Gert Sibande District Municipality

2024-2025

Draft Annual REPORT

+27 17 801 7000

records@gsibande.gov.za

www.gsibande.gov.za

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MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

Cllr WM Mngomezulu
District Executive Mayor

It is my honour to present the 2024/2025 Annual Report of the Gert Sibande District Municipality (GSDM). This report is more than a statutory requirement; it is a reflection of our collective progress, accountability to our communities, and commitment to building a district that works for all.

The past financial year has demonstrated that when leadership, communities, and stakeholders work together, meaningful change is possible. Guided by the District Development Model (DDM) and the principles of good governance, we have made significant strides in service delivery, economic development, education, and social empowerment.

There are numerous achievements realized in 2024/2025 including the historic performance of the Grade 12 Class of 2024, which achieved an outstanding 87.7% pass rate, surpassing all targets and setting new provincial and national benchmarks. This milestone, alongside major investments in youth empowerment, skills development, and support for small businesses, reaffirms our commitment to building a future-ready generation.

District Grade 12 Awards held at GSDM offices in January 2025.

Our district has also invested in critical infrastructure that improves the daily lives of our residents. Through our partnership with the Department of Water and Sanitation, we successfully delivered over R940 million worth of water and sanitation projects, expanded bulk supply schemes, and upgraded wastewater treatment facilities. On roads, we rehabilitated thousands of square metres of road surfaces, repaired potholes, and strengthened municipal capacity with donated equipment, ensuring that our infrastructure connects people to opportunities.

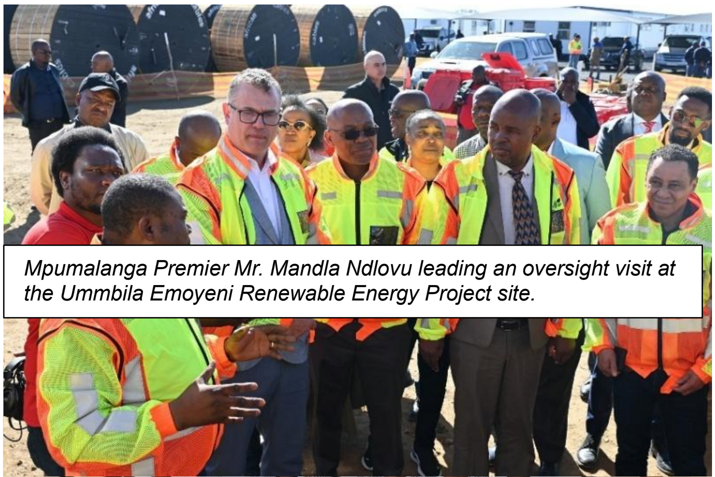
Importantly, our work is also linked to the global agenda. As South Africa continues to play its role in the G20 family of nations, we in Gert Sibande align our development programmes with global commitments such as the Sustainable Development Goals, climate resilience, and inclusive growth. Through the just energy transition, renewable energy projects, and strong partnerships with government and business, our district is positioning itself not only as a local leader, but also as a contributor to South Africa's voice in shaping a fairer, more sustainable global economy.

Equally, we remain proud of the catalytic projects shaping the district's future, including the SANRAL Ring Road development in Msukaligwa and the Ummbila Emoyeni Renewable Energy Project — a R900MW hybrid facility that will power over 500,000 households while creating thousands of jobs.

These projects are not only transforming our economy but also positioning Gert Sibande as a hub of innovation, resilience, and sustainability.

Beyond infrastructure and the economy, we continued our fight against social ills such as HIV/AIDS, TB, substance abuse, and Gender-Based Violence, while strengthening our preparedness on disaster management in the face of climate change. Our cultural, sporting, and tourism programmes, including the return of the Gert Sibande Marathon, the Ingoma Festival, and the Mayoral Cup, continue to unite our communities and drive local development.

District Executive Mayor leading a project oversight visit in Lekwa as part of Mayoral Imbizo Activities in September 2025.



Mpumalanga Premier Mr. Mandla Ndlovu leading an oversight visit at the Ummbila Emoyeni Renewable Energy Project site.

District Executive Mayor leading a District AIDS Council (DAC)Meeting in Leandra, Govan Mbeki Municipality in his capacity as Chairperson of the DAC.

This Annual Report also reflects the steady progress made by our municipalities in governance and financial management. I am proud to highlight that Gert Sibande District Municipality once again achieved an unqualified audit opinion with matters of emphasis, reaffirming our commitment to clean administration, transparency, and accountability. While challenges remain, we are working relentlessly with our local municipalities to ensure that all move towards clean audits in the near future. We are comforted that no municipality in our district received a disclaimer audit outcome in 2024/25, and we are working relentlessly towards achieving clean audits across all municipalities.

As we reflect on the year under review, we are reminded that our mission is not only to deliver services, but to restore dignity, build resilience, and create opportunities for every resident of Gert Sibande. This requires strong partnerships with traditional leaders, national and provincial government, civil society, and the private sector.

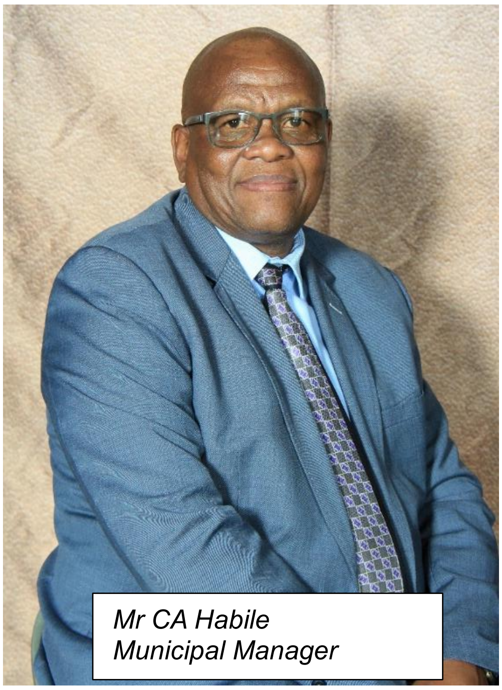
On behalf of Council, I extend my heartfelt appreciation to all councilors, municipal officials, our amakhosi, civil society partners, business leaders, and, most importantly, the people of Gert Sibande for their continued support and participation in shaping our developmental agenda.
The journey ahead calls for even greater unity and determination. Let us continue working together, inspired by the vision of a capable, inclusive, and future-ready district.
Together, we are building a district that works for all.

Cllr Walter Mngomezulu
Executive Mayor
Gert Sibande District Municipality

CHAPTER 1

COMPONENT B: EXECUTIVE SUMMARY

1. EXECUTIVE SUMMARY BY THE MUNICIPAL MANAGER



Mr CA Habile
Municipal Manager

The 2024/2025 financial year has been a period of resilient progress and impactful service delivery for the Gert Sibande District Municipality. In the face of various challenges, we have remained steadfast in our commitment to improving the lives of our communities through strategic development, sound governance, and collaborative partnerships. This report captures our key achievements, ongoing priorities, and the direction that will continue to drive sustainable growth across the district.

Central to our mandate is the unwavering support we provide to all seven local municipalities within our district. By fostering cooperative governance and resource sharing, we ensure that development and service delivery reach every corner of Gert Sibande, promoting equitable growth and inclusive participation.
Our work is aligned with the District Development Model (DDM), a framework designed to enhance integration and coordination across all spheres of government. Through the DDM, we strengthen collaboration to accelerate service delivery and socio-economic development at district and local levels.

We remain fully committed to upholding the relevant legislative frameworks that govern our operations, including the Municipal Finance Management Act (MFMA), Municipal Systems Act (MSA) , and other applicable national and provincial regulations. This commitment ensures transparency, accountability, and compliance in all our processes.

This report underscores our commitment to building resilient communities and delivering on our mandate through partnership, innovation, and effective service delivery.

AUDIT OPINION BY THE AUDITOR GENERAL

For the 2024/2025 financial year Gert Sibande District Municipality received an unqualified audit opinion with matters of emphasis. The matters of emphasis related to findings on the Annual Performance Report, particularly under basic services and infrastructure, non-compliance with legislation affecting the Annual Financial Statements, Performance Reports and Annual Report as well as in revenue management and strategic planning and performance management. Management has acknowledged these matters, and corrective actions are being implemented to strengthen compliance, performance reporting and internal controls.

KEY ACHIEVEMENTS:

Our key achievements for the 2024/2025 Financial Year included the following:-

- Successful return of the GSDM Marathon, fostering community engagement and promoting health and wellness.
- Stability both politically and administratively,
- Strengthened collaboration with the Development Bank of South Africa to accelerate infrastructure and economic development projects.

- Implementation of the Medium-Term Development Plan (MTDP) priorities focusing on job creation, service delivery improvement, and poverty alleviation.
- Enhanced compliance with legislative frameworks, ensuring transparency and accountability in municipal operations.
- Continued support and capacity building for all seven local municipalities to enhance coordinated service delivery and development impact.
- Active implementation of the District Development Model to improve integrated planning and service delivery.
- A continued working relationship with the Gert Sibande House of Traditional Leaders.
- Prioritizing roads, water, and sanitation projects to improve quality of life.
- Supporting small businesses and attracting investment for sustainable economic transformation.
- Promoting youth empowerment, education, and community safety initiatives.
- Enhancing financial management and public participation for inclusive decision-making.

1.1 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The projected (moderate growth scenario) Mpumalanga population number in 2030 is around 6.1 million and in 2060 between 11 and 12 million people. Significant implications for the province and district in terms of infrastructure, basic service delivery, as well as economic/job opportunities.

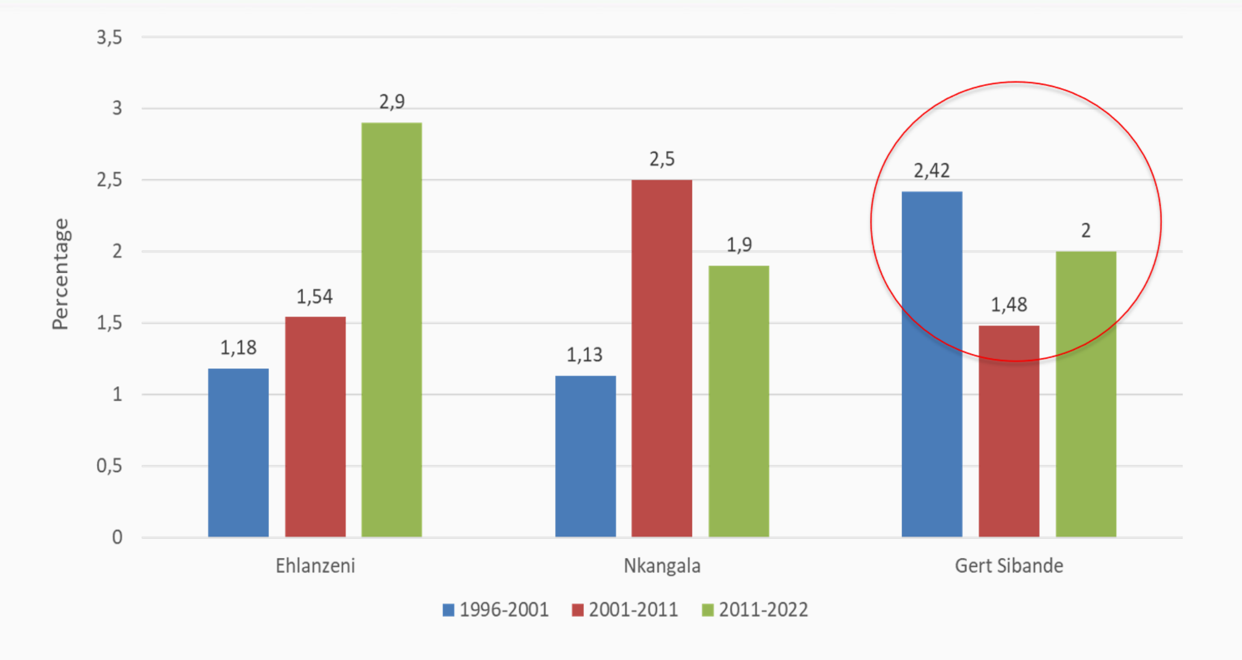
According to Stats SA's Census 2022, Gert Sibande's population increased from 1 043 195 in 2011 to 1 283 459 people in 2022 – smallest population among Mpumalanga's three districts in 2022, declining slightly since 2011 to 25% of the provincial population in 2022.

The number of households in Gert Sibande increased from 273 485 in 2011 to 378 182 households in 2022 – an increase of 104 697 households & a growth rate of 3.1% p.a.

Gert Sibande's share of Mpumalanga's households increased from 25.4% in 2011 to 26.6% in 2022.

Population number per municipal area, 2011 & 2022

Local Municipal Area	Population number		Female population share	Youth (0-34 years) share	Elderly (60+ years) share	Average annual population growth	Average annual economic growth
	2011	2022	2022	2022	2022	2011-22	2011-22
Chief Albert Luthuli	**186 010**	**247 664**	**53.2%**	**66.6%**	**8.7%**	**2.8%**	**1.4%**
Msukaligwa	**149 377**	**199 314**	**51.3%**	**64.1%**	**7.5%**	**2.8%**	**1.4%**
Mkhondo	**171 982**	**255 411**	**53.1%**	**68.3%**	**6.6%**	**3.8%**	**1.2%**
Dr Pixley Ka Isaka Seme	**83 235**	**115 304**	**52.0%**	**62.6%**	**9.9%**	**3.2%**	**3.7%**
Lekwa	**115 662**	**119 669**	**51.3%**	**60.1%**	**9.6%**	**0.3%**	**1.4%**
Dipaleseng	**42 390**	**35 980**	**51.0%**	**59.4%**	**9.9%**	**-1.6%**	**3.9%**
Govan Mbeki	**294 538**	**310 117**	**49.9%**	**62.1%**	**8.3%**	**0.5%**	**-0.2%**
Victor Khanye	75 452	106 149	49.2%	63.9%	6.9%	3.3%	2.9%
Emalahleni	395 466	434 522	49.2%	62.4%	7.4%	0.9%	0.3%
Steve Tshwete	229 831	242 031	50.3%	59.9%	8.6%	0.5%	0.6%
Emakhazeni	47 216	50 165	51.6%	60.4%	10.1%	0.6%	2.3%
Thembisile Hani	310 458	431 248	52.2%	62.4%	9.5%	3.2%	1.5%
Dr JS Moroka	249 705	324 855	52.6%	61.2%	13.0%	2.6%	1.2%
Thaba Chweu	98 387	109 223	50.5%	60.8%	8.1%	1.0%	0.9%
Nkomazi	393 030	591 928	53.0%	68.4%	6.2%	4.0%	1.0%
Bushbuckridge	538 593	750 821	54.3%	67.0%	8.1%	3.2%	1.8%
City of Mbombela	658 604	818 925	51.7%	64.1%	7.1%	2.1%	1.0%
Mpumalanga	**4 039 938**	**5 143 324**	**52.0%**	**64.3%**	**8.1%**	**2.3%**	**0.9%**



The household size declined in 2011 to 2022. In 2022, the share of female headed households was 47.1% and the share of child-headed (12-17 years of age) households was 0.4%. Households headed by ages 60+ were reported to be at almost 20%.

Municipality	12 - 17	18 - 24	25 - 34	35 - 59	60 +	Total
Gert Sibande	**1 655 (0.4%)**	**21 755**	**68 634**	**215 669**	**70 471 (18.6%)**	**378 182**
Chief Albert Luthuli Local Municipality	375	4 335	10 445	34 900	13 248	**63 303**
Msukaligwa Local Municipality	172	4 102	13 189	39 811	10 552	**67 827**
Mkhondo Local Municipality	349	3 481	10 704	33 257	10 713	**58 504**
Dr Pixley Ka Isaka Seme Local Municipality	104	1 708	5 390	18 395	7 375	**32 972**
Lekwa Local Municipality	176	2 141	6 346	22 109	7 812	**38 583**
Dipaleseng Local Municipality	48	617	1 835	8 074	2 555	**13 129**
Govan Mbeki Local Municipality	430	5 371	20 724	59 123	18 216	**103 864**

The share of population in Gert Sibande below the lower bound poverty line (LBPL) increased/deteriorated from 46.9% in 2019 to 49.2% in 2023 – the 2nd highest/lowest of the 3 districts.

In 2023, the number of people below the LBPL was the lowest of the 3 districts at 579 783. In the calculation of the Local Government Equitable Share (LGES), the National Treasury estimates that Gert Sibande had 232 121 poor households in 2024.

In 2023, Gert Sibande's share of income by the poorest 40% of households was 7.9%, an increase/improvement from 7.1% in 2019.

Gert Sibande ranked below both Nkangala and Ehlanzeni in terms of income inequality among the three districts.

In 2023, the Human Development Index (HDI) of 0.63 was slightly higher than the 0.62 in 2019. In April 2024, there were 394 993 social assistance grants disbursed in Gert Sibande.

31.1%	36.5%	44.6%
• Official/strict unemployment rate 2023 • Deteriorated from 27.8% in 2019	• Official female unemployment rate 2023 • Deteriorated from 32.6% in 2019	• Official youth (15-34 yr) unemployment rate 2023 • Deteriorated from 39.4% in 2019
-0.5%	**28.1%**	**17 977**
• Average annual employment decline 2019-23 • Worse than 1.6% p.a. growth 2014-19	• Share of Mpumalanga's employment in 2023 • Unchanged from 28.1% in 2019	• Number of job gains in 2023 • 37 676 job gains in 2022 & 27 253 losses in 2021

1.2. ECONOMIC POSITION

The Gert Sibande District Municipality is an economic hub for mining, manufacturing, agriculture, and tourism. It is also a home for huge industries such as Sasol, Eskom, Mondi and other gold and coal mines.

The district economic activity is predominantly concentrated within the urban / industrial complex formed by Secunda, Evander, Kinross, and Trichardt (Govan Mbeki Local Municipality). However, other areas of economic importance are distributed throughout the district including Ermelo, Piet Retief, Standerton, Carolina, Balfour and Elukwatini.

The GSDM has a strong economy within the region, which is predominantly mining. The coal belt starts with Govan Mbeki, Msukaligwa & Mkhondo & Dr Pixley Ka Isaka Seme local municipalities and gold deposits from Govan Mbeki to Dipaleseng local municipalities.

The district's forestry stretches from Mkhondo, Dr Pixley Ka Isaka Seme and Chief Albert Luthuli local municipality where most agricultural activities like farming of cattle and sheep breeding and maize production.

The district also hosts one of the largest petro-chemical industries in the country, SASOL, and four Eskom coal powered stations.

1.2.1. GROSS DOMESTIC PRODUCT

The value of Mpumalanga's economy was around R550 billion in 2023, which is eleven times higher the R50 billion in 1996. Mpumalanga is the 4th largest of the 9 provinces. It makes up 7.8% of South Africa's Gross Domestic Product (GDP). The City of Mbombela, Emalahleni, Steve Tshwete and Govan Mbeki (urban areas) in combination contribute around 65% of Mpumalanga's economy.

In 2020, economy of Mpumalanga contracted by 5.3% due to COVID related factors. The provincial economy expanded by 5.6% in 2021 from the low base 2020.

The provincial economy expanded by 0.5% in 2022 & 0.4% in 2023 – around 1% in 2024.
The Provincial growth rate projections for 2024-2028 are 1.8% per annum.

1.3. SERVICE DELIVERY OVERVIEW

There has been notable improvement with household services in Gert Sibande between 2011 and 2022 according to the Community Survey (2022). The challenges in terms of access to flushing/chemical toilets in informal dwellings persist. Access to flush toilets connected to the sewerage line for the district increased from 66% in 2011 to 73.2% in 2022. Weekly refuse disposal service increased slightly from 2011 to 2022 by 63.6% to 66.8%. Govan Mbeki and Lekwa are the two (02) of the seven (07) local municipalities that experienced a decline between 2011 and 2022 by 91.7% to 85.2% and 82.2% to 77.7% respectively.

Statistics for 2022 show an increase in the number of people with access to piped water in the seven (07) local municipalities in the district with the largest access recorded by Dr PKI Seme and Dipaleseng at 38.9% to 57.6% and 38.2% to 64.9% respectively.

Access to electricity for lighting in the Gert Sibande DM has increased from 2011 to 2022 by 83.4% to 91.8% with the largest percentage of access recorded by Mkhondo LM at 66.8% to 89.2%.

Municipality	Flush toilets connected to sewerage		Weekly refuse disposal service		Access to piped water in the dwelling		Electricity for lighting	
	2011	2022	2011	2022	2011	2022	2011	2022
Gert Sibande District	**66,0**	**73,2**	**63,6**	**66,8**	**44,3**	**56,5**	**83,4**	**91,8**
Chief Albert Luthuli	20,5	39,9	19,3	33,3	22,6	35,1	87,5	96,1
Msukaligwa	72,9	79	65,5	73,8	53	64,6	74,7	87,2
Mkhondo	42,1	51,3	33,8	48,7	30,9	41,8	66,8	89,2
Dr Pixley Ka Isaka Seme	65,2	77,4	62	71,3	38,9	57,6	85,2	91,8
Lekwa	85,8	91,4	82,2	77,7	55,2	69,1	88,6	94,8
Dipaleseng	77,1	89,6	81,8	83,7	38,2	64,9	83,1	90,2
Govan Mbeki	90,4	92	91,7	85,2	56,5	66,4	90,3	92,8

1.4. FINANCIAL HEALTH OVERVIEW

The finances for Gert Sibande District Municipality remains generally stable, reflecting the institution's ability to meet its service delivery obligations and manage resources responsibly. The municipality continues to demonstrate compliance with legislative frameworks, prudent expenditure practices and sustainable financial planning. However, employee costs remain relatively high and continue to exert pressure on the overall budget.

Despite this challenge, the municipality maintains a sound financial position, ensuring its capacity to support local municipalities, invest in development priorities, and sustain quality service delivery for communities across the district.

Financial Overview: Year 0			
Details	**Budget**	**Adjustments Budget**	**Actual**
Income:			
Grants	358 803	359 695	357 051
Taxes, Levies and tariffs	3 150	3 150	3 158
Other	272 071	545 712	307 179
Sb Total	634 024	908 557	665 821
Less: Expenditure	647 662	917 481	667 388
Net Total	- 13 638	- 8 924	- 1 567
Note: surplus/ (deficit)			

Operating Ratios	
Detail	**%**
Employee Cost	**37%**
Repairs & Maintenance	**3%**
Finance Charges & Impairment	**2%**

Total Capital Expenditure: Year -2 to Year 0			
Details	**Year -2**	**Year -1**	**Year 0**
Original Budget	7 820	8 277	3 620
Adjustment Budget	6 840	8 527	3 334
Actual	6 423	9 503	2 692

Mr. CA Habile
Municipal Manager
Gert Sibande District Municipality

2024/2025 FINANCIAL YEAR ANNUAL REPORT PROCESS PLAN

Legends:

(green)	**Completed**
(amber)	**Partially completed**
(white)	**Not yet due**
(red)	**Incomplete**

ACTIVITY	DESCRIPTION OF PROCESS AND PROCEDURE	RESPONSIBLE PERSON	DUE DATE	PROGRESS
Nomination of Departmental Annual Report Champions	Submission of names/ champions	All HOD's	29/07/2025	Completed
Collection of information	Distribution of template to the champions to populate Information from their departments	Manager: Communications	30/07/2025	Completed
	Champions submit populated template to manager communications	Champions/HODs	08/08/2025	Completed
Progress report	Share draft annual report with Champions and management, gaps identified to be corrected.	Manager: Communications	11/08/2025	Completed
Collection of information	Submit Draft annual report to CFO/ DCFO	Manager: Communications	25/08/2025	Completed
	Annual financial statements (Draft Annual report) submitted to AGSA	CFO / DCFO	31/08/2025	Completed
Consolidation and first submissions	Work towards finalising the draft annual report	Manager: Communications	31/10/2025	
	Preparing the draft annual report and report item for Portfolio Committee/ GSDM	Manager: Communications	03/11/2025	Item tabled to Portfolio Committee in Dec 2025 and to the Audit committee in January 2026. To be tabled

ACTIVITY	DESCRIPTION OF PROCESS AND PROCEDURE	RESPONSIBLE PERSON	DUE DATE	PROGRESS
	Audit Committee/ Mayoral Committee/ Council.			to Mayoral Committee on 21 January.
Submission of Draft Annual Report to Auditor General	Submit Draft Annual Report to Auditor General before tabling item to Council to note changes following the audit.	Chief Financial Officer	05/01/2026	To be submitted to AG on Monday, 19 January following inputs by Management and Audit Committee.
Submission of report	Council sitting to consider the draft annual report	Manager: Communications	31/01/2026	*Not yet due***.**
Compliance	Make public draft annual report printing and delivering the annual report to different points in the district and the province for public comments.	Manager: Communications	09/02/2026	*Not yet due***.**
	Submit Draft Annual Report to Provincial Treasury, COGTA, & Legislature	Manager: Communications	09/02/2026	*Not yet due***.**
	Collecting and processing the public comments for inclusion in the annual report.	Manager: Communications	2/03/2026	*Not yet due***.**
Progress report	Proofreading the document and circulating it to all HODs, for check-up.	Manager: Communications	6/03/2026	*Not yet due***.**
Progress report	Audit committee makes final input on the annual report	Senior Manager: Audit	6/03/2026	*Not yet due***.**
Compliance	Refer the annual report with the public comments to the MPAC Committee for processing. Also share the comments with the HODs and refer it for quality checking.	Manager: Office of the Municipal Manager	16/03/2026	*Not yet due***.**

ACTIVITY	DESCRIPTION OF PROCESS AND PROCEDURE	RESPONSIBLE PERSON	DUE DATE	PROGRESS
Compliance	Council approves MPAC report and annual report	Council	31/03/2026	*Not yet due*.
	Make public the oversight report	Manager: Communications	07/04/2026	*Not yet due*.
Finalisation of the report and circulation to relevant sector departments	Distribution to relevant government departments and AGSA.	Manager: Communications	10/04/2026	*Not yet due*.
Commencement of coordination of annual report 2025/26	Presentation of the Process Plan for the compilation of the Annual Report 2025/26	Manager: Communications	27/07/2026	*Not yet due*.

CHAPTER 2

Governance

COMPONENT A : POLITICAL AND ADMINISTRATIVE GOVERNANCE

2. INTRODUCTION TO GOVERNANCE

Gert Sibande District Municipality strives to be accountable to its stakeholders, mainly, the community. This annual report is key to the governance process providing an opportunity to be accountable as an institution.

The following structures are in place and are effectively functional:-

- The office of the Executive Mayor,
- The office of the Speaker, and
- The office of the Whip of Council

2.1. POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1.1. POLITICAL GOVERNANCE

The political administration consists of, the Troika, the Members of the Mayoral Committee including the Chairperson of the Municipal Public Accounts Committee.

2.1.2. GSDM COUNCILLORS

The District Council comprises of a total number of forty-eight (48) councillors of which 19 are directly elected and 29 are seconded from Local Municipalities. The political composition of Council is as follows:-

Political Party	No. of Cllrs	Part-time councillors	Full-time councillors	No. of female Cllrs
African National Congress	28	17	11	14
Economic Freedom Fighters	10	10	-	4
Democratic Alliance	7	7	-	1
Freedom Front Plus	2	2	-	0
ARP	1	1	-	0
TOTAL	**48**	**37**	**11**	**19**

POLITICAL DECISION-TAKING

Political decisions are taken at Council level as well as at Troika meetings. The Council resolutions are implemented fully as the Heads of Departments are required to comment on a quarterly basis as to whether the resolutions are implemented or not and such is reported to the Municipal Manager as well as to Council. This system is monitored through a resolution register.

2.1.3. ADMINISTRATIVE GOVERNANCE

All top administrative positions for section 56 Managers were filled. Performance contracts for 2024/24 Financial Year were signed inclusive of performance scorecards. The Accounting Officer is accountable to the Executive Mayor while all general managers are reporting to the Municipal Manager.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.2. INTERGOVERNMENTAL RELATIONS

The Intergovernmental Relations Unit is responsible for ensuring that systems and controls are effective and coherent for intergovernmental relations. An Intergovernmental Relations policy is in place adopted by GSDM Council and its implementation is monitored through the submission of quarterly reports to Council. A calendar of meetings was developed during this financial year to assist in the coordination of all IGR structures for proper planning.

These structures include National, Provincial and District structures. Below is a list of some of these structures:-

NAME OF THE STRUCTURE	COORDINATOR	FREQUENCY OF MEETINGS
COUNCIL		
1. Executive Mayor's Forum	GSDM	Quarterly
2. Speaker's Forum	GSDM	Quarterly
OFFICE OF THE MUNICIPAL MANAGER		
3. District Municipal Manager's Forum	GSDM	Monthly
4. Risk assessment committee	GSDM	Yearly
5. Internal Audit Forum	GSDM	Quarterly
6. District Communicator's Forum	GSDM	Quarterly
FINANCE		
7. Financial Management Area Group	GSDM	Bi- Monthly
CORPORATE SERVICES		
8. District Corporate services forum	GSDM	Quarterly
9. Governance Management Area group	GSDM	Bi- Monthly
10. District ICT forum	GSDM	Quarterly
11. District Skills Development Forum	GSDM	Quarterly
12. GSDM Legal Advisory Forum	GSDM	Quarterly
13. ICT Steering Committee	GSDM	Quarterly
14. Training Committee	GSDM	Quarterly
15. Employment Equity Committee	GSDM	Quarterly
16. Local Labour Forum	GSDM	Quarterly
COMMUNITY AND SOCIAL SERVICES		
17. Integrated Services Provisioning Area Group	GSDM	Bi-Monthly
18. Friends Of the Library Committee	GSDM	Quarterly
19. District AIDS Council	GSDM	Quarterly
PLANNING AND ECONOMIC DEVELOPMENT		
20. Local Economic Development Forum	GSDM	Quarterly
21. Economic Positioning Area Group	GSDM	Bi-Monthly
22. Integrated Development Plan (IDP) Representative Forum	GSDM	Quarterly
23. IDP Management Committee	GSDM	Quarterly

NAME OF THE STRUCTURE	COORDINATOR	FREQUENCY OF MEETINGS
24. IDP Steering Committee	GSDM	Quarterly
25. Demographic and District Profile Area Group	GSDM	Quarterly
INFRASTRUCTURE AND TECHNICAL SERVICES		
26. Infrastructure Engineering area group	GSDM	Bi-Monthly
27. Technical Stakeholder's Forum	District	Quarterly

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

To carry out the responsibilities outlined in Section 18(a-d) of the MSA, Council performs the following activities: - Visit projects – that are implemented by the district in various local municipalities.

- Conduct Integrated Development Plan (IDP) and Budget consultations and review meetings, where the political leadership and administration of the district hold meetings with different stakeholders to consult and/or review the proposed budget.
- Organise Mayoral Izimbizo to encourage and allow the public from a particular area to interact directly with the Executive Mayor.

COMMENTS ON OVERVIEW OF COMMUNICATION, PARTICIPATION AND FORUMS

The district municipality has seven local municipalities and seventeen traditional leaders as its main stakeholders. Therefore, communication was made with all the stakeholders requesting to have meetings, for an example, IDP/Budgets consultation (between April and May every year) or review (between September and October every year) meetings. Each local municipality was requested to invite its stakeholders that will include amongst others, Councillors, Ward Committee Members, Community Development Workers, NGOs, CBOs, Business, Sports Fraternity, etc. Once an agreement has been reached, with respect to time and venue, with the stakeholders, the meeting is then advertised through the district website, face book page, print media, local radio stations.

COMMENTS ON WARD COMMITTEES

The district municipality does not have ward committees, but it assists locals in making sure that ward committees do receive training and other tools of trade.

2.3. PUBLIC MEETINGS

To ensure effective participation of various stakeholders in the affairs of the District Municipality, various engagements and Integrated Development Plan (IDP) consultation were undertaken.

