybersecurity Enhancement and Disaster Recovery Centre

Purpose:
To establish a secure off-site backup facility, strengthen firewalls, antivirus systems, intrusion detection mechanisms and implement POPIA-compliant data protection processes.

Priority Justification:

- Shields municipal data from cyber threats and ransomware
- Ensures business continuity during disasters
- Required for audit readiness and national ICT security compliance

3) Municipal Connectivity to Remote Offices

Purpose:
To expand internet access to municipal facilities, including rural satellite offices, libraries, testing stations and water services depots.

Priority Justification:

- Strengthens communication and service coordination across departments
- Enables digital service delivery (billing, HR systems, fault logging)
- Reduces connectivity interruptions that delay operations

4) Implementation of Integrated Business Systems (HRMS, Finance, Asset Management & Document Management)

Purpose:
To integrate HR, payroll, financial management, asset management and document workflow systems into a single digital platform.

Priority Justification:

- Eliminates duplicate data capturing
- Supports compliance with MFMA, MSCOA and audit requirements
- Improves staff productivity and reduces manual paperwork

ICT remains a foundational enabler for efficient municipal operations, financial governance and improved service delivery. Despite major problems, the municipality remains committed to meet it's mandate. Through improved planning, phased implementation, strengthened procurement management and strategic partnerships, Madibeng Local Municipality will deliver resilient, secure and modern ICT systems to support all operational departments.

The MLM ICT Division had prioritised the review of the ICT Governance Framework and related policies but due to the non-conclusion of the ICT tender that is closely linked to some aspects of the ICT Governance Framework, this could not be achieved and as a result the activity was rolled over to 2025/26 financial year.

This risk can be mitigated by the development of awareness programs for all the users.

SERVICE STATISTICS FOR INFORMATION & COMMUNICATION TECHNOLOGY (ICT) SERVICES		
ICT SERVICE	**SERVICE DESCRIPTION**	**% SERVICE LEVELS**
HELPDESK	All calls are logged, distributed, closed and escalated.	100%
NETWORK & SUPPORT	User account and password management, network (*remote, email, printing, etc.*), internet access, hardware and software acquisition, installation & re-installation, repairs. Performing backups, installation for anti-virus software and updates.	100%
FINANCIAL	Give users access in the system, perform updates and backups.	100%

GEOGRAPHICAL	Give system users access update and maintenance of GIS databases, the analyses and evaluation of systems and technical specifications.	N/A GIS is currently with Town Planning ICT hosts the GIS Server

PERFORMANCE REPORT ON CALLS AND QUERIES ATTENDED TOO			
CATEGORY	**# LOGGED/ATTENDED**	**# RESOLVED/FINALIZED/ CLOSED**	**# OUTSTANDING**
Password/Login	198	198	0
LAN/Network Service	146	146	0
Internet Service	77	77	0
Hardware Service	211	211	0
Emails	151	151	0
Software Service	88	88	0
Printer Service	202	202	0
Documents	0	0	0
TOTAL			

3.28 Property, legal, risk management and procurement services

The support services is critical for ensuring sound governance, legal compliance, proper asset management, risk reduction, and efficient procurement. The capital programme for the year focused on strengthening institutional systems, improving regulatory compliance, and enhancing operational capability.

Priorities

1) Municipal Asset Register Digitisation and GIS Integration Project

Purpose:
To upgrade and stabilise the Asset Register through GIS mapping, barcoding of municipal assets, and advanced property audits.

Priority Justification:

- Supports MFMA Section 63 compliance

- Improves audit outcomes by reducing asset discrepancies
- Strengthens property valuation, insurance and maintenance planning

2) Centralised Document Management and Legal Records System

Purpose:
To implement a secure digital solution for contracts, legal opinions, litigation files, leases, property documents, and internal governance records.

Priority Justification:

- Enhances institutional memory
- Enables faster retrieval of legal and property information
- Reduces risks associated with missing documents, PFMA/MFMA queries and audit findings

3) Risk Management Information System (RMIS) and Business Continuity Tools

Purpose:
To implement an automated platform for risk registers, incident logging, fraud reporting, internal control monitoring, and business continuity planning.

Priority Justification:

- Addresses audit findings on enterprise risk management
- Supports the fraud and anti-corruption strategy
- Improves accuracy of quarterly risk reporting to the Audit Committee

4) SCM Procurement System Modernisation (E-Procurement and Contract Management Module)

Purpose:
To modernise SCM processes through an e-procurement platform that automates quotation requests, bid evaluation workflow, supplier registration and contract management.

Priority Justification:

- Reduces manual errors and improves compliance with SCM Regulations
- Enhances transparency and reduces risk of irregular expenditure
- Accelerates procurement turnaround time, improving service delivery

The property, legal, risk management and procurement functions play a central role in ensuring good governance within Madibeng Local Municipality. While some budget variances have occurred, they remain manageable and do not threaten the attainment of long-term IDP targets. Ongoing improvements in ICT integration, staff capacity development, and strengthened internal controls will allow the municipality to deliver efficient, compliant, and transparent services within approved financial provisions.

COMPONENT J: MISCELLANEOUS

Abattoirs and municipal courts

Airports, abattoirs, municipal courts and forestry services fall **outside the functional mandate** of Madibeng Local Municipality. These services are typically administered at **provincial or national level**, and therefore **no capital or operational programmes** were implemented by the municipality in these areas during the reporting year.

Despite not delivering these services directly, the municipality's role remains supportive in terms of **planning alignment, development facilitation**, and supply basic services and ensuring that such functions operate safely and legally within Madibeng's jurisdiction.

Brits has abattoir and courts but they fall outside the functional mandate of Madibeng Local Municipality.

Priorities and impact

Although these functions are not municipal mandates, the following priorities guided the municipality's indirect involvement:

1) Land Use and Development Compliance

- Ensuring that any abattoirs activities within the municipal boundary comply with zoning, environmental and safety regulations.
- **Impact:** Improved compliance monitoring and reduced land-use conflicts.

2) Intergovernmental Coordination

- Facilitating engagements with the relevant provincial departments such as Agriculture, Environmental Affairs, Justice, and Transport.
- **Impact:** Ensured alignment of development activities with the IDP and SDF.

3) Support to Local Economic Development

- Encouraging responsible private-sector investment in agro-processing, aviation training, and forestry-related opportunities.
- **Impact:** Enhanced job creation potential and reduced regulatory delays.

2. Measures taken to improve performance

Even though these are non-mandated functions, Madibeng took the following actions to support service coherence and improve overall administrative efficiency:

✓ Strengthened Land Use Monitoring

Regular inspections by Town Planning and Community Services departments ensured compliance with environmental, health and safety regulations relating to private abattoirs or forestry-related operations.

✓ Enhanced Interdepartmental Communication

Improved coordination between LED, Planning, and Environmental Management units contributed to a more streamlined approach when responding to sector-related enquiries.

✓ Policy Alignment and SDF Updates

The Spatial Development Framework was updated to guide potential locations for such enterprises, helping investors and provincial departments to plan sustainably.

3. Major efficiency achieved

• Reduced Approval Delays

Clearer internal processes and improved engagement with external stakeholders led to faster turnaround times for land use applications linked to these sectors.

• Better Regulatory Compliance

Routine inspections and enforcement helped mitigate non-compliant activities, protecting communities and the environment.

• Strengthened Intergovernmental Relations

Collaboration with provincial and national departments ensured that any non-municipal services operating within Madibeng adhered to mandated standards, without the municipality incurring unfunded responsibilities.

While Madibeng Local Municipality does **not** hold the mandate for abattoirs and municipal courts, the municipality continues to play an important **supporting and regulatory role** through land use control, environmental oversight, and intergovernmental coordination. These efforts contribute to orderly development, safety compliance and economic opportunities within the municipal area, without assuming operational responsibilities that fall under other spheres of government.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD
KPI.1 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for Variance	Remedial Actions	Portfolio of Evidence
Improved municipal capability and invest in human capital	KPI 1 Percentage of a municipality' s budget actually spent on implementing its workplace skills plan by 30 June 2025	1,808,525.00	1,840,072.50	119%	100%	25%	11%	50%	50%	75%	75%	100%	102%	2%	2%	1% workplace skills plan exceeded budget	N/A	*Plan, Statement of budget and Actual Amounts (Workplace Skills Plan), Report*
Improved municipal capability and invest in human capital	KPI 2 Percentage of Staff vacancy maintained by 30 June 2025	OPEX	OPEX	62%	37%	62%	37%	62%	37%	37%	37%	37%	39.17%	39.17%	--2.17%	Staff terminations without replacement lead to skills deficit and reduce the vacancy rate	Council to approve the organisational structure and unfilled posts to be advertised in the2025/26 FY	*Structure - Filled and Unfilled posts, total vacancies*
Improved municipal capability and invest in human capital	KPI 3 Percentage of budget vacant posts filled within 6 months by 30 June 2025	OPEX	OPEX	New	100%	N/A	N/A	N/A	100%	N/A	N/A	100%	100%	100%	0	N/A	N/A	*List of budgeted vacant posts +Exit forms+ Personnel requisition and appointmen t letters*
Increase alignment of the organizatio nal structure to the strategy of the MLM	KPI 4 Number of organizational structure reviewed by the municipality by 30 June 2025	OPEX	OPEX	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	0	N/A	N/A	*Reviewed organizational structure and council resolution*
Adherence to employme nt of equity target	KPI 5 Number of Employment Equity Plan Implemented	OPEX	OPEX	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	0	N/A	N/A	*Progress Report, EE plan ,Advert and Appointmen t letters*

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for Variance	Remedial Actions	Portfolio of Evidence
	by 30 June 2025																	
Adherence to employment of equity target	KPI 6 Number of people from employment equity target groups employed in the 3 highest level of management by 30 June 2025.	OPEX	OPEX	8x Section 56 managers	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	0	N/A	N/A	*Advert, Appointment letters and Equity Plan*
Improved municipal capability and invest in human capital	KPI 7 Number of ICT governance framework and related policies reviewed by 30 June 2025.	OPEX	OPEX	New	14	N/A	N/A	N/A	N/A	N/A	N/A	14	2	2	-12	The two (2) policies were developed and sent to SMT however due to time constraints, they did not reach Council	Policies to be submitted to Council by the end of the 2nd quarter.	*Reviewed ICT Governance Framework and related policies and Council resolution*
Improved municipal capability and invest in human capital	KPI 8 Percentage Implementation of the Records Management policy by 30 June 2025	OPEX	OPEX	New	50%	N/A	N/A	N/A	N/A	25%	0%	50%	0%	0%	-50%	The measurement of the percentage implementation cannot be reliably measured	KPI to be revised	*Implementation plan +progress report*
Improved municipal capability and invest in human capital	KPI 9 Number of EAP programs implemented by 30 June 2025.	OPEX	OPEX	New	1	1	1	1	1	N/A	N/A	1	2	2	1	The EAP office partnered with the SALGA medical schemes and financial houses	N/A	*Quarterly report, Wellness Program , Attendance Register and Pictures*
Improved municipal capability and invest in human capital	KPI 10 Number of OHS inspection conducted by 30 June 2025	OPEX	OPEX	New	4	1	1	2	2	3	3	4	4	4	0	N/A	N/A	*Memo submitted to Directors and Inspection Report*

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for Variance	Remedial Actions	Portfolio of Evidence
Improved municipal administration	KPI 11 Percentage of External audit findings addressed and submitted to Council by 30 June 2025	OPEX	OPEX	New	60%	N/A	N/A	N/A	N/A	30%	30%	60%	78%	78%	18%	Change in implementation plan of the PAAP which included weekly meetings resulting in monitoring of the PAAP	N/A	*PAAP*
Improved municipal administration	KPI 12 Percentage of councillors who have declared their financial interests by 2025/06/30	OPEX	OPEX	84%	100%	100%	70.73 %	N/A	N/A	N/A	N/A	N/A	N/A	70.73%	-29.27%	Office of the Speaker compiled a report regarding the councillors who have declared their financial interests to sensitize those who have not yet declared.	To table the report of councillors who have declared their financial council on 30 April 2025	*Declaration of interests*
Improved level of corporate governanc e and compliance to efficient and effective standards, practices and systems	KPI 13 Percentage of cases that were settled out of court by 30 June 2025	OPEX	OPEX	New	100%	N/A	N/A	N/A	N/A	100%	0%	100%	0%	0%	0	N/A	N/A	*Copies of Quarterly Reports*

KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
Improved access to electricity	KPI 14 Number of new Households with access to basic electricity supply by the municipality by 30 June 2025	33,738,000.00	33,738,000.00	767	1193 Letlhabile B/H	Appointment	Achieved Contractors Appointed	Site establishment	Achieved INEP reports submitted	Pole planting	Pole planting	1193	0	0	-1193	Projects not done to be finalised end of August 2025.	Projects not done to be finalised end of August 2025	*Appointment letter Monthly INEP report Monthly INEP report Monthly INEP report and completion certificates*
Improved reliability of electricity services	KPI 15 Percentage of unplanned electricity outages that are restored to supply within 72 hours by 30 June 2025	OPEX	OPEX	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0	N/A	N/A	*Outages reports and maintenanc e plan*
Improved reliability of electricity services	KPI 16 Percentage adherence to planned electricity maintenance program by 30 June 2025	141,086,833.00	125,510,265.00	40%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0	N/A	N/A	*Maintenanc e Plan and Register*
Improved reliability of electricity services	KPI 17 Number of initiatives to reduce Technical losses (Electricity and Water) by 30 June 2025	OPEX	OPEX	new	2	N/A	N/A	N/A	N/A	N/A	N/A	2	2	2	0	N/A	N/A	*2x Implementat ion Plan and reports*
Improved municipal responsiveness	KPI 18 Number of callouts responded to within 24 hours (Electricity, Water and Sanitation)	OPEX	OPEX	New	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0	N/A	N/A	*Complain sheet, Sampling of Job cards*

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performanc e	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
Increased access to refuse removal	KPI 19 Number of known informal settlements with access to refuse removal by 30 June 2025	8,000,000.00	2,632,401.00	10	15	12	12	12	13	15	16	15	16	16	0	N/A	N/A	*Listing of areas where services rendered, Time sheets Refuse collection schedule*
Increased access to refuse removal	KPI 20 Number of households with access to refuse removal services by 30 June 2025	OPEX	OPEX	40 000	40 000-45 000HH	40 000-45 000HH	40000 HH	40 000-45 000HH	40000 HH	40 000-45 000HH	40 453HH	40 000-45 000HH	41486	41486	0	N/A	N/A	*Listing of House Holds, Report and logbook/Tim esheet*
Increased access to refuse removal	KPI 21 Percentage compliance to landfill sites permit conditions by 30 June 2025	2,098,000.00	847,221.00	58.92%	70%	50%	64%	50%	59%	65%	66%	65%	82%	82%	12%	Improved operational layouts and weighbridge operations are functional and consistent	N/A	*Quarterly Internal Environment al audit Report*
Improved the accessibility of information to communitie s	KPI 22 Number of Library Programmes conducted to increase library usage by 30 June 2025	1,400,000.00	1,400,000.00	New	6 x Library Program mes	N/A	N/A	N/A	N/A	3 Progra mmes	3 Progra mmes	6 Program mes conduct ed	9 Progra mmes Condu cted	9 Programmes Conducted	3 Programm es Conducte d	Municipality has 9 libraries, more initiatives done to cover the municipal areas to encourage usage of libraries	N/A	*Progress report, Pictures, Library usage Register*
Increase of healthy and safe environment	KPI 23 Number of parks maintained by 30 June 2025	OPEX	OPEX	16 Parks	16 Parks	16	16 x parks	16 X Parks	16 x parks	16 X Parks	16 x parks	16 X Parks	16 X Parks	16 X Parks	0	N/A	N/A	*Maintenanc e plan, listing of parks maintained, Pictures before and after, progress report - Procuremen t report*
Improved maintenanc e of parks and cemeteries	KPI 24 Number of cemeteries maintained by 30 June 2025	OPEX	OPEX	7 X Cemetrie s	7 X cemeteri es	7 X cemeteri es	7 X cemeteries	7 X cemeteri es	7 X cemeteri es	7 X cemeter ies	7 X cemete ries	7 X cemeteri es	10 X cemet eries	10 X cemeteries	3 X Cemetries	Tribal cemeteries belonging to chiefs in the municipal area were also maintained	N/A	*Maintenanc e plan, listing of cemeteries upgraded, dated Pictures before and after, report*

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performanc e	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
																		Procuremen t report
Increase access to emergency services and other municipal services	KPI 25 Number of sports arts and culture programs conducted by 30 June 2025	OPEX	OPEX	New	8	2	2	4	4	6	6	8	8	8	0	N/A	N/A	*Program, Progress Report, dated pictures and Attendance Register and expenditure report Procuremen t report*
Mitigated effect of fires and disaster	KPI 26 Percentage of compliance with the required attendance time for structural firefighting incidents by 30 June 2025	OPEX	OPEX	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	0	N/A	N/A	*Listing and Incident report and OB and expenditure report*
Increase access to emergency services and other municipal services	KPI 27 Percentage of disaster incidents managed and responded to within 24 hours or less. as a proportion of request received by 30 June 2025	OPEX	OPEX	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0	N/A	N/A	*Listing and Incident report and Forms*
Improved Revenue collection	KPI 28 Percentage of money recovered from traffic fines (before court order) by 30 June 2025	(4,991,429.00)	(3,684,702.00)	10.50%	20%	20%	20%	20%	20%	20%	20%	20%	43%	20%	23%	More money was received more than budgeted	N/A	*TRUVELO System and collection Report*

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performanc e	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
Improved Revenue collection	KPI 29 Percentage of money collected from vehicle registration and licence transaction as per agency agreement by 30 June 2025	(18,833,000.00)	(17,550,510.00)	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	0	N/A	N/A	*E-Natis report and Reconciliatio n Report*
Increase law enforcemen t joint operations performed	KPI 30 Number of joint operations conducted by 30 June 2025	OPEX	OPEX	12	12	3	3	6	6	9	9	12	9	12	0	N/A	N/A	*Listing, Report and Coloured dated Photos*
Increase access to emergency services and other municipal services	KPI 31 Number of planned municipal buildings maintained by 30 June 2025	13,147,567.00	13,026,861.00	4	4	1	1	2	2	3	3	4	4	4	0	N/A	N/A	*Listing Coloured dated Pre and Post maintenanc e Photos, requisition and Municipals buildings maintenanc e plan and Expenditure report*
Increase access to emergency services and other municipal services	KPI 32 Number of reports on Planned enhancement and Maintenance of security systems within the Municipal Buildings by 30 June 2025	143,096,592.00	153,789,695.00	New	4	1	1	2	2	3	3	4	4	4	0	N/A	N/A	*Signed security systems Maintenanc e Plan within the Municipal Buildings + maintenanc e report and + Dated pictures incident report and Expenditure report*

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performanc e	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
Increase access to emergency services and other municipal services	KPI 33 Number of reports on Performance of security service providers by 30 June 2025	OPEX	OPEX	New	4	1	1	2	2	3	3	4	4	4	0	N/A	N/A	*Signed Quarterly Reports, SLA and Incident Register*
Increase access to emergency services and other municipal services	KPI 34 Turnaround time on repair/ maintenance of vehicles by 30 June 2025	12,767,842.00	12,503,814.00	30 days	30 days	30 days	30 days	30 days	30 days	30 days	30 days	30 days	30 days	30 days	0	N/A	N/A	*Signed quarterly, expenditure report and job cards*
Increase access to emergency services and other municipal services	KPI 35 Number of reports on management of municipal fleet/ vehicles on quarterly basis	OPEX	OPEX	New	4	1	1	2	2	3	3	4	4	4	0	N/A	N/A	*-Signed Quarterly Reports - Vehicle condition report, - KM Service intervals - Proof of tracker - Proof of insurance - Motor Plan*
Improved quality of municipal road network	KPI 36 Kilometres of unsurfaced road graded by 30 June 2025			80km	80Km	N/A	N/A	N/A	164.86 km	50km	164.86 km	80km	191.42 km	191.42km	111.42km	Requests for resurfacing of roads made in the municipal area	N/A	*Maintenanc e Plan, Maintenanc e Report and Expenditure report*
Improved quality of municipal road network	KPI 37 Kilometres of surfaced municipal road lanes which has been resealed by 30 June 2025			11.66 km	26 km	N/A	N/A	N/A	N/A	N/A	N/A	26km	26km	26km	o	N/A	N/A	*Maintenanc e Plan, Maintenanc e Report and Expenditure report*
Improved quality of municipal road network	KPI 38 KMs of new municipal road network by 30 June 2025	OPEX	OPEX	0	26 km	N/A	N/A	N/A	N/A	N/A	N/A	26km	26km	26km	0	N/A	N/A	*Project Progress Report and Expenditure report*

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performanc e	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
Improved quality of municipal road network	KPI 39 Number of Roads conditional assessment reports for asset registry by 30 June 2025	OPEX	OPEX	New	1	N/A	N/A	N/A	N/A	N/A	1	1	0	1	0	N/A	N/A	*conditional assessment and report*
Improved quality of municipal road network	KPI 40 m2 of pothole patched by 30 June 2025	OPEX	OPEX	6 805,86 m2	6000m2	N/A	N/A	N/A	N/A	6000m2	6000m 2	6000m2	7200m 2	7200m2	1200m2	Rains in the municipal area resulted in more potholes needing repairs	N/A	*Maintenanc e report and Sampling Job cards*
Improved quality of municipal road network	KPI 41 Percentage of reported potholes complaints received and attended to within 24 hours	OPEX	OPEX	N/A	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	N/A	N/A	*Register of Complain sheet, Sampling Job card,*
Improved access to basic level of water	KPI 42 Number of new Applications for water and sewer received and attended to by 30 June 2025	OPEX	OPEX	New	100%	100%	100%	100%	100%	100%	100%	160724	100%	100%	0%	N/A	N/A	*Register and Application Forms*
Improved access to basic level of water	KPI 43 Number of households with access to basic level of water and sewer by 30 June 2025	OPEX	OPEX	0	160,724	N/A	N/A	N/A	N/A	N/A	N/A	160724	0	0	-160,724	Financial Constraints, budget not enough to cover all households	Increase budget on rural water supply	*Quarterly report*
Improved access to basic level of water	KPI 44 Percentage of drinking water complying to SANS 241 by 30 June 2025	OPEX	OPEX	93%	93%	93%	93%	93%	80%	93%	92%	93%	93%	90%	-3%	Due to the Load shedding and chlorine system breakdown	To request chlorine supplier to fix chlorine dozing system.	*SANS Laboratory reports*

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
Improved access to basic level of water	KPI 45 Percentage planned maintenance of water infrastructure by 30 June 2025	OPEX	OPEX	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0	N/A	N/A	*Maintenance plan and report*
Improved access to basic level of water	KPI 46 Number of waste water treatment works complying 90% against applicable water qualifying standards by 30 June 2025	OPEX	OPEX	2 WWTW	4 WWTW	N/A	N/A	N/A	N/A	4 x WWTW	4 x WWTW	4 x WWTW	2 x WWTW	2 x WWTW	-2 WWTW	Plants still under refurbishment	KPI to be reviewed	*SANS Laboratory reports*
Improved access to basic level of water	KPI 47 Number of Waste Water Treatment works maintained by 30 June 2025			New	4 x WWTW	N/A	N/A	N/A	N/A	N/A	N/A	4 x WWTW	4 x WWTW	4 x WWTW	0	N/A	N/A	*Maintenance Plan and Expenditure report*
MIG Projects implemented and completed timeously, quality and budget	KPI 48 Percentage of MIG Budget Spent by 30 June 2025	OPEX	OPEX	100%	100%	25%	11%	50%	51%	70%	70%	100%	100%	100%	0	N/A	N/A	*Signed Certificate , expenditure and progress report*

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
Increase EPWP temporary job opportunities	KPI 49 Number of work opportunities created by the municipality through Public Employment Programmes (incl. EPWP, CWP, Youth and other related employment programmes) by 30 June 2025.	OPEX	OPEX	1480	1500 EPWP & CWP	1500	2230	N/A	N/A	N/A	N/A	N/A	N/A	2230	730	The CWP programme is not contracted through the MLM, they are only a facilitator of the programme on behalf of the province.	N/A	*Register for jobs created through CWP, job contracts/appointed letter for EPWP.*
Growing inclusive local economies	KPI 50 Number of engagements made to monitor SLP projects implementation by 30 June 2025	OPEX	OPEX	2	2	1	1	2	2	3	3	4	4	4	2	More SLP projects were approved in the year	N/A	*SLP projects progress register and attendance register /communique made.*
Increase promotion and support LED initiative in line with set targets norms and standard	KPI 51 Number of SMME's supported e.g. training by 30 June 2025	OPEX	OPEX	120	200	50	248	100	357	150	464	200	656	656	456	Positive attendance of emerging SMMEs	N/A	*Training manual*
Tourism strategy review	KPI 52 Number of Tourism strategy reviewed by 30 June 2025	OPEX	OPEX	New	1 X Reviewed Tourism Strategy	N/A	N/A	N/A	N/A	N/A	N/A	1 X Reviewed Tourism Masterplan	1 X Reviewed Tourism Master plan	1 x Reviewed Tourism Masterplan	0	N/A	N/A	*Approved Tourism Strategy and Council Resolution , Proof of submission*

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
Growing inclusive local economies	KPI 53 Number of Business licence Applications received and processed within 30 days	OPEX	OPEX	New	40	5	5	10	10	15	113	40	119	119	79	More business licence applications received than anticipated	N/A	*Register of business licences, Quarter Reports*
Creating a vibrant identity for the municipality	KPI 54 Number of Marketing strategy reviewed by 30 June 2025	OPEX	OPEX	New	1 X Reviewed Marketing Strategy	N/A	N/A	N/A	N/A	N/A	N/A	1X Reviewed Marketing Strategy	1X Reviewed Marketing Strategy	1X Reviewed Marketing Strategy	0	N/A	N/A	*Marketing strategy and Proof of submission for Council resolution*
Increase LED initiatives for the municipality	KPI 55 Number of LED strategy reviewed by 30 June 2025	OPEX	OPEX	New	1 X Reviewed LED Strategy	N/A	N/A	N/A	N/A	N/A	N/A	1X Reviewed LED Strategy	1X Reviewed LED Strategy	1X Reviewed LED Strategy	0	N/A	N/A	*LED strategy and Proof of submission for Council resolution*
Increase Integrated contractor development strategy to rationalise SMME's	KPI 56 Number of ICD strategy reviewed by 30 June 2025	OPEX	OPEX	New	1 X Reviewed ICD Strategy	N/A	N/A	N/A	N/A	N/A	N/A	1 X Reviewed ICD Strategy	1 X Reviewed ICD Strategy	1 X Reviewed ICD Strategy	0	N/A	N/A	*ICD strategy and Proof of submission for Council resolution*
Review incentive and investment policy	KPI 57 Number of the incentive and investment policy reviewed by 30 June 2025	OPEX	OPEX	New	1 X Review of the incentive and investment policy	N/A	N/A	N/A	N/A	N/A	N/A	1X Review of the incentive and investment policy	1X Review of the incentive and investment policy	1X Review of the incentive and investment policy	0	N/A	N/A	*Marketing strategy and Proof of submission for Council resolution*

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
Improved compliance measures with the MFMA	KPI 58 Percentage of the municipality's operating budget spent on indigent relief for free basic services by 30 June 2025	4,960,915.00	7,618,018.00	0.11%	100%	25%	36%	50%	58%	75%	50%	100%	153%	153.56%	53.56%	More indigent relief needed than anticipated	N/A	*Statement of Budget and Actual Amounts and Report*
Improved ease of doing business with the municipal area	KPI 59 Average number of days from the point of advertising to the letter of the award per procurement process by 30 June 2025	OPEX	OPEX	Not achieved	90 days	90 days	Not Achieved	90 days	Not Achieved	90 days	105 days	90 days	118 days	118 days	- 28 days	Appointment date could not be verified on the appointment letters	SCM will ensure all the appointment s of tenders will be made within 90days and a written extension will be provided in a case of appointment s after 90 days.	*Tender Opening Register, Appointme nt letter and Advert*
Improved ease of doing business with the municipal area	KPI 60 Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission by 30 June 2025	OPEX	OPEX	Not achieved	100%	100%	0%	100%	0%	100%	100%	83%	100%	71.2%	-28.8%	The municipality did not have money in the bank account	Improve Revenue collection and debtors control to generate operational revenue	*Creditors Control Analysis*
Enhance municipal budgeting and budget implementation	KPI 61 Total Operating Expenditure incurred as a percentage of Total Expenditure Budgeted by 30 June 2025	2,608,213,578.00	3,415,520,614.00	84%	100%	25%	13%	50%	48%	75%	68.12%	100%	129%	129%	29%	It is due to not accounting for non-cash items on a monthly biases.	Prepare a standing JNL for the non-cash items to account monthly.	*Statement of Budget and Actual Amounts*

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
Enhance municipal budgeting and budget implementation	KPI 62 Total Operating Revenue as a percentage of Total Operating Revenue Budgeted by 30 June 2025	2,093,037,430.00	1,964,343,204.00	94%	100%	25%	29%	50%	59%	75%	83.35%	100%	93.85%	100%	0%	N/A	N/A	*Statement of Budget and Actual Amounts*
Enhance municipal budgeting and budget implementation	KPI 63 Service Charges and Property Rates Revenue as a percentage of Total Service Charges and Property Rates Revenue Budget by 30 June 2025	1,914,521,878.00	1,467,969,941.00	93%	100%	25%	26%	50%	51%	75%	72.61%	100%	77%	77%	-23%	Service charge electricity performed below the target of 75% which affected performance of the entire service charges	Fully implement credit control and intensify operation patela	*Statement of Budget and Actual Amounts*
Improved supply chain management and compliance to the MFMA	KPI 64 Percentage of awarded tenders [over R200k], submitted to Communication Division for publishing on the MLM website by 30 June 2025	OPEX	OPEX	0%	100%	100%	34%	100%	21%	100%	21%	100%	21%	21%	-79%	It is not uploaded on the municipal website even though SCM communicate d via email to the communicatio ns unit to upload awarded tenders on the website.	Consider E-tender portal as a POE because we also publish to a larger audience of bidders there, its nationwide.	*Proof of submission to Communic ation, Tenders awarded for the quarter and extract from the website*
Improved revenue and debtors management	KPI 65 Percentage of collection rate ratio by 30 June 2025	OPEX	OPEX	80%	75%	75%	63%	75%	58%	75%	62.73%	75%	66.31%	66.31%	-8.69%	Poor implementatio n of credit control	Fully implement credit control and intensify operation patela	*Statement of Financial Performanc e (Revenue and bad debts) and Statement of Financial Position (Debtors)*

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
	KPI 66 Percentage of wards that have held at least one councillor convened community meeting by 30 June 2025	OPEX	OPEX	25%	100%	25%	0%	50%	0%	75%	0%	100%	0%	0%	-100%	Most Councillors do not convene community meetings	To report the councillors who do not call meeting to council.	*Plan, Agenda, attendance register*
	KPI 67 Number of beneficiary programs on Youth facilitated by 30 June 2025	754,281.00	663,718.00	2	4	1	1	2	2	3	2	4	3	3	-1	No funds to cater for the beneficiary program for youth	To allocate enough budget for the beneficiary programs.	*Listing/Plan Close out report , attendance register, Pictures and expenditure report*
	KPI 68 Number of beneficiary programs on women and people living with disability facilitated by 30 June 2025	1,320,387.00	1,305,402.00	1	4	1	1	2	2	3	2	4	4	4	0	N/A	N/A	*Listing/Plan Close out report , attendance register, Pictures and expenditure report*
	KPI 69 Number of beneficiary programs on HIV/AIDS facilitated by 30 June 2025	435,222.00	257,350.00	1	4	1	1	2	2	3	4	4	4	4	0	N/A	N/A	*Listing/Plan Close out report , attendance register, Pictures and expenditure report*
	KPI 70 Percentage implementation of (MLM) Financial Recovery Plan submitted to PER On quarterly basis	OPEX	OPEX	24%	100%	25%	25%	50%	0%	75%	0%	100%	90%	90%	-10%	Restoration of title deeds still in process and no annual review of the Spatial Framework in place yet	Engage with tribal authorities to find alternative households for illegal occupants and develop a Spatial Development Plan engaging with ward councillors	*Progress Report From PER*

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
	KPI 71 Number of IDP process plan Reviewed 30 June 2025	OPEX	OPEX	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	N/A	N/A	*Council Resolution and Copy of the Reviewed IDP Process plan*
	KPI 72 Timeous Approval of the SDBIP by 30 June 2025	OPEX	OPEX	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	N/A	N/A	*Approved SDBIP*
	KPI 73 Number of Audit Committee report submitted to Council on quarterly basis	OPEX	OPEX	New	4	1	N/A	2	2	3	3	4	0	3	-1	Council report not submitted on time for council sitting	Preparation of Q4 report timeously	*Report and Council resolution*
	KPI 74 Number of Audit Committee charter submitted to Council by 30 September 2025	OPEX	OPEX	New	1	N/A	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	N/A	N/A	*Council resolution and Audit Committee charter*
	KPI 75 Tabling of the Oversight Report by 30 June 2025	OPEX	OPEX	New	1	1	N/A	N/A	N/A	Tabling of the Annual Report	Oversight report tabled	N/A	N/A	1	0	N/A	N/A	*Council Resolution and Annual Report*
	KPI 76 Tabling of the revised MPAC Annual Terms of Reference by 30 June 2025	OPEX	OPEX	New	1	N/A	N/A	1	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	*Council Resolution and Terms of Reference*
	KPI 77 Tabling of the revised MPAC Annual work plan by 30 June 2025	OPEX	OPEX	New	1	N/A	N/A	1	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	*Council Resolution and Work plan*
	KPI 78 Number of risk assessment conducted by 30 June 2025	OPEX	OPEX	New	8	8	8	N/A	N/A	N/A	N/A	N/A	N/A	8	0	N/A	N/A	*Risk Assessment reports*

KPA 6: SPATIAL RATIONALE AND TRANSFORMATION

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
Improved access to adequate housing	KPI 79 Percentage of building plans assessed within 60 days (above 500) by 30 June 2025	OPEX	OPEX	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	N/A	N/A	*Building Plan Register*
Improved access to adequate housing	KPI 80 Percentage of building plans assessed within 30 days (less than 500) by 30 June 2025)	OPEX	OPEX	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	N/A	N/A	*Building Plan Register*
Improved access to adequate housing	KPI 81 Percentage of land invasion reported and attended to by 30 June 2025	OPEX	OPEX	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	N/A	N/A	*Signed Land Invasion Register*
Improved access to adequate housing	KPI 82 Number of informal settlement formalized by 30 June 2025	OPEX	OPEX	New	7 x Informal settlements	Appointment of service providers, inception plan	Achieve d Panel has been appointe d	N/A	N/A	Specialis ed report and layout plan	Not Achieve d	Submissi on to MPT	Not Achieve d	0	-7x Informal settlemen ts	None processing of reports by Bid Committees for appointment s.	Resubmis sion of reports to SCM.	*1. Signed Progress Report & Appointme nt Letter 3. Signed Progress Report 4. Acknowled gement from MPT*
Improved access to adequate housing	KPI 83 Percentage monitoring of housing projects by 30 June 2025	OPEX	OPEX	100%	100%	20% (List of the Approved project and beneficiaries)	N/A	N/A	N/A	N/A	N/A	100% (constru ction report and beneficia ry status)	100% construct ion report and beneficia ry status	100%	0	N/A	N/A	*Quarterly report on monitoring of housing projects*

Measurable Objectives	Performance Indicator	Budget	Actual	Prior Year Actual	2024/25 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	3rd Target	Q3 Actual	Q4 Target	Q4 Actual	Annual Actual Performance	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
Improved access to adequate housing	KPI 84 Percentage compilation of municipal land audit report by 30 June 2025	OPEX	OPEX	New	100%	20% (Appointment of service provider)	20% (Appointment of service provider)	N/A	N/A	70% (Draft Report)	Not Achieved	100% (Municipal Land Audit Report)	Not Achieved	20% (Appointment of service provider)	-80%	No setting of bid committees, and BSC report was submitted to BTO(supply chain unit)	Committees to sit for an appointment of service provider	*Land Audit Report*
Improved access to adequate housing	KPI 85 Percentage of land use application processed within 60 days	OPEX	OPEX	New	100%	N/A	100%	N/A	100%	100%	100%	100%	100%	100%	0	N/A	N/A	*Register of land use applications submitted*
Improved access to adequate housing	KPI 86 Percentage of land development application processed with 120 days by 30 June 2025	OPEX	OPEX	New	100%	N/A	100%	N/A	100%	100%	100%	100%	100%	100%	0	N/A	N/A	*Register of land use applications submitted*

ORGANIZATIONAL PERFORMANCE PER KEY PERFORMANCE AREAS

The Municipal Manager, together with the respective Directors and acting Directors, signed performance Agreements, which were duly informed by the approved 2024/25 Service Delivery and Budget Implementation Plan (SDBIP). The overall performance of the 2024/25 financial year is 78%.

The overall performance recorded during the 2024/2025 FY indicates 78**% (67 out of 86 indicators)** achievement. The municipality's 2024/2025 performance has increased by 25.7**%** compared to the 2023/2024 financial year performance of **52.3% (45 out of 86**).

Key Performance Areas	Total number of KPIs	KPIs achieved	KPIs not achieved	Overall Performance
Municipal Transformation	13	8	5	61%
Municipal Basic Service Delivery	35	31	4	88%
Local Economic Development	9	9	0	100%
Municipal Financial Viability	8	4	4	50%
Good Governance and Public Participation	13	9	4	69%
Spatial rationale	8	6	2	75%
Total number of KPIs	86	67	19	78%

Below are some high level factors that affected negatively on the performance of municipality:

Challenges

- Late payment of service providers due to cash flow challenges
- Instability at a senior management level
- Ineffective Oversight due to dysfunctionality of the respective Portfolio Committees
- Vacancy rate at Senior Management level (MM, SPME), which is hampering service delivery and performance.

Performance highlights are as follows:

- Appointment of substantive senior managers
    - Review of the 2023/24 IDP
    - Mmakau Community Library completed
    - Klipgat Extention Water Supply Ward:8,24 and 36
    - Upgrading of Mothotlung Roman Church Section Internal Roads-Ward 20
    - Upgrading of Itsoseng Cemetery Road
    - Lethabong Internal Taxi Route-Ward 5
    - Mmakau Ward 17 Polonia Internal Road
    - 100% of MIG Budget spent
    - 20% of money collected from vehicle registration and licence transaction
    - 7 x cemeteries maintained
    - 16 x parks maintained
    - 10 x Informal settlement had access to refuse removal

- 100% of disaster and emergency callouts responded to
- 20 x Business Licenses issued
- 120 SMME's supported through training
- 1480 EPWP work opportunities provided
- 526 clearance certificate issued
- 4 x Women, Disability and 2 x Youth programme facilitated
- 4 x HIV AIDS programme conducted

Performance Improvements:

- Implementation of Consequence management.
  - Budget made available for the Implementation of the Performance Development Plans.
  - Performance Monitoring and Evaluation be cascaded to lower level accompanied by accurate job descriptions.
- Implementation of Financial Recovery Plan.

CONCLUSION

During the 2023/24 financial year, the Municipality went through changes that affected governance, finances, as well as service delivery. These changes impacted on the performance of the Municipality, as reflected on the organizational performance results, whereby the overall score is 52 % as compared to 29% scored in the previous financial year (2022/23).

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 Employee Totals, Turnover And Vacancies

Structural Shape	Structural Layers	Public Office	Municipal Manager	Strategic	BTO	CSS	PSFFM	CS	ITS	LED	HSP	Total
Strategic level	Top Management		1									1
	Senior Management		2	1	1	1	1	1	1	1	1	10
Managerial Level	Middle Managers	3	3	4	7	5	5	3	5	4	4	43
	First-line Managers	13	6	6	12	7	11	8	26	7	8	104
Specialist Level	Supervisory	16	16	14	51	38	66	30	131	9	48	419
Operational Level	Discretionary/ Basic Level	19	1	0	75	26	398	484	472	24	10	1509
Total		**51**	**29**	**25**	**146**	**77**	**481**	**526**	**635**	**45**	**71**	**2086**

Vacancy Rate

Total filled position = 1292
Vacant positions = 778
Staff Vacancy rate (%) = 37%

Turnover rate

Turnover Rate			
Period	**Total appointments as at the beginning of the year**	**Terminations during the financial year**	**Turnover Rate**
2024/25			

1. Duration of Section 57 Vacancies and Reasons

During the year under review, Madibeng Local Municipality continued to strengthen its senior management structure.

The following summarises the length of vacancies and the reasons they remained unfilled before successful appointments:

1.1 Municipal Manager

- **Minimum period vacant:** 5 months from 01 July 2024 – 30 November 2024
- **Reasons:** The current Municipal Manager was appointed from December to date

1.2 Chief Financial Officer (CFO)

- **Minimum period vacant: 1 months** for month of June 2025.
- **Reasons:** The position of the CFO became vacant upon resignation by the incumbent with effect from 30 May 2025.

1.3 Other Section 57 Positions (Directors) were not vacant during the 2025 financial year.

2. Reasons for senior management turnover

The municipality experienced turnover consistent with national local government trends. Key causes included:

✓ Competition from other spheres of government

Senior managers often move to provincial or national departments offering improved salary structures and stability.

✓ High-pressure working environment

Municipal officials, especially in finance, technical services and governance roles, face intense audit, service delivery and compliance pressures.

✓ Contractual nature of Section 57 posts

Fixed-term contracts tied to the term of Council create mobility at the start and end of political cycles.

✓ Geographical and personal considerations

Some officials resigned for family relocation, improved career prospects, or to seek posts closer to major urban centres.

✓ Organisational restructuring

Alignment of organisational structure with the IDP led to changes in job profiles, affecting retention.

3. Measures taken to attract and retain staff

Madibeng Local Municipality implemented various strategies to stabilise staffing and improve long-term retention:

3.1 Competitive Recruitment and Selection

- Improved advertisement reach using SALGA, national platforms and professional networks.
- Aligning salary packages with the Upper Limits Gazette for senior managers.
- Ensuring prompt recruitment processes with dedicated HR support.

3.2 Strengthened Employee Value Proposition

- Wellness programmes addressing stress, burnout and workplace trauma.
- Performance management incentives for Section 57 managers (based on approved policies).
- Study assistance and training linked to the Workplace Skills Plan (WSP).

3.3 Skills Development and Capacity Building

- MFMA competency training for financial officials.
- OHS, technical and leadership development programmes.
- Induction programmes to support newly appointed senior managers.

3.4 Improved Working Environment

- Investment in ICT systems to reduce administrative burdens.
- Strengthening internal controls to minimise audit pressures.
- Organisational culture initiatives promoting teamwork and accountability.

3.5 Long-Term Institutional Stability

- Filling all Section 57 posts early in the financial year.
- Developing succession planning initiatives for critical positions.
- Strengthening labour relations to reduce workplace conflict.

During the reporting period, Madibeng Local Municipality successfully stabilised its senior leadership structure by filling all Section 57 management posts, including the Municipal Manager in December 2024. Although vacancies had remained open for several months due to regulatory requirements and labour market constraints, the municipality has now implemented effective recruitment and retention measures to ensure continuity, compliance and improved institutional performance.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

1. Overview of Workforce Management Approach

Madibeng Local Municipality adopts an integrated, people-centred approach to workforce management, aligned to its **Institutional Development and Transformation Plan (IDP Pillar)** and the requirements of the **Municipal Systems Act**, **Labour Relations Act**, and other relevant HR legislation.

The municipality's workforce management strategy focuses on **building a capable, stable and professional workforce**, able to support sustainable service delivery. The approach emphasises:

✓ Capacity Building and Skills Development

- Ensuring all employees develop competencies required for the implementation of the IDP and SDBIP.
- Prioritising mandatory training such as **MFMA minimum competency levels**, OHS training, supervisory training and artisan development.

✓ Stabilisation of Senior Management

- Filling all Section 57 posts (including the Municipal Manager in December 2024).
- Strengthening leadership stability to improve organisational performance.

✓ Workforce Planning and Organisational Structure Alignment

- Refining the organogram to reflect service delivery priorities and eliminate duplication.
- Identifying critical and scarce skills posts in Technical Services, Finance and Community Services.

✓ Employee Wellness and Labour Stability

- Implementing Employee Wellness Programmes focusing on mental health, stress management and productivity improvement.
- Enhancing labour relations mechanisms to reduce disputes and address grievances promptly.

✓ Performance Management System Strengthening

- Application of the Performance Management System (PMS) for Section 57 managers.
- Gradual rollout of performance planning and assessment to lower levels of staff.

2. Progress Made in Workforce Policy Development and Management Practices

Significant progress was made during the year under review in strengthening workforce policies and management systems.

2.1 HR Policy Review and Approval

A comprehensive review of employee-related policies was completed to ensure compliance with legislation and alignment with best practice, including:

- Recruitment and Selection Policy
- Training and Development Policy
- Acting Allowance and Overtime Policy
- Leave Management Policy
- Scarce Skills and Retention Policy (review underway)
- Performance Management Framework (updated for Section 57 managers)

Where required, revised policies were submitted to Council for approval and implementation.

2.2 Development of the Workplace Skills Plan (WSP) and Annual Training Report (ATR)

- The municipality successfully developed and submitted its **2024/25 WSP and ATR** to the LGSETA.
- Training priorities were aligned to organisational needs, legislative compliance requirements and employee career progression.

2.3 Strengthening Recruitment and Talent Management Practices

- Recruitment processes were streamlined to reduce vacancies in critical posts.
- A competency-based recruitment model was implemented for senior management appointments.
- Improved advertising channels helped attract a wider pool of qualified candidates.

2.4 Implementation of HR Systems and Record Management Improvements

- Migration to digital HR records improved accuracy, compliance and audit readiness.
- Payroll and HR data cleaning exercises were undertaken to reduce audit findings.

2.5 Employee Wellness and Occupational Health and Safety

- A more structured employee wellness programme was implemented, including counselling and lifestyle management support.
- OHS committees were strengthened, and training provided to improve compliance and workplace safety.

3. Overall Progress and Impact

During the reporting year, the municipality achieved **notable improvements in workforce stability, policy compliance and employee development**. The filling of senior management posts created institutional stability, while updated HR policies supported consistent and fair HR practices. Stronger training programmes and wellness initiatives improved staff morale and organisational capability.

The emphasis going forward is on:

- Retaining skilled personnel in scarce-skill areas
- Strengthening succession planning
- Further digitising HR systems
- Expanding PMS to lower levels
- Enhancing organisational culture and accountability

4.2 Policies

Name	Status	Adoption Date
Acceptance of Grants, sponsorships & gift policy		29/05/2014
Acting Policy	Reviewed	27/02/2024
Alienation of Council Land Policy		24/08/2007
Anti-Fraud and Corruption Policy		07/04/2009
Assets Management Policy		28/05/2019
Attendance of Conferences Workshops and meeting policy		31/07/2000
Audit Committee Charter (2018/2019)		15/11/2018
Bad Debts Write-Off Policy	Reviewed	01/03/2023
Budget policy	Reviewed	01/03/2023
Business Licensing By-Law		N/A
Succesion Planning Policy	Reviewed	27/02/2024
Career Succession Planning policy	Under Review	24/08/2010
Cash Management and investment Policy	Reviewed	01/03/2023
Cost Containment Policy	Reviewed	01/03/2023
Customer Care Policy	Reviewed	27/08/2019
Credit Control & Debt Collection policy & By-Law	Reviewed	01/03/2023
Deposit policy	Reviewed	01/03/2023

Disability policy		09/12/2016
Disposal Policy		29/05/2014
Education,Training and Development Policy	Under Review 2024/2025	30/06/202
Employee Assistsnce/Wellness	Under Review 2024/2025	12/2/2010
Employee Termination/Exit Policy	Under Review 2024/2025	29/08/2017
Education, Training and Development Policy		30/06/2020
Employee Assistance/ Wellness	Under Review	12/20/2010
Employee Exit	Reviewed	29/08/2017
Employee Performance Management Policy		25/08/2015
Employment Equity Policy and Employment Equity Policy	Reviewed	2702/2024
Expanded public works program policy EPWP		25/11/2014
Financial Assistance for Funerals and Memorial Services to Officials		05/05/2011
Fire & Disaster Management By-Law		28/02/2017
Gender Policy		30/05/2013
HIV/AIDS Workplace Policy		30/05/2013
ICT Policy • ICT Asset Life Cycle Policy • ICT User Access Management Policy • ICT Governance • ICT Privileged Access Security Policy • Acceptable use of Information Systems policy • User Account Management Policy • Anti-Virus Policy • Mobile device acceptable use and security policy • Clean desk policy • E-Commerce policy • E-mail policy • Firewall policy • Hardware and Electronic media disposal policy • Security Incident Management policy • ICT Purchasing policy • Internet policy • Logs management • Network Security and VPN acceptable use policy • Personal Device acceptable use and security policy • Password policy • Patch Management policy • Physical Access Control policy • Cloud Computing adoption policy • Server Security policy • Social Media acceptable use policy • Systems monitoring and auditing policy • Vulnerability assessment • Website operation • Workstation configuration security policy • Server virtualization • Wireless Connectivity	Reviewed	30/08/2024
IDP Process Plan (2022/2027)		30/08/2021
Indigent Household Subsidy policy		01/03/2023
Integrated Development Plan (IDP 2022 – 2027)		30/05/2022

IDP Review (2023/24)		30/05/2023
Integrated Environmental Management Plan	Draft	N/A
Integrated Environmental Management Policy		02/12/2015
Integrated Waste Management Plan (IWMP)		09/12/2016
Internal Audit Charter (2018/19)		15/11/2018
Induction and On-boarding Policy	New	27/02/2024
Injury on Duty Procedures	New	27/02/2024
Task Job Evaluation Policy	Reviewed	27/02/2024
Labour Relations	Under Review 2024/2025	20/12/2010
Labour Relations		20/12/2010
Language Policy		09/12/2016
Leave Management Policy	Under Reviewed 2024/2025	30/06/2020
Marketing & Communication policy		26/05/2017
Mayoral bursary Fund		28/03/2014
Mayoral Fund Policy		28/03/2014
Medical Surveillance	Reviewed	27/02/2024
Occupational Health & Safety	Reviewed	27/02/2024
Open Space By-Law		26/05/2017
Operational Manual of Land Alienation Policy		07/04/2009
Outdoor Advertising By-Law	Review	N/A
Overtime Policy	Reviewed	27/02/2024
Payroll Policy		29/05/2014
Petty Cash policy		30/05/2013
PMS Framework & Procedure Manual		31/08/2022
Policy on Civic Funerals and Memorial Services for Councillors		25/08/2015
Policy on Council Houses		09/11/2000
Procedures on Development & Adoption of Policies & By-Laws.		26/05/2017
Property Rates Policy & By-Law		01/03/2023
Public Parks By-Law		26/05/2017
Public participation Policy		23/02/2016
Personal Protective Equipment (PPE) Policy	New	27/02/2024
Records Management Policy	Reviewed	30/08/2024
Recruitment, Selection & Personnel	Reviewed	27/02/2024
Renaming of Street and Other Public Places Policy		30/05/2013
Risk Management Framework, Strategy & Policy		29/11/2022
Sexual Harassment Policy		05/05/2011
Spatial Development Framework		26/05/2017
Spatial Planning & Land Use Management By-Law		28/02/2017
Staff Placement Policy		28/08/2018
Staff & Skills Retention		24/08/2010
Strategic Human Resource Plan (2022 – 2027) Annual Adjusted Strategic Human Resource Plan (2023/2024)	Reviewed	27/02/2024
Standby Allowance policy		27/08/2013
Standing Municipal Instructions on Legal Matters		26/05/2017
Street Trading By-Law	Review	N/A
Study Aid Policy	Reviewed	27/02/2024
Subsistence and Travel Policy		29/05/2014
Supply Chain Management Policy	Reviewed	01/03/2023
Tariff Setting Policy & By-Law	Reviewed	01/03/2023
Transport policy		24/07/2002
Vehicle Allowance Policy	Under review	29/08/2017
Volunteers Policy and Procedures	Under review	07/12/2011
Water Services Development Plan (WSDP)		09/12/2016
Youth Development Policy		07/12/2011

Progress on Policy development and plans for completion

During the year under review, the Municipality made significant progress in strengthening and modernising its policy environment to support improved governance, compliance and service delivery. The work undertaken is part of an ongoing programme to ensure that all municipal policies remain relevant, legally compliant and aligned to organisational needs and strategic priorities.

1. Progress Made During the Year

✓ Comprehensive Policy Review Process Undertaken

A full review of all outdated and non-compliant policies was initiated, focusing particularly on core governance areas such as:

- Human Resources policies
- Financial management and SCM policies
- Risk management and fraud prevention policies
- ICT governance policies
- OHS and employee wellness policies
- Asset management and fleet management policies

Where appropriate, draft amendments were completed and submitted to management and Council committees for consideration.

✓ Approval of Priority Policies

Several priority policies were finalised and adopted during the year, including:

- Revised Recruitment and Selection Policy
- Performance Management Policy (Section 57)
- Overtime and Acting Allowance Policy
- Leave Management Policy
- Records Management Policy
- Reviewed SCM Policy aligned to MFMA Section 112 and National Treasury Regulations

These updated policies have improved operational uniformity, transparency and compliance.

✓ Strengthened Consultation and Quality Assurance Mechanisms

Policy development and review included:

- Workshops with labour unions through the Local Labour Forum
- Legal vetting to ensure alignment with relevant labour and municipal legislation
- Benchmarking against best practice in other municipalities

✓ Improved Policy Register and Version Control

The Municipality developed an updated **Policy Register**, containing:

- Names of all municipal policies
- Effective dates
- Review cycles

- Responsible departments
  This has improved governance and audit readiness.

2. Plans for Completing the Outstanding Work

Despite solid progress, several policies require further refinement or full development before final approval. These include:

- Succession Planning and Retention Policy
- Talent Management and Staff Rotation Policy
- ICT Security and Data Protection Policies
- Workplace Harassment and Employment Equity Policies
- Disaster Management Operational Policies
- Updated Fleet Management Policy

Planned Actions for the Coming Financial Year
Finalisation and Council approval

All draft policies still under review will be:

- Finalised by Q2
- Submitted to LLF for consultation
- Approved by Council before Q4

Establishment of annual policy review cycle

A structured programme will ensure:

- Policies older than three years are reviewed
- Compliance with legislative updates
- Improved monitoring and implementation across departments

Capacity building and implementation support

To ensure proper uptake:

- Policy implementation workshops will be conducted for all departments
- HR and Corporate Services will provide ongoing support and guidance
- Compliance monitoring tools will be integrated into performance management processes

Integration with audit findings

Outstanding audit issues related to HR, SCM and governance policies will be used to guide improvements, ensuring that policy reforms directly reduce future audit findings.

3. Overall Summary

The municipality made **meaningful progress** in updating its policy framework and has a **clear plan for completing the outstanding work**. The structured approach implemented this year has already improved compliance, organisational consistency and administrative efficiency. With continued focus in the coming year, the Municipality will achieve a fully modernised, compliant and coherent policy environment to support improved service delivery.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

During the year under review, Madibeng Local Municipality continued monitoring employee wellness, workplace safety and labour relations to minimise workplace injuries, manage sick leave responsibly, and ensure fair handling of suspensions. The trends reflected in the tables indicate a moderate level of sick leave utilisation and a small but notable number of workplace injuries, particularly in labour-intensive operational environments such as water services, waste management, electrical operations and roads maintenance.

1. Commentary on Injury Leave

Observed Trends

- The majority of reported injuries occurred within technical and operational units where employees are exposed to physical, electrical, mechanical and environmental risks.
- Injuries were generally minor (sprains, cuts, slips, equipment-related incidents), but several cases required temporary incapacity leave.
- The overall injury rate remained relatively stable, with slight reductions attributed to improved safety practices.

Steps Taken to Reduce Injuries

To address workplace incidents, the Municipality implemented a range of interventions:

✓ Strengthened Occupational Health and Safety (OHS) Programmes

- Mandatory toolbox talks conducted daily in high-risk departments.
- Regular safety audits and inspections at worksites.
- Identification and correction of hazards (faulty PPE, inadequate lighting, unsafe equipment).

✓ Improved Personal Protective Equipment (PPE) Management

- PPE issued timeously to all operational staff.
- Replacement cycles enforced.
- Supervisors required to check compliance on site.

✓ Safety Training and Upskilling

- Employees trained on First Aid, fire safety, working-at-height, confined spaces and electrical safety.
- Accident investigation workshops for supervisors to improve reporting and prevention strategies.

✓ Injury Follow-Up Protocol

- All reported injuries are investigated within 48 hours.
- Corrective actions are documented and tracked by OHS officers.
- Serious incidents are escalated to the Municipal Manager and OHS Committee.

2. Commentary on Sick Leave

Observed Trends

- Sick leave usage reflected seasonal patterns (flu, chronic conditions, stress-related illnesses).
- Some departments recorded higher leave due to physically demanding work environments.
- A small number of employees exceeded normal sick leave thresholds, requiring management interventions.

Sick Leave Management Measures

The Municipality has strengthened internal controls to ensure responsible use of sick leave:

✓ Medical Verification and Monitoring

- Employees taking extended or repeated sick leave are referred to the Municipal Occupational Health Practitioner.
- Medical certificates are verified where necessary.
- Chronic illness cases are monitored and reasonable accommodation is provided.

✓ Maintenance of Comprehensive Employee Health Records

- HR maintains annualised records of each employee's sick leave usage.
- Patterns of excessive or repetitive sick leave are flagged for further review.
- Reports are provided to management and the Local Labour Forum.

✓ Workplace Wellness Interventions

- Counselling and wellness support provided through the Employee Assistance Programme.
- Health campaigns conducted focusing on stress management, lifestyle diseases and mental health.

3. Commentary on Suspensions

Observed Trends

- Suspensions were limited and only issued where serious alleged misconduct required the temporary removal of an employee while investigations were undertaken.
- All suspensions were handled in line with the Labour Relations Act and municipal disciplinary procedures.

Controls and Recovery Measures

- Efforts were made to shorten the duration of suspensions through faster investigation turnaround times.
- HR monitored all suspended employees and provided monthly status reports to senior management.
- The Municipality avoided unnecessary precautionary suspensions to reduce financial liability.

4. Overall Summary

Madibeng Local Municipality has made steady improvements in managing workplace injuries, sick leave and suspensions. Key strengths include:

- A more structured OHS environment.
- Consistent monitoring of sick leave to reduce absenteeism.
- Strengthened record keeping and compliance with labour legislation.
- Faster resolution of disciplinary cases.

These interventions have helped create a safer and more productive working environment, particularly for employees in high-risk operations and for individuals in vulnerable socio-economic conditions.

TYPE OF INJURY	INJURY LEAVE TAKEN DAYS	EMPLOYEES USING INJURY LEAVE NO.	PROPORTION EMPLOYEES USING SICK LEAVE %	TOTAL ESTIMATED COST R'000
Required basic medical attention only	**16**	**12**		**R 12 459.47**
Temporary total disablement	**304**	**29**		**R 209 395.18**
Permanent disablement	**0**	**0**		**0**
Fatal	**0**	**1**	**0**	**0**
TOTAL	**320**	**42**		**R 222 929.82**

4.4 PERFORMANCE REWARDS

Annual bonus vs Performance bonus

Madibeng Local Municipality provides an **annual bonus** to employees as part of the conditions of service applicable in Local Government. This bonus is a **standard employment benefit** and **not linked to performance assessments**.

1. Annual Bonus (Guaranteed Benefit)

- The Municipality pays an **annual bonus**, sometimes referred to as the **13th cheque**.
- It is **not a performance-related reward**.
- It is paid in line with:
  - SALGBC Collective Agreements
  - Municipal Conditions of Service
- Calculated as a proportion of an employee's annual salary, depending on years of service and applicable bargaining council rules.
- Applies mainly to permanent employees *below* the level of Section 56/57 managers.

2. Performance Bonus (Applicable but not the same as Annual Bonus)

- Performance bonuses **are applicable**, but only:
  - To the **Municipal Manager**,
  - Section 56/57 Managers,
  - And only if **performance agreements are signed, evaluated, and approved** according to the Municipal Systems Act and Performance Regulations.
- Performance bonuses are **not guaranteed** and depend on:
  - Annual performance assessments
  - Auditor-General verification
  - Council approval

- National Treasury and COGTA compliance requirements

3. Why the Distinction Matters

It is important for the Annual Report to confirm:

- The **annual bonus** is a standard benefit and not related to performance.
- **Performance bonuses**, although applicable in legislation, are only payable if all compliance conditions are met and funds are allocated.

- The Municipality ensures transparency and avoids misinterpretation of remuneration practices.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

Madibeng Local Municipality recognises that a skilled and competent workforce is essential for effective service delivery. The Municipality has therefore continued to implement structured training programmes aligned to the Workplace Skills Plan (WSP), the Integrated Development Plan (IDP) priorities, and legislative requirements—including the Municipal Finance Management Act (MFMA) Competency Regulations.

a. Adequacy of Training Plans

Workplace Skills Plan (WSP)

The Municipality submits its Workplace Skills Plan annually to LGSETA. The 2025 WSP covered:

- Technical training for water, electricity, waste and roads personnel
- Compliance and safety training (OHS, SHE, First Aid, firefighting)
- Financial management and supply chain training
- ICT support and digital transformation readiness
- Supervisory and management development programmes

The plan is considered **adequate** as it:

- Responds to departmental skills gaps identified through Personal Development Plans (PDPs)
- Supports competency development linked to IDP, SDBIP and statutory requirements
- Balances technical, administrative and leadership capacity-building

b. Effectiveness of Implementation

Implementation Successes

- Most planned training interventions were successfully implemented.
- Priority training (water process controllers, electrical artisans, waste management operators, finance officials, and OHS personnel) received full coverage.
- MFMA competency programmes were offered to finance personnel, SCM practitioners and senior managers.

Impact

Training led to:

- Improved productivity and safer working environments
- Enhanced compliance with technical and financial regulations
- Reduced operational errors, especially in water and electricity units
- Growing leadership capacity among supervisors and junior managers

Challenges

- Some training had to be rescheduled due to operational demands (e.g., maintenance emergencies).
- Limited availability of accredited training providers in specialized technical fields.

c. Variances Between Actual and Budgeted Expenditure

Reasons for Variances

Variances observed between actual and budgeted training expenditure were primarily due to:

- Schedule changes caused by service delivery priorities
- Delays in provider appointment due to SCM processes
- Lower-than-expected training costs where LGSETA funded specific courses
- Budget constraints in certain quarters requiring reprioritisation

Overall, training expenditure remained within acceptable variances, and commitments carried forward into the next financial period.

d. Adequacy of Funding and Future Plans

Adequacy of Funding

Funding for training is **moderately adequate**, but:

- Technical departments require increased budgets for specialised and accredited programmes.
- The Municipality aims to grow its internal training capacity to reduce long-term costs.

Future Funding Intentions

- Training spending will **increase gradually** in coming years to address scarce skills shortages.
- Emphasis will be placed on artisan development, operator training, IT skills and compliance programmes.
- The Municipality will continue leveraging:
    - LGSETA mandatory and discretionary grants
    - Partnerships with training providers and government departments

Assessment of Training Value

The Municipality uses the following measures to assess training impact:

- Post-training evaluations
- Improvement in job performance and audit outcomes
- Reduced operational incidents and internal errors
- Compliance with statutory and regulatory competencies

e. Progress on MFMA Competency Regulations

Regulatory Requirements

The MFMA Competency Regulations require:

- All senior managers (MM, CFO, Directors)
- Finance staff and key SCM officials

to complete accredited MFMA-related qualifications and maintain continuous professional development.

Progress Made by Madibeng Local Municipality

- The Municipal Manager, CFO and the majority of Section 56/57 managers either **meet the competency requirements** or are **in the final stages** of completing outstanding modules.
- Several finance and SCM officials have completed Certificates in Municipal Financial Management (NQF Level 6).
- Competency gaps identified in T4.5.4 are being addressed through continuous enrolment in accredited programmes.

Deadline Compliance

Although the initial legislative deadline was 2013, the Municipality continues to work toward **full compliance**, with significant progress achieved in the reporting year.

Madibeng Local Municipality has made **solid progress** in strengthening skills development and ensuring compliance with MFMA competency regulations. Training plans are well-aligned to strategic needs, and implementation is improving year-on-year. While funding remains a challenge in some specialised fields, the Municipality is committed to expanding training investment to enhance service delivery and institutional capacity.

HUMAN RESOURCE MANAGEMENT

The division provides organisational support to the Municipality in the form of recruitment and retention of personnel, induction, employee benefit, conditions of service, induction, training of personnel, occupational health and safety, employee welness, labour relations and general personell provisioning & maintenance.It endevours to provide effective human resources services in an efficient manner to enhance positive employer employee climate, culture of discipline and prudent human resources management practices.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

Workforce expenditure represents one of the largest cost components in Madibeng Local Municipality's operating budget. The spending pattern over the **current year, previous two years, and the upcoming budget year** reflects the municipality's ongoing efforts to balance service delivery needs with financial sustainability.

1. Spending Pattern Over the Three Years and the Budget Year
General Trend

- Workforce expenditure has shown **moderate annual growth**, driven mainly by:
    - Salary notch increases in line with SALGBC agreements
    - The filling of critical service delivery vacancies
    - Overtime requirements in high-demand technical units
    - Legislative compliance costs (e.g., OHS, MFMA competency requirements)

Current Year (Year 0)

- Workforce expenditure remained **within the approved operating budget**, although pressure points were observed in:
    - Water services
    - Electricity operations
    - Waste management
      where overtime and call-outs increased due to service interruptions and infrastructure failures.

Previous Two Years (Year -1 and Year -2)

- Expenditure was affected by:
    - A period of high vacancy rates at senior management level
    - Under-expenditure in some departments caused by delays in recruitment
    - Compensation adjustments resulting from bargaining council agreements
- Workforce spending was **lower** in Year -2 due to fewer filled posts, but increased in Year -1 as the Municipality began filling long-standing critical positions.

Budget Year (Year +1)

- Workforce expenditure is projected to increase at a controlled rate, aligned with:
    - Continued appointments in technical and compliance units
    - Skills development requirements
    - Planned stabilisation of overtime expenditure through improved shift structures and preventative maintenance

2. Implications for Workforce Ratios (Chapter 5 Cross-Reference)

Chapter 5 discusses the ratio of workforce expenditure as a percentage of total operating expenditure.

- Over the past three years, Madibeng's workforce ratio has remained **within acceptable norms** for a local municipality.

- The slight upward trend in Year 0 is attributable to the filling of senior management posts and critical service delivery positions.
- The Municipality continues to ensure that workforce costs do not exceed sustainable limits, maintaining compliance with MFMA cost containment regulations.

3. Factors Influencing Workforce Expenditure During the Year

Several factors contributed to the actual spending outcomes in the year under review:

✓ Filling of Critical Vacancies

- Senior management positions (including the Municipal Manager in December 2024) were filled.
- Technical positions in water, electricity, waste, roads and OHS increased operational capacity.

✓ Overtime and Emergency Call-Outs

- Higher overtime costs resulted from:
  - Water pipe bursts
  - Electricity faults
  - Waste collection disruptions
  - Storm-related road and stormwater damages
- These emergencies required after-hours response to maintain service continuity.

✓ Annual Salary Adjustments

- Cost-of-living increases as per SALGBC agreements.
- Implementation of annual bonuses.

✓ Skills Development and Training

- Additional expenditure on MFMA competency courses and operational training (water process controllers, electrical artisans, OHS, etc.).

✓ Compliance and Regulatory Pressures

- Strengthened OHS enforcement, internal audit recommendations and labour relations processes increased administrative labour costs.

✓ Absorption of Temporary or Contract Staff

- In certain units, temporary contracts were extended to stabilise service delivery (e.g., waste and parks).

4. Overall Assessment

Workforce expenditure in 2025 was well-managed and aligned to municipal priorities. Future budgets anticipate controlled growth in workforce spending alongside strengthened cost-containment measures and improved labour productivity.

Workforce expenditure remains one of the largest cost components in Madibeng Local Municipality. Over the past three years, the ratio of employee-related costs to total operating

expenditure has stabilised within acceptable National Treasury norms. The increase observed in Year 0 is attributed mainly to the filling of key senior management posts, including the Municipal Manager and various technical positions necessary for improving operational capacity. Despite this upward adjustment, the workforce ratio remains sustainable and is projected to normalise in the Budget Year due to improved budgeting discipline, cost containment measures and strengthened payroll controls. Continued alignment with the municipality's organisational structure ensures that workforce expenditure supports service delivery while remaining financially sustainable.

Disclosure of financial interests (Appendix J reference)

In accordance with the **Performance Management Regulations, 2006 (Regulation 805)**, all designated officials and councillors of Madibeng Local Municipality are required to disclose their financial interests annually. These disclosures form a critical part of the municipality's ethical governance framework and help to ensure transparency, accountability, and the active management of potential conflicts of interest.

For the year under review:

- **Councillors and section 56/57 managers** submitted their declarations of financial interests within the required timeframe.
- The full schedule of disclosures is **included in Appendix J** of this Annual Report.
- The Municipal Manager verified compliance as part of the municipality's corporate governance processes.
- The information submitted has been recorded in the official **Register of Interests**, which is securely maintained in accordance with legislative requirements.

Additional Comments

- No material conflicts of interest were identified that required formal investigation during the reporting year.
- Where minor administrative discrepancies were noted (e.g., incomplete sections or late amendments), officials were formally notified and the register was updated accordingly.
- Regular reminders and capacity-building sessions were held to strengthen awareness of ethical conduct and compliance with PM Regulation 805 requirements.
- The Audit Committee and Internal Audit reviewed the process and found **no significant weaknesses** in the system used to capture and manage disclosures.

Madibeng Local Municipality remains committed to upholding high ethical standards, preventing undue influence in decision-making and ensuring that all councillors and senior officials act in the best interests of the community.