The table below reflects the dates of the IDP meetings held during the financial year:-

2.3.1. IDP PARTICIPATION DATES

MUNICIPALITY	VENUE	DATE	TIME
Chief Albert Luthuli	Empuluzi Community Hall Steynsdorp Comm Hall	18 September 2024 11 April 2025	10h00 10h00
Dipaleseng	Thusong Hall Thusong Hall	04 September 2024 03 April 2025	10h00 10h00
Govan Mbeki	Kgotso Community Hall Difa Community Hall	06 September 2024 08 April 2025	10h00 10h00
Lekwa	Ext 6 Community Hall Sivukile Community Hall	17 September 2024 04 April 2025	10h00 10h00
Mkhondo	Mkhondo Town hall Amsterdam Town Hall	19 September 2024 09 April 2025	10h00 13h00
Msukaligwa	Cassim Park Community Hall KwaZanele Comm Hall	11 September 2024 16 April 2025	10h00 10h00
Dr Pixley Ka Isaka Seme	DPKIS LM Council Chamber Wakkerstroom Town Hall	12 September 2024 15 April 2025	10h00 10h00
Gert Sibande House of Traditional Leaders	Mkhondo Town Hall	09 April 2025	10h00

2.3.2. EFFECTIVENESS OF PUBLIC PARTICIPATION MEETINGS

The meetings were effective due to the following:

- Invitations to the meetings were issued well in advance i.e. two weeks before the dates of the meetings, so that local municipalities could also invite their stakeholders in time.
- Attendance was as expected as most stakeholders that were invited to the meeting attended.
- There was active participation of stakeholders during discussions.
- Everyone who wanted to speak was afforded a fair opportunity to express their opinions.
- During questions and input sessions, the chairperson ensured that all participants stick to the agenda points.
- These public meetings were very important to both the district and its stakeholders, as local municipalities were afforded an opportunity to successfully contribute to the IDP of the district while the district municipality provided clarity on the budget and what it could afford to achieve.

COMPONENT D: CORPORATE GOVERNANCE

2.4. RISK MANAGEMENT

Risk Management (RM) forms a critical part of Gert Sibande District Municipality strategic management. It is the process whereby the Gert Sibande District Municipality both methodically and intuitively addresses the risks attached to the strategic objectives and activities of the Municipality. The goal is to ensure the achievement of strategic objectives as well as the sustained benefit within each activity and across the portfolio of activities. Risk Management is therefore recognised as an integral part of sound organisational management and is being promoted internationally and in South Africa as good practice applicable to the public and private sectors.

The purpose of Risk Management at Gert Sibande District Municipality is to, among others provide the following:

- Advance the development and implementation of modern management practices and to support innovation through the Gert Sibande District Municipality.

- Contribute to building a risk smart workforce and environment that allows for innovation and responsible risk taking while ensuring legitimate precautions are taken to protect the public interest, maintain public trust, and ensure due diligence.
- Provide a comprehensive approach to better integrate risk management into strategic decision making.
- To provide guidance to Accounting Officer, Management and staff when overseeing or implementing the development of processes, systems and techniques for managing risk, which are appropriate to the content of the district.

2.4.1. ANTI FRAUD AND CORRUPTION INCLUDING ETHICS

The Gert Sibande District Municipality has in place an Anti-Fraud and Anti-Corruption Strategy and Policy that was reviewed and approved by Council. The risk of fraud and corruption is one of the Municipality's top risk areas. As part of Fraud and corruption prevention the following was done.

- Declarations of interest signed by Councillors, Senior Managers, Managers and SCM employees.
- Conducting Fraud Risk assessments.
- Review of the Fraud risk register was done and monitoring on a quarterly basis.
- Fraud and Corruption awareness workshops being conducted for Senior Managers, middle Managers and other junior officials.

Risk Management Committee functions as an oversight body, this includes the review of the effectiveness of prevention initiatives, detection techniques. The Municipality acts swiftly to investigate allegations of fraud & corruption whenever these allegations are reported to Management, Executive, and Council & Audit Committee. Ethics is also one of the added responsibilities to risk Management. Workshop on ethics was conducted during the financial year at GSDM Council Chamber where all GSDM officials and senior management were invited. Ethics management has been incorporated into the already existing RMAFACC, most of ethics activities have started being discussed at the RMAFACC and it is expected that it will take a noticeable direction in the next financial year.

2.5. BY-LAWS

<table>
<tr><th>Newly developed</th><th>Revised</th><th>Revised Public participation conducted prior to adoption By-Laws (Yes/No)</th><th>By-laws Gazetted (Yes/No)</th><th>Date of publication</th></tr>
<tr><td rowspan="5">GSDM Standing orders</td><td></td><td>No</td><td>No</td><td></td></tr>
<tr><td>Noise by-law</td><td>No</td><td>Yes</td><td>04/07/2025</td></tr>
<tr><td>Air quality Management by law</td><td>No</td><td>Yes</td><td>04/07/2025</td></tr>
<tr><td>Municipal Heath by law</td><td>No</td><td>Yes</td><td>04/07/2025</td></tr>
<tr><td>Waste Management by-law</td><td></td><td></td><td>04/07/2025</td></tr>
</table>

The GSDM Standing Orders By-law will be placed at strategic places within the district for perusal and comments. Once promulgated, Standing Orders will be enforced by the Speaker. The Noise, Air Quality Management, Waste Management and Municipal Health bylaws will be enforced by Environmental Health Practitioners.

2.6. WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's/ Entity 's Website	**Yes/No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents	YES	28 February 2025
All current budget-related policies	YES	2 June 2025
The Previous Annual report (Year -1)	YES	9 May 2025
The Annual report (Year 0) published/to be published	No	N/A
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	YES	7 July 2025
All service delivery agreements (Year 0)	YES	25 June 2025
All long-term borrowing contracts (Year0)	N/A	N/A
All Supply Chain management contracts above a prescribed value for Year 0	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) during Year 1	NO	
Contracts agreed in Year 0 to which subsection (1) of Section 33 apply, subject to subsection (30 of that section	N/A	
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	N/A
All quarterly reports tabled in the council in terms of section 52(d) during Year 0	YES	29 July 2025

2.6.1. COMMENT ON THE GSDM WEBSITE

In compliance with Section 75 of the Municipal Finance Management Act (MFMA), the Gert Sibande District Municipality (GSDM) continues to utilise its official website as a key platform for transparency, accountability, and public participation. The website is regularly updated with information relating to the Integrated Development Plan (IDP), the Annual Budget, In-Year Reports, Annual Financial Statements, Supply Chain Management processes, and key Council resolutions. To improve accessibility, the South African government has made computers available in designated public spaces such as libraries and Thusong Service Centres, allowing residents without internet access at home to view Council information online. GSDM also recognises the importance of monitoring and reporting on the use of its website. Continual track of the number of visits ("hits") and downloads is done. This data will be reported to Council and used to assess public interest, improve communication strategies, and encourage greater civic engagement. The municipality seeks to ensure that its website is not only a compliance tool, but a living platform that strengthens democracy, fosters transparency, and supports our goal of building *"a district that works for all"*.

2.7. PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Public satisfaction with municipal services within the district is influenced primarily by the effectiveness of coordination, support and oversight provided to local municipalities, rather than direct service delivery by the District Municipality itself. During the reporting period, the District Municipality focused on strengthening intergovernmental relations, monitoring service delivery performance, and providing technical and strategic support to local municipalities in areas such as water services authority functions, planning, disaster management and environmental health.

Community feedback and stakeholder engagements were utilised to identify systemic service delivery challenges across the district, with the outcomes informing support interventions and capacity-building initiatives aimed at improving service delivery outcomes at local level. Through these efforts, the District Municipality continued to play a facilitative role in enhancing overall public confidence and satisfaction with municipal services within its jurisdiction.

CHAPTER 3

[SERVICE DELIVERY PERFORMANCE ONE]
Performance Report Part 1

COMPONENT A: BASIC SERVICES

3. BASIC SERVICE DELIVERY

3.1. WATER PROVISION

The Gert Sibande District Municipality has made considerable strides towards supporting local municipalities in the provision of basic water services and infrastructure. While the district municipality is neither a Water Services Authority (WSA) nor a Water Services Provider (WSP), the WSA and WSP functions lie with the local municipalities within the district. The district municipality however provides water quality testing services for all the local municipalities within its area of jurisdiction and bulk infrastructure through funding from Department of Water and Sanitation and own funds:

- For 2024/25 Financial Year GSDM total budget, R 302 million was allocated for the Regional Bulk Infrastructure (RBIG) and R23 million for Water Services Infrastructure Grant (WSIG) at the local municipalities. The district is an Implementing Agent (IA) for some of the Regional Bulk Infrastructure Grant (RBIG) funding from the Department of Water and Sanitation (DWS) in the six local municipalities that is Chief Albert Luthuli, Mkhondo, Lekwa, Govan Mbeki, Dipaleseng and Msukaligwa municipalities; and an Implementing Agent for WSIG in Lekwa local municipality.

- The Gert Sibande District Municipality was also able to provide three electric pumped boreholes in the Mkhondo local municipality farm areas using its own funding during the 2024/25 Financial Year.

3.2. WASTEWATER (SANITATION) PROVISION

The Gert Sibande District Municipality prides itself in that approximately 85% of its population have access to at least basic sanitation services. The major challenge has however been the ageing infrastructure and new informal settlements which has led to an increase in infrastructure maintenance backlogs and sewer spillages throughout the network:

R 23 million of budget was allocated for Water and Sanitation Infrastructure Grant (WSIG) at Lekwa local municipality and R 8,6 million for RBIG at Govan Mbeki local municipality for the 2024/25 financial year, funded by the Department of Water and Sanitation (DWS). GSDM focused on the eradicating sewer spillages in Rooikopen, the last phase 6 under implementation will be completed in the 2024/25 financial year. Remedial work of the internal sewer services in Standerton EXT 8 underway to eradicate sewer spillages as part of minister's intervention in Lekwa Local Municipality, phase 2 under implementation will be completed in the 2024/25 financial year. The RBIG project in Govan Mbeki Local Municipality is focusing on the bulk sewer in Embalenhle township and is currently under planning.

3.2.1. WATER QUALITY TESTING LABORATORY

The GSDM Water Quality Laboratory obtained its second cycle of accreditation by the South African National Accreditation System (SANAS) in May 2022 which is valid until 2027. During the five-year accreditation period SANAS will perform surveillance assessment in intervals of 12 months.

During the 2024/25 financial year, GSDM also invested R1.65 million in support of local municipalities for water quality testing. The water testing and sampling services also continue assisting the local municipalities to improve on their Blue Drop and Green Drop certification scores.

COMPONENT B: ROAD TRANSPORT

3.3. ROADS

Road resealing in Bethal in September 2024

The Gert Sibande District Municipality covers a total area of approximately 31 842 square kilometers. It is a stand–alone category C Municipality which comprises of seven Local municipalities. According to the Road Asset Management Systems Gert Sibande District has a road network of 4003 km, 1304km is paved and or tarred roads which is about 32% and 2699km is gravel roads which is about 68% of the total network.

Gert Sibande District Municipality is implementing a Municipal Support Program to assist all seven Local Municipalities to reduce backlog on maintenance of road network. The District Municipality then procured road maitenance fleet and fomulated a program that is rorating in all the 7 Local Municipalities spending a minimum of 1 month in each.

The fleet includes Jetpatcher trucks, Water tanks, Honey sucker and Lowbed truck remaining with GSDM. Graders, Tractor Loader Backhoe (TLB), Tippper trucks and Roller bomag were donated to the Local Municipalities. The district municipality also allocated funds to assist the Local Municipalities with road resealing through hiring of plant and supply of Material (Hot Mix Asphalt) focusing on taxi routes, roads leading to public amenities like hospitals, clinic, schools etc.

3.3.1. ACHIEVEMENTS AND EXPENDITURE DURING 2023/24 FINANCIAL YEAR

A total of 18 481m² of road resurfacing the square meters including the co-funding from Msukaligwa LM, and 38 695m^2 of pothole using Jetpatcher truck and 208km of blading/ regravelling was completed during 2024/25 financial year within the seven local municipalities.
Budget spent during the 2024/25 financial year on Roads programs is as reflected below:-

LOCAL MUNICIPALITY	REPAIR & SERVICE COSTS	DIESEL COSTS	RESURFACING OF ROADS
Dr Pixley Ka Seme LM	R121 239.05	R8 131.10	R0
Mkhondo LM	R134 314.37	R80 941.21	R0
Lekwa LM	R35 119.79	R75 394.52	R0
Msukaligwa LM	R340 108.27	R102 049.38	R3 628 023.22
Dipaleseng LM	R72 102.29	R25 914.06	R0
Chief Albert Luthuli LM	R60 558.56	R18 237.92	R3 400 000.00

Govan Mbeki LM	R0	R0	R2 970 000.00
TOTAL	**R763 442.33**	**R 310 668.19**	**R9 998 023.22**

3.4. SPECIAL PROGRAMMES & MAINTENANCE

Gert Sibande District Municipality is responsible for the maintenance of its own GSDM facilities and or buildings. This function is predominantly executed by service providers appointed for the various services for a maintenance period of 36 months. Smaller "in-house" maintenance tasks is executed by departmental staff.

3.4.1. SECTION RESPONSIBLE AREA OF OPERATION

Maintenance Disciplines
Heating, Air-Conditioning and Ventilation
Electrical
Plumbing
Civil & Structural

Maintenance Areas
GSDM Main Building
GSDM Laboratory
Disaster Management Centers:
Chief Albert Luthuli
Dipaleseng
Mkhondo
Dr Pixley Ka Isaka Seme

3.4.2. ACHIEVEMENTS AND EXPENDITURE DURING THE 2024/25 FINANCIAL YEAR

The 2024/2025 Financial Year budget for the maintenance of the respective infrastructure (GSDM Maintenance of all Buildings was R 5 000 000.

The expenditure on all allocations to the maintenance of HVAC, Electricity, Civil & Structural and Plumbing Contracts is based on the payment certificates signed off by the ITS Department and sent to Finance for payment. An amount of R 3 943 175 was spent until 30 June 2025 which represents **79%** of the total allocation in relation to the 2024/2025 approved budget.

MAINTENANCE CONTRACTS

Location	Approved	Expenditure	% Expenditure
Generators ***(3/3 Years)*** *Thulatsepo*	R 600,000	R 502,879	84
Electrical Installations ***(3/3 Years)*** *Muntuza*	R 400,000	R 0	0
UPS Installations ***(3/3 Years)*** *Lalile*	R 450,000	R 0	0
Heating Ventilation & Air-Conditioning ***(3/3 Years)*** *Thulatsepo*	R 2,900,000	R 2,831,350	98
Civil, Structural & Plumbing installations ***(3/3 Years)*** *Phumlekhaya*	R 600,000	R 582,999	97
RFQ's *Request for Quotation* *Work completed as single projects within the Financial*	R 50,000	R 25,947	52
Grand Total	**R 5,000,000**	**R 3,943,175**	**79**

3.5. DISASTER MANAGEMENT

COMPONENT B: DISASTER MANAGEMENT

3.5.1. INTRODUCTION TO DISASTER MANAGEMENT

The Disaster Management Act 57 of 2002 (as amended) is the primary legislation governing the implementation of the disaster management function and the coordination of response and recovery from disaster.

The act provides for the development of an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery and rehabilitation.

International Day for Disaster Risk Reduction Commemoration by Gert Sibande District Municipality on 15 November 2024 in Mayflower, Chief Albert Luthuli Local Municipality

Furthermore, the act provides for the establishment and functioning of national, provincial and municipal disaster management Centres, disaster management volunteers. The Act is supplemented by the National Disaster Management Framework (NDMF) of 2005 which guides its implementation. The NDMF is structured into key performance areas and enablers, and they are as follows.

KPA 1: Integrated Institutional Capacity for Disaster Risk Management.
KPA 2: Disaster Risk Assessment.
KPA 3: Disaster Risk Reduction.
KPA 4: Response and Recovery.
PE 1: Information Management and Communications.
PE 2: Education, Training, Public Awareness and Research; and,
PE 3: Funding Arrangements for Disaster Risk Management.

In line with the provisions of the act, the District Disaster Management Centre executed a number of programmes which include conducting awareness campaigns, monitoring functionality and supporting local municipal disaster management centres, responding to and providing relief resources during incidents.

3.5.2. INTERGOVERNMENTAL RELATIONS AND STAKEHOLDER PARTICIPATION

Strategic Objective	KPI	Service targets	2024/25 Targets	Actual target achieved
Advance Community Wellbeing	International Day for Disaster Risk Reduction [IDDR] Commemoration	01	01	01

3.5.3. MONITORING OF MUNICIPAL DISASTER MANAGEMENT CENTRES

Strategic Objective	KPI	Service targets	2024/25 Targets	Actual target achieved
Advance Community Wellbeing	Monitoring and Evaluation of the Municipal Disaster Management Centres	07	07	07

3.5.4. PUBLIC AWARENESS, EDUCATION AND COMMUNITY SAFETY

The GSDM Disaster Management Centre in partnership with other internal municipal departments/sections, Local Municipalities Disaster Management Centres, government/sector departments and agencies, State Owned Entities (SOEs) and private sector organizations established to support government programmes jointly conducted awareness campaigns at various communities throughout the district. The purpose was to educate and alert vulnerable communities about prevailing hazards and the risks/dangers associated with such hazards.

Furthermore, communities were capacitate with relevant knowledge and basic skills such as emergency evacuation procedures, basic structural firefighting, basic veld fighting, basic water purification procedures and environmental care programmes which they can be utilized before, during and after incidents and/or emergencies to prevent, minimize harm, injuries and/or loss of life, damage to properties and destruction and/or preservation of the environment prior to or before professional or advance assistance and/or interventions are initiated. Awareness campaigns which were undertaken included fire safety, water safety, water pollution prevention, environmental care and biodiversity programmes such as cleaning and greening.

Strategic Objective	KPI	Service targets	2024/25 Targets	Actual target achieved
Advance Community Wellbeing	Public Awareness, Education and Community Safety [Risk Reduction Programmes]	07	07	08

3.5.5. CAPACITY BUILDING AND SUPPORT TO LOCAL MUNICIPALITIES

The district municipality disaster management section distributed relief material to all the local municipalities to ensure a state of readiness and quick response when the need arises in communities. Such relief materials include blankets, tarpaulins, sponges and cooking stoves. Furthermore, the district and local municipalities disaster management centres are enhancing partnership and collaboration with sector departments and agencies such as the South African Social Security Agency (SASSA), departments of Home Affairs, Social Development, Human Settlements, Agriculture, Education etc. in all the local municipalities jurisdiction to enable resources sharing and support to each other for the benefit of the communities during and after disastrous incidents.

Strategic Objective	KPI	Service targets	2024/25 Targets	Actual target achieved
Advance Community Wellbeing	Distribution of Disaster Relief Material	Achieved	Achieved	Achieved

3.5.6. DISASTER INCIDENTS OCCURRING AND COORDINATION OF HUMANITARIAN ASSISTANCE

Municipalities within the district were affected by severe thunderstorms, floods, veld and structural fires. Damages suffered include eroded road surfaces, collapsed bridges, collapsed residential houses, businesses and office infrastructure, damaged crops, livestock and disrupted human lives. The district together with local municipalities, the provincial and national government stakeholders provided support in form of food parcels, blankets, building materials and temporary shelters. Assessments were conducted to quantify the damages, and subsequent interventions were made as guided by the provincial and national disaster management centres guidelines [MDRG].

Strong winds caused disastrous effects on 6 November 2024,Ermelo

Strategic Objective	KPI	Service targets	2024/25 Targets	Actual target achieved
Advance Community Wellbeing	Coordinate response and recovery to disastrous incidents.	Achieved	Achieved	Achieved

Employees: Disaster Management					
Job level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
16 - 18	0	1	0	1	100%
13 - 15	1	1	1	0	0%
10 - 12	3	3	3	0	0%
7 - 9	0	1	0	1	100%
4 - 6	0	0	0	0	0%
0 - 3	0	0	0	0	0%
Total	4	6	4	2	33.33%

COMPONENT C: PLANNING, ECONOMIC DEVELOPMENT AND INNOVATION

3.6. PLANNING, ECONOMIC DEVELOPMENT AND INNOVATION

This component includes Planning, Local Economic Development and Innovation.

INTRODUCTION TO PLANNING, ECONOMIC DEVELOPMENT & INNOVATION

The GSDM development opportunities arises from the existing industrial activities in coal and gold mining, primary agriculture, petrochemical manufacturing as well electricity generation. Implementation of the district's development policies and programs remain imperative in order to support major sectors, improve living standards, and provide sustainable human settlement in the district. Partnerships with key stakeholders has enabled the district to leverage on resources available. Feasibilities studies are conducted to determine the development opportunities for economic growth purposes and to the benefit of communities

3.6.1. PLANNING

3.6.1.1. INTRODUCTION TO PLANNING

The municipal planning units in the GSDM are faced with structural deficiencies limiting the efficiency with which the municipal planning function is performed. The GSDM is co-ordinating a joint municipal planning tribunal on behalf of the 7 local municipalities that were unable to establish their own due to financial and human resource constraints. The district planning team has been strengthened and supported by the Infrastructure Skills Development Grant (ISDG) funded by National Treasury through which we have employed 4 Town Planning Graduates, 4 Land Surveying Graduates and 3 GIS Graduates. During the 2024/25 financial year the district has deployed one town planner to Dipaleseng Local Municipality, one town Planner to Lekwa

Local Municipality and one GIS graduate to Mkhondo Local Municipality in order to augment skills shortage in the district.

The GIS unit has also provided GIS support to the 7 local municipalities by way of GIS licences and technical support. The district is supporting GIS functionality in municipalities that do not have the hardware environment through the ARRGIS Online. This shared service model has ensured that there is GIS functionality in every local municipality providing the foundation for successful spatial planning and spatial referencing of municipal datasets like valuation rolls and asset registers.

3.6.1.2. APPLICATIONS FOR LAND USE DEVELOPMENT

Detail	Formalization of Townships		Rezoning		Other	
	Year-1	Year 2	Year-1	Year 2	Year-1	Year 2
Planning applications received	5	4	6	3	2	0
Determination made in year of receipt	5	4	4	3	2	0
Determination made in the following year	0	0	0	0	0	0
Application withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	2	0	0	0

3.6.1.3. COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

The GSDM has identified the establishment of an aerospace industrial hub as a major catalyst for economic development in the district. The project is at planning phase and various milestones have been achieved thus far. This includes the compilation and submission of a funding application to Infrastructure South Africa and the incorporation of the project into the Public Works infrastructure projects handbook. The Morgenzon Township general plan was submitted to the Surveyor General for Approval during the 2024/25 financial year. The registration of the Township in favour of the Lekwa Local Municipality will also be done during the 2025/26 financial year. An environmental impact assessment was conducted on a Portion (Measuring 60.18 Ha) of the Remainder of Portion 11 of the farm Nooitgedacht 268 IT for a landfill and cemetery development was conducted on behalf of the Msukaligwa Local Municipality to relieve the pressure on the existing facilities.

3.6.2. LOCAL ECONOMIC DEVELOPMENT (LED)

3.6.2.1. INTRODUCTION TO ECONOMIC DEVELOPMENT

The district, in collaboration with its seven (7) constituent Local Municipalities and other stakeholders' endeavours to optimize the impact of economic growth in the district through the proper implementation of the District Local Economic Development Strategy which addresses, the following:-

Partnerships towards progressively responding to the skills need by the growing Regional Economy.

- Marketing and promotion of the Tourism Sector.

- Increasing local beneficiation and shared economic growth across the district.
- Identification and implementation of high impact LED projects.
- Providing support services, mentorship and investment towards ensuring sustainability and effective utilization of farms attained through Land Reform Programs.
- Development and Training of Co-operatives and Small, Medium, and Micro Enterprises SMMEs (Financial and Non-Financial support).
- Informal Sector development and Second economy interventions (i.e. skills development).
- Promotion of the usage of alternative sources of energy.

Thirty-six (36) SMMEs including Cooperatives were supported through purchasing of business production inputs, business development training and marketing of their products at Pop up markets exhibition. Capacity building workshop was conducted in partnership with Small Enterprise Development and Finance Agency (SEDFA), Department of Small Business (DSB), SASOL & National Youth Development Agency (NYDA).

The district has supported 6 events to promote the Tourism sector. Tourism product owners from different municipalities in the district were supported to exhibit at Tourism indaba in May 2025.

A district Mining Forum has been established to monitor the implementation of Social Labour Plans by mining companies and to strengthen the relationship between the private sector and local government. The forum comprises of Executives Mayors, Members of the Mayoral Committees responsible for LED and LED Managers from the seven local municipalities and bi-annual meetings were held chaired by the GSDM Executive Mayor.

3.6.3. ECONOMIC FACTORS

Economic Activity by Sector			
Sector	**Year - 1 2022/23**	**Year 1 2023/24**	**Year 1 2024/25**
Trade	12,8	13.7	13.2
Community services	18,0	21.7	22
Finance	11,8	14.0	12.8
Manufacturing	17,3	16.7	16.1
Agriculture	6,0	6.4	5.8
Mining	19,6	15.4	14.8
Construction	2.4	2.0	2.5
Transport	6.0	5.5	6.5
Utilities	6.0	4.6	6.3
Total	100	100	100

Economic Employment by Sector			
Sector	**Year - 1 2022/23**	**Year 1 2023/24**	**Year 1 2024/25**
Trade	23,3	22.4	23.2
Community services	18,6	21.3	21.8
Finance	13,1	12	12.9
Manufacturing	10,3	10.1	10
Agriculture	7,6	8	7.8
Mining	7,1	6.8	5.5
Private households	7,0	6.5	7
Construction	6,6	6.5	6.9
Transport	4,7	4.7	5
Utilities	1,6	1.6	1.8

Economic Employment by Sector			
Sector	**Year - 1 2022/23**	**Year 1 2023/24**	**Year 1 2024/25**
Total	100	100	100
T 3.11.2			

3.6.4. EXPANDED PUBLIC WORKS PROGRAMME

EPWP workers.

Siyathuthuka is the special programme implemented under Expanded Public Works Programme (EPWP), in all seven (7) Local municipalities with the emphasis on the creation of a cleaner and litter free District environment that would be favourably perceived by residents.

Seven (7) Projects were implemented under Environment and Culture Sector, 13 projects implemented under Infrastructure sector and 9 projects implemented under the Social Sector leading to creation of work opportunities and 306 work opportunities.

Included in the number of work opportunities is the jobs created through Siyathuthuka Enterprise Development program wherein three Cooperatives have been registered under EPWP with the objective to support participants in their quest to operate and grow their businesses.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries and archives; museums, arts and galleries; community halls; cemeteries and crematoria; childcare; aged care; social programmes, theatres.

3.7. LIBRARIES AND COMMUNITY FACILITIES

Gert Sibande District library plays a fundamental role in community of Gert Sibande District as a gateway to knowledge and culture. The resources and services offered create opportunities for learning, support literacy and education, and help shape the new ideas and perspectives that are central to a creative and innovative society to meet the needs of individuals and groups for education, information and personal development including recreation and leisure.

The library is targeting mostly, tertiary students, researchers, government employees especially those who are continually empowering themselves through pursuing advanced academic training relating to the requirements of the professions, as they are easily connected to their institutions

Some of the users of the GSDM Library during their visit.

for reference and research purposes. The library meets quarterly with the Friends of the Library Committee which act as a bridge between the library and community.

The GSDM library has over the years, been able to afford its users an opportunity to link up with other libraries and tertiary institutions within South Africa and world-wide. Currently the GSDM is trying by all means to market the services offered by the library to relevant patrons and the utilization of the library is increasingly day by day. The GSDM together with the Department of Culture Sports and Recreation (DCSR) as the custodian of Library Services has revived Libraries in Correctional Services at Gert Sibande Region. These two spheres of government are working tirelessly in making sure that the libraries extend their services to all types of society even those who for some reason are unable to come to the libraries. The GSDM is also working hand in hand with other relevant stakeholders.

Mobile library by the DCSR during Mayoral Imbizo in Lekwa

3.7.1. SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES. COMMUNITY FACILITIES

Gert Sibande District library plays a fundamental role in community of Gert Sibande District as a gateway to knowledge and culture. The resources and services offered create opportunities for learning, support literacy and education, and help shape the new ideas and perspectives that are central to a creative and innovative society to meet the needs of individuals and groups for education, information and personal development including recreation and leisure.

The library is targeting mostly, tertiary students, researchers, government employees especially those who are continually empowering themselves through pursuing advanced academic training relating to the requirements of the professions, as they are easily connected to their institutions for reference and research purposes. The library meets quarterly with the Friends of the Library Committee which act as a bridge between the library and community.

GSDM library over the years has also been able to afford our users an opportunity to link up with other libraries and tertiary institutions within South Africa and world-wide. Currently the GSDM is trying by all means to market the services offered by the library to our relevant patrons and the utilization of the library is increasingly day by day. The GSDM together with the Department of Culture Sports and Recreation (DCSR) as the custodiam of Library Services has revived Libraries in Correctional Services at Gert Sibande Region. These two spheres of government are working tirelessly in making sure that the libraries extend their services to all types of society even those who for some reason are unable to come to the libraries. The GSDM is also working hand in hand with other relevant stakeholders.

Gert Sibande District Library in partnership with the Department of Culture Sports and Recreation together with 7 Local Municipalities and stakeholders are committed in providing Library Services for the community within the Jurisdiction of Gert Sibande. The GSDM Library is one of the state-of-the-Art facilities within the district. We at aimed at ensuring that the district becomes the center of knowledge and Information assimilations and dissemination for the people within its jurisdictional areas, and those who are passing through using the National Roads that traverse the district. The library is equipped with a free internet access, Workshop for library activities and meetings. With the limited budget the library has able to develop comprehensive library collection of Reference and Subject books, suitable for project work, research and for individual development. The library has also engaged in awareness programs to make sure that the community is aware of the services rendered. This section also takes part in training and relevant workshops at national and international conferences such as LIASA and IFLA for staff development.

The library targets mostly tertiary students, researchers, government employees especially those who are continually empowering themselves through pursuing advanced academic training relating to the requirements of the Professions, as they will be easily connected to their institutions for reference and research purposes. The library meets quarterly with the Friends of the Library Committee which act as a bridge between the community and the library. The library consists of two permanent staff and one second staff from the Department of Culture Sports and Recreation. We are also engaging in the national, provincial and private sectors for social responsibility support. We are hoping that the correct and positive respond would be coming forth. Membership (310), Internet usage (7200), Library usage (9300).

GSDM and LEKWA LM leaders exploring the Mobile Library services during the District Mayoral Imbizo on in Sakhile, Lekwa

3.8. CHILD CARE, AGED CARE AND SOCIAL PROGRAMS

3.8.1. INTRODUCTION TO CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES

Social development has embarked on a number of programs which talk to children and care for the aged. These programmes include the provision of school uniforms for the children in need in schools within the Gert Sibande District. Sanitary towels were also donated to different schools.

The Social Development Unit was also able to:-

- Coordinate Older Persons programs in the District, Health and Wellbeing, Community Base Care and Support services,
- Coordinate capacity building of older persons, safety and security of older persons.
- Coordinate and facilitate empowerment and skill development programs, access to education, equal employment, access to public transport and physical infrastructure.
- Coordinate prevention programs that address violence stigma and discrimination on the ground of social orientation.
- Coordinate Presentation Programs that address HIV epidemic amongst all partners and stakeholders.
- Run Gender Based Violence and Femicide programs
- Continuous assessment of community and institutional prevention intervention that are effective and have potential for wider impact
- Coordinate the implementation of District GBVF comprehensive respond model
- Create awareness on GBV& F, Empowerment and promote values of the Constitution and Bill of Rights.

COMPONENT E: ENVIRONMENTAL MANAGEMENT

3.9. ENVIRONMENTAL PROTECTION

This component includes pollution control; biodiversity and landscape; and costal protection.

3.9.1. INTRODUCTION TO ENVIRONMENTAL PROTECTION

The district is responsible for environmental pollution control through municipal health and environmental services and provide support to sector departments in terms of biodiversity and landscape

3.9.2. POLLUTION CONTROL

The district is monitoring water quality monthly in all its local municipality for compliance to SANAS241 standards for drinking water, there is surveillance of surface water and some boreholes for possible pollution by heavy metals or other chemical or biological contaminants. The district is the licensing authority for all facilities triggering atmospheric emission licensing in terms of the national environmental management Air Quality Act, act 39 of 2004 as amended. The district is also managing air pollution through regulatory services and compliance monitoring services. It also does environmental pollution nuisance control and pollution incident management and pollution prevention awareness campaigns. The impact of the service has been increased awareness and increase community participation in pollution prevention.

3.9.3. SERVICE STATISTICS FOR POLLUTION CONTROL

STRATEGIC OBJECTIVE	ES PROGRAMME	NO. OF EMPLOYEES AND RANKS IN 2024/25	VACANCIES
Advanced community wellbeing	Administration	Snr. Manager: MH&ES x1 Manager: ES x1 Biodiversity & Conservation officers x2 Compliance monitoring and Enforcement officers x1 Air Quality officers x 2 Environmental officer x1	Compliance monitoring and Enforcement officers x2 Senior Environmental Officer x1

3.10. MUNICIPAL HEALTH SERVICES

3.10.1. MUNICIPAL MANDATE: INSPECTIONS, FOOD AND ABBATOIR LICENCING & CEMETORIES/ CREMATORIUMS.

The district municipality is mandated to render Municipal Health Services in terms of section 32 of the National Health Act, 2003 (Act No. 61 of 2003) as amended. One of its key functions is the managmeent of human raimns. The district is responsible for moniroting funeral parlours, undertakers or mortuaries. The National Norms and Standards of the National Department health require the district to monitor funeral parlours, undertakers or mortuaries on quarterly bases.

The district municipality has cemeteries that are managed by both local municipalities and tribal authorities. The district does not have a crematorium, however it has about ninety one (91) funeral parours that are operating with valid certificates of competence. The certificates of competence are issued to facilities that are complying with the relevant regulations. These are monitored on quarterly bases in order to ensure compliance to environmental health requirements in line with the 2024/2025 annual plan.

In terms of the management of human remains program under Municipal Health Services, it was planned to be conducted on quarterly bases and the set target was 100% and all ninety-one (91) premises were inspected which equates to 100%.

Water quality monitoring and health surveillance remain as the main key focus area under Municipal Health Services in the best interest of public health. The district continues to make some strides in the inspection of food premises, monitoring of water quality and health surveillance as mandated by the Constitution of South Africa, 1996 (Act 108 of 1996). The approaches being used in the district are health education through awareness campaigns, water sampling and law enforcement as the last resort. As a result, food premises, water samples and health surveillance of premises are being monitored on quarterly bases.

In terms of food control, the annual target number of premises to be inspected in the reporting year was 3700 and the district inspected 3715 which was above the set target. Water quality monitoring-the annual target number of water samples to be taken was 80% due to fact that in some municipalities water supply is being interrupted on regular bases and the district managed to sample 84% which was above the set target. Health surveillance of premises, the target was 1080 and the section achieved 1183. It terms of its prioritised programs the section achieved all its targets for 2024-2025 financial year.

COMPONENT F: MUNICIPAL PERSONNEL

3.11. HUMAN RESOURCE SERVICES

3.11.1. HUMAN RESOURCE SERVICES

The Gert Sibande District Municipality human resources pride itself in appointing the most suitable, qualified and skilled workforce to ensure that efficiency and effectiveness within the municipality is attained. Vacancies arise due to expiry of contracts, retirements, resignations and deaths to which the institution advertise the vacant posts internally and externally in accordance with the Council's Recruitment and Selection policy and in terms of Regulations on appointment and conditions of employment of Senior Managers. The target to fill any vacancy is within a period of three (3) months. Performance is improved by developing the staff and ensuring alignment with new technologies. GSDM has since aligned the Performance and Development as required by the Municipal Staff Regulation (MSR).

3.11.2. SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Human Resources Services is fully capacitated with human capital as per the approved organogram to ensure that HR services are provided and support is provided to all departments as and when required.

3.11.3. COMMENT ON PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

In terms of the Employment Equity Act 1998 and the reports that are submitted to the Department of Labour annually before the 15 January each year Gert Sibande District Municipality is complying. The Municipality from time-to-time review some of the Human Resources policy with the objective of keeping abreast of changes in the sector of Local Government in general such as recent promulgated Municipal Staff Regulations requires Municipalities to align Human Resources policies accordingly. These policies are aimed at ensuring Human Resource processes and procedures are done fairly, consistently and transparently. Organizational development entails harnessing the human capital of the municipality through skills development, occupational health and safety, sound Labour relations and employee wellness. Skills development is a compliance matter in terms of Skills Development Act which requires employers to budget, plan, capacitate workforce and report to LGSETA annually by 30 April. The Municipality has implemented training in line with the Workplace Skills Plan, discretionary grant funding and own skills development budget for skills programmes, Learnerships and short courses in the year under review. The Municipality has aligned its Training and Development policy to be in line with the Municipal Staff Regulations.

3.12. EMPLOYEE TOTALS, TURNOVER AND VACANCIES

3.12.1. MUNICIPAL WORKFORCE MANAGEMENT, VACANCIES AND TURNOVER

During the year under review changes in business processes and changing environment necessitated that Gert Sibande District Municipality review its organisational structure and this resulted in some of the designations renamed, realignment of functions in line with the Municipal Staff Regulations. The review of the organisational structure was approved by Council on the 29 May 2025.

Gert Sibande District Municipality prides itself in appointing the most suitable, qualified and skilled workforce to ensure that efficiency and effectiveness within the Municipality is attained. The positions of the Accounting Officer and Senior Managers reporting to Municipal Manager were filled timeously upon posts becoming vacant having to follow the recruitment acceleration plan submitted to SALGA for monitoring. Vacancies arise due to expiry of contracts, retirements, resignations and deaths to which the institution advertise the vacant posts internally and externally in accordance with the Council’s Recruitment and Selection policy and in terms of Regulations on appointment and conditions of employment of Senior Managers. The target to fill any vacancy is within a period of three (3) months.

Depending on the scarcity of skills in the labour market, the timeframes for filling of positions varies depending on what qualifications and experience required.

3.12.2.POLICIES

NO	POLICY NAME	POLICY NUMBER	STATUS	COUNCIL RESOLUTION	DATE OF APPROVAL/ REVIEW	COMMENTS	POLICY OWNER
1.	Supply Chain Management Policy	C36/05/2017	Approved	C56/05/2025	30/05/2025	Approved	SCM/Finance
2.	Cash Management Policy	C36/05/2017	Approved	C56/05/2025	30/05/2025	Approved	Finance
3.	Budget Policy	C36/05/2017	Approved	C56/05/2025	30/05/2025	Approved	Budget/Finance
4.	Petty Cash Policy	C36/05/2017	Approved	C56/05/2025	30/05/2025	Approved	Finance
5.	Virement Policy	C36/05/2017	Approved	C56/05/2025	30/05/2025	Approved	Finance
6.	Impairment and Sundry Debtors Policy	C36/05/2017	Approved	C56/05/2025	30/05/2025	Approved	Finance
7.	Assets Management Policy	C36/05/2017	Approved	C56/05/2025	30/05/2025	Approved	Asset/Finance
8.	Tariffs Policy for Municipal Health and Environmental Services/ Water quality services	C36/05/2017	Approved	C56/05/2025	30/05/2025	Approved	Municipal Health/CSS and Laboratory/ITS
9.	Creditors Payment Policy	C108/12/2012	Approved	C56/05/2025	30/05/2025	Approved	Finance
10.	Credit Control and Debt Collection	C45/05/2018	Approved	C56/05/2025	30/05/2025	Approved	Creditors/Finance
11.	Cost Containment Policy	C49/06/2018	Approved	C56/05/2025	30/05/2025	Approved	Finance
12.	Inventory Management Policy	C49/12/2018	Approved	C56/05/2025	30/05/2025	Approved	Finance
13.	Anti-Fraud and Anti-Corruption Policy	C108/12/2012	Approved	C63/05/2025	30/05/2025	Approved	Risk Management/MM
14.	Fraud Prevention Plan	C108/12/2012	Approved	C63/05/2025	30/05/2025	Approved	Risk Management/MM
15.	Risk Management	C108/12/2012	Approved	C63/05/2025	30/05/2025	Approved	Risk Management/MM
16.	Risk Management Strategy	C108/12/2012	Approved	C63/05/2025	30/05/2025	Approved	Risk Management/MM
17.	ICT Change Control Policy	C47/06/2017	Approved	C47/06/2017	C84/06/2023	Approved	ICT/CS
18.	ICT Steering Committee Charter Policy	C47/06/2017	Approved	C112/12/2020	03/12/2020	Approved	ICT/CS
19.	ICT Strategy Policy 2017-2030	C47/06/2017	Approved	C47/062017	29/06/2017	To be reviewed in 2019/20	ICT/CS
20.	Operating System Security Policy	C47/06/2017	Approved	C47/062017	29/06/2017	To be reviewed in 2019/20	ICT/CS
21.	ICT request Procedure	C47/06/2017	Approved	C47/06/2017	29/06/2017	To be reviewed in 2019/20	ICT/CS
22.	ICT Policy	C47/06/2017	Approved	C47/06/2017	29/06/2017	To be reviewed in 2019/20	ICT/CS
23.	HR Strategy	C64/10/2014	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
24.	Attendance and Punctuality policy	C36/07/2013	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS
25.	Alcohol and Drugs Abuse Policy	C36/07/2013	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
26.	Training and Development Policy	C36/07/2013	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
27.	Bereavement Policy	C36/07/2013	Approved	C92/07/2025	30/07/2025	Approved	HR
28.	Children Development and Empowerment	C36/07/2013	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	Special Programmes/ Office of the Executive Mayor
29.	Code of Conduct Policy	C115/11/2015	Approved	C92/07/2025	30/07/2025	Approved	HR/CS

NO	POLICY NAME	POLICY NUMBER	STATUS	COUNCIL RESOLUTION	DATE OF APPROVAL/ REVIEW	COMMENTS	POLICY OWNER
30.	Occupational Health and Safety	C108/12/2012	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
31.	Performance Management for staff below section 56	C64/10/2014	Approved	C27/03/2022	31/03/2022	Approved	HR/CS
32.	Determination of Commencing Salary appointment Policy	C64/10/2014	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS
33.	Recruitment and selection of appointment policy	C64/10/2014	Approved	C74/06/2023	29/06/2023	Approved	HR/CS
34.	Overtime Policy	C36/07/2013	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
35.	Induction of New Employees Policy	C108/12/2012	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS
36.	Leave Policy	C64/10/2014	Approved	C093/07/2022	22/07/2022	Approved	HR/CS
37.	EPWP Policy	C37/04/2018	Approved	C81/07/2024	30/07/2024	Approved	LED/PED
38.	Bereavement Policy	C37/04/2018	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
39	Letting and Hiring of GSDM Premises and other Facilities	C115/11/2015	Approved	C74/06/2023	29/06/2023	Approved	HR/CS
40.	Acting Allowance	C108/12/2012	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
41.	Subsistence and Travelling Allowance	C108/12/2012	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
42.	Delegation of powers	C25/03/2017	Approved	C87/06/2022	23/06/2022	Approved	HR/CS
43.	Audit Committee Charter	C47/06/2017	Approved	C92/07/2025	30/07/2025	Approved	Internal Audit/MM
44.	Practical Training Volunteering	C108/12/2012	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
45	Task Job Evaluation	C64/10/2014	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
46.	Smoking Policy	C108/12/2012	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	HR/CS
47.	Employees Assistance Programme Policy	C64/10/2014	Approved	C093/07/2022	22/07/2022	Approved	HR/CS
48.	EAP Plan	C52/06/2018	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
49.	Relocation Policy	C36/07/2013	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
50.	HIV, TB and STI's Policy	C108/12/2012	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	
51.	Youth Development Empowerment Strategy	C52/06/2018	Approved	C56/06/2018	28/06/2018	To be reviewed in 2023/24	Youth Development/OEM
52.	Social Media Policy	C52/06/2018	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	ICT/CS
53.	Succession Policy	C52/06/2018	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
54.	Library Policy	C64/10/2014	Approved	C55/04/2023	26/04/2023	Approved	Social Development/CSS
55.	Record Management Policy	C61/12/2013	Approved	C92/07/2025	30/07/2025	Approved	Records Management/CS
56.	Procedure Manual for Record Management	C77/08/2017	Approved	C92/07/2025	30/07/2025	Approved	Records Management/CS
57.	Sexual Harassment Policy	C36/07/2013	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
58.	ICT Backup Strategy	C115/11/2015	Approved	C116/12/2018	06/12/2018	To be reviewed in 2020/21	ICT/CS
59.	Employment Equity Policy	C116/12/2018	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
60.	ICT Continuity Plan	C64/10/2014	Approved	C45/04/2025	24/04/2025	Approved	ICT/CS
61.	Tools of Trade Policy	C48/12/2016	Approved	C45/04/2025	24/04/2025	Approved	ICT/CS
62.	Digital Office Policy	C48/12/2016	Approved	C53/06/2021	29/06/2021	Approved	ICT/CS

NO	POLICY NAME	POLICY NUMBER	STATUS	COUNCIL RESOLUTION	DATE OF APPROVAL/ REVIEW	COMMENTS	POLICY OWNER
63.	Employee Conditional Study Grant Policy	C36/07/2013	Approved	C27/03/2022	31/03/2022	Approved	HR/CS
64.	Policy on Standing Rules and Orders By-Laws	C25/03/2017	Approved	C87/06/2022	23/06/2022	Approved	Legal/CS
65.	Cell phone and Data allowance Policy	C65/06/2015	Approved	C093/07/2022	22/07/2022	Approved	ICT/CS
66.	Waste By-Laws	C64/10/2014	Approved	C64/07/2025	30/05/2025	To be reviewed in 2023/2024	Municipal Health/CSS
67.	Local Authority: Noise by-laws for Municipal health and Environmental Services/ water Quality	C63/03/2015	Approved	C64/05/2025	30/05/2025	To be review 2030	Municipal Health/CSS
68.	Local Authority: Municipal Health By-laws for Municipal Health and Environmental Services	C63/03/2015	Approved	C64/05/2025	30/05/2025	To be review 2030	Municipal Health/CSS
69.	Municipal Air Quality Management By-laws for Municipal Health and Environmental Services	C63/03/2015	Approved	C64/05/2025	30/05/2025	To be review 2030	Municipal Health/CSS
70.	IGR Policy	C38/06/2019	Approved	C95/08/2023	29/08/2024	Approved	Office of the MM
71.	ICT Security Policy	C88/12/2019	Approved	C45/04/2025	24/04/2025	Approved	ICT/CS
72.	ICT Network Access and Monitoring Policy	C88/12/2019	Approved	C88/12/2019	05/12/2019	Approved	ICT/CS
73.	User Access Management Policy	C88/12/2019	Approved	C88/12/2019	05/12/2019	Approved	ICT/CS
74.	Corporate Governance of ICT Framework	C108/12/2012	Approved	C45/04/2025	24/04/2025	Approved	ICT/CS
75.	ICT Server Room Policy	C88/12/2019	Approved	C74/06/2023	29/06/2023	Approved	ICT/CS
76.	Communication Strategy	C77/08/2017	Approved	C57/06/2020	26/06/2020	Approved	
77.	Termination Policy	C27/03/2022	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
78.	Human Resources Standard Operation Procedure	C27/03/2022	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
79.	Danger Allowance Policy	C82/08/2020	Approved	C117/10/2022	27/10/2022	Approved	HR/CS
80.	Fleet Management Policy	C36/07/2013	Approved	C38/03/2024	28/03/2024	Approved	HR/CS
81	Research Policy and Strategy	C83/06/2022	Approved	C83/06/2022	23/06/2022	Approved	CSS
82.	Firearm Management	C132/10/2022	Approved	C132/10/2022	27/10/2022	Approved	CSS
83.	Integrated Human Resource Management Plan	C37/07/2013	Approved	C74/06/2023	29/06/2023	Approved	HR/CS
84.	Private work Policy	C121/10/2022	Approved	C92/07/2025	30/07/2025	Approved	HR/CS
85.	ICT Strategy	C45/04/2025	Approved	C45/04/2025	24/04/2025	Approved	ICT

Policies were approved by Council in the financial year under review.

3.12.3. INJURIES, SICKNESS AND SUSPENSIONS

Injuries on Duty for the year under review were closely monitored and reported very low. The reason to keep injuries very low it was due to safety awareness campaigns through memo's, inductions and workshops conducted for GSDM employees. Injured officials are assisted through medical support, and their progress is monitored regularly. The IOD's are registered with COIDA and investigated timeously for the purpose of identifying the root cause and further prevention of reoccurrence.

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or status of case and Reasons why not finalised**	**Date Finalised**
Senior Fleet officer	Gross Dishonesty, fraud and corruption and negligence	21 September 2022.	Formal charges against the employee were preferred and during the progress of the proceeding he was declared unfit to perform his duties by the medical expert. The matter was then referred to EAP as per item 10 and 11 of schedule 8 of the Code of Good Practice of Dismissal of the LRA.	The employee was terminated 07 February 2025 after the approval of the medical boarding by the pension fund.
Jetpatcher Driver	Gross Dishonesty and fraud and corruption	24 March 2023.	The employee was charged and found guilty and dismissed and he then referred the matter to the SALGBC for unfair dismissal.	The SALGBC ruled in favour of the employee and on the 05 September 2024, he was reinstated with the same terms and condition of employment that prevail before his dismissal.

3.12.4. DISCIPLINARY ACTION ON CASES OF FINANCIAL MISCONDUCT			
Position	**Nature of Alleged Misconduct and Rand value of any loss to the Municipality**	**Disciplinary Action taken**	**Date Finalised**
None	None	None	None

3.12.5. COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

Delays on finalization of investigation within reasonable time and using external presiding officers to finalise disciplinary hearings.

3.13. PERFORMANCE REWARDS

The district has cascaded the Performance Management System successfully to all levels. All officials were required to sign Performance Plans against set objectives per occupational category. The performance reviews are conducted on quarterly basis and employees who have achieved the required target are rewarded based on a notch increment of 2.4%. Chapter 4 of the Municipal Staff Regulations requires that municipalities must have implemented the Performance Management Development System by 01 July 2022 which was further extended to 01 July 2023. The district is currently in the process of reviewing its Performance Management Policy to be aligned to the Municipal Staff Regulations Chapter 4.

COMPONENT G: CAPACITATING THE MUNICIPAL WORKFORCE

3.14. INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

To ensure that the organisation's effectiveness is realised, through the performance management the supervisory posts are required to conduct a personnel needs analysis and make the necessary provision in the Municipal budget. The analysis is conducted through the submission of Skills Audit Questionnaires after performance assessments have been performed.

The Annual Training Report (ATR) and the Workplace Skills Plan (WSP) for the year under review was compiled and submitted to LGSETA and implemented successfully.

The Accounting Officer, Senior Managers of the District as guided by the Municipal Systems Act and Financial officials including Finance interns have met the minimum competency levels as required by the MFMA Competency regulation. This training has been further extended to non-financial managers with funding support from National Treasury.

3.14.1. SKILLS DEVELOPMENT AND TRAINING

In order to ensure that the organisation's effectiveness is realised, through the performance management the supervisory posts are required to conduct a personnel needs analysis and make the necessary provision in the Municipal budget. The analysis is conducted through the submission of Skills Audit Questionnaires after performance assessments have been performed.

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COMPONENT H: MANAGING THE WORKFORCE EXPENDITURE

3.14.2. INTRODUCTION TO WORKFORCE EXPENDITURE

The employee related cost are the biggest expenditure items which has been influenced by various factors including the insourcing of security personnel, environmental health practitioners and performance rewards. However, all the expenditure incurred was in line with the approved salary budget. When the staff establishment is approved, provision is made in the budget for all posts which can be filled and ensure that it recruits employees that are capable of effectively render the service towards achieving the strategic goals of the district.

Furthermore, it is crucial to highlight that the district has implemented the TASK job evaluation and is currently in the process of maintenance phase as implementation was done in July 2011. The process of job evaluation is implemented by SALGA Mpumalanga and is moving at a snail pace as some of new positions must be evaluated.

3.14.3. WORKFORCE EXPENDITURE

The employee related costs are the biggest expenditure items which have been influenced by various factors including the insourcing of Security Personnel, Environmental Health Practitioners and Performance rewards. However, all the expenditure incurred were in line with the approved salary budget. When the staff establishment is approved, provision is made in the budget for all posts which can be filled and ensure that it recruits employees that are capable of effectively render the service towards achieving the strategic goals of the district.

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In the period under review, there were no salary increase to employees due to their positions being upgraded or employees whose salaries levels exceeded the grade determined by job evaluation.

3.14.4. COMMENT ON EMPLOYEES APPOINTED TO POSTS NOT APPROVED

In the period under review, no employees were appointed to posts not approved.

3.14.5. COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE

In the period under review there were no upgraded post.

3.14.6. DISCLOSURES OF FINANCIAL INTERESTS

The institution ensured that all employees adhere to the disclosure of interest processes.

3.15. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes Information and Communication Technology (ICT) services.

3.15.1. INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Information and Communication Technology Section provide a platform to support ICT systems and ICT services to the end users of Gert Sibande District Municipality.

Setting systems and providing services that enable the various Departments in the Municipality to provide their products and services by hosting such systems on ICT Infrastructure. GSDM has improved its server infrastructure and networking through the provision of backup and retentions services, introducing Virtual Private Network (VPN) and provided tools of trade to users to enable them to work from home.

3.15.2. SERVICE STATISTICS FOR ICT SERVICES

- 98% ICT network availability.
- 4 ICT steering committee reports generated quarterly.
- 4 ICT security reports generated quarterly to risk management Anti-Fraud and Anti-corruption committee.
- 100% monthly full backups generated.

3.15.3. COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

There were no major ICT capital projects in the 2024-25 financial years.

CHAPTER 4

[DRAFT ANNUAL PERFORMANCE REPORT]

4. PURPOSE

The purpose of this report is to give feedback regarding the performance of Gert Sibande District Municipality as required through The Municipal Systems Act No 32 of 2000 and Municipal Finance Management Act No 52 of 2003. The information included in this report is based on the IDP and SDBIP as developed for the financial year **2024-2025**. The scorecards were developed to reflect cumulative performance, therefore the status of indicators is a reflection of the overall performance level achieved year to date.

This report is based on information received from each department for assessment of performance ending **June 2025**. This is a high-level report based on scores obtained through a process whereby actual information per Key Performance Area (KPA), strategic objective, programme and the aligned Key Performance Indicators and projects are compared to the budget and initial planning included in the 2024-2025 Integrated Development Plan.

Overall performance for Gert Sibande District Municipality is based on the Departmental Performance Scorecards which is inclusive of the IDP and SDBIP. Sub-sections are included that discuss the progress made in achieving the targets as detailed in each scorecard in terms of the contribution made by each Department.

This report serves as a summary of results. The detail pertaining to the Key Performance Indicators (KPIs) are included in a separate addendum document, due to the volume thereof. Results are presented in the form of scores as detailed below and were calculated using an automated system (excel based) and based on the guidelines contained in the DPLG Regulation 805; Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006. The scoring method utilised is as follows:

Colour code	Scoring	% Target achieved	
Rating	Score	Low	High
Unacceptable performance	1-1.99	0.0%	66%
Performance not fully effective	2 -2.99	66.6%	99.9%
Fully effective	3 -3.99	100%	132%
Performance significantly above expectations	4 -4.99	133%	166.9%
Outstanding performance	5+	167.0%	+
NA – Not applicable for reporting in reporting period (excluded from performance measurement)			
0W – Set to zero weighting (excluded from performance measurement) by the Department			

5. Executive Summary

This report serves as the **2024-2025** Annual Performance Overview Report for the period ending June 2025. It provides feedback on the performance level achieved to date against the targets as laid out in the IDP and SDBIP.

The overall performance for Gert Sibande District Municipality is based on the Departmental Performance Scorecards as this contains all the indicators as included in the IDP and SDBIP. A total of **143** Key Performance Indicators encompassing the different scorecards contribute to the overall organisational performance, no Key Performance Indicators were zero weighted (excluded from performance measurement). All **143** Key Performance Indicators were assessed, **133 (93.00%)** were achieved and **10** (**6.99%)** were below the target. The overall accumulative performance achieved a target with an overall score of **3.44.**

A summary of performance by scorecard is provided as per the table below:

Gert Sibande District Municipality	June 2024		June 2025	
	No. of targets	Score	No. of Targets	Score
Overall	144	3.10	143	3.44
IDP	51	3.00	48	3.55
SDBIP	93	3.19	95	3.36

Table: Overall Performance

The IDP Scorecard achieved **91.67% 2024-25 (2023-24: 84.31%).** A total of 48 KPI's contribute to this scorecard, and none were zero weighted. Of the 48 indicators, 44, achieved target(s) and only 4 (8.33%) indicators were below target.

The SDBIP Scorecard achieved **93.68% 2024-25 (2023-24: 96.77%).** A total of 95 KPI's contribute to this scorecard, and none were zero weighted. Of the 95 indicators, 89, achieved target(s) and only 6 (6.32%) indicators were below target.

The institution has achieved **93.00% 2024-25(2023-24: 92.00%)** of indicators in the **2024/25 financial year**. In all instances of under-performance, challenges and reasons were identified and measures taken to address these challenges were taken and will be implemented.

6. Departmental Performance

The Departmental Performance Scorecards constitutes all the KPIs as contained in the IDP and SDBIP. This section of the report provides information on the contribution made by each Department to the performance levels achieved for the different scorecards which in turn represents the overall performance level achieved by the Municipality. Gert Sibande District Municipality completed the **2024/2025 financial year** with an overall performance score of **3.44** (93.00%). A summary of the overall performance level achieved by each Department is provided in the table below:

Table: Departmental Performance

Departmental Performance Overall Scores	June 2024		June 2025	
	No. of targets	Score Achieved	No. of targets	Score Achieved
Overall	144	3.10	143	3.44
Office of the Municipal Manager	31	3.03	32	3.16
Financial Services	15	3.13	15	3.54
Corporate Services	23	3.17	24	3.54
Community and Social Services	41	3.02	41	3.96
Infrastructure and Technical Services	17	3.06	13	2.87
Planning, Economic Development & Innovation	17	3.29	18	3.58

Table: Key Performance Area Rating

Key Performance Area Overall Scores	June 2025	
	No. of targets	Score Achieved
Overall	143	3.44
KPA 1 Municipal Transformation and Organisational Development	10	3.42
KPA 2 Basic Service Delivery and Infrastructure Development	56	3.68
KPA 3 Local Economic Development	10	4.05
KPA 4 Municipal Financial Viability and Management	21	3.26
KPA 5 Good Governance and Public Participation	40	3.40
KPA 6 Spatial Development Analysis and Rationale	6	3.00

Summary contains a breakdown of the Departmental performance:

6.1. Office of the Municipal Manager

The Office of the Municipal Manager Department is responsible for a total of 32 KPI's which contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Department were as follows:

Scorecard	Total KPIs	Applicable for Reporting	Targets Achieved	Under Target
IDP	11	11	9	2
SDBIP	21	21	21	0

The Department ended the financial year with an overall achievement of 93.75% (81.82% of IDP indicators were achieved and 100% of SDBIP indicators were achieved. A summary of performance by Key Performance Area is provided below:

Departmental Performance Office of the Municipal Manager	June 2024 Score	June 2025 Score
Overall	3.03	3.16
KPA 4: Municipal Financial Viability and Management	1	1
KPA 5: Good Governance and Public Participation	3.10	3.23

2 Indicator(s) were not achieved, and information is provided on the details of underachieved targets, challenges and corrective measures.

6.2. Financial Services

The Financial Services Department is responsible for a total of 15 KPI's which contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Department were as follows:

Scorecard	Total KPIs	Applicable for Reporting	Targets Achieved	Under Target
IDP	5	5	5	0
SDBIP	10	10	10	0

The Department ended the financial year with an overall achievement of 100% (100% of IDP indicators were achieved and 100% of SDBIP indicators were achieved). A summary of performance by Key Performance Area is provided below:

Departmental Performance Financial Services	June 2024 Score	June 2025 Score
Overall	3.13	3.54
KPA 4: Municipal Financial Viability and Management	3.13	3.54

0 Indicator(s) were not achieved, and information is provided on the details of underachieved targets, challenges and corrective measures.

6.3. Corporate Services

The Corporate Services Department is responsible for a total of 24 KPI's which contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Department were as follows:

Scorecard	Total KPIs	Applicable for Reporting	Targets Achieved	Under Target
IDP	6	6	6	0
SDBIP	18	18	15	2

The Department ended the financial year with an overall achievement of 87.5% (100% of IDP indicators were achieved and 83.33% of SDBIP indicators were achieved). A summary of performance by Key Performance Area is provided below:

Departmental Performance Corporate Services	June 2024 Score	June 2025 Score
Overall	3.17	3.54
KPA 1: Municipal Transformation and Organisational Development	3.11	3.42
KPA 2: Basic Service Delivery and Infrastructure Development	3.00	3.00
KPA 4: Municipal Financial Viability and Management	3.50	2.82
KPA 5: Good Governance and Public Participation	3.20	4.00

2 Indicator(s) were not achieved, and information is provided on the details of underachieved targets, challenges and corrective measures.

6.4. Community and Social Services

The Community and Social Services Department is responsible for a total of 41 KPI's which contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Department were as follows:

Scorecard	Total KPIs	Applicable for Reporting	Targets Achieved	Under Target
IDP	15	15	15	0
SDBIP	26	26	25	1

The Department ended the financial year with an overall achievement of 100% (100% of IDP indicators were achieved and 96.15% of SDBIP indicators were achieved). A summary of performance by Key Performance Area is provided below:

Departmental Performance Community and Social Services	June 2024 Score	June 2025 Score
Overall	3.02	3.96
KPA 2: Basic Service Delivery and Infrastructure Development	3.02	3.96

1 Indicator(s) were not achieved, and information is provided on the details of underachieved targets, challenges and corrective measures.

6.5. Infrastructure and Technical Services

The Infrastructure and Technical Services Department is responsible for a total of 13 KPI's which contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Department were as follows:

Scorecard	Total KPIs	Applicable for Reporting	Targets Achieved	Under Target
IDP	5	5	3	2
SDBIP	8	8	5	2

The Department ended the financial year with an overall achievement of 61.54% (60% of IDP indicators were achieved and 62.5% of SDBIP indicators were achieved). A summary of performance by Key Performance Area is provided below:

Departmental Performance Infrastructure and Technical Services	June 2024 Score	June 2025 Score
Overall	3.06	2.87
KPA 2: Basic Service Delivery and Infrastructure Development	3.07	2.88
KPA 4: Municipal Financial Viability and Management	3.00	2.80

4 Indicator(s) were not achieved, and information is provided on the details of underachieved targets, challenges and corrective measures.

6.6. Planning, Economic Development & Innovation

The Planning, Economic Development & Innovation Department is responsible for a total of 18 KPI's which contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Department were as follows:

Scorecard	Total KPIs	Applicable for Reporting	Targets Achieved	Under Target
IDP	6	6	6	0
SDBIP	12	12	11	1

The Department ended the financial year with an overall achievement of 94.44% (100% of IDP indicators were achieved and 91.67% of SDBIP indicators were achieved). A summary of performance by Key Performance Area is provided below:

Departmental Performance Planning, Economic Development & Innovation	June 2024 Score	June 2025 Score
Overall	3.29	3.58
KPA 3: Local Economic Development	3.78	4.05
KPA 4: Municipal Financial Viability and Management	3.00	3.00
KPA 6: Spatial Development Analysis and Rationale	2.67	3.00

1 Indicator(s) were not achieved, and information is provided on the details of underachieved targets, challenges and corrective measures.

7. Details of underachieved targets, challenges and corrective measures

The Audit Action Plan was developed, and corrective measures were implemented to ensure improved audit outcome.
Measures to improve performance:

- Acceleration plans will be developed to address challenges and to ensure that mitigating measures are implemented.
- Quarterly performance assessment meetings will be held between Accounting Officer and the Heads of Departments to monitor performance.
- Oversight committees will monitor performance and provide guidance to help improve performance.
- Assessment of the performance of external service providers will be conducted regularly to ensure that we derive value for money from the work done by service providers and to ensure that timely remedial actions are taken where performance is not satisfactory.

Office of the Municipal Manager

KPI	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
Unqualified audit outcome	4.1	1	0	Material findings on compliance with the selected legislative requirements, Procurement and contract management, Expenditure management.	Monitor progress on the Management action plan on findings raised by AG
% of Auditor General findings resolved as per the approved Audit Action plan by 30 June	5.11	100%	66%	Inadequate monitoring of action plan implementation and lack of accountability for meeting timelines	Majority of the findings can only be addressed when preparing the Annual Financial Statements. Management should enhance monitoring mechanisms to ensure timely execution of agreed action plans. Responsible officers should be held accountable for not meeting implementation deadlines, and progress should be regularly reported to senior management.

Corporate Services

KPI	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
% of Capital Budget Allocation spend CS (computer equipment, furniture & equipment, CS vehicle)	4.5.7	90%	79%	Computer equipment budget moved for the procurement of the exchange server. server to be procured in 2 phases	Phase 1 completed and phase 2 to be procured in the second quarter of the 2025/26 financial year.
% of Leave Management for employees by 30 June	1.4.5	100%	86%	14% of employees did not sign spreadsheets as provided	HOD's to ensure that all employees sign the spreadsheet in their respective departments.

Community and Social Services

KPI	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
Number of Local Municipalities assisted with applications of sourcing resources for waste management (landfill sites, waste transfer sites, drop off facilities, and buy back centres)	2.15	2	0	Invalid or unverifiable information was originally submitted	Implement a standardised evidence checklist for all reported support to municipalities

Infrastructure and Technical Services

KPI	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
% of Water and Sanitation projects (external funding) completed by 30 June (Construction Phase)	2.2	86%	69%	EOT granted on 4 projects including 2 projects (Standerton WTW & Upgrading of pumpstation) delayed due to delivery of pumps outside the country.	The extension of time has been aligned with the manufacturer's delivery commitment for the pumps from outside the country. The extension of time is dated 15 December 2025.