EMPLOYEE TRAINING PROGRAMMES

The Municipality funded and implemented employee training and development programmes through the implementation of the Workplace Skills Plan, Financial Management Grant (FMG) and the Municipal Employee of Bursary Scheme**.**

WORKPLACE SKILLS PLAN (WSP)

During the period under review, the Municipality approved and implemented Workplace Skills Plan programme in which total of 390 employees received training. An amount of R 852 700.00 was spent on the Workplace Skills Plan to the allocated budget of R1 049 000.00. The details analysis of WSP is contained in the below table

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
1. Operating Regulations for High Voltage Systems(ORHVS)	1. Mr. Chauke Thomas 2. Mr. Chuene Klaas M 3. Ms. Mosidi Caroline C 4. Mr. Sello O 5. Ms. Malebe Cynthia L	21 – 23 October 2024	Lekopane Centre of Excellence	R 192 107.50

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	6. Mr. Songwane Tshepang 7. Ms. Rasebitse Augustinah T 8. Mr. Mashike Donald T 9. Mr. Sithole S 10. Ms. Mudau Alwuwane 11. Ms. Bokaba Robert 12. Mr. Mathabatha Letsatsi L 13. Mr. Mapulane Mosomoso			
2. Operating Regulations for High Voltage Systems(ORHVS)	1. Mr. Ronny Pitse 2. Ms. Bayi Mhlongo 3. Ms. Kamogelo Dire 4. Mr. Katlego John Lebelwane 5. Mr. Lefi Moeketsi 6. Ms. Dineo Thobela 7. Mr. Paul Masetla 8. Ms. Mororiseng Masilo 9. Mr. Tlotlego Boikanyo 10. Mr. Victor Dlamlendze 11. Mr. Stephen Nyide 12. Mr. Ofentse Kgomo 13. Margaret Bokaba	20-22 January 2025	Lekopane Centre of Excellence	R 192 107.50
3. Operating Regulations for High Voltage Systems(ORHVS)	1. Ms. Maria Frida Lebelwane 2. Mr. Tsundzukani Love Chauke 3. Mr. Stanley Maleka 4. Mr. Isaac Dikobe 5. Ms. Thanyani Bosisiwe Mudau 6. Mr. Thabo Magagula 7. Ms. Neo Bidibe 8. Mr. Zakharia Matlou 9. Mr. Isiah Mogano 10. Ms. Lesego Sekete 11. Mr. Thato Moroka 12. Mr. Bongani Radebe 13. Mr. Julia Mmusi	21-23 April 2025	Lekopane Centre of Excellence	R192 107.50
4. Design and construct single phase circuit	1. Ms. Masilo Mororiseng 2. Mr. Moeketsi Lefi 3. Mr. Chauke Thomas 4. Ms. Moroka Thato	17- 19 February 2025	Lekopane Centre of Excellence	R 44 275.00

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	5. Mr. Magagula Thabo 6. Mr. Sekete Lesego 7. Ms. Moroka Thato 8. Mr. Radebe Bongani 9. Mr. Mapulane Mosomoso 10. Mr. Boikanyo Tlotlego			
5. Design and construct single phase circuit	1. Ms. Dire Kamogelo 2. Mr. Chuene Klass 3. Ms. Chauke Tsunzukani 4. Mr. Pitse Lawrence 5. Ms. Mhlongo Bayi 6. Ms. Rasebitse Augastinah 7. Ms. Mathabatha Letjatji 8. Mr. Sello Simon 9. Ms. Lebelwane Maria 10. Ms. Mmusi Julia	18 - 20 November 2024	Lekopane Centre of Excellence	R 44 275.00
6. Install, join and terminate Low Voltage cables and conductors	1. Mr. Chauke Tsundukani Love 2. Mr. Mapulane Mosomo William 3. Ms. Sekete Lesego 4. Ms. Moroka Thato 5. Ms. Mhlongo Bayi Patricia 6. Mr. Chuene Klaas Matikoe 7. Ms. Lebelwane Maria Frida 8. Ms. Mathabatha Letsatsi Letty 9. Mr. Pitse Ronny Lawrence 10. Mr. Magagula Thabo 11. Mr. Chauke Thomas 12. Mr. Dire Kamogelo	09 – 11 December 2024	Lekopane Centre of Excellence	R 66 930.00
7. Install, join and terminate Low Voltage cables and conductors	1. Mr. Radebe Bongani 2. Matlou Zakharia 3. Bokaba Robert 4. Ms. Bodibe Neo 5. Mr. Sithole Sizwe 6. Mr. Moeketsi Lefi 7. Mr. Sello Simon Oria	17- 19 March 2025	Lekopane Centre of Excellence	R 61 352.50

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	8. Ms. Rasebitse Augastinah Tidimalo 9. Ms. Masilo Mororiseng 10. Ms. Mudau Thanyanez Busisiwe 11. Ms. Mmusi Julia Godisamang			
8. Operating Regulations for High Voltage Systems	1. Mr. Ronny Pitse 2. Ms. Bayi Mhlongo 3. Ms. Kamogelo Dire 4. Mr. Katlego John Lebelwane 5. Mr. Lefi Moeketsi 6. Ms. Dineo Thobela 7. Mr. Paul Masetla 8. Ms. Mororiseng Masilo 9. Mr. Victor Dlamlendze 10. Mr. Tlotlego Boikanyo 11. Mr. Stephen Nyide 12. Mr. Ofentse Kgomo 13. Mr. Margaret Bokaba	20 – 22 January 2025	Lekopane Centre of Excellence	R 192 107.50
9. Fundamentals of Traffic Signals Maintenance	1. Mr. Motau T 2. Ms. Kotsokoane G 3. Ms. Kgwatha E 4. Mr. Mosupi L 5. Ms. Masoka L 6. Ms. Maseko R 7. Mr. Chauke T 8. Mr. Chauke T 9. Mr. Sekete L 10. Mr. Fourie G 11. Mr. Nyide S 12. Mr. Mashike T 13. Ms. Bodibe N 14. Mr. Moroka T 15. Ms. Mathabatha L	17- 20 December 2024	Lekopane Centre of Excellence	R 102 750.00
10. First aid Training for She Representatives (1st Group)	1. Ms. Margaret Letsholo 2. Mr. Lucky Luthuli 3. Ms. Salome Mokhine 4. Mr. Busisiwe Ramano 5. Mr. Sipho Tefo 6. Ms. Minah Motlhamme 7. Mr. Sello Modise 8. Mr. Rodgers Moyo 9. Ms. Modiegi Kgasi 10. Ms. Neo Mamorare	02 - 03 December 2024	Motlhabane Risk Management Services	R 54, 625.00

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	11. Ms. Gaopalelwe Medupe 12. Ms. Mmatsheko Makgetla 13. Mr. Thato Morolo 14. Mr. Mike Dire 15. Ms. Rosinah Bopape 16. Ms. Maggy Moeng 17. Mr. Geoffery Makipi 18. Mr. Gearhartus Pieterse 19. Ms. Ingrid Mogase			
11. First Aid Training for She Representative (2nd group)	1. Odirile Sepato 2. Andile Ndlela 3. Daniel Dlamini 4. Ratsuru Pelle 5. Goitseone Kotsokwane 6. Nomfundo Mzizi 7. Kgomotso Tlhopane 8. Lynette Masoka 9. Letty Dire 10. Gillitte Magano 11. Lerato Mosoeu 12. Given Nkwane 13. Sydney Kgaladi 14. Shadrack Rakobe 15. Idah Phasha 16. Thabo Mpako 17. Beverley Mmaseema 18. Leonard Nesongozwe 19. Nthutuko Mngenela	09 - 10 December 2024	Motlhabane Risk Management Services	R 54, 625.00
12. Incident Investigation for She Representative (2nd Group)	1. Ms. Margaret Letsholo 2. Mr. Lucky Luthuli 3. Ms. Salome Mokhine 4. Mr. Busisiwe Ramano 5. Mr. Sipho Tefo 6. Ms. Minah Motlhamme 7. Mr. Sello Modise 8. Mr. Rodgers Moyo 9. Ms. Modiegi Kgasi 10. Ms. Neo Mamorare 11. Ms. Gaopalelwe Medupe	11- 12 December 2024	Motlhabane Risk Management Services	R 98, 325.00

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	12. Ms. Mmatsheko Makgetla 13. Ms. Rosinah Bopape 14. Ms. Maggy Moeng 15. Mr. Geoffery Makipi 16. Mr. Gearhartus Pieterse 17. Ms. Ingrid Mogase 18. Mr. Thato Morolo 19. Mr. Mike Dire			
13. Incident Investigation for She Representatives (1st group)	1. Odirile Sepato 2. Andile Ndlela 3. Daniel Dlamini 4. Ratsuru Pelle 5. Goitseone Kotsokwane 6. Nomfundo Mzizi 7. Kgomotso Tlhopane 8. Lynette Masoka 9. Letty Dire 10. Gillitte Magano 11. Lerato Mosoeu 12. Given Nkwane 13. Sydney Kgaladi 14. Shadrack Rakobe 15. Idah Phasha 16. Thabo Mpako 17. Beverley Mmaseema 18. Leonard Nesongozwe 19. Ntuthuko Mngenela	04 –05 December 2024	Motlhabane Risk Management Services	R 98, 325.00
14. HIRA for She Representative (1st group)	1. Ms. Margaret Letsholo 2. Mr. Lucky Luthuli 3. Ms. Salome Mokhine 4. Mr. Busisiwe Ramano 5. Mr. Sipho Tefo 6. Ms. Minah Motlhamme 7. Mr. Sello Modise 8. Mr. Rodgers Moyo 9. Ms. Modiegi Kgasi 10. Ms. Neo Mamorare 11. Ms. Gaopalelwe Medupe 12. Ms. Mmatsheko Makgetla 13. Mr. Thato Morolo	06 December 2024	Motlhabane Risk Management Services	R 98 325.00

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	14. Mr. Mike Dire 15. Ms. Rosinah Bopape 16. Ms. Maggy Moeng 17. Mr. Geoffery Makipi 18. Mr. Gearhartus Pieterse 19. Ms. Ingrid Mogase			
15. HIRA for She Representative (2nd Group)	1. Odirile Sepato 2. Andile Ndlela 3. Daniel Dlamini 4. Ratsuru Pelle 5. Goitseone Kotsokwane 6. Nomfundo Mzizi 7. Kgomotso Tlhopane 8. Lynette Masoka 9. Letty Dire 10. Gillitte Magano 11. Lerato Mosoeu 12. Given Nkwane 13. Sydney Kgaladi 14. Shadrack Rakobe 15. Idah Phasha 16. Thabo Mpako 17. Beverley Mmaseema 18. Leonard Nesongozwe 19. Nthutuko Mngenela	13 December 2024	Motlhabane Risk Management Services	R 98 325.00
16. Maintaining Lightning Systems	1. Mr. Matlou Z 2. Ms. Mathabatha LL 3. Ms. Dire K 4. Mr. Magagula T 5. Mr. Sithole S 6. Mr. Moeketsi L 7. Ms Moroka L 8. Mr. Radebe B 9. Mr. Dlamlendze V 10. Mr. Mapulane W 11. Mr. Nyide S 12. Mr. Chauke T 13. Ms Bokaba M 14. Mr. Bodibe N	14 - 16 April 2025	Lekopane Centre of Excellence	R 48 587.50
17. Maintaining Lightning Systems	1. Masilo M 2. Ms Mudau B 3. Thobela D 4. Manyapelo O 5. Mathuloe B 6. Segone K 7. Phasha O	05 - 07 May 2025	Lekopane Centre of Excellence	R 48 587.50

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	8. Sathege AL 9. Radebe B 10. Mokwena T 11. Kgatlhane O 12. Bongelo V 13. Mvango N 14. Lebelwane K 15. Pitse R 16. Musi J 17. Ramba A 18. Maruga L			
18. Maintaining Transformers	1. Mr. Matlou Z 2. Ms Lebelwane MF 3. Ms Dire K 4. Mr. Sello SO 5. Mr. Sithole S 6. Mr. Moeketsi L 7. Ms. Mhlongo BP 8. Mr. Chauke T. L 9. Mr. Chauke T 10. MsRasebitse AT 11. Mr. Boikanyo T 12. Mr. Songwane T 13. Mr. Bodibe N 14. Ms Mosibi CC 15. Ms Mmusi JG 16. Mr Mashike DT 17. Mr Dikobe I	19 - 21 May 2025	Lekopane Centre of Excellence	R 79 695.00
19. Maintaining Transformers	1. Mr. Bokaba R 2. Ms. Sekete L 3. Ms Mathabatha LL 4. Mr. Pitse RL 5. Mr. Mapulane MW 6. Mr. Chuene KM 7. Mr Magagula T 8. Mr. Moroka T 9. Mr. Radebe B 10. Ms Mudau TB 11. Masilo M 12. Kgomo O 13. Thobela D 14. Ms. Mudau A 15. Mogano I 16. Ms Maleka CL 17. Mr. Masetla KP	10 - 12 June 2025	Lekopane Centre of Excellence	R 79 695.00
20. Test and Inspect a three(3phase industrial/commercial installation	1. Mr. Songwane T 2. Ms. Mudau A 3. Mr. Kgomo O	20 - 24 April 2025	Lekopane Centre of Excellence	R 181 182.50

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	4. Ms. Bokaba M 5. Ms. Dire K 6. Ms. Mathabatha LL 7. Mr. Magagula T 8. Mr. Moeketsi L 9. Mr. Radebe B 10. Mr. Moroka T 11. Ms. Sekete L 12. Mr. Bokaba R 13. Mr. Mapulane MW 14. Mr. Pitse RL 15. Mr. Chuene K.M 16. Mr. Chauke T 17. Mr. Chauke TL 18. Ms. Lebelwane 19. Ms. Mhlongo BP 20. Mr. Lebelwane KJ 21. Mr. Dlamleze V 22. Ms. Mmusi JG 23. Ms. Mphahlele L			
21. Municipal Finance Management Programme	1. Ms. Musimeke J 2. Mr. Ratele T 3. Ms. Senosi B 4. Ms Matshaya Z 5. Mr. Chueu T 6. Mr. Busang J 7. Ms. Tshoane G 8. Ms. Masithi M 9. Ms. Matina D 10. Mr Mahlumuza P 11. Mr Mabusela M 12. Ms. Mathunjwa I 13. Mr. Nyironga K 14. Ms. Ramonyai 15. Mr. Motubatse J	21 -Oct 2024 to 9 May 2025	Tshepang Consulting & Programme	R 819 375.00 (Not Paid from our Budget)
22. Record Management	1. Ms.Rorisang Bokaba 2. Mr. Lethuli L 3. Mr. Maluleka O 4. Ms. Ndlovu N	05 - 07 May 2025	LeMark Training	R 34 120.00
23. Appraisal and Disposal of Records	1. Ms Rorisang Bokaba 2. Mr. Lethuli L 3. Mr. Maluleka O	23 - 25 June 2025	LeMark Training	R 38 975.00

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	4. Ms. Ndlovu N			
24. Electronic Records Management Accredited Skills	1. Ms Rorisang Bokaba 2. Mr. Lethuli L 3. Mr. Maluleka O 4. Ms. Ndlovu N	08 - 09 May 2025	LeMark Training	R 29 100.00
1. Discretionary Grant Programme 23/24 - ARPL: Electrical	1. Mr. Lefi Garry Moeketsi 2. Ms. Margaret Malegathe Bokaba. 3. Mr. Stanley Serema Maleka 4. Ms. Bayi Patricia Mhlong 5. Mr. Modikwe Hosea Mpye	1 year – Project completed awaiting certificates	Molomauco Investment Group	Total Project amount R 175 000.00 1st Tranche R 17 200.00 2nd Tranche R 52 500.00 3rd Tranche R 105 000.00
2. Discretionary Grant Programme 23/24 – Construction Roadworks employed (18.1.)	1. Mr. Manganye T 2. Mr. Mbele K 3. Mr. Radebe CM 4. Mr. Sako MG 5. Mr.Banda ZSM 6. Mr. Tlhoaele LL 7. Ms. Sekete PM 8. Ms. Sito JJ 9. Ms. Modiba ML 10. Ms. Makhubele SJ	1 year still in progress	Ilanga Consulting	Total project amount R 220 000.00 1st Tranche R 22 000.00 Paid 2nd Tranche R 66 000.00 Not paid 3rd Tranche R 66 000.00 Not paid 4th Tranche R 66 000.00 Not paid
3. Discretionary Grant Programme 23/24 – New Venture Creation unemployed learners (18.2)	1. Shibambu MM 2. Thomas EJ 3. Sebelebele R 4. Hlongwane BK 5. Mokwena NS 6. Mmatli PM 7. Lekakalakala L 8. Mogotsi OX 9. Morula RRR 10. Nyathi LK 11. Baloyi TA 12. Mosima PO 13. Nkoane JP 14. Morula RE 15. Lekalakala SI 16. Mathe Tshepiso 17. Mmereki Tshepiso 18. Ntema T	1 year still in progress Funding agreement extended to finalise the close out report by SDP	Growth Management and Consulting	Total project amount R 440 000.00 1st Tranche R 44 000.00 Paid 2nd Tranche R 132 000.00 Paid (Paid in the current financial year 3rd Tranche R 132 000.00 Not paid

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	19. Mareme AL 20. Khunou Yulenda Later 6 learners were replaced. The Replaced learners are: 1. Sarela TM 2. Tshikane Oreneile 3. Rebese K 4. Mpete KBJ 5. Motaung OG 6. Lamoa GA			4th Tranche R 132 000.00 Not paid
4. National Certificate: Environmental Practice Level 3	1. Elizabeth Sebatjane 2. Mashadi E Motshabi 3. Koketso Maboe 4. 4.Christina Masola 5. Abel Sello Modise 6. 6.Kgomotso Irene Matabane 7. Klaas Mogotsi Mofomme 8. Buyile Phillip Ngcombolo 9. Nthabeliseni Caroline Ndou 10. Elizabeth Ntsekana Pooe 11. Solanga Tercy Rikhotso 12. Sefako Kenneth Ratsaka 13. Obakeng Jane Segokgo 14. Ntuthuko Cyprian Mngenela 15. Rose Modiegi 16. Bella Khumalo 17. Lydia Sekgolo Lesabe 18. Zwelibanzi Sello Diale 19. Mmatlala Jane Masala 20. Dorothy Zanele Maseko 21. Evelyn Mabaso	1 year in progress	Growth Management and Consulting	R 440 000.00 1st Tranche R 44 000.00 Paid 2nd Tranche R 132 000.00 Paid 3rd Trance R 79 200.00 Not paid 4th Tranche R 184 800.00 Not paid
5. Further Education and Training Certificate: Environmental Practice L4	1. Ms. Baloyi Sara Dear 2. Ms. Baloyi Malefu Rosina 3. Ms. Chauke Mokgaetsi Sara 4. Ms. Dassie Constance	1 year in progress	Growth Management and Consulting	R 660 000.00 1st Tranche R 66 000.00 2nd Tranche R 198 000.00 Paid 3rd Tranche

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	5. Mr. Sithole Thabo Ephraim 6. Mr. Mokase Peter Motadi 7. Mr. Mosupi Shimang Lucky 8. Mr. Maledu Poelano 9. Mr. More Ernest Siekie 10. Ms. Phiri Dipuo Veronica 11. Ms. Pooe Elizabeth 12. Mr Boya Isaac 13. Mr. Chirwa Isaac 14. Ms. Mthimkhulu Josephine 15. Mr. Phiri Joshua 16. . Ms. Sithole Keatlegile Rachel 17. Ms. Mononyane Lesego Hazel 18. Mr. Bokaba Thapelo Godfrey 19. Mr. Mqotho Vuyo 20. Mr. Chipape Walter 21. Mr. Maqakamba Thabang 22. Ms. Mokoena Puleng 23. Mr. Mashao Morris Linke 24. Ms. Maseko Pauline Lerato 25. Mr.Mashitisho Nelson Sello 26. Mr. Mabilu Matome David 27. Ms. Mamorare Neo 28. Ms.Rafedile Mabel Lefentse 29. Ms.Sedile Kagiso Elizabeth 30. Ms.Tlhase Meriam Mmathapelo			R 118 800.00 Not paid 4th Tranche R 277 200.00 Not paid
6. Skills Programme: FETC: Plumbing Level 4	1. Ms. Sibanda Thembi 2. Ms. Boitumelo Phillipine Mokhahle 3. Ms.Ouma Girly Masimola 4. Ms. Matlhodi Phasha 5. Ms.Neo Dorcus Motlhabani		Ilanga Consulting	R 200 000.00 1st Tranche R20 000.00 Not Paid 2nd Tranche R54 0800.00 Not Paid 3rd Tranche

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	6. Mr. William Kgasi 7. Ms. Beauty Boitumelo Mogane 8. Ms Virginia Basedile Mailwane 9. Mr. Johannes Lethabo Mamabolo 10. Mr. Josiah Pooe 11. Ms. Veronicca Modisha 12. Ms. Betty Lydia Naane 13. Mr. Jerry Kunene 14. Ms.Beverley Mokata MMaseema 15. Mr.James Mollen Dialwa 16. Mr. Tshepo Samuel Baleka 17. Mr. Nicholas Kokatso Mabolane 18. Mr. Zakhele Obed Nkosi 19. Ms Keorapetswe Molapo 20. Mr. Tebogo Moeti 21. Ms. Lucy Mangakane Mogodi 22. Mr. Walter Masilo Phooko 23. 23.Ms. Tebogo Prudence Mosako 24. Ms. Sephaphi Granny Mojela 25. Mr. Thabo Madumo			R 37 000.00 Not paid 4th Tranche R 88 200.00 Not paid
7. Skills Programme: ICT End User Computing	1. Ms Molelekwa Dinah 2. Ms Moila Lehlohonolo Patrick 3. Ms Maluleka Anna Lopeng 4. Ms Nxumalo Thanyane Busisiwe 5. Ms Ndlovu Nosipho 6. Ms Bokaba Rorisang 7. Mr. Maluleka Ofentse Innocent 8. Ms Lehohla Lesogo Petunia 9. Mr Chauke Acson	3 Months	Noko Skills Institute Pty Ltd	Total project amount R 240 000.00 1st Tranche R 24 000.00

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	10. Mr Leeuw Vincent Siphamandla 11. Ms Masenya Cathrine Itumeleng 12. Ms Mlangeni Tsholofelo 13. Mr. Seeletsa Tsholofelo 14. Ms Dibakwana Hellen 15. Mr. Bodibe Tshepo 16. Ms Pege Sannah 17. Maluleka Anna Lopeng 18. Mr. Mathulwe Pogiso 19. Mr. Ndlovu Nosipho 20. Ms. Modise Dorcas 21. Ms Dhlamini Zanele 22. Ms Mokgoko Keitumetse 23. Ms Chauke Innocentia 24. Mr Moila Lehlohonolo Patrick 25. Ms Tsulo Nthabiseng Joy 26. Mr Munyai Kamogelo Omphile 27. Mr Thabane Peter 28. Mr. Mpeoa Thato 29. Ms Takalani Lesego Lizzy 30. Ms Mudau Thanyane Busisiwe			
8. Skills Programme: FETC IT Technical Support	1. Mr. Mpiriane Ezekiel Fusi 2. Ms Molefe Jeanette Letsema 3. Ms. Kgwate Deborah 4. Mr. Mashike Donald Thabo 5. Ms Letlape Irene Kegomoditswe 6. Mr. Mokoisa Kopano 7. Ms Kgorogo Samukelisiwe 8. Mr. Madumo Thabo 9. Ms Mmaseema Beverly	3 Months	Noko Skills Institute Pty Ltd	Total project amount R 160 000.00 1st Tranche R 16 000.00

TRAINING PROGRAMME	TRAINEES	DATES	TRAINING PROVIDERS	AMOUNT
	10. Ms. Phasha Matlhodi Loah 11. Mr. Dialwa Jones 12. Ms. Bopape Jones 13. Ms Mzendane Joyce 14. Ms. Kgokane Kabelo 15. Mr. Kau Stephens 16. Mr. Khoza Keletso Moffat 17. Ms Mamogale Girly 18. Ms Mashao Grace 19. Mr. Masemola Tshepo 20. Ms Zitumane Ongezwa			
9. Skills Programme: ICT End User Computing	Email for recruitment sent to all directors date : 11. June 2025	3 Months	Noko Skills Institute	Total Project Amount R 240.000 Project not yet active
10. Skills Programme: FETC IT Technical Support	Email for recruitment sent to all directors date : 11. June 2025	3 Months	Noko Skills Institute	Total Project amount R 160.000.00 Project not yet active
11. Welding Assistant	Email for recruitment sent to all directors date : 11. June 2025	3 Months	Noko Skills Institute	Total Project amount R 480.000.00 Project not yet active
12. Equipment Maintainer	Email for recruitment sent to all directors date : 11. June 2025	3 Months	Noko Skills Institute	Total Project Amount R 480 000.00 Project not yet paid
13. Equipment Operator	Email for recruitment sent to all directors date : 11. June 2025	3 Months	Noko Skills Institute	Total Project amount R 480 000.00 Project not yet active
TOTAL NUMBER TRAINE	**390**		**TOTAL EXPENDITURE ON ACTIVE PROJECTS**	**R 852 700.00**

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

The purpose of the Statement of Financial Performance is to give an account of the results of municipality's operations. These transactions result from the operating budget. The result is expressed as being either a surplus or a deficit (being the difference between Revenue and Expenditure). A surplus is indicative of Revenue being more than Expenditure and a deficit of Expenditure being more than Revenue. The purpose of the Statement of Financial Position is to give an account of the assets and liabilities at the end of the financial year. Net assets are shown, which are the difference between the assets and the liabilities. The cash flow statement shows the net cash result. Technically, the statement starts with the accounting surplus as per the Statement of Financial Performance which gets adjusted for all non-cash transactions. All other cash transactions not resulting from the Statement of Financial Performance are recorded. These items can be referenced back to both the capital budget as well as the items reported as part of the quarterly Section 71 reports, submitted to Council.

5.1 Statement of Financial Performance: Year 2024/2025

Description	2023/24	Budget Year 2024/25				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Actual Results as a % of Original Budget	Actual Results as a % of Adjustments Budget
Revenue						
Exchange Revenue						
Service charges - Electricity	670 009	757 422	725 922	704 307	93%	97%
Service charges - Water	168 375	175 088	201 190	186 958	107%	93%
Service charges - Waste Water Management	50 374	55 120	66 178	61 276	111%	93%
Service charges - Waste management	64 709	67 229	68 378	67 610	101%	99%
Agency services	17 283	18 833	18 833	17 550	93%	93%
Interest earned from Receivables	70 339	69 171	138 242	158 649	229%	115%
Interest from Current and Non-Current Assets	16 133	17 920	17 086	14 323	80%	84%
Rent on Land	–	7	25	33	454%	133%
Rental from Fixed Assets	2 196	2 064	2 826	4 277	207%	151%
Licence and permits	7 246	32	8 038	8 308	26166%	103%
Operational Revenue	123 473	5 927	10 143	14 636	247%	144%
Non-Exchange Revenue						
Property rates	361 611	420 000	463 000	455 571	108%	98%
Fines, penalties and forfeits	2 910	8 991	5 121	3 685	41%	72%
Licence and permits	–	525	–	–	0%	
Transfers and subsidies - Operational	1 056 251	1 137 358	1 137 829	1 129 134	99%	99%
Interest	46 070	50 071	74 071	80 760	161%	109%
Gains on disposal of Assets	37 968	–	–	1 193		
Other Gains	–	–	–	8 873		
Total Revenue (excluding capital transfers and contributions)	**2 694 947**	**2 785 760**	**2 936 882**	**2 917 143**	**105%**	**99%**
Expenditure By Type						
Employee related costs	664 637	730 202	733 620	728 545	100%	99%
Remuneration of councillors	35 339	38 861	38 861	36 520	94%	94%
Bulk purchases - electricity	832 714	665 720	793 488	900 672	135%	114%
Inventory consumed	255 189	204 931	204 931	386 790	189%	189%
Debt impairment	293 791	209 800	209 800	39 629	19%	19%
Depreciation and amortisation	304 046	317 937	317 937	245 628	77%	77%
Interest	120 159	43 233	117 123	163 874	379%	140%
Contracted services	473 501	288 183	664 943	582 172	202%	88%
Transfers and subsidies	4 404	7 343	7 343	7 344	100%	100%
Irrecoverable debts written off	12 941	–	–	47 280	0%	0%
Operational costs	328 251	211 432	335 931	416 283	197%	124%
Total Expenditure	**3 324 972**	**2 717 642**	**3 423 977**	**3 554 738**	**131%**	**104%**
Surplus/(Deficit)	**(630 025)**	**68 118**	**(487 095)**	**(637 595)**	**-936%**	**131%**
Transfers and subsidies - capital (monetary allocations)	335 065	346 202	367 856	377 064	109%	**103%**
Transfers and subsidies - capital (in-kind)	–	–	–	–		
Surplus/(Deficit) after capital transfers & contributions	**(294 960)**	**414 320**	**(119 240)**	**(260 530)**	**-63%**	**218%**

5.2 GRANTS

Madibeng Municipality spent R 1.1 billion or 100% of the R 1.1 billion allocated in the original and adjusted budget.

Library Grant spending needs to improve through better procurement planning.

Description	2023/24	Budget Year 2024/25				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Actual Results as a % of Original Budget	Actual Results as a % of Adjustments Budget
Operating Transfers and Grants						
National Government:	**1 064 494**	**1 135 958**	**1 135 958**	**1 136 871**	**100%**	**100%**
Equitable Share	1 052 209	1 123 765	1 123 765	1 123 765	100%	100%
Expanded Public Works Programme Integrated Grant	831	1 293	1 293	1 293	100%	100%
Local Government Financial Management Grant	2 900	2 900	2 900	2 900	100%	100%
Municipal Infrastructure Grant	8 555	8 000	8 000	8 913	111%	111%
Provincial Government:	**1 283**	**1 400**	**1 400**	**1 069**	**0%**	**0%**
North West Provincial Arts and Culture Council	1 283	1 400	1 400	1 069	76%	76%
Other grant providers:	**1 142**	**–**	**471**	**449**	**0%**	**95%**
LG SETA	1 142	–	471	449	0%	95%
Total Operating Transfers and Grants	**1 066 920**	**1 137 358**	**1 137 829**	**1 138 389**	**100%**	**100%**

5.3. ASSETS MANAGEMENT

Madibeng Municipality spent R 336.5 million or 88.3% of the repairs and maintenance operating budgeted expenditure of R 381.1 million. The 336.5 million spent represents 12% of the total actual operating expenditure of R 2.8 billion.

Repairs and Maintenance Expenditure: Year 2024/2025

Description	2023/24	Budget Year 2024/25				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Actual Results as a % of Original Budget	Actual Results as a % of Adjustments Budget
Repairs and Maintenance Expenditure	193 044	114 838	381 134	336 599	293%	88,3%
Total Expenditure	3 294 913	2 699 686	3 439 585	2 807 010	104%	82%
Repairs and Maintenance as a % of Total Operating Expenditure	**6%**	**4%**	**11%**	**12%**		

NW372 Madibeng - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		**92 313**	**71 917**	**110 490**	**36 194**	**69 050**	**41 531**	**27 519**	**66.3%**	**110 490**
								–		
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		73 068	61 471	100 644	35 535	64 666	36 457	28 209	77.4%	100 644
Expanded Public Works Programme Integrated Grant		11 480	1 836	1 836	194	1 157	919	238	25.9%	1 836
Local Government Financial Management Grant		3 068	3 963	3 363	59	699	1 831	(1 132)	-61.8%	3 363
Municipal Infrastructure Grant		4 697	4 647	4 647	407	2 528	2 324	204	8.8%	4 647
Provincial Government:		**551**	**284**	**1 330**	**710**	**890**	**554**	**335**	**60.5%**	**1 330**
								–		
Infrastructure Grant		551	284	1 330	710	890	554	335	60.5%	1 330
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
								–		
Other grant providers:		**1 202**	**15**	**320**	**–**	**152**	**164**	(12)	-7.1%	**320**
Local Government Water and Related Service SETA		1 202	15	290	–	123	107	16	14.9%	290
North West Provincial Arts and Culture Council		–	–	30	–	30	57	(27)	-48.2%	30
Total operating expenditure of Transfers and Grants:		**94 066**	**72 216**	**112 140**	**36 904**	**70 092**	**42 249**	**27 843**	**65.9%**	**112 140**
Capital expenditure of Transfers and Grants										
National Government:		334 022	373 906	382 775	71 542	153 746	192 747	(39 001)	**-20.2%**	382 775
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Integrated National Electrification Programme Grant		36 058	28 235	28 235	213	10 834	14 118	(3 283)	-23.3%	28 235
Local Government Financial Management Grant		104	–	600	–	–	150	(150)	-100.0%	600
Municipal Infrastructure Grant		283 967	345 671	345 671	70 026	135 721	175 687	(39 966)	-22.7%	345 671
Water Services Infrastructure Grant		13 893	–	8 269	1 303	7 191	2 793	4 398	157.5%	8 269
Provincial Government:		**719**	**–**	**524**	**–**	**–**	**237**	(237)	-100.0%	**524**
Infrastructure Grant		**719**	**–**	**524**	**–**	**–**	**237**	(237)	-100.0%	**524**
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
								–		
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
North West Provincial Arts and Culture Council		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Total capital expenditure of Transfers and Grants		**334 741**	**373 906**	**383 299**	**71 542**	**153 746**	**192 984**	**(39 237)**	**-20.3%**	**383 299**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**428 807**	**446 122**	**495 439**	**108 446**	**223 839**	**235 233**	**(11 394)**	**-4.8%**	**495 439**

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Performance Indicator	Budget	Actual	Annual Actual Performance	Variance	Reasons for variance	Remedial Actions	Portfolio of Evidence
KPI 58 Percentage of the municipality's operating budget spent on indigent relief for free basic services by 30 June 2025	4,960,915.00	7,618,018.00	153.56%	53.56%	More indigent relief needed than anticipated	N/A	*Statement of Budget and Actual Amounts and Report*
KPI 59 Average number of days from the point of advertising to the letter of the award per procurement process by 30 June 2025	OPEX	OPEX	118 days	- 28 days	Appointment date could not be verified on the appointment letters	SCM will ensure all the appointment s of tenders will be made within 90days and a written extension will be provided in a case of appointment s after 90 days.	*Tender Opening Register, Appointme nt letter and Advert*
KPI 60 Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission by 30 June 2025	OPEX	OPEX	71.2%	-28.8%	The municipality did not have money in the bank account	Improve Revenue collection and debtors control to generate operational revenue	*Creditors Control Analysis*

KPI 61 Total Operating Expenditure incurred as a percentage of Total Expenditure Budgeted by 30 June 2025	2,608,213,578.00	3,415,520,614.00	129%	29%	It is due to not accounting for non-cash items on a monthly biases.	Prepare a standing JNL for the non-cash items to account monthly.	*Statement of Budget and Actual Amounts*

Liquidity:

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2023/24 financial year the ratio was 0.2. For the 2024/25 financial year the ratio increased to 0.3, which is the highest value in the period. This indicates a significant improvement in the municipality's ability to pay its bills compared to previous years.

Creditors Management:

The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

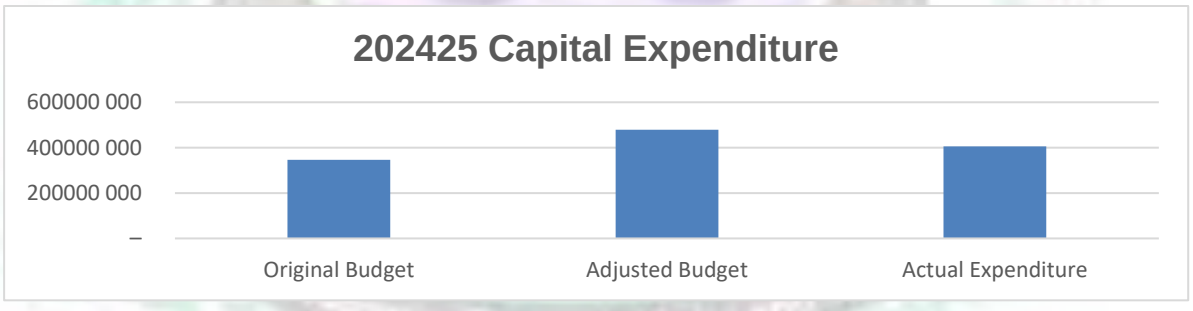
Other indicators:

Employee costs as a percentage of operating revenue continues to decrease. Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

As depicted in the graph below the capital expenditure of the original capital budget of R 346.2 million was increased to R 478.2 million in the final adjustments budget. The actual capital expenditure of R 405.5 million represented 117% of the original budget and 85% of the final adjustments budget.



5.6 SOURCES OF FINANCE

Capital expenditure was mainly financed through government grants of 323.9 million (80%) and internally generated funds of R 81.6million (20%)

Vote Description R thousands	Ref 1	2023/24	Budget Year 2024/25				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Actual Results as a % of Original Budget	Actual Results as a % of Adjustments Budget %
Funded by:							
National Government		306 492	346 202	372 523	323 207	93%	87%
Provincial Government		628	–	894	719		80%
Transfers recognised - capital		**307 120**	**346 202**	**373 417**	**323 926**	**94%**	**87%**
Internally generated funds		7 373	–	104 874	81 612		78%
Total Capital Funding		**314 493**	**346 202**	**478 291**	**405 538**	**117%**	**85%**

Capital expenditure was mainly invested in Road Transport infrastructure of R 163.3 million (40%), electricity infrastructure of R 63.7 million (16%), other infrastructure projects worth R 58 million (14%), Waste water Management infrastructure of R 48.3 million (12%) and Water infrastructure projects worth R 46.9 million (12%) and Community and social services infrastructure of R 23.3 million (6%).

Capital Expenditure Functional Classification: 2024/2025

Vote Description	2023/24	Budget Year 2024/25				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Actual Results as a % of Original Budget	Actual Results as a % of Adjustments Budget
Capital Expenditure - Functional Classification						
Community and social services	17 833	–	28 389	23 334	0%	82%
Road transport	148 725	169 518	191 905	163 375	96%	85%
Energy sources	34 879	29 684	66 600	63 712	215%	96%
Water management	30 292	104 000	70 277	46 961	45%	67%
Waste water management	51 629	40 000	56 176	48 397	121%	86%
Waste management	17 627	3 000	1 964	1 675	56%	85%
Other	13 508	–	62 980	58 084	0%	92%
Total Capital Expenditure - Functional Classification	**314 493**	**346 202**	**478 291**	**405 538**	**117%**	**85%**
Community and social services	6%	0%	6%	6%	0%	97%
Road transport	47%	49%	40%	40%	82%	100%
Energy sources	11%	9%	14%	16%	183%	113%
Water management	10%	30%	15%	12%	39%	79%
Waste water management	16%	12%	12%	12%	103%	102%
Waste management	6%	1%	0%	0%	48%	101%
Other	**4%**	**0%**	**13%**	**14%**	0%	109%

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

The four largest capital expenditure projects for the 2024/2025 financial year is depicted in the table below.

Vote Description	2023/24	Budget Year 2024/25				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Actual Results as a % of Original Budget	Actual Results as a % of Adjustments Budget
Capital Expenditure - Functional Classification						
Road transport	148 725	169 518	191 905	163 375	96%	85%
Energy sources	34 879	29 684	66 600	63 712	215%	96%
Water management	30 292	104 000	70 277	46 961	45%	67%
Waste water management	51 629	40 000	56 176	48 397	121%	86%

5.8 BASIC SERVICE AND INFRASTRUCTURE

Service Backlogs as at 30 June 2024/25 — Households (HHs)				
	*Service level above minimun standard		**Service level below minimun standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	671 284	20,69%	141 913	97,89%
Sanitation	666 373	20,85%	97 765	142,09%
Electricity	651 030	21,34%	227 154	61,15%
Waste management	202 329	68,66%	599 011	23,19%
Housing	138 489	100,31%	427	

Municipal Infrastructure Grant (MIG)* Expenditure 2024/25 on Service backlogs — R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges	165 518 000,00	24 028 397,00	187 547 827,26	11,75%	87,19%	N/A
Storm water	4 000 000,00	-1 500 000,00	2 497 058,45	-60,19%	160,07%	N/A
Infrastructure - Electricity						N/A
Generation	-	-	-	0,00%	0,00%	N/A
Transmission & Reticulation	-	-	-	0,00%	0,00%	N/A
Street Lighting	4 500 000,00	20 000 000,00	31 086 664,30	85,52%	35,66%	N/A
Infrastructure - Water						N/A
Dams & Reservoirs	50 000 000,00	-29 700 000,00	39 265 879,45	-27,34%	175,64%	N/A
Water purification	-	-	-			N/A

Reticulation	54 000 000,00	-39 466 090,00	9 846 219,00	-448,43%	501%	N/A
Infrastructure - Sanitation						N/A
Reticulation	-	-	8 203 462,58			N/A
Sewerage purification	40 000 000,00	4 517 407,00	29 638 512,55	-34,96%	84,76%	N/A
Infrastructure - Other						N/A
Waste Management	3 000 000,00	-1 500 000,00	1 853 597,11			N/A
Transportation	-	1 372 445,00	994 671,30	100%	-37,98%	N/A
Fire	-	9 605 126,00	7 243 421,32	100%	-32,60%	N/A
Gas						N/A
Other Specify:						N/A
Cemetery	-	5 547 715,00	6 853 107,36	100%	19,05%	N/A
Library	-	1 000 000,00	392 242,21	100%	0,00%	N/A
SMME Development Hub	-	4 000 000,00	3 342 639,78	100%	-19,67%	N/A
Total	**321 018 000,00**	**-2 095 000,00**	**328 765 302,67**			

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

Cash flow is of vital importance to the financial health of a municipality. The net cash inflows from operating activities (Sub-total A) generated a positive cash inflow of R 482.8 million. The net cash outflows of investing activities (Sub-total B) resulted in a cash outflow of R – 404.7 million. Overall the Municipality had a negative cash outflow of R 59.6 million and ended the financial year with cash and cash equivalents to the amount of R 89.7 million compared with R 71.3 million of the previous financial year.

Cash Flow Statement: Year 2024/2025

Description	2023/24	Budget Year 2024/25		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	205 314	315 000	355 950	222 389
Service charges	744 148	899 653	903 453	680 122
Other revenue	41 749	22 447	32 763	49 606
Transfers and Subsidies - Operational	1 056 251	1 129 358	1 134 256	1 129 134
Transfers and Subsidies - Capital	333 974	354 202	354 202	376 650
Interest	132 542	107 352	107 352	253 732
Payments				
Suppliers and employees	(2 248 542)	(2 373 904)	(2 612 309)	(2 228 774)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**265 435**	**454 109**	**275 668**	**482 858**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	–	–	–	–
Decrease (increase) in non-current investments	(3 235)	(12 800)	(12 800)	–
Payments				
Capital assets	(325 190)	(346 202)	(427 259)	(404 794)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(328 425)**	**(359 002)**	**(440 059)**	**(404 794)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
Payments				
Repayment of borrowing	(47 602)	(47 602)	(47 602)	(59 668)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(47 602)**	**(47 602)**	**(47 602)**	**(59 668)**
NET INCREASE/ (DECREASE) IN CASH HELD	**(110 591)**	**47 505**	**(211 993)**	**18 396**
Cash/cash equivalents at beginning:	181 940	102 840	102 840	71 348
Cash/cash equivalents at month/year end:	71 348	150 345	(109 153)	89 744

The collection rate for the preparation of cash flow is projected at 70% for electricity, 66% for water and sanitation, 75% for Refuse Removal and 76% for Property Rates.

Property rates collection rate is projected at 76% but it could be more due to the engagement between Madibeng and City of Tshwane regarding a memorandum of understanding between the two municipalities regarding credit control in areas where City of Tshwane is providing electricity, and Madibeng is providing other services. That City of Tshwane will assist Madibeng with disconnecting electricity for those consumers who owe Madibeng Property rates.

The municipality is technically bankrupt, it can be seen that the cash levels will not be able to address the creditors balances R1.7 billion as February 2025.

5.10 BORROWING AND INVESTMENTS

5.8.1 External Borrowings

The closing balance for the PIC loan was R218 million as of the end of June 2025. A total of R59.6 million was paid in the current FY.

PIC Loan

Description	20242025 Actuals
Opening balance of annuity loans	277 677 984
Add: New external loans taken up during the year	
Less: External loans redeemed during the year	(59 668 283)
Closing Balance of Annuity Loans	218 009 701

5.8.2 Investments

The opening balance of all investments in June was **R120.2 million**. R52.9 million was withdrawn. The closing balance was **R74.6 million**.

NW372 Madibeng - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months										
Municipality												
Fnb		12 Months	Call Deposits	Yes	Fixed	47.50%	0	114 416	537	(52 946)	6 771	**68 779**
Investec		0	Bank	No	Fixed	0.00%	0	–	–	–	–	**–**
Sanlam		0	Bank	No	Fixed	0.00%	0	132	–	–	–	**132**
Old Mutual		0	Bank	No	Fixed	0.00%	0	3 020	28	–	–	**3 048**
Nedbank		0	Bank	No	Fixed	0.00%	0	587	(29)	–	–	**559**
Absa		5	Bank	No	Fixed	47.50%	0	–	–	–	–	**–**
Standard Bank		0	Bank	No	Fixed	0.00%	0	–	–	–	–	**–**
Quilter Plc		0	Bank	No	Fixed	0.00%	0	520	31	–	–	**551**
Investec		0	Bank	No	Fixed	0.00%	0	1 525	9	–	–	**1 534**
Municipality sub-total								**120 201**	**577**	**(52 946)**	**6 771**	**74 603**

5.11 PUBLIC PRIVATE PARTNERSHIPS

The Municipality had no public private partnerships as per the Municipal Public-Private Partnership Regulations for the year under review.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

Policy complies with the regulatory framework. The SCM function cuts across all departments. Although governance is at its core, supply chain management plays a vital role in contributing towards service delivery in a manner that is fair, equitable, transparent, competitive and cost-effective.

The Municipality applies the bid committee system for procurement above R 200,000 and for the procurement of long-term contracts. The bid committees namely the Bid Specification Committee, the Bid Evaluation Committee and the Bid Adjudication Committee are all functioning effectively. The bid committee members are appointed by the Municipal Manager in line with the relevant legislation. Improvements were made to the structure of the bid committee reports to improve compliance

5.13 GRAP COMPLIANCE

The Municipality has fully implemented the Standards of GRAP (Generally Recognised Accounting Practice) in accordance with the MFMA and Directive 5 issued by the Accounting Standards Board (ASB) and did not deviate from the standards.

CHAPTER 6

AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year -1

6.1 AUDITOR GENERAL REPORTS Year -1 (Previous

Refere to

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT

6.2 AUDITOR GENERAL REPORT

Refer to

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	**Full Time / Part Time**	**Committees Allocated**	***Ward and/ or Party Represented**	**Percentage Council Meetings**	**Percentage Apologies for non-**
	FT/PT			%	%
D. Mbezi		Speaker	ANC	N/A	N/A
D.S Maimane		Mayoral Committee - Executive Mayor	ANC	N/A	N/A
R.P Padi		Single Whip	ANC	N/A	N/A
S. Mohale		Chairperson MPAC	EFF	N/A	N/A
M. Molekoa		Mayoral Committee	ANC	N/A	N/A
C. Montsho		Mayoral Committee	ANC	N/A	N/A
L. Mhlambi		Mayoral Committee	ANC	N/A	N/A
E. Bopape		Mayoral Committee	ANC	N/A	N/A
I.B Bhebe		Mayoral Committee	ANC	N/A	N/A
M. Masuku		Mayoral Committee	ANC	N/A	N/A
M. Modipane		Mayoral Committee	ANC	N/A	N/A
P.P Legong		Mayoral Committee	ANC	N/A	N/A
A.T Matlou		Mayoral Committee	ANC	N/A	N/A
K. Sefike		Portfolio PC1 & PC9	ANC	N/A	N/A
M.J Ratele		MPAC	ANC	N/A	N/A
L.P Sedio		Portfolio PC2 & PC10	ANC	N/A	N/A
S.S Moreki		Portfolio PC3 & PC8	ANC	N/A	N/A
L. Ramatlhape		Portfolio PC3 & PC8	ANC	N/A	N/A
M.T Selialia		Portfolio PC6 & PC9	ANC	N/A	N/A
N.R Rakolle		Portfolio PC1 & PC7	ANC	N/A	N/A
P.L Motaung		Portfolio PC1 & PC6	ANC	N/A	N/A
T.J Makhubela		Portfolio PC5 & PC8	ANC	N/A	N/A
P.R.D Songwane		Portfolio PC5 & PC10	ANC	N/A	N/A
G. Mokonoto		Portfolio PC6 & PC4	ANC	N/A	N/A
K.G Matlou		Portfolio PC2 & PC5	ANC	N/A	N/A
J. Pieterse		Portfolio PC7	DA	N/A	N/A
M.I Sethe		Portfolio PC2 & PC7	ANC	N/A	N/A
B. Mogale		Portfolio PC2 & PC10	ANC	N/A	N/A
S. Maphoru			EFF	N/A	N/A
A. Sethole			ANC	N/A	N/A
L. Stoltz			DA	N/A	N/A
C.M Greenwood-Selby			DA	N/A	N/A
P.D Mamogwe			ANC	N/A	N/A
M Du Plessis			DA	N/A	N/A
J.M Sibanda			ANC	N/A	N/A
N.F Mokwena			ANC	N/A	N/A
R.B Matlala			ANC	N/A	N/A

W.K Morare		Mayoral Committee	ANC	N/A	N/A
J.M Mamabolo			ANC	N/A	N/A
C. Mphahlele			ANC	N/A	N/A
L.M Ntobong			ANC	N/A	N/A
J. Ratloi			ANC	N/A	N/A
T.A Kwele			EFF	N/A	N/A
M.D Morapedi			EFF	N/A	N/A
M.D Bodigelo			EFF	N/A	N/A
P.Pretorious			EFF	N/A	N/A
A.K Mashilo			EFF	N/A	N/A
O.R Modibane			EFF	N/A	N/A
R.M Mokoka			EFF	N/A	N/A
L.N Simango			EFF	N/A	N/A
P.M Sepuru			EFF	N/A	N/A
R.S Riba			EFF	N/A	N/A
K.S Komape			EFF	N/A	N/A
T.J Mohlabane			EFF	N/A	N/A
G.J Rossouw			DA	N/A	N/A
N.S Mabunda			DA	N/A	N/A
J.C Van Rhyn			DA	N/A	N/A
B. Manne			DA	N/A	N/A
W.J Muller			DA	N/A	N/A
M.S Moloi			DA	N/A	N/A
E. Van Ser Schyff		MPAC: Chairperson	DA	N/A	N/A
L.A Ratlou			DA	N/A	N/A
E.D.F Lourens			VF	N/A	N/A
J.D Smith			VF	N/A	N/A
J.E Klopper			VF	N/A	N/A
G. Clouston			VF	N/A	N/A
T.B Khutoane				N/A	N/A
S Monnakgotla				N/A	N/A
S.P Kungoane				N/A	N/A
P. Tsheola			AIC	N/A	N/A
A. Magwana			UDM	N/A	N/A
J.B Chiya			ACDP	N/A	N/A
K.A Nthekiso				N/A	N/A
F. Motepe				N/A	N/A
L.Maluleke				N/A	N/A
LF Phaloane				N/A	N/A
KH Mathonsi				N/A	N/A
TM Mhlanga				N/A	N/A
PT Mokau				N/A	N/A
B. Makhongela		MPAC	ANC	N/A	N/A

APPENDIX B: COUNCIL COMMITTEES AND THEIR PURPOSES		
COMMITTEES AND THEIR PURPOSES / FUNCTIONS		
#	NAME OF COMMITTEES	PURPOSE OF COMMITTEE
1	AUDIT COMMITTEE	TECHNICAL ADVISORY COMMITTEE OF COUNCIL
2	PORTFOLIO COMMITTEES	ADVISORY COMMITTEES TO THE EXECUTIVE MAYOR
3	RULES COMMITTEE	ADMINISTER RULES OF ORDER/CODE OF CONDUCT: COUNCILLORS
4	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	OVERSIGHT COMMITTEE OF COUNCIL ON PUBLIC ACCOUNTS
5	DELEGATIONS COMMITTEE	REVIEW OF EXISTING COUNCIL DELEGATIONS
6	MAYORAL COMMITTEE	COMMITTEE TO ASSIST THE EXECUTIVE MAYOR

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
OFFICE OF THE MUNICIPAL MANAGER	Mr QS Kgatla
CHIEF FINANCIAL OFFICER	Mr. SF Rikhotso (Acting)
CHIEF AUDIT EXECUTIVE	Ms M Lekhafola
HUMAN SETTLEMENTS & PLANNING	Mr W Phala
INFRASTRUCTURE & TECHNICAL SERVICES	Mr. OJ Masilo
COMMUNITY SERVICES	Ms. N Rampete
PUBLIC SAFETY FLEET & FACILITIES MANAGEMENT	Mr. M Khoza
CORPORATE SUPPORT SERVICES	Mr. DM Masemola
LOCAL ECONOMIC DEVELOPMENT	Ms. S Monyaki

APPENDIX D – FUNCTIONS OF MUNICIPALITY /

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes / No)**
Constitution Schedule 4, Part B functions:		
Air pollution	YES	NO
Building regulations	YES	NO
Child care facilities	NO	NO
Electricity and gas reticulation	YES	NO
Firefighting services	YES	NO
Local tourism	YES	NO
Municipal airports	NO	NO
Municipal planning	NO	NO
Municipal health services	NO	NO
Municipal public transport	NO	NO
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned	YES	NO
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	NO	NO
Stormwater management systems in built-up areas	YES	NO
Trading regulations	YES	NO
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	NO	NO
Beaches and amusement facilities	NO	NO
Billboards and the display of advertisements in public places	YES	NO
Cemeteries, funeral parlours and crematoria	YES	NO
Cleansing	NO	NO
Control of public nuisances	NO	NO
Control of undertakings that sell liquor to the public	YES	NO
Facilities for the accommodation, care and burial of animals	YES	NO
Fencing and fences	NO	NO
Licensing of dogs	NO	NO
Licensing and control of undertakings that sell food to the public	YES	NO
Local amenities	NO	NO
Local sport facilities	YES	NO
Markets	YES	NO
Municipal abattoirs	NO	NO
Municipal parks and recreation	YES	NO
Municipal roads	YES	NO
Noise pollution	NO	NO
Pounds	NO	NO
Public places	YES	NO

Refuse removal, refuse dumps and solid waste disposal	YES	NO
Street trading	YES	NO
Street lighting	YES	NO
Traffic and parking	YES	NO

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	**Name of Ward Councillor and elected Ward committee members**	**Committee established (Yes / No)**	**Number of monthly Committee meetings held during the year**	**Number of monthly reports submitted to Speakers Office on time**	**Number of quarterly public ward meetings held during year**
1	L Nkoe	YES	12	12	4
2	PP Legong	YES	12	12	0
3	K Sefike	YES	12	12	0
4	MJ Ratele	YES	12	12	2
5	LP Sedio	YES	12	12	0
6	SS Moreki	YES	12	12	0
7	L Ramatlhape	YES	12	12	1
8	RP Padi	YES	12	12	0
9	F Motepe	YES	12	12	2
10	LSG Phaloane	YES	12	12	1
11	TW Mhlanga	YES	12	12	1
12	MT Selialia	YES	12	12	0
13	DM Molekoa	YES	12	12	0
14	NR Rakolle	YES	12	12	1
15	PL Motaung	YES	12	12	0
16	T Makhubela	YES	12	12	1
17	H Mathonsi	YES	12	12	1
18	PR Songwane	YES	12	12	0
19	AT Matlou	YES	12	12	0
20	G Mokonoto	YES	12	12	0
21	PT Mokau	YES	12	12	0
22	KD Matlou	YES	12	12	0
23	J Pieterse	YES	12	12	0
24	MI Sethe	YES	12	12	1
25	B Mogale	YES	12	12	0
26	M Masuku	YES	12	12	0
27	S Maphoro	YES	12	12	0
28	A Sethole	YES	12	12	1
29	L Stolz	YES	12	12	0
30	G Pepler	YES	12	12	0
31	IB Bhebe	YES	12	12	1
32	PD Mamogwe	YES	12	12	0
33	M du Plessis	YES	12	12	0
34	JM Sibanda	YES	12	12	1
35	NF Mokwena	YES	12	12	0
36	RB Matlala	YES	12	12	1
37	LG Mhlambi	YES	12	12	1
38	WK Morare	YES	12	12	1
39	Jm Mamabolo	YES	12	12	0
40	C Mphahlele	YES	12	12	1
41	LM Ntobong	YES	12	12	0
	Totals		**492**	**492**	**22**

APPENDIX F – WARD INFORMATION

Ward No.	Name of Councillor	Location	Ward Committee status	Number of ward committee members	Frequency of meetings
1	Cllr Ephraim Nkwe	Vaalboschloot, Masebolane, Rooivaal, Sephai, Atlanta, Kwarikraal, Legonyane, Watervaal, Klipvoorstad, Rasai And Fafung	Functional	10	Once per month
2	Cllr Peter Phaswana Legong	Rasegwati, Boalokobo, Legwirileng, Morolong, Malateng,Vuka, Selosecha, Mmamotsisi, Stateng and Morokwaneg	Functional	10	Once per month
3	Cllr Keaobaka Sefike	Block A, Block B, Block C ,Block D, Block E and Block F	Functional	10	Once per month
4	Cllr Motlalepule John Ratele	Bataung, Doornkop, Tshamahantse,-Zone1 Bafokeng, Zone3 Bafokeng, Phuthanang, Ikageng and Roman Section	Functional	10	Once per month
5	Cllr Letlhogonolo Peter Sedio	Bafokeng section, Newline Section, Lethabong, Section A, Section B, Section C, and Section D	Functional	10	Once per month
6	Cllr Shadrack Shanti Moreki	Newline, KL, New Stand, Junior Bucks , Roofers, Edward, Thambo and Sasol	Functional	10	Once per month
7	Cllr Levy Ramatlhape	Sgandaf ,Hall Section, Gomede section, Soshanguve, Skirleke, Xanadu and Newstand	Functional	10	Once per month
8	Cllr Rankwana Peter Padi	Madibeng Hils, Ngobeni Stands, Jackalsdans, Drie Koppies, Manamela, Ndlalane, Msiza Village, Selepe, and Phasha Maloka	Functional	10	Once per month
9	Cllr Feni Motepe	Block C, Block B, Extension 2, Zone 1 Masalapala, Block H	Functional	10	Once per month
10	Cllr Levy Selofela Gift Phaloane	Kagisano view, Micha Kgasi view, Itireleng section, Phiring section, Kgola section, Greenside section, Phuthing section, Nkandla, Montong and Morolong Section	Functional	10	Once per month
11	Cllr Thamsanqa William Mhlanga	Block I, Block G, Extension 2, Mapantso-leng and Zone 16	Functional	10	Once per month
12	Cllr Mojalefa Theophillus Selialia	Zone 2, Zone 8, Zone1, Zone 14, Zone 4, Zone 10 and Zone 5	Functional	10	Once per month
13	Cllr Moses Molekoa	Phase4, Phase1, Phase3 and Block 6	Functional	10	Once per month
14	Cllr Nicholas Ramaja Rakolle	Beestekraal, Klipkop, Sandrift, Rankotea, Slaagkraal, Snymansdrift, Kleinfintein, Kameeldrift, Moseja, Lindelani, Rooide-koppies, Mamogalieskraal, Ntsoapilong, Merekaneng, Tsetse	Functional	10	Once per month
15	Cllr Phopholo Lucas Motaung	Manotshe, Ratswenyana, Lesetlheng,-Moagi, Ralegotlo, Miami Extension, Newstand, Phase1 and Phase2	Functional	10	Once per month
16	Cllr Thobi-John Makhubela	Phase 3ext, Phase 3 CPR Office, Phase 5ext, Molefe section, ANC Sports Ground section, Mogakaneng section, Ontlametse, Molwelang and Apolo	Functional	10	Once per month
17	Cllr Hlanganani Mathonsi	Mapetla,Newtown,Mangopeng and Polonia	Functional	10	Once per month

18	Cllr Patrick Rankile Daniel Songwane	Central, Fota, Naledi, Niniva, Ramo-lapong, Block F,Springs,Tshwara,T-sakane,Selosecha,Mangopeng,New-town,Romma,Silver House ,Mashiapere and Ivory Park	Functional	10	Once per month
19	Cllr Alex Tebogo Matlou	Thetele, switch, Fluckfontein, Molapong, Newtown, Moagi, Moumong, De-kroon, Vuka,Killarney, Blackrock, Mathateng, Ramolapong, Channel view ,1 & 2 Tshwara, De wildt and Zilkatsnek	Functional	10	Once per month
20	Cllr George Mokonoto	Mothotlung, Domhuis and Disteneng	Functional	10	Once per month
21	Cllr Peter Tshelane Mokau	Mothutlung ext 1 and 2,Damonsvile elandsview, Damonsville ext 2,Tlapala-wa,Nkandla and Elandsrand	Functional	10	Once per month
22	Cllr Kagiso Godfrey Matlou	Masenkeng, Greenside, Phase 2, Block 5, Satlhala and Corrie Saunders	Functional	10	Once per month
23	Cllr Johan Pieterse	Brits	Functional	10	Once per month
24	Cllr Monnana Isaac Sethe	Dikampaneng, Mabona, Lethabong, Boikhutsong, sofasonke ext 3, 6, Sofa-sonke ext7, Mashamplane, Ndlovu and Lekgema	Functional	10	Once per month
25	Cllr Beauty Mogale	Bokfontein, Zandfontein, Brits, Bapong, and Khaluza section.	Functional	10	Once per month
26	Cllr Magdonia Masuku	Wonderkop, Dikhibidung section and Nkaneng	Functional	10	Once per month
27	Cllr Samuel Maphoru	Mooinooi, Bokamoso, Lokeng, Pekenene, Sarajeff, Malema view, Slovo new stand, Mamba and Mashimong	Functional	10	Once per month
28	Cllr Aubrey Sethole	Sandaf, Safrop, Andries, Mosetheng, Modikwane, Motlhabeng, Lesegaloapeng 2 shaft, Upper Newtown, Nommer one and Riverside	Functional	10	Once per month
29	Cllr Lizelle Stoltz	Skeerpoort, Broederstroom, Schaumburg and Poland	Functional	10	Once per month
30	Cllr Graeme Peplar	Rietfontein A/H, Sunway Village, Refentse (Afsaal), Ten Rooms, part of Melodie A/H, part of Syferfontein A/H, Ifafi, Meerhof, Birdwood and Xanadu	Functional	10	Once per month
31	Cllr Isaac Bongani Bhebe	Old tornado, Newstand, Mandela, Slovo , Katlhegong, Kutlwanong, Nkandla, Dimngong, Joe's Tarven, Buffelspoort,Seroophata, Bapong, Newtown, Legalaopeng, Oustad and Skoolplaas	Functional	10	Once per month
32	Cllr Priscilla Daina Mamogwe	Segwaelene, Dithabeng, Mshongoville, Wond Skooolplaas, Rockville, Middleskraal and Dikhibidung	Functional	10	Once per month
33	Cllr Maritza Du Plessis	Schoemansville, Kosmos, Melodie Town, Melodie Agricultural Holdings	Functional	10	Once per month
34	Cllr Joseph Mogogole Sibanda	Madinyane, Moiletsoane, Letlhakaneng, Mmalerato, Rietview, Shakung, Dipom-pong, Shakunyaneng and Ramogatla	Functional	10	Once per month
35	Cllr Nakiwe Faith Mokwena	Ipopeng, Newtown, Middletown,Skierlik, Oskraal and Rabokala	Functional	10	Once per month

36	Cllr Raymond Bareng Matlala	Tsewe, Phuta View, Sabourn side, Ndl-ovu, Skierlik and Block 10 and 11.	Functional	10	Once per month
37	Cllr Lindiwe Mhlambi	Ikageng, Hillside, John Dube, 2010, Fumane, Klipgat high, and Boepathuse	Functional	10	Once per month
38	Cllr William Khumo Morare	Centreville, Block F, Zone 10, Zone 6, Block H and Malema	Functional	10	Once per month
39	Cllr Jack Mathiba Mamabolo	Vuka section, Botlhabelo section, Green-side, Lemy's side, Kutlwano Primary side, Moutain view, Dekroon Farms, Mantjie Frams, Sheilings Farms and Multiplant	Functional	10	Once per month
40	Cllr Cecil Mphahlele	Sonop, Khalamtwana Geluk and Pansdrift	Functional	10	Once per month
41	Cllr Leah Mmakubu Ntobong	Moseja ,Bervely Hills, Block E, Motseng, Midas, Snake Park, Rockville and Block A	Functional	10	Once per month

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDING 30 JUNE 2025.

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

- Introduction and Legislative Mandate

The Audit Committee submits its annual report for the financial year ended 30 June 2025 in terms of provision of section 121 (3) (j), and 166 (2)(b) and (c) of the Local Government: Municipal Finance Management Act of 2003 and Circular 65 issued by National Treasury.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

- Details of Audit Committee members and attendance

The Audit Committee is an independent committee established in terms of section 166 of the Municipal Finance Management Act and operates in accordance with its Council approved Audit Committee Charter.

The Audit committee comprises of six (6) independent, external members appointed by Council, collectively possessing appropriate skills, experience, and expertise in finance, accounting, auditing, risk management, governance, and local government legislation and required to meet at least four (4) times per annum, or as often as required to perform its functions as per Audit Committee Charter and the MFMA section 166 (4)(b).

The following are members of the Audit committee

Name	Role in AC	Role in Sub-Committees
Mr. S Ngobeni	Chairperson	N/A
Mr R Tshimomola	Member	N/A

Ms J Masite	Member	N/A
Ms. M Mathye	Member	Financial Misconduct Disciplinary Board
Mr. M Makgale	Member	N/A
Mr. S. Maharaj	Member	N/A

The Audit Committee met at least four times during the year in line with its approved terms of reference, with additional special meetings convened as required to address emerging matters.

Attendance by members was satisfactory and enabled the Committee to discharge its oversight responsibilities effectively.

To strengthen governance and the internal control environment within the municipality, it is necessary for Audit Committee members to provide governance oversight and expertise through active participation in the ICT, Risk Management, and Performance Management Systems subcommittees.

o Effectiveness of Internal Control

The Audit Committee is responsible for overseeing the effectiveness of the municipality's systems and processes and for providing reasonable assurance on compliance with applicable legislation and regulatory requirements.

Based on a comprehensive review of reports provided by Internal Audit, the Committee identified several deficiencies and instances of non-compliance within the system of internal control relating to

- Supply Chain Management
- Payroll
- Compliance with the MFMA
- Overtime
- Risk Management
- Cash and cash equivalents
- Electricity Provision
- Revenue Management
- Human Resource Management
- Information & Communications Technology
- Audit of Performance Information
- Material Irregularity
- Records Management
- Review of Annual Financial Statements
- Review of the Annual Report
- Water provision
- Loss Control (UIFW Reduction)
- Budget & Expenditure Management
- Implementation of the Post Audit Action Plan
- Review of the Annual Performance Plan

Consequently, the internal control environment of the municipality is assessed as partially adequate and partially effective.

This assessment is supported by audit work performed by Internal which highlighted weaknesses in certain internal control processes.

Management has been formally advised of the required corrective actions to address the identified deficiencies, and the Audit Committee will monitor the implementation of these actions throughout the financial year.

The Committee further expresses concern regarding the non-implementation of consequence management where such action is warranted.

- Risk Management

The Audit Committee is of the opinion that municipality's risk management appears to be partial effective for the better of the year in material respect, and the municipality risk management strategy and related policies were approved late and hotline as part of fraud prevention strategy still to be implemented.

The committee remains concerned that not all ICT and financial risks are being addressed or mitigated in implementing new systems which is emanating from the monitoring of the risk register and progress reports on the respective action plans.

The committee is urging management to adopt an aggressive anti-corruption measures to curb and prevent possible fraud and corruption. There is a need to develop and / or review a detailed fraud prevention plan and progress reports on the action plans for addressing the fraud risks.

- Financial Management and Reporting

The AC is also required to advise Council on the adequacy, reliability of the financial statements (quarterly and annually) submitted to it by management.

The AC reviewed these reports and the Committee noted the following:

In-Year Management Reporting

The municipality did have a monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA). However, there is a room for improvement in terms of timeous submission to Council as prescribed.

The AC recommends that Council and management must continue to strengthen controls and monitor its efforts to prevent Unauthorised, Irregular, Fruitless and wasteful (UIFW) expenditure.

Review of the Annual Financial Statements

Following the review by the Audit Committee of the annual financial statements for the year ended 30 June 2025 before and after the audit, the committee is of the view that, annual financial statements fairly present the financial position, financial performance and cash flows of the municipality for the year under review and can be incorporated into the annual report.

The Audit Committee also noted with concern the material uncertainty that exist that may cast significant doubt on the municipalities ability to operate as a going concern.

o Performance Management

The Audit Committee reviewed functionality of the performance management system on a quarterly basis and noted material weaknesses in the municipality's performance management system resulting in unreliable performance information and non-compliance with legislation regulatory requirements.

There is a room for improvement in so far as achievement of planned targets is concerned and capacitating the Performance Management Unit. Furthermore, there is urgent need to conduct prior year quarterly and annual assessments of senior managers including the Municipal Manager, assess the performance of external service providers and cascade performance management system.

There is a need to fully capacitate the Performance Management System.

o Compliance with laws and regulations

The AC noted material non-compliance relating to the MFMA, Supply Chain Management regulations, Performance Management System and human resource management, and was reported by Audit Committee.

o ICT Governance

The AC reviewed functionality of the ICT unit and it appears to be not functional, there is a room for improvement in so far as investment in digital technology is concerned and capacitating the Unit with skilled personnel.

Internal Audit

All strategic documents guiding the IA unit has been submitted to the AC for approval, including the Internal Audit Charter, Internal Audit Methodology, the Internal Audit strategic risk-based annual plan as well as the three-year rolling plan.

The Audit Committee is satisfied with the effectiveness of Internal Audit and confirms that Internal Audit conforms with the Standards for Professional Practice of Internal Audit despite being under capacitated. There is a need to fast-track the implementation of Combined Assurance Model. The Independence of internal audit is confirmed by the AC.

Some of the key findings raised by internal audit include the following inter alia

- Council not adhering to the reporting cycle as prescribed by the MFMA
- Municipal strategic planning documents not aligned
- Council not reviewing the Municipal Organogram annually as legislated
- Material non-compliance to the Supply Chain Management Regulations
- Annual Report not compliant with the prescribed laws and regulations
- Municipal Oversight Report on the Annual Report not made public as required
- Material Irregularities not dealt with

There is a need to increase human capacity within Internal Audit to ensure the effective execution of the approved audit plan and the provision of adequate assurance over governance, risk management, and internal control processes.

Business Continuity Management

There was no progress on the development and implementation of the Business Continuity Management and Disaster Recovery Plan. This is of critical importance as this will assist the Municipality's resilience to the risk of disruptions to business processes.

Unauthorised, Irregular and Fruitless and wasteful Expenditure

The committee noted that there is no progress in preventing and reducing Irregular, Fruitless and Wasteful expenditure for the financial year under review.

MPAC should fast track the investigation of unwanted expenditure and management should implement the reduction plan speedily to ensure that there is resolution in this regard.

o Material Irregularity

The committee is concerned that the external auditor has been issuing Material Irregularities (MI) in the two financial years and there is less progress in ensuring that there are no MIs issued against the municipality. The progress of the MI will be monitored on regular basis.

o Adequacy of corrective actions taken by management in response to internal audit, Audit Committee and AGSA findings

A material number of Audit Committee, Internal Audit and AGSA recommendations to management were not implemented.

o Auditor-General of South Africa

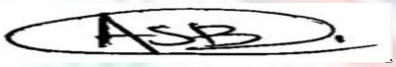
The Audit Committee confirms that the municipality's Annual Financial Statements (AFS) and Annual Performance Report were reviewed by the Committee prior to their submission to the Auditor-General of South Africa (AGSA) for the annual audit.