KPI	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
% of Water and Sanitation (external funding) projects with contractor appointments finalized (Construction Phase)	2.2.1	67%	36%	DWS has instructed GSDM to complete the ongoing WSIG project first before implementing new WSIG project.	According to the current DoRA and DWS Allocation letter, there is an allocation of R30,006,000 for the 2025/26 FY. GSDM in engagement with DWS as WSIG project was completed 08/08/2025
Number of methods implemented for Microbiology and Chemistry section by 30 June	2.3.1	4	0	Challenges: Chemistry: • Challenges with Supplier performance – Failure to supply Gas. • Supplier contract terminated by GSDM. (Company informed GSDM on liquidation when termination processes were initiated after failing to respond to formal complaints) Microbiology: • Procurement challenge of required material (Microbiology Swabs) • Not registered for the target method on proficiency testing .	Action Plan: Chemistry: - Advertise and source new supplier for Gas by end November 2025. - Methods included in the 2025/26 target. Microbiology: - Procure required material to perform validation of Method. - Register for the target method in Proficiency testing. - Method included in the target for 2025/26.
% of the capital budget actually spent on capital projects identified in terms of the IDP by 30 June (GKPI)	4.6	90%	84%	The Local Municipalities had committed to transfer funds to co-fund the project during the FY which did not happen thus causing a shortfall.	GSDM through our Finance department invoices the LMs based on their request with the Road Rehabilitation project for funds. GSDM sends a reminder to the respective LMs if LMs do not transfer the funds and adjusts the provision on the budget where applicable.

Planning, Economic Development & Innovation

KPI	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
Maintain Remote Operation Certificate (ROC) accreditation status with SACAA	6.3.1	1	0	ROC: lapsing of insurance cover prevented us from being able to submit all required documents to the air service council. Insurance was not renewed during the usual July period and was only picked up when council request insurance cover letter.	Drone insurance to be renewed during first quarter of 20025/26 financial year. Renewal document to be re-submitted during 2025/26 financial year.

8. Annexure A : IDP Scorecard

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 1: Municipal transformation and Organisational Development – Improved institutional performance										
Institutional Capacity Development	Reviewed GSDM organizational structure submitted to Council	1,1	1	1	1	Achieved	None	None	2024/25 Organogram and Council resolution	3
Institutional Capacity Development	% of employees from employment equity target groups appointed in the highest levels of management as per the approved EE plan by 30 June (GKPI)	1,2	95%	85%	95%	Achieved	None	None	List of employees as extracted from ESS system as at the end of the reporting period	3
Institutional Capacity Development	% of employees conducted performance assessments by 30 June (below sec 56)	1,3	94%	100%	100%	Achieved	None	None	Quarterly Performance report	3
Institutional Capacity Development	% of allocated budget spent on implementing the Workplace Skills Plan (GKPI) by 30 June	1,4	97%	90%	98%	Achieved	None	None	Financial expenditure report	3
KPA 2: Basic service Delivery and infrastructure Development – To accelerate provision of immediate and long-term bulk infrastructure development										
Water and Sanitation	% of GSDM funded projects completed by 30 June (excluding external funded projects)	2,1	100%	100%	100%	Achieved	None	None	Completion certificate and Status quo report	3

Water and Sanitation -	% of Water and Sanitation projects (external funded) completed (Construction phase)	2,2	67%	86%	69%	Not Achieved	EOT granted on 4 projects including 2 projects (Standerton WTW & Upgrading of pumpstation) delayed due to delivery of pumps outside the country.	The extension of time has been aligned with the manufacturer's delivery commitment for the pumps from outside the country. The extension of time is dated 15 December 2025.	Completion certificate and project list	2
Laboratory Services	% Maintain Laboratory accreditation status by SANAS by 30 June	2,3	100%	100%	100%	Achieved	None	None	% Maintain Laboratory accreditation status by	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
									SANAS by 30 June 2025 and Review notification	
Road maintenance	Total square meters [m2] of roads repaired	2,4	163826m2	39400m2	57 177.76m2	Achieved	None	None	Signed confirmation by the LMs	4
Municipal Health Services	% of water samples taken from local municipalities per month compared to scheduled target	2,5	89%	80%	85%	Achieved	None	None	Monthly sample list broken down per LM cross referenced to actual GSDM lab results	3
Municipal Health Services	Number of food handling and preparation facility inspections conducted in terms of the Foodstuffs, Cosmetics, Disinfectant Act (FCDA)	2,6	3829	3700	3715	Achieved	None	None	Notice of inspections for food premises inspected within specified period	3
Customer services	% of municipal environmental and health surveillance complaints as documented on complaints register attended to within 21 days	2,7	92%	100%	100%	Achieved	None	None	Complaints register, complaints reports [Form A] and Investigation reports [Form B]	3
Research and Development	Number of Service Delivery Research and development conducted in line with the Municipality's approved research and	2,8	3	3	4	Achieved	None	None	Research and Development Reports and Minutes	4

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
	development (R&D) programme 2022/2027									
Transversal programmes	Number of HIV/AIDS programs implemented by 30 June (Including HCT and MMC)	2,9	4	4	4	Achieved	None	None	Feedback reports and attendance registers	3
Transversal programmes	Number of Gender Based Violence and femicide programs implemented by 30 June	2,10	7	4	4	Achieved	None	None	Feedback reports and attendance registers	3
Library and Information Services	Number of Library awareness programs implemented	2,11	10	8	10	Achieved	None	None	Feedback reports and attendance registers	3
Disaster Management	Monitoring and evaluation conducted on disaster management in 7 local municipalities by 30 June	2,12	7	7	7	Achieved	None	None	Approved monitoring and reporting tool	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Environmental Management Services (Waste Management)	Number of behaviour change awareness programmes implemented (to increase re-use, recycling, recovery)	2,13	8	7	8	Achieved	None	None	Feedback report and attendance register	3
Environmental Management Services	Number of Local Municipalities assisted with applications of sourcing resources for waste management (landfill sites, waste transfer sites, drop off facilities, and buy back centres)	2.15	N/A- New KPI	2	0	Not Achieved	Invalid or unverifiable information was originally submitted	Implement a standardised evidence checklist for all reported support to municipalities	Proof of application from LMs	1
Environmental Management Services (Air Quality)	Number of Air Quality Management Plans reviewed/developed for GSDM and LMs	2,16	2	1	1	Achieved	None	None	Plan- minutes , agenda and attendance registers of meeting with stakeholders minutes of Bylaws committee, Draft AQM plan , AQM for LM- Agenda and attendance register of meeting with LM Draft AQM plan	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Environmental Management Services (Air Quality)	% of atmospheric emission license applications received and processed within 90 days	2,17	100%	100%	100%	Achieved	None	None	Database and status quo list of atmospheric emission licenses, Application letter and Notice of Acknowledgement of Receipt	3
Environmental Management Services (EMS)	% of Environmental Impact Assessment applications received and commented on within 90 days	2,18	100%	100%	100%	Achieved	None	None	EIA application register with signed off final letter with GSDM comments on the EIA application received	3
Environmental Management Services (EMS)	Number of bylaws for Environmental management reviewed / developed for the DM and LMs	2,19	3	1	4	Achieved	None	None	GSDM bylaws - Minutes of Waste Forum. Minutes of Portfolio Committee, Minutes of Bylaws Committee. Draft Environmental management bylaw. LM bylaws - agenda and attendance registers for the meetings and draft bylaws.	5

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Environmental Management Services (EMS)	Number of Climate Change Vulnerability Assessment, Adaptation and response strategies developed for the 7 LMs	2,20	0	3	3	Achieved	None	None	Climate Change Vulnerability Assessment, Adaptation and response strategies minutes	3
KPA 3: Local Economic Development – To stimulate economic growth										
Sector Development	Number of LED identified strategic projects implemented by 30 June	3,1	3	2	3	Achieved	None	None	Report attendance registers and certificate of completion	4

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	**Annual Actual Performance**	**Achievements**	**Variance Reason**	**Corrective Measures**	**Means of Verification**	**Score**
Enterprise Development	Number of support initiatives to GSDM Enterprise Development Programme beneficiaries 30 June	3,2	3	3	3	Achieved	None	None	Delivery note	3
Special initiatives	Number of job opportunities created through municipality's Local Economic Development initiatives including capital projects (GKPI)	3,3	388	200	333	Achieved	None	None	Department of Public Works published report	4
KPA 4: Municipal Financial Viability and Management - Improved audit outcome and improved revenue regeneration										

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Financial Management	Unqualified audit outcome	4,1	0	1	0	Not Achieved	material findings on compliance with the selected legislative requirements ,Procurement and contract management, Expenditure management	Monitor progress on the Management action plan on findings raised by AG	2024/25 Audit report	1

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Financial Management	Cost Coverage ratio by the 30 June (GKPI)	4,2	270%	100%	301%	Achieved	None	None	Cash and Cash Equivalents- Report on Financial Performance for the period quarter ending, Statement of Financial Position as at end of quarter. Investments held as at end of quarter - Report on Financial Performance for the quarter ending, Statement of Financial Position for the quarter ending. Expenditure for the 3-month period subsequent to quarter ending - Approved 2024/25 SDBIP, schedule SA25.	5
Asset Management	GRAP compliant asset register (measured in terms of AG Report)	4,3	100%	100%	100%	Achieved	None	None	2023/2024 Audit Report	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Supply Chain Management	% of awards above R200 000 made to service providers with BBBEE status of 4 and less	4,4	100%	70%	100%	Achieved	None	None	List of tender awards and CSD report	4
Budget Management and Reporting	Final MTREF Budget tabled and approved by Council by 31 May	4,5	1	1	1	Achieved	None	None	Final MTREF budget and Council resolution	3
Budget Management and Reporting	% of the capital budget spent on capital projects identified in terms of the IDP by 30 June (GKPI)	4,6	96.6%	90%	84%	Not Achieved	The Local Municipalities had committed to transfer funds to co-fund the project during the FY which did not happen thus causing a shortfall.	GSDM through our Finance department invoices the LMs based on their request with the Road Rehabilitation project for funds. GSDM sends a reminder to the respective LMs if LMs do not transfer the funds and adjusts the provision on the budget where applicable.	Quarterly SDBIP report	2
Municipal Support	Number of Local Municipalities supported by GSDM through Municipal Support Programme	4,7	2	3	3	Achieved	None	None	FSPC report on supported municipalities	3
KPA 5: Good Governance and Public Participation – Improved governance and administration										

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	**Annual Actual Performance**	**Achievements**	**Variance Reason**	**Corrective Measures**	**Means of Verification**	**Score**
Internal Audit	Reviewed and approved Risk Based Internal Audit Coverage Plan by 30 June	5,1	1	1	1	Achieved	None	None	Internal Audit coverage plan and Audit Committee minutes	3
Internal Audit	% of Audit Committee resolutions implemented per quarter	5,2	100%	100%	100%	Achieved	None	None	Audit Committee resolution register	3
Risk Management	Reviewed and approved Strategic Risk Register by 30 June	5,3	1	1	1	Achieved	None	None	Strategic risk report, Risk register and minutes	3
Risk Management	Number of Risk management, ethics, anti-fraud & anti-corruption workshops held by 30 June (GSDM & LMs)	5,4	1	4	9	Achieved	None	None	Feedback reports and attendance registers	5
Risk Management	Ethics management system developed by 30 June	5,5	N/A- New KPI	1	1	Achieved	None	None	Ethics framework and council resolution	3
Performance Management	Final SDBIP approved by Executive Mayor within 28 days after approval of budget	5,6	1	1	1	Achieved	None	None	Approved SDBIP	3
ICT	% of ICT Steering Committee resolutions implemented per quarter	5,7	100%	100%	100%	Achieved	None	None	ICT Steering Committee resolution register	3
Public Participation	Number of IDP/Budget consultation meetings held by 30 June	5,8	15	14	14	Achieved	None	None	Attendance registers	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Communication	Adopted Annual Report by end of January	5,9	1	1	1	Achieved	None	None	Annual Report and Council resolution	3
Governance and Administration	Final IDP tabled and approved by Council by 31 May	5,10	1	1	1	Achieved	None	None	Final IDP and Council resolution	3
Governance and Administration	% of Auditor General findings resolved as per the approved Audit Action plan by 30 June	5,11	100%	100%	66%	Not Achieved	Inadequate monitoring of action plan implementation and lack of accountability for meeting timelines	Majority of the findings can only be addressed when preparing the Annual Financial Statements. Management should enhance monitoring mechanisms to ensure timely execution of agreed action plans. Responsible officers should be held accountable for not meeting implementation deadlines, and progress should be regularly reported to senior management.	Internal audit reports on the implementation of audit action plan	1
Governance and Administration	% of Council resolutions implemented per quarter	5,12	100%	100%	100%	Achieved	None	None	Quarterly progress reports	3
KPA 6: Spatial Development Analysis and Rationale – Spatial transformation facilitation										

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Strengthening forward planning	Number of Land suitability studies conducted by 30 June	6,1	1	2	2	Achieved	None	None	Land suitability study reports	3
Development Control and facilitation	% of compliant Land Development applications concluded by 30 June	6,2	83.3%	80%	100%	Achieved	None	None	Application pre assessment register and minutes of JMPT	3
Industrialization	Number of Commercial Park development park projects implemented	6,3	2	2	3	Achieved	None	None	Document evidence of studies, funding applications agreements and plans developed in pursuit of the industrial township development objective.	4

9. Annexure B: SDBIP Components – Annual service delivery targets and performance indicators

9.1. Office of the Municipal Manager – Key Performance Indicators

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 4: Municipal Financial Viability and Management – Improved Audit Outcome and improved revenue regeneration										
Financial Management	Unqualified audit outcome	4.1	0	1	0	Not Achieved	material findings on compliance with the selected legislative requirements, Procurement and contract management, Expenditure management	Monitor progress on the Management action plan on findings raised by AG	2024/25 Audit report	1
KPA 5: Good governance and Public Participation – Improved governance and administration										
Internal Audit	Reviewed and approved Risk Based Internal Audit Coverage Plan by 30 June	5.1	1	1	1	Achieved	None	None	Internal Audit coverage plan and Audit Committee minutes	3
Internal Audit	% execution of Risk based Audit Plan in line with detailed time schedule by 30 June (Total organisation)	5.1.1	100%	100%	147%	Achieved	None	None	Progress report and IA reports	4
Internal Audit	% of Internal Audit findings resolved (annual)	5.1.2	93%	100%	100%	Achieved	None	None	Management action plan	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Internal Audit	% of Audit Committee resolutions implemented per quarter	5.2	100%	100%	100%	Achieved	None	None	Audit Committee resolution register	3
Internal Audit	Number of Audit Committee meetings held by 30 June	5.2.1	7	4	6	Achieved	None	None	Minutes and attendance registers	4
Internal Audit	Number of Audit Committee Chairperson's reports submitted to Council by 30 June	5.2.2	4	4	4	Achieved	None	None	Audit Committee Chairperson's reports and Council resolutions	3
Risk Management	Reviewed and approved Strategic Risk Register by 30 June	5.3	1	1	1	Achieved	None	None	Strategic risk report, Risk register and minutes	3
Risk Management	% execution of Risk management plan by the 30 June (Total organization)	5.3.1	100%	100%	100%	Achieved	None	None	Progress report	3
Risk Management	% of action plans implemented to address Strategic risks by 30 June	5.3.2	100%	100%	100%	Achieved	None	None	Proof of action plans implemented by management	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Risk Management	Number of Risk Management, anti-fraud & anti-corruption Committee meetings held by 30 June	5.3.3	6	4	4	Achieved	None	None	Minutes and attendance registers	3
Risk Management	Number of Risk management, ethics, anti-fraud & anti-corruption workshops held by 30 June (GSDM & LMs)	5.4	4	4	9	Achieved	None	None	Feedback reports and attendance registers	5
Risk Management	Ethics management system developed by 30 June	5,5	N/A- New KPI	1	1	Achieved	None	None	Ethics framework and council resolution	3
Performance Management	Final SDBIP approved by Executive Mayor within 28 days after approval of budget	5.6	1	1	1	Achieved	None	None	Approved SDBIP	3
Performance Management	Revised SDBIP approved by Council after approval of adjustment budget	5.6.1	1	1	1	Achieved	None	None	Revised SDBIP and Council resolution	3
Performance Management	Annual Performance Report submitted to AG on or before 31st August (annual)	5.6.2	1	1	1	Achieved	None	None	Acknowledgement of receipt by Office of AG	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Performance Management	Number of meetings of the Performance Audit Committee held by 30 June	5.6.3	6	4	6	Achieved	None	None	Minutes and attendance register	4
Performance Management	% of section 54A and section 56 managers Performance Agreements signed on time (at least within one month after commencement of financial year or appointment)	5.6.4	100%	100%	100%	Achieved	None	None	Signed Performance Agreements	3
Performance Management	Number of performance reviews conducted with section 54A and Section 56 managers by 30 June	5.6.5	2	2	2	Achieved	None	None	Mid-year and Annual performance reviews	3
Performance Management	Section 72 (midyear) MFMA report submitted to Executive Mayor by 25 January	5.6.6	1	1	1	Achieved	None	None	Section 72 (midyear) MFMA report and signed letter	3
Communication	Adopted Annual Report by end of January	5.9	1	1	1	Achieved	None	None	Annual Report and Council resolution	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Communication	Adopted Oversight report on the Annual Report by 31 March	5.9.1	1	1	1	Achieved	None	None	Oversight Report and Council resolution	3
Communication	Number of External Newsletters (Insight) developed and distributed by 30 June	5.9.2	4	4	4	Achieved	None	None	Insight newsletter and proof of distribution	3
Communication	% of communication programs implemented by 30 June	5.9.3	100%	100%	100%	Achieved	None	None	Progress report	3
Governance and Administration	Final IDP tabled and approved by Council by 31 May	5.10	1	1	1	Achieved	None	None	Final IDP and Council resolution	3
Governance and Administration	Draft Municipal IDP submitted for approval by Council by end of March	5.10.1	1	1	1	Achieved	None	None	Draft IDP and Council resolution	3
Governance and Administration	IDP Framework plan submitted for adoption by end of August	5.10.2	1	1	1	Achieved	None	None	IDP Framework and Council resolution	3
Governance and Administration	% of Auditor General findings resolved as per the approved Audit Action plan by 30 June	5.11	100%	100%	66%	Not Achieved	Inadequate monitoring of action plan implementation and lack of accountability for meeting timelines	Majority of the findings can only be addressed when preparing the Annual Financial Statements. Management should enhance monitoring mechanisms to ensure timely execution of	Internal audit reports on the implementation of audit action plan	1

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
								agreed action plans. Responsible officers should be held accountable for not meeting implementation deadlines, and progress should be regularly reported to senior management.		
Governance and Administration	% of Council resolutions implemented per quarter	5.12	100%	100%	100%	Achieved	None	None	Quarterly progress reports	3
Governance and Administration	Reviewed and Approved 2025/26 Intergovernmental Relations (IGR) Calendar on or before 30 June	5.12.1	1	1	1	Achieved	None	None	Approved IGR Calendar and Council resolution	3
Governance and Administration	Number of quarterly reports on the implementation of the Intergovernmental Relations (IGR) calendar by 30 June	5.12.2	4	4	4	Achieved	None	None	Quarterly progress reports	3
Governance and Administration	Number of GSDM One Plan (DDM) progress reports submitted to Council by 30 June	5.11.3	4	4	4	Achieved	None	None	Progress report and Council resolution	3

9.2. Financial Services – Key Performance Indicators

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 4: Municipal Financial Viability and Management – Improved audit outcome and improved revenue regeneration										
Financial Management	Cost Coverage ratio by the 30 June (GKPI)	4,2	270%	100%	301%	Achieved	None	None	Cash and Cash Equivalents- Report on Financial Performance for the period quarter ending, Statement of Financial Position as at end of quarter. Investments held as at end of quarter - Report on Financial Performance for the quarter ending, Statement of Financial Position for the quarter ending. Expenditure for the 3 month period subsequent to quarter ending - Approved 2024/25 SDBIP, schedule SA25.	5
Financial Management	Annual Financial Statements (AFS) submitted on or before the 31 August	4.2.1	1	1	1	Achieved	None	None	Acknowledgement of receipt by the Office of AG	3
Asset Management	GRAP compliant asset register (measured in terms of AG Report)	4.3	100%	100%	100%	Achieved	None	None	2023/2024 Audit Report	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 4: Municipal Financial Viability and Management – Improved audit outcome and improved revenue regeneration										
Asset Management	Number of asset verifications performed by 30 June	4.3.1	2	2	2	Achieved	None	None	Asset verification reports	3
Supply Chain Management	% of awards above R200 000 made to service providers with BBBEE status of 4 and less	4.4	100%	70%	100%	Achieved	None	None	List of tender awards and CSD report	4
Supply Chain Management	% of tenders successfully awarded within the validity period	4.4.1	100%	100%	100%	Achieved	None	None	List of tender awards, BAC item and tender register	3
Supply Chain Management	% of deviations not in contravention of the requirement of the MFMA SCM Regulation Sec 36 (measured in terms of the AG report)	4.4.2	100%	100%	100%	Achieved	None	None	2023/24 Audit report	3
Supply Chain Management	% implementation of the procurement plan per quarter	4.4.3	96%	80%	100%	Achieved	None	None	Quarterly progress reports	3
Budget Management and Reporting	Final MTREF Budget tabled and approved by Council by 31 May	4.5	1	1	1	Achieved	None	None	Final MTREF budget and Council resolution	3
Budget Management and Reporting	Draft MTREF Budget tabled and approved by Council by 31 March	4.5.1	1	1	1	Achieved	None	None	Draft MTREF budget and Council resolution	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 4: Municipal Financial Viability and Management – Improved audit outcome and improved revenue regeneration										
Budget Management and Reporting	Adjustment budget finalised and submitted to Council for approval no later than 28 February	4.5.2	1	1	1	Achieved	None	None	Adjusted budget and Council resolution	3
Budget Management and Reporting	Number of quarterly MFMA section 52(d) reports submitted to Council within 30 days of the end of each quarter	4.5.3	4	4	4	Achieved	None	None	Quarterly MFMA section 52(d) reports and Council resolution	3
Budget Management and Reporting	MFMA Section 72 (financial performance) report submitted to Council by 25 January	4.5.4	1	1	1	Achieved	None	None	MFMA Section 72 and Council resolution	3
Budget Management and Reporting	% expenditure on Financial Management Grant (FMG) by 30 June	4.5.5	100%	100%	100%	Achieved	None	None	Quarterly SDBIP report	3
Municipal Support	Number of Local Municipalities supported by GSDM through Municipal Support Programme	4.7	2	3	3	Achieved	None	None	FSPC report on supported municipalities	3

9.3. Corporate Services – Key Performance Indicators

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA: 1 Municipal Transformation and Organisational Development – Improved institutional performance										
Institutional Capacity Development	Reviewed GSDM organizational structure submitted to Council	1.1	1	1	1	Achieved	None	None	2025/26 Organisation structure and council resolution	3
Institutional Capacity Development	% of employees from employment equity target groups appointed in the highest levels of management as per the approved EE plan by 30 June (GKPI)	1.2	95%	85%	95%	Achieved	None	None	List of employees as extracted from ESS system as end of the period, task grade 14 and above	3
Institutional Capacity Development	Turn-around time for the filling of new and vacated positions	1.2.1	152 days	90days	84days	Achieved	None	None	Advert with closing date and appointment letter/signed contract	3
Institutional Capacity Development	% of employees conducted performance assessments by 30 June (below sec 56)	1.3	94%	100%	100%	Achieved	None	None	Quarterly Performance report	3
Institutional Capacity Development	% of allocated budget spent on implementing the Workplace Skills Plan (GKPI) by 30 June	1.4	97%	90%	98%	Achieved	None	None	Financial expenditure report	3
Institutional Capacity Development	% of staff trained against internal training plan by 30 June	1.4.1	103%	90%	114%	Achieved	None	None	Internal Training Plan and Annual Training Report	3

Program	**KPI**	**KPI Ref**	**2023/24 Baseline**	**2024/2025**						
				Annual Target	**Annual Actual Performance**	**Achievements**	**Variance Reason**	**Corrective Measures**	**Means of Verification**	**Score**
Institutional Capacity Development	% of employee wellness programs implemented by 30 June	1.4.2	100%	100%	100%	Achieved	None	None	Quarterly progress reports	3
Institutional Capacity Development	% of Occupational Health and Safety (OHS) programs implemented by 30 June	1.4.3	100%	100%	100%	Achieved	None	None	Quarterly progress reports	3
Institutional Capacity Development	Number of capacity building programs implemented for Councillors by 30 June	1.4.4	4	4	8	Achieved	None	None	Attendance registers	5
Institutional Capacity Development	% of Leave Management for employees by 30 June	1.4.5	N/A new KPI	100%	86%	Not Achieved	14% of employees did not sign spreadsheets as provided	HOD's to ensure that all employees sign the spreadsheet in their respective departments.	Departmental leave balance sheet	2
KPA 2: Basic Service Delivery and Infrastructure Development – to accelerate provision of immediate and long-term bulk infrastructure development										
Youth Development	Number of Youth Development programs implemented by 30 June	2.10.7	4	4	4	Achieved	None	None	Feedback reports and attendance registers	3
Sports, Culture and Recreation	Number of Sport, Recreation and Culture events held by 30 June	2.10.8	5	4	4	Achieved	None	None	Feedback reports and attendance registers	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Sports, Culture and Recreation	GSDM Annual Marathon event held by 30 June	2.10.9	N/A _New KPI	1	1	Achieved	None	None	Feedback report and attendance register	3
KPA 4: Municipal Financial Viability and Management – Improved audit outcome and improved revenue regeneration										
Budget Management and Reporting	% expenditure on Infrastructure Skills Development Grant (ISDG) by 30 June	4.5.6	100%	100%	100%	Achieved	None	None	Quarterly SDBIP report	3
Budget Management and Reporting	% of Capital Budget Allocation spend CS (computer equipment, furniture & equipment, CS vehicle)	4.5.7	127%	90%	79%	Not Achieved	Computer equipment budget moved for the procurement of the exchange server. server to be procured in 2 phases	Phase 1 completed and phase 2 to be procured in the second quarter of the 2025/26 financial year.	Quarterly SDBIP report	2
KPA 5: Good Governance and Public Participation – Improved Governance and Administration										
ICT	% of ICT Steering Committee resolutions implemented per quarter	5.7	100%	100%	100%	Achieved	None	None	ICT Steering Committee resolution register	3
ICT	Number of quarterly ICT Steering Committee meetings held by 30 June	5.7.1	4	4	4	Achieved	None	None	Minutes and attendance registers	3
Public Participation	Number of IDP/Budget consultation meetings held by 30 June	5.8	15	14	14	Achieved	None	None	Attendance registers	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Public Participation	Number of Council meetings held by 30 June	5.8.1	10	4	11	Achieved	None	None	Minutes and attendance register	5
Public Participation	Number of Mayoral Committee meetings held by 30 June	5.8.3	12	11	11	Achieved	None	None	Signed Minutes and attendance registers	3
Public Participation	Number of Mayoral Imbizos held by 30 June	5.8.4	2	2	3	Achieved	None	None	Feedback reports and attendance registers	4
Public Participation	% Donations budget vote spend	5.8.5	91%	90%	91%	Achieved	None	None	Quarterly SDBIP report	3
Governance and administration	Number of MPAC meetings held by 30 June	5.12.4	5	4	7	Achieved	None	None	Minutes and attendance registers	5
Governance and administration	% of inspection issues attended to from the Provincial Archives Inspection	5.12.5	100%	90%	90%	Achieved	None	None	Inspection report	3

9.4. Community and Social Services – Key Performance Indicators

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Municipal Health Services	% of water samples taken from local municipalities per month compared to scheduled target	2.5	89%	80%	85%	Achieved	None	None	Monthly sample list broken down per LM cross referenced to actual GSDM lab results	3
Municipal Health Services	Number of food handling and preparation facility inspections conducted in terms of the Foodstuffs, Cosmetics, Disinfectant Act (FCDA)	2.6	3829	3700	3715	Achieved	None	None	Notice of inspections for food premises inspected within specified period	3
Municipal Health Services	Number of childcare facility inspections conducted by 30 June	2.6.1	1230	1080	1185	Achieved	None	None	Copies of Child Care Inspection slips	3
Municipal Health Services	% of site inspections performed on funeral undertakers with a Certificate of Compliance by 30 June	2.6.2	100%	100%	100%	Achieved	None	None	Database of Funeral Undertakers with copies of inspection slips	3
Municipal Health Services	% of health surveillance inspections performed on hospitals by 30 June	2.6.3	100%	100%	100%	Achieved	None	None	Database of hospitals with copies of Inspection slips	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Municipal Health Services	% of health surveillance inspections performed on SAPS premises by 30 June	2.6.4	100%	100%	100%	Achieved	None	None	Database of SAPS premises with copies of Inspection slips	3
Municipal Health Services	% of health surveillance inspections performed on prison facilities by 30 June	2.6.5	100%	100%	100%	Achieved	None	None	Database of prison with copies of Inspection slips	3
Municipal Health Services	% of site inspections performed on clinics by 30 June	2.6.6	100%	100%	100%	Achieved	None	None	Database of clinics with copies of Inspection slips	3
Municipal Health Services	Number of Food safety awareness programs implemented by 30 June	2.6.7	8	8	8	Achieved	None	: None	Feedback reports and attendance registers	3
Municipal Health Services	Number of Water conservation education / awareness campaigns implemented by 30 June	2.6.8	7	7	7	Achieved	None	None	Feedback reports and attendance registers	3
Municipal Health Services	% of inspections performed on water treatment plants by 30 June	2.6.9	100%	100%	100%	Achieved	None	None	Database of water treatment plants with copies of Inspection slips	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Municipal Health Services	% of landfill site audits conducted in the district compliant with the set requirements by 30 June	2.6.10	N/A- New KPI	100%	100%	Achieved	None	None	Data base of landfill sites with copies of inspection slips	3
Customer services	% of municipal environmental and health surveillance complaints as documented on complaints register attended to within 21 days	2.7	92%	100%	100%	Achieved	None	None	Complaints register, complaints reports [Form A] and Investigation reports [Form B]	3
Customer services	Customer satisfaction survey conducted on services rendered on Environmental and Health Services and submit report to Mayoral Committee by 30 June	2.7.1	2	2	2	Achieved	None	None	Customer satisfaction survey and Mayoral committee minutes	3
Research and Development	Number of Service Delivery Research and development conducted in line with the Municipality's approved research and development (R&D) programme 2022/2027	2.8	3	3	4	Achieved	None	None	Research and Development Reports and Minutes	4

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Transversal programmes	Number of HIV/AIDS programs implemented by 30 June (Including HCT and MMC)	2.9	4	4	4	Achieved	None	None	Feedback reports and attendance registers	3
Transversal programmes	Number of District AIDS Council (DAC) meetings held 30 June	2.9.1	4	4	4	Achieved	None	None	Minutes and Attendance registers	3
Transversal programmes	Number of Gender Based Violence and femicide programs implemented by 30 June	2.10	7	4	4	Achieved	None	None	Feedback reports and attendance registers	3
Transversal programmes	Number of Women development programs implemented by 30 June	2.10.1	4	4	4	Achieved	None	None	Feedback reports and attendance registers	3
Transversal programmes	Number of programs implemented for people with disability by 30 June	2.10.2	1	4	4	Achieved	None	None	Feedback reports and attendance registers	3
Transversal programmes	Number of programs implemented for elderly people by 30 June	2.10.3	3	2	2	Achieved	None	None	Feedback reports and attendance registers	3
Transversal programmes	Number of learners supported through donation of school uniforms	2.10.4	120	30	123	Achieved	None	None	Feedback reports and attendance registers	5