The Committee met with AGSA to consider the Auditor's Engagement Letter and audit strategy, as required, and to ensure that no unresolved matters existed that could adversely affect the conduct of the annual audit.

The Committee further engaged with AGSA to discuss the Management Report and the Audit Report and can confirm that the municipality retained a qualified audit opinion on the Annual Financial Statements, while noting a regression in the audit outcome relating to the Audit of Predetermined Objectives.

o Conclusion

The Audit Committee wishes to acknowledge the commitment from Council, management and staff of the municipality. The stability in terms of the political and administrative leadership of the municipality has contributed to these improvements reported above. We would also like to thank the Speaker, Executive Mayor for his support, Councillors, senior management for their efforts and internal audit for their contribution.



SAB Ngobeni (Mr)

Chairperson of the Audit Committee

RESOLUTION NO.	RESOLUTION	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE	STATUS	REASON FOR NON PERFORMANCE	CORRECTIVE MEASURE
Date of Meeting: 28 August 2024							
	Internal audit report on the implementation of the PAAP						
1.	That PAAP is implemented to ensure that issues raised in previous years do not recur.	CFO	Immediately	Some issues raised in the previous years are still raised in 2024/25 FY.	Not Implemented	Some issues raised are partially addressed and some are fully addressed, and some are not yet started.	Not Indicated
2.	That PAAP is given priority to ensure an improved audit opinion by the Auditor General of South Africa.	CFO	Immediately	Although an improved audit opinion has been achieved by the municipality, PAAP has not been given a priority to ensure that all issues are addressed. There is no audit steering committee sitting weekly to address all issues addressed in PAAP	Partially Implemented	Audit steering committee is current seating weekly. We have a challenge with some department not attending the meetings. Two meeting have been held so far.	Two meeting have been held so far, we are having our meetings every week on Wednesday at 8am.
3.	That the Chief Financial Officer must ensure that all action plans are approved to enable the Internal Audit unit to review and provide assurance on the implementation thereof.	CFO	Immediately	Not all action plans were approved on the web-based PAAP system, as a result, Internal Audit could not provide assurance on the implementation thereof.	Not Implemented	We have since uploaded all audit finding on the web-based system. The is that most of the action owners have not approved on the web based PAAP.	We have also requested provincial treasury to assist with action plan
4.	That the various departments should ensure that the action plans formulated address the root causes to minimize recurrence of audit findings.	All Managers	Immediately	IA still found that some actions plan were not updated to deal with root causes as a result there is a high likelihood that the same findings will occur again.	On-going	It is Ongoing Action plans were updated although some actions did not address the root cause.	We have requested with provincial treasury to assist with action that will address the root cause.
	Internal audit report on the review of the draft 2023/24 AFS						
5.	That the Audit Committee, SALGA and Provincial Treasury comments be considered and incorporated in the Draft 2023/24 Annual Financial Statements prior submission to the Auditor General of South Africa.	CFO	Immediately	As at submission date of the AFS, IA, Cogta, PT and AC recommendations were considered prior submission to AGSA.	Implemented	N/A	N/A
	Internal audit report on the review of the draft 2023/24 annual performance report						
6.	That the Draft 2023/24 Annual Performance Report be revisited and populated with the correct information.	Manager: PMS	Immediately	As at submission date of the AFS and APR, IA and AC recommendations were considered prior submission to AGSA.	Implemented	N/A	N/A
7.	That strategies to improve overall performance be developed and implemented as a matter of urgency.	Manager: PMS	Immediately	No strategies to improve performance has been developed and implemented. The AC has recommended that the AO appoints one AC member to assist PMS and report on PMS issues at each AC meeting.	Not Implemented	PMS unit is currently using the technology solution from COGTA for performance improvement.	Municipal Performance Assessment Tool (MPAT) will be used as a strategy to improve the overall performance of the

RESOLUTION NO.	RESOLUTION	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE	STATUS	REASON FOR NON PERFORMANCE	CORRECTIVE MEASURE
							MLM. The strategies to improve the performance will be included in the 2025/26 PMS Policy Framework.
Date of Meeting: 23 September 2024							
	2024/25 Internal Audit Charter, 2024/25 Audit Committee Charter & 2024/25 Internal Audit Methodology						
8.	Internal Audit planning be revised and aligned with the new Global Internal Audit Standards, and presented to the Audit Committee before 09 January 2025.	CAE	January 2025	In progress, Ms Mathye is assisting the IA with the implementation process and an update shall be tabbed to the AC in January 2025.	In progress		
	2024/25 – 2026/27 Three-Year Internal Audit Plan						
9.	The 2024/25 – 2026/27 Three-Year Internal Audit Plan is approved by the Audit Committee, subject to proposed inputs and amendments made.	CAE	Immediately	AC inputs were filtered into the Three Year Rolling Plan and Annual plans.	Implemented	N/A	N/A
	2024/25 Draft Schedule of Audit Committee Meetings						
10.	Ensure alignment between proposed dates and performance management reporting.	CAE	Immediately	Schedule of meetings aligned to the MFMA reporting calendar	Implemented	N/A	N/A
Date of Meeting: 06 November 2024							
	2024/25 Section 52 (d) Report – Q1						
11.	The CFO must provide a progress report with clear deadlines in the next Audit Committee meeting.	Chief Financial Officer	20 February 2025	Assurance on the implementation of the AC recommendations could not be provided due to reports not submitted.	Not Implemented	Not indicated	Not Indicated
	Report on Material Irregularities						
12.	Chairperson of the audit committee indicated that a meeting will be held with the Auditor General to discuss progress on implementing of the Material Irregularities.	CAE	20 February 2025	Progress on the implementation of MI will be discussed in February 2025.			
13.	Quarterly progress report on implementation of material irregularities to be submitted to Audit Committee in order to track progress and hold the Accounting Officer accountable for non-implementation.	Accounting Officer	20 February 2025	On-going, MI's are now a standing item on AC meetings.	Implemented	N/A	N/A
	Follow up audit – Records Management						
14.	Management to ensure that IA and AC's recommendations are implemented	All Senior Managers	30 May 2025	Assurance on the implementation of the AC recommendations can only be provided at the next reporting date of 30 May 2025, when	Not yet due	N/A	N/A

RESOLUTION NO.	RESOLUTION	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE	STATUS	REASON FOR NON PERFORMANCE	CORRECTIVE MEASURE
				the date for implementation falls due.			
	Post Audit Action Plan						
15.	Progress report on implementing the post audit action plans be submitted in the next meeting Audit Committee meeting.	CFO	20 February 2025	Assurance on the implementation of the AC recommendations could not be provided due to progress report not submitted for AC meeting scheduled in February 2025.	Not Implemented	Not indicated	Not indicated
	2023/24 SCM Report						
16.	The CFO to submit a comprehensive implementation plan addressing all major issues impacting the unit, including clear timelines for resolution in the next Audit Committee meeting.	CFO	20 February 2025	Assurance on the implementation of the AC recommendations could not be provided due to progress report not submitted for AC meeting scheduled in February 2025.	Not Implemented	Not indicated	Not indicated
	2023/24 Budget and Expenditure						
17.	The CFO to submit a comprehensive implementation plan addressing all major issues affecting the unit, including clear timelines for resolution in the next Audit Committee meeting.	CFO	20 February 2025	Assurance on the implementation of the AC recommendations could not be provided due to implementation plan not submitted for AC meeting scheduled in February 2025.	Not Implemented	Not indicated	Not indicated
	2024/25 Q1 – AOPI						
18.	A detailed Action plan on PMS issues to be submitted in the next meeting.	Manager: PMS	20 February 2025	Assurance on the implementation of the AC recommendations could not be provided due to progress report not submitted for AC meeting scheduled in February 2025.	Not Implemented	Not indicated	Not indicated
	Risk Management Report						
19.	The risk matrix should be embedded into the report.	Manager: ERM	Immediately	Risk Matrix have been embedded in the report	Implemented	N/A	N/A
20.	The Risk Management Unit should provide assurance on ethics management.	Manager: ERM	Immediately	To be done in the next quarter	Implemented	N/A	N/A
21.	An update on anti-fraud measures should be provided in the next meeting.	Manager: ERM	20 February 2025	A report on Fraud Prevention Plan has been submitted and is to be considered in the next AC meeting	Implemented	N/A	N/A
22.	A comprehensive action plan on water and electricity distribution losses should be presented at the next Audit Committee meeting.	Director: ITS	20 February 2025	A comprehensive action plan on water and electricity is submitted and is to be considered in the next AC meeting.	Implemented	N/A	N/A
Report of The Audit Committee To Council : 26 November 2024							
	Vacant Positions						

RESOLUTION NO.	RESOLUTION	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE	STATUS	REASON FOR NON PERFORMANCE	CORRECTIVE MEASURE
23.	Council fast-track the appointment of the substantive MM.	Council	30 March 2025	MM has been appointed on the 26 November 2024	Implemented	N/A	N/A
24.	Council fast-track the filling of all other vacant posts.	AO	30 March 2025	To be done in quarter 3 after the strategic session has been held with the substantive MM.	Not Implemented	Vacant positions are yet to be filled.	To be appointed in 4th quarter.
	Approval of the organisational structure						
25.	Council to fast-track the approval of the organogram which is required for the implementation of the IDP and addressing the municipality's internal transformation needs as informed by the strategies and programmes set out in the IDP.	Director CSS AO	30 March 2025	To be done in quarter 3 after the strategic session has been held with the substantive MM.	Not Implemented	Not indicated	Not indicated
	Interim AFS						
26.	The committee resolved that six months financial statements must be prepared and submitted to the committee during the next meeting in January 2025.	CFO	20 February 2025	Assurance on the implementation of the AC recommendations could not be provided due to Interim AFS not submitted for AC meeting scheduled in February 2025.	Not Implemented	Not indicated	Not indicated
	Internal Audit Progress Report						
27.	Management should develop an action plan to address the findings and recommendations by Internal Audit on or before 15 December 2024.	AO	15 Dec 2024	An action plan has been developed and will be standing item on SMT meeting.	Implemented	N/A	N/A
	SECTION 52(d)						
28.	Appointment of debt collectors on or before 15 December 2024	AO	15 Dec 2024	Debt collectors have been appointed.	Implemented	N/A	N/A
29.	Development of losses reduction strategy on or before 31 December 2024.	AO	31 Dec 2024	On progress.	Partially Implemented	Development of losses reduction strategy in planning stages.	To fast-track the development of the losses reduction strategy.
30.	Internal audit to audit procurement on a quarterly basis	CAE	Quarterly	Quarterly SCM audit covered in the approved IA Plan and SCM audit to unfold.	Implemented	N/A	N/A
31.	Government debt should be prioritized.	AO	Ongoing	Ongoing.	Ongoing	On-going	On-going
32.	The approved corporate calendar be amended asap to enable the municipality including the leadership to always comply with reporting sections of legislation.	Director CSS	31 January 2025	Amended Corporate Calendar approved by Council in January 2025.	Implemented	N/A	N/A
	Performance Information						
33.	Management to carry forward the unachieved targets to the next quarter.	AO	31 March 2025	There are still planned KPIs which are not achieved in Q3. Some are achieved, some are not.	Partially Implemented	Unachieved KPIs carried over to third quarter. However, in the third quarter we continue to have unachieved KPIs.	Achievement of planned targets to be monitored in Q4 and reported accordingly

RESOLUTION NO.	RESOLUTION	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE	STATUS	REASON FOR NON PERFORMANCE	CORRECTIVE MEASURE
34.	Management to ensure that planned KPI's are achieved and monitored.	AO	31 March 2025	Achievement of planned targets to be monitored in Q3 and reported accordingly.	Not Implemented	There are still KPIs, which are not achieved.	Continuous monitoring of the KPIs in 4th quarter
35.	One member of the AC be deployed to assist with PMS.	AO	30 November 2024	One AC Member yet to be deployed to assist PMS.	Not Implemented	The specific expectation and scope of assistance not clear, may be the reason to delay execution	To clearly define the scope of work and expected deliverables for the Audit Committee member in PMS
	PAAP						
36.	The web based enabled PAAP should be updated regularly and AO to monitor the implementation on a monthly basis.	AO/CFO	On going	Implementation of PAAP Report is included on SMT monthly Report for all Directors to report on addressing audit action plan.	On going	On-going	On-going
37.	Implementation of the Post Audit Action Plan be submitted to Council on a quarterly basis.	AO/CFO	On going	t will be submitted in the in the third quarter.	On going	On-going	On-going
	Risk Management						
38.	Mitigation action not implemented to be carried forward to next quarter.	AO	31 March 2025	Mitigations not implemented were carried over to third quarter. However, in the 3rd quarter there are still mitigations actions, which are not implemented.	Partially Implemented	There are some mitigations actions, which are implemented, and there are some, which are not.	Actions to be monitored in Q4 and reported accordingly.
	UIFW						
39.	MPAC, AC and FDB should collaborate to address the historical balances.	CAE	31 March 2025	Meeting planned for Q3.	Not Implemented	Not indicated	Not indicated
	Combined Assurance						
40.	Internal audit to finalize the development of combined assurance frameworks on or before 31 March 2025.	CAE	31 March 2025	In progress.	Partially Implemented		
	FRP						
41.	Employees to be trained on MISS	Director CSS	31 March 2025	To be done in Q3.	Not Implemented	Not indicated	Not indicated
42.	Employee in SCM to be vetted	Director CSS	31 March 2025	To be done in Q3.	Not Implemented	Not indicated	Not indicated
43.	Director's scorecards and the SDBIP be reviewed to ensure alignment with the FRP activities.	AO	31 January 2025	Yet to be done	Not Implemented	Due to mid-term assessment.	To be done during 3rd quarter
44.	Expenditure decisions be concurred with the PER and payment of creditors be decided upon by the cash management committee.	AO	31 January 2025	Cash Management committee to be established by 31 January 2025.	Not Implemented	Directorates might not fully understanding the importance of implementing the system	Ensure relevant directorate is aware of the importance of this process.
45.	Collection of government debtors be ring-forced.	AO	On going	On-going.	On going	On-going	On-going
46.	Management report to council on the implementation of FRP on a quarterly basis.	AO	Quarterly	Management through OMM submits a report on implementation of	Implemented	N/A	N/A

RESOLUTION NO.	RESOLUTION	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE	STATUS	REASON FOR NON PERFORMANCE	CORRECTIVE MEASURE
				FRP to Council on a quarterly basis.			
	AC Governance Model						
47.	Accounting Officer should fast track the appointment of ICT steering committee chairperson, who should be independent of the municipality.	AO	31 January 2025	To be implemented in 4th quarter	Not Implemented	An advertisement was drafted. However, it is yet to be issued for advertisement.	To appoint ICT Steering Chairpers on in 4rd quarter.
Date of Meeting: 28 November 2024							
48.	That PAAP for 2023/24 FY be captured within 15 days.	CFO	December 2024	PAAP is fully captured on the system.	Implemented	N/A	N/A
Date of Meeting: 23 January 2025							
49.	Infrastructure and Technical Services to submit a plan to comply with SANS 241 in the next Audit Committee Meeting.	Director: ITS	Next AC meeting	A ITS Plan to comply with SANS 241 submitted and is to be considered in the next AC.	Implemented	N/A	N/A
50.	CFO to provide a proper detailed report in the next Ordinary Audit Committee Meeting on how she is managing the 30 days payments to suppliers with challenges and how is the operation patella going as well.	CFO	Next AC meeting	Detailed report on how the CFO manages theb30 days payments to suppliers with challenges was not submitted to the AC that took place on the 20 February 2025.	Not Implemented	Not indicated	Not Indicated
51.	PMS must populate expenditure figures in the reports by tomorrow	Manager: PMS	Immediately	Expenditure figures populated in KPI's that shows the budget.	Implemented	N/A	N/A
52.	Community Services to continue to update the Audit Committee with the landfill site on a quarterly basis.	Director: CS	Quarterly	Report to be submitted by end of March 2025	Ongoing	Landfill operations currently outside of the licensed cell	Corrective S2$G application process started
53.	In third quarter PMS must submit a separate report with target that are not achieved and which explains what happened and whether directors were able to achieve them or not.	Manager: PMS	3rd Quarter AC meeting	The report with target that are not achieved will be included in the 2024/25 3rd quarter report.	Not Implemented	Not indicated	Not Indicated
54.	All adjustment and/or corrections in the Internal Audit Performance Reports (Departmental & High Level) must be done by tomorrow so that the report that must go to Council reflects the performance that Internal Audit would have verified.	Manager: PMS & Manager: IA	Immediately	AC inputs were incorporated in the 2024/25 2nd quarter performance report	Implemented	N/A	N/A
Date of Meeting: 24 February 2025							
	Material Irregularities - AGSA Report						
55.	The Chairperson will schedule a special session with AGSA before the March meeting to discuss outstanding issues.	AC Chairperson	Before the March meeting				
	Performance Management System (PMS) - Improvement Strategies						
56.	PMS Unit to develop a detailed action plan outlining performance improvement strategies for submission in the next meeting.	Acting Manager: PMS	22 April 2025	Performance improvement strategies were included in the PMS framework.	Implemented	N/A	N/A
	Financial Reporting – Interim Financial Statements						

RESOLUTION NO.	RESOLUTION	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE	STATUS	REASON FOR NON PERFORMANCE	CORRECTIVE MEASURE
57.	CFO to submit the first draft of financial statements in the next meeting.	CFO	22 April 2025	First draft of the AFS not submitted	Not Implemented	Not indicated	Not Indicated
	Ethics And Occupational Health & Safety (OHS) Moment						
58.	The Communications Unit to develop a proactive media response strategy.	Manager: Communications	22 April 2025	Media response strategy not implemented	Not Implemented	Not indicated	Not Indicated
	Financial Recovery Plan (FRP) Report						
59.	CFO to provide a detailed implementation progress report on Financial Recovery Plan in the next meeting.	CFO	20 April 2025	Progress report on FRP is submitted together with budget documents as annexure D.	Implemented	N/A	N/A
	Risk Management Report						
60.	The Risk Management Unit to provide assurance on ethics management by the next quarter.	Manager: ERM	20 April 2025	Ethics Management is a standing agenda item on the Audit Committee is meeting agenda.	On going	On-going	On-going
	Internal Audit Reports						
61.	Management to ensure IA recommendations are implemented, with an update due by 30 May 2025.	All directors	30 May 2025	AC Resolution not yet due	Not Yet Due	N/A	N/A
	2024/25 Section 52(D) Report – Q2						
62.	CFO to provide a progress report on debt collection in the next meeting.	CFO	22 April 2025	Progress report on debt collection not submitted	Not Implemented	Not indicated	Not Indicated
	Unauthorised, Irregular, Fruitless, And Wasteful (UIFW) Expenditure Report						
63.	The CFO must present a report on UIFW expenditure recovery plans in the next meeting.	CFO	22 April 2025	The report was not presented	Not Implemented	Not indicated	Not Indicated
	Performance And Audit Action Plan (PAAP)						
64.	PAAP implementation to be monitored, with updates required in the next meeting.	CFO	22 April 2025	Not all findings have been addressed.	Partially Implemented	Not all findings have been addressed.	Findings to be addressed before the end of 2024/25 FY.
	Performance Management Report						
65.	MM to submit updated performance improvement plans.	MM	22 April 2025	Performance improvements yet to be submitted.	Not Implemented	Not indicated	Not indicated
	Project Implementation Report						
66.	A comprehensive action plan on water and electricity losses to be presented at the next meeting.	Director: ITS	22 April 2025	Plan not developed	Not Implemented	Not indicated	Not Indicated
Date of Meeting: 26 March 2025							
	Post Audit Action Plan						
67.	All findings identified in the PAAP must be addressed, and progress should be reported at the next Audit Committee meeting.	CFO	12 May 2025	Not all findings have been addressed.	Partially Implemented	Not all findings are addressed	Findings to be addressed before the end of 2024/25 FY.

RESOLUTION NO.	RESOLUTION	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE	STATUS	REASON FOR NON PERFORMANCE	CORRECTIVE MEASURE
68.	The PAAP report must be submitted to Council for noting of the resolution only. Council should not be granted access to the system itself.	CFO MM	Next Council Meeting	PAAP not submitted to Council.	Not Implemented	Not indicated	Not Indicated
	Financial Reports						
69.	That the draft Budget and Integrated Development Plan (IDP) must be audited and finalized by the end of April.	CAE	April 2025	Review on the Alignment between IDP, Budget and SDBIP done by Internal Audit.	Implemented	N/A	N/A
	CSS Reports						
70.	The Audit Committee Chairperson will engage with Council to address the delays in the approval of the organizational structure.	AC Chair	Not Indicated				
Date of Meeting: 08 May 2025							
71.	The Audit Committee and the Acting Municipal Manager resolved that the Chief Audit Executive work from home until the matter between her and the Executive Mayor is resolved at Court for safety reasons.	Acting MM/CAE	Immediately		Implemented	N/A	N/A
Date of Meeting: 12 May 2025							
72.	Establishment of Material Irregularities (MI) Steering Committee to monitor MI progress and support council involvement	Accounting Officer	Not Indicated	MI Steering Committee not established.	Not Implemented	Not indicated	Not Indicated
73.	Development of a plan to address unresolved MIs	Accounting Officer & AGSA	Not Indicated	Plan to address MIs not developed.	Not Implemented	Not indicated	Not Indicated
74.	Review of shift system to reduce overtime. Full audit on overtime and review of related policies required	Management	Not indicated	Shift system not implemented.	Not Implemented	Not indicated	Not Indicated

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during 2024/25)					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Segwera Transport and Projects	Appoinment of a contractor for construction of Oukasie Outfall Sewer , Internal Reticulation and Pumpstation	13/09/2024	N/A	N/A	R 36 783 292,53
Majegu Holdings (Pty)Ltd	Appointment of contractor for construction and installation of Madibeng High mast Lights in all wards phase 2B	18/12/2024	N/A	N/A	R 28 317 930,00
Khosi/Vuyo Logistics	Appointment of a contractor for upgrading of Montwedi to Ipopeng Primary School Access Road and Stormwater Project (Pty)Ltd (Ward 35)	18/09/2024	N/A	N/A	R 25 997 406,81
Thume Trading Enterprise/Tshepiso Mb	Appoinment of a contractor for contruction of Hebron Kgabalatsane Water Reiculation Phase 9B	2024/05/09	N/A	N/A	R 25 316 463,98
Segwera Transport a& Projects	Construction of Klipgat Sanitation: Phase 9B	2024/09/05	N/A	N/A	R 23 790 594,08
Just Right Trading	Appointment of a contractor for upgrading of Refentse internal Roads and stormwater Projects in Ward 30	18/09/2024	N/A	N/A	R 23 761 212,99
Just Right Trading	Appointment of contractor for the construction of klipgat Water Reiculation Phase 9B	13/09/2024	N/A	N/A	R 21 559 236,30
Paljas BRT Projects JV	High Mass Light Engeneering	2024/03/25	N/A	N/A	R 20 905 643,00
Khosi/Vuyo Logistics	Appointment of a contractor for Upgrading Roads and Storm for Masters Ground in Majakaneng	18/09/2024	N/A	N/A	R 19 999 254,06
Khosi/Vuyo Logistics	Appointment of a contractor for upgrading of roads and stormwater for Fanyane to Manotshi Moduane High School	18/09/2024	N/A	N/A	R 19 747 034,56
Moereng Trading 40 CC	Appointment of a contractor for Upgrading of Internal Roads and Stormwater in Wonderkop Lutheran Church-Ward 26	18/09/2024	N/A	N/A	R 19 999 254,06
Tshepiso Mbokodo/Thume trading JV	Appointment of a contractor for upgrading of Internal Roads and Stormwater Projects in Mothotlung Ditankeng Sections(Ward 20)	18/09/2024	N/A	N/A	R 19 458 684,14
Morangile Construction and Projects	Letlhabile Block H Electrification	18/12/2024	N/A	N/A	R 18 700 000,00
Moereng Trading 40 CC	Appointment of a contractor for upgrading of roads and stormwater in Wonderkop Lutheran Church-Ward 26	18/09/2024	N/A	N/A	R 17 636 689,46
Khosi/Vuyo Logistics	Appointment of a contractor for Upgrading of Letlhabile Block F Road and Stormwater	18/09/2024	N/A	N/A	R 17 470 088,71
Naisa Construction and Projects	Appointment of a contractor for upgrading of Internal Roads and Stormwater of Letlhabile Block B(Tlhoafalo Primary School Section)Ward 9	18/09/2024	N/A	N/A	R 15 115 910,10
Dot Africa Civil CC	Appointment of a contractor for the Upgrading of internal Road cluster 6-Jericho Taxi Road	18/09/2024	N/A	N/A	R 15 100 859,91
Naisa Construction and Projects	Appointment of a contractor for upgrading of Legonyane Cemetry Road	18/09/2024	N/A	N/A	R 14 973 818,92
Engineering Drawing Lighting And Struc	High Mass Light Energersing	20/12/2024	N/A	N/A	R 7 141 730,00
Tshepiso Mbokodo Trading & Enterpris	Refurbishment of Letlhabile Waste Water Treatment Works	24/10/2024	N/A	N/A	R 6 410 521,59

APPENDIX I – SERVICE PROVIDER PERFORMANCE

ASSESSMENT OF PERFORMANCE OF EXTERNAL SERVICE PROVIDERS DURING 2024/25

Section 76(b) of the MSA states that KPI's should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. According to the AG's office:

a) Service provider means a person or institution or any combination of persons and institutions which provide a municipal office;
b) External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality

c) Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) of which a municipal service is provided by that

Municipal Systems Act, No.32 of 2000 Section 46 (1) (a) stipulates that a municipality must prepare for each financial year a performance reflecting the performance of the municipality and of each service provider during the financial year.

Standardised performance evaluation and reporting of Service Provider's in respect of provisions of services per the different contracts entered with the municipality. An evaluation criterion based on a 1-5 scale has been adopted which summarily outlines performance as per the conditions attached to the respective tender.

5	Excellent	Performance far exceeds the standard expected of a service provider at this level. The review/assessment indicates that the Service Provider has achieved above fully effective results against all performance criteria and indicators as specified o in the contract and scope of work and maintained this in all areas of responsibility throughout the term of contract.
4	Good	Performance is significantly higher than the standard expected in the job. The review/assessment indicates that the Service Provider has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the term of contract.
3	Average	Performance fully meets the standards expected in all areas of the job. The review/assessment indicates that the Service Provider has fully achieved effective results against all significant performance criteria and indicators as specified in the contract and scope of work.
2	Below Average	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the Service Provider has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the contract and scope of work.
1	Unacceptable	Performance does not meet the standard expected for the job. The review/assessment indicates that the Service Provider has achieved below fully effective results against almost all the performance criteria and indicators as specified in the contract and scope of work. The Service Provider has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.
0	No Performance	There is no performance. The review/assessment could not be properly executed. The Service Provider is not demonstrating the commitment or ability to execute the project job despite management efforts to encourage improvement.

Below is the performance of external service providers during the year under review:

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
NAISA CONSTRUCTION & PROJECTS	Upgrading of internal roads and stormwater Letlhabile Block B – Tlhoafalo Primary school section	4	In progress	Zoom fibre relocation, cash flow & cash flow	October 2024	September 2025	**INFRATRUCTURE TECHNICAL AND SUPPORT**
MOEPENG TRADING 40CC	Upgrading of internal roads and storm water in Wonderkop Lutheran Church	4	In progress	Rain & Cash flow	October 2024	August 2025	
JUST RIGHT TRADING		3	In progress	Rain & Cash flow challenges	September 2024	September 2025	
MADITSI JAN CONSTRUCTION AND PROJECT	Construction of Mothotlung sewer pumping station, raising main and upgrading	1	In progress	Unrest & Cash flow	28 March 2023	5 December 2023	
SEGWERA TRANSPORT & PROJECT	Upgrading of existing Outfall sewer, Reticulation and pump station. Construction of pump house	3	In progress	Unrest & Rain	13 September 2024	December 2025	
MAJEGU HOLDINGS (PTY)LTD	Construction and installation of Madibeng high mast lights in all wards phase 2b	4	In Progress	Rain	18 December	17 June 2025	
TSHEPISO MBOKODO THUME TRADING ENTERPRISE JV	Mothotlung Ditankeng Section Road & Stormwater Project	4	In progress	Rain & Hardrock	16 October 2024	30 June 2025	
TSHEPISO MBOKODO THUME TRADING ENTERPRISE JV	Refentse Access Road & Stormwater Project	4	In progress	Rain, Encroachment &	12 December 2024	31 August 2025	

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
				Sewerage spillages			
KHOSIVUYO LOGISTICS CC	Montwedi to Ipopeng Primary School Access Road & Stormwater Project	2	In progress	Poor performance & Cash flow	10 October 2024	06 July 2025	
KLIPGAT SANITATION PHASE 9B	Construction of Klipgat Sanitation Phase 9B	4	In progress	Rain, Hardrock & Underground Water	03 December 2024	19 May 2025	
NAISA CONSTRUCTION AND PROJECTS	Upgrading of Legonyane Cemetery Road	4	Practical Completion	Rain and Community strikes	16 October 2024	20 June 2025	
DOT AFRICA CIVILS	Upgrading of Road and Stormwater in Segwailane Internal Road	3	Practical Completion	Rain and Community strikes	16 October 2024	25 June 2025	
MTTP CONSTRUCTION	Refurbishment of Brits Fire	2	In progress	Community strikes	March 2024	30 June 2025	
KHOSIVUYO LOGISTICS CC	Masters Ground Majakaneng	2	In progress	Poor performance & Cash flow	02 December 2024	29 July 2025	
KHOSIVUYO LOGISTICS CC	Upgrading of Fanayane Moduane	2	In progress	Poor performance & Cash flow	22 October 2024	30 June 2025	
KHOSIVUYO LOGISTICS CC	Upgrading of internal roadblock F	2	In progress	Poor performance & Cash flow	14 October 2024	29 June 2025	**PROJECT MANAGEMEN T UNIT**
KLIPGAT WATER	Just Right	4	In progress	Good performance & Cash flow	13 November 2024	29 April 2025	
TSHEPHISO MBOKODO	WSP	3	Finalised	Payments delays Documents finalised by waiting for the council resolution	Finalised by the end of the quarter	September 2024	**WATER & SANITATION**
TSHEPHISO MBOKODO	Replenishing the sand filters to improve the turbidity compliance	5	Finalised	Cash flow as payments were delayed	Finalised	September 2024	
BULELANI UBOY	Cleaning of the DAF tanks and filter basin	4	Finalised	N/A	April 2025	June 2025	
YULE TRADING	UNPAVED ROADS MAINTENANCE	4	GOOD	Shortage Of Fuel on Fridays, This Often Affects Our	11 JULY 2025	30 JUNE 2025	

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
				Performance to Render Services Especially for Funeral Access Unpaved Roads.			**ROADS & STORM**
MAKHANANA TRADING CC	UNPAVED ROADS AND STORMWATER MAINTENANCE AND CONSTRUCTION	3	AVERAGE	Inconsistent Plant Availability.	11 JULY 2025	30 JUNE 2025	
SEGWERA TRANSPORT AND PROJECTS	UNPAVED ROADS AND STORMWATER MAINTENANCE AND CONSTRUCTION	3	AVERAGE	Roads Construction Plant Not Available, However, High Velocity Jetting Truck and Walk Behind Rollers Available.	11 JULY 2025	30 JUNE 2025	
MOLAUDI TRADING CC	UNPAVED ROADS AND STORMWATER MAINTENANCE AND CONSTRUCTION	4	GOOD	Fuel Shortages Which Are Not Resolved Within Acceptable Municipal Response Time.	11 JULY 2025	30 JUNE 2025	
LIMKHA	UNPAVED ROADS AND STORMWATER MAINTENANCE AND CONSTRUCTION	2	BELOW AVERAGE	No Roads and Storm water Construction and Maintenance Plant except For T.L.B	11 JULY 2025	30 JUNE 2025	
MORANGIE CONSTRUCTION AND PROJECTS	Letlhabile Block H Phase 1	5	The contractor is at the 85% percent of the works	The challenges experienced at the beginning of the project is related to the payments. There is also a delay with Post Top boxes from the supplier	11 July 2025	29 August 2025	
IMBAWULA TECHNICAL SERVICES	Letlhabile A Substation Phase 3	5	The contractor is at the 80%	The challenges experienced on the project is	11 July 2025	30 September 2025	

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
			percent of the works	related to the payments. There has also several stoppages by the community also related to payments. There is a variation order that need to be approved before the works can progress			
REBAONE ELECTRICAL AND CONSTRUCTION	Letlhabile C Substation	5	The contractor is at the 30% percent of the works	The 4 Million Budget not adequate to complete the requested scope of works and there is also a need for an appointment of the Consultant for the Project	2026/2027	2026/2027	**ELECTRICITY**
PARTYPARTY MARKETING AND PROJECTS	Maintenance of building facilities at Madibeng local municipality as a when required	2	Active	None	14 June 2023	13 June 2026	**PUBLIC SAFETY, FACILITY, FLEET MANAGEMEN T**
OJ SELEPE BUSINESS ENTERPRISE	Maintenance of building facilities at Madibeng local municipality as a when required	3	Active	None	14 June 2023	13 June 2026	
MALETSI PROJECT	Maintenance of building facilities at Madibeng local municipality as an when required	4	Active	None	14 June 2023	13 June 2026	
BEAULAH TRADING AND PROJECT	Maintenance of building facilities at Madibeng local municipality as an when required	3	Active	None	14 June 2023	13 June 2026	
LUDXUMO TRADING	Maintenance of building facilities at Madibeng local	4	Active	None	14 June 2023	13 June 2026	

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
	municipality as an when required						**PUBLIC SAFETY, FACILITY, FLEET MANAGEMEN T**
MOTLHAKATLHA SUPPLIER AND PROJECTS	Maintenance of building facilities at Madibeng local municipality as an when required	4	Active	None	14 June 2023	13 June 2026	
THABANG KGOROSHI2014	Maintenance of building facilities at Madibeng local municipality as an when required	4	Active	None	14 June 2023	13 June 2026	
DINEGODWINE	Maintenance of building facilities at Madibeng local municipality as an when required	4	Active	None	14 June 2023	13 June 2026	
BANA BA MOTHO TRADING AND PROJECT	Maintenance of building facilities at Madibeng local municipality as an when required	3	Active	None	14 June 2023	13 June 2026	
ARABA SECHABA ENTERPRISE	Supply, installation and maintenance of Air-conditioners in MLM	4	Active	None	14 June 2023	13 June 2026	**PUBLIC SAFETY, FACILITY, FLEET MANAGEMEN T**
KABIDA PROJECTS	Supply, installation and maintenance of Air-conditioners in MLM	2	Active	None	14 June 2023	13 June 2026	
TK TSHIDISO TRADING AND PROJECTS	Supply, installation and maintenance of Air-conditioners in MLM	3	Active	None	14 June 2023	13 June 2026	
MASUPYE GENERAL SUPPLY	Pest control services in municipal buildings	2	Active	None	16 October 2024	15 October 2027	
MOTLHABANE RISK MANAGEMENT SERVICES	Pest control services in municipal buildings	2	Active	None	16 October 2024	15 October 2027	
MALETSI PROJECTS	Pest control services in municipal buildings	2	Active	None	16 October 2024	15 October 2027	
SIMPLY JOVAL	Removal of the old elevators, supply, installation and maintenance of three (3) new elevators	4	Active	None	01 October 2024	30 September 2027	
MACWILLMO CONSTRUCTION	Purchase, delivery and installation of 1500 KVA backup generator at	5	Active	None	Once off		

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
	Madibeng municipal building (Main building)						
GUARDKORE (PTY) LTD	Supply, installation and maintenance of a digital two-way radio communications infrastructure for all department in MLM	3	Active	None	02 May 2021	30 April 2026	
DIPORTAL TRADING	Hiring of Plant and Equipment in MLM	3	Active	None	Month – Month contract	-	
LIMKHA SUPPLIES AND TRADING	Hiring of Plant and Equipment in MLM	3	Active	None	Month – Month contract	30 April 2026	**PUBLIC SAFETY, FACILITY, FLEET MANAGEMEN T**
MAKHANANA TRADING	Hiring of Plant and Equipment in MLM	3	Active	None	Month – Month contract	-	
MOLAUDI TRADING	Hiring of Plant and Equipment in MLM	3	Active	None	Month – Month contract	31 October 2026	
SEGWERA TRANSPORT	Hiring of Plant and Equipment in MLM	3	Active	None	Month – Month contract	31 October 2026	
VUSUBHEKI MANAGEMENT SERVICES	Supply, installation of biometrics and maintenance of access control systems	3	Active	None	01 November 2023		
HWIBIDU GROUP (PTY) LTD	Security services in cluster 4 of MLM	3	Active	None	01 November 2023		
MOKGANYA SUPPLY AND SERVICES CC	Security services in cluster 2 of MLM	3	Active	None	01 November 2023	31 October 2026	
MTUNGWA TLASEGO PROJECTS MAGAYENE JV	Security services in cluster 1 of MLM	3	Active	None	01 November 2023	31 October 2026	
TRIOTIC SECURITY SERVICES	Security services in cluster 3 of MLM	3	Active	None	01 November 2023	31 October 2026	
CERTO WAVE GROUP (PTY) LMD	Supply, Delivery and offloading Traffic PPE and uniform	3	Active	None	16 October 2024	15 October 2027	
POST OFFICE	Implementation of Adjudication, Administration of Road Traffic Offences (AARTO) in the Municipality	3	Active	None	01 April 2024	30 March 2027	

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
ISIVIKO CORPORATE (PTY) LTD	Supply, Delivery and offloading Fire uniforms and PPE	3	Active	None	16 October 2024	16 October 2027	
TRINTAPAX (PTY) LTD	Supply, Delivery and offloading Fire uniforms and PPE	3	Active	None	16 October 2024	16 October 2027	
VHANARI PROJECTS & CONSULTING	Supply, Delivery and offloading Fire uniforms and PPE	3	Active	None	16 October 2024	16 October 2027	
POST OFFICE	Implementation of Adjudication, Administration of Road Traffic Offences (AARTO) in the Municipality	3	Active	None	01 April 2024	30 March 2027	
KEP Consulting (Pty) Ltd	Water & Electricity Provision Audit	3	Completed	Delays in completing the project due to late submission of required information and late responses to findings raised by auditee.	21 May 2025	22 July 2025	**OFFICE OF THE MUNICIPAL MANAGER**
ARMS Audit & risk Management	ICT General Controls Audit	3	Completed	Site visits not conducted due to unavailability of the auditee Delays in submission of required information due to system related issues.	20 May 2025	22 July 2025	
Samba Solutions	Supply Chain Management Audit	3	Completed	Delays in submission of required information Internal uncertainties relating to the acting SCM Manager position	26 May 2025	24 July 2025	
NTC Holding	Environmental Studies	4	Not Active	None	01 December 2021	30 Nov 2024	**COMMUNITY SERVICE**

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
Ecological fields	Environmental Studies	3	Not active	None	01 December 2021	30 Nov 2024	
Phuka tsa nong	Environmental Studies	3	Not Active	None	01 December 2021	30 Nov 2024	
Arivate Attorneys	Magalies Water	3	Active	None	03 June 2024	31 May 2027	**CORPORATE SUPPORT SERVICES**
Gildenhuys Malatji Attorneys	Ngwenya River Estate	4	Active	None	18 November 2019	30 April 2024	
Gildenhuys Malatji Attorneys	Resilient Properties (Pty) Ltd	3	Active	We have been served with consolidation application by the Plaintiff and we opposed it due to avoid a long-drawn litigation. The Plaintiff want Fidelity fund and the Municipality requires cases against them to be consolidated and heard by same judge simultaneously and that will delay our case with the Plaintiff.	18 November 2019	30 April 2024	**LEGAL SERVICES**
Vhonani Nemakanga Attorneys	LSO	3	Active	None	18 November 2019	30 April 2024	
Malatji & Co	Ngwenya River Estate	3	Active	None	18 November 2019	30 April 2024	
Gildenhuys Malatji Attorneys	Letlhabile Block B Ext 1 land invasion	3	Active	None	18 November 2019	30 April 2024	
Matlala Von Metzinger Attorneys	Xanadu Ecopark Home Owners	3	Active	End user to submit an engineering report detailing	18 November 2019	30 April 2024	

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
				the capacity of the waste water treatment plant and progress on the refurbishment of the plant. This was the resolution in a meeting with the applicants in an attempt to resolve the matter			
8.Matlala Von Metzinger Attorneys	Stephen Velaphi Chauke	3	Active	None	18 November 2019	30 April 2024	
Gildenhuys Malatji Attorneys	Stephen Mphedi Madiro	3	Active	Matter referred to a full bench appeal in the Pretoria High Court.Appeal records and our heads of argument are due on or before 17th February 2025 after which a hearing date will be allocated. This matter is linked with Madiro's matter wherein Madiro is claiming R16 842 500.00	18 November 2019	30 April 2024	
Vhonani Nemakanga Attorneys	Leon Van Rhyn	3	Active	Matter as postponed sine die and Plaintiff still not pursuing	18 November 2019	30 April 2024	

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
				it but they have submitted incorrect legal costs and we instructed our Attorneys of records to oppose them as the matter is not yet finalised			
Matlala Von Metzinger Attorneys	Pokiso Daniel Mosoma	3	Active	None	18 November 2019	30 April 2024	
Gildenhuys Malatji Attorneys	Movundlela Pty Ltd	3	Active	Plaintiff's Attorneys withdrew from the matter and our attorneys are trying to locate the Plaintiff to satisfy the court that the Plaintiff is aware of the matter.	18 November 2019	30 April 2024	
Malatji & Co	R566 PROPERTY INVESTMENTS	3	Active	The final outcome is reliant to Rural Development to purchase the subject-property on behalf of the municipality	18 November 2019	30 April 2024	
Mohulatsi Incorporation	Unknown occupants of portion 218 farm Rietfontein 485 JQ	3	Active	The number of illegal occupants increased drastically after the municipality failed to execute the initial court	18 November 2019	30 April 2024	

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
				order. The municipality will have to provide alternative accommodation in the event the order is granted in our favour. We therefore propose that the user department should look at formalising the current occupants as a possible solution.			
Malatji & Co	Flame IT	3	Active	There are no supporting documents/annexures to the report upon which our counter claim is relied upon. An application to Compel has to be brought so that the plaintiff can release our documents.	18 November 2019	30 April 2024	
Gildenhuys Malatji Attorneys	Mok Development CC	3	Active	We have realised that our opponents does not seem to be keen to advance the matter forward. We will take necessary	18 November 2019	30 April 2024	

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
				steps in advancing the matter further.			
Vhonani Nemakanga Attorneys	Mozasa Civil Engineering	3	Active	None	18 November 2019	30 April 2024	
Vhonani Nemakanga Attorneys	Azhar Bhaiyat-56 Tom Street	3	Active	None	18 November 2019	30 April 2024	
Matlala Von Metzinger Attorneys	JJ Van Der Walt vs N Transport (Pty) LTD	3	Active	None	18 November 2019	30 April 2024	
Mohulatsi Incorporation	Kosmos Village Association	4	Active	None	18 November 2019	30 April 2024	
Matlala Von Metzinger Attorneys	Andre Coetzee	3	Active	None	18 November 2019	30 April 2024	
Mohulatsi Incorporation	Hometrad 66 CC	3	Active	None	03 June 2024	31 May 2027	
Vhonani Nemakanga Attorneys	Portion 28(A Portion of Portion 23) of the farm Groekloof 464 JQ known Siyahlala	3	Active	Matter was initially set down in an unopposed roll and now Respondent came to court in person. They requested the matter to be placed on an opposed roll to allow Respondent to acquire services of legal representation. Respondent have done as court instructed them to do so and now oppose of legalocess are unfolding.	18 November 2019	30 April 2024	

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
De Swart Myambo Hlahla Attorneys	Tshenolo Edwin Lefutswe	1	Active	None	03 June 2024	31 May 2027	
De Swart Myambo Hlahla Attorneys	Namudi Regina Makgata	1	Active	None	03 June 2024	31 May 2027	
Gildenhuys Malatji Attorneys	Ngwenya River Estate Homeowners Association	3	Active	None	18 November 2019	30 April 2024	
Mpoyana Ledwaba Incorporate	Johannes Sello Magoro	3	Active	None	03 June 2024	31 May 2027	
KLM Maja Attorneys	Sizwe IT Group	3	Active	None	03 June 2024	31 May 2027	
Kgomo Attorneys	Sediba Plaza	3	Active	None	03 June 2024	31 May 2027	
M.E Tlou Attorneys	Twin Place Trading and Projects &Others	3	Active	None	03 June 2024	31 May 2027	
JL Raphiri Attorneys Incorporate	Johannes Jacobus Du Preez	3	Active	None	03 June 2024	31 May 2027	
JL Raphiri Attorneys Incorporate	Madibeng Local Municipality/ Maditsi Jan Construction and projects and others	3	Active	None	03 June 2024	31 May 2027	
MB Mabunda Incorporate	EX PS (PTY)LTD	3	Active	None	03 June 2024	31 May 2027	
De Swart Myambo Hlahla Attorneys	Quiet Kgatla	1	Active	None	03 June 2024	31 May 2027	
Mohulatsi Incorporation	Midnight Storm Investmemt	3	Active	None	03 June 2024	31 May 2027	
De Swart Myambo Hlahla Attorneys	Quiet Kgatla	1	Active	None	03 June 2024	31 May 2027	
KLM Maja Attorneys	Edward Sesoko	3	Active	None	03 June 2024	31 May 2027	
JL Raphiri Attorneys Incorporate	Escallante Properties (PTY) LTD	3	Active	None	03 June 2024	31 May 2027	
KLM Maja Attorneys	Rooikoppies OOs Water Users Association	3	Active	None	03 June 2024	31 May 2027	
MAMPUDI HOLDINGS	Appointment for panel of consultants to assist with	4	Active	None	24 MAY 2024	23 MAY 2027	**BTO**

Service Provider	Project Name	Overall score	Performance Status	Challenges	Performance By Date	End Date	Department
	the preparation of GRAP Compliant						
CORPMD	Appointment for panel of consultants to assist with the preparation of GRAP Compliant	4	Active	None	24 MAY 2024	23 MAY 2027	
PMT	Appointment for panel of consultants to assist with the preparation of GRAP Compliant	4	Active	None	24 MAY 2024	23 MAY 2027	
MAXPROF	Provision of VAT services	4	Active	None	01 SEPTEMBER 2021	31 AUGUST 2024	
ENGENETSOL	Preparation of fixed asset register in accordance with GRAP Standards and treasury guidelines	4	Active	None	03 APRIL 2023	02 APRIL 20266	
SPECTRUM	Implementation of credit control measures	4	Active	None	01 MAY 2021	30 APRIL 2024	
OLE POWER	Collection of meter reading	4	Active	None	01 MAY 2021	30 APRIL 2024	

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

III. Management of Conflict of Interest

Municipalities are required to ensure that conflict of interest is pro-actively managed through declarations and disclosures (hereafter referred to as disclosures) of interest, gifts and external remuneration work.

The Municipal Systems Act. requires for both councillors and employees to disclose their financial interest, gifts and rewards solicited or received to the accounting officer / council.

In enhancing the provision of the MSA, the Integrity and Ethics Management Framework further requires councillors and employees to disclose details of their family members, this came in response to the AG findings on related parties contracting business with the municipality, and as such the AG requires that both employees and councillors to disclose details of their family members.

The following is a summative report on the extent to which councillors and employees a have disclosed:

CURRENT YEAR DISCLOSURES

Councillor Disclosures

✓ 58 or 70 % have submitted their financial disclosure forms.

The table below will break down the level of disclosures on each category required from the 82 councillors.

Current Year

Disclosed	Not Disclosed	Total
58 or 70 %	24 or 30 %	82 or 100%

Table1: Analysis of disclosures received from councillors for the current year

EMPLOYEE DISCLOSURES 2024/2025

✓ Only 353 of the 411 employees have submitted their disclosures. (0-8 Level)

✓ The number of employees considered for purposes of these disclosures excludes all employees below salary level 8.

The table below will break down the level of disclosures per directorate and on each level of management:

Department	No. of Employees Submitted	No. of Employees Outstanding	Total employees required to disclose	% submission
OMM	54	4	58	93%
BTO	55	2	57	96%
ITS	79	40	119	66%
CS	32	5	37	86%
CSS	28	7	35	80%
PHS	32	0	32	100%
LED	14	0	14	100%
PSFFM	59	0	59	100%
Total	**353**	**58**	**411**	**86%**

Table2: Analysis of disclosures received from employees per directorate for the current year 2024/2025

Employees who have disclosed	Employees who have not disclosed	Total
353or 86%	58 or 14%	411 or 100%

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY

Revenue Collection Performance by Vote						R' 000
Vote Description	2023/24	Current: 2024/25			2024/25 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1- Excutive Council	–	–	–	–	0%	0%
Vote 2- Municipal Manager	–	–	–	–	0%	0%
Vote 3- Chief Operating Officer	–	–	–	–	0%	0%
Vote 4- Corporate Support Service	1 142	–	477	480	100%	1%
Vote 5- Budget And Treasury Office	1 490 500	1 626 242	1 706 837	1 690 767	4%	-1%
Vote 6- Infrastructure And Technical Services	1 252 057	1 393 955	1 474 171	1 310 203	-6%	-13%
Vote 7- Community Services	75 746	78 189	93 922	96 756	19%	3%
Vote 8- Human Settlement	3 935	3 881	4 644	5 997	35%	23%
Vote 9-Economic Dev, Tourism & Agriculture	879	1 302	1 308	1 362	4%	4%
Vote 10-Public Safety , Fleet And Facilities Management	30 366	28 394	32 097	29 831	5%	-8%
Vote 11-Internal Audit	–	–	–	–	0%	0%
Vote 12-Risk Management	–	–	–	–	0%	0%
Vote 13-(Name of Vote 13)	–	–	–	–	0%	0%
Vote 14-(Name of Vote 14)	–	–	–	–	0%	0%
Vote 15-Other	-	-	-	-	0%	0%
Total Revenue by Vote	**2 854 625**	**3 131 962**	**3 313 458**	**3 135 395**	**0,11%**	**-5,68%**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						*T K.1*

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY

Revenue Collection Performance by Source						R '000
Description	2023/24	2024/25			2024/25 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	361301,00	420000,00	463000,00	442515,00	5%	-5%
Service Charges - electricity revenue	676072,00	757422,00	725922,00	702122,00	-8%	-3%
Service Charges - water revenue	114899,00	175088,00	201190,00	185476,00	6%	-8%
Rentals of facilities and equipment	2148,00	2064,00	2826,00	3579,00	42%	21%
Interest earned - outstanding debtors	69953,00	69171,00	138242,00	142831,00	52%	3%
Fines	3295,00	8991,00	5121,00	3757,00	-139%	-36%
Licences and permits	0,00	575,00	0,00	0,00	0%	0%
Agency services	17283,00	18833,00	18833,00	17550,00	-7%	-7%
Transfers recognised - operational	1066920,00	1137358,00	1137829,00	1129431,00	-1%	-1%
Gains on disposal of PPE	37873,00	0,00	0,00	0,00	0%	0%
Operational revenue	0,00	1237,00	8906,00			
Total Revenue (excluding capital transfers and contributions)	**2349744,00**	**2590739,00**	**2701869,00**	**2627261,00**	**-0,51**	**-0,37**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						*T K.2*

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants : Excluding MIG						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
National Government	**1 127 958**	**1 127 958**	**1 127 958**	**0%**	**0%**	N/A
Equitable Share	1 123 765	1 123 765	1 123 765	0%	0%	N/A
Expanded Public Works Programme Integrated Grant	1 293	1 293	1 293	0%	0%	N/A
Local Government Financial Management Grant	2 900	2 900	2 900	0%	0%	N/A
Provincial Government	**-**	**-**	**-**	**0%**	**0%**	N/A
Capicity Building and Other Grants	-	-	-	0%	0%	N/A
Other grant providers	**1 400**	**1 871**	**1 473**	**5%**	**-27%**	N/A
Local Government Water and Related Service SETA	–	471	449	100%	-5%	N/A
North West Provincial Arts and Culture Council	1 400	1 400	1 024	-37%	-37%	N/A
Total	**1 129 358**	**1 129 829**	**1 129 431**	**0%**	**0%**	

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS

	2023/24	2024/25			Planned Capital Expenditure		
Description	**Actual**	**Original Budget**	**Adjustment Budget**	**Actual Expenditure**	**2025/26**	**2026/27**	**2027/28**
Capital expenditure by Asset Class							
Infrastructure	**113 879**	**192 270**	**158 025**	**130 072**	**177 398**	**189 000**	**197 159**
Roads Infrastructure	34 408	41 270	33 909	30 344	25 533	7 000	7 175
Roads	34 408	41 270	33 909	30 344	25 533	7 000	7 175
Storm water infrastructure	–	4 000	2 500	2 171	10 000	–	–
Storm water ocnveyence	–	4 000	2 500	2 171	10 000	–	–
Electrical Infrastructure	7 503	–	29 738	32 299	18 235	14 000	14 859
MV Networks	2 751	–	29 738	32 299	18 235	14 000	14 859
LV Networks	3 881	–	–	–	–	–	–
Capital Spares	872	–	–	–	–	–	–
Water Supply Infrastructure	30 292	104 000	70 277	46 961	72 000	135 000	138 375
Boreholes	–	–	14 000	12 613	–	–	–
Distribution	30 292	104 000	56 277	34 348	72 000	135 000	138 375
Sanitation Infrastructure	41 676	40 000	19 744	16 683	31 000	33 000	36 750
Waste Water Treatment Works	11 966	40 000	19 744	16 683	25 000	30 000	30 750
Outfall sewers	17 309	–	–	–	–	–	–
Toilet Facilities	12 400	–	–	–	6 000	3 000	6 000
Solid Waste Infrastructure	–	3 000	1 857	1 615	20 630	–	–
Landfill Sites	–	3 000	1 857	1 615	20 630	–	–
Community Assets	**26 470**	**–**	**14 870**	**11 394**	**10 500**	**35 494**	**36 381**

Community facilities	26 470	–	14 870	11 394	9 500	25 494	26 131
Fire/Ambulance Stattions	5 871	–	2 950	2 236	–	–	–
Libraries	6 640	–	1 000	341	–	–	–
Cemeteries/Crematoria	9 771	–	5 548	5 406	7 500	21 000	21 525
Abattoirs	4 188	–	4 000	2 616	–	–	–
Taxi Ranks/Bus Terminals	–	-	1 372	795	–	–	–
Markets	–	-	–	–	2 000	4 494	4 606
Sports and Recreation Facilities	–	-	–	–	1 000	10 000	10 250
Outdoor Facilities	–	-	–	–	1 000	10 000	10 250
Capital expenditure by Asset Class							
ritage assets	–	–	–	–	–	–	–
Historic Buildings	–	–	–	–	–	–	–
Other Heritage	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–
Housing development	–	–	–	–	–	–	
Other	–	–	–	–	–	–	–
Other assets	**–**	**–**	**12 000**	**8 305**	**–**	**–**	**–**
Operational Buildings	–	–	12 000	8 305	–	–	–
Municipal Offices	–	–	12 000	8 305	–	–	–
Pay/Enquiry Points	–	–	–	–	–	–	–
Building Plan Offices	–	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	–
Yards	–	–	–	–	–	–	–
Stores	–	–	–	–	–	–	–
Laboratories	–	–	–	–	–	–	–
Training Centres	–	–	–	–	–	–	–
Manufacturing Plant	–	–	–	–	–	–	–
Depots	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–
List sub-class							
Intangible Assets	**365**	**–**	**4 000**	**2 300**	**10 000**	**5 000**	**5 000**
Licences and Rights	365	–	4 000	2 300	10 000	5 000	5 000
Computer Software and Applications	365	–	4 000	2 300	10 000	5 000	5 000
Computer Equipment	**712**	**–**	**1 691**	**804**	**–**	**–**	**–**
Computer Equipment	712	–	1 691	804	–	–	–
Furniture and Office	**1 508**	**–**	**2 161**	**1 463**	**-**	**-**	**-**
Furniture and Office	1 508	–	2 161	1 463	–	–	–
Machinery and	**740**	**–**	**9 404**	**8 943**	**-**	**-**	**-**
Machinery and	740	–	9 404	8 943	–	–	–
Transport Assets	**17 627**	**–**	**48 141**	**48 141**	**–**	**–**	**–**
Transport Assets	17 627	–	48 141	48 141	–	–	–
Total Capital Expenditure on new	**161 302**	**192 270**	**250 291**	**211 422**	**197 898**	**229 494**	**238 540**

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

	2023/24	2024/25			Planned Capital Expenditure		
Description	**Actual**	**Original Budget**	**Adjustment Budget**	**Actual Expenditure**	**2025/26**	**2026/27**	**2027/28**
Capital expenditure by Asset Class							
nfrastrucure	**56 203**	**7 000**	**35 855**	**30 353**	**15 000**	**10 000**	**10 250**
Road Infrastructure	56 203	7 000	35 855	30 353	15 000	10 000	10 250
Roads	56 203	7 000	35 855	30 353	15 000	10 000	10 250
Storm water							
Electrical Infrastructure	**24 856**	**29 684**	**30 472**	**27 032**	**81 302**	**45 500**	**43 713**
MV Substations	8 585	25 184	–	–	–	–	–
LV Networks	16 271	4 500	30 472	27 032	81 302	45 500	43 713
Water Supply Infrastructure	-	-	-	-	-	-	-
PRV Stations Distribution							
Sanitation Infrastructure							
Pump Station Outfall Sewers							
Community							
Parks & gardens	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-

Other	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
–							
Other assets	-	-	-	-	-	-	-
General vehicles	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-
Computers - hardware/equipment	-	-	-	-	-	-	-
Furniture and other office equipment	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
–							
Agricultural assets	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-
Other *(list sub-class)*	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	**90 984**	**36 684**	**102 585**	**88 953**	**96 302**	**55 500**	**53 963**

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR

Capital Programme by Project: 2024/25					R' 000
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Water					
Underground Water Augmentation	30 000	14 000	12 613	-10%	-138%
Hebron To Madidi Bulk Water Pipeline	54 000	–	–		
Hebron /Kgabalatsane/Rockvil/Itsoseng	20 000	16 734	15 058	-10%	-25%
Klipgat Extention Water Supply	–	23 543	19 507	-21%	100%
Replacement of Water Meters	–	16 000	–		
Sanitation/Sewerage					
Eradiction of Water & Sanitation	–	14 799	13 893	-7%	100%
Upgrading Mothotlung Outfall	–	11 717	10 541	-11%	100%
Upgrading Oukasies Outfall	–	8 800	8 399	-5%	100%
Kligat Sanitation Project	40 000	24 000	1 737	-1282%	-2203%
Furniture & Equipment	–	174	153	-14%	100%
Electricity					
Letlhabile Block H Electrification 1193 Erven	–	28 238	–		
Letlhabile C Substation	–	4 000	–		
Letlhabile Block I Electrification 2000 H/H	–	1 500	–		
Pendoring Substation Refurbishment	–	2 371	–		
Lethlabile Substation	25 184 000	–	–		
High Mass Light Enegersing	4 500 000	30 472	–		
Housing					
"Project A"	–	–	–		
"Project B"	–	–	–		
Stormwater					
Hebron Stream And Stormwater	4 000	2 500	2 171	0%	0%
ICT and Other					
Furniture & Equipment	–	60	50	-20%	100%

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY

Capital Programme by Project by Ward: 2024/25		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Water		
Klipgat Water Reticulation Extentions	8,24 & 36- Klipgat	No
Hebron,Kgabalatsane,Rockvill,Erusm us & Itsoseng Water Network	10,15 & 16- Hebron	No
Sanitation/Sewerage		
Upgrading of Mothotlung Outfall Sewer (Re-route)	20 & 21	No
Klipgat Sanitation Project	8,24 & 36 - Klipgat	No
Electricity		
High Mast Lights (Solar Energy)	All Wards - Brits	No
Cemeteries		
New Oukasie Cemetery		No
Emergency Services		
Refurbishment of Brits Fire Station	23	No
Klipgat Fire Station	3,8,24 & 36	No

Stormwater		
Formalisation of Hebron Stream and Stormwater	15 & 16	No
Landfill		
Upgrading of Hartebeesfontein Landfill Site	23	No
Library		
Mmakau Library	17,18 & 19	No
Taxi Ranks		
Madibeng SMME Development Hub-Brits	All Wards - Brits	No
Oukasie Taxi Rank	12	No
Roads		
Upgrading of Internal Roads of Cluster 3 (Block E Cemetery Road)	10,15,16 & 35 - Hebron -Itsoseng	No
Upgrading of Internal Roads of Cluster 4 (Madibeng Hills Ext of Taxi Road)	3,8,24 & 36 - Madidi	No
Bapong Connector Road-Ward 28	28	No
Upgrading of Kgabalatsane Internal Roads: Freedom Road	10	No
Upgrading of KL to Checkers Road Maboloka - Ward 6	6	No
Mmakau Ward 18 Clinic Road	18	No
Mmakau Ward 19 (From Chippa to Mounmong)	19	No
Rehabilitation and Resealing of Taxi Route - Letlhabile	9,11,12,38	No
Rehabilitation and Resealing of Taxi Route - Mothotlung	20,21	No
Rehabilitation and Resealing of Taxi Route - Oukasie	13,14,22	No
Upgrading of Internal Road in Segwaelane	32	No
Upgrading of Fanyane to Manotshi Moduane High School Road-Hebron	15	No
Upgrading of Internal Road and Stormwater in Mothotlung - Ditankeng	20	No
Rooival Cemetery Ring Road	1	No
Upgrading of internal Roads of Letlhabile Block B (Tlhoafalo Primary School)	9	No
Upgrading of Montwedi to Ipopeng Primary School Access Road and Stormwater	35	No
Upgrading of Refentse Internal Access Road and Stormwater	30	No
Upgrading of Legonyane Cemetery Road	1	No
Upgrading of Master Sport Ground Internal Road and Stormwater in Majakaneng	28	No
Upgrading of wonderkop Luthren Road	26	No
Upgrading of Letlhabile Block F Internal Road	38	No
Rehabilitation of Modderspruit Road	31	No
Upgrading of Internal Road in Fafung	1	No
		TO

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Not applicable – No backlogs were registered

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Not applicable – No backlogs is experienced. It must be noted that City of Tshwane supply water and electricity services to some communities within the municipality

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Not applicable – No loans and grants were made by the municipality

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA s71

No returns

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	**Progress to date**	**Number or Percentage Achieved**
Output: Improving access to basic services		
New households with access to basic electricity supply	Renovations of Letlhabile C Substation Indoor Relay Control Room completed. Due to Transformer 1 oil leaks, Transformer 2 to replace it. Transformer 1 to be refurbished. Project scope to be completed on the next phase of the project.	<75%
Unplanned outages that are restored to supply within industry standard timeframes	Completed	100%
Output: Implementation of the Community Work Programme & Co-operatives supported		
Work opportunities created through Public Employment Programmes(incl. EPWP,CWP)	Completed	100%
Output: Deepen democracy through a refined Ward Committee model		
Hold at least one councillor-conveyed community meeting	Most councillors do not convene community meetings	<75%
Actions supportive of the human Settlement outcomes		
Informal Settlements formalised	Submission to MPT	<75%
Implement a differentiated approach to municipal financing , planning and support	Prepare a standing JNL for the non-cash items to account monthly	<150%
Single window of co-ordination	Building Plans assessed within 30 days	100%
Improved municipal financial and administrative capacity	Municipality's budget spent on implementing its workplace skills plan	>150%
Output: Administrative and financial capability	Implement credit control and intensify operation patela	>75%

ANNEXURES

MPAC RESOLUTIONS FOR 2024/2025 FINANCIAL

NO.	DATE OF MEETING	RESOLUTION NO	DESCRIPTION	RESOLUTIONS	FINALISED/PENDING
1	24/10/29	MPAC.0127	Review of Terms of Referrence and annual work plan of MPAC for 2024/2025.	That cognisance be taken of: the need to revise the terms of reference and annual work plan for MPAC for 2024/2025 financial year and refers them to Council's consideration and adoption.	Finalised
2	24/10/29	MPAC.0128	MPAC status report on Council referrals during the current term of Council.	That cognisance be taken of the report. That the Committee considers the report on the MPAC Council referrals. That the items on the Council referalls be reviewed, completed and referred to Council.	Finalised
3	24/10/29	MPAC.0129	MPAC 1st quarter report for the 2024/2025 financial year	That cognisnce be taken of the report. That the 1st quarter report for the months of July to September 2024 be tabled before MPAC enroute to Council for noting	Finalised
4	24/11/14	MPAC.0130	Report on therequest for budget allocation for the office of MPAC.	That cognisance be taken of the report. That the Committee considers the report on the MPAC budget allocation with Budget and Treasury office and determine the amount.	Finalised
5	24/11/14	MPAC.0131	MPAC status report on Council referrals during the current term of office.	That cognisance be taken of the report, That the Committee considers the reviewed report on the MPAC Council referrals. That MPAC tables the	Finalised

NO.	DATE OF MEETING	RESOLUTION NO	DESCRIPTION	RESOLUTIONS	FINALISED/PENDING
				report and refers it to Council for approval.	
6	25/01/14	MPAC.0132	Report on the annual report process plan for the Municipal Public Accounts Committee for 2023/2024 financial year.	That cognisance be taken. That MPAC develops the process plan for oversight on the annual report for the 2023/2024 financial year. That MPAC recommends the oversight schedule on the 2023/2024 annual report process plan enroute to Council for adoption. That the Mayoral Committee Members should be incorporated into the public participation teams. That the MPAC Chairperson should engage with the Executive Mayor and Municipal Manager regarding the process plan and tabling of the annual report 2023/2024.	Finalised
7	25/01/14	MPAC.0133	Report on the preparation for public participation program on the oversight on annual report for the financial year 2023/2024.	That cognisance be taken of the contents of the report. The Mucicipal Manager or delegate is responsible for all aspects relating to the annual report public participation process.	Finalised
8	25/04/24	MPAC.0134	Adoption of the oversight report on the annual report for the 2022/2023 financial year.	That cognisanse be taken of the report. That the Concil referred the Annual Report for the 2023/2024 fianacial year to MPAC for	Finalised

NO.	DATE OF MEETING	RESOLUTION NO	DESCRIPTION	RESOLUTIONS	FINALISED/PENDING
				oversight. That MPAC met on the 14th of January 2025 to adopt the program. That MPAC considered all the inputs from the community and prepared the oversight report. That no written submissions were made or received from stakeholders.	
9	25/05/13	MPAC.0135	Municipal Public Accounts Committee 2nd quarter report for the 2024/2025 financial year	That cognisance be taken of the report. That the 2nd quarter report for the months of October - December 2024 be tabled before Council for noting.	Finalised
10	25/05/13	MPAC.0136	Municipal Public Accounts Committee 3rd quarter report for the 2024/2025 financial year	That cognisanse be taken of the report. That the 3rd quarter report for the months of January - March 2025 be tabled before Council for noting.	Finalised
11	25/06/26	MPAC.0137	Review of Terms of Referrence and annual work plan of MPAC for 2025/2026.	That cognizanse be taken of the need to revise the terms of reference and annual work planof MPAC on annual basis. The need to ensure good governance, acountabilty and transparency and instill the culture of policy and legislative compliance. That MPAC reviewed the terms of referenceand annual work plan for the 2025/2026 financial year for Council's consideration and adoption.	Finalised

NO.	DATE OF MEETING	RESOLUTION NO	DESCRIPTION	RESOLUTIONS	FINALISED/PENDING
12	25/06/26	MPAC.0138	Report on Non-submission of requested information and compliance notices issued by MPAC	That cognizance be taken of the report on non-submission of requested information and compliance notices. That MPAC request for information be responded to by the Acounting Officer. That Council hold the Accounting Officer accountable for non-response of MPAC RFI's and compliance notices. That Municipal manager be invited for MPAC hearing to provide an explanation for the nonsubmission of requested information.	Finalised
13	25/06/26	MPAC.0139	Report on proposed dates for projects site inspections for the financial year 2024/2025	That cognizance be taken of the contents of the report. That the proposed dates of the project site inspections are aproved as ammended by members of MPAC. That MPAC approves the proposed schedule and embark on project site inspection.	Finalised

ANNEXURES

VOLUME II: ANNUAL FINANCIAL

AGSA 2023/24 AUDIT

AGSA 2024/25 AUDIT

POST AUDIT ACTION



Madibeng Local Municipality
(Demarcation code NW372)
Annual Financial Statements for
the year ended 30 June 2025

Madibeng Local Municipality

Annual Financial Statements for the year ended 30 June 2025

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The following supplementary information does not form part of the annual financial statements and is unaudited:

General Information

Legal form of entity	Local Municipality
Nature of business and principal activities	The main business operations of the municipality is to engage in local government activities, which includes planning and promotion of integrated development planning, land use management, economic and environmental development and delivering general services to the community
Legislation governing the municipality's operations	Constitution of the Republic of south Africa (Act 108 of 1998) Municipal Finance Management Act (Act 56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Municipal Property Rates Act (act of 6 2004) Division of Revenue Act (Act 1 of 2007)

Executive mayor and chairperson of mayoral commitee

Portfolio	**Councillor**
Executive mayor and chairperson of mayoral committee	Hon. DS Maimane
Speaker	Cllr. D Mbezi
Chief WIP	Cllr. RP Padi
MMC Budget and Treasury	Cllr. AT Matlou
MMC Corporate Support Services	Cllr. EM Bopape
MMC Human Settlement & Planning	Cllr. WK Morare
MMC Community Development	Cllr. LG Mhlambi
MMC Public Safety & Facilities Management	Cllr. FJ Motepe
MMC Infrastructure & Technical Services	Cllr. DM Molekoa
MMC IDP, PMS & Legal	Cllr. CK Montsho
MMC Roads & Transport	Cllr. M Masuku
MMC Economic Development, Tourism and Agriculture	Cllr JM Modipane
MMC Intergovernmental Relations and Special Projects	Cllr IB Bhebe

Executive management

Position	**Name**
Municipal Manager	Mr Q Kgatla
Chief Financial Officer (CFO) (Acting)	Mr S Rikhotso
Director - Community Services	Ms N Kole-Rampete
Director - Corporate Support Services	Mr DN Masemola
Director - Public Safety	Mr M Khoza
Director - Local Economic Development	Ms S Monyaki
Director - Human Settlements	Mr W Phala
Chief Audit Executive (CAE)	Ms M Lekhafola

General Information

Council members

Nr	Surname	Initials	Nr	Surname	Initials
1	Bodigelo	MD	2	Chiya	JB
3	Khutoane	TB	4	Clouston	G
5	Klopper	JE	6	Du Plessis	M
7	Komape	S	8	Mohlaban	TJ
9	Kwele	TA	10	Legong	PP
11	Lourens	EDF	12	Mabunda	NS
13	Magawana	A	14	Makhubela	TJ
15	Mamabolo	JM	16	Mamogwe	PD
17	Manne	B	18	Maphoru	MS
19	Mashilo	AK	20	Matlala	RB
21	Makhongela	PB	22	Matlou	KG
23	Modibane	OR	24	Mhlanga	TW
25	Mohale	S	26	Mogale	BN
27	Mokau	BN	28	Mokoka	RM
29	Mokonoto	G	30	Mokwena	NF
31	Moloi	MS	32	Monnakgotla	S
33	Morapedi	MD	34	Nkala	ME
35	Motaung	PL	36	Mphahlele	C
37	Maluleke	RL	38	Nthekiso	KA
39	Muller	WJ	40	Moreki	SS
41	Ntobong	LM	42	Pieterse	J
43	Phaloane	LSG	44	Ratloi	J
45	Pretorius	P	46	Riba	RS
47	Ratlou	LA	48	Sedio	LP
49	Rossouw	GJ	50	Sekhoto	CS
51	Sefike	KR	52	Sepuru	PM
53	Mathonsi	KH	54	Sethole	A
55	Sethe	MI	56	Simango	LM
57	Sibanda	JM	58	Songwane	PRD
59	Smith	JD	60	Tsheola	P
61	Stoltz	L	62	Van Rhyn	JC
63	Nkoe	EM	64	Peplar	AG
65	Rakolle	L	66	Ramatlhap	L
67	Ratele	MJ	68	Selialia	MT
69	Van Der Schyff	E			

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We certify that the remuneration, allowances and benefits of the above Councillors as disclosed in note 35 of the annual financial statements are within the upper limits of the framework envisaged in section 219 of the constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Governments determination in accordance with this Act.

The following were councilliors during the year and as at 30 June 2025 were not councillors anymore: Councillor

Greenwoo CM - Left in July 2024,
Councillor Smith RJD - Left in July 2024,
Councillor Moraile RN - Left in July 2024 and Councillor
Kungoane SP - Left in December 2024.

General Information

Members of the Audit Commitee	
Chairperson	Mr. SAB Ngobeni
Member	Mr. S Maharaj
Member	Mr. MM Makgale
Member	Mr. RT Tshimomola
Member	Ms. MG Mathye
Member	Ms. SJ Masite
Members of the Risk Committee	
Chairperson	DR Scheepers
Grading of local authority	Grade 06
Accounting Officer	Mr Q Kgatla
Chief Financial Officer (CFO)	Mr. S Rikhotso (Acting)
Executive Mayor	Hon. DS Maimane
Registered head office	53 Van Velden Street Brits North West 0250
Postal address	PO Box 106 Brits North West 0250
Telephone	(012) 3180 9100
Bankers	First National Bank Refer to note 4
Demarcation code	NW372
Legal representative	De Swart Myambo Hlahla Attorneys JL Raphiri Attorneys KLM Maja Attorneys Nobela Attorneys Inc Mohulatsi Attorneys Inc Tlou Attorneys Rangwako Attorneys MB Mabunda Inc Kgomo Attorneys Mpoyana Ledwaba Inc

Abbreviations

AGSA	Auditor-General of South Africa
ASB	Accounting Standards Board
CIGFARO	Chartered Institute of Government, Finance, Audit and Risk Officers
COID	Compensation for Occupational Injuries and Diseases
COGTA	Cooperative Governance and Traditional Affairs
DORA	Division of Revenue Act
DSACR	Department of Sport, Arts, Culture and Recreation
EPWP	Expanded Public Works Programme
FMG	Financial Management Grant
GRAP	Generally Recognised Accouting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
INEP	Integrated Electrification Programme
LGSETA	Local Government Services Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSA	Municipal Structures Act
MSA	Municipal Systems Act
mSCOA	Municipal Standard Chart of Accounts
MSIG	Municipal Systems Improvement Grant
PEMA	Post Employment Medical Obligations
PIC	Public Investment Corporation
SALGA	South African Local Government Association
SAPS	South African Police Services
SARS	South African Revenue Services
SCM	Supply Chain Management
VAT	Value Added Tax
WSIG	Water Services Infrastructure Grant
VBS	Venda Building Society Mutual Bank

Accounting Officer's Responsibilities and Approval

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

The annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant 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.

I, as the Accounting Officer (accounting authority) acknowledge 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 have 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 30 June 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.

Although, I am primarily responsible for the financial affairs of the municipality, I am supported by the municipality's senior management team, internal auditors, external auditors and oversight governance structures of the municipal council.

I would like to bring the following material matters to your attention:

I certify that the salaries, allowances and benefits of councillors as disclosed in note 34 to 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, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

The external auditors, being the Auditor-General of South Africa (AGSA), is responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements will be presented for examination by the municipal internal and external auditors.

The annual financial statements set out on pages 9 to 112, in terms of Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003), which have been prepared on the going concern basis and which I have signed on behalf of the municipality on 29 August 2025:

Accounting Officer Mr.
Q Kgatla

Brits

Friday, 29 August 2025

Accounting Officer's Report

The Accounting Officer submit their report for the year ended 30 June 2025.

1. Review of activities

Main business and operations

The municipality is an organ of state within the local sphere of government exercising legislative and executive authority within the an area determined in terms of the Local Government: Municipal Demarcation Act, 1998 and operates primarily in North West- South Africa.

The main business operations of the municipality is to engage in local government activities, which includes planning and promotion of integrated development planning, land use management, economic and environmental development and delivering general services to the community.

The operating results and state of affairs of the municipality are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Going concern

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. Refer to Note 56 for details.

The municipality is under mandatory intervention invoked by the North West Provincial Executive in terms of Section 139(5)(a) and (c) of the Constitution read together with Section 139 of the MFMA. The Municipal Financial Recovery Services (MFRS) of National Treasury has prepared a Financial Recovery Plan (FRP) for the municipality in terms of Section 141 of the MFMA. The ability of the municipality to continue as a going concern is a number of factors. The most significant of these is that the Accounting Officer continue to implement the adopted FRP in order to restore the financial sustainability and solvency of the municipality.

3. Events after the reporting date

The Accounting Officer is not aware of any matter or circumstance arising since the end of the financial year other those mentioned in note 49.

4. Accounting Officer's interest in contracts

The Accounting Officers' had no interest in contracts awarded by the municipality.

5. Accounting policies

The annual financial statements prepared in accordance with the Municipal Finance Management Act and the effective Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board in accordance with Section 122(3) of MFMA as the prescribed framework by National Treasury.

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraph 8, 10 and 11 of GRAP 3 (Revised) and the hierachy approved in Directive 5 issued by the Accounting Standards Board.

6. Corporate governance

General

Council has a very strict attitude towards legislative compliance, specifically the supply chain management principles, and also the proper functioning of Performance and Audit Committee, Municipal Public Accounts Committee (MPAC) and the Financial Disciplinary Board.

All staff, including senior management and councillors are obliged to annually declare specific personal assets and private business interests. These annual financial declarations are subjected to verification and where identified life-style audits are commissioned.

The declarations includes, shared and other financial interests (not bank accounts with financial institutions), directorships and partnerships (also those held by the spouse and close family members), remunerated work outside the municipality, consultancies and retainerships, sponsorships, gifts and hospitality from a source other than a family member (exceeding the value of R350 over a period of 12 months), land and property registered in their name, vehicle(s) owned (registered) in their name and participation in elections.

Internal audit

The municipality has an in-house internal audit function. This is in compliance with the Municipal Finance Management Act, 2003.

Accounting Officer's Report

7. Primary Bankers

The primary bank account of the municipality as required by Section 8 of the MFMA is held with First National Bank.

8. Auditors

Auditor-General of South Africa (AGSA) will continue in office for the next financial year.

9. Non-compliance with applicable legislation

Section 64 of the MFMA requires that the accounting officer of the municipality must take reasonable steps to ensure that the municipality has an effective revenue collection system consistent with Section 95 of the Municipal Systems Act and the municipality's credit and debtors collection policy. The Act further requires that the municipality maintains a system of internal control in respect of both revenue and debtors.

The municipality did not always have adequate systems of internal control relating to revenue and debtors in that some accounts were billed using estimates due to a number of reasons, such as faulty or broken meters and refusal of access to premises to take actual meter readings.

Section 65(2)(e) of the MFMA requires the accounting officer to take all reasonable steps to ensure that all monies owing by the municipality is paid within 30 days of receiving the relevant invoice or statement.

During the financial year 2024/25, the municipality did not always pay the Eskom Bulk account for the purchase of electricity within 30 days of receiving the relevant invoice. The late and/or delayed Eskom bulk payments resulted in interest being charged on the outstanding amount.

The municipality did not always pay the Department of Water and Sanitation (DWS) and City of Tshwane Metropolitan Municipality (CoT) for bulk purchase of water within 30 days of receiving the relevant invoice or statement. The late and/or delayed DWS and CoT bulk payments resulted in interest being charged on the outstanding invoice or statement.

The municipality did not always pay the Rand Water account for the purchase of water within 30 days of receiving the invoice or statement. The late and/or delayed payment to Rand Water resulted in interest being charged on the outstanding invoice or statement.

The annual financial statements set out on page 7, which have been prepared on the going concern basis, were approved by the Accounting Officer on 29 August 2025 and were signed:

Mr Q Kgatla
Municipal Manager

Brits

Friday, 29 August 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	4	89 744 359	71 348 212
Trade and other receivables from exchange transactions	5	777 193 175	445 711 306
Receivables from non-exchange transactions	6	387 552 695	222 404 447
VAT Receivable	7	176 200 762	58 473 209
Inventory	8	50 324 191	52 092 775
Total Current Assets		**1 481 015 182**	**850 029 949**
Non-Current Assets			
Investments	9	4 447 887	4 236 943
Investment property	10	143 126 600	140 397 800
Property, plant and equipment	11	4 944 513 161	4 811 200 473
Heritage assets	12	10 100	10 100
Intangible assets	13	288 574	361 617
Total Non-Current Assets		**5 092 386 322**	**4 956 206 933**
Total Assets		**6 573 401 504**	**5 806 236 882**
Liabilities			
Current Liabilities			
Financial liabilities	14	128 507 275	99 170 709
Consumer deposits	15	28 298 080	27 187 688
Trade and other payables from exchange transactions	16	2 853 014 875	1 665 346 248
Trade and other payables from non-exchange transactions	17	-	414 908
Defined benefit obligations	20	8 119 848	8 180 893
Total Current Liabilities		**3 017 940 086**	**1 800 300 444**
Non-Current Liabilities			
Financial liabilities	14	89 502 425	178 507 275
Provisions	18	26 350 995	20 845 343
Long term trade and other payable	19	109 914 623	234 942 506
Defined benefit obligations	20	198 430 948	179 815 839
Total Non-Current Liabilities		**424 198 991**	**614 110 963**
Total Liabilities		**3 442 139 077**	**2 414 411 407**
Net Assets		**3 131 262 427**	**3 391 825 475**
Community Wealth / Equity			
Accumulated surplus	21	3 131 262 427	3 391 825 475
Total Community Wealth / Equity		**3 131 262 427**	**3 391 825 475**

* See Note 57

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Exchange Revenue			
Services charges – Electricity	22	704 306 670	670 008 644
Services charges – Waste management	22	67 610 382	64 708 902
Services charges – Waste water management	22	61 275 665	50 373 988
Services charges – Water management	22	186 957 739	168 374 857
Agency services	23	17 550 510	17 283 123
Interest earned from receivables	24	158 648 814	70 338 875
Interests on current and non-current assets	25	14 323 130	16 133 106
Licences or permits	29	8 307 925	7 246 342
Rent from fixed assets	26	4 276 843	2 195 669
Operational revenue	31	13 873 694	15 311 743
Total Exchange Revenue		**1 237 131 372**	**1 081 975 249**
Non-Exchange Revenue			
Property rates by usage	27	455 570 763	361 611 386
Fines, penalties and forfeits	28	3 684 702	2 910 125
Transfers and subsidies – Operational	30	1 129 134 458	1 056 250 791
Transfers and subsidies – Capital	30	377 064 429	335 064 880
Interest earned from receivables	24	80 759 813	46 070 147
Operational revenue	31	762 692	108 161 356
Gains	32	1 193 424	37 967 872
Impairment loss reversal	33	8 873 025	-
Total Non-Exchange Revenue		**2 057 043 306**	**1 948 036 557**
Total Revenue		**3 294 174 678**	**3 030 011 806**
Expenditure			
Employee related cost	34	728 544 617	664 636 604
Remuneration of councillors	35	36 520 454	35 338 786
Bulk purchases	36	900 672 439	832 713 902
Inventory consumed	37	386 790 403	255 189 384
Debt impairment	38	36 813 171	288 406 009
Depreciation and amortisation	39	245 627 928	304 046 183
Impairment loss / (reversal) of impairment	40	2 816 166	5 385 403
Interest	41	163 873 646	120 158 750
Contracted services	42	582 171 876	473 501 093
Transfers and subsidies	43	7 344 103	4 404 054
Irrecoverable debts written off	44	47 279 621	12 940 952
Operational cost	45	416 283 306	328 250 568
Total Expenditure		**3 554 737 730**	**3 324 971 688**
Deficit for the year		**(260 563 052)**	**(294 959 882)**

The accounting policies on pages 18 to 41 and the notes on pages 42 to 112 form an integral part of the annual financial statements.

* See Note 57

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		902 510 875	949 462 022
Operational revenue		49 605 882	41 749 124
Transfers and Subsidies – Capital		376 649 521	333 973 727
Transfers and Subsidies – Operational		1 129 134 458	1 056 250 791
Interest		253 731 757	132 542 128
Payments			
Suppliers and employees		(2 112 452 736)	(2 169 276 071)
Finance charges		(116 321 436)	(79 266 320)
Net cash from(used) operating activities	46	**482 858 321**	**265 435 401**
Cash flows from investing activities			
Payments			
Capital assets		(404 793 890)	(325 189 623)
Investment property - additions		-	(2 870 000)
intangible assets - additions		-	(365 217)
Net cash flows from investing activities		**(404 793 890)**	**(328 424 840)**
Cash flows from financing activities			
Payments			
Decrease in borrowing long-term		(59 668 284)	(47 601 941)
Net cash flows from financing activities		**(59 668 284)**	**(47 601 941)**
Net increase/(decrease) in cash		**18 396 147**	**(110 591 380)**
Cash and cash equivalents at year begin		71 348 212	181 939 592
		89 744 359	**71 348 212**

* See Note 57

Statement of Changes in Net Assets

Description	Accumulated surplus	Total net assets
Opening balance as previously reported	3 884 849 826	3 884 849 826
Adjustments		
Correction of prior period errors*	(198 064 470)	(198 064 470)
Balance at 01 July 2023 as restated*	**3 686 785 356**	**3 686 785 356**
Restated* Deficit for the year	(294 959 882)	(294 959 882)
Total changes	(294 959 883)	(294 959 883)
Restated* Balance at 01 July 2024	**3 391 825 476**	**3 391 825 476**
Deficit for the year	(260 563 052)	(260 563 052)
Total changes	(260 563 052)	(260 563 052)
Balance at 30 June 2025	**3 131 262 432**	**3 131 262 432**

* See Note 57

Comparison of Budget and Actual Amounts for the year ended 30 June 2025

Figures in Rand	Original budget	*Budget adjustments	Final adjustments budget	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of origional budget	Reason for the material variance
2025 (30 June 2025)									
Financial performance									
Revenue									
Exchange revenue									
Service charges - Electricity	757 422 162	(31 500 000)	725 922 162	725 922 162	704 306 670	(21 615 492)	97.02 %	92.99 %	Refer to note 59
Service charges - Water	175 088 203	26 101 910	201 190 113	201 190 113	186 957 739	(14 232 374)	92.93 %	106.78 %	Refer to note 59
Service charges - Waste Water Management	55 120 187	11 057 374	66 177 561	66 177 561	61 275 665	(4 901 896)	92.59 %	111.17 %	Refer to note 59
Service charges - Waste Management	67 229 103	1 149 314	68 378 417	68 378 417	67 610 382	(768 035)	98.88 %	100.57 %	Refer to note 59
Sale of goods and rendering of services	4 689 957	(174 800)	4 515 157	4 515 157	-	(4 515 157)	- %	- %	Refer to note 59
Agency services	18 833 000	-	18 833 000	18 833 000	17 550 510	(1 282 490)	93.19 %	93.19 %	Refer to note 59
Interest earned from receivables	69 171 451	69 070 185	138 241 636	138 241 636	158 648 814	20 407 178	114.76 %	229.36 %	Refer to note 59
Interest earned from current and non current assets	17 920 408	(834 794)	17 085 614	17 085 614	14 323 130	(2 762 484)	83.83 %	79.93 %	Refer to note 59
Rent on land	7 343	17 696	25 039	25 039	-	(25 039)	- %	- %	
Rental from fixed assets	2 064 341	762 000	2 826 341	2 826 341	4 276 843	1 450 502	151.32 %	207.18 %	Refer to note 59
Licence and permits	31 751	8 006 000	8 037 751	8 037 751	8 307 925	270 174	103.36 %	26 165.87 %	Refer to note 59
Operational revenue	1 236 982	8 906 000	10 142 982	10 142 982	13 873 694	3 730 712	136.78 %	1 121.58 %	Refer to note 59
	1 168 814 888	**92 560 885**	**1 261 375 773**	**1 261 375 773**	**1 237 131 372**	**(24 244 401)**	**98.08 %**	**105.84 %**	
Non-exchange revenue									
Property rates	420 000 000	43 000 000	463 000 000	463 000 000	455 570 763	(7 429 237)	98.40 %	108.47 %	Refer to note 59

Comparison of Budget and Actual Amounts for the year ended 30 June 2025

Figures in Rand	Original budget	*Budget adjustments	Final adjustments budget	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of origional budget	Reason for the material variance
Fines, penalties and forfeits	8 991 471	(3 870 000)	5 121 471	5 121 471	3 684 702	(1 436 769)	71.95 %	40.98 %	Refer to note 59
Licences or permits	524 500	(524 500)	-	-	-	-	- %	- %	
Transfer and subsidies - Operational	1 137 358 000	471 216	1 137 829 216	1 137 829 216	1 129 134 458	(8 694 758)	99.24 %	99.28 %	Refer to note 59
Interest earned from receivables	50 071 031	24 000 000	74 071 031	74 071 031	80 759 813	6 688 782	109.03 %	161.29 %	Refer to note 59
Operational revenue	-	-	-	-	762 692	762 692	- %	- %	Refer to note 59
Gains	-	-	-	-	1 193 424	1 193 424	- %	- %	Refer to note 59
Impairment loss reversal	-	-	-	-	5 637 303	5 637 303	- %	- %	Refer to note 59
	1 616 945 002	**63 076 716**	**1 680 021 718**	**1 680 021 718**	**1 676 743 155**	**(3 278 563)**	**99.80 %**	**103.70 %**	
Discontinued operations	-	4 204 453	4 204 453	4 204 453	-	(4 204 453)	- %	- %	Refer to note 59
Total Revenue (excl. capital transfers and contributions)	**2 785 759 890**	**159 842 054**	**2 945 601 944**	**2 945 601 944**	**2 913 874 527**	**(31 727 417)**	**98.92 %**	**104.60 %**	
Expenditure									
Employee costs	(730 202 071)	(3 417 495)	(733 619 566)	(733 619 566)	(728 544 617)	5 074 949	99.31 %	99.77 %	Refer to note 59
Remuneration of councillors	(38 860 559)	-	(38 860 559)	(38 860 559)	(36 520 454)	2 340 105	93.98 %	93.98 %	Refer to note 59
Bulk purchases - Electricity	(665 719 792)	(5 750 000)	(671 469 792)	(671 469 792)	(900 672 439)	(229 202 647)	134.13 %	135.29 %	Refer to note 59
Inventory consumed	(204 931 063)	-	(204 931 063)	(204 931 063)	(386 790 403)	(181 859 340)	188.74 %	188.74 %	Refer to note 59
Debt impairment	(209 800 000)	-	(209 800 000)	(209 800 000)	(84 092 792)	125 707 208	40.08 %	40.08 %	Refer to note 59
Depreciation and amortisation	(317 937 094)	-	(317 937 094)	(317 937 094)	(245 627 928)	72 309 166	77.26 %	77.26 %	Refer to note 59
Finance charges	(43 233 306)	(16 600 000)	(59 833 306)	(59 833 306)	(163 873 646)	(104 040 340)	273.88 %	379.04 %	Refer to note 59
Contracted services	(288 183 385)	(150 088 300)	(438 271 685)	(438 271 685)	(582 171 876)	(143 900 191)	132.83 %	202.01 %	Refer to note 59
Transfers and subsidies	(7 343 000)	-	(7 343 000)	(7 343 000)	(7 344 103)	(1 103)	100.02 %	100.02 %	Refer to note 59
Impairment loss / (reversal) of impairment	-	-	-	-	(2 816 166)	(2 816 166)	- %	- %	Refer to note 59
Operational costs	(211 431 971)	(43 606 800)	(255 038 771)	(255 038 771)	(416 283 306)	(161 244 535)	163.22 %	196.89 %	Refer to note 59
Total Expenditure	**(2 717 642 241)**	**(219 462 595)**	**(2 937 104 836)**	**(2 937 104 836)**	**(3 554 737 730)**	**(617 632 894)**	**121.03 %**	**130.80 %**	
Deficit	**68 117 649**	**(59 620 541)**	**8 497 108**	**8 497 108**	**(640 863 203)**	**(649 360 311)**	**(7 542.13)%**	**(940.82)%**	
Transfers and subsidies - capital	346 202 000	4 898 005	351 100 005	351 100 005	377 064 429	25 964 424	107.40 %	108.91 %	Refer to note 59
Deficit for the year	**414 319 649**	**(54 722 536)**	**359 597 113**	**359 597 113**	**(263 798 774)**	**(623 395 887)**	**(73.36)%**	**(63.67)%**	

Comparison of Budget and Actual Amounts for the year ended 30 June 2025

Figures in Rand	Original budget	*Budget adjustments	Final adjustments budget	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of origional budget	Reason for the material variance
Financial position									
Assets									
Current assets									
Cash and cash equivalents	81 675 821	-	81 675 821	81 675 821	89 744 360	8 068 539	109.88 %	109.88 %	Refer to note 59
Trade and other receivables from exchange transactions	577 642 862	-	577 642 862	577 642 862	777 193 177	199 550 315	134.55 %	134.55 %	Refer to note 59
Receivables from non-exchange transactions	35 153 087	-	35 153 087	35 153 087	387 552 695	352 399 608	1 102.47 %	1 102.47 %	Refer to note 59
Inventory	223 950 181	-	223 950 181	223 950 181	50 324 191	(173 625 990)	22.47 %	22.47 %	Refer to note 59
VAT	-	-	-	-	176 200 762	176 200 762	- %	- %	Refer to note 59
Total current assets	**918 421 951**	**-**	**918 421 951**	**918 421 951**	**1 481 015 185**	**562 593 234**	**161.26 %**	**161.26 %**	
Non-current assets									
Investments	-	-	-	-	4 447 887	4 447 887	- %	- %	Refer to note 59
Investment property	85 000 000	-	85 000 000	85 000 000	143 126 600	58 126 600	168.38 %	168.38 %	Refer to note 59
Property, plant and equipment	5 510 939 856	-	5 510 939 856	5 510 939 856	4 944 513 161	(566 426 695)	89.72 %	89.72 %	Refer to note 59
Heritage assets	10 100	-	10 100	10 100	10 100	-	100.00 %	100.00 %	Refer to note 59
Intangible assets	-	-	-	-	288 574	288 574	- %	- %	Refer to note 59
Total non-current assets	**5 595 949 956**	**-**	**5 595 949 956**	**5 595 949 956**	**5 092 386 322**	**(503 563 634)**	**91.00 %**	**91.00 %**	
Total assets	**6 514 371 907**	**-**	**6 514 371 907**	**6 514 371 907**	**6 573 401 507**	**59 029 600**	**100.91 %**	**100.91 %**	
Liabilities									
Current liabilities									
Consumer deposits	-	-	-	-	28 298 080	28 298 080	- %	- %	Refer to note 59
Trade and other payables from exchange transactions	608 988 057	-	608 988 057	608 988 057	2 853 014 875	2 244 026 818	468.48 %	468.48 %	Refer to note 59
Defined benefit obligation	-	-	-	-	8 119 848	8 119 848	- %	- %	Refer to note 59

Comparison of Budget and Actual Amounts for the year ended 30 June 2025

Figures in Rand	Original budget	*Budget adjustments	Final adjustments budget	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of origional budget	Reason for the material variance
Other current liabilities	-	-	-	-	128 507 275	128 507 275	- %	- %	Refer to note 59
Total current liabilities	**608 988 057**	**-**	**608 988 057**	**608 988 057**	**3 017 940 078**	**2 408 952 021**	**495.57 %**	**495.57 %**	
Non-current liabilities									
Financial liabilities	-	-	-	-	89 502 425	89 502 425	- %	- %	Refer to note 59
Provision	200 799 900	-	200 799 900	200 799 900	26 350 995	(174 448 905)	13.12 %	13.12 %	Refer to note 59
Long term portion of trade payables	-	-	-	-	109 914 623	109 914 623	- %	- %	Refer to note 59
Other non-current liabilities	-	-	-	-	198 430 948	198 430 948	- %	- %	Refer to note 59
Total non-current liabilities	**200 799 900**	**-**	**200 799 900**	**200 799 900**	**424 198 991**	**223 399 091**	**211.25 %**	**211.25 %**	
Total liabilities	**809 787 957**	**-**	**809 787 957**	**809 787 957**	**3 442 139 069**	**2 632 351 112**	**425.07 %**	**425.07 %**	
Net assets	**5 704 583 950**	**-**	**5 704 583 950**	**5 704 583 950**	**3 131 262 438**	**(2 573 321 512)**	**54.89 %**	**54.89 %**	
Community wealth/ Equity									
Accumulated Surplus/(Deficit)	4 968 531 475	(54 722 536)	4 913 808 939	4 913 808 939	3 131 262 427	(1 782 546 512)	63.72 %	63.02 %	Refer to note 59
Cash flow									
Net cash from/(used) operating activities	(4 193 000)	-	(4 193 000)	(4 193 000)	480 879 822	485 072 822	(11 468.63)%	(11 468.63)%	Refer to note 59
Cash/cash equivalents at the year end:	159 048 864	-	159 048 864	159 048 864	89 744 359	(69 304 505)	56.43 %	56.43 %	Refer to note 59

Commentary

*Budget adjustments done in terms of section 28 and section 31 of the MFMA.

**Shifting of funds done in terms of section 31 of the MFMA.

***Virement in terms of Council Approve Policy, virements must offset each other so that virements in Total Expenditure column equals zero.

Reportable Segments for the year ended 30 June 2025

Figures in Rand	Community and Public Safety	Economic and Environmental Services	Trading Services	Unallocated	Total
2025 (30 June 2025)					
Segment revenue					
External revenue from non-exchange transactions	4 874 702	1 293 000	375 874 429	1 583 412 220	1 965 454 351
External revenue from exchange transactions	89 216 186	6 064 008	962 453 528	6 425 706	1 064 159 428
Other segment revenue	-	-	-	761 642	761 642
Interests on investments	-	-	-	14 323 130	14 323 130
Interest earned from receivables	26 149 725	-	123 545 547	89 713 355	239 408 627
Gain on disposal of assets	(1 786 155)	-	2 728 800	250 779	1 193 424
Impairment loss reversal	3 235 722	-	-	5 638 354	8 874 076
	121 690 180	**7 357 008**	**1 464 602 304**	**1 700 525 186**	**3 294 174 678**
Segment expenses					
Total segment expenses	803 920 264	61 435 200	1 623 490 521	656 390 169	3 145 236 154
Depreciation, amortisation and impairment	-	-	(22 518 413)	268 146 341	245 627 928
Interest expense	-	-	116 321 436	47 552 210	163 873 648
	803 920 264	**61 435 200**	**1 717 293 544**	**972 088 720**	**3 554 737 730**
Surplus for the year	**(682 230 084)**	**(54 078 192)**	**(252 691 240)**	**728 436 466**	**(260 563 052)**
Other information					
Segment assets	268 988 738	(448 090 188)	5 437 687 759	1 314 815 201	6 573 401 510
Segment liabilities	18 559 662	-	481 817 191	2 941 762 216	3 442 139 069
2024 (30 June 2024)					
Segment revenue					
External revenue from non-exchange transactions	4 193 406	831 000	332 950 599	1 417 862 177	1 755 837 182
External revenue from exchange transactions	87 293 798	3 982 764	899 539 299	4 687 407	995 503 268
Interests on investments	-	-	-	16 133 106	16 133 106
Interest earned from receivables	8 214 378	-	54 646 487	53 548 157	116 409 022
Gain on disposal of assets	(594 742)	-	37 872 800	689 814	37 967 872
Other segment revenue	-	-	-	108 161 356	108 161 356
	99 106 840	**4 813 764**	**1 325 009 185**	**1 601 082 017**	**3 030 011 806**
Segment expenses					
Total segment expenses	717 315 127	63 056 696	1 404 743 252	715 651 680	2 900 766 755
Depreciation, amortisation and impairment	-	-	303 597 185	448 998	304 046 183
Interest expense	-	-	79 266 427	40 892 323	120 158 750
	717 315 127	**63 056 696**	**1 787 606 864**	**756 993 001**	**3 324 971 688**
Surplus for the year	**(618 208 287)**	**(58 242 932)**	**(462 597 679)**	**844 089 016**	**(294 959 882)**

Accounting Policies

The annual financial statements of Madibeng Local Municipality for the year ended 30 June 2025 were authorised for issue by the Accounting Officers on 30 November 2025.

Basis of preparation

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

The annual financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

The principal accounting policies, applied in the preparation of the annual financial statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior period annual financial statements, unless specified otherwise. Details of any changes in the accounting policies are provided in note Changes in accounting policies.

1. Summary of significant accounting policies

These standards are summarised as follows:

GRAP reporting framework	Framework for the Preparation and Presentation of Financial Statements GRAP
1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 9	Revenue from Exchange Transactions
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 20	Related Party Disclosures (Revised)
GRAP 21	Impairment of Non-cash-generating Assets
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash-generating Assets
GRAP 31	Intangible Assets
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
IGRAP 1	Applying The Probability Test On Initial Recognition Of Revenue
IGRAP 2	Changes in Existing Decomissioning Restoration and Similar Liabilities
IGRAP 3	Determining Whether an Arrangement Contains a Lease
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 16	Intangible Assets – Website Costs
IGRAP 18	Recognition and Derecogntion of Land
IGRAP 19	Liabilities to Pay Levies
IGRAP 20	Accounting for Adjustments to Revenue
IGRAP 21	The Effect of Past Decisions on Materiality
SIC 29	Disclosure Service Concession
Directive 3	Amended Transitional Provisions for High Capacity Municipalities
Directive 4	Amended Transitional Provisions for Medium and Low Capacity Municipalities
Directive 5	GRAP Reporting Framework
Directive 6	Transitional Provisions for Revenue Administered by SARS
Directive 7	The Application of Deemed Cost
Directive 11	Changes in Measurement Bases following Initial Adoption of Standards of GRAP
Guideline	Accounting for Landfill Sites

. Additional content (continued)

Guideline The Application of Materiality to Financial Statements

The cash flow statement is prepared using the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed.

Accounting policies for material transactions, events or conditions not covered by the above GRAP standards have been developed in accordance with GRAP 3. Where required, accounting policies were developed for standards of GRAP that have been issued by the Accounting Standards Board, but for which an effective date have not been determined by the Minister of Finance.

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 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.

1.4 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 comparison of actual to budgeted amounts are reported in a separate additional financial statement, called the 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 01 July 2024 to 30 June 2025.

In general, the municipality considers a difference of 10% or more as material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the annual financial statements in determining whether a difference between the budgeted and actual amount is material.

1.5 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 unless where an enhancement or classification is different between the GRAP template and mSCOA financial reporting template.

1.6 Significant judgements and estimates

In the application of the municipality's accounting policies, which are described below, management class: executive management is required to make judgement, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered too reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Accounting Policies

1.6 Significant judgements and estimates (continued)

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.6.1 Judgements

The following are the critical judgements, apart from those involving estimations, that the management class: executive management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in the annual financial statements:

Materiality

Materiality is judged by reference to the size and nature of the item. The deciding factor is whether the omission or misstatement could, individually or collectively, influence the decisions that users make on the basis of these annual financial statements.

In preparation of the annual financial statements materiality has been considered in:

- Deciding what to report in the annual financial statements and how to present it.
- Assessing the effect of omissions, misstatements and errors on the annual financial statements.

In assessing whether an item, transaction or event is material, specific thresholds for specific items, transactions and events, or aggregations thereof has been developed. These thresholds are used to make decisions about the reporting of information (i.e. how to recognise, measure, present and disclose items, transactions and events), and used as a margin of error or framework within which to assess misstatements and errors.

The municipality has also considered whether certain transactions or balances may be qualitatively material based on the inherent characteristics thereof, even though the transaction or balance is quantitatively immaterial, if:

- The item, transaction or event relates to legal or regulatory requirements.
- Related party transactions.
- The regularity or frequency with which an item, transaction or event occurs.
- The item, transaction or event results in the reversal of a trend.
- The item, transaction or event is likely to result in a change in accounting policy.
- The commencement of a new function, or the reduction or cessation of an existing function.
- The degree of estimation or judgement that is needed to determine the value of an item, transaction or event.
- An item, transaction or event that affects the going concern assumption of the municipality.

Criteria for the classification of properties as investment property rather than property, plant and equipment, when classification is difficult

All properties held to earn market-related rentals or for capital appreciation or both and that are not for administrative purposes and that will not be sold in the ordinary course of operations are classified as investment property.

1.6 Significant judgements and estimates (continued)

1.6.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Pension and other post-employment benefits

The cost of defined benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Classification of financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management class: executive management. The Accounting Policy on Financial Instruments describes the factors and criteria considered by the management class: executive management of the municipality in the classification of financial assets and liabilities.

In making the above-mentioned judgement, management class: executive management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP 104: Financial Instruments.

Impairment of financial assets

The Accounting Policy on Financial Instruments describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management class: executive management of the municipality considers the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management class: executive mnagement of the municipality is satisfied that the impairment of financial assets recorded during the year is appropriate.

The calculation in respect of the impairment of service debtors (receivables from exchange and non-exchange transactions) is performed on the ageing analysis of the municipality as at year end. The calculation as per approved methodology uses the Type and Payment risk scoring factors to calculate the impairment amount regarding each outstanding consumer debtor.

The calculation in respect of the impairment of fine receivables (receivables from non-exchange transactions) is based on a risk assessment.

Valuation of financial assets at fair value

Where the fair value of financial assets and financial liabilities recorded in the Statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Review of useful lives of property, plant and equipment and intangible assets

The useful lives of assets are based on management class: executive management's estimation. Management class: executive Management considers whether there is any indication that expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. These include changes in the composition, condition and nature of the asset, its susceptibility and adaptability to changes in technology and processes, the nature of the processes and environment in which the asset is deployed availability of funding to replace the asset and changes in the market in relation to the asset, as well as planned repairs and maintenance including refurbishments.

Valuation of land and buildings and fair value estimations of investment property

Land and buildings were valued and the fair value of investment property determined, by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Impairment of property, plant and equipment, intangible assets, heritage assets and inventory

Accounting Policies

1.6 Significant judgements and estimates (continued)

The Accounting Policies on impairment of non-cash generating assets as well as inventory describes the conditions under which non-financial assets are tested for potential impairment losses by the management class: executive management of the municipality. Significant estimates and judgements are made relating to the impairment of property, plant and equipment, intangible assets and heritage assets and the write down of Inventories to the lowest of Cost and Net Realisable Values (NRV).

In making the above-mentioned estimates and judgement, management class: executive management considers the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21: Impairment of non-cash generating assets.

Provisions and contingent liabilities

Management class: Executive Management judgement is required when recognising and measuring provisions, and when measuring contingent liabilities. Provisions are measured at the management class: executive management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Assumptions were used in determining the provision for rehabilitation of landfill sites. Provision is made for the estimated cost to be incurred on the long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the landfill. The provision is based on the advice and judgment of qualified engineers. The estimates are discounted at a pre-tax discount rate that reflect current market assessments of the time value of money. The increase in the rehabilitation provision due to passage of time is recognised as finance cost in the Statement of financial performance.

Revenue recognition

The Accounting Policies on Revenue from Exchange Transactions and Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management class: executive management of the municipality. In making their judgement, the management class: executive management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-exchange Transactions.

In particular, in regard to revenue form exchange revenue - when goods are sold, whether the management class: executive management had transferred to the buyer the significant risks and rewards of ownership of the goods; and, when services is rendered, whether the service has been rendered.

The municipality uses estimated meter readings for revenue recognition on some of the municipal accounts where it is impractical to perform, count or receive actual meter readings. The impracticability exists either due to faulty meters or from residents refusing municipal employees access to properties.

Budget information

Management class: executive management assumes deviations between budget and actual amounts to be material when a deviation of more than 10% exists. All material differences are explained in the notes to the annual financial statements.

1.7 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 overdrafts are carried at amortised cost.

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

1.8 Inventory

Inventory consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of cost, determined on the first in first out basis, and net realisable value, except for items which are valued at the tariffs charged. Where it is held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

Accounting Policies

1.8 Inventory (continued)

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

Redundant and slow moving inventory are identified and written down to their estimated net realisable values estimated by management class: councillors. Inventories are written down according to their age, condition and utility. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised In the Statement of financial performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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

Water inventory

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

The basis of determining the cost of water purchased and not yet sold at Statement of financial position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates. Water is valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

1.9 Investment property

Investment property includes property held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Investment property also includes land held for an undetermined future use.

Initial recognition

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Where the classification of an investment property is based on management class: executive management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as investment properties;
- Land held for a currently undetermined future use;
- A building owned (or held by under a finance lease) and leased out under one or more operating leases;
- Leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held;
- A building that is vacant but is held to be leased out under one or more operating leases;
- Property that is being constructed or developed for future use as investment property.

Accounting Policies

1.9 Investment property (continued)

Subsequent measurement – fair value model

Investment property is subsequently measured using the fair value model. Investment property is carried at fair value, representing open market value determined by external valuer on reporting date. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. A gain or loss arising from a change in the fair value of investment property is included in surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value to be reliably measurable when construction is completed, it measures that investment property at cost until the fair value can be reliably determined or construction has been completed.

Where the municipality has determined that the fair value of an investment property (other than investment property under construction) is not determinable on a continuing basis, the municipality measures that investment property using the cost model.

Derecognition/Disposal

Investment properties are derecognised (eliminated from the Statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of financial performance.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value [or carrying amount if cost model is used] at the date of change in use. If owner-occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

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

1.10 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 year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Accounting Policies

1.10 Property, plant and equipment (continued)

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost on its acquisition date. 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 the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset 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.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

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

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

1.10 Property, plant and equipment (continued)

Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated using the straight line method, to allocate their cost or revalued amounts less their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets' future economic benefits or service potential are expected to be consumed by the municipality. 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 rates are based on the following estimated useful lives:

Asset class	Average useful lives (Years)
Land	Indefinite
Buildings	30 - 80 years
Infrastructure	5 - 80 years
Other property, plant and equipment	3 - 17 years

The estimated useful life, residual values and depreciation method are assessed at each reporting date on an indicator basis:

Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease. The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue.

Gains or losses are calculated as the difference between the carrying values of assets.

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.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or surplus when the compensation becomes receivable.

Site rehabilitation and restoration costs

Where the municipality has an obligation to rehabilitate and restore items of property, plant and equipment such obligations are referred to as "rehabilitation provisions". The cost of an item of property, plant and equipment includes the initial estimate of the costs of rehabilitation and restoring the site on which it is located, the obligation for which the municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period.

As 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.

Accounting Policies

1.11 Heritage assets

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations.

The municipality classifies assets as heritage assets where the significance as a heritage asset can be determined. In regards to land and buildings all graded sites are classified heritage assets. Furthermore land with a natural significance is not componentised but seen as a single heritage asset due to all parts contributing together to make up its significance.

Land and buildings that qualify as heritage asset, but of which a significant portion of that land and buildings is held for use in the production or supply of goods or services or for administrative purposes, are recognised as property, plant and equipment, rather than heritage asset.

Initial recognition and measurement

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

Heritage assets are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of heritage assets 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 the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. The cost of an item of heritage assets acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent measurement

Subsequent expenditure relating to heritage assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all heritage assets (excluding heritage assets which are land and buildings) are measured at cost less accumulated impairment losses. Heritage assets are not depreciated.

Dererecognition

The carrying amount of an item of heritage assets is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated impairment losses) and the disposal proceeds is included in the Statement of financial performance as a gain or loss on disposal of heritage assets.

1.12 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets.

Accounting Policies

1.12 Intangible assets (continued)

Initial recognition and measurement

Intangible assets are initially recognised at cost. The cost of an intangible assets is the purchase price and other costs attributable to bring the intangible assets to the location and condition necessary for it to be capable of operating in the manner intended by the municipality, or where an intangible assets is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Subsequent measurement

Amortisation is calculated on cost, using the straight-line method, over the useful lives of the assets, which is estimated to be between 3 to 10 years upon initial recognition. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.

Derecognition

Intangible assets 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 on the disposal or retirement of an intangible assets is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of financial performance.

1.13 Borrowing costs

Borrowing costs are interest and other expenses incurred by an municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the Statement of financial performance in the period in which they are incurred.

1.14 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets

The municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

Impairment of non-cash-generating assets

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

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount ls the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

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

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

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Accounting Policies

1.14 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets

A municipality assesses at each reporting date date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.15 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.

The municipality has various types of financial instruments and these can be broadly categorised as either financial assets or financial liabilities.

A financial instrument is recognised if the municipality becomes a party to the contractual provisions of the instrument.

1.15.1 Classification of financial instruments

Financial assets

A financial asset is any asset that is a cash or contractual right to receive cash. In accordance with GRAP 104 the Financial Assets of the municipality are classified as follows into the three categories allowed by this standard:

Financial asset at amortised cost being a non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Financial assets measured at fair value being financial assets that meet either of the following conditions:

- Derivatives;
- Combined instruments that are designated at fair value;
- Instruments held for trading;
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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

The municipality has the following types of financial assets as reflected on the face of the Statement of financial position or in the notes thereto:

Type of financial asset	Classification in terms of GRAP 104
Finance lease receivables	Financial assets at amortised cost
Long-term receivables	Financial assets at amortised cost
Current portion of long-term receivables	Financial assets at amortised cost
Consumer debtors	Financial assets at amortised cost
Other debtors	Financial assets at amortised cost
Short-term investment deposit - Call	Financial assets at amortised cost
Bank balances and cash	Financial assets at amortised cost
Investments in stock	Financial assets at fair value

Accounting Policies

1.15 Financial instruments (continued)

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 that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets at amortised cost.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

The following main categories of financial liabilities and the classification determining how they are measured exist:

- Financial liabilities measured at amortised cost; or
- Financial liabilities measured at fair value.

The municipality has the following types of financial liabilities as reflected on the face of the Statement of financial position or in the notes thereto:

Type of financial liability	Classification in terms of GRAP 104
Long-term liabilities	Financial liability at amortised cost
Current portion of long-term liabilities	Financial liability at amortised cost
Other creditors	Financial liability at amortised cost
Bank overdraft	Financial liability at amortised cost
Short-term loans	Financial liability at amortised cost

Financial liabilities that are measured at fair value that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of financial liabilities where there is recent actual evidence of short-term profiteering or are derivatives).

Any other financial liabilities should be classified as financial liabilities at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.15.2 Initial and subsequent measurement

Initial recognition and measurement

A financial instruments 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 instruments not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instruments are added or deducted from the fair value, as appropriate on initial recognition.

1.15 Financial instruments (continued) 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 taking into account 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.

Financial assets at amortised cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial assets. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an effective yield basis.

Trade and other receivables (excluding Value Added Taxation, prepayments and operating lease receivables), loans to municipal entities and loans that have fixed and determinable payments that are not quoted in an active market are classified as financial assets at amortised cost.

Financial assets measured at fair value are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the Statement of financial performance, or determined to be impaired, at which time the cumulative loss recorded in equity 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 (see accounting policy on borrowing costs).

Financial liabilities measured at fair value are stated at fair value, with any resulted gain or loss recognised in the Statement of financial performance.

Any other financial liabilities classified at amortised cost (All payables, loans and borrowings are classified as other liabilities) and are initially measured at fair value, net of transaction costs. Trade and other payables, interest bearing debt including finance lease liabilities, non-interest bearing debt and bank borrowings are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in the Statement of financial performance by applying the effective interest rate.

Bank borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the accrual basis and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

Prepayments are carried at cost less any accumulated impairment losses.

1.15.3 Impairment of financial assets

Consumer debtors

Consumer debtors are assessed individually thereafter collectively, considering factors such as payment histories and ratios (i.e status of account, type of accoun and scoring type).

Accounting Policies

1.15 Financial instruments (continued)

1.15.4 Derecognition

Financial assets

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of financial assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial assets, the municipality continues to recognise the financial assets and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The municipality derecognises financial liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.16 Provisions

Provisions are recognised when the municipality has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management class: councillors of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances, where the provision being measured involves a large population of items; the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of financial performance as a finance cost as it occurs.

Environmental rehabilitation provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of financial performance.

1.17 Employee benefits

The municipality provides short term benefits, long term benefits and retirement benefits for its employees and councillors.

Accounting Policies

1.17 Employee benefits (continued)

Short-term employee benefits

Remuneration to employees is recognised in the Statement of financial performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service.

Leave pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end and is shown as an accrual in the Statement of financial position.

Bonus provisions

The municipality recognises the expected cost of bonuses as a provision only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made at reporting date.

Post-employment benefits: Defined benefit plans

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out by independent qualified actuaries regularly, as may be required for fair presentation.

Actuarial gains or losses recognised immediately in the Statement of financial performance.

Post-retirement health care benefits

The municipality has an obligation to provide post-retirement health care benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Past-service costs are recognised immediately, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Long-service allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of financial performance.

1.18 Statutory receivables

1.18.1 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.

1.18 Statutory receivables (continued)

The municipality has the following major categories under the ambit of statutory receivables:

- VAT receivables
- Rates debtors
- Traffic fine debtors
- Availability charges debotrs:
- Electricity;
- Water;
- Waste; and
- Waste water.

1.18.2 Recognition

The municipality recognises statutory receivables as follows:

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

1.18.3 Measurement

The municipality initially measures statutory receivables at their transaction amount.

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.

1.18.4 Impairment

Statutory receivables, other than those measured at fair value, are assessed for indicators of impairment at the end of each reporting period. Statutory receivables are impaired where there is objective evidence of impairment of Statutory receivables (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 108.

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.

According to GRAP 108, the assessment for impairment needs to be made for each individual financial asset separately or for groups of statutory receivables with similar credit risks. The following methodology was followed to make a provision for bad debts for the year under review:

Rates debtors are assessed individually thereafter collectively, considering factors such as payment histories and ratios, qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc.

Traffic fine debtors are reviewed collectively considering payment histories and disputes about certain amounts. Provision for impairment is made accordingly.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of financial performance.

1.18 Statutory receivables (continued)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of financial performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.18.5 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 control of the statutory receivable and substantially all the risks and rewards of ownership of the asset to another entity; 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.

1.19 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.

Accounting Policies

1.19 Revenue (continued)

1.19.1 Revenue from exchange transactions

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, an estimated service charge is levied monthly on such properties.

Pre-paid electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

Interest earned and rentals received

Interest and rentals are recognised on a time proportion basis that takes into account the effective yield on the investment. Interest may be transferred from the Accumulated surplus/ (deficit) to the Housing development fund or the Insurance reserve.

Traffic charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

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 buyer 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.

Revenue recognition of unclaimed deposits

Unclaimed deposits older than three (3) years are recognised as revenue.

1.19 Revenue (continued)

1.19.2 Revenue from non-exchange transactions

Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

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.

Donations and contributions

Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. 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.

Transfers and subsidies 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.

Interest earned on unspent grants and receipts

Interest earned on unspent grants and receipts 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 in accordance with GRAP 9.

Services received in-kind

Services in kind are recognised at its fair value when it is significant to the operations and/or service delivery objectives and 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. If the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, only the nature and type of services in-kind received during the reporting period is disclosed.

Accounting Policies

1.19 Revenue (continued)

Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

Revenue recognition of unclaimed deposits

Unclaimed deposits older than three (3) years are recognised as revenue.

1.20 Transfers and subsidies – non-exchange expenditure

The municipality transfers money to individuals, organisations and other sectors of government from time to time. These transfers are recognised in the annual financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.21 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.

Close members of the family of a individual are those family members who may be expected to influence or be influenced by that individual in their dealings with the municipality. An individual is considered to be a close member of the family of another individual if they are married or live together in a relationship similar to a marriage; or if they are separated by no more than two degrees of natural or legal consanguinity or affinity.

Remuneration of management class: executive management includes remuneration derived for services provided to the municipality in their capacity as members of the management class: executive management team or employees. Benefits derived directly or indirectly from the municipality for services in any capacity other than as an employee or a member of management class: executive management do not meet the definition of remuneration.

In the case of permanent employees acting in management class: executive management positions, only the remuneration received additionally for acting in that position is disclosed.

Remuneration of management class: executive management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the municipality.

The municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

1.22 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.

1.23 Principal-agent arrangements

The municipality is party to a principal-agent arrangement for transport licensing. In terms of the arrangement the municipality collecting money from motorists on behalf of the North West Department of Transport. .

Identification

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

Accounting Policies

1.23 Principal-agent arrangements (continued)

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

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

Identifying whether an entity is a principal or an agent

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

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

Binding arrangement

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

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

Assessing which entity benefits from the transactions with third parties

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

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

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

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

Recognition

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

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

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

1.24 Value Added Tax

The municipality is registered with the South Afrcan Revenue Service (SARS) for Value Added Tax on the payments basis, in accordance with Section 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

1.25 Unauthorised expenditure

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA), defines Unauthorised expenditure as follows:

- Overspending of the total amount appropriated in the municipality's approved budget;
- Overspending of the total amount appropriated for a vote in the approved budget;

1.25 Unauthorised expenditure (continued)

- 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 the above paragraphs 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 this Act.

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) also defines a Vote as:

- One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

The municipality uses the Municipal Standard Chart of Accounts (mSCOA) Functions and Sub-functions, previously the Government Finance Statistics (GFS) functions, as well as departments as the main groupings of segments of the municipality's budget segments within the municipality are grouped per department to facilitate greater accountability and budget implementation by the respective Executive Directors as well as per mSCOA classification to facilitate comparisons on a higher level.

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. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

1.26 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 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 municipality's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of financial performance and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance.

1.27 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that 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. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

1.28 Change in accounting policies, estimates and errors

Changes in accounting policies that are affected by management class: councillors have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Details of changes in accounting policies, changes in estimates and correction of errors are disclosed in the notes to the annual financial statements where applicable.

1.29 Contingent assets and contingent liabilities

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Accounting Policies

1.29 Contingent assets and contingent liabilities (continued)

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the municipality.

1.30 Value added tax

The Municipality is registered for VAT with the South African Revenue Services on the payment (cash) basis. Revenue, expenses and assets are recognised net of the amount of value added tax. The amount owed to or by the South African Revenue Services on the cash basis represents a Statutory receivable and will be disclosed in the notes and accounted for in terms of GRAP 108.

The Municipality accounts for VAT on an accrual basis, thus the amount of VAT owed or receivable to the South African Revenue Services in the financial statements includes the VAT that has been declared to the South African Revenue Services, VAT that has not yet been paid for which is still part of receivables from exchange transactions and payables from exchange transactions. For the accrued VAT, the municipality discloses the input accrual and output accrual separately in the notes to the financial statements and will form part of the financial instruments and accounted for in terms of GRAP 104.

The net amount of value added tax recoverable from, or payable to, the South African Revenue Services is included as a separate line in statement of financial position.

Figures in Rand	2025	2024

2. New standards and interpretations

2.1 Standards, amendments to standards and interpretations effective and adopted in the current year

No new standards, amendments or interpretations relevant to the municipality's operation were adopted for the current financial year.

2.2 Standards, amendments to standards and interpretations early adopted

The municipality has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• iGRAP 22: Foreign Currency Transactions and Advance Consideration	01 April 2025	Not material.

2.3 Standards, amendments to standards and interpretations issued, but not yet effective

The municipality has chosen not to early adopt the following standards and interpretations, which have been published and the effective date is not yet determined by the Miniter of Finance.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Not Yet Determined	Not material
• GRAP 103 (amended): Heritage Assets	Not Yet Determined	Not material
• GRAP 106 (as revised): Transfer of Functions Between Entities Not Under Common Control	Not Yet Determined	Not material

3. Key judgements and sources of estimation uncertainty

In the application of the municipality's accounting policies, which are described above, management class: executive management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

4. Cash and cash equivalents

4.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

Cash at bank		
Bank accounts	89 744 359	71 270 016
Cash on hand	-	78 196
Total cash and cash equivalents	**89 744 359**	**71 348 212**

4.2 Bank accounts

The municipality has the following bank accounts:

ABSA Bank Limited	Cheque Account - Account Number 640000376	2 793 186	4 850 529
First National Bank	Primary - Cheque Account: Account Number 62547261602	12 122 968	14 272 343
First National Bank (Traffic)	Traffic - Cheque account: Account Number 62547269672	-	1
First National Bank (Licensing)	Licensing - Cheque account: Account Number 62547263103	4 515 759	1 215 822
Investec Account	Call Account - Account Number - 1400189013500	1 533 814	1 422 912
First National Bank	EQS - Call account - Account Number - 62564475210	1 011 845	5 148 573
First National Bank	EPWP - Call Account Number - 62564478016	8 566	7 967
First National Bank	MIG - Call Account Number - 62576598323	48 050 598	28 693 140
First National Bank	MIG Retention - Call Account Number - 62564479585	18 282 476	15 270 455
First National Bank	INEP - Call Account Number - 62559313003	1 388 816	92 568
First National Bank	- FMG - Call Account Number - 62550510153	36 331	295 706
Total		**89 744 359**	**71 270 016**

Figures in Rand	2025	2024

4. Cash and cash equivalents (continued)

4.3 Difference between cash book and bank statement

2025 (30 June 2025)

	Cash book	Bank statement	Reconciling Items
ABSA Bank Limited - Cheque Account - 640000376	2 793 186	2 793 186	-
First National Bank - Primary Cheque Account - 62547261602	12 122 968	11 208 458	914 510
First National Bank - Licensing - Cheque Account - 62547263103	4 515 759	4 515 759	-
Investec Account - Call Account - 1400189013500	1 533 814	1 533 814	-
First National Bank - EQS - Call Account - 62564475210	1 011 845	1 011 845	-
First National Bank - EPWP - Call Account - 62564478016	8 566	8 566	-
First National Bank - MIG - Call Account - 62576598323	48 050 598	48 050 598	-
First National Bank - MIG Retention - Call Account- 62564479585	18 282 476	18 282 476	-
First National Bank - INEP - Call Account - 62559313003	1 388 816	1 388 816	-
First National Bank - FMG - Call Account 62550510153	36 331	36 331	-
	89 744 359	**88 829 849**	**914 510**

2024 (30 June 2024)

	Cash book	Bank statement	Reconciling items
ABSA Bank Limited - Cheque Account - Account Number 640000376	4 850 529	4 850 529	-
First National Bank - Primary Aheque Account - 62547261602	14 272 343	13 638 682	633 661
First National Bank - Traffic - Cheque Account - 62547269672	1	-	1
First National Bank - Licensing - Cheque Account - 62547263103	1 215 822	1 215 523	299
Investec Account - Call Account - 1400189013500	1 422 912	1 422 912	-
First National Bank - EQS - Call Account - 62564475210	5 148 573	5 148 573	-
First National Bank - EPWP - Call Account - 62564478016	7 967	7 967	-
First National Bank - MIG - Call Account - 62576598323	28 693 140	28 693 140	-
First National Bank - MIG Retention - Call Account- 62564479585	15 270 455	15 270 455	-
First National Bank - INEP - Call Account - 62559313003	92 568	92 568	-
First National Bank - FMG - Call Account 62550510153	295 706	295 706	-
	71 270 016	**70 636 055**	**633 961**

5. Trade and other receivables from exchange transactions

Prepayments and advances	5.1	5 739 301	-
Trading service and customer service debtors	5.2	771 453 874	445 711 306
Total		**777 193 175**	**445 711 306**
Current assets		777 193 175	445 711 306

5.1 Prepayments and advances

	2025	
	Gross	**Total**
Insurance	5 739 301	**5 739 301**

5.1.1 Ageing of prepayments and advances

2025 (30 June 2025)

		Not due	Past due	
	Total	**Current**	**30 days**	**60 days**
Insurance	**5 739 301**	1 913 100	1 913 100	1 913 101

5.1.2 Prepayments and advances pledged as security

No prepayments were pledged as security.

Insurance paid in advance	5 739 301	-

The annual insurance premium paid on 6 December 2024 covers the period from 1 October 2024 to 30 September 2025. Consequently, the insurance for the three months from 1 July 2025 to 30 September 2025 is recorded as a prepayment as of the financial year-end on 30 June 2025.

5. Trade and other receivables from exchange transactions (continued)

5.2 Trading service and customer service debtors

	2025			2024		
	Gross	Impairment	Total	Gross	Impairment	Total
Electricity	312 655 633	(183 290 874)	**129 364 759**	266 020 765	(187 195 953)	**78 824 812**
Waste management	334 648 535	(267 084 788)	**67 563 747**	295 796 761	(250 405 201)	**45 391 560**
Waste water management	312 153 122	(241 898 030)	**70 255 092**	284 668 547	(241 348 230)	**43 320 317**
Water	974 248 125	(741 789 875)	**232 458 250**	885 525 049	(737 657 224)	**147 867 825**
Other service charges	1 105 834 539	(834 022 513)	**271 812 026**	895 224 401	(764 917 609)	**130 306 792**
Total	**3 039 539 954**	**(2 268 086 080)**	**771 453 874**	**2 627 235 523**	**(2 181 524 217)**	**445 711 306**

5.2.1 Ageing of trading service and customer service debtors

2025 (30 June 2025)

		Not due			Past due		
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Ageing by debt type							
Electricity	**129 364 759**	55 309 870	8 007 450	7 641 547	3 071 234	2 012 234	53 322 424
Waste management	**67 563 747**	2 033 225	1 149 714	983 754	857 910	803 109	61 736 035
Waste water management	**70 255 092**	-	-	-	-	-	70 255 092
Water	**232 458 250**	8 710 326	4 498 976	3 489 536	3 069 374	3 151 820	209 538 218
Other service charges	**271 812 026**	6 105 310	34 095 263	5 134 077	4 982 916	5 915 054	215 579 406
Total ageing by debt type	**771 453 874**	**72 158 731**	**47 751 403**	**17 248 914**	**11 981 434**	**11 882 217**	**610 431 175**

2024 (30 June 2024)

5. Trade and other receivables from exchange transactions (continued)

		Not due			Past due		
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Ageing by debt type							
Electricity	**78 824 812**	31 605 597	5 107 848	4 887 138	1 970 620	1 261 197	33 992 412
Service charges	**130 306 792**	52 247 811	8 443 880	8 079 021	3 257 670	2 084 909	56 193 501
Waste management	**45 391 560**	18 200 200	2 941 373	2 814 277	1 134 789	726 265	19 574 656
Waste water management	**43 320 317**	17 369 714	2 807 157	2 685 860	1 083 008	693 125	18 681 453
Water	**147 867 825**	59 289 083	9 581 835	9 167 805	3 696 696	2 365 885	63 766 521
Total ageing by debt type	**445 711 306**	**178 712 405**	**28 882 093**	**27 634 101**	**11 142 783**	**7 131 381**	**192 208 543**

5.2.2 Ageing of impaired trading service and customer service debtors

2025 (30 June 2025)

		Not due			Past due		
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Ageing by debt type							
Electricity	**183 290 874**	16 668 805	7 767 739	6 955 502	6 705 181	6 291 738	138 901 909
Waste water management	**241 898 030**	3 728 904	3 585 868	3 536 098	3 541 267	3 731 760	223 774 133
Waste management	**267 084 788**	3 331 298	3 192 258	3 172 192	3 151 717	3 130 123	251 107 200
Water	**741 789 875**	10 953 293	11 046 146	10 482 463	10 294 186	11 076 701	687 937 086
Other service charges	**834 022 513**	18 837 225	22 552 654	18 223 179	17 997 531	19 514 416	736 897 508
Total by debt type	**2 268 086 080**	**53 519 525**	**48 144 665**	**42 369 434**	**41 689 882**	**43 744 738**	**2 038 617 836**

2024 (30 June 2024)

		Not due			Past due		
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**

5. Trade and other receivables from exchange transactions (continued)

Ageing by debt type							
Electricity	**187 195 953**	13 192 616	6 224 983	4 200 695	3 744 845	3 510 505	156 322 309
Waste water management	**241 348 230**	3 447 014	3 634 652	3 061 342	3 224 074	3 093 993	224 887 155
Waste management	**250 405 201**	3 085 850	2 936 970	2 907 594	2 898 491	2 891 654	235 684 642
Water	**737 657 224**	10 164 848	11 046 609	9 035 054	9 498 473	9 085 746	688 826 494
Other service charges	**764 917 609**	8 900 938	9 099 126	8 320 752	8 417 117	8 566 576	721 613 100
Total by debt type	**2 181 524 217**	**38 791 266**	**32 942 340**	**27 525 437**	**27 783 000**	**27 148 474**	**2 027 333 700**

5.2.3 Trading service and customer service debtors pledged as security

No trading and consumer service debtors were pledged as security.

6. Receivables from non-exchange transactions

Customer service debtors	6.1	356 384 790	180 584 514
Other receivables	6.2	31 167 905	41 819 933
Total		**387 552 695**	**222 404 447**
Current		387 552 695	222 404 447

6.1 Customer service debtors

	2025			2024		
	Gross	**Impairment**	**Total**	**Gross**	**Impairment**	**Total**
Property rates	1 004 404 915	(648 020 125)	**356 384 790**	872 804 226	(692 219 712)	**180 584 514**

6. Receivables from non-exchange transactions (continued)

Property rates

	2025			2024		
	Gross	**Impairment**	**Total**	**Gross**	**Impairment**	**Total**
Agricultural Properties	60 826 796	(35 149 485)	**25 677 311**	50 500 933	(39 889 098)	**10 611 835**
Business and commercial	97 717 450	(60 234 797)	**37 482 653**	82 009 278	(58 312 726)	**23 696 552**
Industrial Properties	1 894 502	(1 462 089)	**432 413**	1 848 222	(1 459 174)	**389 048**
Mining Properties	15 692 633	(8 519 562)	**7 173 071**	11 184 306	(8 040 969)	**3 143 337**
Public Benefit Organisations	33 107 862	(13 596 723)	**19 511 139**	19 194 488	(9 706 657)	**9 487 831**
Residential properties	786 596 290	(523 767 215)	**262 829 075**	701 307 985	(569 834 028)	**131 473 957**
Small holdings	8 569 382	(5 290 254)	**3 279 128**	6 759 014	(4 977 060)	**1 781 954**
Total	**1 004 404 915**	**(648 020 125)**	**356 384 790**	**872 804 226**	**(692 219 712)**	**180 584 514**

6.1.1 Ageing of customer service debtors

2025 (30 June 2025)

		Not due	Past due				
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Property rates	**356 384 790**	18 452 950	8 215 663	6 692 116	5 381 741	4 835 185	312 807 135

6. Receivables from non-exchange transactions (continued)

Property rates

		Not due			Past due		
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Agricultural Properties	**25 677 311**	391 769	282 815	248 122	262 759	232 031	24 259 815
Business and Commercial	**37 482 653**	4 153 395	1 324 845	940 659	719 244	662 000	29 682 510
Industrial Properties	**432 413**	129 606	18 865	382	382	382	282 796
Mining Properties	**7 173 071**	227 626	168 531	130 392	125 244	126 587	6 394 691
Public Benefit Organisations	**19 511 139**	336 394	369 784	342 469	290 206	287 371	17 884 915
Residential Properties	**262 829 075**	12 953 095	6 908 815	5 646 244	4 934 329	4 485 178	227 901 414
Small Holdings	**3 279 128**	258 515	117 599	410 782	93 906	73 463	2 324 863
Total	**356 384 790**	**18 450 400**	**9 191 254**	**7 719 050**	**6 426 070**	**5 867 012**	**308 731 004**

2024 (30 June 2024)

		Not due			Past due		
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Property rates	**180 584 514**	19 818 129	7 056 084	4 367 872	4 078 862	3 575 675	141 687 892

6. Receivables from non-exchange transactions (continued)

Property rates

		Not due			Past due		
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Agricultural Properties	**10 611 835**	404 239	156 452	132 980	140 147	137 911	9 640 106
Business and Commercial	**23 696 552**	4 157 241	1 084 504	588 541	538 285	412 505	16 915 476
Industrial Properties	**389 048**	123 015	-	-	-	-	266 033
Mining Properties	**3 143 337**	247 870	206 431	134 082	131 898	128 641	2 294 415
Public Benefit Organisations	**9 487 831**	265 744	162 575	161 041	161 026	160 977	8 576 468
Residential Properties	**131 473 957**	14 355 402	5 361 173	3 286 261	3 060 152	2 695 228	102 715 741
Small Holdings	**1 781 954**	264 438	84 950	64 965	47 353	40 414	1 279 834
Total	**180 584 514**	**19 817 949**	**7 056 085**	**4 367 870**	**4 078 861**	**3 575 676**	**141 688 073**

6.1.2 Ageing of impaired customer service debtors

2025 (30 June 2025)

		Not due			Past due		
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Property rates	**648 020 125**	23 001 981	11 202 053	11 139 438	10 978 978	10 837 468	580 860 207

6. Receivables from non-exchange transactions (continued)

Property rates

		Not due			Past due		
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Agricultural Properties	**35 149 485**	789 857	773 158	767 157	771 974	762 174	31 285 165
Business and Commercial	**60 234 797**	1 426 784	1 083 561	1 051 993	1 006 807	1 004 868	54 660 784
Industrial Properties	**1 462 089**	11 844	2 370	871	871	871	1 445 262
Mining Properties	**8 519 562**	248 542	245 432	243 424	242 516	246 453	7 293 195
Public Benefit Organisations	**13 596 723**	536 196	540 077	537 938	549 329	548 827	10 884 356
Residential properties	**523 767 215**	19 841 962	8 428 264	8 331 374	8 276 154	8 152 530	470 736 931
Small holdings	**5 290 254**	146 796	129 191	206 681	131 327	121 746	4 554 513
Total	**648 020 125**	**23 001 981**	**11 202 053**	**11 139 438**	**10 978 978**	**10 837 469**	**580 860 206**

2024 (30 June 2024)

		Not due			Past due		
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Property rates	**692 219 712**	12 012 453	10 402 938	8 171 803	8 187 132	8 138 494	645 306 892

6. Receivables from non-exchange transactions (continued)

Property rates

		Not due			Past due		
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Agricultural Properties	**39 889 098**	470 445	414 653	410 378	413 317	414 595	37 765 710
Business and Commercial	**58 312 726**	1 307 636	923 656	859 173	858 648	852 441	53 511 172
Industrial Properties	**1 459 174**	10 384	-	-	-	-	1 448 790
Mining Properties	**8 040 969**	266 982	264 801	260 989	260 746	260 171	6 727 280
Public Benefit Organisations	**9 706 657**	286 977	281 538	281 506	281 504	281 499	8 293 633
Residential properties	**569 834 028**	9 544 058	8 411 602	6 257 928	6 273 464	6 233 560	533 113 416
Small holdings	**4 977 060**	125 972	106 688	101 829	99 454	96 232	4 446 885
Total	**692 219 712**	**12 012 454**	**10 402 938**	**8 171 803**	**8 187 133**	**8 138 498**	**645 306 886**

6.1.3 Customer service debtors pledged as security

No customer service debtor were pledged as security.

6.2 Other receivables

	2025			**2024**		
	Gross	**Impairment**	**Total**	**Gross**	**Impairment**	**Total**
Accrued income	-	-	**-**	11 997 554	-	**11 997 554**
Fines	33 394 750	(2 226 845)	**31 167 905**	31 348 333	(1 525 954)	**29 822 379**
Total	**33 394 750**	**(2 226 845)**	**31 167 905**	**43 345 887**	**(1 525 954)**	**41 819 933**

6.2.1 Ageing of other receivables

2025 (30 June 2025)

6. Receivables from non-exchange transactions (continued)

		Not due	Past due				
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Fines	**31 167 905**	227 352	379 100	252 500	281 550	358 500	29 668 903

2024 (30 June 2024)

		Not due	Past due				
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Accrued income	**11 997 554**	11 997 554	-	-	-	-	-
Fines	**29 822 379**	21 850	14 800	16 040	190 150	294 850	29 284 689
Total	**41 819 933**	**12 019 404**	**14 800**	**16 040**	**190 150**	**294 850**	**29 284 689**

6.2.2 Impairment reconciliation of other receivables

Controlling entity

		2025			2024	
	Opening balance	**movement**	**Closing balance**	**Opening balance**	**movement**	**Closing balance**
Fines	1 525 954	700 891	**2 226 845**	1 047 873	478 081	**1 525 954**

6.2.3 Ageing of impaired other receivables

2025 (30 June 2025)

Notes to the Annual Financial Statements

Figures in Rand

6. Receivables from non-exchange transactions (continued)

		Not due			Past due		
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Fines	**2 226 845**	22 312	58 962	48 619	49 951	69 954	1 977 047

2024 (30 June 2024)

		Not due			Past due		
	Total	**Current**	**30 days**	**60 days**	**90 days**	**120 days**	**120+ days**
Fines	**1 525 954**	2 296	16 456	27 695	286 697	85 231	1 107 579

6.2.4 Other receivables pledged as security

No other receivables were pledged as security.

Figures in Rand		2025	2024

7. VAT Receivable

VAT input accrual	241 537 170	106 404 459
VAT output accrual	(65 697 213)	(46 391 953)
VAT receivable / (payable) from / (to) SARS	360 805	(1 539 297)
Total	**176 200 762**	**58 473 209**

The prior year comparatives have been restated, please refer to note 57 for more detail information.

VAT is received and paid as required by the Value Added Tax Act No. 89 of 1991 (VAT Act). VAT is applied to all relevant goods and services as stated in the VAT Act and the amounts thereof are determined in terms of the VAT Act. VAT is submitted and paid on a monthly basis.