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Transversal programmes	Number of Children Rights Awareness campaigns implemented (School Awareness) by 30 June	2.10.5	4	4	4	Achieved	None	None	Feedback report and attendance register	3
Transversal programmes	Number of moral regeneration programs implemented by 30 June	2.10.6	4	4	5	Achieved	None	None	Feedback reports and attendance registers	3
Library and Information Services	Number of Library awareness programs implemented	2.11	10	8	10	Achieved	None	None	Feedback reports and attendance registers	3
Library and Information Services	% procurement of library materials by 30 June	2.11.1	100%	100%	100%	Achieved	None	None	Progress reports	3
Disaster Management	Monitoring and evaluation conducted on disaster management in 7 local municipalities by 30 June	2.12	7	7	7	Achieved	None	None	Approved monitoring and reporting tool	3
Disaster Management	% of disaster management programs implemented according to the business plan by 30 June (fire services	2.12.1	100%	100%	100%	Achieved	None	None	Progress reports	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
	and disaster management)									
Disaster Management	Number of Disaster Risk reduction awareness campaigns conducted with local municipalities by 30 June	2.12.2	11	7	9	Achieved	None	None	Feedback reports and attendance registers	3
Environmental Management Services (Waste Management)	Number of behaviour change awareness programmes implemented (to increase re-use, recycling, recovery)	2.13	8	7	8	Achieved	None	None	Feedback reports and attendance registers	3
Environmental Management Services (Waste Management)	Number of Local Municipalities assisted with applications of sourcing resources for waste management (landfill sites, waste transfer sites, drop off facilities, and buy back centres)	2.15	N/A-New KPI	2	0	Not Achieved	Invalid or unverifiable information was originally submitted.	Implement a standardised evidence checklist for all reported support to municipalities	Proof of application from LMs	1
Environmental Management Services (Air Quality)	Number of Air Quality Management Plans reviewed/developed for GSDM and LMs	2.16	2	1	1	Achieved	None	None	GSDM plan-Minutes, agenda and attendance registers of meeting with stakeholders Minutes of Bylaws	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
									Committee, Draft AQM plan. AQMP for LM - Agenda and Attendance register of meeting with LM Draft AQM plan	
Environmental Management Services (Air Quality)	% of atmospheric emission license applications received and processed within 90 days	2.17	100%	100%	100%	Achieved	None	None	Database and status quo list of atmospheric emission licenses, Application letter and Notice of Acknowledgement of Receipt	3
Environmental Management Services (Air Quality)	Number of Air Quality awareness programs implemented	2.17.1	8	7	8	Achieved	None	None	Feedback reports and attendance registers	3
Environmental Management Services (Air Quality)	Number of Environmental Pollution Control awareness campaigns held by 30 June	2.17.2	8	7	8	Achieved	None	None	Feedback reports and attendance registers	3
Environmental Management Services (EMS)	% of Environmental Impact Assessment applications received and commented on within 90 days	2.18	100%	100%	100%	Achieved	None	None	EIA application register with signed off final letter with GSDM comments on the EIA application received	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Environmental Management Services (EMS)	% of compliance audits conducted with respect to Sec 21 listed activities as per the NEMAQ Act by 30 June	2.18.1	21%	20%	79%	Achieved	None	None	Database of section 21 and 23, inspection report and attendance register	5
Environmental Management Services (EMS)	% of compliance audits conducted with respect to Sec 23 listed activities as per the NEMAQA by 30 June	2.18.2	21%	20%	89%	Achieved	None	None	Database of section 21 and 23, inspection report and attendance register	5
Environmental Management Services (EMS)	Number of bylaws for Environmental management reviewed / developed for the DM and LMs	2.19	3	1	4	Achieved	None	None	GSDM bylaws - Minutes of Waste Forum. Minutes of Portfolio Committee, Minutes of Bylaws Committee. Draft Environmental management bylaw. LM bylaws - agenda and attendance registers for the meetings and draft bylaws.	5
Environmental Management Services (EMS)	Number of Biodiversity and Conservation Management capacity building awareness campaigns implemented	2.19.1	8	7	7	Achieved	None	None	Feedback reports and attendance registers	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Environmental Management Services (EMS)	Number of Climate Change Vulnerability Assessment, Adaptation and response strategies developed for the 7 LMs	2.20	0	3	3	Achieved	None	None	Climate Change Vulnerability Assessment, Adaptation and response strategies minutes	3

9.5. Infrastructure and Technical Services – Key Performance Indicators

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To accelerate provision of immediate and long-term bulk infrastructure development										
Water and Sanitation	% of GSDM funded projects completed by 30 June (excluding external funded projects)	2.1	100%	100%	100%	Achieved	None	None	Completion certificate and Status quo report	3
Water and Sanitation	% of GSDM funded projects with contractor appointments finalized (excluding external funded projects)	2.1.1	N/A - New KPI	100%	100%	Achieved	None	None	Appointment letters	3
Water and Sanitation -	% of Water and Sanitation projects (external funding) completed by 30 June (Construction Phase)	2.2	67%	86%	69%	Not Achieved	EOT granted on 4 projects including 2 projects (Standerton WTW & Upgrading of pumpstation) delayed due to delivery of pumps outside the country.	The extension of time has been aligned with the manufacturer's delivery commitment for the pumps from outside the country. The extension of time is dated 15 December 2025.	Completion certificate and project list	2
Water and Sanitation.	% of Water and Sanitation (external funding) projects with contractor appointments finalized (Construction Phase)	2.2.1	100%	67%	36%	Not Achieved	DWS has instructed GSDM to complete the ongoing WSIG project first before implementing new WSIG project.	According to the current DoRA and DWS Allocation letter, there is an allocation of R30,006,000 for the 2025/26 FY. GSDM in engagement with	Appointment letter	1

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
								DWS as WSIG project was completed 08/08/2025		
Water and Sanitation - (external funding)	% of Water and Sanitation planning projects (external funding) completed and submitted by 30 June (Planning phase)	2.2.2	40%	20%	20%	Achieved	None	None	Implementation readiness study, Feasibility study and proof of submission	3
Laboratory Services	% Maintain Laboratory accreditation status by SANAS by 30 June	2.3	100%	100%	100%	Achieved	None	None	Maintain Laboratory accreditation status by SANAS by 30 June 2025 and accreditation status by SANAS by 30 June	3
Laboratory Services	Number of methods implemented for Microbiology and Chemistry section by 30 June	2.3.1	4	4	0	Not Achieved	Challenges: Chemistry: • Challenges with Supplier performance – Failure to supply Gas. • Supplier contract terminated by GSDM. (Company informed GSDM on liquidation when termination processes were initiated after	Action Plan: Chemistry: - Advertise and source new supplier for Gas by end November 2025. - Methods included in the 2025/26 target. Microbiology: - Procure required material to perform validation of Method. - Register for the	Methods Verification reports	1

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
							failing to respond to formal complaints) Microbiology: • Procurement challenge of required material (Microbiology Swabs) • Not registered for the target method on proficiency testing .	target method in Proficiency testing. - Method included in the target for 2025/26.		
Laboratory services	Number of quarterly participation in Proficiency Testing Scheme (PTS) for Microbiology and Chemistry sections by 30 June	2.3.2	12	12	13	Achieved	None	None	Participation reports	3
Laboratory services	Number of Internal audits conducted on the SANS17025 Quality Management System (QMS) by 30 June	2.3.3	41	36	39	Achieved	None	None	Internal Audit reports	3
Road maintenance	Total square meters [m2] of roads repaired	2.4	163826m2	39400m2	57 177.76m2	Achieved	None	None	Signed confirmation by the LMs	4
Project management (Special	Number of preventative maintenance	2.4.1	4	4	4	Achieved	None	None	Inspection List for each area inspected	3

Program	KPI	KPI Ref	2023/24 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Programmes and Maintenance)	inspections/services concluded on all ELECTRICAL, HVAC and PLUMBING related equipment (nominal assessment by Artisans on Generators, UPS's and sustainable Water provision to GSDM facilities									
Project management (Special Programmes and Maintenance)	% of Service requests successfully addressed on all HVAC, ELECTRICAL and PLUMBING services (nominal maintenance by Artisans)	2.4.2	100%	90%	99%	Achieved	None	None	Quarterly Progress Report on Special Programs and Maintenance	3
KPA 4: Municipal Financial Viability and Management – Improved Audit Outcome and improved revenue regeneration										
Budget Management and Reporting	% of the capital budget actually spent on capital projects identified in terms of the IDP by 30 June (GKPI)	4.6	96.6%	90%	84%	Not Achieved	The Local Municipalities had committed to transfer funds to co-fund the project during the FY which did not happen thus causing a shortfall.	GSDM through our Finance department invoices the LMs based on their request with the Road Rehabilitation project for funds. GSDM sends a reminder to the respective LMs if LMs do not transfer the funds and adjusts the provision on the budget where applicable.	Quarterly SDBIP report	2

9.6. Planning, Economic Development & Innovation – Key Performance Indicators

Program	KPI	KPI Ref	2023/2024 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
KPA 3: Local Economic Development – To Stimulate Economic Growth										
Sector Development	Number of LED identified strategic projects implemented by 30 June	3.1	3	2	3	Achieved	None	None	Report attendance registers and certificate of completion	4
Sector Development	Social Labour Plans monitored through Mining Forums	3.1.1	2	2	3	Achieved	None	None	Minutes and attendance registers	4
Sector Development	Number of marketing tool developed to promote Tourism in the District by 30 June	3.1.2	1	1	2	Achieved	None	None	Report and proof of website	3
Sector Development	Number of events held to promote tourism in the district	3.1.3	2	2	4	Achieved	None	None	Report and attendance registers	5
Sector Development	Local Economic Development (LED) Strategy reviewed by 30 June	3.1.4	N/A -New KPI	1	1	Achieved	None	None	LED Strategy and council resolution	3

Program	KPI	KPI Ref	2023/2024 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Enterprise Development	Number of support initiatives to GSDM Enterprise Development Programme beneficiaries 30 June	3.2	3	3	3	Achieved	None	None	Delivery note	3
Enterprise Development	Number of SMMEs (incl. co-operatives) assisted by GSDM through purchasing and distributing of production inputs by 30 June	3.2.1	28	25	33	Achieved	None	None	Signed distribution delivery lists and signed registers	3
Special initiatives	Number of job opportunities created through municipality's Local Economic Development initiatives including capital projects (GKPI)	3.3	388	200	333	Achieved	None	None	Department of Public Works published report	4
Special initiatives	Number of EPWP Full Time Job Equivalents (FTE) created through municipality's Local Economic Development initiatives including capital projects by 30 June	3.3.1	140	45	63	Achieved	None	None	Department of Public Works published report	4

Program	KPI	KPI Ref	2023/2024 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Special initiatives	Number of work opportunities created through municipality's Local Economic Development initiatives excluding capital projects (Siyathuthuka)	3.3.2	144	60	160	Achieved	None	None	Payment list pf Siyathuthuka Project participants broken down per LM.	5
KPA 4: Municipal Financial Viability and Management – Improved Audit Outcome										
Budget Management and Reporting	% expenditure on Expanded Public Works Program (EPWP) Grant by 30 June	4.5.8	100%	100%	100%	Achieved	None	None	Quarterly SDBIP report	3
Budget Management and Reporting	% expenditure on Rural Roads Asset Management Systems (RRAMS) Grant by 30 June	4.5.9	100%	100%	100%	Achieved	None	None	Quarterly SDBIP report	3
KPA 6: Spatial rationale and municipal planning alignment- Spatial transformation facilitation										
Strengthening forward planning	Number of Land suitability studies conducted by 30 June	6.1	1	2	2	Achieved	None	None	Land suitability study reports	3
Development Control and facilitation	% of compliant Land Development applications concluded by 30 June	6.2	83.3%	80%	100%	Achieved	None	None	Application pre assessment register and minutes of JMPT	3

Program	KPI	KPI Ref	2023/2024 Baseline	2024/2025							
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
Development Control and facilitation	% of compliant applications considered by Joint Municipal Planning Tribunal with respect to land use applications within 60 days	6.2.1	100%	100%	100%	Achieved	None	None	Application pre assessment register and minutes of JMPT	3
Intelligence gathering and Monitoring	Number of Spatial Data systems developed by 30 June	6.2.2	3	2	3	Achieved	None	None	1. System architecture document 2. User Manual 3. Link The above can be contained in one document with clearly marked headings for the above evidence	4
Intelligence gathering and Monitoring	Number of Commercial Park development park projects implemented	6.3	N/A - New KPI	2	3	Achieved	None	None	Document evidence of studies, funding applications agreements and plans developed in pursuit of the industrial township development objective.	4
Intelligence gathering and Monitoring	Maintain Remote Operation Certificate (ROC) accreditation status with SACAA	6.3.1	0	1	0	Not Achieved	ROC: lapsing of insurance cover prevented us from being able to submit all required documents to the air service council. Insurance was not renewed during the usual July period and was only picked up when council	Drone insurance to be renewed during first quarter of 20025/26 financial year. Renewal document to be re-submitted during 2025/26 financial year.	Drone operating licence	1

Program	KPI	KPI Ref	2023/2024 Baseline	2024/2025						
				Annual Target	Annual Actual Performance	Achievements	Variance Reason	Corrective Measures	Means of Verification	Score
							request insurance cover letter.			

10.Annexure C: Report on the Performance of External Service Providers

This section serves to evaluate the Service Provider's performance in respect of provisions of the contract and the product that the Service Provider delivered for all aspects of the project scope. The Evaluation criteria are based on a scale of 1-5 and each of aspects measured relate to the successful completion of the project. The evaluation score guide on the performance of the service providers is as follows:

Scale		Criteria
5	Excellent	Completion of the project before the scheduled time and within budget
4	Good	Completion of project within time frame and budget
3	Average	Completion of project within time frame but outside the allocated budget or vice versa
2	Below Average	Failure to complete the project
1	Unacceptable	Failure to commence with the project

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
1	GSDM 98/2020	AFI CONSULT (PTY)LTD	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR AMSTERDAM BULK WATER SUPPLY SCHEME PHASE 3 – GABOSCH DAM	R26 560 311,25	2021/04/26	2024/04/25	36	Extended and aligned to the duration and Completion of Contractor GSDM 17/2022	4	4	GOOD
2	GSDM 148/2020	FIRSTRAND BANK LIMITED	PROVISION OF A COMMERCIAL BANKING SERVICES FOR A PERIOD OF FIVE (05) YEARS	AS PER THE BOQ	2021/09/02	2026/09/01	60	NONE	4	4	GOOD
3	GSDM 174/2020	IBUTHO PROJECTS (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE UPGRADING OF THE ROOIKOPPEN SEWER-INTERNAL RETICULATION PHASE 6	R129 047 431,21	2021/11/11	2024/11/10	36	R 20, 690, 919.00 VO approved for additional works, extended to 15 August 2025	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
4	GSDM 186/2020	TMS CONSULTING ENGINEERS CC	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR LEKWA WATER SERVICES IN STANDERTON, MORGENZON AND THUTHUKANI AREA (BULK WATER SERVICES)	R5 404 782,61	2021/10/04	2024/10/03	36	Extended till 10 October 2027	4	4	GOOD
5	GSDM 13/2020	LUBISI CONSULTING ENGINEERS CC	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR LEKWA WASTEWATER SERVICES IN STANDERTON, MORGENZON AND THUTHUKANI AREA (BULK WASTE WATER SERVICES)	R5 404 782,61	2021/10/04	2024/10/03	36	Extended till 10 October 2027	4	4	GOOD
6	GSDM 95/2021	ANGINA VALO ENGINEERING	SUPPLY AND DELIVERY OF OFFICE FURNITURE TO GERT SIBANDE DISTRICT MUNICIPALITY FOR THE PERIOD OF THIRTY-SIX (36) MONTHS	AS AND WHEN REQUIRED	2022/07/29	2025/07/28	36	NONE	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
7	GSDM 08/2022	AQUATICO SCIENTIFIC (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE FOR REFERRAL SERVICES ON TESTING OF POTABLE WATER, RAW WATER, WASTEWATER AND SLUDGE SAMPLES FOR THE GSDM WATER QUALITY LABORATORY FOR A PERIOD OF THREE YEARS	AS PER THE BOQ LIMITED TO R850 000.00	2022/10/19	2025/10/18	36	NONE	4	4	GOOD
8	GSDM 105/2022	KONE ELEVATORS SOUTH AFRICA (PTY) LTD	SECTION 116(3) OF MUNICIPAL FINANCE ACT APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF MAINTENANCE SERVICES OF KONE LIFTS FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF THIRTY SIX (36) MONTHS	AS PER THE UNIT PRICE INDICATED IN THE BILL OF QUANTITIES	2023/02/15	2026/02/14	36	NONE	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
9	GSDM 130/2021	PGMR PROJECTS AND LABOARTORY (PTY) LTD	: APPOINTMENT OF A SERVICE FOR THE REVERSE OSMOSIS (RO) WATER PURIFICATION SYSTEM MAINTENANCE SERVICES AT GSDM WATER QUALITY LABORATORY FOR A PERIOD OF THREE (3) YEARS	AS PER THE UNIT PRICE INDICATED IN THE BILL OF QUANTITIES	2022/10/01	2025/10/30	36	NONE	4	4	GOOD
10	GSDM 131/2021	BIDVEST SERVICES (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF HYGIENE SERVICES AND PEST CONTROL AT GERT SIBANDE DISTRICT MUNICIPALITY MAIN OFFICES, WATER LABORATORY, MKHONDO, CHIEF ALBERT LUTHULI, DIPALESENG AND DR PIXLEY KA ISAKA SEME DISASTER MANAGEMENT CENTRE FOR A PERIOD OF THIRTY SIX(36) MONTHS	AS PER THE UNIT PRICE INDICATED IN THE BILL OF QUANTITIES	2023/03/24	2026/03/23	36	NONE	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
11	GSDM 18/2022	ANGNAVALO ENGINEERING (PTY)LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE SUPPLY AND DELIVERY STATIONERY AS AND WHEN REQUIRED	AS PER THE UNIT PRICE INDICATED IN THE BILL OF QUANTITIES	2023/05/01	2026/05/02	36	NONE	4	4	GOOD
12	GSDM 77/2023	WOMEN IN SECURITY-WISE (PTY)LTD	PROVISION OF EXECUTIVE SECURITY SERVICES FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF TWELVE(12)MONTHS	R26 000.00 P/G GRADE C ARMED DAY SHIFT OFFICER. R23 000.00 P/G GRADE C ARMED NIGHT SHIFT OFFICER. R23 000.00 P/G GRADE B SECURITY OFFICER SUPERVISOR	05/07/2024	04/07/2025	12	NONE	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
13	GSDM 96/2023	GILIJA TACTICAL RESPONSE T/A INTEL GUARD	PROVISION OF SECURITY SERVICES FOR THE MUNICIPAL MANAGER OF GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF TWELVE(12) MONTHS	R26 000.00 P/G GRADE C ARMED DAY SHIFT OFFICER. R23 000.00 P/G GRADE B ARMED NIGHT SHIFT OFFICER	05/07/2024	04/07/2025	12	NONE	4	4	GOOD
14	GSDM 75/2023	NATHOO MBENYANE	APPOINTMENT OF A SERVICE PROVIDER TO RENDER PROFESSIONAL SERVICES FOR THE MSUKALIGWA REGIONAL BULK WATER SUPPLY SCHEME CLUSTER 01 (PHASE2) FOR MSUKALIGWA LOCAL MUNICIPALITY	R 65 010 290.30	27/06/2024	26/06/2027	36	NONE	4	4	GOOD
15	GSDM 89/2023	CULOLWETHU HOLDINGS (PTY) LTD	ANNUAL AUDIT OF GSDM RRAMS DATA FOR COMPLIANCE WITH TMH STANDARDS FOR THREE-YEAR PERIOD	R290 000,00	29/09/2024	28/09/2027	36	NONE	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025												
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
16	GSDM 105/2023	NETSTAR (PTY) LTD	APPOINTMENT IF A SERVICES PROVIDER FOR THE PROVISION OF VEHICLE TRACKING SYSTEM TO GERT SIBANDE DISTRICT MUNICIPALITY FOR THE PERIOD OF 36 MONTHS	AS PER THE BOQ	01/11/2024	30/11/2027	36	NONE	4	4	GOOD
17	GSDM 103/2023	TRIPPLE SL TECH CC	UPGRADE AND MAINTENANCE OF THE BUILDING MANAGEMENT SYSTEM AND OTHER RELATED SERVICES AT GSDM MAIN OFFICE, GSDM WATER LABORATORY AND OTHER SUB-DISTRICTS FOR A PERIOD OF THIRTY-SIX (36) MONTHS	R3 064 542,84	05/11/2024	04/11/2027	36	NONE	4	4	GOOD
18	GSDM 112/2023	PILISANENG (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF HEATING, VENTILATION AND AIR-CONDITIONING MAINTENANCE SERVICES FOR A	R2 063 926,80	05/11/2024	04/11/2027	36	NONE	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
			PERIOD OF THREE(03) YEARS								
19	GSDM 23/2024	ADEPT PRO	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR THE REFURBISHMENT OF SIYATHEMBA SPORT FACILITY IN DIPALESENG LOCAL MUNICIPALITY	AS PER THE BOQ LIMITED TO R 5 506 698,00	09/12/2024	08/12/2025	12	NONE	4	4	GOOD
20	GSDM 76/2022	KUFANIKIWA CONSULTING (PTY)LTD T/A VUMESA	APPOINTMENT OF A SERVICE PROVIDER TO RENDER PROFESSIONAL SERVICES FOR THE UPGRADING AND REFURBISHMENT OF EMBALENHLE BULK SEWER LINES AND WASTEWATER TREATMENT WORKS IN GOVAN MBEKI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS	R 63 210 526 .48	2023/04/11	2026/04/10	36	NONE	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
21	GSDM 56/2022	ANATECH INSTRUMENTS	SUPPLY AND DELIVERY OF VARIOUS LABORATORY CHEMICALS INCLUDING SALTS AND ACIDS TO THE GERT SIBANDE WATER QUALITY LABORATORY AS AND WHEN REQUIRED FOR THE PERIOD OF THIRTY SIX(36) MONTHS	AS PER BILL OF QUANTITY AS AND WHEN REQUIRED	2023/04/11	2026/04/10	36	NONE	4	4	GOOD
22	GSDM 57/2022	PROMOLAB T/A SEPARATIONS	SUPPLY AND DELIVERY OF REAGENTS AND CONSUMABLES COMPATIBLE WITH MACHEREY-NAGEL EQUIPMENTS TO THE GERT SIBANDE WATER QUALITY LABORATORY AS AND WHEN REQUIRED FOR THE PERIOD OF THIRTY SIX (36) MONTHS	R129 480.00 AS AND WHEN REQUIRED.	2023/04/11	2026/04/10	36	NONE	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
23	GSDM 101/2022	KUNENE MAKOPO RISK SOLUTIONS (PTY) LTD	APPOINTMENT OF AN INSURANCE BROKER FOR THE INSURANCE PORTFOLIO OF GSDM FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2026	R2 024 782,00	2022/11/17	2025/11/16	36	NONE	4	4	GOOD
24	GSDM 108/2021	INNOVATION GOVERNMENT SOFTWARE SOLUTIONS	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF THE AUTOMATED PERFORMANCE MANAGEMENT SYSTEM AND SUPPORT FOR THE PERIOD OF 36 MONTHS	AS PER BILL OF QUANTITY	2023/03/02	2026/03/01	36	NONE	4	4	GOOD
25	GSDM 17/2022	UNIK CIVIL-DIPHATSE TRADING JV	APPOINTMENT OF A CONTRACTOR FOR THE CONTRUCTION OF THE AMSTERDAM BULK WATER SUPPLY SCHEME: PHASE 4 GABOSCH DAM	AS PER BILL OF QOUANTITY R 416 746 816.96 (Excl. Vat),	2023/03/07	2026/03/05	36	NONE	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
26	GSDM 119/2022	MNB CHATERED ACCOUNTANT INC	HIGH LEVEL REVIEW OF THE STATUTORY FINANCIAL STATEMENTS OF GERT SIBANDE DISTRICT MUNICIPALITY AND THE LOCAL MUNICIPALITIES IN THE GERT SIBANDE DISTRICT FOR A PERIOD OF THREE (03) YEARS TO COVER FINANCIAL STATEMENTS FOR JUNE 2023,2024 AND 2025	AS PER BILL OF QUANTITY AS AND WHEN REQUIRED LIMITED TO R2269.00 P/HR AND R3000 P/HOUR RESPECTIVELY	2023/07/28	2026/07/27	36	NONE	4	4	GOOD
		ALTIMAX (PTY) LTD							4	4	GOOD
27	GSDM 116/2022	DEM – SAME TECHNOLOGIES AND SUPPLY SERVICES	SUPPLY AND DELIVERY OF HOT MIX ASPHALT AND OTHER ROAD MAINTENANCE MATERIAL AS AND WHEN REQUIRED FOR A PERIOD OF THIRTY SIX MONTHS	AS PER BILL OF QUANTITY	2023/09/28	2026/09/27	36	NONE	4	4	GOOD
28	GSDM 85/2022	RIENDZORINENE CONSTRUCTION (PTY)LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE UPGRADING OF THE VAAL AND	R 10 930 539 .40	2023/10/26	2024/04/25	6	extended to 29 August 2025	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
			MULLER SEWER PUMPSTATIONS								
29	GSDM 83/2022	ZEDEK TRADING 580 (PTY)LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE UPGRADING OF THE JOHAN AND STEYN SEWER PUMPSTATION	R13 658 664,80	2023/11/14	2024/04/13	6	Extended and completed on 30 April 2025	4	4	GOOD
30	GDSM 01/2022	PHDS DIRECT AND POWER HOUSE DICTATION (PTY)LTD JV	REPLACEMENT AND MAINTENANCE OF THE AUDIO-VISUAL SYSTEMS OF COUNCIL CHAMBER AND TWO BOARDROOMS FOR THE PERIOD OF 36 MONTHS	AS PER BILL OF QUANTITY	2023/11/16	2026/11/15	36	NONE	4	4	GOOD
31	GSDM 96/2022	JIREH TECHNOLOGIES	APPOINTMENT OF THE SERVICE PROVIDER FOR THE PROVISION OF A FULL END TO END MANAGED INFORMATION AND COMMUNICATION TECHNOLOGY NETWORK SERVICE FOR THE PERIOD OF 36 MONTHS	AS PER THE BILL OF QUANTITIES	2023/11/11	2026/11/10	36	NONE	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. / COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
32	GSDM 18/2023	MZANDAS TRADING AND PROJECT	APPOINTMENT OF A SERVICE PROVIDER FOR THE CONSTRUCTION OF 5ML CLEARWATER TANK AT THE STANDERTON WATER TREATMENT WORKS	AS PER THE BOQ R 38 882 203 .32	2024/02/01	2025/01/31	12	extended to 30 November 2025	4	4	GOOD
33	GSDM 55/2023	LITETEQ SOLUTIONS (PTY)LTD	DEVELOPMENT, DESIGNING AND PROVISION OF HOSTING, MAINTENANCE AND SUPPORT OF THE WEBSITE SERVICES FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF THIRTY-SIX (36) MONTHS	AS PER BOQ R2 999 996.00	2024/06/09	2027/06/08	36	NONE	4	4	GOOD
34	GSDM 10/1-2022	DWS CONSTRUCTION EAST	APPOINTMENT OF DWS CONSTRUCTION EAST UNIT FOR THE REFURBISHMENT OF THE STANDERTON WATER TREATMENT WORKS UNDER	AS PER THE BOQ LIMITED TO R143 246 193.04	2023/08/23	2025/06/30	22	extended to 9 December 2025	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
			LEKWA MINESTERIAL INTERVENTION								
35	PUBLIC NOTICE 10/3/ MUNSOFT PTY (LTD) GONERNMENT SOFTWERE SOLUTION (PTY)LTD SECTION 116(3)	INNOVATION GONERNMENT SOFTWARESOLUTION (PTY)LTD (MUNSOFT)	INNOVATION GONERNMENT SOFTWARE SOLUTION FINANCIAL SYSTEMSY FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF THIRTY SIX (36) MONTHS	SUBMIT AND INVOICE AS WHEN AS REQUIRED	2024/07/01	2027/06/30	36	NONE	4	4	GOOD
36	SLA	MUNCOMP	MUNADMIN SYSTEM	SUBMIT AND INVOICE AS WHEN AS REQUIRED	2024/07/03	2027/07/02	36	NONE	4	4	GOOD
37	SLA	SAGE 300	PAYROLL SERVICES	SUBMIT AND INVOICE AS WHEN AS REQUIRED	Month To Month				4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
38	PUBLIC NOTICE 40/2009 LABWARE AFRICA (PTY)LTD SECTION 116(3)	LABWARE AFRICA PTY LTD	Soft Ware Maintenance: LABWARE AFRICA (PTY)LTD FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF THIRTY SIX (36) MONTHS	SUBMIT AND INVOICE AS WHEN AS REQUIRED	2024/09/01	2027/08/30	36	NONE	4	4	GOOD
39	GSDM 21/2020	ENPOWER ENERGY AND MACHITE ENGINEERING JV (PTY) LTD	MANAGEMENT, OPERATION AND MAINTENANCE OF ELECTRICITY DISTRIBUTION NETWORK AT BETHAL & EMZINONI (GOVAN MBEKI LOCAL MUNICIPALITY) FOR A PERIOD OF FIVE YEARS	AS PRE QUOTED AMOUNT	2020/10/22	2025/10/21	60	NONE	4	4	GOOD
40	GSDM108/2023	WANDZISA CONSTRUCTION (PTY)LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF GENERATOR MAINTENANCE SERVICES FOR A PERIOD OF THREE YEARS RE-ADVERT	as and when required for the amount per bill of quantity(Excl. Vat)	2025/01/23	2028/01/22	36	NONE	N/A	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
41	GSDM 111/2023	ZILUMBILE TRADING & BIDWIN (PTY) LTD JV	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF CIVIL, STRUCTURAL AND PLUMBING MAINTENANCE SERVICES FOR A PERIOD OF THREE YEARS	as and when required for the amount as per the Bill of Quantities limited to R1 309 896.00 (Excl. Vat)	2025/01/23	2028/01/22	36	NONE	N/A	4	GOOD
42	GSDM 60/2023	REALTIME TRADING (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER ON UNINTERRUPTED POWER SUPPLY (UPS) MAINTENANCE SERVICES FOR A PERIOD OF THREE YEARS FOR THE GSDM MAIN BUILDING	AS PER BOQ	2025/02/18	2028/02/17	36	NONE	N/A	4	GOOD
43	GSDM 25/2024	ANATECH INSTRUMENTS (PTY) LTD	SUPPLY AND DELIVERY OF REAGENTS AND CNSUMABLES FOR THE DISCRETE ANALYSER (GALLERY PLUS) TO THE GERT SIBANDE DISTRICT MUNICIPALITY WATER QUALITY LABORATORY AS	AS PER BOQ	2025/02/25	2026/02/24	12	NONE	N/A	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
			AND WHEN REQUIRED FOR THE PERIOD OF TWELVE (12) MONTHS FROM AN APPOINTED PANEL OF SERVICE PROVIDERS								
44	GSDM 65/2023	MZANDAS TRADING AND PROJECT	APPOINTMENT OF A SERVICE PROVIDER FOR THE CONSTRUCTION AND REMEDIAL WORKS OF THE INTERNASEWER SERVICES IN STANDERTON EXTENSION 8 - PHASE 2	R 14 794 624.37	2024/08/02	2025/08/01	12	NONE	NEW	4	GOOD
45	GSDM 107/2023	KHAMELA PROPERTY INVESTMENT CC	ENVIRONMENTAL IMPACT ASSESSMENT FOR A LAND FILL SITE AND CEMETERY ON A PORTION (MEASURING 60,18 HA) OF THE REMAINDER OF PORTION 11 OF THE FARM NOOITGEDACHT 268 IT , MSUKALIGWA LOCAL MUNICIPALITY	AS PER BOQ	2025/04/03	2026/04/02	12	NONE	N/A	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
46	GSDM 56/2024	BLUELINK INVESTMENTS	APPOINTMENT OF A TRAVEL AGENT FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF THIRTY - SIX (36) MONTHS	AS PER BOQ	2025/04/03	2028/04/02	36	NONE	N/A	4	GOOD
47	GSDM 99/2023	MZAMO WORKS	APPOINTMENT OF A SERVICE PROVIDER FOR THE REFURBISHMENT OF EXISTING BOREHOLES AND CONSTRUCTION OF NEW BOREHOLES IN GERT SIBANDE DISTRICT MUNICIPALITY	AS PER BOQ	2025/05/21	2026/01/20	8	NONE	NEW	4	GOOD
48	GSDM 69/2024	ACTOPHAMBILI ROADS (PTY)LTD	APPOINTMENT OF A SERVICE PROVIDER FOR HIRING OF ROAD REHABILITATION MACHINES/EQUIPMENT WITHIN GERT SIBANDE FOR A PERIOD OF 12 MONTHS	AS PER BOQ	2025/06/12	2026/06/11	12	NONE	N/A	NEW	N/A
49	GSDM 110/2023	WANDZISA CONSTRUCTION (PTY)LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF ELECTRICAL MAINTENANCE	AS PER BOQ	2025/06/27	2028/07/26	36	NONE	N/A	NEW	N/A