VAT receivable from SARS is not impaired as the municipality considers that SARS has sufficient funds to pay any outstanding amounts. VAT on output provision is assessed with debtors impairment provision and included therein.

VAT receivable / (payable) from / (to) SARS is a Statutory receivable / payable in context of GRAP 108. Statutory receivables arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

8. Inventory

Consumables		48 601 045	51 319 099
Water	8.1	1 712 828	763 358
Finished goods		10 318	10 318
Total Inventories		**50 324 191**	**52 092 775**

8.1 Water

Summary

Opening balance		763 358	643 935
System input volume		282 620 087	226 354 035
Authorised consumption		(213 298 697)	(103 619 811)
Water losses	8.1.1	(68 252 497)	(122 614 801)
Closing balance		**1 832 251**	**763 358**

	2025	**2024**
	Total 2025	**Total 2024**
Opening balance	**763 358**	**643 935**
System input volume		
Water Treatment Works	**89 590 546**	**79 714 718**
Bulk Purchases	**193 029 541**	**146 639 317**
Total system input volume (SIV)	**282 620 087**	**226 354 035**
Water sold (Sales)	**(213 298 697)**	**(103 619 811)**
Non-revenue water made up of:		
Commercial losses	**(68 252 497)**	**(122 614 801)**

Figures in Rand	2025	2024
8. Inventory (continued)		
Closing balance	**1 832 251**	**763 358**
8.1.1 Water losses		
Real losses: Leakage on transmission and distribution mains	(250 779)	(689 814)

8.2 Inventory pledged as security

No portion of Inventories was pledged as security.

9. Investments

9.1 Carrying value of investments

2025 (30 June 2025)

	Fair value	Total
Carrying value as at 30 June 2025		
Listed/unlisted bonds and stocks	4 447 887	**4 447 887**
Net investment	**4 447 887**	**4 447 887**
Total	**4 447 887**	**4 447 887**

2024 (30 June 2024)

	Fair value	Total
Carrying value as at 30 June 2024		
Listed/unlisted bonds and stocks	4 236 943	**4 236 943**
Net investment	**4 236 943**	**4 236 943**
Total	**4 236 943**	**4 236 943**

The prior year comparatives have been restated, please refer to note 57 for more detail information.

9.2 Fair value of investments

The fair value of listed investments is estimated at R 4 447 887 (2024 (30 June 2024): R 4 236 943).

The listed share portfolio includes investments in Sanlam Limited, Old Mutual Limited, Quilter PLC and Nedbank Group Limited.

The fair value of investments was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

9.3 Investments pledged as collateral

None of the investments were pledged as collateral.

10. Investment property

10.1 Reconciliation of carrying value

Opening carrying value		
Cost	140 397 800	99 655 000

10. Investment property (continued)

Additions from acquisitions	-	2 870 000
Fair Value Adjustments	2 728 800	37 872 800
	2 728 800	**40 742 800**
Closing carrying value	**143 126 600**	**140 397 800**
Cost	143 126 600	140 397 800

Criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business is set out in the accounting policy note of investment property.

A register containing the information required by section 63 of the Municipal Finance Management Act (Act 56 of 2003) is available for inspection at the registered offices of the municipality

10.1.1 Investment property under construction

The municipality does not have any investment property under construction.

10.2 Investment property contractual commitments

The municipality does not have contractual commitments on investment property.

10.3 Restrictions on investment property

The municipality does not have any restrictions on investment property.

10.4 Investment property pledged as security

None of the investment property are held as security for any debt.

Figures in Rand

	2025	2024

11. Property, plant and equipment

11.1 Reconciliation summary

	2025			2024		
	Cost / Valuation	**Accumulated depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Land	947 995 658	-	**947 995 658**	947 995 658	-	**947 995 658**
Work in progress	592 132 828	-	**592 132 828**	566 946 434	-	**566 946 434**
Electrical Infrastructure	2 052 372 156	(795 624 951)	**1 256 747 205**	1 979 611 138	(694 914 138)	**1 284 697 000**
Water Supply Infrastructure	919 882 788	(217 036 360)	**702 846 428**	919 882 782	(194 517 894)	**725 364 888**
Sanitation Infrastructure	293 584 790	(51 462 287)	**242 122 503**	178 338 743	(44 259 298)	**134 079 445**
Solid Waste Infrastructure	11 348 477	(1 193 591)	**10 154 886**	7 669 521	(259 659)	**7 409 862**
Fecing Infrastructure	345 358	(265 433)	**79 925**	345 358	(257 575)	**87 783**
Other property, plant and equipment	283 742 050	(151 808 209)	**131 933 841**	239 858 132	(124 479 441)	**115 378 691**
Roads Infrastructure	5 344 811 424	(4 532 633 749)	**812 177 675**	5 353 453 208	(4 542 189 288)	**811 263 920**
Community Assets	243 879 934	(85 530 164)	**158 349 770**	217 391 222	(87 174 246)	**130 216 976**
Other assets						
Operational Buildings	164 095 320	(74 122 878)	**89 972 442**	155 562 431	(67 802 615)	**87 759 816**
Total	**0 854 190 783**	**(5 909 677 622)**	**4 944 513 161**	**0 567 054 627**	**(5 755 854 154)**	**4 811 200 473**

Notes to the Annual Financial Statements

Figures in Rand

11. Property, plant and equipment (continued)

11.2 Reconciliation of carrying value 2025

(30 June 2025)

	Opening balance	Additions	Disposals	Transfers received	Transfers made	Other changes, movements	Depreciation	Impairment loss/ reversal	Total
Land	947 995 658	-	-	-	-	-	-	-	**947 995 658**
Work in progress	566 946 434	349 399 191	-	-	(324 212 797)	-	-	-	**592 132 828**
Electrical Infrastructure	1 284 697 001	-	-	22 405 611	-	-	(50 355 407)	-	**1 256 747 205**
Water Supply Infrastructure	725 364 841	-	-	-	-	-	(22 518 413)	-	**702 846 428**
Sanitation Infrastructure	134 079 444	-	-	115 246 047	-	-	(7 202 988)	-	**242 122 503**
Solid Waste Infrastructure	7 409 863	-	-	-	-	3 281 370	(536 347)	-	**10 154 886**
Fecing Infrastructure	87 783	-	-	-	-	-	(7 858)	-	**79 925**
Other property, plant and equipment	115 378 690	43 580 442	(18 205)	-	-	-	(25 725 518)	(1 281 568)	**131 933 841**
Roads Infrastructure	811 263 966	-	(1 767 950)	147 359 084	-	-	(144 677 425)	-	**812 177 675**
Community Assets	130 216 975	-	-	39 202 055	-	-	(10 466 785)	(602 475)	**158 349 770**
Other assets									
Operational Buildings	87 759 816	8 532 889	-	-	-	-	(6 137 161)	(183 102)	**89 972 442**
Total	**4 811 200 471**	**401 512 522**	**(1 786 155)**	**324 212 797**	**(324 212 797)**	**3 281 370**	**(267 627 902)**	**(2 067 145)**	**4 944 513 161**

2024 (30 June 2024)

Notes to the Annual Financial Statements

Figures in Rand

11. Property, plant and equipment (continued)

	Opening balance	Additions	Disposals	Transfers received	Transfers made	Other changes, movements	Depreciation	Impairment loss/ reversal	Total
Land	947 995 658	-	-	-	-	-	-	-	**947 995 658**
Work in progress	476 826 519	297 925 658	-	-	(207 805 743)	-	-	-	**566 946 434**
Electrical Infrastructure	1 302 869 733	-	-	31 938 938	-	-	(50 111 671)	-	**1 284 697 000**
Water Supply Infrastructure	699 990 746	-	-	47 442 728	-	-	(22 068 586)	-	**725 364 888**
Sanitation Infrastructure	121 989 055	-	-	16 514 725	-	-	(4 424 335)	-	**134 079 445**
Solid Waste Infrastructure	6 142 831	-	-	-	-	1 683 200	(416 169)	-	**7 409 862**
Fecing Infrastructure	95 663	-	-	-	-	-	(7 880)	-	**87 783**
Other property, plant and equipment	113 411 716	25 580 765	-	-	-	-	(22 711 347)	(902 443)	**115 378 691**
Roads Infrastructure	913 750 066	-	(594 742)	106 862 561	-	-	(208 753 965)	-	**811 263 920**
Community Assets	128 112 463	-	-	5 046 791	-	-	-	(2 942 278)	**130 216 976**
Other assets									
Operational Buildings	94 896 157	-	-	-	-	-	(7 136 341)	-	**87 759 816**
Total	**4 806 080 607**	**323 506 423**	**(594 742)**	**207 805 743**	**(207 805 743)**	**1 683 200**	**(315 630 294)**	**(3 844 721)**	**4 811 200 473**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

11. Property, plant and equipment (continued)

Property, plant and equipment	4 944 513 161	4 811 200 473

11. Property, plant and equipment (continued)

11.3 Property, plant and equipment under construction

2025 (30 June 2025)

	Infrastructure assets	Community assets	Other assets	Total
Accumulated expenditure included in carrying value of property, plant and equipment				
Of which:				
Opening balance	534 453 903	19 709 048	12 783 483	566 946 434
Additions/Capital expenditure	328 961 069	16 350 912	4 087 210	349 399 191
Transfers to completed projects	(285 010 742)	(39 202 052)	-	(324 212 794)
	578 404 230	**(3 142 092)**	**16 870 693**	**592 132 831**

2024 (30 June 2024)

	Infrastructure assets	Community assets	Other assets	Total
Accumulated expenditure included in carrying value of property, plant and equipment				
Of which:				
Opening balance	457 832 093	13 915 277	5 079 149	476 826 519
Additions/Capital expenditure	279 380 762	10 840 562	7 704 334	297 925 658
Transfers to completed projects	(202 758 952)	(5 046 791)	-	(207 805 743)
	534 453 903	**19 709 048**	**12 783 483**	**566 946 434**

Other assets represents buildings.

11.4 Property, plant and equipment contractual commitments

Capital commitments relating to property, plant and equipments are disclosed under Note 55.

Figures in Rand	2025	2024

11. Property, plant and equipment (continued)

11.5 Property, plant and equipment pledged as security

None of the property, plant and equipment were pledged as security or collateral for any liabilities.

11.6 Maintenance of property, plant and equipment

For detailed expenditure on repairs and maintenace, see contracted services 42

12. Heritage assets

12.1 Reconciliation of carrying value

2025 (30 June 2025)

Opening carrying value as at 01 July 2024
Cost

2024 (30 June 2024)

	Arts, Collections, Antiquities and Exhibits	Total
Opening carrying value as at 01 July 2023		
Cost	10 100	10 100
Cost	10 100	10 100

12.1.1 Heritage assets

2025 (30 June 2025)

	Art Collections, antiquities and exhibits	Total
Carrying value of heritage assets	10 100	10 100

2024 (30 June 2024)

	Art Collections, antiquities and exhibits	Total
Carrying value of heritage assets	10 100	10 100

12.2 Heritage assets pledged as security

None of the heritage assets were ledged as security.

Figures in Rand		2025	2024

13. Intangible assets

13.1 Reconciliation of carrying value

2025 (30 June 2025)

		Computer software	Total
Opening carrying value as at 01 July 2024			
Cost		5 253 373	5 253 373
Accumulated depreciation and impairment		(4 891 756)	(4 891 756)
		361 617	**361 617**
Amortisation	39	(73 043)	(73 043)
Closing carrying value as at 30 June 2025		**288 574**	**288 574**
Cost		5 253 373	5 253 373
Accumulated amortisation and impairment		(4 964 799)	(4 964 799)
		288 574	**288 574**

2024 (30 June 2024)

	Computer software	Total
Opening carrying value as at 01 July 2023		
Cost	5 253 373	5 253 373
Accumulated depreciation and impairment	(4 891 756)	(4 891 756)
	361 617	**361 617**
Cost	5 253 373	5 253 373
Accumulated amortisation and impairment	(4 891 756)	(4 891 756)
	361 617	**361 617**

13.2 Intangible assets pledged as security

No intangible assets were pledged as security.

14. Financial liabilities

Annuity and bullet loans	218 009 700	277 677 984
Less: Transferred to current liabilities	(128 507 275)	(99 170 709)
Total non-current liabilities	**89 502 425**	**178 507 275**

The prior year comparatives have been restated, please refer to note 57 for more detail information.

14.1 Carrying value of current financial liabilities 2025 (30 June 2025)

	Opening balance	Withdrawals	Total
Carrying value as at 30 June 2025			
Annuity and bullet loans	235 777 499	(107 270 224)	**128 507 275**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

14. Financial liabilities (continued)

2024 (30 June 2024)

	Opening balance	Withdrawals	Total
Carrying value as at 30 June 2024			
Annuity and bullet loans	146 772 649	(47 601 940)	**99 170 709**

The prior year comparatives have been restated, please refer to note 57 for more detail information.

Non-current liabilities		
At amortised cost	-	178 507 275
	-	**178 507 275**
Current liabilities		
At amortised cost	218 009 700	99 170 709
	218 009 700	**99 170 709**

The municipality received bonds from PIC prior to 1994 and no repayment were made which led to legal dispute. The municipality has been accounting for this loan under contingent liabilities until it lost the case at the Constitutional Court.

A payment arrangement was concluded with PIC, and the split of the liability represents the arrangement approved by Council

15. Consumer deposits

Electricity	28 298 080	27 187 688

Consumer deposits are paid by consumers on application for new services (i.e water and electricity connections). The deposits are repaid when the services(i.e water and electricity connections) are terminated.

No interest is paid on consumer deposits held.

The management class: executive management of the municipality is of the opinion that the carrying value of consumer deposits approximate their fair values.

16. Trade and other payables from exchange transactions

Bulk purchases	16.1	1 732 791 955	721 322 928
Contractors	16.2	64 249 432	62 926 602
Control and clearing accounts	16.3	36 818 775	31 530 123
Employee benefits	16.4	71 175 407	65 944 383
Other payables	16.5	947 979 314	783 622 210
Total		**2 853 014 883**	**1 665 346 246**

16.1 Bulk purchases

Bulk water	226 724 198	123 708 216
Bulk electricity	1 506 067 757	597 614 712
Total	**1 732 791 955**	**721 322 928**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

16. Trade and other payables from exchange transactions (continued)

16.2 Contractors

Retentions	64 249 432	62 926 602

16.3 Control and clearing accounts

Pay As You Earn	10 760 585	9 984 821
Medical aid control	8 029 285	7 646 382
Pension control	10 316 161	9 936 003
Salary Control - Employee Related Costs	7 189 106	3 439 279
Salary Control - Remuneration of Councillors	523 638	523 638
Total	**36 818 775**	**31 530 123**

16.4 Employee benefits

Bonus	14 886 042	14 485 964
Leave accrual	56 289 365	51 458 419
Total	**71 175 407**	**65 944 383**

16.5 Other payables

Agency fees - North West DoT	1 705 667	4 764 787
Auditor-General of South Africa	1 586 805	754 719
Payables and accruals	471 270 662	427 768 849
Unallocated deposits	16 929 178	27 229 242
Advance payments	112 882 514	146 312 238
Municipal debt relief	343 604 488	176 792 375
Total	**947 979 314**	**783 622 210**

17. Trade and other payables from non-exchange transactions – Transfers and subsidies Unspent

		2025				2024				
		Opening balance	Funds received	Transfer to revenue	Closing balance	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance
Capital										
Monetary Allocations	17.1	414 908	377 825 968	(378 240 876)	-	975 828	335 707 517	(335 375 890)	(892 547)	**414 908**
Operational										
Monetary Allocations	17.2	-	4 193 000	(4 193 000)	-	530 233	3 731 000	(3 731 000)	(530 233)	-
Total		**414 908**	**382 018 968**	**(382 433 876)**	**-**	**1 506 061**	**339 438 517**	**(339 106 890)**	**(1 422 780)**	**414 908**

17.1 Unspent capital monetary allocations

	2025				2024				
	Opening balance	Funds received	Transfer to revenue	Closing balance	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance
National Government									
Integrated National Electrification Programme Gran	-	33 738 000	(33 738 000)	-	-	7 500 000	(7 500 000)	-	-
Library Services Grant	-	1 190 000	(1 190 000)	-	83 281	1 200 000	(1 283 281)	-	-
Municipal Infrastructure Grant	-	326 923 000	(326 923 000)	-	892 547	316 941 000	(316 941 000)	(892 547)	-
LG Seta Grant	-	1 176 447	(1 176 447)	-	-	1 142 010	(1 142 010)	-	-
National Department of Water and Sanitation Grant	414 908	14 798 521	(15 213 429)	-	-	8 924 507	(8 509 599)	-	**414 908**
Total	**414 908**	**377 825 968**	**(378 240 876)**	**-**	**975 828**	**335 707 517**	**(335 375 890)**	**(892 547)**	**414 908**

17. Trade and other payables from non-exchange transactions – Transfers and subsidies Unspent (continued)

17.2 Unspent operational monetary allocations

	2025				2024			
	Opening balance	Funds received	Transfer to revenue	Closing balance	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants
National Government								
Expanded Public Works Programme	-	1 293 000	(1 293 000)	**-**	-	831 000	(831 000)	- **-**
Integrated Grant								
Local Government Financial Management Grant	-	2 900 000	(2 900 000)	**-**	530 233	2 900 000	(2 900 000)	(530 233) **-**
Total	**-**	**4 193 000**	**(4 193 000)**	**-**	**530 233**	**3 731 000**	**(3 731 000)**	**(530 233)** **-**

18. Provisions (current and non-current)

Landfill Sites	18.1	26 350 995	20 845 343

Split between current and non-current

Non-current	26 350 995	20 845 343

18.1 Landfill Sites

Opening Balance	17 197 871	17 197 871
Additional provisions raised	9 153 124	3 647 472
Closing balance	**26 350 995**	**20 845 343**

Split between current and non-current

Non-current	26 350 995	20 845 343

Figures in Rand	2025	2024

18. Provisions (current and non-current) (continued)

The landfill rehabilitation provision is intended for the rehabilitation of the current operational sites which are evaluated at each year-end to reflect the best estimate at reporting date. The sites under consideration is the Hartbeesfontein landfill situated on portion 37 (a portion of portion 3) of the farm Hartbeesfontein 445 JQ.

A permit referenced B33/2/0121/41/P81 for the landfill was issued by the national department of water affairs and forestry on 17 September 1993. The permit has an unlimited period of validity.

The valuation for the landfill site was performed by Mr Seakle Godschalk Pr Sci Nat, GIMFO and Dr Maryna Mohr, both from Environmental & Sustainability Solutions(ESS). Mr Godscchalk is a registered professional environmental scientist with the South African Council for Natural Scientific Professions (SACNASP) as well as the Southern African Institute of Ecologists and Environmental Scientists (SAIE&ES). He holds a Master's degree in Science as well as Master's Degree in Accounting. He is also a member of Chartered Institute of Government Finance, Audit and Risk Officers (CICFARO). Dr Mohr holds an MBA as well as a D Tech and is a member of the Institute of Directors South Africa (IoDSA).

ESS has developed a General Landfill Closure Costing Model (GLCCM) to estimate the final rehabilitation and closure costs for general landfills. The GLCCM is being updated in cooperation with Jones and Wagener Consulting Civil Engineers (Pty) Ltd, a company that is actively involved in rehabilitation and closure of landfill sites. The GLCCM is based on the minimum requirements for Waste Disposal by Landfill of the Department of Water Affairs (1998), as amended by more recent regulations. The GLCCM provides a reliable best possible estimate of closure costs in terms of paragraph .49 of GRAP 19.

Key assumptions used Unit

costs

Unit costs for each of the cost elements are obtained annually by means of a commercial quotation. Consumer Price

Index (CPI)

The CPI is used for determining the future value of current costs in the year when the cost is projected to be incurred. The CPI figure used in the GLCCM is based on the three-month average CPI for the quarter that includes the financial year-end date. The average of the CPI for the last three months amounted to 3.2095%.

Discount rate

GRAP 19 states that where the effect of the time value for money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. In view of the long operational life of landfills, the time value of money is considered material. GRAP 19 prescribes that the discount rate shall be the pre-tax rate that reflects current market assessments of the time value of money, and the risks specific to the liability. Normally corporate bond rates are used to determine the discount rate. In line with GRAP 25 Defined benefit plans, government bond rates may also be used to determine the discount rate. The liability for this purpose is in most cases determined for a government entity (municipality). Therefore, government bond rates are considered a more appropriate indicator of the risk associated with the entity than corporate bond rates to determine the discount rate. The government bond rate most consistent with the estimated term of the liability should be used. As inflation-linked RSA retail bond rates have longer terms than fixed RSA retail bond rates, inflation linked rates are used.

The rate most consistent with the remaining life of the landfill published at the end of the quarter that includes the financial year-end date was used. For this landfill the rate associated with the maximum period of 10 years was used, i.e. 5.75% above CPI.

Location		
Hartbeesfontein 445 JQ	26 350 995	20 845 343

19. Long term trade and other payable

The prior year comparatives have been restated, please refer to note 57 for more detail information.

Figures in Rand	2025	2024

19. Long term trade and other payable (continued)

The Minister of Finance, in the 2023 Budget Speech announced conditional debt relief for all municipalities that owes Eskom on 31 March 2023 (including interest and penalties). Any municipality that owes Eskom arrears, interest or penalties on 31 March 2023 qualify for this relief subject to Council's successful written application to the National Treasury. The municipal debt relief application for the municipality was approved, and as a result, the municipality now recognises municipal debt relief liability.

Long term trade and other payables		
Municipal Debt Relief	453 519 111	411 734 881
Non Current Liabilities		
Municipal Debt Relief	109 914 623	234 942 506
Current Liabilities		
Municipal Debt Relief	343 604 488	176 792 375
	453 519 111	**411 734 884**

20. Defined benefit obligations

20.1 Defined benefit obligations

Defined benefit plan liability			
Long Service awards	20.1.1	37 398 815	37 245 648
Post-employment medical benefits liability			
Present value of defined benefit obligation	20.1.1	169 151 980	150 751 084
Total		**206 550 795**	**187 996 732**

20.1.1 Reconciliation of present value of the defined benefit obligations

Current	8 119 848	8 180 893
Non-current	198 430 948	179 815 839
Total	**206 550 796**	**187 996 732**

The municipality post-employment health care liability consists of a commitment to pay a portion of the pensioners' post employment medical scheme contributions. This liability is also generated in respect of dependants who are offered continued membership of the medical scheme on the death of the primary member.

Madibeng local municipality is committed to paying subsidies as follows:-

All current active employees will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement. All continuation members and their eligible dependants receive a 60% subsidy.

20.1.2 Net benefit expense

	Long Service Awards	Post-employment medical benefits	Total
For the year ended 30 June 2024			
Current service costs	2 753 000	6 190 000	**8 943 000**
Benefits paid	(5 048 000)	(4 933 000)	**(9 981 000)**
Interest cost on benefit obligation	4 355 000	18 135 000	**22 490 000**
Actuarial Gains / (Losses) recognised	1 495 648	(8 468 927)	**(6 973 279)**
Total expense recognised in the statement of financial performance	**3 555 648**	**10 923 073**	**14 478 721**
For the year ended 30 June 2025			
Current service costs	2 988 513	8 417 836	**11 406 349**
Benefits paid	(5 532 893)	(3 910 039)	**(9 442 932)**
Interest cost on benefit obligation	3 543 698	18 310 931	**21 854 629**
Actuarial Gains / (Losses) recognised	(846 151)	(4 417 820)	**(5 263 971)**
Total expense recognised in the statement of financial performance	**153 167**	**18 400 908**	**18 554 075**

20.1.3 Key actuarial assumptions

In estimating the liability for post-employment medical aid benefits and long service leave benefits a number of assumptions are required. GRAP 25 places the responsibility on management to set these assumptions, as guided by the principles set out in GRAP 25 and in discussion with the actuary.

Assumptions used at the reporting date:

Figures in Rand

	2025	2024

2025	Post-employment medical aid benefits	Long service leave benefits
Discount rate	12.23 %	9.18 %
Consumer price inflation	6.18 %	3.55 %
General salary inflation rate	7.68 %	4.55 %
Net effect on discount rate	4.23 %	4.22 %

2024	Post-employment medical aid benefits	Long service leave benefits
Discount rate	10.28 %	13.46 %
Consumer price inflation	4.77 %	7.48 %
General salary inflation rate	5.77 %	8.48 %
Net effect on discount rate	4.26 %	4.59 %

The basis used to determine the overall expected provision is as follows:

Net Discount Rate

GRAP 25 defines the determination of the investment return assumption to be used as the rate that can be determined by reference to market yields (at the balance sheet date) on government bonds. The currency and term of the government bonds should be consistent with the currency and estimated term of the obligation.

The methodology of setting financial assumptions has been updated to be more duration specific. At the previous valuation date, 30 June 2024 the duration of liabilities was 10.19 years. At this duration the discount rate determined by using the Bond Exchange Zero Coupon Yield Curve as at 30 June 2025 is 12.23% per annum, and the yield on the inflation-linked bonds of a similar term was about 4.23% per annum, implying an underlying expectation of inflation of 6.18% per annum.

Normal Retirement Age

The normal retirement age (NRA) for all active employees was assumed to be 65 years.

Mortality Rates

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry. Mortality post-employment (for pensioners) has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS.

Spouses and Dependents

We assumed that the marital status of members who are currently married will remain the same up to retirement. It was also assumed that 90% of all single employees would be married at retirement with no dependent children.

20.1.4 Sensitivity analysis

A one percentage point change in the assumed rate of increase in healthcare inflation would have the following effects:

	Increase	Decrease
2024 (30 June 2024)		
Effect on current service cost	10 180 640	7 016 148
Effect on current interest cost	21 146 339	15 787 667
Effect on the defined benefit obligation	174 798 006	131 047 744
2025 (30 June 2025)		
Effect on current service cost	10 180 640	7 016 148
Effect on current interest cost	21 146 339	15 787 667
Effect on the defined benefit obligation	174 798 006	131 047 744

A one percentage point change in the assumed discount rate would have the following effects:

Figures in Rand	2025	2024
	Increase	**Decrease**
2024 (30 June 2024)		
Effect on current service cost	7 141 749	10 026 107
Effect on current interest cost	17 217 184	19 300 195
Effect on the defined benefit obligation	132 123 089	173 717 108
2024 (30 June 2025)		
Effect on current service cost	7 141 749	10 026 107
Effect on current interest cost	17 217 184	19 300 195
Effect on the defined benefit obligation	132 123 089	173 717 108

20.1.5 Historical analysis

	2021	**2022**	**2023**	**2024**	**2025**
Defined benefit plan – long service award					
Defined benefit obligation	30 546 000	32 702 000	33 690 000	37 245 648	37 398 815
Post-employment medical benefits					
Defined benefit obligation	124 216 000	142 651 000	139 828 000	150 751 073	169 151 992

21. Accumulated surplus / (deficit)

Opening Balance	3 131 262 432	3 391 825 474

Refer to the Statement of Changes in Net Assets for more detail and the movement on Accumulated surplus.

22. Services charges

Electricity		
Consumption – Electricity	664 800 768	632 404 055
Other – Electricity	39 505 902	37 604 589
Sub-total	**704 306 670**	**670 008 644**
Water management		
Consumption – Water management	186 957 739	168 374 857
Waste water management		
Consumption – Waste water management	59 826 741	49 178 480
Other – Waste water management	1 448 924	1 195 508
Sub-total	**61 275 665**	**50 373 988**
Waste management		
Consumption – Waste management	67 610 382	64 708 902
Total	**1 020 150 456**	**953 466 391**

Section 64 of the MFMA requires that the accounting officer of the municipality must take reasonable steps to ensure that the municipality has an effective revenue collection system consistent with Section 95 of the Municipal Systems Act and the municipality's credit and debtors collection policy. The Act further requires that the municipality maintains a system of internal control in respect of both revenue and debtors.

There were instances were estimated billing was used, due to faulty meters in the current year and some community members denying meter readers access to conduct readings.

Notes to the Annual Financial Statements

Figures in Rand		2025	2024
23. Agency services			
Provincial		17 550 510	17 283 123

Refere to note 50 for the reconciliation and disclosure of the principals and agency relationship.

24. Interest earned from receivables			
Exchange receivables	24.1	158 648 814	70 338 875
Non-exchange receivables	24.2	80 759 813	46 070 147
Total		**239 408 627**	**116 409 022**
24.1 Interest earned from exchange receivables			
Consumer receivables			
Electricity		21 510 748	15 951 722
Water		77 826 426	31 483 112
Waste water management		24 208 373	7 211 653
Waste management		26 149 725	8 214 378
Other service charges		8 953 542	7 478 010
		158 648 814	**70 338 875**
24.2 Interest earned from non-exchange receivables			
Consumer receivables			
Property rates		80 759 813	46 070 147
25. Interests on current and non-current assets			
Short-term investments and call accounts		14 323 130	16 133 106
26. Rent from fixed assets			
Rental of equipment		4 276 843	2 195 669
26.1 Rental by asset class			
Property, plant and equipment		4 276 843	2 195 669
26.2 Rental by type			
Market related			
Property, plant and equipment			
Other assets			
• Straight-lined operating		4 276 843	2 195 669
Total		**4 276 843**	**2 195 669**

Figures in Rand		2025	2024
27. Property rates by usage			
Agricultural property		19 187 889	17 434 245
Business and commercial properties		83 375 775	80 926 914
Small holdings and farms		7 407 067	17 553 958
Mining properties		10 733 323	10 947 165
Residential properties		289 831 774	192 537 342
State-owned properties		45 034 935	42 211 762
Total		**455 570 763**	**361 611 386**
Valuation as at 30 June 2025			
Agricultural property		13 234 653 571	9 930 834 000
Business and commercial properties		6 524 155 820	5 169 503 870
Industrial properties		502 673 940	476 123 000
Mining properties		860 338 060	686 229 000
Multiple purposes		57 992 180	1 496 369 000
Public benefit organisations		32 494 000	5 190 000
Public service infrastructure properties		306 954 840	413 280 000
Public service purposes properties		1 968 227 279	2 071 610 000
Residential properties		35 507 058 405	26 816 917 980
Vacant land		6 460 210 220	1 897 690 150
Total property valuations		**65 454 758 315**	**48 963 747 000**

The valuation roll takes effect from the start of the financial year following completion of public inspection and remains valid for a period not exceeding five financial years. The current effective valuation roll was certified by Activa Valuation Services (PTY) LTD,and came into effect on 2024/07/01.

During the financial year, the municipality identified a variance between the General Valuation Roll and the billing system, which resulted in an understatement of property rates revenue, contrary to the Municipal Property Rates Act. The discrepancy was primarily caused by objections to the General Valuation Roll and the implementation of a supplementary roll and corrections were made in terms of the Property rates and the requirements on GRAP standards.

28. Fines, penalties and forfeits			
Fines	28.1	3 684 702	2 910 125
28.1 Fines			
Traffic fines			
Law enforcement fines		3 684 702	2 910 125
29. Licences or permits			
Exchange revenue	29.1	8 307 925	7 246 342
29.1 Licenses and permits - Exchange revenue			
Road and transport		8 307 925	7 246 342
30. Transfers and subsidies			
Operational			
Allocations in-kind	30.1	1 129 134 458	1 056 250 791
Capital			
Monetary allocations	30.2	377 064 429	335 064 880

Notes to the Annual Financial Statements

Figures in Rand		2025	2024
30. Transfers and subsidies (continued)			
Total		**1 506 198 887**	**1 391 315 671**
30.1 Allocations in-kind: Operational			
National government		1 129 134 458	1 056 250 791
30.2 Monetary allocations: Capital			
Departmental agencies and accounts		1 190 000	1 283 281
Households		-	831 000
National government		375 874 429	332 950 599
Total		**377 064 429**	**335 064 880**
31. Operational revenue			
Exchange revenue			
Cemetery fees		1 527 366	1 310 852
Town planning		1 910 673	1 945 770
Reconnection fees		2 020 388	2 768 746
Service connections		938 380	538 855
Other services		648 650	36 357
Tender document fees		1 212 176	685 656
Valuation fees		320 547	3 148 181
Library fees		64 759	51 583
Development charges		229 924	978 531
Advertising		74 206	36 847
Sale of nursery plants		14 122	1 126
Notice fees		4 912 503	2 506 579
Administrative handling fees		-	1 302 660
Total		**13 873 694**	**15 311 743**
Non-exchange revenue			
Unallocated deposits		762 692	-
Debt waived		-	108 161 356
Total		**762 692**	**108 161 356**
32. Gain/(Loss) on disposal of fixed and intangible assets			
Gains/(losses) on disposals	32.1	(1 535 376)	95 072
Fair value adjustment	32.2	2 728 800	37 872 800
Total		**1 193 424**	**37 967 872**
32.1 Gains/(losses) on disposals			
Property, plant and equipment		(1 786 155)	(594 742)
Water losses		250 779	689 814
Total		**(1 535 376)**	**95 072**
32.2 Fair value adjustment			
Investment property		2 728 800	37 872 800

Figures in Rand	2025	2024

33. Impairment loss reversal

VBS Mutual Bank Refund	5 637 303	-
Bad debts recovered	3 235 722	-
Total	**8 873 025**	**-**

During the 2018/2019 financial year end VBS Mutual Bank Investment experienced financial difficulties which led to breach of contracts when some of the matured investments and deposits could not be honoured. The municipality had a short-term deposit of R 31 504 248. The municipality accounts for short term deposits as financial assets at amortised cost. The curator and National Treasury did not offer any guarantees to the municipality. The Minister of Finance placed VBS Mutual Bank Investment under curatorship with effect from 11 March 2018. SizweNtsalubaGobodo Advisory Services was appointed, in terms of section 81 of the Mutual Banks Act 124 of 1993 ("the Mutual Banks Act"), as the curator to VBS Mutual Bank Investment. The municipality resolved in the 2018/2019 financial year to fully impair the investment of R 31 504 248 since there were no future cashflows expected from VBS Mutual Bank Investment. During the current financial year, the municipality was paid an amount of R 5 637 303 which has been recognised as an impairment loss reversal.

In the 2023/24 financial year, the municipality wrote off debt that had been approved by Council as irrecoverable. In the current financial year, an amount of R3 235 722 was subsequently paid to the municipality and has been recognised as bad debts recovered.

Notes to the Annual Financial Statements

Figures in Rand

34. Employee related cost

Senior management	34.1	13 261 058	3 907 759
Municipal staff	34.2	715 283 559	660 728 845
Total		**728 544 617**	**664 636 604**

34. Employee related cost (continued)

34.1 Senior management costs

2025 (30 June 2025)

	Municipal manager	Chief financial officer	Community Services	Corporate Support Services	Economic Development, Tourism and Agriculture	Human Settlement and Planning	Infrastructure and Technical Services	Public Safety and Social Services	Chief Audit Executive	Total
Basic salary	838 252	1 210 195	1 089 179	1 196 813	1 084 962	1 170 665	1 195 765	971 999	1 193 669	9 951 499
Service-related benefits	-	28 755	-	51 518	-	128 524	-	-	-	208 797
Allowances	218 264	236 555	301 407	384 048	390 920	286 530	383 740	387 348	368 784	2 957 596
Bargaining council	10 350	14 341	12 788	16 003	13 681	13 996	15 092	11 660	17 192	125 103
Unemployment insurance	1 240	1 948	2 125	2 125	2 125	-	2 125	-	2 125	13 813
Less: Costs capitalised	-	-	-	-	-	2 125	-	-	2 125	4 250
	1 068 106	**1 491 794**	**1 405 499**	**1 650 507**	**1 491 688**	**1 601 840**	**1 596 722**	**1 371 007**	**1 583 895**	**13 261 058**

2024 (30 June 2024)

	Chief financial officer	Community services	Corporate Support Services	Economic Development, Tourism and Agriculture	Human Settlement and Planning	Infrastructure and Technical Services	Public Safety and Social Services	Chief Audit Executive	Total
Basic salary	374 898	-	371 120	345 184	373 120	-	369 510	381 120	2 214 952
Service-related benefits	46 223	-	-	-	-	-	-	-	46 223
Allowances	82 657	434 532	122 862	117 780	97 683	510 434	116 000	122 657	1 604 605
Bargaining council	5 611	4 052	4 814	8 349	-	4 814	3 683	4 814	36 137
Unemployment insurance	708	1 416	708	886	-	708	-	708	5 134
Less: Costs capitalised	-	-	-	-	-	-	-	708	708
	510 097	**440 000**	**499 504**	**472 199**	**470 803**	**515 956**	**489 193**	**510 007**	**3 907 759**

The Remuneration of Executives as disclosed above refer to the actual amounts paid to them during the 2025 (30 June 2025) and 2024 (30 June 2024) 12 months respectively.

34.2 Municipal staff costs

Figures in Rand		2025	2024
34. Employee related cost (continued)			
Basic salary		389 175 178	362 728 304
Bonuses		31 066 298	30 197 160
Service-related benefits		89 966 615	82 813 912
Allowances		47 187 067	44 560 880
Bargaining council		5 484 810	5 237 340
Post-retirement benefit: Medical		70 271 755	55 880 330
Post-retirement benefit: Pension		79 360 924	76 631 980
Unemployment insurance		2 770 912	2 678 939
Total		**715 283 559**	**660 728 845**
Acting Allowances for Section 56 Appointments			
Municipal Manager		221 004	340 179
Chief Financial Officer		88 192	181 037
Director Corporate Services		49 350	95 809
Director Infrastructure and Technical Services		39 172	86 898
Director Local Economic Development		20 562	151 361
Director Human Settlements		101 887	95 977
Director Community Services		-	82 358
Director Public Safety		-	95 976
		520 167	**1 129 595**
35. Remuneration of councillors			
Executive Mayor/Mayor	35.1	1 059 992	1 040 254
Chief whip	35.2	712 834	601 340
Speaker	35.3	857 394	842 114
Executive committee	35.4	8 931 588	8 118 582
All other councillors	35.5	24 958 646	24 736 496
Total		**36 520 454**	**35 338 786**
35.1 Executive Mayor/Mayor			
Allowances and service related benefits			
Cell phone allowance		47 004	49 608
In-kind benefits		101 166	140 646
Office-bearer allowance		715 057	653 235
Travelling allowance		196 765	196 765
		1 059 992	**1 040 254**
35.2 Chief whip			
Allowances and service related benefits			
Office-bearer allowance		464 756	423 862
Cell phone allowance		43 088	37 857
In-kind benefits		204 990	139 621
		712 834	**601 340**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

35. Remuneration of councillors (continued)

35.3 Speaker

Allowances and service related benefits		
Cell phone allowance	47 004	46 136
In-kind benefits	252 062	248 598
Office-bearer allowance	558 328	547 380
	857 394	**842 114**

35.4 Executive committee

Allowances and service related benefits		
Cell phone allowance	524 878	510 435
In-kind benefits	482 851	406 510
Office-bearer allowance	6 283 124	5 698 842
Travelling allowance	1 640 735	1 502 795
	8 931 588	**8 118 582**

35.5 All other councillors

Allowances and service related benefits		
Cell phone allowance	3 186 321	3 377 091
In-kind benefits	835 577	974 040
Office-bearer allowance	16 928 445	16 337 288
Travelling allowance	4 008 303	4 048 077
	24 958 646	**24 736 496**

36. Bulk purchases

Electricity: Eskom	900 672 439	832 713 902

36.1 Electricity losses

	2025		2024	
	KHW	**Amount**	**KHW**	**Amount**
Units purchased	300 041 518	900 672 439	472 841 613	832 713 903
Units sold	(155 992 324)	(704 306 670)	(240 059 926)	(670 008 643)
Total loss	**144 049 194**	**196 365 769**	**232 781 687**	**162 705 260**
Percentage loss:				
Technical losses	48.00 %	21.80 %	49.00 %	20.00 %

36.2 Water losses

Real losses: Leakage on transmission and distribution mains	(250 779)	(689 814)

The municipality is required to report on water losses in terms of MFMA Circular No. 71 issued by National Treasury in terms of Section 168 of the MFMA. The municipality is of the view that the methodology outlined in MFMA Circular 71 is an over simplification and does not take into account various components in the calculation.

Figures in Rand	2025	2024

36. Bulk purchases (continued)

The municipality is currently unable to determine the split of technical and non-technical losses due to the varied quantity and price mix of water, including infrastructure challenges. Currently, the largest quantity of water is purchased in raw form from the Department of Water and Sanitation, whilst purified and clean water is purchased from both Rand Water and the City of Tshwane.

	2025		2024	
	ML	**Amount**	**ML**	**Amount**
Units purchased	11 424 203	192 910 489	9 134 102	146 520 310
Units sold	(8 656 913)	(213 298 697)	(4 183 595)	(103 619 811)
Total loss	**2 767 290**	**(20 388 208)**	**4 950 507**	**42 900 499**

37. Inventory consumed

Consumables	104 847 712	20 911 783
Materials and supplies	391 497	7 266 667
Water	281 551 194	227 010 934
Total	**386 790 403**	**255 189 384**

38. Debt impairment

Trade and other receivables from exchange transactions	5	80 311 867	227 834 637
Receivables from non-exchange transactions	6	(43 498 696)	60 571 372
Total		**36 813 171**	**288 406 009**

Madibeng Local Municipality assessed for impairment of Trade and other receivables from exchange transactions in terms of Grap 104 Financial instruments and the receivables from non exchange transactions are Statuory receivables that have been impaired interms of Grap 108 Statutory receivables.

39. Depreciation and amortisation

Amortisation			
Intangible assets	13.1	-	3 602
Depreciation			
Property, plant and equipment		245 627 928	304 042 581
Total		**245 627 928**	**304 046 183**

40. Impairment loss / (reversal) of impairment

Impairment loss / Reversal of impairment			
Property, plant and equipment		2 816 166	5 385 403

41. Interest

41.1 Interest cost

Late payment charges	4.2	116 321 436	79 266 320
Borrowings	14.1		
• Municipal debt relief - debt waived		41 784 230	34 573 158
Interest cost on landfill site provision	16	2 224 282	1 964 272
Defined benefit obligation		3 543 698	4 355 000
Total		**163 873 646**	**120 158 750**

Notes to the Annual Financial Statements

Figures in Rand		2025	2024
42. Contracted services			
Consultants and professional services	42.1	199 029 067	88 922 648
Contractors	42.2	69 663 070	40 309 249
Outsourced services	42.3	313 479 739	344 269 196
Total		**582 171 876**	**473 501 093**
42.1 Consultants and professional services			
Business advisory services			
Accounting and auditing		18 363 285	16 472 500
Laboratory services			
Medical		-	86 609
Legal services			
Collection		12 355 083	2 463 975
Legal advice and litigation		22 474 915	14 437 851
Total legal services		**34 829 998**	**16 901 826**
Engineering services			
Civil engineering		145 835 784	55 461 713
Total consultants and professional services		**199 029 067**	**88 922 648**
42.2 Contractors			
General services			
Bore waterhole drilling		11 646 563	457 391
Gardening services		1 363 212	1 667 179
Graphic designers		910	-
Pest control and fumigation		199 980	-
Traffic and street lights		719 565	489 750
Total general services		**13 930 230**	**2 614 320**
Maintenance services			
Inspection fees		7 652 022	5 133 397
Maintenance of buildings and facilities		17 469 639	11 132 761
Maintenance of equipment		595 334	3 885 708
Maintenance of unspecified assets		30 015 845	17 543 063
Total maintenance service		**55 732 840**	**37 694 929**
Total contractor		**69 663 070**	**40 309 249**
42.3 Outsourced services			
Business and advisory services			
Business and Financial Management		35 780 610	28 804 879
Valuer		6 420 061	7 425 857
Total business and advisory services		**42 200 671**	**36 230 736**

Figures in Rand		2025	2024
42. Contracted services (continued)			
General services			
Cleaning Services		29 880	98 505
Clearing and Grass Cutting Services		189 550	956 087
Meter Management		44 733 858	39 530 224
Printing Services		3 605 487	10 066 186
Security		147 835 034	130 958 392
Refuse Removal		1 805 922	8 516 030
Sewerage Services		14 034 161	38 209 741
Total general services		**212 233 892**	**228 335 165**
Trading services			
Connection/Dis-connection: Electricity		3 003 387	3 111 860
Electrical		56 041 789	76 591 435
Total trading services		**59 045 176**	**79 703 295**
Total outsourced services		**313 479 739**	**344 269 196**
43. Transfers and subsidies			
Operational			
Allocations in-kind	43.1	7 344 103	4 404 054
43.1 Allocations in-kind: Operational			
Households - indigents		7 344 103	4 404 054
44. Irrecoverable debts written off			
Non specific accounts		47 279 621	12 940 952

The prior year comparatives have been restated, please refer to note 57 for more detail information.

The bad debts written off was the actual write off of indigents that was approved by council as not collectable and should be written off.

Figures in Rand	2025	2024
45. Operational cost		
Advertising	13 008 342	3 590 779
Assistance to indigents	369 600	397 592
Audit committee costs	1 502 614	366 511
Auditor's remuneration	10 681 983	9 664 803
Bank Charges	3 239 073	3 242 456
Commission	5 520 999	4 614 562
Community participation	5 543 612	5 055 392
Consulting and professional fees	89 700	341 896
Discount allowed	193 592	20 899
Geographical information system	600 909	808 234
Insurance	15 708 372	7 069 702
Legal fees	2 000	-
Licence fees	3 301 652	3 252 090
Marketing	36 250	70 389
Mayoral out-reach programme	2 124 095	1 200 650
Motor vehicle expense	1 616 078	1 914 254
Other expenditure	97 942	-
Plant and machinery hire expenses	265 865 326	225 363 540
Postage and courier	-	4 500
Printing and stationery	110 822	349 749
Project management cost	1 223 183	1 231 041
Protective clothing	3 033 109	4 051 687
Remuneration to Ward Committees	35 800	109 190
Signage	12 541	-
Social programmes	-	340 000
Subscriptions and membership fees	7 419 265	7 915 510
Telephone and fax	6 763 561	4 339 668
Training	11 154 101	14 670 532
Travel and accomodation	4 689 000	3 555 557
Two-way radios	2 565 381	-
VIP toilets	-	12 592 384
Ward committee expenses	5 491 200	5 903 300
Water and electricity	42 622 374	5 825 387
Water resource management charges	1 660 830	388 314
Total	**416 283 306**	**328 250 568**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
46. Net cash from/(used) operating activities		
Deficit for the year	(260 563 052)	(294 959 882)
Adjustments for:		
Depreciation and amortisation	267 700 945	315 633 896
Bad debts written off	47 279 621	12 940 952
Debt waived - Municipal debt relief	-	(108 161 354)
Fair value adjustment	(2 728 800)	(34 123 151)
Increase / (Decrease) in provisions	5 505 652	2 252 098
Debtors impairment	36 813 171	288 406 009
Reversal of impairment loss	(6 056 859)	1 395 374
Movement in employee benefit	18 554 064	14 478 721
Movement in non-current liability	(125 027 883)	234 942 506
Movement in working capital		
(Increase) / Decrease in receivables from non-exchange transactions	(121 649 553)	(87 840 276)
(Increase) / Decrease in inventory	2 019 363	(16 279 350)
(Increase) / Decrease in receivables from exchange transactions	(459 073 358)	(279 971 148)
(Increase) / Decrease in VAT Receivable	(117 727 553)	2 580 825
(Increase) / Decrease in other financial assets	(210 945)	(1 002 209)
Increase / (Decrease) in trade and other payables from exchange	1 197 327 818	213 898 717
Increase / (Decrease) in unspent conditional grants and receipts trade and other payable non-exchange transactions	(414 908)	(1 091 153)
Increase / (Decrease) in consumer deposits	1 110 598	2 334 826
Net cash flows from operating activities	**482 858 321**	**265 435 401**

Figures in Rand	2025	2024
47. Contingent liabilities		
1) Magalies Water *The plaintiff is claiming for breach of undertaking and damages incurred for rendering of additional services.*	36 550 923	36 550 923
2) Stephen Mphedi Madiro *The plaintiff is suing both Madibeng and Bojanala for raw sewer spillage in his property due to the municipalities failure to maintain sewer system.*	16 842 500	18 568 856
3) Boss Directory Services *The plaintiff is claiming for services allegedly rendered.*	-	683 724
4) Resilient Properties *Claiming for damages of former employees actions.*	28 803 025	28 803 025
5) LSO *The plaintiff alleges that the municipality failed to pay him three months of services rendered.*	4 810 747	4 828 747
6) Ngwenya River Estate *The plaintiff is claiming for damages for repair of substation and/or pump station.*	188 198	188 198
7) Flame IT *Claiming for outstanding amount for services allegedly rendered.*	54 604 678	54 604 678
8) Mosoma Pokisi Daniel *Claiming for damages for the death of a minor child who fell in a open hole at Thelele Section of Mmakau Village*.	20 000 000	20 000 000
9) Leon Van Rhyn *The plaintiff claims for damages as a result of collusion caused by pothole.*	1 064 849	1 142 051
10) Martin Jordan *Claim for damages due to a lack of road marking. The plaintiff drove his quadricycle into exposed building materials*.	5 928 000	5 928 000
11) Stephen Velaphi Chauke *Claim for damages caused by a pothole.*	16 800	16 800
12) Mok Development CC *Claim for alleged breach of contract*.	6 893 012	6 893 012
13) Mosaza Civil Engineering *Claim for cessionary material supplied on Provincial project instituted against the municipality. The Province refused to pay for further work due to non compliance.*	7 245 348	7 245 348
14) JJ Van Der Walt *Claim for alleged failure by the municipality to repair and maintain traffic light which allegedly caused the accident.*	340 131	340 131
15) SM Ubane *Claim for damages arising from the alleged failure by the municipality to cover a hole at a construction site.*	-	850 000
16) Andre Coetzee Claim for damages on his property due to burst pipe.	145 541	145 541
17) Hometrad 66 CC *Claim for defamatory remarks made by municipal employee against the plaintiff*.	400 000	400 000
18) Elizabeth M Ntlatleng *Claim for collission with pothole near mount close*.	66 165	66 165
19) Hartbeespoort Irrigation Board *Claim for water usage charges*.	726 814	726 814
20) Openserve (Pty) Ltd *Claim for damages on underground cables*.	-	94 047
21) Johannes Jacobus Du Preez Plaintiff claims against negligence to failure to maintain sewerage pipe line by municipal which resulted in spillage that flooded 6 hectares of plaintiff property, thus damaged it and claims of damaged crops.	15 267 779	-
22) EX PS (Pty) Ltd Claim for work contracted for in terms of the session agreement signed between the parties.	559 667	-

Figures in Rand	2025	2024
47. Contingent liabilities (continued)		
23) Midnight Storm Investments 181 (Pty) Ltd Payment erroneously paid to the Municipality by Langenhoven when requesting for a clearence certificate.	698 812	-
24) Edward Mokadi Sisoko The plaintiff claims to have fallen into a hole dug by Municipality's contractors and fractured his ankle.	12 000 000	-
25) Rooikoppies Oos Water Users Association Claim for unpaid levy for maintenance and running costs incurred in performance of funcitions.	285 284	-
26) Stephen Mphedi Madiro Claim dut to non-compliance with a court which was issued on the 06th June 2018.	16 842 500	-
	230 280 773	**188 076 060**

Figures in Rand

	2025	2024

48. Related party disclosures

48.1 Nature of related party relationships

Related party	**Nature of relationship**
Accounting Officer	Refer to accounting officers' report note
Councillors	Refer to note 35
Post employment benefit plan for employees of entity and/or other related parties	Refer to Note 20
Members of key management	No other payments are made outside the contractual employment payments from employment

48.2 Related party balances

Management class: Councillors

2024 (30 June 2025)

	Basic salary	Travel Allowances	Cellphone Allowances	Other benefits received	Total
Name					
Executive Mayor	715 057	196 765	47 004	101 166	1 059 992
Chief Whip	464 756	135 276	43 087	69 713	712 832
Speaker	558 328	157 412	47 004	94 650	857 394
EXCO Office Bearers	6 283 124	1 640 735	524 878	482 851	8 931 588
Councillors	16 928 447	4 008 303	3 186 321	835 577	24 958 648
	24 949 712	**6 138 491**	**3 848 294**	**1 583 957**	**36 520 454**

2024 (30 June 2024)

	Basic salary	Travel Allowances	Cellphone Allowances	Other benefits received	Total
Name					
Executive Mayor	653 235	196 765	49 608	140 644	1 040 252
Chief Whip	543 908	157 412	49 608	91 186	842 114
Speaker	423 862	110 680	37 857	28 941	601 340
EXCO Office Bearers	5 698 842	1 502 795	510 435	406 783	8 118 855
Councillors	16 337 288	4 048 077	3 376 819	974 041	24 736 225
	23 657 135	**6 015 729**	**4 024 327**	**1 641 595**	**35 338 786**

Management class: Key advisors/Sub committees - Audit Committee

2024 (30 June 2025)

	Preparation	Sitting allowance	Data/Internet	Travelling	Total
Name					
Mrs. APC Mangoma	3 831	7 642	700	-	12 173
Mr. S Maharaj	91 916	28 103	3 950	-	123 969
Mr. MM Makgale	70 000	18 886	2 800	1 136	92 822
Mr. TG Nevhutalu	2 298	4 520	350	-	7 168
Ms. AMM Badimo	1 916	3 820	350	-	6 086
Mr. R Tshimomola	90 000	24 282	3 600	-	117 882
Ms. MG Mathye	260 000	97 166	5 600	25 688	388 454

Ms. SJ Masite	70 000	18 886	2 800	2 049	93 735
	589 961	**203 305**	**20 150**	**28 873**	**842 289**

Figures in Rand

	2025	2024

48. Related party disclosures (continued)

2024 (30 June 2024)

	Preparation	Sitting allowance	Data/Internet	Total
Name				
Mrs. APC Mangoma	9 578	19 104	1 750	30 432
Mr. S Maharaj	9 578	19 104	1 750	30 432
Mr. PR Mnisi	7 662	15 283	1 400	24 345
Mr. TG Nevhutalu	11 493	22 599	1 750	35 842
Ms. AMM Badimo	9 578	19 104	1 750	30 432
	47 889	**95 194**	**8 400**	**151 483**

Management class: Key advisors/Sub committees - Risk Committee

2024 (30 June 2025)

	Preparation	Sitting allowance	Data/Internet	Travelling	Total
Name					
Mr. SAB Ngobeni	225 000	71 136	4 400	6 485	307 021
Dr. Skeepers	42 560	94 047	1 600	3 002	141 209
	267 560	**165 183**	**6 000**	**9 487**	**448 230**

2024 (30 June 2024)

	Preparation	Sitting allowance	Data/Internet	Travelling	Total
Name					
Mr. SAB Ngobeni	37 266	61 454	1 500	2 793	103 013
Mr. BO Mmusinya	5 733	11 345	300	-	17 378
Dr. Skeepers	2 867	9 454	-	1 881	14 202
	45 866	**82 253**	**1 800**	**4 674**	**134 593**

49. Events after the reporting date

The accounting officer is aware of the matters and circumstances below, which have arisen between the end of the financial year and the date these financial statement were authorised. No other significant events requiring disclosure or adjustment have occured during this period:

Non-Current Liabilities - Financial liabilities

Due to persistent cash flow challenges, the municipality was unable to meet the terms of the payment arrangement entered with the Public Investment Corporation (PIC) over the initial loan of R325 279 924. Consequently, R218 009 700 of the loan was reclassified as a short-term liability.	89 502 425	-
The municipality has proactively renegotiated terms with PIC in June 2025, resulting in a new payment arrangement plan approved on 21 July 2025. The immediate effect of this new agreement was the reclassification of R89 502 425 from short-term to long-term liability, providing the necessary relief.		

Figures in Rand	2025	2024

50. Principal-agent arrangements

50.1 Municipality acting as the agent

Entity as agent

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements

The municipality has disclosed all amounts held on behalf of the principle in the financial sattements.

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R 17 550 510 (2024: 17 283 123).

Liabilities and corresponding rights of reimbursement recognised as assets

No liabilities were incurred on behalf of the principal.

Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)

Reconciliation of the carrying amount of payables

North West Provincial Government Department of Transpor		
Opening balance	4 764 787	21 940 940
Additions during the year	108 095 625	102 575 320
Income recognised during the year	(17 550 510)	(17 283 124)
Amount transferred to the principal	(93 604 235)	(102 468 349)
Closing balance	**1 705 667**	**4 764 787**

Figures in Rand	2025	2024

51. Unauthorised, irregular, fruitless and wasteful expenditure

51.1 Unauthorised expenditure

Opening balance as previously reported	4 708 774 300	4 387 132 175
Add: Unauthorised expenditure – current	309 227 764	321 642 125
Less: Amounts written-off – current	(321 642 125)	-
Closing balance	**4 696 359 939**	**4 708 774 300**

Application of Sec (b) of the definition of Unauthorised expenditure in terms of the MFMA - Total Operating Budget

2025 (30 June 2025)

	Unauthorised expenditure
Unauthorised expenditure per Vote (Department)	
Vote 03 - Chief operating officer	83 300 822
Vote 04 - Corporate and Support Services	12 935 875
Vote 05 - Budget and Treasury Office	37 765 472
Vote 10: Public Safety, Fleet & Facilities Management	175 225 595
	309 227 764

2024 (30 June 2024)

	Unauthorised expenditure
Unauthorised expenditure per Vote (Department)	
Vote 06: Infrastructure and Technical Services	259 182 332
Vote 10: Public Safety, Fleet & Facilities Management	62 459 793
	321 642 125

51.2 Irregular expenditure

Opening balance as previously reported	2 706 129 901	2 504 721 038
Add: Irregular expenditure - current	228 884 837	82 110 679
Add: Irregular expenditure – prior period	502 115 037	88 947 582
Add: Prior year correction	317 709 822	42 163 588
Less: Amount incorrectly classified	-	(11 812 986)
Closing balance	**3 754 839 597**	**2 706 129 901**

Incident		
Competitive bidding not invited	190 768 132	82 110 679
Awards without three quotes	38 116 715	-
Total	**228 884 847**	**82 110 679**

Figures in Rand	2025	2024

51. Unauthorised, irregular, fruitless and wasteful expenditure (continued)

51.3 Fruitless and wasteful expenditure

Opening balance as previously reported	200 402 612	199 265 232
Add: Fruitless and wasteful expenditure – current	116 419 090	77 068 599
Add: Fruitless and wasteful expenditure expenditure – prior period	-	1 030 898
Less: Interest reversed from Eskom Bulk account	-	(76 962 117)
Closing balance	**316 821 702**	**200 402 612**

Incident			
Eskom	Interest raised on late payment of accounts	113 734 851	72 572 837
Rand Water	Interest raised on late payment of accounts	57 146	107 549
Department of Water and Sanitation	Interest raised on late payment of accounts	2 384 429	2 510 324
Telkom	Interest on late payments of accounts	-	16 306
Auditor General South Africa	Interest on late payments of accounts	181 259	1 600 672
SARS	Interest on late payments of accounts of PAYE and VAT	-	58 382
Eskom small accounts	Interest charged	61 406	35 557
Duplicates payments	Duplicate payments to various suppliers	-	144 954
MFMA	Portable flood lights procured but never been used	-	22 018
Total		**116 419 091**	**77 068 599**

52. Councillor's municipal accounts in arrears

	Amount outstanding for more than 90 days	
List the name of the councillor which at any time during the relevant financial year was in arears for more than 90 days		
M Du Plessis	9 618	-
NR & FP Rakolle	51 142	44 637
JM Mamabolo	10 970	16 970
KS & TP Komape	30 292	25 403
HL Laurens	1 523	1 352
PM, EM & JM Maunatlala, Bopape & Sereme	-	16 347
DS Maimane	6 931	9 178
TW Mhlanga	58 927	106 406
JC Van Rhyn	14	14
E Van Der Schyff	25 143	1 171
WJ Muller	6 140	-
J Pieterse	25 314	-
Mhlambi	617	-
M.S Moloi	5 905	-
	232 536	**221 478**

Figures in Rand	2025	2024

53. Deviations from SCM regulations - SCM Regulation 36

In terms of section 36 of the municipality SCM regulations, any deviations from SCM policy needs to be approved by the accounting officer and noted by Council. The awards listed below have been approved by the accounting officer and noted by Council.

All deviations considered by the accounting officer are processed in terms of the SCM regulations and the municipality's SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria for emergency procurements and circumstances where it is impractical or not possible to follow the official procedure.

Deviation from, and ratification of minor breaches of, the procurement processes

In terms of section 36(2) of the Supply Chain Management Policy approved by Council it is stipulated that bids where the formal procurement processes could not be followed, must be noted in the annual financial statements.

SGM paragraph reverence	Disciplinary steps/criminal proceedings		
36 (1)(a) i	Dispense with the official procurement processes in an emergency	3 960 000	5 799 297
36 (1)(a) ii	Dispense with official procurement processes if such goods or services are produced or available from a single source or sole provider.	-	815 434
36 (1)(a) v	Dispense with official procurement processes in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	12 859 931	29 790 524
Total deviations		**16 819 931**	**36 405 255**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

54. Additional disclosure in terms of Municipal Finance Management Act

SALGA Contributions

Opening balance	2 732 425	7 769 286
Current year subscription / fee	7 400 564	1 842 921
Amount paid - current year	(8 218 241)	-
Amount paid - previous period	-	(6 879 782)
Amount approved by accounting officer and noted by council	**1 914 748**	**2 732 425**

Audit fees

Opening balance	754 718	728 204
Current year subscription / fee	12 465 439	11 093 358
Amount paid - current year	(11 633 352)	-
Amount paid - previous period	-	(11 066 844)
Amount approved by accounting officer and noted by council	**1 586 805**	**754 718**

PAYE

Opening balance	8 998 334	7 545 330
Current year subscription / fee	118 279 004	104 858 575
Amount paid - current year	(117 541 570)	-
Amount paid - previous period	-	(103 405 571)
Amount approved by accounting officer and noted by council	**9 735 768**	**8 998 334**

UIF

Opening balance	478 786	471 087
Current year subscription / fee	5 887 468	5 654 550
Amount paid - current year	(5 873 978)	-
Amount paid - previous period	-	(5 646 851)
Amount approved by accounting officer and noted by council	**492 276**	**478 786**

SDL

Opening balance	507 701	463 287
Current year subscription / fee	6 318 710	5 870 865
Amount paid - current year	(6 293 870)	-
Amount paid - previous period	-	(5 826 451)
Amount approved by accounting officer and noted by council	**532 541**	**507 701**

Pension deductions

Opening balance	9 922 766	7 530 733
Current year subscription / fee	122 750 477	119 119 730
Amount paid - current year	(122 330 102)	-
Amount paid - previous period	-	(116 727 697)
Amount approved by accounting officer and noted by council	**10 343 141**	**9 922 766**

Medical aid deductions

Figures in Rand	2025	2024

54. Additional disclosure in terms of Municipal Finance Management Act (continued)

Opening balance	7 646 341	6 123 006
Current year subscription / fee	93 658 312	88 952 060
Amount paid - current year	(93 275 369)	(87 428 725)
Amount approved by accounting officer and noted by council	**8 029 284**	**7 646 341**

Value Added Tax

VAT receivable	176 200 762	58 473 209

55. Capital commitments

Commitments in respect of capital expenditure:

Approved and contracted for:		
Sanitation	89 200 832	59 490 631
Roads and stormwater	207 854 322	146 950 704
Electricity	34 146 723	44 126 982
Community	20 416 186	46 369 006
Other	-	13 030 788
	351 618 063	**309 968 111**

This committed expenditure relates to property, plant and equipment and will be financed by government grants.

56. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus (deficit) of R 3 131 262 427 and that the municipality's total assets exceed its liabilities by R 3 131 262 427.

The following matters when considered in aggregate indicate that the municipality may be unable to realise its assets and discharge its liabilities in the normal course of the business.

1. Deteriorating Financial Performance and Position

- **Persistent Operating Deficits**: The municipality recorded a significant deficit of R 260.6 million for the year ended 30 June 2025. This represents a deterioration from the prior years' deficit of R 295.0 million, indicating a continued inability to align expenditure with revenue generation (Statement of Financial Performnce).
- **Severe Liquidity Crisis**: As at 30 June 2025, the municipality current liabilities of R 3.018 billion far exceeds its current assets of R 1.481 billion (Statement of Financial Position). This results in negative working capital of over R1.536 billion demonstrating a critical inability to meet short-term obligations.
- **Erosion of Net Assets**: The municipality's net asset position has decreased from R 3.392 billion to R 3.131 billion primarily due to current year's deficit (Statement of Changes in Net Assets).

2. Inability to Service Debt and Creditor Obligations

- **Default on Major Loan:** The municipality was unable to service its loan with the Public Investment Corporation (PIC) as per the original payment arrangement due to "cash flow challenges". This necessitated a renegotiation of terms in june 2025, which was only approved post-year end on 21 July 2025 14&49. This default is a primary indicator of financial distress.

Figures in Rand	2025	2024

56. Going concern (continued)

- **Late Payment of Key Suppliers:** The municipality consistently failed to pay its bulk suppliers-Eskom, Rand Water, Department of Water and Sanitation (DWS) and the City of Tshwane (CoT) within the required 30 days period. This has resulted in significant interest charges further straining cash resources and is noted as both a non-compliance with the MFMA (Accounting Officer's Report) and the primary source of fruitless and wasteful expenditure (Note 51.3)

- **Massive Trade Payables**: Trade and other payables from exchange transactions have increased to R 2.9 billion of which R 1.73 billion is for bulk purchases.

3. **Systematic Governance and internal Control Failures**.

- Mandatory Intervention: The municipality is under mandatory intervention by the Provincial Executive in terms of Section 139 of the Constitution. The survival and financial improvement of the municipality is explicitly linked to the successful implementation of the Financial Recovery Plan developed by National Treasury.

- Pervasive Unauthorised, Irregular, Fruitless and Wasteful (UIFW) Expenditure: The closing balances for these items are significantly high in relation to the municipal budget.

4. Management's Position and Conclusion

The accounting officer has prepared these financial statement on a going concern basis, presuming that the implementation of the Financial Recovery Plan and access to future funding as Gazetted in terms of DORA will allow the municipality to continue its operations. The Medium Term Expenditure Framework provides for municipal fnunding allocation spanning the next three-financial years, confirming further the ability of the municipality to continue operating as a going concern.

57. GRAP 3 adjustments

The following restatements and adjustments occurred which are set out below:

57.1 Adjustments of Statement of financial performance items

2024 (30 June 2024)

	Note	As previously reported	Correction of error	Re-classification	Restated
Revenue					
Exchange revenue					
Services charges	22	888 026 138	-	(888 026 138)	**-**
Services charges – Electricity	22	-	-	670 008 644	**670 008 644**
Services charges – Waste management	22	-	-	64 708 902	**64 708 902**
Services charges – Waste water management	22	-	13 074 868	37 299 120	**50 373 988**
Services charges – Water management	22	-	53 526 602	114 848 255	**168 374 857**
Operational revenue	31	24 923 290	(8 469 537)	(1 142 010)	**15 311 743**
Actuarial gains		6 973 279	-	(6 973 279)	**-**
		919 922 707	**58 131 933**	**(9 276 506)**	**968 778 134**
Non-exchange revenue					
Transfers and subsidies – Operational	30	1 390 173 661	-	(333 922 870)	**1 056 250 791**
Transfers and subsidies – Capital	30	-	-	335 064 880	**335 064 880**
Interest - municipal debt relief - debt waived		108 161 356	-	(108 161 356)	**-**
Operational revenue	31	-	-	108 161 356	**108 161 356**
Fair value adjustments		37 872 800	-	(37 872 800)	**-**
Gains	32	-	-	37 967 872	**37 967 872**
		1 536 207 817	**-**	**1 237 082**	**1 537 444 899**
Total revenue		**2 456 130 524**	**58 131 933**	**(8 039 424)**	**2 506 223 033**
Expenditure					
Employee related cost	34	699 720 993	-	(35 084 389)	**664 636 604**
Bulk purchases	36	979 234 212	-	(146 520 310)	**832 713 902**
Inventory consumed	37	-	775 906	254 413 478	**255 189 384**
Debt impairment	38	291 488 312	9 858 649	(12 940 952)	**288 406 009**
Depreciation and amortisation	39	325 669 373	445 396	(22 068 586)	**304 046 183**
Impairment loss / (reversal) of impairment	40	1 047 750	2 942 279	1 395 374	**5 385 403**
Finance costs		135 700 590	-	(135 700 590)	**-**
Interest	41	-	2 593 160	117 565 590	**120 158 750**
Contracted services	42	241 292 516	-	232 208 577	**473 501 093**
Irrecoverable debts written off	44	-	-	12 940 952	**12 940 952**
Operational cost	45	572 066 656	28 442 364	(272 258 452)	**328 250 568**
Loss on disposal of assets and liabilities		594 742	-	(594 742)	**-**
Loss on provision for landfill site		1 395 374	-	(1 395 374)	**-**
Total expenditure		**3 248 210 518**	**45 057 754**	**(8 039 424)**	**3 285 228 848**
Surplus for the year		**(792 079 994)**	**13 074 179**	**-**	**(779 005 815)**

57.2 Adjustments of Statement of financial position items

2024 (30 June 2024)

	Note	Previously reported	Correction of error	Re-classification	Restated
Assets					
Current assets					
Cash and cash equivalents	4	71 270 014	78 198	-	**71 348 212**
Trade and other receivables from exchange	5	445 711 309	(3)	-	**445 711 306**

transactions

Figures in Rand

				2025	2024
57. GRAP 3 adjustments (continued)					
Receivables from non-exchange transactions	6	217 622 192	4 782 255	-	**222 404 447**
Inventory	8	52 092 359	416	-	**52 092 775**
VAT Receivable	7	87 760 068	(29 286 859)	-	**58 473 209**
Other financial assets		4 079 520	-	(4 079 520)	**-**
		878 535 462	**(24 425 993)**	**(4 079 520)**	**850 029 949**
Non-current assets					
Investments	9	-	157 423	4 079 520	**4 236 943**
Property, plant and equipment	11	4 859 813 878	(48 613 405)	-	**4 811 200 473**
		4 859 813 878	**(48 455 982)**	**4 079 520**	**4 815 437 416**
Total assets		**5 738 349 340**	**(72 881 975)**	**-**	**5 665 467 365**
Liabilities					
Current liabilities					
Financial liabilities	14	275 963 084	-	(176 792 375)	**99 170 709**
Trade and other payables from exchange transactions	16	1 376 445 558	112 108 315	176 792 375	**1 665 346 248**
		1 652 408 642	**112 108 315**	**-**	**1 764 516 957**
Non-current liabilities					
Financial liabilities	14	-	-	178 507 275	**178 507 275**
Long term trade and other payable	19	-	-	234 942 506	**234 942 506**
Other non-current liabilities		413 449 781	-	(413 449 781)	**-**
		413 449 781	**-**	**-**	**413 449 781**
Total liabilities		**2 065 858 423**	**112 108 315**	**-**	**2 177 966 738**
Community Wealth / Equity					
Accumulated surplus	21	3 884 849 828	(198 064 470)	-	**3 686 785 358**

57.3 Adjustments of Cash flow statement items

	Note	Previously reported	Correction of error	Re-classification	Restated
Cash flows from operating activities					
Receipts					
Sale of goods and services		898 662 669	50 799 353	-	**949 462 022**
Operational revenue		51 518 094	(9 768 970)	-	**41 749 124**
Transfers and Subsidies – Capital		1 389 082 508	1 142 010	(1 056 250 791)	**333 973 727**
Transfers and Subsidies – Operational		-	-	1 056 250 791	**1 056 250 791**
Interest		240 703 482	(108 161 354)	-	**132 542 128**
		2 579 966 753	**(65 988 961)**	**-**	**2 513 977 792**
Payments					
Suppliers and employees		(2 577 268 548)	407 992 477	-	**(2 169 276 071)**
Finance charges		(135 700 590)	56 434 270	-	**(79 266 320)**
		(2 712 969 138)	**464 426 747**	**-**	**(2 248 542 391)**
Net cash from(used) operating activities		**(133 002 385)**	**398 437 786**	**-**	**265 435 401**
Cash flows from investing activities					
Payments					
Capital assets		(338 564 916)	13 375 293	-	**(325 189 623)**
Cash flows from financing activities					
Payments					
Decrease in borrowing long-term		-	(47 601 941)	-	**(47 601 941)**
Net increase/ (decrease) in cash		**(471 567 301)**	**364 211 138**	**-**	**(107 356 163)**

57.4 Correction of errors

The following prior period errors adjustments occurred:

Figures in Rand	2025	2024

57. GRAP 3 adjustments (continued) Services

charges – Waste water management

During the current financial year, management identified a significant prior period error amounting to R13 074 868 relating to revenue billed for waste water that was not rendered. The municipality had incorrectly billed residents of the Lethabong area for waste water from the 2013/14 financial year through to the 2023/24 financial year.

A comprehensive review confirmed that the necessary infrastructure for the provision of these services was not in place, and consequently, the services were never provided to the affected community. The reversal was erroneously posted in the financial year 2023/24 rather than in the prior years. Therefore, the correcting journal was posted to recognise the transaction in the correct financial period.

The cumulative effect of the error for periods prior to the comparative year has been adjusted against the opening balance of accumulated surplus.

Services charges – Water management

During the current financial year, management identified a significant prior period error amounting to R53 526 602 relating to revenue billed for water that was not rendered. The municipality had incorrectly billed residents of the Lethabong area for water from the 2013/14 financial year through to the 2023/24 financial year.

A comprehensive review confirmed that the necessary infrastructure for the provision of these services was not in place, and consequently, the services were never provided to the affected community. The reversal was erroneously posted in the financial year 2023/24 rather than in the prior years. Therefore, the correcting journal was posted to recognise the transaction in the correct financial period.

The cumulative effect of the error for periods prior to the comparative year has been adjusted against the opening balance of accumulated surplus.

Operational revenue

An error was identified in which the votes relating to bulk creditors were mapped under operational revenue, necessitating the correction of the error.

Inventory consumed

During the prior year reconciliation of payables from exchange transactions, we identified invoices relating to inventory consumed, amounting to R775 906, that were not recorded in the 2023/24 financial year.

Debt impairment

In accordance with VAT Fact Sheet 11 released by the ASB, the municipality removed the debt impairment previously accounted for in the Statement of Financial Performance in order to net it off against the VAT output accrual.

Depreciation and amortisation

Due to the corrections made to property, plant and equipment, the depreciation on assets was recalculated and included in the 2023/24 financial year.

Impairment loss / (reversal) of impairment

The municipality did not account for impairment on infrastructure assets amounting to R2 942 278 hence requiring restatement in line with adjustments done to property plant and equipment.

Interest

During the prior year reconciliation of payables from exchange transactions, we identified statements that were reflecting interest that was not captured in the 2023/24 financial year amounting to R2 593 160.

Operational cost

Figures in Rand	2025	2024

57. GRAP 3 adjustments (continued)

In the previous financial year, the municipality capitalised expenditure of R12 592 384 which did not meet the definition of property, plant and equipment resulting in a restatement to expense the amount in the 2023/24 financial year.

Additionally, the municipality reperformed reconciliation of payables from exchange transactions, and identified various operational costs that had not been captured in the 2023/24 financial year.

Cash and cash equivalents

Management identified that a deposit received in the prior year was not adequately recorded. The omission was an administrative oversight. The comparative figures have been restated to correct the error.

Trade and other receivables from exchange transactions

During the current financial year, management identified a prior period rounding-off error totaling R3 in the financial statements due to reporting template conversion. Given that the rounding-off error is immaterial, the correction has no significant impact on the municipality's financial position, financial performance, or cash flows for the affected period.

Receivables from non-exchange transactions

n the 2023/24 financial year, the municipality overstated receivables from non-exchange transactions due to receipts that were not credited to the accrued income vote, resulting in inaccurate reporting of receivables from non-exchange transactions.

Inventory

During the current financial year, management performed a detailed recalculation and review of water losses for the prior year ended for purposes of alignment to mSCOA specimen disclosures. This review identified an unidentified and unreconciled total difference of R416 in the water losses calculation that is included in the Inventory note.

The error appears to have originated from computational inaccuracies during the aggregation and calculation of water loss volumes and their corresponding financial impact. The exact source of the variance could not be identified despite detailed reconciliation procedures.

The comparative figures have been restated to reflect the accurate water losses calculation and its financial impact.

VAT receivable

In line with VAT Fact Sheet 11 issued by the ASB, the municipality restated its VAT balances due to incorrect accounting for debt impairment. The debt impairment had been expensed over multiple years without the corresponding reversal of VAT previously declared to SARS. As a result, the VAT input and output accruals were misstated.

To correct this, the municipality reversed the impairment amounts previously recognised in the Statement of Financial Performance and offset them against the VAT output accrual. In addition, errors in the previously reported VAT balances were corrected to ensure accurate disclosure.

Additionally, the municipality previously treated grants received from the Provincial Government for library services as exempt supplies under section 11(2)(t) of the Value-Added-Tax Act, 1991 (Vat Act). However, following a comprehensive review of the constitutional framework and Binding General Ruling (VAT) 74 dated 3 October 2024, management determined that this treatment was incorrect.

Legal and Regulatory Framework, library grants are constitutionally a provincial competence as defined in the Constitution of the Republic of South Africa, 1996. When a municipality performs library services on behalf of the provincial government, it acts in an agency or delegation capacity. According to BGR 74, grants received for such services constitute consideration for taxable supplies and are subject to VAT at the standard rate of 15%.

The correction applied was that the municipality has retrospectively corrected the VAT treatment of library services grants. The correction involves recognising output vat liability on the full value of library services grants received and adjusting the net VAT position with SARS. Following the correction, the municipality’s net VAT position with SARS reflects an amount receivable, consequently no interest or penalties are applicable in relation to this error.

Figures in Rand	2025	2024

57. GRAP 3 adjustments (continued)

Investments

During the current financial year, management identified a prior period error relating to the amount disclosed for Investments in the Annual Financial Statements (AFS) for the year ended 30 June 2024. The error was identified upon receipt of the investment confirmation statement from the financial institution, which revealed a discrepancy between the balance confirmed and the amount recorded and disclosed in the prior year AFS.

The error has been corrected by retrospectively restating the prior period's financial information.

Property, plant and equipment

During the current financial year, management identified several errors in the Property, Plant and Equipment (PPE) balances reported in the prior year. The errors comprised three distinct components as follows:

a) Impairment of Community Assets: The municipality constructed a community car wash facility (Madibeng Car Wash) intended to serve the local community. However, the facility was never utilised for its intended purpose and subsequently suffered vandalism, rendering it inoperable. Management failed to recognize the impairment of this community asset in the prior year, despite clear indicators that its carrying amount exceeded its recoverable amount.

b) Incorrect VAT Adjustment on Work in Progress: A VAT adjustment was incorrectly posted to Work in Progress assets instead of being processed against the appropriate VAT accounts. This resulted in an overstatement of the Work in Progress balance

c) Unrecorded Assets: Certain assets that were physically in use by the municipality were not captured in the asset register and were therefore omitted from the property, plant and equipment balance disclosed in the prior year's financial statements.

d) In the previous financial year, the municipality capitalised expenditure of R 44 887 651 which did not meet the definition of property, plant and equipment resulting in a restatement in the current financial year.

In accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors and GRAP 21: Impairment of Non-cash-generating Assets, the errors have been corrected retrospectively. The comparative figures have been restated to reflect the accurate property, plant and equipment balances as at the prior year-end.

Trade payables from exchange transactions

The municipality in the previous financial years was qualified on Trade and other payables from exchange transactions due to discrepancies between trade creditors listing and supplier statements. The trade creditors listing was not reconciled with the corresponding supplier statements, indicating potential data inconsistencies and certain supplier invoices were not recorded in the financial system, resulting in incomplete accounts payables. Additionally, the retention balance from prior years included amounts that could not be traced back to supporting documentation or specific transactions, indicating potential gaps in historical record keeping or system migration issues. The municipality then did a holistic reconciliation process to ensure Trade and other payables from exchange transactions were complete, existed, and the amounts were correct resulting in the prior year adjustment.

Accumulated surplus

It was restated by R198 064 470 mainly due to corrections made to property, plant and equipment, VAT receivables and payables from exchange transactions.

Cash flow statement

Due to the above prior period corrections and reclassifications to the account balances, the Cash Flow Statement was recalculated and adjustments were made on sale of goods and services, Operational revenue, Transfers and Subsidies - Operatiotional, Transfers and Subsidies – Operational, Suppliers and employees, Finance charges, Capital assets and Decrease in borrowing long-term.

Figures in Rand	2025	2024

57. GRAP 3 adjustments (continued)

57.5 Reclassification

The following reclassifications adjustments occurred:

Service charges

The municipality reclassified an amount of R888 026 138 to the relevant service-charge line items to align with the mSCOA requirements. These line items are service charges for electricity, water management, wastewater management, and waste management.

Operational revenue

In the prior financial year, the LGSETA grant amounting to R1 142 010 was incorrectly recognised as operational revenue. This amount has been reclassified to Transfers and Subsidies to ensure appropriate presentation in accordance with the applicable reporting framework.

Actuarial gains

In line with the requirements of GRAP 25, that post employment benefits are classified under employee related costs.

Transfers and subsidies

During the current financial year, management identified that the disclosure of Transfers and Subsidies in the prior year did not comply with the enhanced Municipal Standard Chart of Accounts (mSCOA) disclosure requirements.

The reclassification relates to the failure to properly distinguish and separately disclose operational grants from capital grants within the Transfers and Subsidies revenue line item. In the prior year, these grants were aggregated and disclosed as a single line item without the required split between their operational and capital components as mandated by mSCOA.

Operational revenue

Interest - municipal debt relief - debt waived was reclassified to operational non exchange revenue in line with the mSCOA specimen.

Gains

In line with mSCOA requirements, fair value adjustments and gains and losses on the disposal of assets and liabilities were reclassified to gains, amounting to R37 967 872.

Employee related cost

The reclassification was due to employee related costs that were capitalised to water inventory consumed, in line with the requirements of GRAP 12. Furthermore, R18 135 000 relating to medical interest costs was incorrectly mapped under employee-related costs. Lastly, R6 973 279 relating to actuarial gains was remapped to employee related costs, as well as R8 488 relating to a medical aid vote that had been incorrectly mapped under employee-related costs.

Bulk purchases

The reclassification was due to water bulk purchases that were capitalised to water inventory consumed, in line with the requirements of GRAP 12.

Inventory consumed

To align with mSCOA requirements, consumables previously classified under operational costs were reclassified to inventory consumed. Furthermore, labour costs, material supplies, and depreciation directly attributable to the provision of water were capitalised to inventory consumed.

Figures in Rand	2025	2024

57. GRAP 3 adjustments (continued)

Debt impairment

The actual debts written off were reclassified from debt impairment to irrecoverable debts written off in compliance with the requirements of GRAP 104.

Depreciation and amortisation

To align with mSCOA requirements, depreciation for assets directly attributable to the provision of water were capitalised to inventory consumed.

Impairment loss / (reversal) of impairment

Reclassification from loss on provision for landfill site to impairment losses in line with the mSCOA specimen.

Interest

In the prior year the municipality accounted for interest expenses as finance costs (R135 700 590) which has been reclassified in line with the mSCOA requirements. Furthermore, an amount of R18 135 000 relating to medical interest cost was remapped to employee costs.

Contracted services

Reclassification of contracted services from operational costs in line with the mSCOA specimen.

Operational cost

Reclassification of operational costs to contracted services in line with the mSCOA specimen.

Other financial assets

Reclassification of amounts in other financial assets to investments line items, to align with mSCOA requirements.

Investments

Reclassification of amounts from other financial assets to investments line items, to align with mSCOA requirements and an amount of R373 445 relating to reversal of internal billing was included in operating costs..

Financial liabilities -current portion

Reclassification of the Eskom municipal debt relief from financial liabilities to Trade and other payables from exchange transactions in line with mSCOA requirements.

Financial liabilities – non-current portion

In the prior year the municipality accounted for the PIC Loan and municipal debt relief as other financial liabilities which was split to financial liabilities for the PIC Loan and Trade and other payables for the municipal debt relief.

58. Financial instruments

58.1 Fair value of financial instruments

The management class: councillors of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the annual financial statements approximate their fair values, except for the listed Government stock. In accordance with GRAP 104 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of financial position, are as follow:

Figures in Rand

	2025	2024

58. Financial instruments (continued)

		2025		2024	
		Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets					
Fair value					
Listed investments	9	4 447 887	4 447 887	4 236 943	4 236 943
Amortised cost					
Trade and other Receivables from Exchange Transact		777 193 175	777 193 175	445 711 306	445 711 306
VAT input accrual		241 537 170	241 537 170	106 404 459	106 404 459
Cash and cash equivalents	4	89 744 359	89 744 359	71 348 212	71 348 212
		1 108 474 704	**1 108 474 704**	**623 463 977**	**623 463 977**
Total financial assets		**1 112 922 591**	**1 112 922 591**	**627 700 920**	**627 700 920**
Financial liabilities					
Amortised cost					
Trade and other payables:					
Consumer deposits	15	28 298 080	28 298 080	27 187 688	27 187 688
Trade and other payables from exchange transactions	16	2 853 014 883	2 853 014 883	1 665 346 246	1 665 346 246
VAT output accrual		65 697 213	65 697 213	46 391 953	46 391 953
		2 947 010 176	**2 947 010 176**	**1 738 925 887**	**1 738 925 887**
Total financial instruments		**(1 834 087 585)**	**(1 834 087 585)**	**(1 111 224 967)**	**(1 111 224 967)**

The Fair Values of Financial Assets and Financial Liabilities are determined as follow:

The Fair Value of Long term liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The fair value of Other Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.

The annual financial statements include holdings in Listed Government Stock which are measured at Fair Value (Note 9). Fair Value is estimated with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

Assumptions used in determining fair value of financial assets and financial liabilities

The table below analyses Financial Instruments carried at Fair Value at the end of the reporting period by the level of fair- value hierarchy as required by GRAP 104. The different levels are based on the extent to which quoted prices are used in the calculation of the Fair Value of the Financial Instruments.

The levels have been defined as follow:

Figures in Rand	2025	2024

58. Financial instruments (continued)

30 June 2025

	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
Financial assets				
Financial instruments at fair value:				
Other financial assets	4 290 465	-	-	4 290 465
Trade and other receivables from exchange transactions	756 569 431	-	-	756 569 431
Cash and cash equivalents	89 912 556	-	-	89 912 556
VAT input accrual	241 537 170	-	-	241 537 170
Total financial assets	**1 092 309 622**	**-**	**-**	**1 092 309 622**

30 June 2024

	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
Financial assets				
Financial instruments at fair value:				
Other financial assets	4 079 520	-	-	4 079 520
Trade and other receivables from exchange transactions	445 711 307	-	-	445 711 307
Receivables from non-exchange transactions	7 215 299	-	-	7 215 299
Cash and cash equivalents	71 269 716	-	-	71 269 716
VAT input accrual	106 404 459	-	-	106 404 459
Total financial assets	**634 680 301**	**-**	**-**	**634 680 301**

58.2 Capital risk management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance.

58.3 Financial risk management objectives

Due to largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IFRS mainly apply. Generally, financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department: Financial services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity. Compliance with policies and procedures is reviewed by internal auditors on a continuous basis, and by external auditors annually. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit and risk management, responsible for monitoring and responding to potential risk, reports quarterly to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

58.4 Significant accounting policies

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in the Accounting Policies to the annual financial statements.

Figures in Rand	2025	2024

58. Financial instruments (continued)

58.5 Market risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 58.6 below). No formal policy exists to hedge volatilities in the interest rate market.

58.6 Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk on financial assets consist mainly of fixed deposit investments and bank and cash balances.

The municipality's maximum exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

58.7 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Council. The municipality manages liquidity risk by effectively managing its working capital, capital expenditure, external borrowings and cash flows. Standby credit facilities are available with the municipality's main banker to cater for any unexpected temporary shortfall in operating funds.

30 June 2025

	Within 1 year	2 to 5 years	Total
Maturity analysis			
Other financial liabilties	128 507 275	89 502 425	218 009 700
Payables from exchange transactions	2 900 681 402	109 914 623	3 010 596 025
Consumer deposits	28 298 080	-	28 298 080
VAT output accrual	65 697 213	-	65 697 213
	3 123 183 970	**199 417 048**	**3 322 601 018**

30 June 2024

	Within 1 year	2 to 5 years	Total
Maturity analysis			
Other financial liabilities	99 170 709	178 507 275	277 677 984
Payables from exchange transactions	1 629 874 877	234 942 506	1 864 817 383
Consumer deposits	27 187 688	-	27 187 688
VAT output accrual	46 391 953	-	46 391 953
	1 802 625 227	**413 449 781**	**2 216 075 008**

The municipality expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The municipality expects to maintain its current debt to equity ratio. This will be achieved through the annual increase in tariffs to maintain the accumulated surplus, as well as the increased use of unsecured bank loan facilities.

58.8 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality.

Potential concentrations of credit risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

Figures in Rand		2025	2024

58. Financial instruments (continued)

The municipality manages credit risk in its borrowing and investing activities by only dealing with wellestablished financial institutions of high credit standing, and by spreading its exposure over a range of such institutions in accordance with its approved investment policies. Credit risk relating to consumer debtors is managed in accordance with the municipality's credit control and debt collection policy. The municipality's credit exposure is spread over a large number and wide variety of consumers and is not concentrated in any particular sector or geographical area. Adequate provision has been made for anticipated bad and doubtful debts. Additional information relating to the analysis of consumer debtors is given in the accounting policies and Note 6 to the annual financial statements.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The carrying amount of financial assets recorded in the annual financial statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follow:

Investments	9	4 447 887	4 236 943
Bank and cash balances	4	89 744 359	71 348 212
Maximum credit and interest risk exposure		**94 192 246**	**75 585 155**

59. Budget information

The budget has been prepared on the accrual basis of accounting in accordance with the prescripts of the Municipal budget regulations as well as MFMA budget circulars. In accordance with the Municipal budget regulations, the classification basis the municipality presents its budget is per economic as well as per functional classification (per Vote (Department) and GFS classification). It should be noted that minor budget differences between the basis the budget is prepared (accrual basis and prescripts of NT guidance) and actual financial results (accrual basis in accordance with GRAP) exists, mainly related to technical GRAP adjustments required. These differences are not material and as the basis of preparation is the same (accrual basis) no restatements have been made to the financial information compared to the budgeted amounts, but where found to be material is explained below:

Explanation of variances between approved and final budget amounts

The reason for the variances between the approved and final budgets are mainly due to reallocations made within the approved budget parameters allowed for by the Virement Policy of Madibeng Local Municipality as approved by Council.

Explanation of variances greater than 10%: Final Budget and Actual Amounts.

59.1. Statement of financial position

Current assets

- The municipal budget is primarily driven by revenue and expenses. Budget amounts for these items were ommitted in the financial position, and only the movements in the income statement were primarily budgeted for.

Non-current assets

- The amounts in the budget were not adequately prepared and presented for provisions and payable from exchange transactions.

Figures in Rand	2025	2024

59. Budget information (continued)

59.2. Statement of financial performance

Revenue from exchange transactions

- Other income exceeded the planned budget due to higher-than-expected revenue from various accounts, including library fees, other services, cemetery fees, and development charges. In addition, the other income components are split on the A Schedule but combined on the face of the annual financial statements.
- Service charges and agency fees- these items was over budgeted during budget adjustment
- Interest earned from receivables -the culture of none payment from our consumers lead to high interest
- Interest from current and non current assets -the cash flow challlenges we have did not allow us to invest as unticipated
- Rental from fixed assets and licence and permits - these items were under budgeted.
- Operational revenue - the actual revenue includes other revenue items

Revenue from non-exchange transactions

- The item is split between exchange and non-exchange revenue, whilst combined on the budget schedule approved by Council.
- Fines and penalties - the item was over budgeted due to expectation to collect more traffic fines since the muniucipality purchased traffic enforcement trailer but the trailer functionality too time to start because of speed point machines so that people can pay on the spot

Expenditure

- Bulk purchases - the item was slightly under budgeted
- Inventory consumed -due to delupidated infrastructure and emergency work a lot of material was purchased.
- Interest - due to non-payment of eskom account
- Debt impairment, depreciation and amortisation and contracted services - these items was over budgeted.
- Operationall costs - the item was under budgeted and in this financial year the municipality experienced a lot of service delivery emergencies that were unavoidable

60. Segment information (Additional Information - Vote Classification)

General information

Identification of segments

The segments of the municipality are identified as those activities and/or votes of the municipality that generate economic benefit or service potential and whose results are regularly reviewed by management to make decisions about resources to be allocated to segments and in assessing segments performance and for which separate financial information is available.Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Figures in Rand | 2025 | 2024

60. Segment information (Additional Information - Vote Classification) (continued) Aggregated

segments

The municipality is a local municipality within the Bojanala Platinum District Municipality, in the North West province of South Africa. The head office of the municipality is in Brits. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout local municipalities were sufficiently similar to warrant aggregation.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community and public safety	Sports and Recreation, Housing, Health, Public Safety, Parks, Graveyards, Libraries and Community and Social Services
Economic and environmental services	Environmental Protection, Road Transport, Planning and Development
Trading services	Water and Electricity, Waste Management and Wastewater Management
Unallocated segments	Council administration, Corporaye Support Service and Budget & Treasury Office

Segment surplus or deficit, assets and liabilities

By vote

2025 (30 June 2025)

	Statement of financial performance			Statement of financial position
	Total segment revenue	Total segment expenditure	Total segment surplus/ (Deficit)	Total segment assets and liabilities
Council Administration	-	49 919 818	(49 919 818)	337 801
Municipal Manager	-	163 848 680	(163 848 680)	2 131 868
Corporate Support Services	1 176 458	129 235 897	(128 059 439)	27 588 185
Budget and Treasury Office	1 699 348 728	626 979 124	1 072 369 604	(1 657 004 869)
Infrastructure and Technical Services	1 464 602 304	1 717 293 545	(252 691 241)	4 955 870 555
Community services	98 581 467	169 798 965	(71 217 498)	55 173 923
Human settlement and Planning	5 996 416	33 286 623	(27 290 207)	(531 224 902)
Environmental development, Tourism and Agriculture	1 360 592	28 148 577	(26 787 985)	83 134 713
Public safety and Social Services	23 108 716	634 121 299	(611 012 583)	195 255 153
Risk Management	-	2 105 202	(2 105 202)	-
Total	**3 294 174 681**	**3 554 737 730**	**(260 563 049)**	**3 131 262 427**

2024 (30 June 2024)

Figures in Rand | 2025 | 2024

60. Segment information (Additional Information - Vote Classification) (continued)

	Statement of financial performance			Statement of financial position
	Total segment revenue	**Total segment expenditure**	**Total segment surplus/ (Deficit)**	**Total segment assets and liabilities**
Council Administration	-	42 713 929	(42 713 929)	48 702
Municipal Manager	-	65 528 595	(65 528 595)	497 563
Corporate Support Services	1 142 010	109 486 583	(108 344 573)	27 651 799
Budget and Treasury Office	1 599 940 009	538 355 954	1 061 584 055	(1 204 972 361)
Infrastructure and Technical Services	1 325 009 183	1 787 606 860	(462 597 677)	4 656 707 281
Community services	74 402 456	175 619 075	(101 216 619)	108 910 055
Human settlement and Planning	3 935 100	45 288 341	(41 353 241)	(393 692 575)
Environmental development, Tourism and Agriculture	878 664	17 768 355	(16 889 691)	80 179 923
Public safety and Social Services	24 704 384	541 696 051	(516 991 667)	116 495 088
Risk Management	-	907 945	(907 945)	-
Total	**3 030 011 806**	**3 324 971 688**	**(294 959 882)**	**3 391 825 475**

Report of the auditor-general to the North West Provincial Legislature and the council on the Madibeng Local Municipality

Report on the audit of the financial statements

Qualified opinion

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

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

Basis for qualified opinion

Payables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence that retentions included in payables from exchange transactions had been properly accounted for, due to the status of the accounting records. I was unable to confirm these retentions by alternative means. In addition, trade payables were understated by R34 281 062 as the municipality did not have adequate systems to maintain records of trade payables. There was a resultant impact on expenditure. Consequently, I was unable to determine whether any further adjustments to payables from exchange transactions as disclosed in note 14 to the financial statements was necessary.

4. During 2023, I was unable to obtain sufficient appropriate audit evidence that trade payables and payments received in advanced included in payables from exchange transactions had been properly accounted for, due to the status of the accounting records. I was unable to determine whether any adjustment to payables from exchange transactions of R1 404 030 336 was necessary. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. I was still unable to confirm these payables from exchange transactions by alternate means. Consequently, my opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

Service charges

5. The municipality did not measure revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions*. Service charges included R42 313 988 (2023: R44 136 174) for estimated billing. This billing was not based on actual consumption for a substantial period exceeding 12 months. The municipality did not have adequate internal controls in place to ensure that the revenue billed was based on recent actual meter readings, in compliance with the municipal by-laws. I was unable to determine the value of the misstatement on service charges of R888 026 138 (2023: R867 323 512) as disclosed in note 19 to the financial statements or the related consumer debtors, as well as on distribution losses, as it was impracticable to do so. This also had an impact on the deficit for the period and on the accumulated surplus.

Commitments

6. I was unable to obtain sufficient appropriate audit evidence for commitments due to the status of the commitment register. I was unable to confirm these commitments by alternative means. Consequently, I was unable to determine whether any adjustment relating to capital commitments of R205 876 181 disclosed in note 40 to the financial statements was necessary.

Prior year adjustments

7. I was unable to obtain sufficient appropriate audit evidence for the prior year adjustments made to payables from exchange transactions, other receivables and accumulated surplus, as the municipality did not have adequate controls in place to ensure that the supporting information for these adjustments were available. I was unable to confirm these adjustments by alternative means. There was a resultant impact on the statement of changes in net assets. Consequently, I was unable to determine whether any adjustment was necessary to the prior year errors as disclosed in note 52 to the financial statements.

Irregular expenditure

8. Section 125(2)(d)(i) of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments of R163 277 359 in contravention of the supply chain management requirements, which were not included in irregular expenditure disclosed. As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure as per note 48 to the financial statements. In addition, I was unable to obtain sufficient appropriate audit evidence for the opening balance, prior year correction and amount incorrectly classified included in irregular expenditure due to the status of the accounting records. I was unable to confirm this irregular expenditure by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to irregular expenditure of R2 706 129 901 (2023: R2 504 721 038) disclosed in note 48 to the financial statements.

Context for opinion

9. 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.

10. 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.

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

Material uncertainty relating to going concern

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

13. As disclosed in note 45 of the financial statements, the municipality reported a deficit of R308 034 064 (2023: R126 423 698) for the year, current liabilities exceed current assets by R809 656 668 (2023: R604 968 937) and the municipality is faced with numerous financial problems. These conditions along with other matters included in the note, indicate the existence of material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

Emphasis of matters

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

Unauthorised and fruitless and wasteful expenditure

15. As disclosed in note 46 to the financial statements, unauthorised expenditure of R321 642 125 was incurred in the current year and the unauthorised expenditure of R4 387 132 175 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.

16. As disclosed in note 47 to the financial statements, fruitless and wasteful expenditure of R77 068 599 was incurred in the current year and fruitless and wasteful expenditure of R199 265 232 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

Debt impairment

17. As disclosed in note 34 to the financial statements, material losses of R291 488 312 (2023: R226 421 580) was incurred as a result of debt impairment.

Other matter

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

Unaudited disclosure notes

19. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

20. 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 the 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.

21. 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

22. 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 the financial statements.

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

Report on the audit of the annual performance report

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

25. I selected the following key performance areas presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected the areas that measure the municipality's

performance on its primary mandated functions and that are of significant national, community or public interest.

Key Performance Area	Page numbers	Purpose
Basic Services Delivery and Infrastructure Development	xx	Measure of service delivery within the municipal areas
Local Economic Development	xx	Measures the economic development of citizen and businesses surrounding as well as the actions taken by the municipality to improve the economic activity of the areas it serves

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

27. I performed procedures to test whether:

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

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

29. The material findings on the reported performance information for the selected key performance areas are as follows:

Basic Services and Infrastructure Development

Various Indicators

30. The targets in the annual performance report differed from those committed to in the approved revised planning documents. These changes were made without obtaining the required approval, which undermines transparency and accountability.

Approved Indicator	Approved Target	Reported Indicator	Reported target
KPI 13 Percentage reduction of technical electricity losses by 30 June 2024	30%	KPI 13 Percentage reduction of technical electricity losses by 30 June 2024	<30
KPI 15: Number of New Households with access to electricity by 30 June 2024	160 724	KPI 15: Number of New Households with access to electricity by 30 June 2024	200
KPI 17: Number of Electricity callouts responded to within 24 hours	100%	KPI 17: Number of Electricity callouts responded to within 24 hours	24 hours
KPI 18: Number of additional informal settlements with access to refuse removal by 30 June 2024	8	KPI 18: Number of additional informal settlements with access to refuse removal by 30 June 2024	10
KPI 19: Number of increased households with access to refuse removal service by 30 June 2024	40 000 HH	KPI 19: Number of increased households with access to refuse removal service by 30 June 2024	More than 40 000 HH
KPI 26: Percentage of disaster incidents managed and responded to as a proportion of requested received by 30 June 2024	100%	KPI 26: Percentage of disaster incidents managed and responded to as a proportion of requested received by 30 June 2024	As and when
KPI 31: kilometres of unsurfaced road graded by 30 June 2024	50%	KPI 31: kilometres of unsurfaced road graded by 30 June 2024	50km
KPI 32: kilometres of surfaced municipal road lanes which has been resurfaced and resealed by 30 June 2024	40%	KPI 32: kilometres of surfaced municipal road lanes which has been resurfaced and resealed by 30 June 2024	11.2km

KPI 34: Number of roads conditional assessment conducted for maintenance e of Asset Registry by 30 June 2024	100%	KPI 34: Number of roads conditional assessment conducted for maintenance e of Asset Registry by 30 June 2024	1
KPI 35: m2 of pothole patched	100%	KPI 35: m2 of pothole patched	600m2

Various indicators

31. The reported achievements in the annual performance report were inconsistent with the commitments made in the approved planning documents. These discrepancies highlight misalignment between approved plans and operations, while the incorrect reporting undermines transparency and accountability.

Indicator	Target	Reported achievement
KPI 17: Number of Electricity callouts responded to within 24 hours	100%	Not achieved
KPI 31: kilometres of unsurfaced road graded by 30 June 2024	50%	80km
KPI 33: KMs of new municipal road network done by 30 June 2024	27km	Not achieved
KPI 35: m2 of pothole patched	100%	6805m2
KPI 36: Number of callouts responded to within 24 hours (sanitation/wastewater) by 30 June 2024	100%	Not achieved
KPI 37: Number of callouts responded to within 24 hours (water) by 30 June 2024	100%	Not achieved
KPI 42: Percentage reduction of water loss by 30 June 2024	<22	Not achieved
KPI 46: Number of waste water treatment works complying 90% against applicable water qualifying standards by 30 June 2024	4	Not achieved

Various indicators

32. I could not determine the accuracy of various reported achievements, as the indicators were not well defined, and I could not verify the methods and processes used to measure the achievements and adequate supporting evidence to clarify the methods and processes for measuring achievement were not provided. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Indicator	Target	Reported achievement
KPI 13 Percentage reduction of technical electricity losses by 30 June 2024	<30	30%
KPI 17: Number of Electricity callouts responded to within 24 hours	0	0
KPI 36: Number of callouts responded to within 24 hours (sanitation /wastewater) by 30 June 2024	100%	0
KPI 37: Number of callouts responded to within 24 hours (water) by 30 June 2024	100%	0
KPI 38: Percentage of total water application s connection s metered by 30 June 2024	100%	100%

Various indicators

33. Various indicators or their targets were not clearly defined during the planning process. Consequently, the indicators and their targets are not useful for measuring and reporting on progress against the municipality's planned objectives.

Indicator	Target	Detail
KPI 10: Number of dwellings provided with connections to the mains electricity supply by the municipality by 30 June 2024	2 x Project Progress Reports	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes.
KPI 14: Number of Households with access to basic level of electricity by 30 June 2024	186478	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have

		standard operating procedures in place to verify the processes
KPI 15: Number of New Households with access to electricity by 30 June 2024	160724	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 33: KMs of new municipal road network done by 30 June 2024	27 km	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 34: Number of roads conditional assessment conducted for maintenance e of Asset Registry by 30 June 2024	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes

Various indicators

34. Adequate processes had not been established to consistently measure and reliably report on various indicators. Consequently, the municipality would have found it difficult to determine the correct achievements to be reported against the planned targets.

Indicator	Target	Detail
KPI 12: Percentage adherence to planned electricity maintenance performed by 30 June 2024	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 13: Percentage reduction of technical electricity losses by 30 June 2024	<30	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 17: Number of Electricity callouts responded to within 24 hours	0	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does

		not have standard operating procedures in place to verify the processes
KPI 31: kilometres of unsurfaced road graded by 30 June 2024	50%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 35: m2 of pothole patched	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 36: Number of callouts responded to within 24 hours (sanitation /wastewater) by 30 June 2024	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 37: Number of callouts responded to within 24 hours (water) by 30 June 2024	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 38: Percentage of total water applications connections metered by 30 June 2024	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 40: Number of new application s for sewer-connections (new applications) meeting minimum standards (R end Book) by 30 June 2024	150	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 41: Percentage of drinking water complying with SANs 41 by 30 June 2024	95%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes

KPI 42: Percentage reduction of water loss by 30 June 2024	<22	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 43: Percentage maintenance of water infrastructure by 30 June 2024	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 44: Number of new sewer connections meeting minimum standards by 30 June 2024	384	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 46: Number of waste water treatment works complying 90% against applicable water qualifying standards by 30 June 2024	4	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 47: Percentage maintenance of the waste water treatment works	50%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes

Various indicators

35. The targets below do not relate directly to their indicators. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievements do not provide useful information on the achievement of the indicators and the irrelevant targets hinder appropriate planning for the achievement of the indicators.

Indicator	Target
KPI 10: Number of dwellings provided with connections to the mains electricity supply by the municipality by 30 June 2024	2 progress reports
KPI 17: Number of Electricity callouts responded to within 24 hours	24 hours

KPI 31: kilometres of unsurfaced road graded by 30 June 2024	50%
KPI 32: kilometres of surfaced municipal road lanes which has been resurfaced and resealed by 30 June 2024	40%
KPI 35: m2 of pothole patched	100%
KPI 36: Number of callouts responded to within 24 hours (sanitation /wastewater) by 30 June 2024	100%
KPI 37: Number of callouts responded to within 24 hours (water) by 30 June 2024	100%

Various indicators

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

Indicator	Target	Reported achievement
KPI 11: Percentage of electricity unplanned outages that are restored to supply within industry standard timeframes by 30 June 2024	10%	10%
KPI 12: Percentage adherence to planned electricity maintenance performed by 30 June 2024	100%	100%
KPI 14: Number of Households with access to basic level of electricity by 30 June 2024	186478	186478
KPI 40: Number of new applications for sewer-connections (new applications) meeting minimum standards (R end Book) by 30 June 2024	150	1540
KPI 41: Percentage of drinking water complying with SANs 41 by 30 June 2024	95%	95%
KPI 42: Percentage reduction of water loss by 30 June 2024	<22	0

KPI 43: Percentage maintenance of water infrastructure by 30 June 2024	100%	100%
KPI 44: Number of new sewer connections meeting minimum standards by 30 June 2024	384	1540
KPI 46: Number of waste water treatment works complying 90% against applicable water qualifying standards by 30 June 2024	4	0
KPI 47: Percentage maintenance of the waste water treatment works	50%	50%

Various Indicators

37. Based on the audit evidence, the actual achievements for five indicators did not agree to the achievements reported, but the targets were still achieved.

Indicator	Target	Reported achievement	Actual Achievement
KPI 18: Number of additional informal settlements with access to refuse removal by 30 June 2024	8	10	12
KPI 25: Percentage of compliance with the required attendance time for structural firefighting incidents by 30 June 2024	40%	40%	49,50%
KPI 31: kilometres of unsurfaced road graded by 30 June 2024	50km	80km	458km
KPI 33: KMs of new municipal road network done by 30 June 2024	27km	0	5303km
KPI 35: m2 of pothole patched	600m2	6805m2	16545m2

Various Indicators

38. Based on the audit evidence, the actual achievement for three indicators did not agree to the achievements reported. Consequently, the targets were not achieved, the achievement on the targets were more than reported and the achievements against the target were lower than reported.

Indicator	Target	Reported achievement	Actual Achievement
KPI 32: kilometres of surfaced municipal road lanes which has been resurfaced and resealed by 30 June 2024	11.2km	0	7.1km
KPI 39: Number of households with access to basic level of water by 30 June 2024	160 724	160 724	2050
KPI 45: Number of Households with access to sanitation by 30 June 2024	160 724	160 724	2050

Various Indicators

39. Measures taken to improve performance against underachieved targets were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and for assessing the effectiveness of strategies to improve future performance against targets.

Indicator	Target
KPI 11: Percentage of electricity unplanned outages that are restored to supply within industry standard timeframes by 30 June 2024	10%
KPI 36: Number of callouts responded to within 24 hours (sanitation/wastewater) by 30 June 2024	100%
KPI 37: Number of callouts responded to within 24 hours (water) by 30 June 2024	100%
KPI 39: Number of households with access to basic level of water by 30 June 2024	160724
KPI 41: Percentage of drinking water complying to SANS 241 by 30 June 2024	95%

KPI 42: Percentage reduction of water loss by 30 June 2024	<22
KPI 44: Number of new sewer connections meeting minimum standards by 30 June 2024	384

Various Indicators

40. Measures aimed at improving performance against targets were reported. However, I could not determine if the measures were actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

Indicator	Target	Reported achievement	Reported Measure	Measures taken based on audit evidence
KPI 13 - Percentage reduction of technical electricity losses by 30 June 2024	30%	Not Achieved 30% reduction of technical electricity losses by 30 June 2024	The MLM electricity reduction strategy not yet implemented due to financial constraints.	No corroborative evidence to support reported measure
KPI 32: Kilometres of surfaced municipal road which has been resurfaced and resealed by 30 June 2024	60%	Not Achieved 40% done	To finalize the review process of the two appointment contractors.	No corroborative evidence to support reported measure
KPI 33: KMs of new municipal road network by 30 June 2024	27 km	Not Achieved	To finalize the review process of the two appointment contractors	No corroborative evidence to support reported measure
KPI 34: Number of Roads conditional assessment reports for asset registry	100%	Not Achieved 100% done	Alignment of proposed assessments with the Bojanala district service provider is been appointed. To be achieved 1st quarter.	No corroborative evidence to support reported measure
KPI 46: Number of waste water treatment works complying 90% against applicable water qualifying	4 WWTW Schoemansville Ile, Brits, Letlhabile and Mothotlung	Not Achieved Schoemansville Ile Brits, Letlhabile ,Mothotlung	Contraction completion anticipated to be end of second quarter of 2024/25.	No corroborative evidence to support reported measure

standards by 30 June 2024				
KPI 47: Percentage maintenance of the Waste Water Treatment works	50%	Not Achieved 50% maintenance done	N/A Revise the calculation method by midterm review	No corroborative evidence to support reported measure

KPI 33: KMs of new municipal road network by 30 June 2024

41. A comparison of the actual performance for the year against the prior year performance was not included in the annual performance report. Consequently, the reported information is not useful for evaluating progress over time and for identifying areas of improvement.

Overall presentation not comparable and understandable

42. Overall, the performance information for this key performance area was not reported in such a way that it could be compared and would be easy to understand due to duplicate achievements that were reported for different indicators, and actual performance that was compared to prior year on indicators that were not reported in the prior year. Consequently, the reported performance information is not useful for measuring progress against the planned objectives, which undermines transparency and accountability.

Local Economic Development

Various Indicators

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

Indicator	Target	Reported achievement
KPI 49: Number of work opportunities created by the municipality through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes) by 30 June 2024	1480	1480
KPI 54: Number of Business licence issued within 90 days	20-business licence issued within 90 days	20-business licence issued within 90 days

Number of SMMEs supported through training by 30 June 2024

44. An achievement of 120 SMME's established and supported through training was reported against a target of 120 but the audit evidence showed the actual achievement to be 182

SMMEs supported through training. The achievement against the target was better than reported.

45. A comparison of the actual performance for the year against the prior year performance was not included in the annual performance report. Consequently, the reported information is not useful for evaluating progress over time and for identifying areas of improvement.

Other matter

46. I draw attention to the matters below.

Achievement of planned targets

47. 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.

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

Basic Service Delivery and Infrastructure Development

Targets achieved: 67% *Budget spent: 100%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
KPI 13: Percentage reduction of technical electricity losses by 30 June 2024	<30	30%
KP1 17: Number of Electricity callouts responded to within 24 hours	24 hours	Not achieved
KPI 32: Kilometres of surfaced municipal road lanes which has been resurfaced and resealed by 30 June 2024	11.2KM	Not achieved
KPI 33: KMs of new municipal road network done by 30 June 2024	27KM	Not achieved
KPI 34: Number of roads conditional assessment conducted for maintenance of Asset Registry by 30 June 2024	1	Not achieved
KPI 36: Number of callouts responded to within 24 hours (sanitation/wastewater) by 30 June 2024	100%	Not achieved
KPI 37: Number of callouts responded to within 24 hours (water) by 30 June 2024	100%	Not achieved

KPI 41: Percentage of drinking water complying to SANS 241 by 30 June 2024	95%	Not achieved
KPI 42: Percentage reduction of water loss by 30 June 2024	<22	Not achieved
KPI 46: Number of waste water treatment works complying 90% against applicable water qualifying standards by 30 June 2024	4	Not achieved

Material misstatements

49. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Basic Service Delivery and Infrastructure Development and Local Economic Development. Management did not correct the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

50. 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.

51. 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.

52. 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.

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

Annual financial statements and annual report

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

55. The local community was not invited to submit representations in connection with the 2022/23 annual report, as required by section 127(5)(a)(ii) of the MFMA.

56. The oversight report adopted by the council on the 2022/23 annual report was not made public, as required by section 129(3) of the MFMA.

Consequence management

57. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) and (b) of the MFMA.

Expenditure management

58. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e).

59. There was no adequate management, accounting, and information system in place to account for creditors, as required by section 65(2)(b) of the MFMA.

60. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with the supply chain regulations.

61. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R77 068 599, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest payable on bulk purchases.

62. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R321 642 125, as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the budget on the infrastructure and technical services as well as public safety, fleet and facilities management votes.

Human resource management

63. Senior managers did not sign performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.

64. I was unable to obtain sufficient appropriate audit evidence that candidates appointed as senior managers submitted proof of previous employment prior to signing employment contracts, as required by municipal performance regulations for municipal managers and managers directly accountable to municipal managers 4(4)(b).

65. I was unable to obtain sufficient appropriate audit evidence that job descriptions were established for all posts in which appointments were made, as required by section 66(1)(b) of MSA and regulation 7(1) of Municipal Staff Regulations.

Revenue management

66. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

Strategic planning and performance management

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

Procurement and contract management

68. Sufficient appropriate audit evidence could not be obtained that goods and services within the prescribed transaction value for competitive bids were procured by inviting competitive bids and/or that deviations approved by the accounting officer were only if it was impractical to invite competitive bids, as required by SCM Regulations 19(a) and 36(1).

69. Sufficient appropriate audit evidence could not be obtained that bid specifications were unbiased and allowed all potential suppliers to offer their goods or services, as required by SCM Regulation 27(2)(a).

70. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for a required minimum period of days, as required by SCM Regulation 22(1) and 22(2).

71. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders based on points given for legislative requirement that were stipulated in the original invitation for bidding and quotations, as required by SCM regulations 21(b) and 28(1)(a)(i) and Preferential Procurement Regulations.

72. Sufficient appropriate audit evidence could not be obtained that contracts were awarded through a competitive bidding process that were adjudicated by the bid adjudication committee as required by SCM Regulations 29(1) (a) and (b) and Preferential Procurement Regulations.

73. Sufficient appropriate audit evidence could not be obtained that the accounting officer ratified the decision of bid adjudication committee of awarding contracts to bidders other than those recommended by the bid evaluation committee as required by SCM Regulation 29(5)(b).

74. Sufficient appropriate audit evidence could not be obtained that contracts were awarded only to bidders who submitted a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c). Similar non-compliance was also reported in the prior year.

75. Sufficient appropriate audit evidence could not be obtained that contract were only awarded to providers whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM Regulation 43.

76. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.

77. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of section 2(1)(a) Preferential Procurement Policy Framework Act and its regulations. Similar non-compliance was also reported in the prior year.

78. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to bidders that scored the highest points in the evaluation process as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and 2017 Preferential Procurement Regulations 11 and/or 2022 Preferential Procurement Regulation 4(4) and 5(4). Similar non-compliance was also reported in the prior year.

79. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM Regulation 5. Similar limitation was also reported in the prior year.

80. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or service providers was monitored on a monthly basis as required by section 116(2) of the MFMA. Similar limitation was also reported in the prior year.

81. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. Similar limitation was also reported in the prior year.

82. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e), the code of conduct for councillors issued in terms of the Municipal Systems Act and the code of conduct for staff members issued in terms of the Municipal Systems Act.

Other information in the annual report

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

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

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

86. 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

87. 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.

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

89. The accounting officer did not adequately exercise oversight responsibility regarding financial and performance reporting and compliance with legislation. The municipality did not have sufficient monitoring and reviewing controls to ensure that financial and performance reports submitted for audit were accurate and complete, and that action plans developed were adequately and timeously implemented.

90. Management did not implement sound monitoring controls over proper record keeping that support reported performance on predetermined objectives and compliance with laws and regulations.

Material irregularities

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

Material irregularities identified during the audit

92. The material irregularities identified are as follows:

Unauthorised debit orders from the municipal bank accounts

93. The municipality incurred unauthorised debit orders of R19 724 323 and the amount was reported as part of other receivables disclosed in note 5 to the annual financial statements of 2022/23. The payments relate to fraudulent debit orders that have continuously been debited against the municipality's bank account from 2015. It is further alleged that the municipality has got no business on contracts with the said debit orders that are taking place and as a result the municipality suffered a loss.

94. The suspected fraud is likely to result in a material financial loss for the municipality if the unauthorised debit orders are not recovered from responsible parties.

95. The accounting officer was notified of the suspected fraud material irregularity (MI) on 14 December 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded to the notification of suspected fraud MI on the 09 February 2024.

96. Based on the assessment of substantiating documents submitted by the accounting officer on 09 February 2024, I determined that the accounting officer is not taking appropriate action to resolve the suspected fraud MI. I am in the process of making a decision on further actions to be taken.

Status of previously reported material irregularities

Full and proper records not kept (2019-20) – significant distribution losses, revenue and accounts receivables, cash and cash equivalents, expenditure and accounts payable

97. Reasonable steps were not taken in the 2019-20 financial year to ensure that full and proper records were kept of significant distribution losses, revenue and accounts receivable, cash and cash equivalents and expenditure and accounts payable, as required by section 62(1)(b) of the MFMA. The non-compliance contributed to a disclaimed audit opinion, as I could not obtain sufficient appropriate audit evidence to support the amounts and disclosures in the financial statements.

98. The lack of full and proper records is likely to result in substantial harm to the municipality, as the municipality may not be able to continue its operations, i.e. it may not be able to demonstrate that it can ensure access to basic services in a financially sustainable manner. This is likely to have a negative impact on the municipality's ability to discharge its service delivery mandate.

99. The accounting officer was notified of the material irregularity (MI) on 8 June 2021. The accounting officer has not taken the appropriate action committed to in his written submission in response to the notification. I had recommended that the accounting officer should take the following actions to address the MI by 4 May 2022.

100. The non-compliance with section 62(1)(b) of the MFMA should be investigated to determine the reasons and circumstances that led to the non-compliance for taking appropriate corrective actions and to address control weaknesses.

101. Based on the reasons and circumstances, appropriate action should be taken to develop and commence with the implementation of an action plan to address poor record keeping so that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards, as required by section 62(1)(b) of the MFMA. A plan should include anticipated timeframes and address the following key areas as a minimum:

    a. Complete records of distribution losses relating to water and electricity
    b. Billing information and reconciliations to support revenue from service charges
    c. Reconciliations of the bank accounts

d. Clearing of suspense accounts

e. Complete records of all procurement processes

f. Payment vouchers, creditor statements and creditor reconciliations for purchases. The expenditure incurred should be supported by sufficient evidence that goods and services paid for were received.

102. I had further recommended that the accounting officer should take appropriate action to develop and commence with the implementation of an action plan to address the financial problems of the municipality, as required by section 135(1) and 135(3)(a) of the MFMA, by 4 August 2022. The accounting officer was supposed to describe the anticipated timeframe and milestones to be achieved and include, as a minimum, strategies to:

a. increase the collection of revenue

b. efficiently manage the available resources of the municipality

c. enter into payment agreements with major suppliers.

103. The above timeframes for the implementation of the recommendations were running concurrently.

104. The accounting officer submitted a written response to and supporting evidence for the implementation of the recommendations on 12 August 2021 and 3 August 2022. Based on my assessment of the written response and supporting evidence submitted, I concluded that the recommendations had not been adequately implemented.

105. On 10 August 2023, I notified the accounting officer of the following remedial actions to address the MI, which should be implemented by within six months from the date of the notification, with a progress report after three months:

- The non-compliance with section 62(1)(b) of the MFMA must be investigated to determine the reasons and circumstances that led to the non-compliance for the purpose of taking appropriate corrective actions and to address control weaknesses.
- Based on the reasons and circumstances, appropriate action must be taken to develop and commence with the implementation of an action plan to address poor record keeping so that full and proper records of the financial affairs of the auditee are kept in accordance with any prescribed norms and standards, as required by section 62(1)(b) of the MFMA. The plan must include anticipated timeframes and address the following key areas as a minimum:

  a. complete records of distribution losses relating to water and electricity

  b. billing information and reconciliations to support revenue from service charges

  c. reconciliations of the bank accounts

  d. clearing of suspense accounts

  e. complete records of all procurement processes

  f. payment vouchers, creditor statements and creditor reconciliations for purchases. The expenditure incurred should be supported by sufficient evidence that goods and services paid for were received.

- I further recommend that the accounting officer must take appropriate action to develop and commence with the implementation of an action plan to address the financial problems of the auditee, as required by section 135(1) and 135(3)(a) of the MFMA. The plan must describe the anticipated timeframe and milestones to be achieved and include as a minimum, strategies to:
  a. increase the collection of revenue
  b. efficiently manage the available resources of the municipality
  c. enter into payment arrangements with major suppliers.

106. A progress report on the implementation of the remedial actions was received on 7 November 2023. Whilst the audit outcome moved from a disclaimer opinion to an adverse opinion in the 2022/23 financial year, satisfactory progress was not made with the implementation of the remedial actions.

107. In terms of regulation 11(2) of the MI regulations, on 12 June 2024, I requested intervention from the relevant role-players and oversight structures in the accountability ecosystem to assist and support, as far as is necessary, the accounting officer with the implementation of the remedial action and to address the material irregularity appropriately. I will follow up on the outcome of the intervention during my next audit.

Pollution of water resources not prevented – Mothotlung wastewater treatment plant

108. The municipality did not take reasonable measures at the Mothotlung Wastewater Treatment Works to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring, as required by section 28(1) of the National Environmental Management Act and section 19(1) of the National Water Act. The wastewater treatment works was demolished, vandalised and some of the infrastructure stolen, rendering it not operational for years, while infrastructure lines to and from the plant were also depleted, vandalised and stolen, causing regular sewerage overflows. This resulted in untreated effluent being discharged into the adjacent environment, including the groundwater, the Kgowa spring and its extended watercourse. The community is also directly impacted with raw sewerage overflows accumulating directly in gardens, houses and streets of the adjacent Mothotlung and Thetele settlements. The contaminated water sources are used by a number of settlements and communities in the Mothotlung area and along the extended watercourse. The non-compliance is likely to cause substantial harm to the communities exposed to and dependent on the contaminated water resources.

109. The accounting officer was notified of the MI on 25 May 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer, however, did not respond to provide any planned actions to address the MI. Based on a follow-up visit in July 2022, it was confirmed that no action has been taken at the wastewater treatment works, with it still being flooded, and no treatment of wastewater taking place before it is discharged into the environment and water sources adjacent to the plant.

110. The accounting officer has not taken sufficient action to minimise and rectify the pollution or degradation of the environment. Therefore, I concluded that the accounting officer was not taking appropriate action to address the MI.

111. I referred the MI to the Department of Water and Sanitation on 30 June 2023 for investigation, as provided for in section 5(1A) of the PAA. The referral was accepted by the DWS on 5 July 2023 and based on the latest available progress report from DWS on 25 September 2024, the investigation is still in progress.

Pollution of water resources not prevented – Letlhabile wastewater treatment plant

112. The municipality did not take reasonable measures at the Letlhabile Wastewater Treatment Works to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring, as required by section 28(1) of the National Environmental Management Act and section 19(1) of the National Water Act. The wastewater treatment works has not been operational with full ponds overflowing for a number of years already. This resulted in untreated effluent being discharged into the adjacent environment, including the groundwater and the Rakwasi Ramokgatla spring, which is used by the communities in the areas like the Letlabile and Maboloka settlements. This contaminates a network of streams and rivers in the surrounding area that ultimately flows into the Tolwane River, which is used for consumption, farming and agricultural purposes by the communities of the towns and the farmers along the extended water network. The non-compliance is likely to cause substantial harm to the communities exposed to and dependent on the contaminated water resources.

113. The accounting officer was notified of the MI on 25 May 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer however did not respond to provide any planned actions to address the MI. Based on a follow-up visit in July 2022, it was confirmed that no action has been taken at the wastewater treatment works, with it being flooded and no treatment of wastewater taking place before it is discharged into the environment and water sources adjacent to the plant.

114. The accounting officer has not taken sufficient action to minimise and rectify the pollution or degradation of the environment. Therefore, I concluded that the accounting officer was not taking appropriate action to address the MI.

115. I referred the MI to the Department of Water and Sanitation on 30 June 2023 for investigation, as provided for in section 5(1A) of the PAA. The referral was accepted by the DWS on 5 July 2023 and based on the latest available progress report from DWS on 25 September 2024, the investigation is still in progress.

Auditor General

Rustenburg

30 November 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected key performance areas 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 a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 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), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 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), Sections: 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), 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), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 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)
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), Sections: 54A(1)(a),56(1)(a), 57(2)(a), 57(6)(a), 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), 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)
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),31
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), Regulations: 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)

Auditing to build public confidence

AUDITOR-GENERAL SOUTH AFRICA

Report of the auditor-general to North West Provincial Legislature and the council on the Madibeng Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Madibeng 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, cash flow statement and comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Madibeng Local Municipality as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for qualified opinion

Service charges

3. The municipality did not measure revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions.* The billing was not based on actual consumption for a substantial period exceeding 12 months. The municipality did not have adequate internal controls in place to ensure that revenue billed was based on recent actual meter readings, in compliance with the municipal by-laws. I was unable to determine the value of the misstatement on services charges – electricity, services charges – water management and service charges - waste water management and the related receivables from exchange transactions for the current and previous year as it was impracticable to do so.

VAT receivable

4. I was unable to obtain sufficient appropriate audit evidence for the opening balance of VAT receivable due to the status of accounting records. I was unable to confirm these balances by alternative means. Consequently, I was unable to determine whether any further adjustments to VAT receivable stated at R 176 200 762 (2024: R 58 473 209) as disclosed in note 7 to the

financial statements was necessary. My opinion on the current year's financial statements is modified because of the effect of this matter on the comparability of the VAT receivable for the current year.

GRAP 3 adjustments

5. I was unable to obtain sufficient appropriate audit evidence for correction of error relating to service charges (waste management and waste water management), operational revenue, VAT receivable, trade and other payables from exchange transactions, as the municipality did not have adequate controls in place to ensure that the supporting information for these adjustments were available. In addition, the municipality did not accurately disclose the correction of errors relating to cash flow statements. Consequently, I was unable to determine whether any adjustments were necessary to the prior period errors disclosed in the financial statements.

Net cash flows from operating activities

6. During 2024, net cash flows from operating activities were not accurately prepared and disclosed as required by GRAP 2, Cash flow statements. This was due to multiple errors in determining the cash flow from operating activities for the previous year. I was unable to quantify the extent of the errors in the net cash flows from operating activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities as stated at R 265 435 401 were necessary.

Trade and other payables from exchange transactions

7. During 2024, I was unable to obtain sufficient appropriate audit evidence regarding trade and other payables from exchange transactions which had a material cumulative effect on total trade and other payables from exchange transactions:
    - Contractors for which evidence could not be obtained of R 62 926 602 as included in the disclosed balance of R 1 665 346 248.
    - Other payables for which evidence could not be obtained of R 783 622 210 as included in the disclosed balance of R 1 665 346 248.
8. I was unable to confirm the trade and other payables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments was necessary to trade and other payables from exchange transactions to payables from exchange transactions stated at R 1 665 346 248 as disclosed in note 16 to the financial statements.

Context for opinion

9. 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.
10. 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.

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

Material uncertainty related to going concern

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

13. I draw attention to note 56 to the financial statements, which indicates that a deficit of R260 563 052 was incurred during the year ended 30 June 2025 and as of that date the current liabilities exceed current assets by R1 536 924 904. As stated in note 56, these events or conditions, along with other matters as set forth in note 56, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to operate as a going concern.

Emphasis of matters

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

15. As disclosed in note 51.1 to the financial statements, unauthorised expenditure of R309 227 764 was incurred in the current year and the unauthorised expenditure of R4 387 132 175 in respect of prior years has not yet been dealt with in accordance with section 32 of the MFMA.

16. As disclosed in note 51.2 to the financial statements, irregular expenditure of R228 884 837 was incurred in the current year and irregular expenditure of R2 706 129 901 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

17. As disclosed in note 51.3 to the financial statements, fruitless and wasteful expenditure of R116 419 090 was incurred in the current year and fruitless and wasteful expenditure of R200 402 612 from prior years has not yet been dealt with in accordance with section 32 of the MFMA.

Other matter

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

19. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

20. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP, the requirements of the MFMA and the 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.

21. 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

22. 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.

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

Report on the audit of the annual performance report

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

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

Key performance area	Page numbers	Strategic objective
Basic Service Delivery and Infrastructure Development	xx	Improve community wellbeing through accelerated service delivery.
Local Economic Development	xx	Promote local economic development, develop partnerships
Spatial Rationale and Transformation	xx	Promote integrated human settlement and agrarian reform

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

27. I performed procedures to test whether:

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

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

29. The material findings on the reported performance information for the selected key performance areas are as follows:

KPA 2 - Basic Service Delivery and Infrastructure Development

KPI 14 - Number of new Households with access to basic electricity supply by the municipality by 30 June 2025

30. Measures taken to improve performance against the underachieved target of 4 electricity quarterly reports were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and with assessing the effectiveness of strategies to improve future performance against the target.

KPI 17 - Number of initiatives to reduce Technical losses (Electricity and Water) by 30 June 2025

31. An achievement of 2 was reported against a target of 2 but the audit evidence showed the actual achievement to be 12. The achievement against the target was better than reported.

KPI 48 - Percentage of MIG Budget Spent by 30 June 2025

32. The indicator measures the Percentage of MIG Budget Spent by 30 June 2025, which does not relate to the achievement of MIG Projects implemented and completed timeously and of quality. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives.

Various indicators

33. The targets below do not relate directly to their indicators. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievements do not provide useful information on the achievement of the indicators, and the irrelevant targets hinder appropriate planning for the achievement of the indicators.

Indicator	Target
KPI 14 - Number of new Households with access to basic electricity supply by the municipality by 30 June 2025	4x electricity quarterly reports
KPI 42 - Number of new Applications for water and sewer received and attended to by 30 June 2025	100%
KPI 18 - Number of callouts responded to within 24 hours (Electricity, Water and Sanitation)	100%

Various indicators

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

Indicator	Target	Reported achievement
KPI 34 - Turnaround time on repair/ maintenance of vehicles by 30 June 2025	30 days	30 days
KPI 39 - Number of Roads conditional assessment reports for asset registry by 30 June 2025	1	1
KPI 45 - Percentage planned maintenance of water infrastructure by 30 June 2025	100%	100%
KPI 46 - Number of wastewater treatment works complying 90% against applicable water qualifying standards by 30 June 2025	4WWTW	2WWTW
KPI 47 - Number of Wastewater Treatment works maintained by 30 June 2025	4WWTW	4WWTW

Various Indicators

35. Some supporting evidence was not provided for auditing; or, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Reported achievement
KPI 16 - Percentage adherence to planned electricity maintenance program by 30 June 2025	100%	100%
KPI 36 - Kilometres of unsurfaced road graded by 30 June 2025	80km	687.96km
KPI 40 - m2 of pothole patched by 30 June 2025	6000m2	21944m2
KPI 42 – Number of new applications for water and sewer received and attended to by 30 June 2025	100%	100%

Various indicators

36. Adequate processes had not been established to consistently measure and reliably report on various indicators. Consequently, the municipality would have found it difficult to determine the correct achievements to be reported against the planned targets. In addition, I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Detail
KPI 15 - Percentage of unplanned electricity outages that are restored to supply within 72 hours by 30 June 2025	100%	We could not verify reliability because the portfolio of evidence submitted did not include verifiable timestamps for the calls received or complaints logged, making it impossible to confirm compliance with response time requirements.
KPI 18- Number of callouts responded to within 24 hours (Electricity, Water and Sanitation)	100%	We could not verify reliability because the portfolio of evidence submitted did not include verifiable timestamps for the calls received or complaints logged, making it impossible to confirm compliance with response time requirements.

Indicator	Target	Detail
KPI 26 - Percentage of compliance with the required attendance time for structural firefighting incidents by 30 June 2025	40%	We could not verify reliability because the portfolio of evidence submitted did not include verifiable timestamps for the calls received or complaints logged, making it impossible to confirm compliance with response time requirements.
KPI 27 - Percentage of disaster incidents managed and responded to within 24 hours or less as a proportion of request received by 30 June 2025	100%	We could not verify reliability because the portfolio of evidence submitted did not include verifiable timestamps for the calls received or complaints logged, making it impossible to confirm compliance with response time requirements.
KPI 41 - Percentage of reported potholes complaints received and attended to within 24 hours	100%	We could not verify reliability because the portfolio of evidence submitted did not include verifiable timestamps for the calls received or complaints logged, making it impossible to confirm compliance with response time requirements.

Various indicators

37. Achievements were reported against various targets but these targets had not been clearly defined during the planning process. Consequently, the targets are not useful for measuring and reporting on progress against the municipality's planned objectives.

Indicator	Target	Detail
KPI 18 - Number of callouts responded to within 24 hours (Electricity, Water and Sanitation)	100%	The target is not measurable due to a misalignment between the indicator and the method of calculation. The indicator refers to the "number of callouts responded to within 24 hours (Electricity, Water and Sanitation)" which implies a simple count measurement. However, the method of calculation is described as "number of electricity, water and sanitation callouts received and responded to within 24 hours as a percentage of total call outs received" which reflects a percentage-based measurement rather than a simple count.
KPI 29 - Percentage of money collected from vehicle registration and licence transaction as per agency agreement by 30 June 2025	20%	The current indicator and calculation method are misaligned. The indicator states 'percentage of money collected from vehicle registration and licence transactions as per agency agreement by 30 June 2025', which implies a percentage-based measurement. However, the calculation method is described as "count the amount of money from vehicle registration and licence transactions as per agency agreement", which measures the Rand



Indicator	Target	Detail
		value rather than a percentage
KPI 34 - Turnaround time on repair/ maintenance of vehicles by 30 June 2025	30 days	The current KPI for vehicle repairs and maintenance turnaround time is expressed as "30 days by 30 June 2025. While this indicates a time frame, it functions more as a standard rather than a fully specific target. A target should clearly define the required level of performance, often as a measurable proportion (e.g. 90% compliance within the standard). In its current form, the target does not specify whether all repairs must be completed within 30 days or if a certain percentage should meet this timeframe.
KPI 41 - Percentage of reported potholes complaints received and attended to within 24 hours	100%	The indicator does not specify by when it has to be achieved, therefore the target is not time bound.
KPI 42 - Number of new Applications for water and sewer received and attended to by 30 June 2025	100%	The target is not measurable due to a misalignment between the indicator and the method of calculation. The indicator refers to the "number of new applications for water and sewer received and attended to by 30 June 2025" which implies a simple count measurement. However, the method of calculation is described as "total number of new applications sewer/water connections attended to as a percentage of total new applications received" which reflects a percentage- based measurement rather than a simple count. This inconsistency creates ambiguity and makes it difficult to accurately measure and report on performance in line with the stated indicator.

Various Indicators

38. Measures aimed at improving performance against targets were reported. However, I could not determine if the measures were actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

Indicator	Target	Reported achievement	Reported Measure	Measures taken based on audit evidence
KPI 43 - Number of households with access to basic level of water and sewer by 30 June 2025	160 724	0	Increase budget on rural water supply	No corroborative evidence to support reported measure

Indicator	Target	Reported achievement	Reported Measure	Measures taken based on audit evidence
KPI 46 - Number of wastewater treatment works complying 90% against applicable water qualifying standards by 30 June 2025	4 WWTW	2 WWTW	KPI to be reviewed	Measures aimed at improving performance against targets were reported. However, upon inspection of the supporting documents, the measure was not implemented

Various indicators

39. The targets in the annual performance report differed from those committed to in the approved revised planning documents. These changes were made without obtaining the required approval, which undermines transparency and accountability.

Approved Indicator	Approved Target	Reported Indicator	Reported target
KPI 14 - Number of new Households with access to basic electricity supply by the municipality by 30 June 2025	4 electricity quarterly reports	KPI 14 - Number of new Households with access to basic electricity supply by the municipality by 30 June 2025	No reported target
KPI 21 - Percentage compliance to landfill sites permit conditions by 30 June 2025	65%	KPI 21 - Percentage compliance to landfill sites permit conditions by 30 June 2025	70%

KPA 3 - Local Economic Development

KPI 53 – Number of Business Licence applications received and processed within 30 days

40. An achievement of 119 was reported against a target of 40. However, some supporting evidence was not provided for auditing; or where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Various Indicators

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

Indicator	Target	Reported achievement
KPI 49 – Number of work opportunities created by the municipality through Public Employment Programmes (incl EPWP, CWP, Youth and other related employment programmes by 30 June 2025)	1500	2230
KPI 51 – Number of SMME's supported e.g training by 30 June 2025	200	656

Various Indicators

42. Based on the audit evidence, the actual achievement for five indicators did not agree to the achievements reported. Consequently, the targets were not achieved.

Indicator	Target	Reported achievement	Actual achievement
KPI 52 - Number of Tourism strategy reviewed by 30 June 2025	1	1	0
KPI 54 - Number of Marketing strategy reviewed by 30 June 2025	1	1	0
KPI 55 - Number of LED strategy reviewed by 30 June 2025	1	1	0
KPI 56 - Number of ICD strategy reviewed by 30 June 2025	1	1	0
KPI 57 - Number of the incentive and investment policy reviewed by 30 June 2025	1	1	0

KPA 6 - Spatial Rationale and Transformation

KPI 84 - Percentage compilation of municipal land audit report by 30 June 2025

43. Neither the indicator nor its target of 100% was clearly defined during the planning process. The indicator refers broadly to the "percentage compilation of the municipal land audit report," but does not define what constitutes "compilation", whether it includes data collection, analysis, validation, or final approval. Consequently, the indicator and its target are not useful for measuring and reporting on progress against the municipality's planned objectives.

Various Indicators

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

Indicator	Target	Reported achievement
KPI 83: Percentage monitoring of housing projects by 30 June 2025	100%	100%
KPI 84: Percentage compilation of municipal land audit report by 30 June 2025	100%	20%

Various Indicators

45. The targets in the annual performance report differed from those committed to in the approved revised planning documents. These changes were made without obtaining the required approval, which undermines transparency and accountability.

Approved Indicator	Approved target	Reported target
KPI 83: Percentage monitoring of housing projects by 30 June 2025	20% (List of the approved project and beneficiaries)	100%
KPI 84: Percentage compilation of municipal land audit report by 30 June 2025	50% (appointment of service provider and project inception report)	100%

Various Indicators

46. Achievements were reported against various targets but these targets had not been clearly defined during the planning process. Consequently, the targets are not useful for measuring and reporting on progress against the municipality's planned objectives.

Indicator	Target	Detail
KPI 83: Percentage monitoring of housing projects by 30 June 2025	20% (List of the approved project and beneficiaries)	Units of measure not specific and measurable.
KPI 81 - Percentage of land invasion reported and attended to by 30 June 2025	100%	Units of measure not specific and measurable.
KPI 85 - Percentage of land use application processed within 60 days	100%	Units of measure not specific and measurable.

KPI 86 - Percentage of land development application processed with 120 days by 30 June 2025	100%	Units of measure not specific and measurable.

Various Indicators

47. Adequate processes had not been established to consistently measures reliably report on various indicators. Consequently, the municipality would have found it difficult to determine the correct achievements to be reported against the planned targets. In addition, I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Reported achievement	Detail
KPI 79 - Percentage of building plans assessed within 60 days (above 500) by 30 June 2025	100%	100%	The municipality does not have standard operating procedures in place to verify the processes.
KPI 80 - Percentage of building plans assessed within 30 days (less than 500) by 30 June 2025)	100%	100%	The municipality does not have standard operating procedures in place to verify the processes.
KPI 81 - Percentage of land invasion reported and attended to by 30 June 2025	100%	100%	The municipality does not have standard operating procedures in place to verify the processes.
KPI 85 - Percentage of land use application processed within 60 days	100%	100%	The municipality does not have standard operating procedures in place to verify the processes.
KPI 86 - Percentage of land development application processed with 120 days by 30 June 2025	100%	100%	The municipality does not have standard operating procedures in place to verify the processes.