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
			SERVICES FOR A PERIOD OF THREE (3) YEARS(RE-ADVERT)								
50	GSDM 19/2024	BANTUBANYE CC	APPOINTMETN OF A SUITABLE SERVICE PROVIDER TO CONDUCT ACCREDITED TRAINING ON MUNICIPAL FINANCE MANAGEMENT PROGRAMME	R 3000.00 (Excl. Vat) per unit standard as per bill of quantity	2025/01/23	2025/07/22	6	NONE	N/A	4	GOOD
51	GSDM79/2021	GPTN	APPOINTMENT OF A SERVICE PROVIDER FOR THE UPGRADING AND REFURBISHMENT OF BALFOUR/SIYATHEMBA BULK WATER SUPPLY SCHEME PHASE 4 CONSTRUCTION OF A PIPELINE IN DIPALESENG LOCAL MUNICIPALITY	R 140 70425 0,30	2022/02/03	2025/02/01	36	NONE	4	4	GOOD
52	GSDM 52/2023	ACTOPHAMBILI (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDERS FOR HIRING OF ROAD REHABILITATION	R 307 946.00	2024/04/30	2025/04/29	12	NONE	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
			MACHINES/EQUIPMENTS WITHIN GERT SIBANDE FOR A PERIOD OF 12 MONTHS								
53	GSDM 85/2021	BLUELINK INVESTMENTS CC	APPOINTMENT OF A TRAVEL AGENT FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF THIRTY SIX (36) MONTHS	AS PER THE BOQ	2022/03/07	2025/03/06	36	NONE	4	4	GOOD
54	GSDM 21/2020	ENPOWER ENERGY AND MACHITE ENGINEERING JV (PTY) LTD	MANAGEMENT, OPERATION AND MAINTENANCE OF ELECTRICITY DISTRIBUTION NETWORK AT BETHAL & EMZINONI (GOVAN MBEKI LOCAL MUNICIPALITY) FOR A PERIOD OF FIVE YEARS	AS PER QUOTED BOQ AMOUNT	2020/10/22	2025/10/21	60	NONE	4	4	GOOD
55	GSDM 122/2021	KRESTON PRETORIA (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT PROPERTY AND ASSET VALUATION SERVICES OF THE ERMELO AIRPORT (FAEO) RE-ADVERT	R350 000,00	2022/08/16	2025/08/01	36	NONE	4	4	GOOD

GSDM CONTRACT REGISTER 2023/2024/2025											
No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	01/07/2024 TO 31/12/2024 SCORE (1-5)	01/01/2025 to 30/06/2025 SCORE (1-5)	COMMENT
56	GSDM17/2022	UNIK CIVIL-DIPHATSE TRADING JV	APPOINTMENT OF A CONTRACTOR FOR THE CONTRUCTION OF THE AMSTERDAM BULK WATER SUPPLY SCHEME: PHASE 4 GABOSCH DAM	AS PER BILL OF QOUANTITY R 416 746 816.96	2023/03/07	2026/03/01	36	NONE	4	4	GOOD
57	GSDM 69/2023	MBAKO PROJECT AND TRADING (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE SUPPLY, DELIVERY AND INSTALLATION OF HDPE LINING AND READY MIX CONCRETE FOR STANDERTON WATER TREATMENT WORKS WITHIN LEKWA LOCAL MUNICIPALITY	R6 712 810.00	2024/08/02	2025/07/30	12	NONE	4	4	GOOD

CHAPTER 5

[FINANCIAL PERFORMANCE]

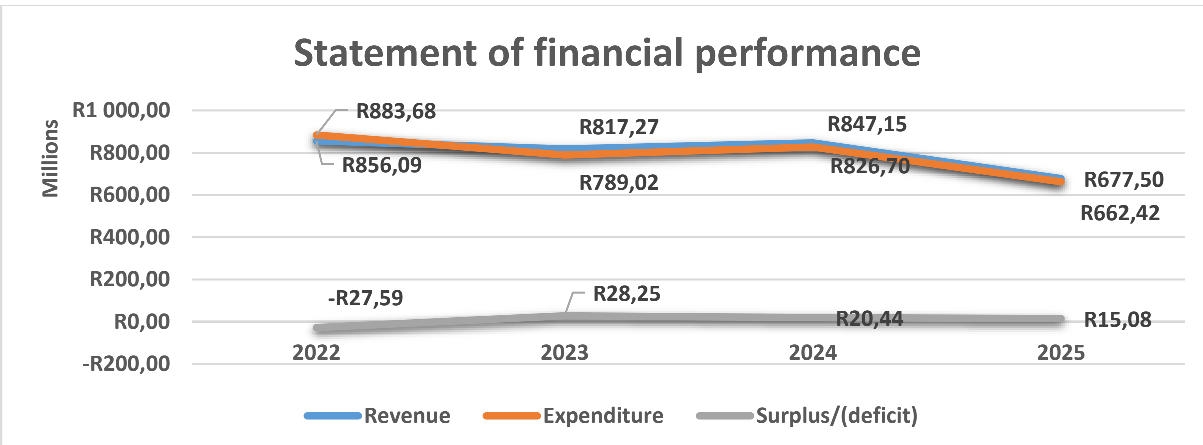
5. INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Cash flow management
- Component C: Other Financial Matters

COMPONENT I: STATEMENTS OF FINANCIAL PERFORMANCE

5.1. STATEMENT OF FINANCIAL PERFORMANCE



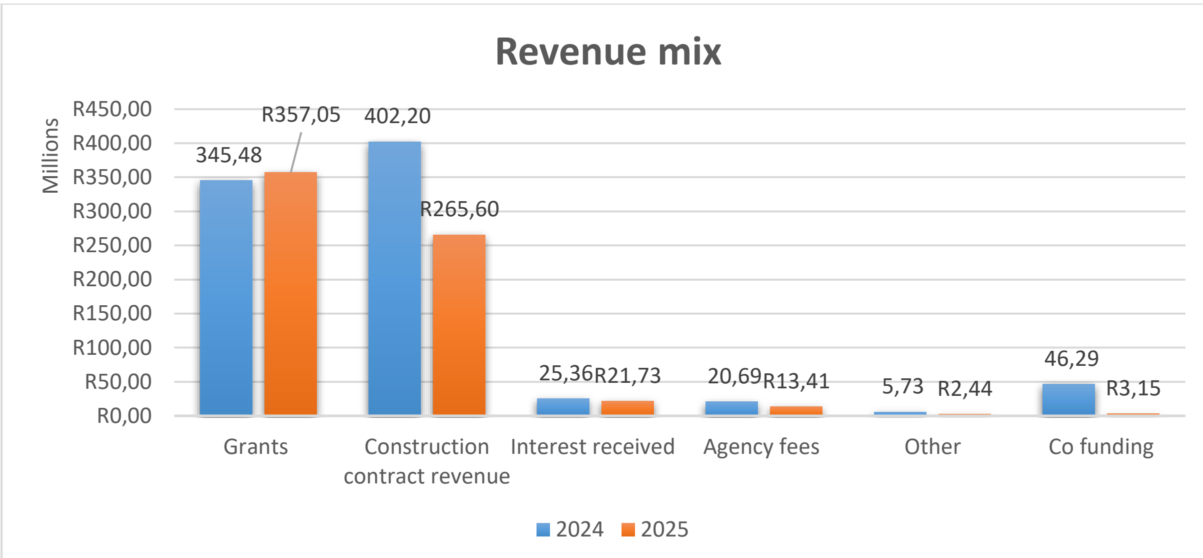
5.2. REVENUE PERFORMANCE

The statement of financial performance of the district municipality has decreased as compared to prior years as in the current year it is on surplus of R15 million (2024: R20,4 million). The decrease in revenue of the district municipality was mainly due to the decrease in RBIG funded projects which were implemented by the district municipality on behalf of some of the local municipalities and Department of Water and Sanitation (DWS), which is currently accounted for as construction revenue. The construction revenue received in the 2024/25 and 2023/24 financial period was R265,5 million and R402,8 million respectively. The district municipality is grant dependant and there is an urgent need for additional revenue streams.

There are costs associated with project management of implementing those projects, therefore an agreement was entered into with DWS and the local municipalities where 5% of the construction costs would be paid over to the district municipality to compensate for the costs incurred. The administration fees raised in relations to the above has decreased by R7,2 million, from R20.6 million in 2023/24 financial year to R13.4 million in the current year, 2024/25.

The district municipality is still not generating enough revenue from the laboratory because it is mainly used to test water for the local municipalities within the district which are now charged at cost recovery basis for such service. The revenue received in that regard is R3,1 million in the current financial period. The total revenue of the district municipality was R667,3 million which is R179,8 million less than the previous year.

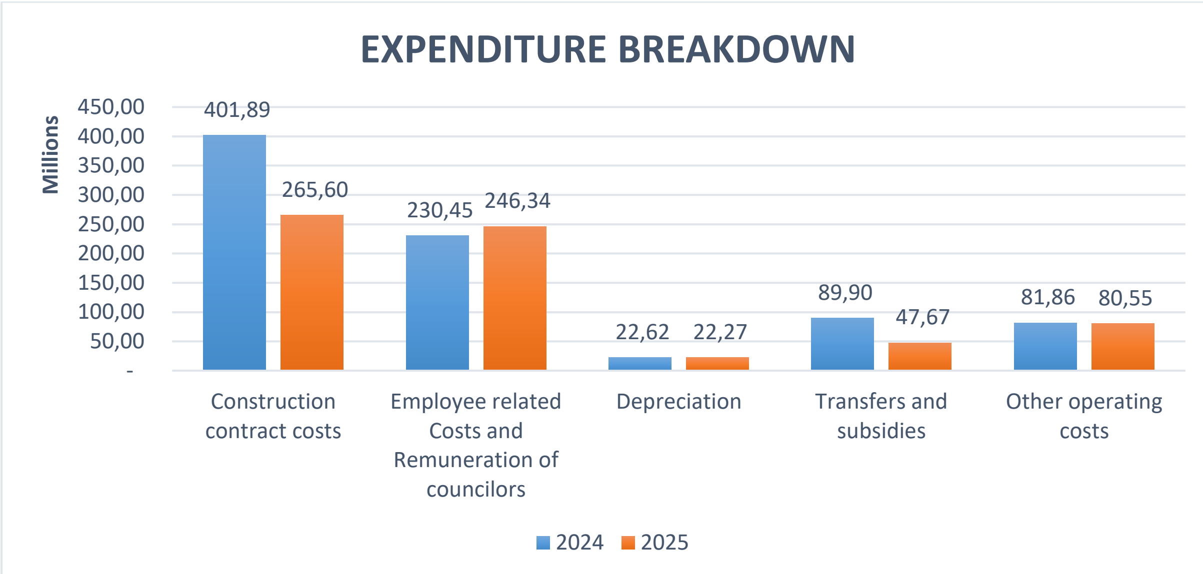
The total revenue of the district municipality was R667,3 million which is 26% less than the projected revenue. This was mainly due to underspending on construction contracts which are co-funded by the local municipalities.



5.2.1. EXPENDITURE OF THE MUNICIPALITY

About 40% of the total expenditure was on construction contract costs which has decreased compared to the previous financial year. The employee costs still constitute the second largest portion of the total expenditure at 37% and it is within the norm of 35% to 40% prescribed National Treasury. If you take out the construction costs, employee costs constitute 62%. This is concerning since the construction contract cost is not permanent in nature and depends on the arrangement with DWS and local municipalities. The district municipality is still pursuing some measures to manage or curb this expenditure.

The operating expenditure in the current period has decreased by R2,5 million compared to the previous financial period. The district municipality continues to support local municipalities through road gravelling, pothole patching and water testing. The direct cost of these programmes was R47,6 million reflected under 'transfers and subsidies', however R3,1 million of that was recovered by the district municipality in the form of co-funding from the local municipalities for roads rehabilitation. There is also indirect operational cost which is attributable to some of these services not included in transfers and subsidies below as it has been classified under operating expenditure.



5.3. GRANTS

5.3.1. GRANTS' PERFORMANCE

The district municipality has only received conditional grants to the value of R25,8 million in the current financial period, this represents about 7% of the total grants received. The district municipality continues to do well on grants spending and has in the current financial period received the infrastructure skills development grant (ISDG), rural road asset management grant (RRAMS), extended public works programme grant (EPWP) as well as financial management grants (FMG). The allocated conditional grants were efficiently and effectively utilised by the district municipality.

5.4. ASSET MANAGEMENT

The district municipality has assets management policy and strategy which are the guiding documents for assets management. For the period under review, the Auditor General of South Africa (AGSA) has not raised findings on assets management. The practice is that on a quarterly basis there are physical verifications that are conducted by the assets team. Each individual official in the District Municipality is assigned with a responsibility to safeguard assets that they are allocated to.

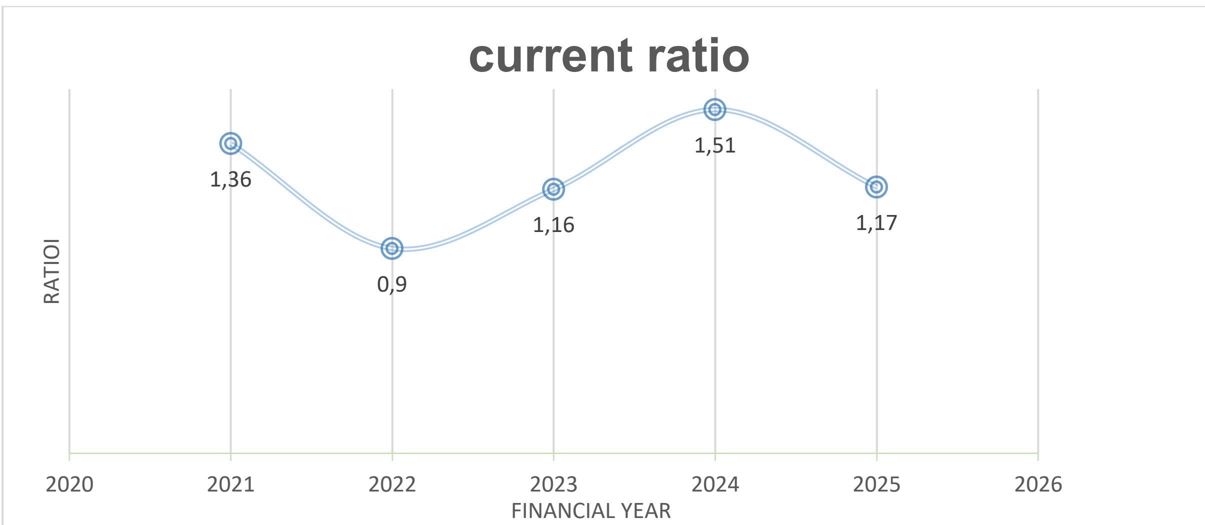
Bulk of the assets are buildings which consist of main offices, laboratory and four disaster management centres with a total cost of R225,9 million. The district has also invested in yellow fleet which is used for road gravelling and pothole patching. The yellow fleet consist of among other, graders, water tanker, and tipper truck, lowbed, and TLB, roller, Jet patcher and honey sucker. The total cost of these yellow fleet is R12,5 million. These assets are operated by GSDM staff. In the previous year, the current period the Ermelo airport was officially transferred by Msukaligwa to Gert Sibande District Municipality and has been valued at R32,4 resulting in a revaluation surplus of R10,1 million. The district municipality is currently working on a plan to fully take advantage of the airport and generate the income which is much needed.

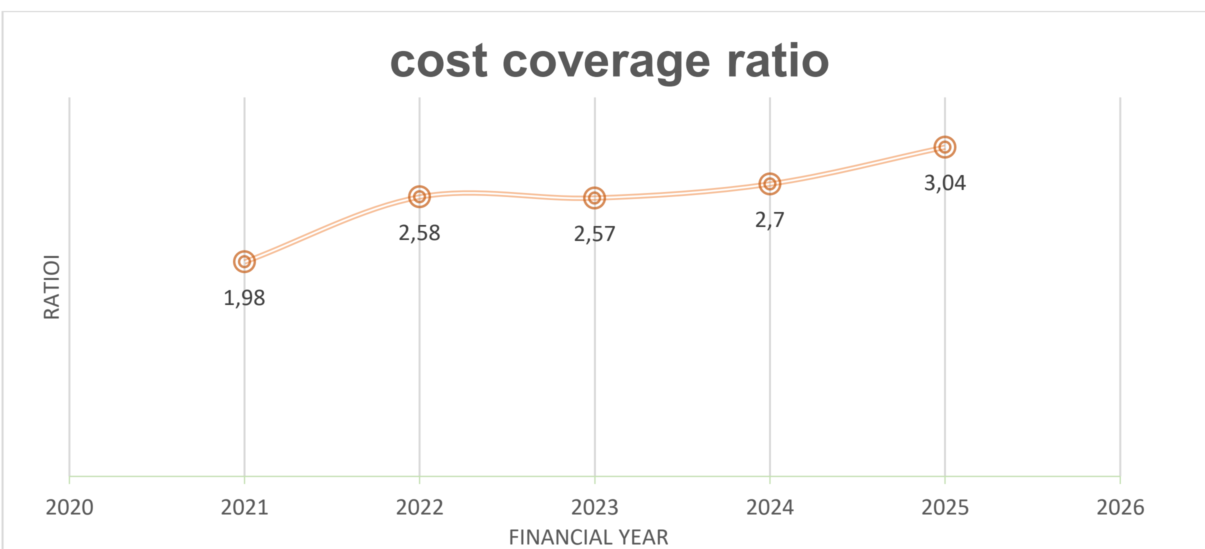
5.4.1. REPAIRS AND MAITENANCE EXPENDITURE

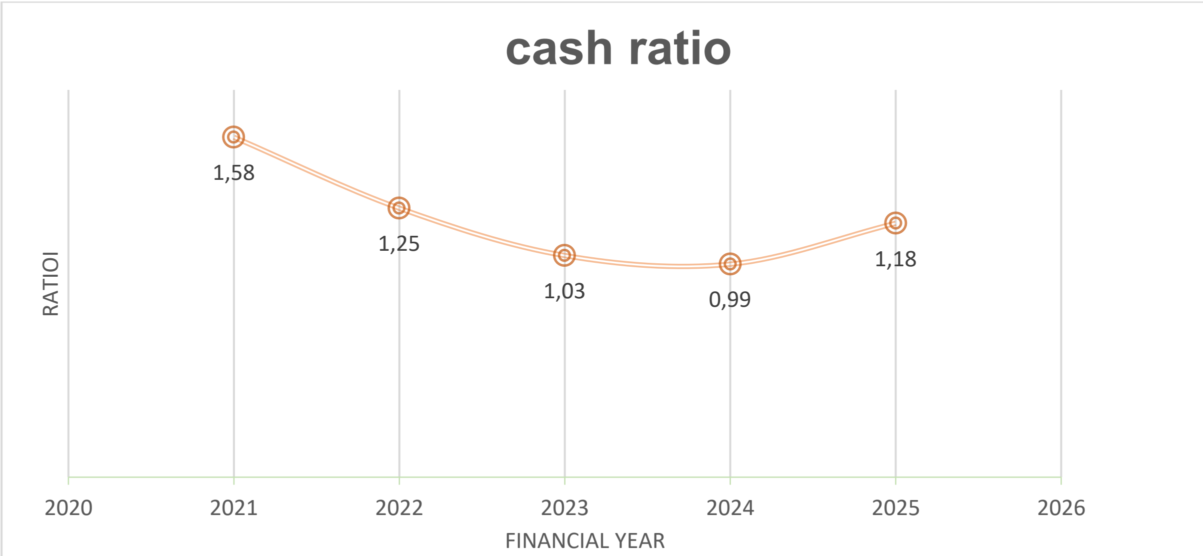
The district municipality has spent R6,7 million on repairs and maintenance in current financial period. This amounts to 3% of the total cost of the assets. These has been a decrease of R1,6 million compared to the previous financial period which was around R8,3 million. These repairs and maintenance costs on building are reasonable as most of the buildings of the district municipality are fairly new which do not require substantial maintenance.

5.5. FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1. LIQUIDITY RATIO







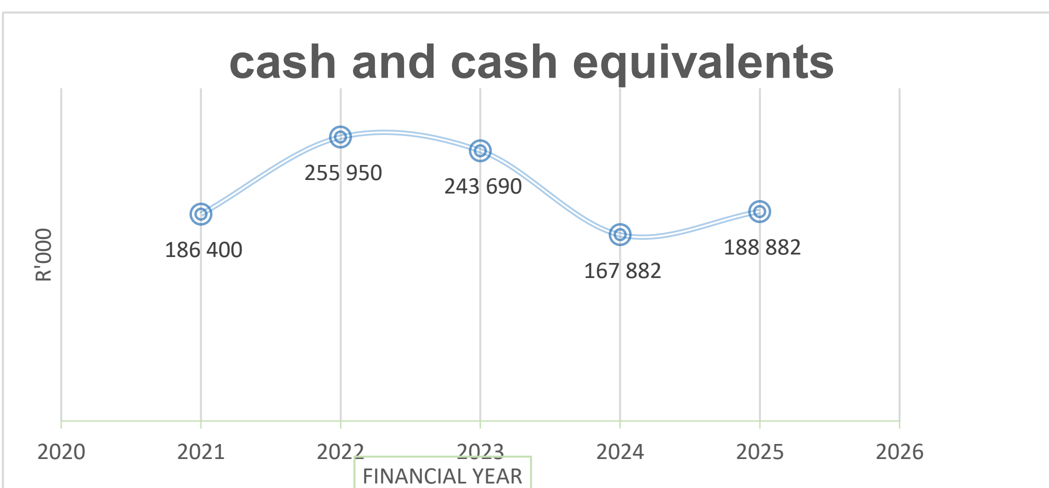
5.5.2. COMMENT ON FINANCIAL RATIOS

The liquidity and cost coverage ratios of the district municipality indicate that it is still in a good financial health. This is an indication that with the current cash and cash equivalents the District Municipality can be able to pay all its current liabilities when they fall due and could be able to cover its operational expenditure for three months.

The current ratio decreased from **1.51:1** to **1.17:1** compared to the same reporting period.
The cost coverage ratio has increased from **2.70** to **3.04** compared to the same reporting period.
The cash ratio has slightly increased from **0.99** to **1.18** compared to the same reporting period.

COMPONENT J: CASH FLOW MANAGEMENT

5.6. CASH FLOW



GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		(7 812 206)	(56 566 727)
Grants		359 695 000	345 475 000
Interest income		21 732 431	25 358 613
Other receipts		284 795 555	472 807 592
		658 410 780	787 074 478
Payments			
Employee costs		(245 767 573)	(232 602 235)
Suppliers		(340 992 807)	(530 350 672)
Finance costs		-	-
Grants paid		(47 670 285)	(89 895 227)
		(634 430 665)	(852 848 134)
Net cash flows from operating activities	38	**23 980 115**	**(65 773 656)**
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(2 675 859)	(9 344 144)
Proceeds from sale of property, plant and equipment	12	224 910	246 112
Purchase of other intangible assets	10	-	(100 088)
Net cash flows from investing activities		**(2 450 949)**	**(9 198 120)**
Cash flows from financing activities			
Finance lease payments		(529 825)	(833 461)
Net cash flows from financing activities		**(529 825)**	**(833 461)**
Net increase/(decrease) in cash and cash equivalents		**20 999 341**	**(75 805 237)**
Cash and cash equivalents at the beginning of the year		167 882 125	243 687 362
Cash and cash equivalents at the end of the year	3	**188 881 466**	**167 882 125**

5.6.1. COMMENT ON CASH FLOW

The table above indicates that the cash flow status of the district municipality has increased by R20,9 million when compared to the previous financial period due to the significant reduction in construction costs. The cash and cash equivalents at year-end are sufficient to cover the current liabilities as and when they fall due.

COMPONENT K: OTHER FINANCIAL MATTERS

5.7. SUPPLY CHAIN MANAGEMENT

In terms of the Supply Chain Management Regulations 7(3), the district is mandated to establish a Supply Chain Management Unit to implement its supply chain policy. Furthermore, the regulations mandate that where possible the Unit to report to the Chief Financial Officer. In line with the requirements of the legislation, Gert Sibande District Municipality has established an SCM Unit which reports to the Chief Financial Officer.

Since the year 2000 there has been various reforms that government has introduced to ensure that the previously disadvantaged groups are included in the mainstream economy through transformed SCM processes. These reforms include amongst others the introduction of Preferential Procurement Policy Framework Act (PPPFA) and Broad Based Black Economic Empowerment Act (BBBEE). In the current financial period contracts were awarded consistent with the applicable and relevant legislations, regulations and SCM policy.

The Supply Chain Management (SCM) within Gert Sibande District Municipality is a strategic support function that ensures the acquisition of goods and services in a manner that is fair, equitable, transparent, competitive, and cost-effective. The SCM plays a critical role in enabling service delivery and supporting the Municipality's developmental mandate.

During the reporting period, the district municipality implemented its SCM activities in compliance with the applicable legislative and regulatory framework, including the Constitution, the Municipal Finance Management Act (MFMA), and related SCM Regulations and approved SCM policy.

5.8. GRAP COMPLIANCE

Gert Sibande District Municipality prepares its annual financial statements in accordance with **Generally Recognised Accounting Practice (GRAP)** as prescribed by the **Accounting Standards Board (ASB)** and in compliance with the requirements of the **Municipal Finance Management Act (MFMA)**.

During the financial year under review, the district municipality applied all applicable GRAP Standards that were effective for the reporting period. The financial statements were prepared on an accrual basis of accounting, except where otherwise stated, and reflect a true and fair view of the Municipality's financial position, financial performance, cash flows, and changes in net assets.

The district municipality has implemented accounting policies that are consistent with GRAP requirements and are reviewed annually to ensure continued relevance and compliance. Where new or revised GRAP Standards became effective during the year, these were assessed and applied as required, with appropriate disclosures made in the notes to the financial statements.

Assets, liabilities, revenue, and expenditure were recognised, measured, and disclosed in accordance with the relevant GRAP Standards, including standards relating to property, plant and equipment, revenue from exchange and non-exchange transactions, provisions, employee benefits, and financial instruments.

The district municipality ensured that adequate disclosures were made in the annual financial statements to enhance transparency, accountability, and comparability. Significant accounting policies, estimates, and judgments were disclosed in accordance with GRAP requirements.

Management is responsible for maintaining effective financial management systems and internal controls to support GRAP-compliant reporting. Oversight of financial reporting and compliance was exercised through governance structures such as management review processes, internal audit, and the Audit Committee.

The district municipality continues to strengthen capacity and systems to ensure ongoing compliance with GRAP and to improve the quality and reliability of financial information.

CHAPTER 6

AUDITOR GENERAL AUDIT FINDINGS

6. AUDITOR GENERAL FINDINGS

6.1. INTRODUCTION

In terms of the Constitution of RSA Section188 (1) (b) states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General. The annual financial statements and annual performance reports were submitted on the 31st of August 2025 to the Auditor-General as prescribed by MFMA.

COMPONENT L: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year – 2023/2024

6.2. AUDITOR GENERAL REPORT YEAR - 2023/24

The AGSA audited the annual financial statements submitted and expressed an **UNQUALIFIED** audit opinion with findings. There following are material findings raised by AGSA in the 2023/24 financial year:

Non-compliance issues	Remedial action taken
Procurement and contract management The preference point system was not applied in some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2000. **Expenditure management** Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The value of R508 398, as disclosed in note 45, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. Most of the disclosed irregular expenditure was caused by non-compliance to section 2(1)(a) of the Preferential Procurement Policy Framework Act.	1. Members of the bid committees and SCM officials were trained by National and Provincial Treasury on the interpretation of PPR and its application. 2. All tenders and quotations awarded in 2023/2024 financial period were reviewed to identify if there is no similar non-compliance with applicable and relevant legislations and regulations. 3. Irregular expenditures identified were disclosed and referred to MPAC and Financial Disciplinary Board for investigation and were subsequently written off by Council.

COMPONENT M: AUDITOR-GENERAL OPINION YEAR 2024/2025

6.3. AUDITOR GENERAL REPORT YEAR 2024/2025

The AGSA audited the annual financial statements submitted and expressed an **UNQUALIFIED** audit opinion with findings. There following are material findings raised by AGSA in the 2024/25 financial year:

NON- COMPLIANCE ISSUES	REMEDIAL ACTION
Revenue management Interest was no charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA. **Annual Financial Statements** The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.	1. All accounts in arrears have been identified and quantified, management shall retrospectively calculate the interest not charged on these accounts. An item shall be taken to Council for condonation and write-off the interest not charged, however, interest on accounts in arrears will now be charged as prescribed by MFMA effective from February 2026. 2. Management shall strengthen review processes and strictly monitor adherence to set timelines and GRAP checklist as well as implementation of the audit action plan.

The Audit Report is attached under Volume II.

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *“full and regular”* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or

	immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) 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* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Political Party	No. of Cllrs	Part-time councillors	Full-time councillors	No. of female Cllrs
African National Congress	28	17	11	14
Economic Freedom Fighters	10	10	-	4
Democratic Alliance	7	7	-	1
Freedom Front Plus	2	2	-	0
ARP	1	1	-	0
TOTAL	**48**	**37**	**11**	**19**

The GSDM council established the following Section 79 and 80 committees:

<table>
<tr><th colspan="3">SECTION 80 COMMITTEES</th></tr>
<tr>
<td><u>PLANNING AND ECONOMIC DEVELOPMENT</u>

1. Cllr. BM Buthelezi - Chairperson (ANC)
2. Cllr. NB Sikhakhane (ANC)
3. Cllr. LS Karim (EFF)
4. Cllr. NCC van Huyssteen (DA)
5. Cllr. GR de Vries (FF+)
6. Cllr. GL Khumalo (EFF)
7. Cllr. N Gwebu (ANC</td>
<td><u>CORPORATE SERVICES</u>

1. Cllr. NF Maboa-Boltman - Chairperson (ANC)
2. Cllr. MP Nkosi (ANC)
3. Cllr. T Seimela (EFF)
4. Cllr. BJ Nkosi (ANC)
5. Cllr. MD Rakitla (ANC)
6. Cllr. NS Tlhakudi (DA)</td>
<td><u>FINANCE</u>

1. Cllr. JB Zunguza - Chairperson (ANC)
2. Cllr. M. Mngemezulu (ANC)
3. Cllr. NG Zuma (ANC)
4. Cllr. NC van Huyssteen (DA)
5. Cllr. GL Khumalo (EFF)
6. Cllr. DM Thwala (ANC)
7. Cllr. MD Nkambule (DA)</td>
</tr>
<tr>
<td><u>CSS (COMMUNITY & SOCIAL SERVICES)</u>

1. Cllr NN Zulu - Chairperson (ANC)
2. Cllr. EW Chauke (EFF)
3. Cllr. S Mkhonto (EFF)
4. Cllr. BA Dlamini (DA)
5. Cllr. MD Rakitla (ANC)
6. TE Mazibuko (ANC)</td>
<td><u>ITS (INFRASTRUCTURE & TECHNICAL SERVICES)</u>

1. Cllr PV Malatsi - Chairperson (ANC)
2. Cllr. N Gwebu (ANC)
3. Cllr. SA Silosini (DA)
4. Cllr. K Webber (FF+)
5. Cllr. BJ Mhlanga (ANC)
6. Cllr. V Nkosi (EFF)
7. Cllr. BJ Ndlazi (ANC)
8.Cllr. MA Kubheka (ARP)</td>
<td><u>SPECIAL PROGRAMMES & AGRICULTURE</u>

1. Cllr. CB Mkhwanazi - Chairperson (ANC)
2. Cllr. NB Sikhakhane (ANC)
3. Cllr. AB Dlamini (DA)
4. Cllr. VS Hlophe (EFF)
5. Cllr. V.M Nkosi (EFF)
6. Cllr. TE Mazibuko (ANC)</td>
</tr>
<tr>
<td colspan="3"><u>MONITORING & EVALUATION</u>

1. Cllr. BP Mollo (Chairperson) (ANC)
2. Cllr. VD Duddley (DA)
3. Cllr. M Mncina (ANC)
4. Cllr. MA Kubheka (ARP)
5. Cllr. MV Nkosi (EFF)
6. Cllr. NG Zuma (ANC)
7. Cllr. B. Khanye (ANC)
8. Cllr. MR Yende (EFF)</td>
</tr>
<tr>
<td colspan="3">SECTION 79 COMMITTEES (OVERSIGHT COMMITTEES)</td>
</tr>
</table>

MUNICIPAL PUBLIC ACCOUNT COMMITTEE	RULES AND ETHICS	BY-LAWS AND POLICY
1. **Cllr. NS Nhlapho - Chairperson (ANC)** 2. Cllr. S Mkhonto (EFF) 3. Cllr. VD Duddley (DA) 6. Cllr. TG Mbuli (ANC) 7. Cllr. KA Matshaba (ANC)	**1. Cllr. N Gwebu - Chairperson (ANC)** 2. Cllr. BJ Mhlanga (ANC) 3. Cllr. VD Duddley (DA) 4. Cllr. MP Magubane (ANC) 5. Cllr. SV Mahlangu (ANC) 6. Cllr. DM Nkambule (DA) 7. Cllr. KA Matshaba (ANC) 8. Cllr. GR de Vries (FF-Plus) 9. Cllr. TH Kgwedi (EFF)	1. **Cllr. M Mngemezulu - Chairperson (ANC)** 2. Cllr. EW Chauke (EFF) 3. Cllr. TG Mbuli (ANC) 4. Cllr. M Mncina (ANC) 5. Cllr. K Webber (FF-Plus) 6. Cllr. VD Duddley (DA) 7. Cllr. TH Kgwedi (EFF)

The Committees are functional, and they comprise of all political representation as represented in the Council of Gert Sibande District.