Other matters

48. I draw attention to the matters below.

Achievement of planned targets

49. 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.

50. The tables 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.

KPA 2 - Basic Service Delivery and Infrastructure Development

Targets achieved: 86%		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
KPI 14: Number of new households with access to basic electricity supply by the municipality by 30 June 2025	1 193	0
KPI 43: Number of households with access to basic water and sewer by 30 June 2025	160 724	0
KPI 44: Percentage of drinking water complying to SANS 241 by 30 June 2025	93%	90%
KPI 46: Number of wastewater treatment works complying 90% against applicable water qualifying standards by 30 June 2025	4	2

KPA 6 - Spatial Rationale and Transformation

Targets achieved: 25%		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
KPI 82: Number of informal settlements formalised by 30 June 2025	7	0
KPI 84: Percentage compilation of municipal land audit report by 30 June 2025	50%	20%

Material misstatements

51. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Basic Service Delivery and Infrastructure Development and Local Economic Development and Spatial Rational and Transformation. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

52. 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.

53. 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.

54. 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.

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

Annual financial statements and annual reports

56. 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 non-current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

57. The oversight report adopted by the council on the 2023/24 annual report was not made public, as required by section 129(3) of the MFMA.

Consequence management

58. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) and (b) of the MFMA.



Expenditure management

59. Reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 day, as required by section 65(2)(e) of the MFMA.

60. Reasonable steps were not taken to prevent irregular expenditure amounting to R228 884 837 as disclosed in note 50.2 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

61. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R116 419 090, as disclosed in note 50.3 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest payable on bulk purchases.

62. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R309 227 764, as disclosed in note 50.1 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the budget on the public safety, fleet & facilities management vote.

Human resource management

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

64. The municipal manager did not develop the staff establishment and did not submit it to the municipal council for approval as required by section 66(1)(a) of the MSA.

Revenue management

65. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

Procurement and contract management

66. Sufficient appropriate audit evidence could not be obtained that written quotations were accepted from prospective providers who were on the list of accredited providers and met the listing requirements as prescribed by the SCM policy, in contravention of SCM Regulations 17(1)(a) and 17(1)(b).

67. Sufficient appropriate audit evidence could not be obtained that quotations were awarded only to bidders who submitted a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c).

68. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1). Similar non-compliance was also reported in the prior year.



69. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM Regulation 22(1) and 22(2). Similar non-compliance was also reported in the prior year.

70. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of section 2(1)(a) Preferential Procurement Policy Framework Act and its regulations. Similar non-compliance was also reported in the prior year.

71. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to bidders that scored the highest points in the evaluation process as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and 2022 Preferential Procurement Regulation 4(4) and 5(4). Similar non-compliance was also reported in the prior year.

72. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM Regulation 5. Similar limitation was also reported in the prior year.

73. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or service providers was monitored on a monthly basis as required by section 116(2) of the MFMA. Similar limitation was also reported in the prior year.

74. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. Similar limitation was also reported in the prior year.

75. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e), the code of conduct for councillors issued in terms of the Municipal Systems Act and the code of conduct for staff members issued in terms of the Municipal Systems Act.

Strategic planning and performance management

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

Other information in the annual report

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

78. 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.



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

80. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

81. 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

82. 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.

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

84. The accounting officer did not adequately exercise oversight responsibility regarding financial and performance reporting and compliance with legislation. The municipality did not have sufficient monitoring and reviewing controls to ensure that financial and performance reports submitted for audit were accurate and complete, and that action plans developed were adequately and timeously implemented.

85. Management did not implement sound monitoring controls over proper record keeping that support reported performance on predetermined objectives and compliance with laws and regulations.

Material irregularities

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

Status of previously reported material irregularities

Full and proper records not kept (2019-20) – significant distribution losses, revenue and accounts receivables, cash and cash equivalents, expenditure and accounts payable

87. Reasonable steps were not taken in the 2019-20 financial year to ensure that full and proper records were kept of significant distribution losses, revenue and accounts receivable, cash and

cash equivalents and expenditure and accounts payable, as required by section 62(1)(b) of the MFMA. The non-compliance contributed to a disclaimed audit opinion, as I could not obtain sufficient appropriate audit evidence to support the amounts and disclosures in the financial statements.

88. The lack of full and proper records is likely to result in substantial harm to the municipality, as the municipality may not be able to continue its operations, i.e. it may not be able to demonstrate that it can ensure access to basic services in a financially sustainable manner. This is likely to have a negative impact on the municipality's ability to discharge its service delivery mandate.

89. The accounting officer was notified of the material irregularity (MI) on 8 June 2021. The accounting officer has not taken the appropriate action committed to in his written submission in response to the notification. I had recommended that the accounting officer should take the following actions to address the MI by 4 May 2022.

90. The non-compliance with section 62(1)(b) of the MFMA should be investigated to determine the reasons and circumstances that led to the non-compliance for taking appropriate corrective actions and to address control weaknesses.

91. Based on the reasons and circumstances, appropriate action should be taken to develop and commence with the implementation of an action plan to address poor record keeping so that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards, as required by section 62(1)(b) of the MFMA. A plan should include anticipated timeframes and address the following key areas as a minimum:

    a. Complete records of distribution losses relating to water and electricity
    b. Billing information and reconciliations to support revenue from service charges
    c. Reconciliations of the bank accounts
    d. Clearing of suspense accounts
    e. Complete records of all procurement processes
    f. Payment vouchers, creditor statements and creditor reconciliations for purchases. The expenditure incurred should be supported by sufficient evidence that goods and services paid for were received.

92. I had further recommended that the accounting officer should take appropriate action to develop and commence with the implementation of an action plan to address the financial problems of the municipality, as required by section 135(1) and 135(3)(a) of the MFMA, by 4 August 2022. The accounting officer was supposed to describe the anticipated timeframe and milestones to be achieved and include, as a minimum, strategies to:

    a. Increase the collection of revenue
    b. Efficiently manage the available resources of the municipality
    c. Enter into payment agreements with major suppliers.

93. The above timeframes for the implementation of the recommendations were running concurrently.



94. The accounting officer submitted a written response to and supporting evidence for the implementation of the recommendations on 12 August 2021 and 3 August 2022. Based on my assessment of the written response and supporting evidence submitted, I concluded that the recommendations had not been adequately implemented.

95. On 10 August 2023, I notified the accounting officer of the following remedial actions to address the MI, which should be implemented by within six months from the date of the notification, with a progress report after three months:

- The non-compliance with section 62(1)(b) of the MFMA must be investigated to determine the reasons and circumstances that led to the non-compliance for the purpose of taking appropriate corrective actions and to address control weaknesses.

- Based on the reasons and circumstances, appropriate action must be taken to develop and commence with the implementation of an action plan to address poor record keeping so that full and proper records of the financial affairs of the auditee are kept in accordance with any prescribed norms and standards, as required by section 62(1)(b) of the MFMA. The plan must include anticipated timeframes and address the following key areas as a minimum:

    a) Complete records of distribution losses relating to water and electricity

    b) Billing information and reconciliations to support revenue from service charges

    c) Reconciliations of the bank accounts

    d) Clearing of suspense accounts

    e) Complete records of all procurement processes

    f) Payment vouchers, creditor statements and creditor reconciliations for purchases. The expenditure incurred should be supported by sufficient evidence that goods and services paid for were received.

- I further recommend that the accounting officer must take appropriate action to develop and commence with the implementation of an action plan to address the financial problems of the auditee, as required by section 135(1) and 135(3)(a) of the MFMA. The plan must describe the anticipated timeframe and milestones to be achieved and include as a minimum, strategies to:

    a) Increase the collection of revenue

    b) Efficiently manage the available resources of the municipality

    c) Enter into payment arrangements with major suppliers.

96. A progress report on the implementation of the remedial actions was received on 7 November 2023. Whilst the audit outcome moved from a disclaimer opinion to an adverse opinion in the 2022/23 financial year, satisfactory progress was not made with the implementation of the remedial actions.

97. In terms of regulation 11(2) of the MI regulations, I have decided to request intervention from the following role-players and oversight structures in the accountability ecosystem to assist and



support, as far as is necessary, the accounting officer with the implementation of the remedial action and to address the material irregularity appropriately:

- Member of the Executive Council: Finance;
- Member of the Executive Council: Cooperative Governance, Human Settlements and Traditional Affairs;
- Executive Mayor;
- Speaker of Council; and

- Member of the Mayoral Committee: Finance.

98. In addition to requesting intervention from the above role players, I have requested the following role players in the accountability ecosystem to exercise oversight by supporting and assisting, as far as is necessary, the accounting officer with the implementation of the remedial action and addressing the material irregularity appropriately:

- Premier of the province;
- Chairperson of the Municipal Public Accounts Committee; and
- Chairperson of the Audit Committee.

96. On 12 June 2024, I invoked section 11(2) of the Material Irregularity Regulations (the MI regulations), requesting intervention from relevant role players in the Accountability Ecosystem (AES). This action was taken to address the ongoing issues and ensure corrective measures were implemented to resolve the material irregularity. The role players were requested to submit a progress report on the interventions implemented to the Office of the Premier by 30 September 2024 and the Office of the Premier had to submit a report to me on all the interventions implemented by relevant role players by 31 October 2024.

97. Delays were noted in the progress report being provide and I engaged the Office of the Premier in April 2025 on the outstanding progress report.

98. A progress report on the actions being taken by the relevant role players was submitted by the Office of the Premier on 14 May 2025. Shortcomings were noted in the actions being taken as part of the intervention, which were duly communicated to the Office of the Premier on 23 June 2025, whereafter an extension was requested until 26 September 2025 to submit a revised progress report.

99. On 6 October 2025, the Office of the Premier submitted a revised progress report. The progress report was assessed, and further shortcomings were noted and duly communicated with the Office of the Premier on 20 October 2025.

100. The progress with the actions taken by the accounting officer and the interventions implemented by the relevant role players to address the material irregularity is under assessment, which will inform my determination on the further appropriate action to take.

Pollution of water resources not prevented – Mothotlung wastewater treatment plant

101. The municipality did not take reasonable measures at the Mothotlung Wastewater Treatment Works to prevent pollution or degradation of the environment and water resources from

occurring, continuing or recurring, as required by section 28(1) of the National Environmental Management Act and section 19(1) of the National Water Act. The wastewater treatment works was demolished, vandalised and some of the infrastructure stolen, rendering it not operational for years, while infrastructure lines to and from the plant were also depleted, vandalised and stolen, causing regular sewerage overflows. This resulted in untreated effluent being discharged into the adjacent environment, including the groundwater, the Kgowa spring and its extended watercourse. The community is also directly impacted with raw sewerage overflows accumulating directly in gardens, houses and streets of the adjacent Mothotlung and Thetele settlements. The contaminated water sources are used by a number of settlements and communities in the Mothotlung area and along the extended watercourse. The non-compliance is likely to cause substantial harm to the communities exposed to and dependent on the contaminated water resources.

102. The accounting officer was notified of the MI on 25 May 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer, however, did not respond to provide any planned actions to address the MI. Based on a follow-up visit in July 2022, it was confirmed that no action has been taken at the wastewater treatment works, with it still being flooded, and no treatment of wastewater taking place before it is discharged into the environment and water sources adjacent to the plant.

103. The accounting officer has not taken sufficient action to minimise and rectify the pollution or degradation of the environment. Therefore, I concluded that the accounting officer was not taking appropriate action to address the MI.

104. I referred the MI to the Department of Water and Sanitation on 30 June 2023 for investigation, as provided for in section 5(1A) of the PAA. The referral was accepted by the DWS on 5 July 2023, as at the date of this auditor's report, the investigation is still in progress.

Pollution of water resources not prevented – Letlhabile wastewater treatment plant

105. The municipality did not take reasonable measures at the Letlhabile Wastewater Treatment Works to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring, as required by section 28(1) of the National Environmental Management Act and section 19(1) of the National Water Act. The wastewater treatment works has not been operational with full ponds overflowing for a number of years already. This resulted in untreated effluent being discharged into the adjacent environment, including the groundwater and the Rakwasi Ramokgatla spring, which is used by the communities in the areas like the Letlabile and Maboloka settlements. This contaminates a network of streams and rivers in the surrounding area that ultimately flows into the Tolwane River, which is used for consumption, farming and agricultural purposes by the communities of the towns and the farmers along the extended water network. The non-compliance is likely to cause substantial harm to the communities exposed to and dependent on the contaminated water resources.

106. The accounting officer was notified of the MI on 25 May 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer however did not respond to provide any planned actions to address the MI. Based on a follow-up visit in July 2022, it was confirmed that no action has been taken at the wastewater treatment works, with it being flooded and no treatment of wastewater taking place before it is discharged into the environment and water sources adjacent to the plant.



107. The accounting officer has not taken sufficient action to minimise and rectify the pollution or degradation of the environment. Therefore, I concluded that the accounting officer was not taking appropriate action to address the MI.

108. I referred the material irregularity to the Department of Water and Sanitation on 30 June 2023 for investigation, as provided for in section 5(1A) of the PAA. The referral was accepted by the DWS on 5 July 2023, as at the date of this auditor's report, the investigation is still in progress.

Unauthorised debit orders from the municipal bank accounts

109. The municipality incurred unauthorised debit orders of R19 724 323 and the amount was reported as part of other receivables disclosed in note 5 to the annual financial statements of 2022/23. The payments relate to fraudulent debit orders that have continuously been debited against the municipality's bank account from 2015. It is further alleged that the municipality has got no business on contracts with the said debit orders that are taking place and as a result the municipality suffered a loss.

110. The suspected fraud is likely to result in a material financial loss for the municipality if the unauthorised debit orders are not recovered from responsible parties.

111. The accounting officer was notified of the suspected fraud material irregularity (MI) on 14 December 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded to the notification of suspected fraud MI on the 09 February 2024.

112. Based on the assessment of substantiating documents submitted by the accounting officer on 09 February 2024, I determined that the accounting officer is not taking appropriate action to resolve the suspected fraud MI.

113. I referred the material irregularity to the DPCI on 9th April 2025 for investigation, as provided for in section 5(1A) of the PAA. The referral was accepted by the DPCI on 9th April 2025, as at the date of this auditor's report the investigation is still in progress.

Auditor General

Rustenburg

15 December 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 key performance areas and on the municipality's compliance with selected requirements in key legislation.

Financial statements

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

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



Communication with those charged with governance

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

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



Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 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)(
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)
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)



Legislation	Sections or regulations
	Parent municipality with ME: Sections: 93B(a), 93B(b) **Parent municipality with shared control of ME:** Section: 93C(a)(iv), 93C(a)(v)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
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)

Financial Year: 2024/2025

Annexure 1: Matters Affecting Audit Report

#	Line Item	Finding heading	Detailed Finding	COMAF Reference	AGSA Finding Reference	No. of Years Repeated	Action to Address Finding	Responsible Person	Start Date	Due date of implementation
1	Service charges	Limitation of scope - Revenue from exchange - Estimates	Identified that all sample items appeared once in the estimated revenue report, instead of all estimates from the last actual reading until year-end. As such, the auditors cannot confirm that the estimated revenue report provided for audit is complete.	28	F94	4	BTO to ensure that information requested by AGSA in terms of the RFI. BTO must also develop a records management system to ensure that all information necessary to support annual financial statements, notes and related disclosures are safeguarded.	Zacharia Maake	31-Jan-26	30-Jun-26
2	Value Added Tax (VAT)	VAT control Limitation	Identified that accrual vat balances does not have a detailed listing of the individual receivable/payable transactions	16	F69	4	Investigate all VAT transactions reported by the AGSA to have no supporting documentation. Identify corroborative evidence for all the transactions in question. Monthly VAT reconciliations must be performed. All movements must be supported by valid supporting documentation	Nelson Sambo	31-Jan-26	30-Jun-26
3	GRAP 3 Adjustments	Limitation of scope	Request for information 101 of 2025 was issued to management on 20 October 2025 and due on 23 October 2025, with an extension granted till 3 November 2025. The information submitted on the 5th of November 2025 did not relate to the prior period error amount disclosed on the AFS, regardless of the fact that management were asked to reconcile the journals to the prior period error schedule.	29	F89	4	Identify all GRAP 3 adjustments made to the prior year audited balances and ensure that they are supported by corroborative evidence. Adjust the prior year notes to the financial statements to correctly disclose all GRAP 3 adjustments made.	Nelson Sambo	31-Jan-26	30-Jun-26
4	GRAP 3 Adjustments	Prior year adjustment not disclosed under note 57 Grap Adjustment	Differences noted between the AFS and note 57 discloure	13	F53	4	Identify all GRAP 3 adjustments made to the prior year audited balances and ensure that they are supported by corroborative evidence. Adjust the prior year notes to the financial statements to correctly disclose all GRAP 3 adjustments made.	Nelson Sambo	31-Jan-26	30-Jun-26
5	Cash flow statement	Net cash flows from operating activities - Information not submitted for audit: Cash flow calculations (RFI 153)	Information on cash flow calculations were not submitted to the AGSA	20	F72		Recompute the cash flow statement subsequent correcting all material misstatements identified during the 2024/25 audit. Ensure that all items in the cash flow statement are supported by valid supporting documentation and/or workings	Nelson Sambo	31-Jan-26	30-Jun-26
6	Annual Financial Statements Presentation and disclosure	Interest: Amount as per AFS does not agree to the note	Differences between the amount for interest presented on the statement of financial performance and the notes	2	F22	4	Undertake adequate review of the annual financial statements to ensure that figures disclosed on the face agree to the notes.	Nelson Sambo	31-Jan-26	30-Jun-26
7	Annual Financial Statements Presentation and disclosure	Employee cost: Difference between GL and AFS	Differences between the amount for employee related costs presented on the statement of financial performance and the notes		F23	4	Undertake adequate review of the annual financial statements to ensure that figures disclosed on the face agree to the notes.	Nelson Sambo	31-Jan-26	30-Jun-26
8	SCM	SCM: No Procurement plan prepared and approved	The municipality did not prepare and approve a procurement plan	3	F1	4	Enusre that the Municipality develops and approves a procurement plan. The procurement plan must be uploaded on National Treasury's portal prior the	Peter Mahlomuza	31-Jan-26	30-Jun-26

							commencement of the financial year.			
9	HR	HR: Non- approval of organisational structure	The municipality did not approve the organisational structure	3	F6	4	The municipality must undertake a detailed review process and approval of the organisational structure	Frederick Komane	31-Jan-26	30-Jun-26
10	Annual Financial Statements Presentation and disclosure	Segment information: Differences between AFS and TB	The amounts disclosed in the AFS for the Economic and Environmental Services segment did not agree to the amounts as per TB	3	F8	4	Conduct a detailed assessment of each department of the municipality to determine if it is a reportable segment as required by GRAP 18. Subsequently, correct the segment reporting disclosure in accordance with the assessment conducted.	Nelson Sambo	31-Jan-26	30-Jun-26
11	Annual Financial Statements Presentation and disclosure	Budget statement: Material variances between the budget and actual amount not disclosed per the GRAP 24	The reasons for variances as disclosed in note 59 is vague and does not enhance understanding of users of the financial statement. The statement does not have references to the reasons in note 59 in all instances (only revenue are linked) and the reasons are high level and not considered adequate.	5	F12	4	Perform a detailed analysis of each line item on the statement of comparison between budget and actual. Identify significant vairances (+/- 10%) and provide explanations for the variances identified	Nelson Sambo	31-Jan-26	30-Jun-26
12	AOPO	AOPO: KPA 6 Measurability (Inconsistencies identified between the SDBIP and the APR)	Various performance indicators not well defined	6	F35	4	Review all KPAs to ensure that they comply with the SMART criteria	Banny Ramaswe	31-Jan-26	30-Jun-26
13	HR	HR: Suspension of Senior Managers was not reported to MEC	Suspensions of senior managers were not reported to the MEC as per the "Disciplinary Regulations for Senior Managers reg 6(5)(b)" and "Disciplinary Regulations for Senior Managers reg 19(1) and (3).	8	F15	4	Compile a report of all suspensions of senior managers during the year under review and submit to the MEC.	Frederick Komane	31-Jan-26	30-Jun-26
14	HR	HR: No job evaluation	It was noted that the municipality does not conduct job evaluations for posts within the staff establishment. Consequently, job grades are not determined through a formal, structured, or approved job evaluation system. There is no evidence of grading activities, evaluation reports, or related documentation for any positions filled or reviewed during the period under audit.	8	F17	4	HR must undertake a detailed process of job evaluation. The job evaluation process will ensure each post in the municipality is adequately evaluated and graded.	Frederick Komane	31-Jan-26	30-Jun-26
15	Receivables from non-exchange transactions	Information not submitted - Receivable from non-exchange: traffic fines (RFI 115)	Information relating to RFI 115 was not submitted for audit	11	F45	4	Ensure that the municipality undertakes a process of ensuring all documents are reterived or regenerated and submitted to the AGSA.	Zacharia Maake	31-Jan-26	30-Jun-26
16	AOPO	F36: AOPO KPA 2: KPI 46 Business Process - Reported achievement does not correspond with the portfolio of evidence	Differences with regards to the reported achievement in the annual performance report and the portfolio of evidence submitted for audit were identified		F36	4	Review all KPAs to ensure that they comply with the SMART criteria and ensure that every achievement reported is supported by adequate supporting evidence	Banny Ramaswe	31-Jan-26	30-Jun-26
17	Annual Financial Statements Presentation and disclosure	Going concern note difference	Differences between AFS and note 56	13	F47		Undertake adequate review of the annual financial statements to ensure that figures disclosed on the face agree to the notes.	Nelson Sambo	31-Jan-26	30-Jun-26

18	Annual Financial Statements Presentation and disclosure	Statement of changes in net assets: total net assets differ to statement of position	Difference was noted on the total net assets as per the statement of net assets and the statement of financial		F54		Recompile the statement of changes in net assets after taking into considerations all corrections to the reported mistatements.	**Nelson Sambo**	31-Jan-26	30-Jun-26
19	Annual Financial Statements Presentation and disclosure	Accounting policies : Ommitted disclosures	that there is no basis of preparation to state that the AFS was prepared in accordance with GRAP		F58	4	Undetake a detailed review of the AFS to ensure that all significant accounting polices are included in the notes to the annual financial statements	Nelson Sambo	31-Jan-26	30-Jun-26
20	Value Added Tax (VAT)	VAT Accounting policy	Contrary to the legislation, during the understanding of the VAT process we identified that the VAT policy 1.24 as disclosed in the financial statements does not detail the account treatment of VAT: VAT treatment, whether recognised under accrual or payment basis, whether netted off, and how input/output VAT is handled, is material and must be disclosed. VAT receivables and payables must be properly classified under GRAP 104 (Financial Instruments), GRAP 108 (Statutory Receivables) and GRAP 19 (Provisions), based on the tax liability nature.	16	F49	4	Undetake a detailed review of the AFS to ensure that all significant accounting polices are included in the notes to the annual financial statements	Nelson Sambo	31-Jan-26	30-Jun-26
21	Key Projects	Key projects- WWTW- Limitation of scope to RFI 114	The audit team issued RFI 114 of 2025 to the municipality on 24 October 2025. The requested information was due for submission within 03 working days from the date the request was made, an extention was requested and granted for the 04 November 2025. However, despite the follow-ups made with management, not all the information requested for audit was provided.	17	F66	4	Ensure that the municipality undertakes a process of ensuring all documents are reterived or regenerated and submitted to the AGSA.	Sakie Mangwale	31-Jan-26	30-Jun-26
22	Key Projects	Key projects: Non-compliance with Supply Chain Management regulations – unjustified deviation for the refurbishment of Klipgat Waste Water Treatment Works	Audit review established that a total amount of R12 052 879, 50 (Twelve million fifty-two thousand eight hundred and seventy-nine rand and fifty cents) was spent on the refurbishment of the Klipgat Waste Water Treatment Plant. The works were awarded to IConsult and Projects and SK Mosito Trading and Projects (Pty) Ltd through a deviation from the normal procurement process. However, during the audit, management could not provide any supporting documentation to substantiate: • The justification for invoking the deviation. • The approval of the deviation in accordance with Regulation 36; and • The evaluation or selection process followed in appointing the service providers/ contractors. The absence of this documentation means that compliance with the SCM Regulations could not be verified. Refer RFI 114 of 2024/25 for documents requested from Management.		F67		Investigate all incidents of UIFW and ensure that the process complies with MFMA 32 and Circular 68	Sakie Mangwale	31-Jan-26	30-Jun-26

23	Key Projects	: Key projects: Value for money was not received from the refurbishment of the Klipgat WWTW expenditure	The audit observed that the Klipgat Waste Water Treatment Works is entirely non-operational, with no components or pumps present in the facility. Consequently, no sewage is being processed, and untreated sewage is backflowing into the sewer network, resulting in blocked manholes and uncontrolled overflow into the surrounding environment.The complete lack of operational infrastructure, despite R12 052 879.50 being spent on refurbishment, represents a total failure to achieve value for money and demonstrates serious deficiencies in project execution, oversight, and maintenance of critical municipal services.The non-functional plant poses severe environmental, public health, and infrastructure risks, including:Contamination of soil and water resources.Exposure of surrounding communities to increasing the risk of waterborne diseases.Potential damage to municipal sewer infrastructure.This condition constitutes significant non-compliance with applicable legislation and municipal infrastructure management requirements, highlighting critical weaknesses in planning, implementation, and monitoring processes.		F68		Undertake a detailed investigation of the project as well as similar ones to idenify causes of non-completion or dysfunctionality of such projects. Implement consequence management where necessary	Sakie Mangwale	31-Jan-26	30-Jun-26
24	PPE	F59: Difference noted on the PPE	Differences between AFS and TB	19	F59		Undertake adequate review of the annual financial statements to ensure that figures disclosed on the face agree to the notes.	Sphamandla Madlala	31-Jan-26	30-Jun-26
25	Expenditure	Operating expenses recorded in the incorrect financial period	the following expenses have been recorded in the incorrect financial period: Water and Electricity Cheque Number Description of goods Billing Date Invoice amount (incl VAT) 90097059 Payment of Electricity Account 22-Jul-25 5 000 000.00 90096315 Payment of Electricity Account 22-Mar-24 69 530.23 Remaning Population-Various expenditure Cheque Number Description of goods Invoice date Invoice amount (incl VAT) 90094394 Annual license fees and monthly support charges for billing and expenditure 25-Apr-24 2 543 758.78 90096648 Logistics for demarcation committee public participation for ward 02 Hiring of Taxis for transportation of people from pick up spots to the venue and back (Jericho) and back to their pick up spots after the committee meeting 09-Jul-25 27 000.00	21	F56		Review the General Ledger to identify transactions not recorded in the correct accounting period. Process correcting jounral entries where necessary.	Andrey Ratau	31-Jan-26	30-Jun-26

26	Revenue from exchange transactions	Service Charges - Water Management differences	Identified differences between the customer statement amount and the auditor's recalculation, with regards to service charges relating to water management.	22	F71		BTO in collaboration with ITS to embark on a stand data verifcation audit. The process should encompass verfication of all service categories rendered for each stand. Accurate actual readings must be documented to ensure accurate billing. Individual meter readings should then be taken and recorded monthly. Monthly reconciliations of the billing to the general leger to be undertaken.	Zacharia Maake	31-Jan-26	30-Jun-26
27	Revenue from exchange transactions	Service Charges - Waste Water Management differences	Identified differences between the customer statement amount and the auditor's recalculation, with regards to service charges relating to waste water management.		F74		BTO in collaboration with ITS to embark on a stand data verifcation audit. The process should encompass verfication of all service categories rendered for each stand. Accurate actual readings must be documented to ensure accurate billing. Individual meter readings should then be taken and recorded monthly. Monthly reconciliations of the billing to the general leger to be undertaken.	Zacharia Maake	31-Jan-26	30-Jun-26
28	Revenue from exchange transactions	Limitation of scope - RFI 146 - Revenue from exchange CAATs	Request for information 146 of 2025 was issued to management on 10 November 2025 and due on 13 November 2025. The request was partially submitted, where management only submitted the reasons for exception but not the supporting information corroborate the reasons for the annexures A to P.		F75		Ensure that the municipality undertakes a process of ensuring all documents are reterived or regenerated and submitted to the AGSA.	Zacharia Maake	31-Jan-26	30-Jun-26
29	Revenue from exchange transactions	Service charges - Electricity differences	Identified differences between the customer statement amount and the auditor's recalculation, with regards to service charges relating to electricity.	24	F84		BTO in collaboration with ITS to embark on a stand data verifcation audit. The process should encompass verfication of all service categories rendered for each stand. Accurate actual readings must be documented to ensure accurate billing. Individual meter readings should then be taken and recorded monthly. Monthly reconciliations of the billing to the general leger to be undertaken.	Zacharia Maake	31-Jan-26	30-Jun-26

30	Segments	Reportable segment presentation	During the testing of segment reporting, the following was noted: 1. The amount per the Reportable Segments is different from the amount, for each segment, as per the Segment Reporting Note as follows: Community and Public Safety Economic and environmental services Trading services Unallocated Segments Total segment revenue as per Segment Reporting 120,240,613.00 7,357,008.00 1,464,602,304.00 1,697,545,607.00 Total segment revenue as per note 68,620,150.00 7,357,008.00 1,746,315,596.00 1,631,157,394.00 Difference 51,620,463.00 - - 281,713,292.00 66,388,213.00 Community and Public Safety Economic and environmental services Trading services Unallocated Segments Total segment expenditure as per Segment Reporting 848,786,829.00 61,249,875.00 1,715,643,603.00 967,916,700.00 Balance as per note 245,364,585.00 101,722,174.00 979,234,212.00 1,868,648,950.00 Difference 603,422,244.00 - 40,472,299.00 736,409,391.00 - 900,732,250.00 2. The segment reporting note excludes the segment assets and liabilities, which therefore means that it is incomplete.	25	F91		Conduct a detailed assessment of each department of the municipality to determine if it is a reportable segment as required by GRAP 18. Subsequently, correct the segment reporting disclosure in accordance with the assessment conducted.	Nelson Sambo	31-Jan-26	30-Jun-26
31	Revenue from exchange transactions	Prepaid electricity differences	We identified differences between the general ledger amount and the ice cloud report amounts, with regards to service charges relating to prepaid electricity		F103		Undertake a detailed reconcliation between the prepaid electricty system and the GL. Identify and investigate differences. Process adjusting entries where necessary.	Zacharia Maake	31-Jan-26	30-Jun-26
32	Payables	Payables from exchange transactions - Non-disclosure of the nature of the prior period error	Contrary to the above requirements, request for information 101 of 2025 was issued to management on 20 October 2025 and due on 23 October 2025, with an extension granted till 3 November 2025. The information submitted on the 5th of November 2025 did not relate to the prior period error amount disclosed on the AFS, regardless of the fact that management were asked to reconcile the journals to the prior period error schedule.		F90		Review of GRAP 3 disclosures and ensure that the disclosure is fully compliant with the standard, in particular the nature and impact of the error on the prior year amounts.	Andrey Ratau	31-Jan-26	30-Jun-26

33	Expenditure	Contracted services (Contractors) - Invoices recorded in the wrong period (Cut-off)	Goods/services relating to the following invoices were received in July 2025 and recorded in June 2025. Therefore, the invoices were recorded in the wrong period (2024/25 financial year): Supplier Name Cheque No Invoice No Invoice date Delivery date Amount excl. VAT OLE POWER SYSTEMS(PTY)LTD 90096329 25OLEJUL_185 07/07/2025 09/07/2025 1 092 983.88 THANYANE GROUP OF COMPANIES (PTY)LTD 90096954 0406250011 04/07/2025 04/07/2025 29 910 1 122 893.88	30	F78		Review the General Ledger and enusre that all transactions are accounted for in the correct accounting period.	Andrey Ratau	31-Jan-26	30-Jun-26
34	Expenditure	Outsourced services - Input VAT incorrectly recognised	the municipality recognised input VAT on disbursements and accommodation included in the following invoices where VAT was not charged by the supplier. The invoices reviewed did not reflect VAT on the disbursement and accommodation amounts, and no valid tax invoices was available to support the VAT recognized: Details as per supplier invoice Supplier name Invoice No. Item description Amount Excl. VAT Tax Total amount Incl. VAT CORPMD Consulting INV0903 Auditing 986 000.00 147 900.00 1 133 900.00 Disbursements/Arrangement 119 040.00 - 119 040.00 KEP Consulting 0001/2024 Independent quality assessment review 400 000.00 60 000.00 460 000.00 Accomodation 20 000.00 - 20 000.00		F85		Review the GL to ensure that ALL VAT transactions are accounted for in terms of the VAT Act	Andrey Ratau	31-Jan-26	30-Jun-26
35	PPE	Absence of approved disposal documentation	Contrary to the above requirements, the following requests issued to management has not been received. Management was afforded the opportunity to submit information, in addition to the required 3 days submission period, after an arrangement with the audit team but the following information remains outstanding after the agreed upon date:The amount of (R46 673 806) was written off, in the 2024/2025 financial year, however the was no supporting document to enable auditors to audit the write off, only the reasons for write off were provided to auditors without the supporting evidence.	32	F96		Management must ensure that all documentation requated by the AGSA is retrieved and/or regnerated and submitted thereto.	Sphamandla Madlala	31-Jan-26	30-Jun-26

36	Indigent debtors	Indigent debtors exceptions	During the inspection of the indigent register (as obtained from SOLAR), the following were noted: Reference to attachments Exception Number of records CAAT 1 Individuals with no ID Number. 18 Records Blank ID Numbers CAAT 2 Individuals listed as a deceased person on the National Population Register (NPR) database. 849 Deceased Records (845 Unique IDs): Deceased Individuals 799 before the audit start (795 Unique IDs) 50 within the audit period CAAT 3 Individuals where the ID number could not be found on the NPR database. 546 Records (487 Unique IDs) Invalid ID Numbers CAAT 4 Individuals with an ID Number duplicated on the Indigent list. 31 Records (14 Unique IDs) Duplicate Beneficiaries CAAT 5 Individuals with Old ID Numbers that was converted and found on the NPR database. 47 Records Individuals with Old ID Numbers CAAT 8 Individuals older than 100 years [Information purposes only] 2 Records Individuals older than 100 Years CAAT 9 Individuals in the employment of one or another government department or organisation. 31 Records (8 Unique IDs) Individuals Employed in Government or Municipalities CAAT 10 Spouses of Individuals in the employment of one or another government department or organisation. 2 Records Spouses of Individuals Employed in Government or Municipalities CAAT 11 Individuals that has an interest in suppliers of government and/or municipalities. 7 Records (5 Unique IDs) Individuals CIPC Directors All Payments CAAT 12 Spouses of Individuals that has an interest in suppliers of government and/or municipalities. 3 Records Spouses of Individuals CIPC Directors All Payments	33	F112		Undertake a detailed indigents verification process to ensure that the register is complete and accurated. Process necessary adjustments on the SOLAR system thereafter based on the outcomes of the indigents verifcation process.	Zacharia Maake	31-Jan-26	30-Jun-26

37	Value Added Tax (VAT)	VAT Presentation and disclosure	During the testing of VAT, noted that the VAT disclosure note is not consistent to the prior year VAT note. Furthermore, noted that the VAT note is incomplete as the Output Vat account is not disclosed as part of the note. 2025 VAT note: Description Amount Input Vat accrual 318 304 673 Input Vat General 552 513 513 Input VAT Capital 514 130 445 Vat Control (Receivable) (1 185 567 815) 199 380 816 2024 Vat note: Description Amount Vat control 87 760 068	34	F137		Review AFS to ensure that VAT is presented in accordance with the revised standards and related fact sheets	Nelson Sambo	31-Jan-26	30-Jun-26
38	Related parties	Completeness and accuracy of Related Parties	Contrary to the above, 62 councillors are disclosed in the financial statements, the municipality website states that there should be 82 councillors, furthermore the listing of councillors submitted for the audit has 87 councillors.	35	F76		Review the realted party disclosure to ensure that all related parties are disclosed. Also, obtain a list of councillors from IEC and enusre that a complete list is disclosed.	Andrey Ratau	31-Jan-26	30-Jun-26
39	Related parties	Prior year audit committee staff disclosed on the financial statements	Contrary to the above, we identified differences between the Payday amount, related party schedule amount and the financial statements, with regards to related party disclosed schedule for senior management costs Payday amount 13 450 586,97 Annual financial statement amount 13 261 058,00 Related party schedule amount 12 982 176,04		F99		Perform a reconciliation between the attenance registers of all meetings of the Audit Committee and amount paid. Process adjusting entries were necessary.	Andrey Ratau	31-Jan-26	30-Jun-26
40	Related parties	Differences between the AFS and the supporting schedules- Related parties	Contrary to the above, we identified that there are audit committee members disclosed on the financial statements, however they were not part of the committee. Namely APC Manfoma TG Nevhutalu AMM Badimo		F110		Compile a list of all related parties and ensure the disclosure is complete in the annual financial statements	Andrey Ratau	31-Jan-26	30-Jun-26
41	Employee cost	Employee Verification - Limitation of Scope (RFI 127)	RFI 127 relating to employee verifications was requested and due on 30 October 2025. However, to date - the following employees did not avail themselves for verification: Employee Code Initials Surname 200425 K J MASILO 200410 SM MAKO 200483 ZP MAFETOLE 2019174 LW KGASI 2017114 HP BOJOSE 2021044 SM LEROOIBAKI 2004134 MF MOTHWA 2019205 M MOPEDI 2019243 Z MANCIPHA	36	F73		The municipality must undertake internal employee verification to ensure all employees are accounted for.	Andrey Ratau	31-Jan-26	30-Jun-26

42	Employee cost	Overpayments made on Termination	1. During the audit of terminations, we noted that an overpayment was made in the termination payouts for four employees. The leave payout was calculated using the total remuneration package instead of the basic salary, which is contrary to BCEA requirements. Furthermore, for one employee, an incorrect basic salary was used that does not agree with the payroll report and payslip, resulting in an inaccurate pro-rata bonus and leave payout. EMP/CODE EMPLOYEE NAME Total Earnings Auditors Recalculation Difference 2013023 MR TT RAMARU 109192,14 58204,18 50988 95060 MR J M MASHIGO 149677,85 131961,52 17716 96141 MS E M NYALUNGU 84867,81 69944,50 14923 96146 MR D B MODIKWE 36034,60 32725,67 3309 86 937 2. An employee was paid overtime after termination; however, these payments were processed after the termination date and related to overtime worked prior to termination. The outstanding debt of R66,946.61 due from the employee at termination was not deducted from the final payment. 2013104 MR BA NDLELA INFRASTRUCTURE & T S 31/08/2024 RESIGNED Salary and Wage Collective Agreement Circular 6, Clause 6 states that employers must ensure compliance with agreed salary and wage provisions and recover any amounts owed by employees upon termination in accordance with municipal policies and applicable legislation.		F97		Review all payments made on termination of employees to ensure that ehy are in accordance with the prescribed policy. Where differences are identfied, ensure that corrections are made.	Andrey Ratau	31-Jan-26	30-Jun-26

43	Employee cost	Differences identified in the Travel and Acting allowances	Issue1 During the audit of travel allowances, we identified differences in the amounts paid to the employees listed below. The discrepancies arose due to incorrect application of the SARS rate per kilometre schedule. Issue 2 During the audit of acting allowances, we traced the acting position of Special Projects Officer to the organizational structure and confirmed that the position exists. However, the position is currently not vacant and is occupied by Ms. Molefe. We also noted a difference between the acting allowance paid and the auditor's recalculated amount, resulting in an overpayment of the acting allowance. Issue 3 The municipality does not have a documented policy governing meal allowances. As a result, approvals are based on discretion rather than standardised criteria, creating inconsistency and potential for abuse. Issue 1: Employee Number Employee Name Travel Allowance Auditors Calculation Difference 2001084 JF KLOPPER 12891.6 14412.3333333333 -1520.73333333333 200207 MDM MABILU 10642 13003.3333333333 -2361.33333333333 2004102 M RAMOKOKA 4402.66 13743.956 -9341.296 2004111 LJ LUKA 14559.6 13385.7833333333 1173.81666666667 2005020 SB MORUAKGOMO 5421.42 6623 -1201.58 2009004 C MAFATA 7775.23 10396.5833333333 -2621.35333333333 2010002 M MALINDI 13410.82 11724.2 1686.62 2011006 Z MAAKE 19159.64 13679.0833333333 5480.55666666667 2012017 BM MOGALE 10953.48 13385.7833333333 -2432.30333333334 2013002 HN SAMBO 30358.78 11189.8 19168.98 2014002 MA CHEPAPE 10232 14998.9333333333 -4766.93333333333 2015002 NB MUYAMBU 13781.17 19265.0833333333 -5483.91333333333 2016003 TK CEKESHE 12917.02 20359.5666666667 -7442.54666666667 2016046 PM MAAKE 10953.48 13385.7833333333 -2432.30333333334 2011015 NA MORULANE 12917.02 13385.7833333333 -468.763333333334 2012054 LG MOERANE 10953.48 7871.5 3081.98 2013003 MT SEKGOLOLO 11053.2 12125 -1071.8 2017029 OP MOLEFE 11102.4 14998.9333333333 -3896.53333333333 2018005 LB LION 7644 13223.25 -5579.25 2018021 BM MATLAWE 23854.88 16688.204 7166.676 2019004 IK MOGANO 10086.78 12378.37 -2291.59 2020001 SZ SKHOSANA 11102.4 15799.0666666667 -4696.66666666667 2021003 LP MPHAHLELE 13410.82		F101		Issue 1: Recalculate employees'travel allowances using the correct SARS tariff and effect corrections accordingly. Issue 2: Undertake and investigation into the matter and implement consequence management. Issue 3: Management must develop a policy which regulates meal allowances.	Andrey Ratau	31-Jan-26	30-Jun-26

			13972.3833333333 -561.563333333335 Total -20411.8333333333 Issue 2: Employee.no Name Amount Recalculation Difference 2023007 KS MODISELLE 1974.84 0 1974.84 2024003 NW PHALA 34058.92 22456.2816 11602.6384 Total 13577.4784								

44	Employee cost	Overstatement of employee cost - Overtime	Basic Conditions of Employment Act Section 10(2) states that: "An employer may not require or permit an employee to work more than ten hours overtime a week." Issue 1: Overtime Approval Forms Not SignedDuring the audit of employee costs, several overtime payments were found to have unsigned overtime approval forms, resulting in an absence of proof that the overtime was authorised as required by policy and internal controls. This demonstrates non-compliance with the pre-approval requirement and weak oversight over overtime authorisation.Issue 2: Differences in Overtime CalculationsRecalculations performed by the auditors identified differences between the audited overtime amounts and the amounts recorded on payroll. The recalculation used the hours reflected on the overtime claim forms multiplied by the applicable hourly rate (1.5 for normal overtime and 2.0 for Sunday overtime).The differences identified indicate errors in the overtime calculation process, leading to inaccurate employee cost amounts being recorded.Issue 3: Non-Compliance With Overtime Policy Leading to Abuse and Double CompensationThe audit identified multiple deviations from the municipality's overtime policy, resulting in potential abuse of overtime and incorrect compensation:a) Over-Claimed HoursEmployees claimed more overtime hours than those recorded in attendance registers and timesheets. Managers did not verify or sign the attendance records as required by policy. This breakdown in monitoring controls increases the risk of fraudulent or inaccurate overtime payments.b) Misclassification of Normal Working Hours as OvertimeSome employees claimed overtime despite not having completed their full normal working day. This is contrary to Policy 5.6, which requires that ordinary working hours be completed before overtime becomes payable. The failure to review overtime eligibility resulted in inflated claims and payments.c) Incorrect Application of Overtime RatesIn certain cases, overtime worked on normal weekdays was incorrectly remunerated at the higher Sunday/public holiday rate instead of the standard weekday overtime rate, as prescribed in Policy 8.5. This resulted in overpayments and reflects weak payroll verification controls.Issue 4: Payment of Overtime to Employees Not Eligible for Overtime CompensationOf the 30 employees tested, 12 employees were paid overtime despite being ineligible in terms of the municipality's overtime policy. This represents irregular expenditure and highlights inadequate enforcement of policy requirements and weak controls over payroll processing.Employee No. Name Overtime Auditors Calculation Difference96016 J P A REYNEKE 6935.98 7673.57700845983 -737.59700845983296049 A M SEGOTO 10026.02 0 10026.022004110 MM RAPHALALANE 16384.88 0 16384.882013040 MM PHALA 11243.88 12406.8033839323 -1162.923383932322019028 KE MOLOTO 13989.24 0 13989.242015024 O SEPATO 15650.82 19128.7518449631 -3477.93184496312017001 LB KUBAYI 11158.61 13255.7357052859 -2097.12570528592017012 L MALEKA 11215.52 15052.0164396712 -3836.4964396712120170 16 AM MOPAI 10625.2 13281.1909761805 -2655.990976180482018120 J KUNENE 5732.04 5577.06569868603 154.9743013139732023023 D MAFOKO 14852.25 0 14852.252023025 MA DIKGALE 14731.5 0 14731.52023035 M MAKAMPE		F104		Issue1: enusre that all overtime forms are pre-approved prior being worked. A detailed supporting memorandum must be prepared and approved where pre-approval could not be obtained. Issue2: Confirm the computation of overtime calculations in accordance with the collective agreement. Issue 3: investigate all allgeations of overtime abuse and double compensation. Implement consequence management where necessary.	Andrey Ratau	31-Jan-26	30-Jun-26

			10719.3 0 10719.32023036 MJ THOBEJANE 15939 0 159392023040 TF BOIKANYO 12747.8 0 12747.82019257 BM MMASEEMA 1248.5 4993.90292194156 -3745.4029219415620047 AB MNDAWE 1949.44 7310.67618647627 -5361.23618647627200455 P M SEKETE 3519.2 0 3519.2200476 MS NHLAPHO 4022.2 13790.6869862603 -9768.486986260282006023 CL MALEBE 15264.38 11593.1829363413 3671.197063658732007048 SM MORE 2730.8 0 2730.82007079 V JWILI 1562.88 5068.81022379552 -3505.930223795522008016 LS KWAPE 2730.8 0 2730.82009014 M F SIKHAKHANE 16475.62 0 16475.622012120 KP MASETLA 5688.8 17066.5494690106 -11377.7494690106Total 90945.7102189956						
45	Employee cost	Medical Aid Recalculation Misstatement	We obtained the payroll report as well as the medical aid schedule, in terms of the municipal policy, the municipality should contribute 60% of the medical aid per month. We recalculated the medical aid contribution based on the monthly medical aid schedules received, i.e., municipal medical aid contribution of 60% and noted the following differences: EMPLOYEE NO. NAME COMPANY CONTRIBUTION - MEDICAL AID MEDICAL AID CONTRIBUTION RECALCULATION(Medical aid deduction*60/40) DIFFERENCE BETWEEN THE PAYROLL AND RECALCULATED MEDICAL AID CONTRIBUTION 2017017 QL KHOZA 5,514.86 5,664.60 (149.74) 2019018 KJ MOKOISA 2,299.80 2,123.40 176.40 2019019 E MGEDLE 4,587.60 3,532.20 1,055.40 1,082.06 The projected differences were based on the sample of medical aid that was selected Projected misstatement: R 2,906,765		F93		Investigate all medical aid contributions and ensure that they are made in accordance with the policy and collective agreement.	Andrey Ratau	31-Jan-26	30-Jun-26

46	Receivables	Debt impairment	Contrary to the above, identified the following differences between debt impairment loss as per statement of financial performance and the impairment loss movement on the impairment balance of receivables: Debt impairment as per statement of financial performance 90342788 (A) Debt impairment movement as per impairment balances: 43063167 (B) Note 5: Receivable from exchange FY 2025 Impairment balance 2268086080 FY 2024 Impairment balance 2181524217 86561863 Note 6: Receivables from non-exchange FY 2025 - Property rates 648020125 FY 2024 - Property rates 692219712 -44199587 FY 2025 - Traffic fines 2226845 FY 2024 - Traffic fines 1525954 700891 Difference - Debt impairment overstated 47279621 (A) - (B)	37	F102		Recompute the deby impairment calculation for the period under review and process correcting entries in the AFS where necessary. Ensure GRAP 3 disclosure is made for any restatement of prior year figures.	Zacharia Maake	31-Jan-26	30-Jun-26
47	Inventory	Inventory difference between masterfile and AFS.	In terms of GRAP 1 Financial statements must present a true and fair view of the entity's financial position, performance, and cash flows. During the audit of inventory, the following differences were noted: Trial Balance Amount AFS Amount Inventory mastefile Amount Difference 48601045.07 48601045 34156968.69 14444076.31	38	F82		Perform detailed inventory reconciliation and ensure that the masterfile and AFS agree.	Peter Mahlomuza	31-Jan-26	30-Jun-26

48	Unauthorised expenditure	Differences between the register and the Trial Balance	Issue 1: Differences between the register and the Trial Balance While auditing the Unauthorised Expenditure additions for the current year, discrepancies were identified between the actual expenditure recorded in the register by vote and the actual expenditure by vote in the Trial Balance. The details of these identified differences are as follows: Description Expenditure per vote per register Expenditure per vote per TB Difference BUDGET AND TREASURY OFFICE 520 446 602,14 563 475 493,40 - 43 028 891,26 INFRASTRUCTURE AND TECHNICAL SERVICES 1 717 654 012,27 1 712 950 234,58 4 703 777,69 PUBLIC SAFETY, FLEET & FACILITIES MANAGEMENT 678 394 723,98 679 040 205,98 - 645 482,00 TOTAL 2 916 495 338,39 2 955 465 933,96 - 38 970 595,57 A similar issue was raised in the prior year.	42	F130		Undertake a detailed UIFW investigation in accordance with MFMA 32. The investigation must include the process of reviewing GL transactions to identify cases of UIFW not previously reported to ensure completeness.	Andrey Ratau	31-Jan-26	30-Jun-26
49	Unauthorised expenditure	Differences between the Trial Balance and the Financial Statements	Issue 2: Differences between the Trial Balance and the Financial Statements While auditing the Unauthorised Expenditure additions for the current year, discrepancies were identified between the expenditure recorded in the Trial Balance and the actual expenditure Annual Financial Statements. The details of these identified differences are as follows: Description Amount per TB Amount per AFS Difference Unauthorised Expenditure 261 383 812,37 269 200 732,00 - 7 816 919,63				Undertake a detailed UIFW investigation in accordance with MFMA 32. The investigation must include the process of reviewing GL transactions to identify cases of UIFW not previously reported to ensure completeness.	Andrey Ratau	31-Jan-26	30-Jun-26

50	Statement of budget	Differences on statement of budget vs actual	We noted the following differences between the statement of budget vs actual as per the financial statements and the adjusted budget: Final Budget Final Budget as per budget statement as per AFS Adjusted budget Variance Exchange Revenue Licences or permits 524 500,00 8 038 000,00 (7 513 500,00) Rent from fixed assets 25 000,00 2 826 000,00 (2 801 000,00) Rent from land 25 000,00 (25 000,00) Sale of goods and rendering of services 4 515 000,00 (4 515 000,00) Total Exchange Revenue 549 500,00 15 404 000,00 (14 854 500,00) Non-Exchange Revenue Property rates by usage 463 000 000,00 (463 000 000,00) Transfers and subsidies - Operational 1 137 829 000,00 (1 137 829 000,00) Interest earned from receivables 74 071 000,00 (74 071 000,00) Total Non-Exchange Revenue 1 674 900 000,00 (1 674 900 000,00)	45	F9		Undertake a detailed UIFW investigation in accordance with MFMA 32. The investigation must include the process of reviewing GL transactions to identify cases of UIFW not previously reported to ensure completeness.	James Motaung	31-Jan-26	30-Jun-26
51	Consultants	Use of Consultants non-compliance	The municipality has appointed consultants as tabled below:No Name of Consultant Category of services rendered Description of services rendered1 Mampudi Group (Pty) Ltd Preparation or review of financial statements Preparation of GRAP Compliant AFS for the year ended 30 June 20252 EGNET Solutions Asset management (e.g. asset registers) Preparation of fixed asset register in accordance with GRAP standards and Treasury guidelines 3 MaxProf Profit Recovery Tax services (e.g. VAT returns) VAT Recovery and review for Madibeng LM4 CorpMD Consulting Preparation or review of financial statements Review of AFS, Asset register and Audit File for the year ended 30 June 2025	51	F13		Develop a Use of Consultants policy to regulate appointments and monitoring of the work of consultants.	Siza Rikhotso	31-Jan-26	30-Jun-26
52	Consequence management	Consequence management: No investigations done on UIFWE balances	Magement did not investigate UIFW	4	F2		Conduct a detailed investigation into UIFW in accordance with MFMA, 32 and circular 68. Table a report to council to adopt the recommendations. Make necessary disclosures in the AFS based on the Council resolution	MM office	31-Jan-26	30-Jun-26

53	HR	HR: Performance Management not done for employees other than senior managers	As confirmed in discussions with management, the Performance Management System (PMS) currently applies only to senior managers and has not yet been rolled out to non-senior staff. Management indicated that the planned implementation date for the PMS for non-senior staff is 30 September 2025.	8	F11		Management to develop a roadmap for the implementation of PMS at lower levels	Frederick Komane	31-Jan-26	30-Jun-26
54	Expenditure	Compliance: Payments not made within 30 days from invoice date.	Madibeng Local Municipality are not settling amounts owed to suppliers of bulk goods and services within the required 30-day period as per the act	21	F10		Management to continue the implmentation of the financial recovery plan.	Andrey Ratau	31-Jan-26	30-Jun-26
55	Expenditure	Non-Compliance-Payments not made within 30 days from invoice date	Madibeng Local Municipality are not settling amounts owed to suppliers of bulk goods and services within the required 30-day period as per the act		F55		The municipality must continue to implement the Financial Recovery Plan	Andrey Ratau	31-Jan-26	30-Jun-26
56	Expenditure	Contracted services - 30 days non-compliance.	Madibeng Local Municipality are not settling amounts owed to suppliers of bulk goods and services within the required 30-day period as per the act		F80		Management to continue the implmentation of the financial recovery plan.	Andrey Ratau	31-Jan-26	30-Jun-26
57	SCM	Non-compliance with MFMA 62 (1)(d) . Failure to prevent UIFW	During the audit we have noted that the Municipality incurred irregular and fruitless and wasteful expenditure. This was noted on the annual financial statements submitted for the audit on the 31 August 2024 on note 51.1 of the AFS, Non-compliances was also noted from the performance of the audit work.				Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26
58	Consequence management	Consequence management: Allegations register not prepared	However, on the engagement held with Management on the 9th of September 2025, it was confirmed that the is no register of all allegations that were reported. The municipality then only keeps a list of disciplinary cases for the employees.		F3		Management must develop and keep a register of all allegations reported against municipal officials	MM office	31-Jan-26	30-Jun-26
59	Annual Financial Statements Presentation and disclosure	Unspent conditional grant: Amount disclosed in the notes does not agree to face of	However, during the comparison of the GL to the AFS, the following difference was noted on the trade and other payables from non-exchange transactions (unspent grants): Amount as per the face Amount as per the note 17 Difference 0 (1 422 780) (1 422 780)	5	F7		Review the AFS to ensure that amounts disclosed on the face agrees to the notes	Nelson Sambo	31-Jan-26	30-Jun-26

60	Annual Financial Statements Presentation and disclosure	Accounting policies: cosmetic changes suggested	However, upon inspection of the financial statements, the following were noted: 1 It is stated that the AFS is authorised for issue 29 August 2025. Issue: the CFO should remember to revisit the date upon the receival of the audit report. 2 Reference are made to the GRAP framework: GRAP Framework Framework for the Preparation and Presentation of Financial Statements Issue: As per the ASB website, the Framework is called "GRAP reporting framework". 3 Reference is made to GRAP 6: GRAP 6 Consolidated and Separate Financial Statements Issue: As per the GRAP reporting framework: 1 April 2024, there is no GRAP 6. 4 On page 21 of the AFS, the heading refers to: . Additional content (continued) Issue: the heading on the previous page refer to 1. Summary of significant policies, therefore page 21 is a continous of the heading. 5 In note 1.4 Comparative of actual information to budgeted information, it is stated that this is reported in the "Statement of comparison of budget and actual amounts". Issue: As per the financial statements, the statement is called "Comparison of budget and actual amounts" 6 Upon inspection of the Statement of financial position, cash flow statement, statement of changes in net assets and reportable segments, it was noted that there is no note references to the explanatory notes to the financial statements. 7 Upon inspection of the reportable segments and notes to the financial statements, it was noted that all pages contains the heading "buildings" instead of "figures in Rand" 8 In note 1.6 Significant judgements and estimates, under the impairment of PPE, intangible assets, heritage assets and inventory, the following were noted: Reference is made to GRAP 26 Impairment of non-cash generating assets, however, GRAP 26 is not listed under the standards listed under note 1. Summary of significant accounting policies. 9 Note 23 Sales of goods and rendering of services does not have any detail under the heading.		F57		Management to undertake a detailed review of the AFS to ensure compliance to GRAP in all material respects	Nelson Sambo	31-Jan-26	30-Jun-26
61	Employee cost	Annual Bonus - Employees with no employment contracts	During the audit of the 2024/25 financial year, we issued Request for Information (RFI) 110, in which we requested personnel files, including employment contracts, for employees who received annual bonuses. Upon inspection of the submitted personnel files, we noted that employment contracts were not included. Following discussions with management, it was confirmed that the employment contracts could not be located as the employees were appointed more than 30 years ago. Instead, we were provided with banking forms. As a result, we were unable to verify the appointment dates of the employees. Below is the list of employees affected: MS Galetuki VA Nkosi	18	F52		Inspect all employee files and identify those without contracts and/appointment letters. Management should document a detailed representation confirming that the deates of appointment on the system are correct.	Andrey Ratau	31-Jan-26	30-Jun-26

62	Employee cost	Inconsistency in Pension Fund Contribution Rates	Issue 2 - Differences due to Incorrect Pension Fund Contribution Rate Applied During the testing of pension fund it was noted that the pension fund contribution for an employee appointed in September 2018 was incorrectly calculated using a 22% rate instead of the prescribed 18% rate applicable to Category C members. Upon recalculation of the pension fund contribution a discrepancy of R678 was identified. The table below provides details of the transaction: Employee Name Pension Fund Contribution Auditors Recalculation Difference PM MAROBE 3731.01 3052.6416 678.3684		F65		Management to undertake a detailed verification of pension fund status of each employee between 22% and 18%	Andrey Ratau	31-Jan-26	30-Jun-26
63	Expenditure	Contracted services (Consultants and professional services) - VAT incorrectly recognised.	Through inspection of the GL and supplier invoices, it was noted that the following supplier invoices did not include the VAT registration number of the supplier, however the municipality recognized input VAT. Furthermore, the auditor performed a VAT vendor search on SARS efiling website and noted that the supplier is not a registered VAT vendor. The expenditure was recorded excluding VAT, thus understated: Supplier Name Cheque No. Invoice No. Amount Excl. VAT Input VAT recognised Total Invoice amount paid Majegu Makhanana JV 90093482 INV211008 187 755.65 28 163.35 215 919 Majegu Makhanana JV 90093482 INV207008 169 385.65 25 407.85 194 793.5 357 141.30 53 571.20 410 712.50		F70		Review all transactions recorded in the general ledger to enusre that the VAT is correctly accounted for in terms of the VAT act.	Andrey Ratau	31-Jan-26	30-Jun-26
64	Related parties	Related parties - Limitation of scope	Contrary to the above, the auditor general requested declarations for all councillors, 56 declarations of interest were received however the municipality has 82 Councillors. This imposes a limitation of scope on the audit.		F108		Ensure that the municipality undertakes a process of ensuring all documents are reterived or regenerated and submitted to the AGSA.	Andrey Ratau	31-Jan-26	30-Jun-26
65	Internal control	GL accounts not updated (LSA and PEMA)	Contrary to the above, the following were noted on the comparison of the general ledger accounts and financial statements: Amounts as per GL Amounts as per AFS Difference Amount as per report Long service award (LSA) 55 075 816 37 398 815 -17 677 001 37 398 815 Post employment medical aid (PEMA) 151 474 991 169 151 980 17 676 989 169 151 980 206 550 807 206 550 795 -12 206 550 795	44	F50		Perform a detailed reconciliation between the GL and Acutuaries reports. Process adjustments to ensure accuracy and completeness of the GL.	Andrey Ratau	31-Jan-26	30-Jun-26

66	Internal control	Contracted services - Incorrect classification	The following invoice relating to maintenance of toilets was processed under Gardening services. This resulted in misclassification of the expense between GL accounts: Supplier name Cheque No Invoice Number Description Amount excl. VAT Vote number Vote description DINE GODWIN(PTY)LTD 90096170 256 Maintenance of Toilets at Letlhabile Cementry 398350 36312281800PRP06ZZWM CONTR: GARDENING SERVICES		F95		Review the general ledger and ensure that all transactions are correctly classified.	Andrey Ratau	31-Jan-26	30-Jun-26
67	AOPO	AOPO: Inconsistencies identified between the SDBIP and the APR	Contrary to the above, the following were identified with regards to the consistency of the indicators between the planned documents (SDBIP) and annual performance report:Amended SDBIP – The municipality revised its initial SDBIP and reported on the amendments in the APR. The following inconsistences were identified:Planned indicators per annual planning document Reported indicators per APR Planned targets per annual planning document Planned targets per APR Reported actual achievement per APR Document record of work doneKPI 83: Percentage monitoring of housing projects by 30 June 2025 KPI 83Percentage monitoring of housing projects by 30 June 2025 20% (List of the approved project and beneficiaries) 100% 100% Inspected the amended SDBIP, as approved by the Municipal Manager and the Acting Executive Mayor on 27 March 2025, along with the APR submitted for audit, and confirmed the following:The reported target is not consistent with the planned target. The planned target was “20% (List of the approved projects and beneficiaries),” whereas the reported target in the APR is reflected as “100%.” Which results in indicator not meeting the measurability definition.Furthermore, regarding the target “20% (List of the approved projects and beneficiaries),” it is important to note that the approval of projects and beneficiaries is the responsibility of the Provincial Department of Human Settlements, not the municipality. The municipality’s role is limited to monitoring and oversight. Therefore, it is not appropriate to measure municipal performance against a target that falls outside its direct control.KPI 84: Percentage compilation of municipal land audit report by 30 June 2025 KPI 84: Percentage compilation of municipal land audit report by 30 June 2025 50% (appointment of service provider and project inception report) 1 20% (Appointment of service provider) Inspected the amended SDBIP, as approved by the Municipal Manager and the Acting Executive Mayor on 27 March 2025, along with the APR submitted for audit, and confirmed the following: The reported target is not consistent with the planned target. The planned target was “50% (appointment of service provider and project inception report),” whereas the reported target in the APR is reflected as “20% (Appointment of service provider).” Which results in indicator not meeting the measurability definition.		F34		Review the APR to ensure thall KPIs and related actua performance are corresponding	Banny Ramaswe	31-Jan-26	30-Jun-26

68	AOPO	AOPO KPA 2 Measurability - Inconsistencies identified between the SDBIP and the APR	Contrary to the above, we assessed the following performance indicators as not well defined Planned indicators per annual planning document Planned targets per annual planning document Comment KPI 79: Percentage of building plans assessed within 60 days (above 500) by 30 June 2025 100% The target is not measurable due to an inaccurate method of calculation stated on the SDBIP. The numerator and denominator are identical "Number of building plans assessed within 60 days / Number of building plans assessed within 360 days" which does not provide a meaningful performance measure. The formula uses the same numerator and denominator, resulting in a fixed 100%, which invalidates performance tracking. Furthermore, the indicator refers to “Building plans assessed within 60 days above 500,” but it is unclear what the figure “500” represents whether it refers to the number of applications, square meters, value threshold, or another metric. This lack of clarity impacts the reliability and interpretability of the indicator. KPI 80: Percentage of building plans assessed within 60 days (below 500) by 30 June 2025 100% The target is not measurable due to an inaccurate method of calculation, the numerator and denominator seem to be the same value. The formula provided “Number of building plans assessed within 30 days / Number of building plans assessed within 30 days” results in a fixed value of 100%, which does not accurately reflect performance and renders the indicator ineffective for measurement purposes. The formula uses the same numerator and denominator, resulting in a fixed 100%, which invalidates performance tracking. Additionally, the indicator refers to “Building plans assessed within 60 days below 500,” but it is unclear what the figure “500” represents whether it relates to the number of applications, square meters, monetary value, or another benchmark. This lack of specificity affects the clarity and usefulness of the indicator. KPI 81: Percentage of land invasion reported and attended to by 30 June 2025 100% The target is not measurable due to a confusing method of calculation. The description “Simple count of the number of percentage of land invasion reported and attended attended to” lacks clarity, as it does not clearly define the numerator or denominator. Additionally, the phrase combines both “number” and “percentage,” making it unclear whether the indicator is intended to be measured as a simple count or as a percentage. There also appears to be a typographical error with the word “attended” repeated twice, which raises further uncertainty about the accuracy of the indicator’s formulation. Moreover, since the indicator refers to a report, it would be more appropriate to measure it using a simple count of land invasions reported and addressed, rather than expressing it as a percentage. Measuring a report-based indicator in percentage form does not align with standard performance measurement practices. Moreover, there should be clarity in terms of “Attended to”: Specify what actions qualify—e.g., site inspection, legal action initiated, eviction notice issued etc. KPI 83: Percentage monitoring of housing projects by 30 June 2025 20% (List of the approved project and beneficiaries) The target is		F38		Review the APR to ensure thall KPIs and related actua performance are corresponding	Banny Ramaswe	31-Jan-26	30-Jun-26

			not measurable due to inconsistencies between the indicator, the method of calculation, and the target itself. While the indicator refers to the "percentage monitoring of housing projects," the method of calculation is stated as the "number of housing projects monitored," which reflects a count rather than a percentage. The indicator refers to monitoring, but the target refers to listing approved projects and beneficiaries. Furthermore, the target does not align with the indicator, as it refers to a "list of approved projects and beneficiaries," which relates to project approvals rather than monitoring activities. This misalignment makes it difficult to assess performance accurately. Moreover, the indicator is not specific to state if the housing projects are approved however the targets states list of approved projects. The annual target in the revised SDBIP was set as "20% list of approved projects and beneficiaries." No targets were planned for quarters 1 to 3, while quarter 4 was planned as "100% (construction report, beneficiaries' status)." However, in the APR, the target "20% list of approved projects and beneficiaries" was reflected as a quarter 1 target, and the annual target was revised to "100%." Therefore, it is confirmed that there is an inconsistency between the planned and reported targets. KPI 84: Percentage compilation of municipal land audit report by 30 June 2025 50% (Appointment of service provider and project inception report) The target is not measurable due to a misalignment between the indicator and the method of calculation. The indicator refers to the "percentage compilation of the municipal land audit report by 30 June 2025," which suggests a progress-based or completion percentage. However, the method of calculation is described as "count the number of municipal land for auditing," which reflects a simple count rather than a percentage. The milestones for completion listed as part of the target have not been defined This inconsistency creates misunderstanding and makes it difficult to accurately assess or report on the performance against the target. KPI 85: Percentage of land use application processed within 60 Days 100% The target is not measurable due to a misalignment between the indicator and the method of calculation. The indicator refers to the "percentage of land use applications processed within 60 days," which implies a percentage-based measurement. However, the method of calculation is described as "count the number of land use applications received and processed," which reflects a simple count rather than a percentage. Moreover, the term processed should be clearly defined. This inconsistency creates ambiguity and makes it difficult to accurately measure and report on performance in line with the stated indicator. KPI 86: Percentage of land development application processed within 120 Days by 30 June 2025 100% The target is not measurable due to a misalignment between the indicator and the method of calculation. The indicator refers to the "percentage of land development applications processed within 120 days," which implies a percentage-based measurement. However, the method of calculation is described as "count the number of land use applications received and processed," which reflects a simple count rather than a percentage.							

			This inconsistency creates ambiguity and makes it difficult to accurately measure and report on performance in line with the stated indicator.								

69	AOPO	AOPO KPA 2 Relevance - Targets not directly related to indicators.	During the audit of the 2024-25 service delivery and budget implementation plan and the annual performance report, we evaluated usefulness of the reported performance information in accordance with the criteria from the PMRF and we noted that the targets below do not relate directly to their indicators. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievements do not provide useful information on the achievement of the indicators, and the irrelevant targets hinder appropriate planning for the achievement of the indicators. No. Indicator Planned target Relevance issued identified 1 KPI 14 - Number of new households with access to basic electricity supply by the municipality by 30 June 2025 4 Electricity quarterly reports There is not a clear and logical link between the indicator - number of new households with access to basic electricity supply by the municipality by 30 June 2025 and the quarterly reports prepared. 2 KPI 18 - Number of callouts responded to within 24 hours (Electricity, Water and Sanitation) 100% There is not a clear and logical link between the indicator - number of callouts responded to within 24 hours (Electricity, Water and Sanitation) and to count the callouts responded to within 24 hours over the total number of call-outs actually received as the indicator was planned to be reported in a number not a percentage therefore, target does not relate directly to the indicator. 3 KPI 29 - Percentage of money collected from vehicle registration and licence transaction as per agency agreement by 30 June 2025 20% There is not a clear and logical link between the indicator - percentage of money collected from vehicle registration and licence transaction as per agency agreement by 30 June 2025 and to count the amount of money from vehicle registration and licence transaction as per agency agreement therefore, target does not relate directly to the indicator. It is unclear whether the target is for the municipality to only collect 20% due to the municipality from the 20% as per the agreement or to collect 100% of what is meant for the municipality as per the agreement. 4 KPI 42 - Number of new Applications for water and sewer received and attended to by 30 June 2025 100% There is not a clear and logical link between the indicator - number of new applications for water and sewer received and attended to and to count the total number of new applications sewer/water connections attended to as a percentage of total new applications received as the indicator was planned to be reported in a number not a percentage therefore, target does not relate directly to the indicator.		F40		Review all KPAs to ensure that they comply with the SMART criteria	Banny Ramaswe	31-Jan-26	30-Jun-26

70	AOPO	AOPO KPA 2 Consistency - Reported targets are not consistent compared to planned targets and the changes to the targets are not approved	During the audit of the 2024-25 service delivery and budget implementation plan and the annual performance report, we evaluated usefulness of the reported performance information in accordance with the criteria from the PMRF and we noted that the targets in the annual performance report differed from those committed to in the approved revised planning documents as depicted in the table below. These changes were made without obtaining the required approval and therefore, these discrepancies highlight misalignment between approved plans and operations, while the incorrect reporting undermines transparency and accountability. No. Planned & reported indicators as per annual planning document and APR Planned targets per annual planning document Planned targets per APR Reported actual achievement per APR Document record of work done 1 KPI 14 - Number of new Households with access to basic electricity supply by the municipality by 30 June 2025 1 193 Letlhabile H/H 1 193 H/H 0 Reported target is not consistent with the planned target as the indicator in the revised SDBIP was set to report on 2 targets. However, in the APR only 1 target was reported. Further, the reported achievement is not consistent with the planned and reported target as no achievement was reported for the second target. The changes from the amended SDBIP to the APR were not approved. 4 electricity quarterly reports Not reported in the APR Not reported in the APR 2 KPI 21 - Percentage compliance to landfill sites permit conditions by 30 June 2025 65% 70% 82% Reported target is not consistent with the planned target as the revised planned target was 65% and the reported target in the APR is 70%. The changes from the amended SDBIP to the APR were not approved.	14	F42		Review all KPAs to ensure that they comply with the SMART criteria	Banny Ramaswe	31-Jan-26	30-Jun-26
71	AOPO	KPA 2 , KPI 48 Performance indicator not logically and directly related to achievement of strategic goal of subjct matter	KPI 48 - Percentage of MIG Budget Spent by 30 June 2025 During the audit of the 2024-25 service delivery and budget implementation plan and the annual performance report, we evaluated usefulness of the reported performance information in accordance with the criteria from the PMRF and we noted that the current indicator, which measures “100% of MIG budget spent” does not adequately reflect the achievement of service delivery objective - MIG Projects implemented and completed timeously, quality and budget and therefore lacks relevance. Spending the full budget does not guarantee that projects are completed on time, within scope, or that communities receive the intended benefits. According to FMPPI, indicators should measure the right things, those that demonstrate performance against the mandate. A more relevant indicator would focus on the completion of MIG-funded projects within agreed timelines and specifications. This would shift the focus from expenditure to actual service delivery outcomes.		F33		Review all KPAs to ensure that they comply with the SMART criteria	Banny Ramaswe	31-Jan-26	30-Jun-26

72	AOPO	KPA 2, Overall presentation and disclosure	Contrary to the above, the following issues were identified regarding the overall presentation of performance information in the annual performance report submitted for audit: 1. KPIs and targets as per the initial & revised SDBIP are not adequately presented, resulting in consistency issues as reported. 2. For some indicators, baseline used is incorrect, it is not the actual achievement from prior year. 3. The use of cumulative reporting on a quarterly basis is misleading due to the following reasons: a. It is not consistent across all indicators. b. On page 7 of the Annual Performance Report, it states that 'the actual performance in terms of the KPI's was reported on quarterly and mid-year.' c. Calculations in the APR for the Annual Actual Performance using the quarterly results for some indicators is incorrectly calculated which leads to the incorrect variances. 4. The municipality does not report actual performance where they over-performed, they report the target instead of actual achievement. 5. Some indicators are supposed to be reported in numbers however, there's a mix of numbers and percentages.		F44		Review all KPAs to ensure that they comply with the SMART criteria	Banny Ramaswe	31-Jan-26	30-Jun-26
73	AOPO	AOPO KPA 2: KPI 34 Measurability & Relevance - Target not expressing specific level of performance that subject matter aims to achieve within given period.	KPI 34 - Turnaround time on repair/ maintenance of vehicles by 30 June 2025.During the audit of the 2024-25 service delivery and budget implementation plan and the annual performance report, we evaluated usefulness of the reported performance information in accordance with the criteria from the PMRF and we noted that the current KPI for vehicle repairs and maintenance turnaround time is expressed as "30 days by 30 June 2025. While this indicates a time frame, it functions more as a standard rather than a fully specific target. According to FMPPI, a target should clearly define the required level of performance, often as a measurable proportion (e.g., 90% compliance within the standard). In its current form, the target does not specify whether all repairs must be completed within 30 days or if a certain percentage should meet this timeframe. To ensure clarity and alignment, the target should be refined to include both the nature of performance and the required level of performance.	23	F64		Review all KPAs to ensure that they comply with the SMART criteria	Banny Ramaswe	31-Jan-26	30-Jun-26

74	AOPO	AOPO KPA 2 Presentation & disclosure	During the audit of the 2024-25 service delivery and budget implementation plan and the annual performance report, we evaluated usefulness of the reported performance information in accordance with the criteria from the PMRF the following as depicted in the table below was identified in relation to presentation and disclosure: Measures taken to improve performance are disclosed in the APR No. KPI Planned target as per planned documents Presentation & disclosure issues identified 1 KPI 14 - Number of new Households with access to basic electricity supply by the municipality by 30 June 2025 4 electricity quarterly reports Measures taken to improve performance were not disclosed in the APR, even though the municipality did not achieve its target. Measures taken to improve performance are supported by corroborating evidence KPI Planned target as per planned documents Reported Achievement Presentation & disclosure issues identified KPI 43 - Number of households with access to basic level of water and sewer by 30 June 2025 160 724 0 Measures aimed at improving performance against targets were reported. However, we could not determine if the measure was implemented to improve performance because adequate supporting evidence was not provided for auditing purposes. Consequently, I could not verify whether the reported measures were indeed taken. KPI 46 - Number of wastewater treatment works complying 90% against applicable water qualifying standards by 30 June 2025 4 WWTW 2 WWTW Measures aimed at improving performance against targets were reported. However, upon inspection of the supporting documents, the measure was not implemented.		F43		Review all KPAs to ensure that they comply with the SMART criteria	Banny Ramaswe	31-Jan-26	30-Jun-26
75	AOPO	AoPO KPA 2 - Limitation of scope	Contrary to the above requirements, the following requests issued to management has not been received. RFI 150 AOPO KPA 2: Basic Service Delivery and Infrastructure Development 1. KPI 39 - Number of roads conditional assessment reports for asset registry by 30 June 2025 2. KPI 34 - Turnaround time on repair/ maintenance of vehicles by 30 June 2025 - Access to the portfolio of evidence supporting the reported achievements in the APR. RFI 151 AOPO KPA 2: Basic Service Delivery and Infrastructure Development KPI 47 - Number of Wastewater Treatment works maintained by 30 June 2025 - Eagleslanding WWTW progress reports were not provided	27	F81		Ensure that the municipality undertakes a process of ensuring all documents are reterived or regenerated and submitted to the AGSA.	Banny Ramaswe	31-Jan-26	30-Jun-26

76	AOPO	AoPO KPA 2 - Reliability (Performance indicators are not verifiable	During the audit of the 2024-25 annual performance report, we evaluated the reliability of the reported performance information in accordance with the criteria from the PMRF and we noted that for the reported achievement for certain KPIs listed below, we could not verify reliability because the portfolio of evidence did not include verifiable timestamps for the calls received, incidents reported, or complaints logged, making it impossible to confirm compliance with response time requirements. 1. 1. KPI 15 - Percentage of unplanned electricity outages that are restored to supply within 72 hours by 30 June 2025 2. 2. KPI 18 - Number of callouts responded to within 24 hours (Electricity, Water and Sanitation) 3. 3. KPI 26 - Percentage of compliance with the required attendance time for structural firefighting incidents by 30 June 2025 4. 4. KPI 27 - Percentage of disaster incidents managed and responded to within 24 hours or less as a proportion of request received by 30 June 2025 5. 5. KPI 41 - Percentage of reported potholes complaints received and attended to within 24 hours		F105		Review all KPAs to ensure that they comply with the SMART criteria	Banny Ramaswe	31-Jan-26	30-Jun-26
77	AOPO	AoPO KPA 2 - Limitation of scope	Contrary to the above requirements, the following request issued to management has not been received. RFI 151 AOPO KPA 2: Basic Service Delivery and Infrastructure Development 1. KPI 45 - Percentage planned maintenance of water infrastructure by 30 June 2025 For the sample selected in Annexure A: - Job cards/Reports on maintenance		F106		Ensure that the municipality undertakes a process of ensuring all documents are reterived or regenerated and submitted to the AGSA.	Banny Ramaswe	31-Jan-26	30-Jun-26
78	AOPO	KPA 3 - Lead Schedule differences between APR and listings/quarterly reports	Contrary to the above, during the audit the following differences were identified between the actual performance reported on the APR and the listing/ schedules submitted		F51		Review the APR to ensure thall KPIs and related actual performance are corresponding. Futhermore, ensure that actual performance is supported by sufficient evidence.	Banny Ramaswe	31-Jan-26	30-Jun-26
79	AOPO	KPA 3 Misstatement of Performance Indicators – Review vs. Development of Strategies	Contrary to the above requirements, during the audit of KPA 3, it was noted that three performance indicators were stated as aiming to “review” existing strategies. However, upon requesting copies of the strategies that were under review on request for information 118, management was unable to provide any existing versions. This indicates that these documents had not previously existed and were developed for the first time.		F60		Review the APR to ensure thall KPIs and related actual performance are corresponding. Futhermore, ensure that actual performance is supported by sufficient evidence.	Banny Ramaswe	31-Jan-26	30-Jun-26
80	AOPO	KPA 3 - Inaccurate Reporting of Work Opportunities under KPI 49 – Inclusion of CWP Employees Not Appointed by the Municipality	Contrary to the above, during the audit of KPA 3 – Local Economic Development, it was noted that the actual performance reported under KPI 49 included 1,033 Community Work Programme (CWP) employees. Upon further verification, it was confirmed that CWP employees are not appointed by the municipality, but rather by (COGTA).		F61		Review the APR to ensure thall KPIs and related actual performance are corresponding. Futhermore, ensure that actual performance is supported by sufficient evidence.	Banny Ramaswe	31-Jan-26	30-Jun-26

81	AOPO	KPI 53 Insufficient Data Management for Building Plan Assessment Performance Indicators	Contrary to the information provided earlier, during the audit of KPI 53 and the review of schedules submitted under RFI 57, we noted several deficiencies and inconsistencies in the data presented. Specifically, the schedules did not indicate when applications were received or when they were processed. Furthermore , inconsistencies were noted across quarters: • For Q1, the schedule only indicated “Yes” or “No” as to whether an application was processed; • For Q2, the schedule included “Date of Issue” and “Payment Date” • For Q3, again only “Yes” or “No” responses were provided; and • For Q4, only the “Application Date” was indicated. Due to these inconsistencies and missing information, we were unable to verify whether applications were processed within the required 30-day period. In addition, under RFI 118, application forms for a sample of 27 businesses were requested; however, only 17 forms were provided. As such, 10 application forms were not submitted for review. This results in a limitation of scope, as we cannot confirm whether the applications reviewed were valid, or whether all applications were received and processed within the prescribed 30-day timeframe. Details per schedule		F62		Review the APR to ensure thall KPIs and related actual performance are corresponding. Futhermore, ensure that actual performance is supported by sufficient evidence.	Banny Ramaswe	31-Jan-26	30-Jun-26
82	AOPO	Insufficient Data Management for Building Plan Assessment Performance Indicators and Land use / development indicators	Due to the lack of clarity and separation of data, the audit team was unable to verify the accuracy or completeness of the reported performance results, as the supporting documentation did not provide sufficient detail to substantiate management’s reported achievements.		F39		Review the APR to ensure thall KPIs and related actual performance are corresponding. Futhermore, ensure that actual performance is supported by sufficient evidence.	Banny Ramaswe	31-Jan-26	30-Jun-26
83	SCM	Competitive bidding committee minutes not submitted	During the audit of competitive bidding process RFCT 57/11/2024/25 – Construction and Installation of Madibeng High Mast Lights (Phase 2B), the following was noted: 1. The tender was advertised on 22 November 2024 and closed on 03 December 2024, and 20 bids were received. 2. The tender invitation stated that only panelists in the Roads & Stormwater and Water & Sanitation panels were invited. 3. However, inspection of the bid submission register and bid documents showed that: o Bidders not on the approved panel submitted bids. o The tender was awarded to Majegu Holdings (Pty) Ltd, who was not part of the original panel established 4. The tender functional file did not include the Bid Adjudication Committee (BAC) minutes for the award. 5. Management responded that: o The winning bidder was not originally on the panel, and 6. Majegu Holding should have not been awarded the contract as it did not form part of the panel Cause • The municipality does not have adequate processes and controls to ensure that invitations intended for panel-only tenders are: • Restricted only to the approved panel members; • Not publicly circulated (unless following an open tender process); • Evaluated only among eligible panelists. SCM unit did not adhere to the municipality’s SCM policy and MFMA requirements governing panel-based procurement. Lack of monitoring and review controls at the BSC, BEC, and BAC levels.		F25		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26

84	SCM	Competitive bidding non-compliance with Section Section 217(1) of the South African Constitution	During the audit of a panel to construction and installation of high mast light in Madibeng Phase 2B, We find that supplier appointed Majegu was disqualified and not part of the panelist of roads and stormwater & water and sanitation contractors. This is in contravein with the requirements that ones a panel is established the accounting officer should only award within the panel.		F26		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26
85	SCM	Competitive bids (Tender advertised for less than 14 and 30 days)	For the suppliers below – bids were advertised for less than the prescribed number of days. However, there was no indication that this was approved. Therefore, we are not able to confirm whether the deviation was approved in accordance with the SCM policy requirements: RFCT58/07/2024/25 - MOEPENG TRADING 40CC - Appointment of a contractor for upgrading of internal roads and stormwater in Wonderkop Lutheran Church-Ward 26 - R17 636 689,46 RFCT56/06/2023/24 - REBAONE ELECTRICAL AND CONSTRUCTION - Appointment of a contractor for Construction of bulk infrastructure at Letlhabile C Substation. - R 3 468 510.00 RFCT52/06/2023/24- JUST-WRIGHT TRADING - Appointment of a contractor for Construction of Klipgat water reticulation phase 9B(Madibeng Hills War - R 21 559 236,3 RFCT64/07/2024/25 - KHOSIVUYO LOGISTICS CC - Appointment of a contractor for upgrading of roads and stormwater for Fanyane to Manotshi Moduane High School.- R19 747 034,56 RFCT54/06/2023/24 - SEGWERA TRANSPORT AND PROJECTS - Appointment of a contractor for Construction of a contractor for construction of Klipgat Sanitation Phase 9B(Sofasonke ward 24) - R23 790 594,08 RFCT57/07/2024/25 - Majegu Holdings (Pty) Ltd - Appointment of a Contractor for Construction and Installation of Madibeng High Mast Lights in all wards Phase 2B- RR14 275 383,50 RFCT60/07/2024/25- TSHEPISO MBOKODO THUME TRADING ENTERPRISE JV - Appointment of a contractor for upgrading of Refentse internal roads and stormwater projects in Ward 30- R23 794 001.79 RFCT57/07/2024/25- NAISA CONSTRUCTION & PROJECTS- Appointment of a contractor for upgrading of internal roads and storm water of Letlhabile Block B(Tlhoafalo Primary School Section) Ward 9- R15 115 910.10		F27		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26
86	SCM	Deviation memorandum and Declaration of interest not submitted	: Nature During the testing of deviations we identified that the following service providers did not submit their declaration of interests for the following awards : SK Mosito Trading total value of award R 3 960 000 The Rescue Tools Guys (PTY)LTD total value of award R92 431,25 Furthermore there was no memorandum or deviation form attached to the batch to provide reasons as to why normal SCM processes where not followed. There was also no approval for deviation from normal supply chain management processes from the accounting authority. We therefore cannot determine if the procurement was reasonable, justifiable or procured at a reasonable amount for the following deviations: RHEOCHEM (PTY) LTD total value of award R 1 385 750,00		F28		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26

87	SCM	Deviations: Deviation does not appear reasonable/justified	During the testing of deviations, after assessing the conditions warranting the emergency procurements of the following suppliers we confirmed that it was not warranted nor appears to be reasonable as it does not constitute an emergency situation detailed above: SK MOSITO TRADING AND PROJECTS (we further noted that the work started prior the deviation being approved) Furthermore, after assessing the conditions warranting the exceptional cases where it was impractical to follow the official procurement process deviation procurements of the following suppliers we confirmed that it was not warranted nor appears to be reasonable as it does not constitute an exceptional situation as they were as a result of lack of proper planning: • Godless Trading and Projects • TYM HOLDINGS • RHEOCHEM (PTY)LTD • NCP CHLORCHEM • LAMOTECH AUTO ENGINEERING • NALEDIMESO TRADING & SERVICE • TWIN BROTHER ENTREPRISE AND PROPSHAFTS • GO TOUCH DOWN RESORTS-SEASONS • THE RESCUE TOOL GUYS • LAMOTECH AUTO ENGINEERING		F29		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26
88	SCM	Competitive bids & Deviations (No rates and taxes statements submitted by bidders)	For the suppliers below, the winning bidders as well as the selected suppliers on deviation municipal rates and taxes were not submitted/provided. We were therefore not able to confirm if the bidders municipal rates and taxes were not in arrears for competitive bids as well as deviations: RFCT52/06/2023/24- Appointment of a contractor for Construction of Klipgat water reticulation phase 9B(Madibeng Hills Ward 8) (Just -Wright) RFT38/06/2023/24 - Appointment of three (3) Service Providrs for the Pest Control Services in Municipal Buildings for a period of Thirty-Six(36) months. (Masupye General Supply , Maletsi Projects & Matlhabane Risk Management) RFT57/06/2023/24 - Appointment of five (5) Service Providers for the Supply and Delivery of Electrical Protective Clothing for a period of Three (3) years.(Caleb industries, Olitilwe M. Trading (Pty) Ltd, TIT Consulting & Success Ink (Pty) Ltd) Deviations: • Godless Trading and Projects • TYM HOLDINGS • RHEOCHEM (PTY)LTD • LAMOTECH AUTO ENGINEERING • GO TOUCH DOWN RESORTS-SEASONS • THE RESCUE TOOL GUYS • LAMOTECH AUTO ENGINEERING Cause Lack of controls in place to ensure adhere to SCM regulations		F30		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26
89	SCM	Competitive bids - Supply did not submit declaration of Interest MBD8	Winning supplier did not submit declaration of interest as required by SCM regulations RFT63/07/2024/25- Motsewarona Construction and Maintenace -Electrification & Projects Finance Sourcing for Electrification of 2220 Residential Consumer Connections in Damonsville Extension 5 Village.- R 48 296 763.77 RFT65/7/2024/25 - Phepheng projects Management and Construction- Electrification & Projects Finance Sourcing for Electrification of 1480 Residential Consumer Connections in Letlhabile Block H Phase 2.- R 62 104 231.71		F31		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26

90	SCM	Interest Family and business associate not declared	During the testing of the Supply chain management- Quotations, we performed assessments based on the payments made to suppliers, the submission made on tenders and quotations as well as the employees HR data. It was noted that there were companies that did business with the municipality for which ownership of the business is by persons who are related to employees of the municipality as well as companies of which the employees of the municipality are business associates in. We inspected the payments voucher and noted that the companies did not declare the family relationship or the business associate relationship in the MBD4 declaration of interest form when they submitted their quotations.		F32		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26
91	SCM	Competitive bids (Winning Bidder CSD report not submitted)	We noted that for the below supplier, that the bidder CSD report was not included as part of the information submitted. We therefore could not confirm if the bidders tax status was compliant due to the information not included in the submission. RFCT52/06/2023/24- JUST-WRIGHT TRADING - Appointment of a contractor for Construction of Klipgat water reticulation phase 9B(Madibeng Hills War - R 21 559 236,3 Cause Lack of controls in place to ensure adhere to SCM regulations		F41		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26
92	AOPO	Inadequate Documentation to Substantiate KPI 81 Performance	Contrary to the above, the Service Delivery and Budget Implementation Plan (SDBIP) and the Annual Performance Report (APR) indicate that the portfolio of evidence for KPI 81 “Percentage of land invasions reported and attended to by 30 June 2025” is the signed Land Invasion Register. However, upon review of the documentation provided, it was noted that the register lacks signatures, dates, or any indication of review or authorization by responsible officials. As a result, the authenticity and completeness of the information contained therein cannot be verified. Consequently, reliance cannot be placed on the Land Invasion Register as valid supporting evidence for the reported performance against this KPI		F63		Review the APR to ensure thall KPIs and related actual performance are corresponding. Futhermore, ensure that actual performance is supported by sufficient evidence.	Banny Ramaswe	31-Jan-26	30-Jun-26
93	AOPO	Reliability - Overall differences for KPI 40 - m2 of pothole patched by 30 June 2025	During the audit of the 2024-25 annual performance report, we evaluated the reliability of the reported performance information in accordance with the criteria from the PMRF and we noted that an achievement of 21 944m2 was reported against a target of 6 000m2. However, some supporting evidence was not provided for auditing; or, where it was, we identified material differences between the actual and reported achievements as depicted in the table below. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.		F125		Review all KPAs to ensure that they comply with the SMART criteria	Banny Ramaswe	31-Jan-26	30-Jun-26
94	AOPO	Reliability - Overall differences on KPI 36 - Kilometres of unsurfaced road graded by 30 June 2025	During the audit of the 2024-25 annual performance report, we evaluated the reliability of the reported performance information in accordance with the criteria from the PMRF and we noted that an achievement of 687.96km was reported against a target of 80km. However, some supporting evidence was not provided for auditing; or, where it was, we identified material differences between the actual and reported achievements as depicted in the table below. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.		F126		Review all KPAs to ensure that they comply with the SMART criteria	Banny Ramaswe	31-Jan-26	30-Jun-26

95	AOPO	Reliability - Differences on KPI 17 - Number of initiatives to reduce technical losses (Electricity and Water) by 30 June 2025	During the audit of the 2024-25 annual performance report, we evaluated the reliability of the reported performance information in accordance with the criteria from the PMRF and we noted that an achievement of 2 was reported against a target of 2 but the audit evidence showed the actual achievement to be 12 as depicted in the table below. The target was still achieved.		F129		Review all KPAs to ensure that they comply with the SMART criteria	Banny Ramaswe	31-Jan-26	30-Jun-26
96	SCM	Unauthorized Expenditure Differences	Issue 1: Differences between the register and the Trial Balance While auditing the Unauthorised Expenditure additions for the current year, discrepancies were identified between the actual expenditure recorded in the register by vote and the actual expenditure by vote in the Trial Balance. The details of these identified differences are as follows: Cause Management did not prepare supporting registers on a regular basis to ensure proper and accurate records are kept and filed to support amounts disclosed on the AFS.Issue 2: Differences between the Trial Balance and the Financial StatementsWhile auditing the Unauthorised Expenditure additions for the current year, discrepancies were identified between the expenditure recorded in the Trial Balance and the actual expenditure Annual Financial Statements.		F130		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26
97	Contracts management	Limitation of scope	Contract extension letters were not submitted		F131		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26
98	Contracts management	Limitation of scope	There was no evidence of monthly monitoring of contracts provided		F131		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26
99	AOPO	Reliability - Differences on KPI 16 - Percentage adherence to planned electricity maintenance program by 30 June 2025	During the audit of the 2024-25 annual performance report, we evaluated the reliability of the reported performance information in accordance with the criteria from the PMRF and we noted that an achievement of 100% was reported against a target of 100%. We could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing as depicted in the table below. Consequently, the achievement might be less than reported and was not reliable for determining if the target had been achieved.		F132		Review all KPAs to ensure that they comply with the SMART criteria	Banny Ramaswe	31-Jan-26	30-Jun-26
100	SCM	Conflict of interest	Contrary to the above, we identified awards made to suppliers in which employees of the municipality had interest and further noted that the employees did not declare the connections and the suppliers did not declare the connection either. Interest – Family		F133		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26

101	SCM	Deviation not approved	During the audit for the period under review, we noted that there was an investigation that was performed by the disciplinary Board on the 27th of March 2025 which included the Appointment of a service provider for the Damonsville Electrification project. The Damonsville Electrification Project was initiated to provide electricity connections to 2,220 households in Extension 5. Initially, Motsewarona Construction and Maintenance (Pty) Ltd was appointed through a competitive bidding process (RFT63/07/2024/25) on 15 October 2024 for a contract value of R48,296,763.77. However, the contractor failed to mobilize, submit mandatory deliverables (programme, guarantees, insurances), or commence work despite repeated notices, including a Notice of Non-Compliance on 04 December 2024 and termination on 24 January 2025. Community protests erupted on 29 January 2025, creating urgent service delivery and public safety risks. To mitigate unrest, the municipality committed to appointing a new contractor by 30 January 2025. The municipality opted to use an existing panel of contractors (RFT60/05/2022/23) under emergency procurement provisions. On 30 January 2025, Paljas/BRT Projects JV was appointed for Phase 1 of the project at R11,801,468.70 (excluding VAT) for site establishment, trenching, mounting poles, and numbering poles. Contractor non-performance: MOTSEWARONA (Pty) Ltd was appointed on 15 Oct 2024, accepted on 18 Oct 2024, but failed to mobilise/submit required deliverables (programme, guarantees, insurances, etc.). A Notice of Non-Compliance was issued on 04 Dec 2024 with a 7-day demand; termination was issued on 24 Jan 2025		F134		Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.	Peter Mahlomuza	31-Jan-26	30-Jun-26

13	HR	HR: Suspension of Senior Managers was not reported to MEC	Suspensions of senior managers were not reported to the MEC as per the "Disciplinary Regulations for Senior Managers reg 6(5)(b)" and "Disciplinary Regulations for Senior Managers reg 19(1) and (3).	8	F15	4	Compile a report of all suspensions of senior managers during the year under review and submit to the MEC.		31-Jan-26	30-Jun-26
14	HR	HR: No job evaluation	It was noted that the municipality does not conduct job evaluations for posts within the staff establishment. Consequently, job grades are not determined through a formal, structured, or approved job evaluation system. There is no evidence of grading activities, evaluation reports, or related documentation for any positions filled or reviewed during the period under audit.	8	F17	4	HR must undertake a detailed process of job evaluation. The job evaluation process will ensure each post in the municipality is adequately evaluated and graded.		31-Jan-26	30-Jun-26
15	Receivables from non-exchange transactions	Information not submitted - Receivable from non-exchange: traffic fines (RFI 115)	Information relating to RFI 115 was not submitted for audit	11	F45	4	Ensure that the municipality undertakes a process of ensuring all documents are reterived or regenerated and submitted to the AGSA.		31-Jan-26	30-Jun-26
16	AOPO	F36: AOPO KPA 2: KPI 46 Business Process - Reported achievement does not correspond with the portfolio of evidence	Differences with regards to the reported achievement in the annual performance report and the portfolio of evidence submitted for audit were identified		F36	4	Review all KPAs to ensure that they comply with the SMART criteria and ensure that every achievement reported is supported by adequate supporting evidence		31-Jan-26	30-Jun-26
17	AFS preperation	Going concern note difference	Differences between AFS and note 56	13	F47		Undertake adequate review of the annual financial statements to ensure that figures disclosed on the face agree to the notes.		31-Jan-26	30-Jun-26
18	AFS preperation	Statement of changes in net assets: total net assets differ to statement of position	Difference was noted on the total net assets as per the statement of net assets and the statement of financial		F54		Recompile the statement of changes in net assets after taking into considerations all corrections to the reported mistatements.		31-Jan-26	30-Jun-26
19	AFS preperation	Accounting policies : Ommitted disclosures	that there is no basis of preparation to state that the AFS was prepared in accordance with GRAP		F58	4	Undetake a detailed review of the AFS to ensure that all significant accounting polices are included in the notes to the annual financial statements		31-Jan-26	30-Jun-26
20	VAT	VAT Accounting policy	Contrary to the legislation, during the understanding of the VAT process we identified that the VAT policy 1.24 as disclosed in the financial statements does not detail the account treatment of VAT: VAT treatment, whether recognised under accrual or payment basis, whether netted off, and how input/output VAT is handled, is material and must be disclosed. VAT receivables and payables must be properly classified under GRAP 104 (Financial Instruments), GRAP 108 (Statutory Receivables) and GRAP 19 (Provisions), based on the tax liability nature.	16	F49	4	Undetake a detailed review of the AFS to ensure that all significant accounting polices are included in the notes to the annual financial statements		31-Jan-26	30-Jun-26
21	WWTW	Key projects- WWTW- Limitation of scope to RFI 114	The audit team issued RFI 114 of 2025 to the municipality on 24 October 2025. The requested information was due for submission within 03 working days from the date the request was made, an extention was requested and granted for the 04 November 2025. However, despite the follow-ups made with management, not all the information requested for audit was provided.	17	F66	4	Ensure that the municipality undertakes a process of ensuring all documents are reterived or regenerated and submitted to the AGSA.		31-Jan-26	30-Jun-26
22	WWTW	Key projects: Non-compliance with Supply Chain Management regulations – unjustified deviation for the refurbishment of Klipgat Waste Water Treatment Works	Audit review established that a total amount of R12 052 879, 50 (Twelve million fifty-two thousand eight hundred and seventy-nine rand and fifty cents) was spent on the refurbishment of the Klipgat Waste Water Treatment Plant. The works were awarded to IConsult and Projects and SK Mosito Trading and Projects (Pty) Ltd through a deviation from the normal procurement process. However, during the audit, management could not provide any supporting documentation to substantiate: • The jusϴficaϴon for invoking the deviaϴon. • The approval of the deviaϴon in accordance with RegulaϴOn 36; and • The evaluaϴon or selecϴon process followed in appoinϴng the service providers/ contractors. The absence of this documentation means that compliance with the SCM Regulations could not be verified. Refer RFI 114 of 2024/25 for documents requested from Management.		F67		Investigate all incidents of UIFW and ensure that the process complies with MFMA 32 and Circular 68		31-Jan-26	30-Jun-26

23	WWTW	: Key projects: Value for money was not received from the refurbishment of the Klipgat WWTW expenditure	The audit observed that the Klipgat Waste Water Treatment Works is entirely non-operational, with no components or pumps present in the facility. Consequently, no sewage is being processed, and untreated sewage is backflowing into the sewer network, resulting in blocked manholes and uncontrolled overflow into the surrounding environment. The complete lack of operational infrastructure, despite R12 052 879.50 being spent on refurbishment, represents a total failure to achieve value for money and demonstrates serious deficiencies in project execution, oversight, and maintenance of critical municipal services. The non-functional plant poses severe environmental, public health, and infrastructure risks, including: Contamination of soil and water resources. Exposure of surrounding communities to increasing the risk of waterborne diseases. Potential damage to municipal sewer infrastructure. This condition constitutes significant non-compliance with applicable legislation and municipal infrastructure management requirements, highlighting critical weaknesses in planning, implementation, and monitoring processes.		F68		Undertake a detailed investigation of the project as well as similar ones to idenify causes of non-completion or dysfunctionality of such projects. Implement consequence management where necessary	31-Jan-26	30-Jun-26
24	PPE	F59: Difference noted on the PPE	Differences between AFS and TB	19	F59		Undertake adequate review of the annual financial statements to ensure that figures disclosed on the face agree to the notes.	31-Jan-26	30-Jun-26
25	Expenditure	Operating expenses recorded in the incorrect financial period	the following expenses have been recorded in the incorrect financial period: Water and Electricity Cheque Number DescripƟon of goods Billing Date Invoice amount (incl VAT) 90097059Payment of Electricity Account22-Jul-25 5 000 000.00 90096315Payment of Electricity Account22-Mar-24 69 530.23 Remaning Population-Various expenditure Cheque Number DescripƟon of goods Invoice date Invoice amount (incl VAT) 90094394Annual license fees and monthly support charges for billing and expenditure25-Apr-24 2 543 758.78 90096648LogisƟcs for demarcaƟon commiƮee public parƟcipaƟon for ward 02 Hiring of Taxis for transportation of people from pick up spots to the venue and back (Jericho) and back to their pick up spots aƉer the commiƮee meeƟng09-Jul-25 27 000.00	21	F56		Review the General Ledger to identify transactions not recorded in the correct accounting period. Process correcting jounral entries where necessary.	31-Jan-26	30-Jun-26
26	Revenue from exchange transactions	Service Charges - Water Management differences	Identified differences between the customer statement amount and the auditor's recalculation, with regards to service charges relating to water management.	22	F71		BTO in collaboration with ITS to embark on a stand data verifcation audit. The process should encompass verfication of all service categories rendered for each stand. Accurate actual readings must be documented to ensure accurate billing. Individual meter readings should then be taken and recorded monthly. Monthly reconciliations of the billing to the general leger to be undertaken.	31-Jan-26	30-Jun-26
27	Revenue from exchange transactions	Service Charges - Waste Water Management differences	Identified differences between the customer statement amount and the auditor's recalculation, with regards to service charges relating to waste water management.		F74		BTO in collaboration with ITS to embark on a stand data verifcation audit. The process should encompass verfication of all service categories rendered for each stand. Accurate actual readings must be documented to ensure accurate billing. Individual meter readings should then be taken and recorded monthly. Monthly reconciliations of the billing to the general leger to be undertaken.	31-Jan-26	30-Jun-26
28	Revenue from exchange transactions	Limitation of scope - RFI 146 - Revenue from exchange CAATs	Request for information 146 of 2025 was issued to management on 10 November 2025 and due on 13 November 2025. The request was partially submitted, where management only submitted the reasons for exception but not the supporting information corroborate the reasons for the annexures A to P.		F75		Ensure that the municipality undertakes a process of ensuring all documents are reterived or regenerated and submitted to the AGSA.	31-Jan-26	30-Jun-26

29	Revenue from exchange transactions	Service charges - Electricity differences	Identified differences between the customer statement amount and the auditor's recalculation, with regards to service charges relating to electricity.	24	F84	BTO in collaboration with ITS to embark on a stand data verifcation audit. The process should encompass verfication of all service categories rendered for each stand. Accurate actual readings must be documented to ensure accurate billing. Individual meter readings should then be taken and recorded monthly. Monthly reconciliations of the billing to the general leger to be undertaken.	31-Jan-26	30-Jun-26
30	Segments	Reportable segment presentation	1.The amount per the Reportable Segments is different from the amount, for each segment, as per the Segment Reporting Note as follows: Community and Public SafetyEconomic and environmental servicesTrading servicesUnallocated Segments Total segment revenue as per Segment ReporΘng 120,240,613.00 7,357,008.00 1,464,602,304.00 1,697,545,607.00 Total segment revenue as per note 68,620,150.00 7,357,008.00 1,746,315,596.00 1,631,157,394.00 Difference 51,620,463.00 - - 281,713,292.00 66,388,213.00 Community and Public SafetyEconomic and environmental servicesTrading servicesUnallocated Segments Total segment expenditure as per Segment ReporΘng 848,786,829.00 61,249,875.00 1,715,643,603.00 967,916,700.00 Balance as per note 245,364,585.00 101,722,174.00 979,234,212.00 1,868,648,950.00 Difference 603,422,244.00 - 40,472,299.00 736,409,391.00 - 900,732,250.00 2.The segment reporΘng note excludes the segment assets and liabilities, which therefore means that it is incomplete.	25	F91	Conduct a detailed assessment of each department of the municipality to determine if it is a reportable segment as required by GRAP 18. Subsequently, correct the segment reporting disclosure in accordance with the assessment conducted.	31-Jan-26	30-Jun-26
31	Revenue from exchange transactions	Prepaid electricity differences	We identified differences between the general ledger amount and the ice cloud report amounts, with regards to service charges relating to prepaid electricity		F103	Undertake a detailed reconcliation between the prepaid electricty system and the GL. Identify and investigate differences. Process adjusting entries where necessary.	31-Jan-26	30-Jun-26
32	Payables	Payables from exchange transactions - Non-disclosure of the nature of the prior period error	Contrary to the above requirements, request for information 101 of 2025 was issued to management on 20 October 2025 and due on 23 October 2025, with an extension granted till 3 November 2025. The information submitted on the 5th of November 2025 did not relate to the prior period error amount disclosed on the AFS, regardless of the fact that management were asked to reconcile the journals to the prior period error schedule.		F90	Review of GRAP 3 disclosures and ensure that the disclosure is fully compliant with the standard, in particular the nature and impact of the error on the prior year amounts.	31-Jan-26	30-Jun-26
33	Expenditure	Contracted services (Contractors) - Invoices recorded in the wrong period (Cut-off)	Goods/services relating to the following invoices were received in July 2025 and recorded in June 2025. Therefore, the invoices were recorded in the wrong period (2024/25 financial year): Supplier NameCheque NoInvoice NoInvoice dateDelivery dateAmount excl. VAT OLE POWER SYSTEMS(PTY)LTD9009632925OLEJUL_18507/07/202509/07/20 251 092 983.88 THANYANE GROUP OF COMPANIES (PTY)LTD900969540406250011104/07/202504/07/202529 910 1 122 893.88	30	F78	Review the General Ledger and enusre that all transactions are accounted for in the correct accounting period.	31-Jan-26	30-Jun-26

34	Expenditure	Outsourced services - Input VAT incorrectly recognised	the municipality recognised input VAT on disbursements and accommodation included in the following invoices where VAT was not charged by the supplier. The invoices reviewed did not reflect VAT on the disbursement and accommodation amounts, and no valid tax invoices was available to support the VAT recognized: Details as per supplier invoice Supplier name Invoice No. Item descripƟon Amount Excl. VAT Tax Total amount Incl. VAT CORPMD ConsulƟng INV0903 AudiƟng 986 000.00 147 900.00 1 133 900.00 Disbursements/Arrangement 119 040.00 - 119 040.00 KEP ConsulƟng 0001/2024 Independent quality assessment review 400 000.00 60 000.00 460 000.00 AccomodaƟon 20 000.00 - 20 000.00		F85	Review the GL to ensure that ALL VAT transactions are accounted for in terms of the VAT Act	31-Jan-26	30-Jun-26
35	PPE	Absence of approved disposal documentation	Contrary to the above requirements, the following requests issued to management has not been received. Management was afforded the opportunity to submit information, in addition to the required 3 days submission period, after an arrangement with the audit team but the following information remains outstanding after the agreed upon date: The amount of (R46 673 806) was written off, in the 2024/2025 financial year, however the was no supporting document to enable auditors to audit the write off, only the reasons for write off were provided to auditors without the supporting evidence.	32	F96	Management must ensure that all documentation requated by the AGSA is retrieved and/or regnerated and submitted thereto.	31-Jan-26	30-Jun-26
36	Indigent debtors	Indigent debtors exceptions	SOLAR), the following were noted: Reference to aΣachmentsExcepƟonNumber of records CAAT 1Individuals with no ID Number.18 Records Blank ID Numbers CAAT 2Individuals listed as a deceased person on the NaƟonal PopulaƟon Register (NPR) database.849 Deceased Records (845 Unique IDs): Deceased Individuals 799 before the audit start (795 Unique IDs) 50 within the audit period CAAT 3Individuals where the ID number could not be found on the NPR database.546 Records (487 Unique IDs) Invalid ID Numbers CAAT 4Individuals with an ID Number duplicated on the Indigent list.31 Records (14 Unique IDs) Duplicate Beneficiaries CAAT 5Individuals with Old ID Numbers that was converted and found on the NPR database.47 Records Individuals with Old ID Numbers CAAT 8Individuals older than 100 years [InformaƟon purposes only]2 Records Individuals older than 100 Years CAAT 9Individuals in the employment of one or another government department or organisaƟon.31 Records (8 Unique IDs) Individuals Employed in Government or MunicipaliƟes CAAT 10Spouses of Individuals in the employment of one or	33	F112	Undertake a detailed indigents verification process to ensure that the register is complete and accurated. Process necessary adjustments on the SOLAR system thereafter based on the outcomes of the indigents verifcation process.	31-Jan-26	30-Jun-26

37	VAT	VAT Presentation and disclosure	During the testing of VAT, noted that the VAT disclosure note is not consistent to the prior year VAT note. Furthermore, noted that the VAT note is incomplete as the Output Vat account is not disclosed as part of the note. 2025 VAT note: DescripƟonAmount Input Vat accrual318 304 673 Input Vat General552 513 513 Input VAT Capital514 130 445 Vat Control (Receivable)(1 185 567 815) 199 380 816 2024 Vat note: DescripƟonAmount Vat control87 760 068	34	F137	Review AFS to ensure that VAT is presented in accordance with the revised standards and related fact sheets	31-Jan-26	30-Jun-26
38	Related parties	Completeness and accuracy of Related Parties	Contrary to the above, 62 councillors are disclosed in the financial statements, the municipality website states that there should be 82 councillors, furthermore the listing of councillors submitted for the audit has 87 councillors.	35	F76	Review the realted party disclosure to ensure that all related parties are disclosed. Also, obtain a list of councillors from IEC and enusre that a complete list is disclosed.	31-Jan-26	30-Jun-26
39	Related parties	Prior year audit committee staff disclosed on the financial statements	Contrary to the above, we identified differences between the Payday amount, related party schedule amount and the financial statements, with regards to related party disclosed schedule for senior management costs Payday amount 13 450 586,97 Annual financial statement amount 13 261 058,00 Related party schedule amount 12 982 176,04		F99	Perform a reconciliation between the attenance registers of all meetings of the Audit Committee and amount paid. Process adjusting entries were necessary.	31-Jan-26	30-Jun-26
40	Related parties	Differences between the AFS and the supporting schedules- Related parties	Contrary to the above, we identified that there are audit committee members disclosed on the financial statements, however they were not part of the committee. Namely APC Manfoma TG Nevhutalu AMM Badimo		F110	Compile a list of all related parties and ensure the disclosure is complete in the annual financial statements	31-Jan-26	30-Jun-26
41	Employee cost	Employee Verification - Limitation of Scope (RFI 127)	RFI 127 relating to employee verifications was requested and due on 30 October 2025. However, to date - the following employees did not avail themselves for verification: Employee CodeIniƟalsSurname 200425K JMASILO 200410SMMAKO 200483ZPMAFETOLE 2019174LWKGASI 2017114HPBOJOSE 2021044SMLEROOIBAKI 2004134MFMOTHWA 2019205MMOPEDI 2019243ZMANCIPHA	36	F73	The municipality must undertake internal employee verification to ensure all employees are accounted for.	31-Jan-26	30-Jun-26

42	Employee cost	Overpayments made on Termination	1. During the audit of terminations, we noted that an overpayment was made in the termination payouts for four employees. The leave payout was calculated using the total remuneration package instead of the basic salary, which is contrary to BCEA requirements. Furthermore, for one employee, an incorrect basic salary was used that does not agree with the payroll report and payslip, resulting in an inaccurate pro-rata bonus and leave payout. EMP/CODEEMPLOYEE NAME Total Earnings Auditors RecalculaΘon Difference 2013023MR TT RAMARU109192,1458204,1850988 95060MR J M MASHIGO149677,85131961,5217716 96141MS E M NYALUNGU84867,8169944,5014923 96146MR D B MODIKWE36034,6032725,673309 86 937 2. An employee was paid overtime after termination; however, these payments were processed after the termination date and related to overtime worked prior to termination. The outstanding debt of R66,946.61 due from the employee at termination was not deducted from the final payment. 2013104MR BA NDLELAINFRASTRUCTURE & T S31/08/2024 RESIGNED Salary and Wage Collective Agreement Circular 6, Clause 6 states that employers must ensure compliance with agreed salary and wage	F97	Review all payments made on termination of employees to ensure that ehy are in accordance with the prescribed policy. Where differences are identfied, ensure that corrections are made.	31-Jan-26	30-Jun-26
43	Employee cost	Differences identified in the Travel and Acting allowances	During the audit of travel allowances, we identified differences in the amounts paid to the employees listed below. The discrepancies arose due to incorrect application of the SARS rate per kilometre schedule. Issue 2 During the audit of acting allowances, we traced the acting position of Special Projects Officer to the organizational structure and confirmed that the position exists. However, the position is currently not vacant and is occupied by Ms. Molefe. We also noted a difference between the acting allowance paid and the auditor's recalculated amount, resulting in an overpayment of the acting allowance. Issue 3 The municipality does not have a documented policy governing meal allowances. As a result, approvals are based on discretion rather than standardised criteria, creating inconsistency and potential for abuse. Issue 1: Employee NumberEmployee NameTravel AllowanceAuditors CalculaΘonDifference	F101	Issue 1: Recalculate employees'travel allowances using the correct SARS tariff and effect corrections accordingly. Issue 2: Undertake and investigation into the matter and implement consequence management. Issue 3: Management must develop a policy which regulates meal allowances.	31-Jan-26	30-Jun-26

44	Employee cost	Overstatement of employee cost - Overtime	employer may not require or permit an employee to work more than ten hours overtime a week." Issue 1: Overtime Approval Forms Not Signed During the audit of employee costs, several overtime payments were found to have unsigned overtime approval forms, resulting in an absence of proof that the overtime was authorised as required by policy and internal controls. This demonstrates non-compliance with the pre-approval requirement and weak oversight over overtime authorisation. Issue 2: Differences in Overtime Calculations Recalculations performed by the auditors identified differences between the audited overtime amounts and the amounts recorded on payroll. The recalculation used the hours reflected on the overtime claim forms multiplied by the applicable hourly rate (1.5 for normal overtime and 2.0 for Sunday overtime). The differences identified indicate errors in the overtime calculation process, leading to inaccurate employee cost amounts being recorded. Issue 3: Non-Compliance With Overtime Policy Leading to Abuse and Double Compensation		F104	Issue1: enusre that all overtime forms are pre-approved prior being worked. A detailed supporting memorandum must be prepared and approved where pre-approval could not be obtained. Issue2: Confirm the computation of overtime calculations in accordance with the collective agreement. Issue 3: investigate all allgeations of overtime abuse and double compensation. Implement consequence management where necessary.	31-Jan-26	30-Jun-26
45	Employee cost	Medical Aid Recalculation Misstatement	We obtained the payroll report as well as the medical aid schedule, in terms of the municipal policy, the municipality should contribute 60% of the medical aid per month. We recalculated the medical aid contribution based on the monthly medical aid schedules received, i.e., municipal medical aid contribution of 60% and noted the following differences: EMPLOYEE NO.NAMECOMPANY CONTRIBUTION - MEDICAL AID MEDICAL AID CONTRIBUTION RECALCULATION(Medical aid deducƟon*60/40) DIFFERENCE BETWEEN THE PAYROLL AND RECALCULATED MEDICAL AID CONTRIBUTION 2017017QL KHOZA 5,514.86 5,664.60 (149.74) 2019018KJ MOKOISA 2,299.80 2,123.40 176.40 2019019E MGEDLE 4,587.60 3,532.20 1,055.40 1,082.06 The projected differences were based on the sample of medical aid that was selected Projected misstatement: R 2,906,765		F93	Investigate all medical aid contributions and ensure that they are made in accordance with the policy and collective agreement.	31-Jan-26	30-Jun-26
46	Receivables	Debt impairment	debt impairment loss as per statement of financial performance and the impairment loss movement on the impairment balance of receivables: Debt impairment as per statement of financial performance90342788(A) Debt impairment movement as per impairment balances:43063167(B) Note 5: Receivable from exchange FY 2025 Impairment balance2268086080 FY 2024 Impairment balance2181524217 86561863 Note 6: Receivables from non-exchange FY 2025 - Property rates648020125 FY 2024 - Property rates692219712 -44199587 FY 2025 - Traffic fines2226845 FY 2024 - Traffic fines1525954 700891 Difference - Debt impairment overstated47279621(A) - (B)	37	F102	Recompute the deby impairment calculation for the period under review and process correcting entries in the AFS where necessary. Ensure GRAP 3 disclosure is made for any restatement of prior year figures.	31-Jan-26	30-Jun-26

47	Inventory	Inventory difference between masterfile and AFS.	In terms of GRAP 1 Financial statements must present a true and fair view of the entity's financial position, performance, and cash flows. During the audit of inventory, the following differences were noted: Trial Balance AmountAFS AmountInventory mastefile AmountDifference 48601045.074860104534156968.6914444076.31	38	F82	Perform detailed inventory reconciliation and ensure that the masterfile and AFS agree.	31-Jan-26	30-Jun-26
48	Unauthorised expenditure	Differences between the register and the Trial Balance	Issue 1: Differences between the register and the Trial Balance While auditing the Unauthorised Expenditure additions for the current year, discrepancies were identified between the actual expenditure recorded in the register by vote and the actual expenditure by vote in the Trial Balance. The details of these identified differences are as follows: DescripƟonExpenditure per vote per registerExpenditure per vote per TBDifference BUDGET AND TREASURY OFFICE 520 446 602,14 563 475 493,40 - 43 028 891,26 INFRASTRUCTURE AND TECHNICAL SERVICES 1 717 654 012,27 1 712 950 234,58 4 703 777,69 PUBLIC SAFETY, FLEET & FACILITIES MANAGEMENT 678 394 723,98 679 040 205,98 - 645 482,00 TOTAL 2 916 495 338,39 2 955 465 933,96 - 38 970 595,57 A similar issue was raised in the prior year.	42	F130	Undertake a detailed UIFW investigation in accordance with MFMA 32. The investigation must include the process of reviewing GL transactions to identify cases of UIFW not previously reported to ensure completeness.	31-Jan-26	30-Jun-26
49		Differences between the Trial Balance and the Financial Statements	Issue 2: Differences between the Trial Balance and the Financial Statements While auditing the Unauthorised Expenditure additions for the current year, discrepancies were identified between the expenditure recorded in the Trial Balance and the actual expenditure Annual Financial Statements. The details of these identified differences are as follows: DescripƟonAmount per TBAmount per AFSDifference Unauthorised Expenditure 261 383 812,37 269 200 732,00 - 7 816 919,63			Undertake a detailed UIFW investigation in accordance with MFMA 32. The investigation must include the process of reviewing GL transactions to identify cases of UIFW not previously reported to ensure completeness.	31-Jan-26	30-Jun-26
50	Statement of budget	Differences on statement of budget vs actual	We noted the following differences between the statement of budget vs actual as per the financial statements and the adjusted budget: Final Budget Final Budget as per budget statement as per AFSAdjusted budgetVariance Exchange Revenue Licences or permits 524 500,00 8 038 000,00 (7 513 500,00) Rent from fixed assets 25 000,00 2 826 000,00 (2 801 000,00) Rent from land 25 000,00 (25 000,00) Sale of goods and rendering of services 4 515 000,00 (4 515 000,00) Total Exchange Revenue 549 500,00 15 404 000,00 (14 854 500,00) Non-Exchange Revenue Property rates by usage 463 000 000,00 (463 000 000,00) Transfers and subsidies - OperaƟonal 1 137 829 000,00 (1 137 829 000,00) Interest earned from receivables 74 071 000,00 (74 071 000,00) Total Non-Exchange Revenue 1 674 900 000,00 (1 674 900 000,00)	45	F9	Undertake a detailed UIFW investigation in accordance with MFMA 32. The investigation must include the process of reviewing GL transactions to identify cases of UIFW not previously reported to ensure completeness.	31-Jan-26	30-Jun-26

51	Consultants	Use of Consultants non-compliance	The municipality has appointed consultants as tabled below: NoName of ConsultantCategory of services renderedDescripϴon of services rendered 1Mampudi Group (Pty) LtdPreparaϴon or review of financial statementsPreparaϴon of GRAP Compliant AFS for the year ended 30 June 2025 2EGNET SoluϴonsAsset management (e.g. asset registers) Preparaϴon of fixed asset register in accordance with GRAP standards and Treasury guidelines 3MaxProf Profit RecoveryTax services (e.g. VAT returns)VAT Recovery and review for Madibeng LM 4CorpMD ConsulϴngPreparaϴon or review of financial statementsReview of AFS, Asset register and Audit File for the year ended 30 June 2025	51	F13		Develop a Use of Consultants policy to regulate appointments and monitoring of the work of consultants.		31-Jan-26	30-Jun-26
Annexure 3: Compliance									31-Jan-26	30-Jun-26
52	Consequence management	Consequence management: No investigations done on UIFWE balances	Magement did not investigate UIFW	4	F2		Conduct a detailed investigation into UIFW in accordance with MFMA, 32 and circular 68. Table a report to council to adopt the recommendations. Make necessary disclosures in the AFS based on the Council resolution		31-Jan-26	30-Jun-26
53	HR	HR: Performance Management not done for employees other than senior managers	As confirmed in discussions with management, the Performance Management System (PMS) currently applies only to senior managers and has not yet been rolled out to non-senior staff. Management indicated that the planned implementation date for the PMS for non-senior staff is 30 September 2025.	8	F11		Management to develop a roadmap for the implementation of PMS at lower levels		31-Jan-26	30-Jun-26
54	Expenditure	Compliance: Payments not made within 30 days from invoice date.	Madibeng Local Municipality are not settling amounts owed to suppliers of bulk goods and services within the required 30-day period as per the act	21	F10		Management to continue the implmentation of the financial recovery plan.		31-Jan-26	30-Jun-26
55	Expenditure	Non-Compliance-Payments not made within 30 days from invoice date	Madibeng Local Municipality are not settling amounts owed to suppliers of bulk goods and services within the required 30-day period as per the act		F55		The municipality must continue to implement the Financial Recovery Plan		31-Jan-26	30-Jun-26
56	Expenditure	Contracted services - 30 days non-compliance.	Madibeng Local Municipality are not settling amounts owed to suppliers of bulk goods and services within the required 30-day period as per the act		F80		Management to continue the implmentation of the financial recovery plan.		31-Jan-26	30-Jun-26
57	SCM	Non-compliance with MFMA 62 (1)(d) . Failure to prevent UIFW	During the audit we have noted that the Municipality incurred irregular and fruitless and wasteful expenditure. This was noted on the annual financial statements submitted for the audit on the 31 August 2024 on note 51.1 of the AFS, Non-compliances was also noted from the performance of the audit work.				Undertake a detailed investigation into all cases of UIFW in accordance with Section 32 of MFMA read with circular 68 and implement consequence management where necessary.		31-Jan-26	30-Jun-26
Annexure 4: Administrative matters									31-Jan-26	30-Jun-26
58	Consequence management	Consequence management: Allegations register not prepared	However, on the engagement held with Management on the 9th of September 2025, it was confirmed that the is no register of all allegations that were reported. The municipality then only keeps a list of disciplinary cases for the employees.		F3		Management must develop and keep a register of all allegations reported against municipal officials		31-Jan-26	30-Jun-26
59	AFS preparation	Unspent conditional grant: Amount disclosed in the notes does not agree to face of	However, during the comparison of the GL to the AFS, the following difference was noted on the trade and other payables from non-exchange transactions (unspent grants): Amount as per the faceAmount as per the note 17Difference 0(1 422 780)(1 422 780)	5	F7		Review the AFS to ensure that amounts disclosed on the face agrees to the notes		31-Jan-26	30-Jun-26

60	AFS preperation	Accounting policies: cosmetic changes suggested	were noted: 1It is stated that the AFS is authorised for issue 29 August 2025. Issue: the CFO should remember to revisit the date upon the receival of the audit report. 2Reference are made to the GRAP framework: GRAP FrameworkFramework for the PreparaƟon and PresentaƟon of Financial Statements Issue: As per the ASB website, the Framework is called "GRAP reporting framework". 3Reference is made to GRAP 6: GRAP 6Consolidated and Separate Financial Statements Issue: As per the GRAP reporƟng framework: 1 April 2024, there is no GRAP 6. 4On page 21 of the AFS, the heading refers to: . AddiƟonal content (conƟnued) Issue: the heading on the previous page refer to 1. Summary of significant policies, therefore page 21 is a continous of the heading. 5In note 1.4 ComparaƟve of actual informaƟon to budgeted information, it is stated that this is reported in the "Statement of comparison of budget and actual amounts". Issue: As per the financial statements, the statement is called "Comparison of budget and actual amounts" 6Upon inspecƟon of the Statement of financial posiƟon, cash flow statement, statement of changes in net assets and reportable segments, it was noted that there is no note references to the explanatory notes to the financial statements. 7Upon inspecƟon of the reportable segments and notes to the		F57		Management to undertake a detailed review of the AFS to ensure compliance to GRAP in all material respects	31-Jan-26	30-Jun-26
61	Employee cost	Annual Bonus - Employees with no employment contracts	During the audit of the 2024/25 financial year, we issued Request for Information (RFI) 110, in which we requested personnel files, including employment contracts, for employees who received annual bonuses. Upon inspection of the submitted personnel files, we noted that employment contracts were not included. Following discussions with management, it was confirmed that the employment contracts could not be located as the employees were appointed more than 30 years ago. Instead, we were provided with banking forms. As a result, we were unable to verify the appointment dates of the employees. Below is the list of employees affected: MS Galetuki VA Nkosi	18	F52		Inspect all employee files and identify those without contracts and/appointment letters. Management should document a detailed representation confirming that the deates of appointment on the system are correct.	31-Jan-26	30-Jun-26
62	Employee cost	Inconsistency in Pension Fund Contribution Rates	Issue 2 - Differences due to Incorrect Pension Fund Contribution Rate Applied During the testing of pension fund it was noted that the pension fund contribution for an employee appointed in September 2018 was incorrectly calculated using a 22% rate instead of the prescribed 18% rate applicable to Category C members. Upon recalculation of the pension fund contribution a discrepancy of R678 was identified. The table below provides details of the transaction: Employee NamePension Fund ContribuƟonAuditors RecalculaƟonDifference PM MAROBE3731.013052.6416678.3684		F65		Management to undertake a detailed verification of pension fund status of each employee between 22% and 18%	31-Jan-26	30-Jun-26
63	Expenditure	Contracted services (Consultants and professional services) - VAT incorrectly recognised.	Through inspection of the GL and supplier invoices, it was noted that the following supplier invoices did not include the VAT registration number of the supplier, however the municipality recognized input VAT. Furthermore, the auditor performed a VAT vendor search on SARS efiling website and noted that the supplier is not a registered VAT vendor. The expenditure was recorded excluding VAT, thus understated: Supplier NameCheque No.Invoice No.Amount Excl. VATInput VAT recognisedTotal Invoice amount paid Majegu Makhanana JV90093482INV211008187 755.6528 163.35215 919 Majegu Makhanana JV90093482INV207008169 385.6525 407.85194 793.5 357 141.3053 571.20410 712.50		F70		Review all transactions recorded in the general ledger to enusre that the VAT is correctly accounted for in terms of the VAT act.	31-Jan-26	30-Jun-26
64	Related parties	Related parties - Limitation of scope	Contrary to the above, the auditor general requested declarations for all councillors, 56 declarations of interest were received however the municipality has 82 Councillors. This imposes a limitation of scope on the audit.		F108		Ensure that the municipality undertakes a process of ensuring all documents are reterived or regenerated and submitted to the AGSA.	31-Jan-26	30-Jun-26

65	Internal control	GL accounts not updated (LSA and PEMA)	Contrary to the above, the following were noted on the comparison of the general ledger accounts and financial statements: Amounts as per GLAmounts as per AFSDifferenceAmount as per report Long service award (LSA)55 075 81637 398 815-17 677 00137 398 815 Post employment medical aid (PEMA)151 474 991169 151 98017 676 989169 151 980 206 550 807206 550 795-12206 550 795	44	F50		Perform a detailed reconciliation between the GL and Acutuaries reports. Process adjustments to ensure accuracy and completeness of the GL.		31-Jan-26	30-Jun-26
66	Internal control	Contracted services - Incorrect classification	The following invoice relating to maintenance of toilets was processed under Gardening services. This resulted in misclassification of the expense between GL accounts: Supplier nameCheque NoInvoice NumberDescripΘonAmount excl. VATVote numberVote descripΘon DINE GODWIN(PTY)LTD90096170256Maintenance of Toilets at Letlhabile Cementry39835036312281800PRP06ZZWMCONTR: GARDENING SERVICES		F95		Review the general ledger and ensure that all transactions are correctly classified.		31-Jan-26	30-Jun-26
Annexure 5: AoPO									31-Jan-26	30-Jun-26
67	AOPO	AOPO: Inconsistencies identified between the SDBIP and the APR	the consistency of the indicators between the planned documents (SDBIP) and annual performance report: Amended SDBIP – The municipality revised its initial SDBIP and reported on the amendments in the APR. The following inconsistences were identified: Planned indicators per annual planning document Reported indicators per APRPlanned targets per annual planning documentPlanned targets per APRReported actual achievement per APRDocument record of work done KPI 83: Percentage monitoring of housing projects by 30 June 2025KPI 83 Percentage monitoring of housing projects by 30 June 202520% (List of the approved project and beneficiaries)100%100%Inspected the amended SDBIP, as approved by the Municipal Manager and the Acting Executive Mayor on 27 March 2025, along with the APR submitted for audit, and confirmed the following: The reported target is not consistent with the planned target. The planned target was “20% (List of the approved projects and beneficiaries),” whereas the reported target in the APR is reflected as “100%.” Which results in indicator not meeting the measurability definition. Furthermore, regarding the target “20% (List of the approved projects and beneficiaries),” it is important to note that the approval of projects and beneficiaries is the responsibility of the Provincial		F34		Review the APR to ensure thall KPIs and related actua performance are corresponding		31-Jan-26	30-Jun-26
68	AOPO	AOPO KPA 2 Measurability - Inconsistencies identified between the SDBIP and the APR	indicators as not well defined Planned indicators per annual planning documentPlanned targets per annual planning documentComment KPI 79: Percentage of building plans assessed within 60 days (above 500) by 30 June 2025100%The target is not measurable due to an inaccurate method of calculation stated on the SDBIP. The numerator and denominator are identical "Number of building plans assessed within 60 days / Number of building plans assessed within 360 days" which does not provide a meaningful performance measure. The formula uses the same numerator and denominator, resulting in a fixed 100%, which invalidates performance tracking. Furthermore, the indicator refers to “Building plans assessed within 60 days above 500,” but it is unclear what the figure “500” represents whether it refers to the number of applications, square meters, value threshold, or another metric. This lack of clarity impacts the reliability and interpretability of the indicator. KPI 80: Percentage of building plans assessed within 60 days (below 500) by 30 June 2025100%The target is not measurable due to an inaccurate method of calculation, the numerator and denominator seem to be the same value. The formula provided “Number of building plans assessed within 30 days / Number of building plans assessed within 30 days” results in a fixed value of 100%, which does not accurately reflect performance and renders the indicator ineffective for measurement purposes. The formula uses the same numerator and denominator, resulting in a fixed 100%, which invalidates performance tracking.		F38		Review the APR to ensure thall KPIs and related actua performance are corresponding		31-Jan-26	30-Jun-26

69	AOPO	AOPO KPA 2 Relevance - Targets not directly related to indicators.	implementation plan and the annual performance report, we evaluated usefulness of the reported performance information in accordance with the criteria from the PMRF and we noted that the targets below do not relate directly to their indicators. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievements do not provide useful information on the achievement of the indicators, and the irrelevant targets hinder appropriate planning for the achievement of the indicators. No.IndicatorPlanned targetRelevance issued idenΘfied 1KPI 14 - Number of new households with access to basic electricity supply by the municipality by 30 June 20254 Electricity quarterly reportsThere is not a clear and logical link between the indicator - number of new households with access to basic electricity supply by the municipality by 30 June 2025 and the quarterly reports prepared. 2KPI 18 - Number of callouts responded to within 24 hours (Electricity, Water and SanitaΘon)100%There is not a clear and logical link between the indicator - number of callouts responded to within 24 hours (Electricity, Water and Sanitation) and to count the callouts responded to within 24 hours over the total number of call-outs actually received as the indicator was planned to be reported in a number not a percentage therefore, target does not relate directly to the indicator.	F40	Review all KPAs to ensure that they comply with the SMART criteria	31-Jan-26	30-Jun-26
70	AOPO	AOPO KPA 2 Consistency - Reported targets are not consistent compared to planned targets and the changes to the targets are not approved	implementation plan and the annual performance report, we evaluated usefulness of the reported performance information in accordance with the criteria from the PMRF and we noted that the targets in the annual performance report differed from those committed to in the approved revised planning documents as depicted in the table below. These changes were made without obtaining the required approval and therefore, these discrepancies highlight misalignment between approved plans and operations, while the incorrect reporting undermines transparency and accountability. No.Planned & reported indicators as per annual planning document and APRPlanned targets per annual planning documentPlanned targets per APRReported actual achievement per APRDocument record of work done 1KPI 14 - Number of new Households with access to basic electricity supply by the municipality by 30 June 20251 193 Letlhabile H/H1 193 H/H0Reported target is not consistent with the planned target as the indicator in the revised SDBIP was set to report on 2 targets. However, in the APR only 1 target was reported. Further, the reported achievement is not consistent with the planned and reported target as no achievement was reported for the second target. The changes from the amended SDBIP to the APR were not approved. 4 electricity quarterly reportsNot reported in the APRNot reported in the APR 2KPI 21 - Percentage compliance to landfill sites permit condiΘons	14 F42	Review all KPAs to ensure that they comply with the SMART criteria	31-Jan-26	30-Jun-26
71	AOPO	KPA 2 , KPI 48 Performance indicator not logically and directly related to achievement of strategic goal of subjct matter	KPI 48 - Percentage of MIG Budget Spent by 30 June 2025 During the audit of the 2024-25 service delivery and budget implementation plan and the annual performance report, we evaluated usefulness of the reported performance information in accordance with the criteria from the PMRF and we noted that the current indicator, which measures “100% of MIG budget spent” does not adequately reflect the achievement of service delivery objective - MIG Projects implemented and completed timeously, quality and budget and therefore lacks relevance. Spending the full budget does not guarantee that projects are completed on time, within scope, or that communities receive the intended benefits. According to FMPPI, indicators should measure the right things, those that demonstrate performance against the mandate. A more relevant indicator would focus on the completion of MIG-funded projects within agreed timelines and specifications. This would shift the focus from expenditure to actual service delivery outcomes.	F33	Review all KPAs to ensure that they comply with the SMART criteria	31-Jan-26	30-Jun-26

72	AOPO	KPA 2, Overall presentation and disclosure	Contrary to the above, the following issues were identified regarding the overall presentation of performance information in the annual performance report submitted for audit: 1. KPIs and targets as per the iniƟal & revised SDBIP are not adequately presented, resulting in consistency issues as reported. 2.For some indicators, baseline used is incorrect, it is not the actual achievement from prior year. 3. The use of cumulaƟve reporƟng on a quarterly basis is misleading due to the following reasons: a.It is not consistent across all indicators. b.On page 7 of the Annual Performance Report, it states that 'the actual performance in terms of the KPI's was reported on quarterly and mid-year.' c.CalculaƟons in the APR for the Annual Actual Performance using the quarterly results for some indicators is incorrectly calculated which leads to the incorrect variances. 4. The municipality does not report actual performance where they over-performed, they report the target instead of actual achievement. 5. Some indicators are supposed to be reported in numbers however, there's a mix of numbers and percentages.		F44	Review all KPAs to ensure that they comply with the SMART criteria	31-Jan-26	30-Jun-26
73	AOPO	AOPO KPA 2: KPI 34 Measurability & Relevance - Target not expressing specific level of performance that subject matter aims to achieve within given period.	KPI 34 - Turnaround time on repair/ maintenance of vehicles by 30 June 2025. During the audit of the 2024-25 service delivery and budget implementation plan and the annual performance report, we evaluated usefulness of the reported performance information in accordance with the criteria from the PMRF and we noted that the current KPI for vehicle repairs and maintenance turnaround time is expressed as "30 days by 30 June 2025. While this indicates a time frame, it functions more as a standard rather than a fully specific target. According to FMPPI, a target should clearly define the required level of performance, often as a measurable proportion (e.g., 90% compliance within the standard). In its current form, the target does not specify whether all repairs must be completed within 30 days or if a certain percentage should meet this timeframe. To ensure clarity and alignment, the target should be refined to include both the nature of performance and the required level of performance.	23	F64	Review all KPAs to ensure that they comply with the SMART criteria	31-Jan-26	30-Jun-26
74	AOPO	AOPO KPA 2 Presentation & disclosure	implementation plan and the annual performance report, we evaluated usefulness of the reported performance information in accordance with the criteria from the PMRF the following as depicted in the table below was identified in relation to presentation and disclosure: Measures taken to improve performance are disclosed in the APR No. KPI Planned target as per planned documentsPresentaƟon & disclosure issues idenƟfied 1KPI 14 - Number of new Households with access to basic electricity supply by the municipality by 30 June 20254 electricity quarterly reportsMeasures taken to improve performance were not disclosed in the APR, even though the municipality did not achieve its target. Measures taken to improve performance are supported by corroboraƟng evidence KPI Planned target as per planned documentsReported AchievementPresentaƟon & disclosure issues idenƟfied KPI 43 - Number of households with access to basic level of water and sewer by 30 June 2025160 7240Measures aimed at improving performance against targets were reported. However, we could not determine if the measure was implemented to improve performance because adequate supporting evidence was not provided for auditing purposes. Consequently, I could not verify whether the reported measures were indeed taken. KPI 46 - Number of wastewater treatment works complying 90% against applicable water qualifying standards by 30 June 20254		F43	Review all KPAs to ensure that they comply with the SMART criteria	31-Jan-26	30-Jun-26

75	AOPO	AoPO KPA 2 - Limitation of scope	Contrary to the above requirements, the following requests issued to management has not been received. RFI 150 AOPO KPA 2: Basic Service Delivery and Infrastructure Development 1. KPI 39 - Number of roads condiϴonal assessment reports for asset registry by 30 June 2025 2. KPI 34 - Turnaround time on repair/ maintenance of vehicles by 30 June 2025 - Access to the portfolio of evidence supporting the reported achievements in the APR. RFI 151 AOPO KPA 2: Basic Service Delivery and Infrastructure Development KPI 47 - Number of Wastewater Treatment works maintained by 30 June 2025 - Eagleslanding WWTW progress reports were not provided	27	F81	Ensure that the municipality undertakes a process of ensuring all documents are reterived or regenerated and submitted to the AGSA.	31-Jan-26	30-Jun-26
76	AOPO	AoPO KPA 2 - Reliability (Performance indicators are not verifiable	During the audit of the 2024-25 annual performance report, we evaluated the reliability of the reported performance information in accordance with the criteria from the PMRF and we noted that for the reported achievement for certain KPIs listed below, we could not verify reliability because the portfolio of evidence did not include verifiable timestamps for the calls received, incidents reported, or complaints logged, making it impossible to confirm compliance with response time requirements. 1.1. KPI 15 - Percentage of unplanned electricity outages that are restored to supply within 72 hours by 30 June 2025 2.2. KPI 18 - Number of callouts responded to within 24 hours (Electricity, Water and Sanitation) 3.3. KPI 26 - Percentage of compliance with the required attendance time for structural firefighting incidents by 30 June 2025 4.4. KPI 27 - Percentage of disaster incidents managed and responded to within 24 hours or less as a proportion of request received by 30 June 2025 5.5. KPI 41 - Percentage of reported potholes complaints received and attended to within 24 hours		F105	Review all KPAs to ensure that they comply with the SMART criteria	31-Jan-26	30-Jun-26
77	AOPO	AoPO KPA 2 - Limitation of scope	Contrary to the above requirements, the following request issued to management has not been received. RFI 151 AOPO KPA 2: Basic Service Delivery and Infrastructure Development 1. KPI 45 - Percentage planned maintenance of water infrastructure by 30 June 2025 For the sample selected in Annexure A: -Job cards/Reports on maintenance		F106	Ensure that the municipality undertakes a process of ensuring all documents are reterived or regenerated and submitted to the AGSA.	31-Jan-26	30-Jun-26