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral/ Executive Committees) and Purpose of Committees

Municipal Committees	Purpose of Committee
Corporate Service Portfolio Committee	Render a comprehensive human resources and administration function to enhance service delivery and employee's welfare. Processes items for both the mayoral committee and Council meetings.
Infrastructure & Technical Service Portfolio Committee	Development and implementation of processes, systems and strategies designed to procure and sustain infrastructural capacity of municipalities for them to be able to provide quality services to their communities. Processes items for both the mayoral committee and Council meetings.
Community & Social Service Portfolio Committee	Provision of acceptable standard of social services, environmental & health services to the communities. Processes items for both the mayoral committee and Council meetings.
PEDI Portfolio Committee	Provide an overview of the district economy, sets policy direction for economic growth and identify strategies, programs and projects to improve the economy. Through its innovation unit, it creates new opportunities that result in economic growth. Processes items for both the mayoral committee and Council meetings.
Finance Portfolio Committee	Provide strategic direction on financial planning, management and accounting in municipalities and also assist with the implementation and compliance with the MFMA and related Treasury Regulations. Processes items for both the mayoral committee and Council meetings.
Monitoring & Evaluation Portfolio Committee	Monitoring all areas of the municipality's activities and for evaluating it to determine the impact, quality and effectiveness of its work. Processes items for both the mayoral committee and Council meetings.
Special Programmes & Agriculture Portfolio Committee	Promote, facilitate, coordinate and monitor the realization of the rights of women, men, children, senior citizen and people with disability. Processes items for both the mayoral committee and Council meetings.
Municipal Public Account Committee	Its mandate is to perform oversight on behalf of council as required by the constitution of the Republic, the MFMA and Municipal System Act.

Municipal Committees	Purpose of Committee
By-Laws & Policies Committee	Drafting new policies and amendments to existing policies as required and submitting them to council for approval, from time to time, to ensure their relevance, clarity and application. It is also an oversight committee.
Rules & Ethics Committee	To develop, review and recommend to council, the standing rules and orders for council and its section 79 and 80 committees.
Local Labor Forum	LLF has powers and functions of negotiating and consulting on matters of mutual concern pertaining to the workplace with the organized labour.

APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

Accounting Officer	**TOP ADMINISTRATIVE STRUCTURE** **TIER 1** **MUNICIPAL MANAGER** Mr Absenia Habile
	TIERS 2 AND 3
Heads of Department	Ms. Makhazasi Radebe (Corporate Services) Mr. Melato Michele (Community & Social Services) Mr Zakhele Buthelezi (Finance) until October 2024, Mr. OG Hlophe (Finance) from 2 June 2025, Mr. Bongile Mdutyulwa (Infrastructure & Technical Services) Ms. Pretty Chiloane (Planning, Economic Development &Innovation)
Deputy	Mr. Francois Gates (Deputy Chief Financial Officer, Department of Finance)

APPENDIX D – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2022/23

Date of Committee	Committee recommendation during the year	Recommendation adopted (Y/N)
20 July 2023	Internal Audit should add CPD hours in their report.	Yes
20 July 2023	Management should include the comparison and any variance above 5% should be explained.	Yes
20 July 2023	The Committee resolved that Management should share the investment strategy before they make any investment decisions.	Yes
20 July 2023	Management must send AFS year end plan to the Committee before the next Audit Committee meeting.	Yes
20 July 2023	Management should include a detailed report on employee wellness.	Yes
30 August 2023	Make sure VAT payable is correctly disclosed as it is material.	Yes
03 November 2023	The matters which are stated as “PC” which translates to partially conforms should be addressed in an action plan	Yes
03 November 2023	The Investment Policy and applicable legislation be presented to the Committee at the next meeting	Yes
03 November 2023	The ICT Security Policy be presented to the next sitting of the Audit Committee.	Yes
03 November 2023	The ICT Strategy be recommended to Council for approval	Yes

Date of Committee	Committee recommendation during the year	Recommendation adopted (Y/N)
19 January 2024	On the functionality issue from procurement, Management must come to a conclusion in terms of acceptance of the finding and develop remedial action for this finding.	Yes
19 January 2024	Management to schedule a meeting between the Audit Committee and Management on how to work together in the next audit and set a target for a clean audit opinion.	Yes
19 January 2024	The Municipal Manager to share the AG action plan with the Audit Committee monthly.	Yes
09 February 2024	Management should ensure that the Internal Audit unit is capacitated as it was raised in the Quality Assurance Report that Internal Audit has limited resources.	Yes
09 February 2024	Management to make a proposal to the Executive Mayor to engage Mayors and Management from the local municipalities on issues of non-compliance with the water standards.	Yes
09 February 2024	If there are trainings that the Audit Committee can attend, please extend the invitation for us to enhance our skills.	Yes
09 February 2024	The Committee requested a summarised report with comparisons of estimated exposure from quarter to quarter.	Yes
09 February 2024	They requested an evaluation report of the panel of attorneys with the number of cases allocated per attorney, number of cases won/ lost and cost to date.	Yes
17 May 2024	Management must adhere to the deadlines for the implementation of remedial actions for the audit findings.	Yes
17 May 2024	The Operational Plan for 2024/25 be approved.	Yes
17 May 2024	The valuation of the investment property should be addressed adequately	Yes
17 May 2024	The risks regarding fleet management need to be addressed	Yes
28 June 2024	The Audit and Performance Audit Committee Charter be approved.	Yes
28 June 2024	The Internal Audit Charter be approved	Yes
28 June 2024	The combined assurance framework be approved	Yes

APPENDIX E – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2024 to 30 June 2017		
Position	**Name**	**Description of financial interests**
Executive Mayor	Cllr MW Mngomezulu	Declared
Speaker	Cllr BG Sekhonde	Declared
Chief Whip	Cllr BH Mtshali	Declared
Members of Mayoral Committee	Cllr BM Buthelezi	Declared
	Cllr PV Malatsi	Declared
	Cllr NF Maboa-Boltman	Declared
	Cllr NN Zulu	Declared
	Cllr CB Mkhwanazi	Declared
	Cllr BP Mollo	Declared
	Cllr JB Zunguza	Declared
	Cllr NS Nhlapho	Declared
Municipal Manager	Mr. CA Habile	Declared
Chief Financial Officer	Mr. ZR Buthelezi *(Until October 31, 2024)*	Declared

Disclosures of Financial Interests		
Period 1 July 2024 to 30 June 2017		
Position	**Name**	**Description of financial interests**
	Mr. OG Hlophe *(from June 2,2025)*	
Deputy Chief Financial Officer	Mr. FS Gates	Declared
Section 56 Managers	Mr. M Melato	Declared
	Mr. B Mdutyulwa	Declared
	Ms M Radebe	Declared
	Ms P Chiloane	Declared

Note: All Councillors and municipal officials adhered to the process of financial disclosures.

VOLUME II

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting officer
Gert Sibande District Municipality
PO Box 1784
Ermelo
2350

30 November 2025

Reference: 07334REG24/25

Dear Sir

Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Gert Sibande District Municipality for the year ended 30 June 2025

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa section 126(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. In terms of section 121(3) of the MFMA you are required to include the auditor's report in the municipality's annual report to be tabled.
3. Prior to printing or copying the annual report which will include the auditor's report you are required to do the following:
   - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the auditor's report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
   - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.
4. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
5. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants *(including International Independence Standards*), members of the staff of the Auditor General (AG), or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to

any third party without the permission of the AG or his/her delegate, unless this is to a legislature or internal committee of a legislature or a court in a criminal matter.

6. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
7. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

....

Senior Manager: Mpumalanga

Enquiries: Thandi Boshoga
Telephone: 013 756 0800
Email: thandib@agsa.co.za

Report of the auditor-general to Mpumalanga provincial legislature and council on Gert Sibande District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gert Sibande District Municipality set out on pages 165 to 235, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gert Sibande District Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Standard of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Other matter

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

7. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

8. 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 MFMA; 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.

9. 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

10. 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.

11. 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 on pages 161 - 162 forms part of my auditor's report.

Report on the annual performance report

12. 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 information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

13. I selected the following material performance indicators related to basic service delivery presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

    - % of GSDM funded projects completed by 30 June (excluding external funded projects)
    - % of GSDM funded projects with contractor appointments finalized (excluding external funded projects)
    - % of Water and Sanitation projects (external funding) completed by 30 June (Construction Phase)

- % of Water and Sanitation (external funding) projects with contractor appointments finalized (Construction Phase)
- % of Water and Sanitation planning projects (external funding) completed and submitted by 30 June (Planning phase)
- % Maintain Laboratory accreditation status by SANAS by 30 June
- Total square meters [m2] of roads repaired
- % of water samples taken from local municipalities per month compared to scheduled target
- Number of food handling and preparation facility inspections conducted in terms of the Foodstuffs, Cosmetics, Disinfectant Act (FCDA)
- % of inspections performed on water treatment plants by 30 June
- % of landfill site audits conducted in the district compliant with the set requirements by 30 June
- % of municipal environmental and health surveillance complaints as documented on complaints register attended to within 21 days
- Monitoring and evaluation conducted on disaster management in 7 local municipalities by 30 June
- % of disaster management programs implemented according to the business plan by 30 June (fire services and disaster management)
- Number of Local Municipalities assisted with applications of sourcing resources for waste management (landfill sites, waste transfer sites, drop off facilities, and buy back centres)
- Number of Air Quality Management Plans reviewed/developed for GSDM and LMs
- % of atmospheric emission license applications received and processed within 90 days
- % of Environmental Impact Assessment applications received and commented on within 90 days
- % of compliance audits conducted with respect to Sec 21 listed activities as per the NEMAQ Act by 30 June
- % of compliance audits conducted with respect to Sec 23 listed activities as per the NEMAQA by 30 June
- Number of bylaws for Environmental management reviewed / developed for the DM and LMs
- Number of Climate Change Vulnerability Assessment, Adaptation and response strategies developed for the 7 LMs

14. I evaluated the reported performance information for the selected material performance indicators 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.

15. 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
- there is adequate supporting evidence for the achievements and measures taken to improve performance.

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

17. The material findings on the reported performance information for the selected material indicators are as follows:

Various indicators

18. The indicators below do not relate to the achievement of the planned objectives. Consequently, the indicators are not useful for measuring and monitoring progress against the municipality's planned objectives.

Indicator	Planned objective
% of GSDM funded projects with contractor appointments finalized (excluding external funded projects)	To accelerate provision of immediate & long-term bulk infrastructure development
% of Water and Sanitation (external funding) projects with contractor appointments finalized (Construction Phase)	To accelerate provision of immediate & long-term bulk infrastructure development
% of water samples taken from local municipalities per month compared to scheduled target	To improve access and service level to municipal community and social services to 60%
% of inspections performed on water treatment plants by 30 June	To improve access and service level to municipal community and social services to 60%

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. 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.

21. 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 **60 - 63.**

Basic service delivery and infrastructure development

Targets achieved: 93%		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
% of Water and Sanitation projects (external funding) completed by 30 June (Construction Phase)	86%	69%
% of Water and Sanitation (external funding) projects with contractor appointments finalized (Construction Phase)	67%	36%

Targets achieved: 93%		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Number of Local Municipalities assisted with applications of sourcing resources for waste management (landfill sites, waste transfer sites, drop off facilities, and buy back centres)	2	0

Material misstatements

22. 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. Management did not correct some of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

23. 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.

24. 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.

25. 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.

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

Annual financial statements, performance and annual report

27. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Revenue management

28. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

Strategic planning management

29. The performance management system and related controls were inadequate as it did not describe how the performance measurement and reporting processes should be conducted, as required by municipal planning and performance management regulation 7(1).

Other information in the annual report

30. 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 material indicators in the scoped-in development priority presented in the annual performance report that have been specifically reported on in this auditor's report.

31. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

32. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

33. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

34. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

35. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.

36. Management did not implement adequate review and monitoring controls to ensure that the financial statements submitted for audit are free of material misstatements.

37. Management did not exercise oversight responsibility regarding performance management as well as compliance and related internal controls.

Auditor General

Mbombela

30 November 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators 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	Section 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), 32(2)(b), 32(6)(a), 32(7),33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)a, 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
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	Section or regulations
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)

GERT SIBANDE DISTRICT MUNICIPALITY
Annual Financial Statements
for the year ended 30 June 2025

Audited
By

2025 -11- 30

Auditor General South Africa
Mpumalanga Business Unit

GERT SIBANDE DISTRICT MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2025

General Information

Legal form of entity	District Municipality
Nature of business and principal activities	A Category C Municipality established in terms of the Structures Act 117 of 1998 which execute some of the functions of Local Government (DC30) and Section 155(c) of the Constitution of the Republic of South Africa, 1996.
Speaker	Sekhonde BG
Executive Mayor	Mngomezulu MW
Chief Whip	Mtshali BH
Grading of local authority	3
Accounting Officer	Habile CA
Chief Finance Officer (CFO)	Hlope OG
Registered office	Cnr Joubert & Oosthuise Street Ermelo Mpumalanga 2351
Business address	Cnr Joubert & Oosthuise Street Ermelo Mpumalanga 2351
Postal address	PO Box 1748 Ermelo Mpumalanga 2350
Bankers	First National Bank
Auditor	Auditor General of South Africa (AGSA)
Attorneys	Panel attorneys Lusenga Attornyes Inc. Mohlala Attorneys TMN Kgomo and Associates Inc. Nyapotse Attorneys Inc. Moetseneeng Bill Attorneys
Contact Details	Telephone: +27 (17) 8 01 7000 Fax: +27 (17) 811 1207 E-mail: Records@gsibande.gov.za Web site: www.gsibande.gov.za
Audit Committee Memebers	Gafane LAT (Chairperson audit committee) Simelane S Singh AY Mothamaha EM Mabula A
Income Tax status	Exempt for Income Tax in terms of section 10(1)(a) as part of the Local Government sphere of government of the Republic of South Africa

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Abbreviation	Description
DORA	Division of Revenue Act
DWS	Department of Water and Sanitation
EPWP	Expanded Public Works Programme
FMG	Finance Management Grant
GRAP	Generally Recognised Accounting Practice
GSDM	Gert Sibande District Municipality
ISDG	Infrastructure Skills Development Grant
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
PAYE	Pay As You Earn
RRAMS	Rural Road Asset Management Grant
RBIG	Regional Bulk Infrastructure Grant
SALGA	South African Local Government Association
SARS	South African Revenue Services
VAT	Value Added Tax
UIF	Unemployment Insurance Fund

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 unaudited annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the unaudited 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 shall be given unrestricted access to all financial records and related data.

The unaudited annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The unaudited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial controls established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal controls 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 that the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal controls 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 controls can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

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

It must be noted that although the statement of financial performance indicate that the revenue of the municipality is alomst equaly spilt between revenue generated from own revenue and grants revenue, the own revenue from construction contract is recieved from Local Municipalities for implimenting Regional Bulk Infrastructure Grant projects on behalf of the Local Municipalties and Department of Water and Sanitation. This indicates that the municipalty largely depends on grants revenue.

The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the Audit Committee and the Executive Mayor .

The unaudited annual financial statements have been prepared on the going concern basis, in terms of Section 126(1) of the MFMA and which I have signed on behalf of GSDM on 31 August 2025 :

Habile CA
Municipal Manager

Audited
By

Auditor General South Africa
Mpumalanga Business Unit

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	188 881 471	167 862 125
Inventories	4	1 296 882	1 277 440
Prepayments	5	2 887 895	2 898 812
Receivables from exchange transactions	6	79 737 226	68 387 123
Receivables from non-exchange transactions	7	219 625	64 625
VAT receivable	8	-	15 508 507
		273 023 099	**256 018 632**
Non-Current Assets			
Heritage assets	9	159 250	159 250
Intangible assets	10	1 123 972	1 775 310
Investment property	11	32 410 475	22 300 689
Property, plant and equipment	12	225 900 841	246 205 916
Receivables from non-exchange transactions	7	1 217 037	1 108 319
		260 811 575	**271 549 484**
Total Assets		**533 834 674**	**527 568 116**
Liabilities			
Current Liabilities			
Consumer deposits	13	178 046	140 518
Employee benefit- bonus	14	6 381 666	5 156 928
Finance lease obligation	15	67 854	216 863
Long service provision	16	1 838 000	1 143 000
Payables from exchange transactions	17	145 691 250	162 225 564
Payables from non-exchange transactions	18	620 632	620 632
Post retirement benefit obligations	19	56 000	85 000
Unspent conditional grants and receipts	20	2 644 395	-
VAT payable	21	2 427 801	-
		159 905 644	**169 588 505**
Non-Current Liabilities			
Finance lease obligation	15	49 341	399 636
Long service provision	16	14 740 000	13 453 000
Post retirement benifit obligation	19	580 000	644 000
		15 369 341	**14 496 636**
Total Liabilities		**175 274 985**	**184 085 141**
Net Assets		**358 559 689**	**343 482 975**
Accumulated surplus		358 559 686	343 482 974
Total Net Assets		**358 559 686**	**343 482 974**

* See Note 48

GERT SIBANDE DISTRICT MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Co Funding received from Local Municipalities	22	3 154 803	46 293 666
Interest received	23	21 732 431	25 358 613
Other income	24	15 851 296	23 787 510
Rendering of services		686 086	798 311
Revenue from construction contracts	25	265 596 928	401 886 860
Service charges	26	3 158 592	3 474 553
Total revenue from exchange transactions		**310 182 136**	**501 599 515**
Revenue from non-exchange transactions			
Transfer revenue			-
Government grants and subsidies	28	357 050 605	345 475 000
Other Income	24	155 000	-
Proceeds from Insurance		-	73 496
Total revenue from non-exchange transactions		**357 205 605**	**345 548 496**
Total revenue		**667 387 741**	**847 148 011**
Expenditure			
Construction contract costs	29	(265 596 928)	(401 886 833)
Depreciation and amortisation	30	(22 081 602)	(22 618 266)
Employee related costs	31	(231 270 124)	(215 524 918)
Finance costs	32	(1 689 521)	(1 579 203)
Lease	33	(113 160)	(123 237)
Loss on disposal of assets and liabilities		(1 325 757)	(112 976)
Operating costs	34	(77 452 546)	(79 924 025)
Remuneration of councillors	35	(15 067 111)	(14 954 095)
Transfers and Subsidies	36	(17 670 286)	(80 806 227)
Debtors Impairment Loss	49	(153 781)	-
PPE Impairment loss		-	(85 973)
Total expenditure		**(662 420 815)**	**(826 704 753)**
Revaluation Surplus for Investment Property	27	10 109 786	
Surplus for the year		**15 076 712**	**20 443 258**

* See Note 48

GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	304 453 150	304 453 150
Adjustments		
Correction of errors 48	18 586 566	18 586 566
Balance at 01 July 2023 as restated*	**323 039 716**	**323 039 716**
Changes in net assets		
Surplus for the year	20 443 258	20 443 258
Total changes	20 443 258	20 443 258
Restated* Balance at 01 July 2024	**343 482 974**	**343 482 974**
Changes in net assets		
Surplus for the year	15 076 712	15 076 712
Total changes	15 076 712	15 076 712
Balance at 30 June 2025	**358 559 686**	**358 559 686**

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Mpumalanga Business Unit

* See Note 48

GERT SIBANDE DISTRICT MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		(7 812 206)	(56 566 727)
Grants		359 695 000	345 475 000
Interest income		21 732 431	25 358 613
Other receipts		284 795 555	472 807 592
		658 410 780	787 074 478
Payments			
Employee costs		(245 767 573)	(232 602 235)
Suppliers		(340 992 807)	(530 350 672)
Finance costs		-	-
Grants paid		(47 670 285)	(89 895 227)
		(634 430 665)	(852 848 134)
Net cash flows from operating activities	38	**23 980 115**	**(65 773 656)**
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(2 675 859)	(9 344 144)
Proceeds from sale of property, plant and equipment	12	224 910	246 112
Purchase of other intangible assets	10	-	(100 088)
Net cash flows from investing activities		**(2 450 949)**	**(9 198 120)**
Cash flows from financing activities			
Finance lease payments		(529 825)	(833 461)
Net cash flows from financing activities		**(529 825)**	**(833 461)**
Net increase/(decrease) in cash and cash equivalents		**20 999 341**	**(75 805 237)**
Cash and cash equivalents at the beginning of the year		167 882 125	243 687 362
Cash and cash equivalents at the end of the year	3	**188 881 466**	**167 882 125**

GERT SIBANDE DISTRICT MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final adjustment budget	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance								
Revenue								
Revenue from exchange transactions								
Service charges	3 150 000	-	3 150 000	-	3 150 000	3 158 592	8 592	
Rendering of services	945 000	-	945 000	-	945 000	688 086	(256 914)	45(1)
Revenue from construction contract	233 010 000	260 645 567	493 655 567	-	493 655 567	265 596 928	(228 058 639)	45(2)
Other income	12 792 650	5 519 497	18 312 147	-	18 312 147	15 851 296	(2 460 851)	45(3)
CO funding received from local municipalities	4 000 000	2 375 745	6 375 745	-	6 375 745	3 154 803	(3 220 942)	45 (7)
Interest received - investment	26 323 150	-	26 323 150	-	26 323 150	21 732 431	(4 590 719)	45 (4)
Total revenue from exchange transactions	**280 220 800**	**268 540 809**	**548 761 609**	**-**	**548 761 609**	**310 182 136**	**(238 579 473)**	
Revenue from non-exchange transactions								
Transfer revenue								
Government grants & subsidies	353 803 000	5 892 000	359 695 000	-	359 695 000	357 050 605	(2 644 395)	45 (6)
Other Income	-	100 000	100 000	-	100 000	155 000	55 000	45(13
Total revenue from non-exchange transactions	**353 803 000**	**5 992 000**	**359 795 000**	**-**	**359 795 000**	**357 205 605**	**(2 589 395)**	
Total revenue	**634 023 800**	**274 532 809**	**908 556 609**	**-**	**908 556 609**	**667 387 741**	**(241 168 868)**	
Expenditure								
Personnel	(238 516 347)	489 999	(238 026 348)	(490 000)	(238 516 348)	(231 270 124)	7 246 224	45(8)
Employee costs - Remuneration of councillors	(16 740 230)	1	(16 740 229)	-	(16 740 229)	(15 067 111)	1 673 118	
Depreciation and amortisation	(28 162 340)	-	(28 162 340)	-	(28 162 340)	(22 081 602)	6 080 738	45(9)
Impairment loss/ Reversal of impairments	-	-	-	-	-	(153 781)	(153 781)	
Finance costs	(1 554 000)	-	(1 554 000)	-	(1 554 000)	(1 689 521)	(135 521)	
Lease rentals on operating lease	(318 800)	-	(318 800)	-	(318 800)	(113 160)	205 640	
Construction contract costs	(233 010 000)	(260 645 567)	(493 655 567)	-	(493 655 567)	(265 596 928)	228 058 639	45(2)
Transfers and Subsidies	(43 003 562)	(11 589 211)	(54 592 773)	168 500	(54 424 273)	(47 670 285)	6 753 988	45(10)
Gain or loss on disposal of assets and liabilities	-	-	-	-	-	(1 325 757)	(1 325 757)	

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GERT SIBANDE DISTRICT MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand			Approved budget	Adjustments	Final adjustment budget	Virement	Final budget	Actual amounts on comparable basis
Operating costs	(86 356 513)	1 926 056	(84 430 457)	321 500	(84 108 957)	(77 452 546)	6 656 411	45(11)
Total expenditure	(647 661 792)	(269 818 722)	(917 480 514)	-	(917 480 514)	(662 420 815)	255 059 699	
Operating surplus	(13 637 992)	4 714 087	(8 923 905)	-	(8 923 905)	4 966 926	13 890 831	
Fair value adjustments	-	-	-	-	-	10 109 786	10 109 786	45(5)
Surplus before taxation	(13 637 992)	4 714 087	(8 923 905)	-	(8 923 905)	15 076 712	24 000 617	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(13 637 992)	4 714 087	(8 923 905)	-	(8 923 905)	15 076 712	24 000 617	

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Accounting Policies

Figures in Rand	Note(s)	2025	2024

1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Presentation of Annual Financial Statements

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

The amounts are rounded to the nearest Rand.

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

These accounting policies are consistent with the previous period.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Impairment of property, plant and equipment

Majority of the assets of the municipality are not used for commercial purposes or gain, however they are either used for administrative purposes or for service delivery purposes. The impairment of property, plant and equipment (PPE) is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount and they are no longer usable in its current form and management has no intention to use these assets any further. This was performed across all classes of property, plant and equipment

Useful lives of property, plant and equipment, investment property and intangible assets

The useful lives of assets are based on management's estimates. Management considers the impact of technology, service requirements and required return on assets to determine the optimum useful-life expectation, where appropriate. The estimated residual values of assets are also based on management's judgement on whether the assets will be sold, held indefinitely or used to the end of their useful lives, and what their condition will be at that time

Post-retirement benefits and long service awards

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

Other key assumptions for post retirement benefit obligations are based on current market conditions. Additional information is disclosed in Note 19.

Provisions, contingent liabilities and contingent assets

Management's judgemental is required when recognising and measuring provisions, as well as when measuring contingent liabilities and assets. Provisions are discounted, where the effect of discounting is material, using cost of capital

Accounting Policies

1.4 Cash and cash equivalents

Cash and cash equivalents are measured at their amortised cost.

1.5 Investment property

Investment property is property (land or buildings and infrastructure) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

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

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

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

Derecognition

Investment property is derecognised when the asset is disposed off or when there are no further economic benefits or service potential expected from the use of the asset.

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

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

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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.

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

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

Accounting Policies

1.6 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Land		
- Land	Straight-line	indefinite
Buildings		
- Office buildings	Straight-line	30
- Laboratories	Straight-line	30
- Disaster centres	Straight-line	30
- Elevator system	Straight-line	20
- Transformer	Straight-line	50
- Solar panels	Straight-line	7
- Carports / garages / shelters	Straight-line	15
Furniture and fixtures		
- Furniture and fixtures	Straight-line	7
- Office furniture	Straight-line	7
- Office equipment	Straight-line	5
IT Equipment		
- IT Equipment	Straight-line	5
- Communication equipment	Straight-line	2
- Leased copiers	Straight-line	3
Motor vehicles		
- Motor vehicles	Straight-line	7
- Construction vehicles	Straight-line	10
Plant and machinery		
- Plant and machinery	Straight-line	5
- Laboratory equipment	Straight line	5

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 34).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 12).

1.7 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

Accounting Policies

1.7 Intangible assets (continued)

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

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

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

All other intangible assets amortisation is provided on a straight-line basis over their useful life

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

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

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	5

The municipality discloses relevant information relating to intangible assets, in the notes to the financial statements (see note 10).

Intangible assets are derecognised:
- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

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1.8 Heritage assets

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Derecognition

The municipality derecognises heritage asset 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 a heritage asset is included in surplus or deficit when the item is derecognised.

Accounting Policies

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

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

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

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

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

Accounting Policies

1.9 Financial instruments (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Accounting Policies

1.9 Financial instruments (continued)

Initial recognition

Initial measurement of financial assets and liabilities
The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.
The entity measures a financial asset and financial liability initially at its fair value.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:
- Financial instruments at amortised cost

The following are the financial assets and liabilities measured at amortised cost:

Type of financial assets	Measurement
Receivable from exchange transactions	Amortised cost
Cash and cash equivalents	Amortised cost

Type of financial liabilities	Measurement
Payables from exchange transactions	Amortised cost
Payables from non-exchange transactions	Amortised cost
Consumer deposits	Amortised cost
Financial lease obligation - current liability	Amortised cost

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Gains and losses

For financial assets and financial liabilities measured at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process

Impairment and uncollectibility of financial assets
The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.The amount of the loss is recognised in surplus or deficit

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit

Derecognition

Financial Assets

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

1.9 Financial instruments (continued)

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

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

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

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

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

Financial liability

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net

Accounting Policies

1.9 Financial instruments (continued)

basis, or to realise the asset and settle the liability simultaneously

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

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

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

Operating leases - lessee

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

1.11 Inventories

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

The weighted average method is the basis of allocating cost to inventories

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

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

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

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

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

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of non-cash-generating assets

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or

Accounting Policies

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

Judgments made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

The criteria is that for assets to be classified as cash generating units is based on its ability to generate cash flow for commercial independent from other units and the cash generated would be sustainable. The municipality does not have any cash generating assets, as its primary objective is service delivery, nor can any of its assets be associated with the purpose of making a commercial return.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

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

Value in use

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

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non- cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

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

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.13 Study bursary assets

The municipality awards some bursaries to its staff member to further their education. The conditions of these bursaries are that the employees must pass their subjects and upon completion of the further qualification they are expected work back the period spent to complete these studies. These are classified as receivable from non-exchange transaction as the employees are expected to repay back the bursary if the conditions are not met

Initial recognition and measurement

The study bursary are initially recognised in books of the municipality at the cost paid to the academic institution that the employee enrolled with as receivable from non-exchange transaction.

Subsequent measurement

After initial recognition the study bursary related receivables are carried at amortised cost. These study bursaries are a subject to an impairment review.

Derecognition

The receivable from non-exchange transaction relating to study bursary is derecognised should an employee meet the conditions as per the contract that they worked back the period of study and achieved the academic achievement. In this case therefore this transaction is then expensed in the statement of financial performance

1.14 Employee benefits

Identification

Employee benefits

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

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service, and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employee

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Long services awards

The municipality provides long-service leave to eligible employees, payable on completion of years of employment. The Entity's liability is based on an actuarial valuation. Any unwinding of discount is charged to the statement of financial performance as an employee-related cost. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance. The projected unit credit method has been used to value the obligation.

Additional information is disclosed in Note 16.

Post-employment benefits

Accounting Policies

1.14 Employee benefits (continued)

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

The municipality provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff.

Accounting Policies

1.11 *Employee benefits (continued)*

Post-employment benefits: Defined benefit plans

Recognition and measurement

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended..

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

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

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

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

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset

- current service cost;
- interest cost
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability)

Accounting Policies

1.14 Employee benefits (continued)

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

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

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

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

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

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible

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

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations

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

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:

Accounting Policies

1.14 Employee benefits (continued)

- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.15 Provisions and contingencies

Provisions are recognised when:
- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

1.16 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:
- Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

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Accounting Policies

1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Co-funding from Local municipalities

Co-funding received from local municipalities is for projects, programs, or initiatives implemented by the District Municipality.

Co-funding from local municipalities shall be accounted for based on whether it arises from **exchange** or **non-exchange** transactions, and whether there are any **conditions** attached to the funding.

Co-funding shall be measured at the **fair value** of the assets received or receivable.

Where co-funding is received in-kind (e.g. services, assets), fair value is based on market rates or replacement cost.

Interest

Revenue arising from the use by others of entity assets yielding interest or similar distributions is recognised when:
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised in surplus or deficit, using the effective interest rate method.

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

1.18 Revenue from non-exchange transactions

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

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

Accounting Policies

1.19 Comparative figures

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

1.20 Budget information

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

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/07/01 to 2025/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.22 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

Accounting Policies

1.22 Events after reporting date (continued)

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.23 Offsetting

Assets, Liabilities, revenue and expenses have not been offset when offsetting is required or permitted by a standard of GRAP.

1.24 Value added tax

The municipality is registered with the South African Revenue Services as a VAT vendor in accordance with section 15(2) of the Value Added Tax Act (Act no 89of 1991)

The Municipality accounts for Value Added Tax on the payment basis as per the Value Added Tax Act

1.25 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by completion of a physical proportion of the contract work.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

1.26 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Guidelines.

Accounting Policies

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Guidelines.

1.28 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 2023 Improvements to the Standards of GRAP 2023	Not yet effective	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Not yet effective	Unlikely there will be a material impact
• GRAP 103 (amended): Heritage Assets	Not yet effective	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Impact is currently being assessed

3. Cash and cash equivalents

Cash and cash equivalents consist of:

	2025	2024
Cash on hand	8 100	8 100
Bank balances	188 863 317	167 874 025
Other cash and cash equivalents	10 054	-
	188 881 471	**167 882 125**

The municipality has a positive bank balance with FNB under current and cal Accounts. There is no cash amount held as security and the bank has a good credit rating.

The municipality had the following bank accounts

Account number / description	Bank statement balances 30 June 2025	Bank statement balances 30 June 2024	Bank statement balances 30 June 2023	Cash book balances 30 June 2025	Cash book balances 30 June 2024	Cash book balances 30 June 2023
FNB BANK - Current Account - 626-3839-6334	11 228 902	6 895 092	6 387 702	188 863 317	167 874 025	243 679 264
FNB BANK - Call Account - 626 1377-7848	177 654 668	160 985 719	237 303 161	-	-	-
Total	**188 883 570**	**167 880 811**	**243 690 863**	**188 863 317**	**167 874 025**	**243 679 264**

4. Inventories

	2025	2024
Inventory stores	1 296 882	1 277 440

Inventory pledged as security

No inventory was pledged as security.

No inventory was written down during the financial period.

Inventory relates to consumables utilise for operational purposes.

5. Prepayments

	2025	2024
SALGA	2 364 812	2 358 775
Other prepayments expenses	523 083	540 037
	2 887 895	**2 898 812**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5. Prepayments (continued)

Prepayments consists of SALGA and other expenses which were prepaid as at June 2025 such as licence fees. In terms of the SALGA prepayment the municipality made use of incentives provided from SALGA for early payments of fees. This incentives could only be utilised if payment was made before 30 June 2025

6. Receivables from exchange transactions

	2025	2024
Trade debtors	2 340 866	3 566 681
Receivables from Nhlakanipho	950 000	-
Deposits	-	28 200
Agency Fees from DWS	1 159 189	2 482 238
RBIG Receivables from DWS	23 041 344	47 853 321
Insurance debtor	224 910	-
Receivables from Govan Mbeki local municipality	52 020 917	14 456 683
	79 737 226	**68 387 123**

Reconcilliation of trade and other receivables from exhange transactions

Debtors gross balance per ageing category	2024	Total
Current (0-30 days)	32 502 239	32 502 239
130- 120 days	17 432 030	17 432 030
120 days and over	29 956 738	29 956 738
	79 891 007	**79 891 007**

Refer to note 49 for debt impairment allowance

	2024	Total
Debtors gross balance	79 891 007	79 891 007
Less: Allowance for impairment	(153 871)	(153 871)
	79 737 136	**79 737 136**

Credit quality of receivables from exchange transactions

The credit quality of trade and other receivables that are past due were impaired in 2025 financial year in terms of the policy

Trade and other receivables impaired

As of 30 June 2025, trade and other receivables of R 2 340 866 - (2024: R 3 566 681-) were impaired and provided for.

The amount of the provision was R 153 871 - as of 30 June 2025 (2024 -)

7. Receivables from non-exchange transactions

	2025	2024
Receivables from DBSA & FASSET	145 000	-
FNB sponsorship for gsdm marathon	10 000	-
Other debtors	64 625	64 625
Sundry bursaries	1 217 037	1 108 319
	1 436 662	**1 172 944**

	2025	2024
Non-current assets	1 217 037	1 108 319
Current assets	219 625	64 625
	1 436 662	**1 172 944**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

7. Receivables from non-exchange transactions (continued)

Non current assets relates to study bursaries awarded to employees on condition that the employees render services to the employer to offset against the outstanding amount and if the courses are not passed the amount is recouped from the officials.

The amount for current assets relates to overpayments of employees and the legal process to recoup the amount is in process

The amount of R145 000, relates to receivables from DBSA interms of the sigend MOU for the internship program in the local municipalities and the district. The funding was not received by 30 June 2025.

Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are past due and not impaired can be assessed by reference to historical information about counterparty default rates. Majority of these receivables are of good quality.

Study bursaries are managed through contract arrangement

8. VAT receivable

	2025	2024
VAT payable	-	(75 736 497)
VAT receivable	-	91 247 004
	-	**15 508 507**

The Municipality is registered for VAT on payment basis . The vat receivable is in relation to the vat refunds, which SARS witheld and were not paid to the municipality in the period that ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

9. Heritage assets

	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	159 250	-	159 250	159 250	-	159 250

Reconciliation of heritage assets 2025

	Opening balance	Total
Art Collections, antiquities and exhibits	159 250	159 250

Reconciliation of heritage assets 2024

	Opening balance	Total
Art Collections, antiquities and exhibits	159 250	159 250

Pledged as security

There is no heritage assets pledged as security.

No repairs and maintenance was required for the heritage assets

Notes to the Annual Financial Statements

Figures in Rand

10. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	3 886 382	(2 762 410)	1 123 972	3 886 382	(2 111 072)	1 775 310

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Computer software, other	1 775 310	(651 339)	1 123 972

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software, other	2 322 337	99 600	(646 625)	1 775 310

Pledged as security

There are no intangible assets pledged as security.

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11. Investment property

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	32 410 475	-	32 410 475	22 300 689	-	22 300 689

Reconciliation of investment property - 2025

	Opening balance	Fair value adjustments	Total
Investment property	22 300 689	10 109 786	32 410 475

Reconciliation of investment property - 2024

	Opening balance	Total
Investment property	22 300 689	22 300 689

Details of property

The property is situated in Ermelo.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

11. Investment property (continued)

Details of valuation

The assessment of the valuation dated 30 June 2025 was performed by Ockert Brits, a registered Professional Valuer with registration number 6876, who is not connected to the municipality

The assessment of valuations were based on fair market value using the income, comparable sales and the depreciated replacement cost methods. At the reporting period the Investment Property is measured at fair value reflecting market conditions.The effective date of valuation is 30 June 2025 after the valuer has considered the physical qualities of the subject property also conducting thorough research on local and regional property tendencies in arriving at a fair value. and the revaluation surplus as reported.

There is a surplus of R10,109,786 recognised in 2024/2025.

Amounts recognised in surplus or deficit

Rental income of R365,076 (2025) and R337,360 (2024) Excluding VAT was charged.

Notes to the Annual Financial Statements

Figures in Rand

12. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	360 000	-	360 000	360 000	-	360 000
Buildings	373 893 260	(173 229 871)	200 663 389	373 893 260	(160 226 434)	213 666 826
Plant and machinery	30 863 530	(26 319 830)	4 543 700	30 768 013	(24 262 685)	6 505 328
Furniture and fixtures	13 265 958	(11 478 689)	1 787 269	12 947 457	(10 726 641)	2 220 816
Motor vehicles	30 961 885	(18 820 565)	12 141 320	39 868 751	(24 654 047)	15 214 704
IT equipment	22 084 625	(15 679 462)	6 405 163	22 359 402	(14 121 160)	8 238 242
Total	471 429 258	(245 528 417)	225 900 841	480 196 883	(233 950 967)	246 205 916

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Notes to the Annual Financial Statements

Figures in Rand

12. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Land	360 000	-	-	-	360 000
Buildings	213 666 826	-	-	(13 003 438)	200 663 389
Plant and machinery	6 505 328	110 000	(1 819)	(2 069 807)	4 543 700
Furniture and fixtures	2 220 816	339 656	(1 010)	(772 088)	1 787 269
Motor vehicles	15 214 704	972 087	(1 111 562)	(2 934 011)	12 141 320
IT equipment	8 238 242	1 254 116	(436 276)	(2 650 919)	6 405 [illegible]63
	246 205 916	2 675 859	(1 550 667)	(21 430 263)	225 900 841

Notes to the Annual Financial Statements

Figures in Rand

12. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	360 000	-	-	-	-	360 000
Buildings	226 707 258	-	-	(13 039 064)	-	213 666 826
Plant and machinery	8 622 708	184 610	(1 080)	(2 274 068)	-	6 505 328
Furniture and fixtures	2 727 353	15 527	(11 499)	(820 789)	-	2 220 816
Motor vehicles	13 094 643	5 350 000	(238 236)	(2 905 730)	(85 973)	15 214 704
IT equipment	6 729 150	4 549 357	(108 273)	(2 931 991)	-	8 238 242
	258 241 112	10 099 494	(359 088)	(21 971 642)	(85 973)	246 205 916

Pledged as security

There are no assets pledged as security.

Repairs and Maintenance

Repairs and maintenance cost of R6,795,941 for 2024/2025 financial year (R8,307,741 for 2023/2024) relates to Property Plant and Equipment refer to note 34.

Estimate useful life

The estimated useful life of assets in certain classes of Property, Plant and Equipment were assessed in the 2024/2025 financial year refer to note 42.

Assets subject to finance lease (Net carrying amount)

IT equipment	-	611 507

13. Consumer deposits

Consumers deposits	178 046	140 518

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

14. Employee benefit - bonus

Reconciliation of provision for bonus - 2025

	Opening Balance	Additions	Utilised during the year	Total
Provision for staff bonus	4 235 202	4 548 112	(4 235 202)	4 548 112
Provision for performance bonuses	921 726	911 828	-	1 833 554
	5 156 928	**5 459 940**	**(4 235 202)**	**6 381 666**

Reconciliation of provision for bonus - 2024

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for staff bonus	3 976 573	4 235 202	(3 976 573)	-	4 235 202
Provision for performance bonuses	738 738	786 737	-	(603 749)	921 726
	4 715 311	**5 021 939**	**(3 976 573)**	**(603 749)**	**5 156 928**

Provision for staff bonus

Staff bonus to employees is in accordance with the collective bargaining agreement. Provision is made for the full cost of accrued bonuses at reporting date. The provision will be realised as employees bonuses are paid out.

The staff bonuses relates to the annual bonuses due to the staff, which is payable on their anniversary of their employment period. However, staff members forfeit this annual bonus should they resign before this date. The amounts included in the provision for bonuses is based on the estimates based on the months already worked. All these factors contribute to the uncertainty on the amount of annual bonus that will be paid out.

Provision for performance bonus

Performance bonuses are paid out to senior management after performance appraisal has been conducted which is then subjected to councils approval. There is uncertainty regarding the amount that will be paid out as the percentage is unknown and the payment is also subjected to council's approval. The provision is based on past payments at 12%.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

15. Finance lease obligation

	2025	2024
Minimum lease payments due		
- within one year	76 956	271 356
- in second to fifth year inclusive	51 304	436 060
	128 260	707 416
less: future finance charges	(11 064)	(90 917)
Present value of minimum lease payments	**117 196**	**616 499**
Present value of minimum lease payments due		
- within one year	67 854	216 863
- in second to fifth year inclusive	49 341	399 636
	117 195	**616 499**
Non-current liabilities	49 341	399 636
Current liabilities	67 854	216 863
	117 195	**616 499**

Gert Sibande District Municipality leased computer equipment under finance lease and the contract has since been cancelled by the service provider during the financial year. The second lease contract is for the rental of security radios for a period pof three years .

The average lease term was 2-3 years and the average effective borrowing rate was 10.5% (2024: 10.5%).

Interest rates are fixed at the contract date. For all leases no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.

16. Long service provision

	2025	2024
Carrying value		
Balance at 1 July	14 596 000	14 001 000
Current service cost	1 534 000	1 509 000
Interest	1 585 000	1 454 000
Benefits vesting	(1 351 163)	(2 327 183)
Actuarial loss/(gain)	214 163	(40 817)
	16 578 000	**14 596 000**
Non-current liabilities		
At amortised cost	14 740 000	13 453 000
Current liabilities		
At amortised cost	1 838 000	1 143 000

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

16. Long service provision (continued)

Long service provision

The Municipality offers employees long service awards for every five years of service completed, from 5 years of service to 45 years of service.The employee is granted long service award in the month that each completed milestone is reached. Working days awarded are valued at 1/250th of annual earnings per day.

In estimating the unfunded liability for the long service award of the municipality, a number of actuarial assumptions are required. In calculating the unfunded liability a number of 301 eligible employees as at 30th June 2025 were used.

The following key financial assumptions are used:

Key financial assumption	**Value p.a 2025**	**Value p.a 2024**
Discount rate	9,9%	11.29%
CPI inflation rate	3,9%	5.42%
General earnings inflation rate (long-term)	4,9%	6.42%
Net effective discount rate	4.8%	4.58%

The liability at the valuation date was recalculated to show the effect of:

i) a one percentage point increase and decrease in the assumed general earnings inflation rate;

ii) a one percentage point increase and decrease in the discount rate;

iii) a two-year increase and decrease in the assumed average retirement age of eligible employees; and

iv) a two-fold increase and a 50% decrease in the assumed rates of withdrawal from service.

Sensitivity Analysis on the unfunded accrued liability for 2025:

Assumptions	**Charge**	**Liability**	**% Change**
Central assumptions		16 578 000	
General earnings inflation rate	+1%	17 551 000	6%
	-1%	15 689 000	-5%
Discount rate	+1%	15 669 000	-5%
	-1%	17 588 000	6%
Average retirement age	+2yrs	17 873 000	8%
	-2yrs	14 878 000	-10%
Withdrawal rate	x2	13 391 000	-19%
	x.05	18 707 000	13%

Sensitivity Analysis on the unfunded accrued liabilities for 2024:

Assumptions	**Charge**	**Liability**	**% Change**
Central assumptions		14 596 000	
General earnings inflation rate	+1%	15 499 000	6%
	-1%	13 772 000	-6%
Discount rate	+1%	13 758 000	-6%
	-1%	15 529 000	6%
Average retirement age	+2yrs	15 706 000	8%
	-2yrs	13 132 000	-10%
Withdrawal rate	x2	11 611 000	-20%
	x.05	16 613 000	14%

Sensitivity analysis on current service and interest costs for the year ending 30 June 2025:

Assumptions	**Change**	**Current service cost**	**Interest Costs**	**Total**	**% Change**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

16. Long service provision (continued)

Central assumptions		1 534 000	1 585 000	3 119 000	
General earnings inflation rate	+1%	1 647 000	1 687 000	3 334 000	7%
	-1%	1 433 000	1 492 000	2 925 000	-6%
Discount rate	+1%	1 444 000	1 623 000	3 067 000	-2%
	-1%	1 635 000	1 541 000	3 176 000	2%
Average retirement age	+2yrs	1 637 000	1 710 000	3 347 000	7%
	-2yrs	1 410 000	1 420 000	2 830 000	-9%
Rates of termination of services	x2	1 141 000	1 249 000	2 390 000	-23%
	x0.5	1 813 000	1 812 000	3 625 000	16%

Sensitivity analysis on current service and interest costs for the year ending 30 June 2024:

Assumptions	Change	Current service cost	Interest Costs	Total	% Change
Central assumptions		1 509 000	1 454 000	2 963 000	
General earnings inflation rate	+1%	1 621 000	1 550 000	3 171 000	7%
	-1%	1 408 000	1 367 000	2 775 000	-6%
Discount rate	+1%	1 419 000	1 485 000	2 904 000	-2%
	-1%	1 610 000	1 417 000	3 027 000	2%
Average retirement age	+2yrs	1 606 000	1 561 000	3 167 000	7%
	-2yrs	1 395 000	1 314 000	2 709 000	-9%
Rates of termination of services	x2	1 114 000	1 134 000	2 248 000	-24%
	x0.5	1 792 000	1 673 000	3 465 000	17%

17. Payables from exchange transactions

	2025	2024
Payables	84 470 915	78 991 111
Health inspection payments received in advanced	637 872	278 266
Retention's	33 206 205	54 568 517
Staff leave payments	26 973 220	27 749 581
Environmental Health Practitioners payments received in advance	403 038	638 089
	145 691 250	**162 225 564**

The payables increased compared to the previous financial period due to year end RBIG receivables for invoices issued before year end which were accrued.

18. Payables from non-exchange

	2025	2024
Transfers payable	620 632	620 632

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

19. Post retirement benefit obligations

Defined benefit plans

Post retirement medical aid plan

The Project Unit Credit method was used as prescribed by GRAP 25. The method is based on the approximation that the post-retirement benefit is normally built up over the employee's working life

The municipality provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds, with which the municipality is associated, a member (subject to the applicable conditions of service) on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for the 40% portion of the medical aid membership fee, and the Municipality for the remaining portion. The number of employees who are eligible for post-retirement benefits as at 30 June 2025 are 1 (2024:2) pensioners. The actuarial valuation was performed by Arch Actuarial consulting by applying the Projected Unit Funding method

The actuarial valuation of PEMA liability involves the following

The projection of future post retirement medical contributions subsidy cashflow, taking into account probabilities of survival withdrawal, ill-health retirement and death in service. The medical contribution subsidies in respect of the audited dependants of employees, increasing the projected subsidy cashflows in line with expected long term contribution escalation. Discounting these cashflows in order to express the post employment medical aid plan liability in the current Rand term.

The amount represents the municipalities liability for post-employment medical aid benefit for the one remaining pensioners under the new dysfunctional plan. Current employees do not enjoy post-retirement medical aid benefits

The amounts recognised in the statement of financial position are as follows:

	2025	2024
Carrying value		
Balance at 1 July	729 000	701 000
Contributions paid	(87 499)	(81 371)
Interest cost	74 000	73 000
Actuarial (gain) / loss	(79 501)	36 371
	636 000	729 000
Non-current liabilities	(580 000)	(644 000)
Current liabilities	(56 000)	(85 000)
	(636 000)	(729 000)

For the liability above the municipality do not have separate reserves to cover them, however there is enough cash to cover this liability in future

Key assumptions used

Assumptions used at the reporting date:

Assumptions	Percentage % 30 June 2025	Percentage % 30 June 2024
Discount rates used	9.70 %	10.83 %
CPI inflation rate	5.47 %	4.98 %
Medical aid contribution inflation rate	6.97 %	6.48 %
Net discount rate (medical aid contribution)	3.84 %	4.09 %
Maximum subsidy inflation rate	4.85 %	4.49 %
Net discount rate (maximum subsidy)	5.94 %	6.07 %

The liability at the valuation date was recalculated to show the effect of:
I) a one percentage point increase and decrease in the assumed rate of medical aid contribution inflation rate;
ii) a one percentage increase and decrease in the discount rate; and
iii) a one-year age increase and decrease in the assumed rates of post - employment mortality.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

19. Post retirement benefit obligations (continued)

Sensitivity analysis

Sensitivity analysis on the accrued liability (R Millions)

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

Assumptions	Change	Total	% Change
Central assumptions		636 000	
Medical aid contribution inflation rate	+1%	647 000	2%
	-1%	611 000	-4%
Discount rate	+1%	591 000	-7%
	-1%	686 000	8%
Post- employment mortality	+1yr	615 000	-3%
	-1yr	655 000	3%

Sensitivity Analysis on interest cost for year ending 30 June 2025:

Assumptions	Change	Interest cost	% Change
Central assumptions		74 000	
Medical aid contribution inflation rate	+1%	77 000	4%
	-1%	70 000	-5%
Discount rate	+1%	76 000	3%
	-1%	73 000	-1
Post- employment mortality	+1yr	72 000	-3%
	-1yr	77 000	4%

20. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal infrastructure grant (MIG)	2 644 395	-

The purpose of the Municipal Infrastructure grant is to build a sport facility in Depaleseng Local Municipality. During the 2025 Financial year, GSDM received a grant of R5million and only R 2 355 605 was recognised as revenue.

See note 28 for reconciliation of grants from National/Provincial Government..

21. VAT payable

VAT receivable	(76 248 878)	-
VAT payable	78 676 679	-
	2 427 801	**-**

22. Co Funding received from Local Municipalities

Co funding received from local municipalities for roads rehabilitation	3 154 803	46 293 668

23. Interest received

Interest revenue		
Investments - from banks	21 732 431	23 494 052
Interest received from SARS - VAT	-	1 864 561
	21 732 431	**25 358 613**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

24. Other income from exhange transactions

Construction Project Management fees	13 408 951	20 687 949
Receivables from Nhlakanipho	950 000	-
LG Seta	1 036 630	981 070
Sundry	445 508	392 239
Transfer from retention	-	1 649 416
Telephone Refunds	10 207	6 581
Breakages and losses recovered	-	70 255
	15 851 296	**23 787 510**

Construction project management fees of R 13 408 951 for 2025,(R 20 687 949 for 2024) were received from DWS and local municipalities for construction work done on their behalf.Please refer to note 25 construction revenue and note 29 for construction costs.

Other Income from Non exhange Transactions		
Funding from Fasset	145 000	-
Donation from FNB	10 000	-
	155 000	**-**

25. Revenue from construction contracts

Total amount received for construction contracts	265 596 928	401 886 860

Gert Sibande District Municipality (GSDM) entered into a tri-partite agreement with department of water and sanitation and various local municipalities individually (Chief Albert Luthuli, Dipaleseng, Msukaligwa, Mkhondo,Lekwa and Govan Mbeki),where GSDM was appointed to be the implementation agent on their behalf in terms of water and sanitation remained projects which were funded through RBIG , WSIG and Ministerial interventions.

Please refer to note 29 for more detail for expenditure on construction contracts

Reconciliation of amounts received:

Direct allocations to municipalities (Schedule 5(B) of DORA)		
Msukaligwa Local Municipality	14 718 513	35 508 213
Chief Albert Luthuli Local Municipality	14 214 930	26 754 097
	-	-
	28 933 443	**62 262 310**

Allocations-in -kind to municipalities (Schedule 6 (B) of DORA)		
Dipaleseng Local Municipality	4 293 000	64 351 897
Mkhondo Local Municipality	108 123 149	81 411 556
Govan Mbeki Local municipality	8 563 769	9 837 065
Lekwa Local municipality	115 683 567	184 024 004
	236 663 485	**339 624 522**

Construction contracts in progress		
Aggregate of revenue received	242 555 584	360 275 276
Gross amounts due from customers for contract work	23 041 344	41 611 584
	265 596 928	**401 886 860**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

26. Service charges

Water quality testing	3 158 592	3 474 553

The service charge relates to water quality testing for the local municipalities and some private clients.

27. Revaluation Surplus from Investment Property

Revaluation Surplus	10 109 700	-

The investment Property valuation was conducted by Ockert Brits, a registered Professional Valuer with registration number 6876 in terms of the Property Valuer's Profession Act (Act No 47 of 2000)

The effective date of valuation is 30 June 2025 after the valuer has considered the physical qualities of the subject property also conducting thorough research on local and regional property tendencies in arriving at a fair value.

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

28. Government Grants and Subsidies

Operating grants		
Equitable share	17 650 000	16 931 000
Revenue replacement	316 338 000	310 505 000
Rural roads management systems	2 597 000	2 485 000
Infrastructure skills development	14 500 000	12 607 000
Financial management grant	1 000 000	1 000 000
Expanded public works program	2 610 000	1 947 000
Municipal infrastructure grant	2 355 605	-
	357 050 605	**345 475 000**

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Equitable Share

In terms of the DORA,the purpose of the this grant is to providde funding to provincial departments and municipalities to enable them to deliver basic services and perform their functions as mandated by the constitution..

The amount allocated for Equitable Share in the 2024/2025 financial year as per the Division of Revenue Act (DORA) amount to R17 650 000 (2024 R 16 931 000)

Municipal infrastructure grant (MIG)

Current-year receipts	5 000 000	-
Conditions met - transferred to revenue	(2 355 605)	-
	2 644 395	-

The purpose of the Municipal Infrastructure grant is to build a sport facility in Depaleseng Local Municipality.

The amount allocated for Municipal Infrastructure grant in the 2024/2025 financial year as per the Division of Revenue Act (DORA) amounts to R5,000,000 - remain liabilities and condition still to be met (see note 20).

Road asset management grant (RAMS)

Current-year receipts	2 597 000	2 485 000
Conditions met - transferred to revenue	(2 597 000)	(2 485 000)
	-	-

The purpose of the grant is to assist rural district municipalities to set up rural roads asset management systems. This grant can be utilised towards gathering the information of the road register in the municipalities within the district.

Infrastructure skills development grant (ISDG)

Current-year receipts	14 500 000	12 607 000
Conditions met - transferred to revenue	(14 500 000)	(12 607 000)
	-	-

The purpose of the grant is to strengthen capacity of local government, to effectively and efficiently deliver quality infrastructure ,by creating the pool of skill available. Therefore this grant can only be utilised towards paying the stipends to students and any other administration cost relevant to them obtaining the professional qualifications.

Finance management grant (FMG)

Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(1 000 000)	(1 000 000)
	-	-

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

28. Government Grants and Subsidies (continued)

The purpose of the grant is to promote and support reforms in the financial management by building capacity in municipalities to implement the MFMP. The grant can only be utilised towards capacity building programmes within the finance section of the municipality.

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Expanded public works programme (EPWP

	2025	2024
Current-year receipts	2 610 000	1 947 000
Conditions met - transferred to revenue	(2 610 000)	(1 947 000)
	-	-

The purpose of the grant is to incentives local government to expand work creation efforts through the use of labour intensive delivery methods in the identified focus area. This grant can only be used towards paying the stipend for the EPWP workers and other programmes aimed at ensuring that there is creation of intensive jobs.

29. Construction contract costs

Consultants and Professional Services	2025	2024
Total amount paid for construction contracts	265 596 928	401 886 833

Gert Sibande District Municipality (GSDM) entered into tri-partite agreement with Department of water and Sanitation and various local municipalities individually Chief Albert Luthuli, Dipaliseng, Msukaligwa, Mkhondo, Lekwa and Govan Mbeki), where GSDM was appointed to be implementation agents on their behalf in terms of water and sanitation related projects which are funded through RBIG, WSIG and Ministerial interventions.

Please refer to note 25 for more detail for revenue received from construction contracts

Reconciliation of amounts paid on construction contract

Direct allocations to municipalities (Schedule 5(B) of DORA)	2025	2024
Msukaligwa Local Municipality	14 718 513	35 508 213
Chief Albert Luthuli Local Municipality	14 214 930	26 754 097
	28 933 443	**62 262 310**

Allocations-in -kind to municipalities (Schedule 6 (B) of DORA)	2025	2024
Dipaleseng Local Municipality	4 293 000	64 351 897
Mkhondo Local Municipality	108 123 149	81 411 557
Govan Mbeki Local municipality	8 563 769	9 837 065
Lekwa Local municipality	115 683 567	184 024 004
	236 663 485	**339 624 523**

Construction contracts in progress	2025	2024
Aggregate of costs incurred	236 840 855	342 507 844
Amounts of retention's	5 714 729	6 061 796
Gross amounts due to contractors	23 041 344	53 317 193
	265 596 928	**401 886 833**

30. Depreciation and amortisation

	2025	2024
Property, plant and equipment	21 205 088	21 373 537
Intangible assets	651 339	646 625
Finance lease	225 175	599 105
	22 081 602	**22 619 267**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

31. Employee related costs

Basic	146 300 872	136 119 859
Bonus	14 201 196	13 568 032
Medical aid - company contributions	8 710 435	7 792 399
UIF	678 922	680 824
Leave pay provision charge	944 680	2 084 427
Overtime payments	6 285 142	4 123 791
Actuarial (gains) / losses	134 662	(4 446)
Car allowance	21 971 416	20 676 701
Housing benefits and allowances	1 356 693	1 504 521
Telephone allowance	1 322 153	1 356 943
Pension fund	29 363 953	27 621 867
	231 270 124	**215 524 918**

Below the summary of payment towards senior managers (The amounts are included in the totals above)

Remuneration of Municipal Manager CA Habile

Annual Remuneration	1 648 666	1 228 542
Car Allowance	240 000	240 000
Performance Bonuses	78 094	-
Contributions to UIF, Medical and Pension Funds	221 704	221 704
	2 188 464	**1 690 246**

Remuneration of Chief Financial Officer (CFO) ZR Buthelezi

Annual Remuneration	656 960	1 044 342
Car Allowance	26 667	80 000
Performance/annual bonuses	97 172	-
Contributions to UIF, Medical and Pension Funds	66 427	199 282
Leave Payment	135 659	-
Annual Bonus	-	50 000
Acting Allowance	-	3 037
	982 885	**1 376 661**

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For 2025:

Mr. ZR Buthelezi resigned in October 2024.

Mr. SJF Gates Acted as Chief Financial Officer from 1 November 2024 to 30 April 2025 (See below for acting payment towards Mr. Gates)

Mr. CA Habile was executing the functions of the Chief Financial Officer from 1 May 2025 to 1 June 2025

Remuneration of Chief Financial Officer (CFO) OG Hlope

Annual Remuneration	65 865	-
Car Allowance	9 131	-
Contributions to UIF, Medical and Pension Funds	16 885	-
	91 881	-

For 2025:.

Mr OG Hlope was appointed as Chief Financial Officer on 2 June 2025.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

31. Employee related costs (continued)

Remuneration of Acting Chief Financial Officer (ACFO) SJF Gates

Acting allowance	74 427	-

For 2025

Mr. SJF Gates acted as Chief Financial Officer from 1 November 2024 to 30 April 2025

Remuneration of general manager Community and Social Services ME Michele

Annual Remuneration	1 116 545	882 918
Car Allowance	100 000	100 000
Performance/annual bonuses	91 090	-
Contributions to UIF, Medical and Pension Funds	253 087	172 792
Acting Allowance	-	2 201
Annual Bonus	-	70 235
	1 560 722	**1 228 146**

Remuneration of general manager Corporate Service ME Radebe

Annual Remuneration	1 136 396	838 116
Car Allowance	111 212	133 081
Performance/annual bonuses	50 000	-
Contributions to UIF, Medical and Pension Funds	263 104	209 536
Annual Bonus	-	50 000
	1 560 712	**1 230 733**

Remuneration of general manager Planning, Economic, Development and Innovation MJ Mkhonza

Annual Remuneration	-	324 523
Car Allowance	-	32 000
Contributions to UIF, Medical and Pension Funds	-	65 041
Leave payment	-	23 173
	-	**444 737**

For 2024:

Mr. MJ Mkhonza's contract ended on 31 Janauary 2023 and was reapionted on 1 March 2023 and Mr. Mkhonza resigned on 31 October 2023.

Miss. PC Chiloane acted as General Manager Planning, Economic Development and Innovation from 1 November 2023 to 31 Janauary 2024

Miss. PC Chiloane was appionted as General Manager Planning, Economic Development and Innovation on 1 April 2024

Mr. P Nkosi acted from 1 February 2024 to 31 March 2024 as General Manager Planning, Economic Development and Innovation.

Remuneration of general manager Planning, Economic Development and Innovation PO Chiloane

Annual Remuneration	1 172 622	232 244
Car Allowance	109 569	27 392
Performance/annual bonuses	50 000	-
Contributions to UIF, Medical and Pension Funds	293 092	61 164
Acting Allowance	-	22 490
	1 625 283	**343 290**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

31. Employee related costs (continued)

For 2024:

Miss PO Chiloane acted as General Manager Planning, Economic Development and Innovation (PEDI) from November 2023 to January 2024. In April 2024 she was appointed as the Head of Department (PEDI).

Remuneration of acting general manager Planning, Economic Development and Innovation P Nkosi

	2025	2024
Acting Allowance	-	19 055

For 2024:

Mr. P Nkosi acted from 1 February 2024 to 31 March 2024 as General Manager Planning, Economic Development and Innovation.

Remuneration of general manager Technical Services BC Mdutyulwa

	2025	2024
Annual Remuneration	1 337 025	981 027
Car Allowance	240 000	240 000
Contributions to UIF, Medical and Pension Funds	234 002	165 794
Acting allowance	-	3 014
	1 811 927	**1 389 835**

32. Finance costs

	2025	2024
Post retirement medical benefit	74 000	73 000
Finance leases	30 521	52 203
Long service awards	1 585 000	1 454 000
	1 689 521	**1 579 203**

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33. Lease

	2025	2024
Lease rentals on operating lease - Other		
Paid during the year	113 160	123 237

The committed expenditure relates to the rental of offices in Evander from Govan Mbeki LM and will be financed by funds internally generates. Contract started on the 1st of July 2024 and wil expire on 30 June 2027.

Govan Mbeki Local Municipality

Significant leasing arrangements include:
- that there is no contingent rent payment.
- there is no purchase option in the rental contract and there is provision for 7% escalation per year.
- there is no restrictions imposed by lease arrangements, such as return of net surplus, return of capital contributions, dividends or similar distributions, additional debt and further leasing.

Operating lease commitments - as lessee (expense)	2025	2024
within one year	121 081	-
within two to three years	129 557	-
	250 638	-

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

34. Operating cost

Advertising	1 102 700	901 801
Auditors remuneration – current year fees	6 091 611	6 798 775
Bank charges	29 072	24 526
Cleaning	1 406 411	1 437 516
Consulting and professional fees	7 885 653	8 474 019
Donations	1 034 681	1 249 935
Entertainment	969 068	678 077
Insurance	2 470 947	2 042 269
IT expenses	8 870 866	10 164 659
Motor vehicle expenses	3 081 130	3 213 961
Postage and courier	-	217
Printing and stationery	1 192 090	938 941
Promotions	725 685	685 743
Protective clothing	446 235	387 148
Repairs and maintenance	6 795 941	8 307 741
Royalties and license fees	5 112 647	3 738 802
Security (Guarding of municipal property)	2 409 900	1 933 850
Staff welfare	194 818	186 422
Subscriptions and membership fees	2 906 426	2 616 554
Telephone and fax	3 608 061	3 698 643
Training	3 656 765	5 440 556
Travel - local	8 082 004	6 676 604
Recruitment costs	20 772	44 877
Technical support	2 487 299	2 607 095
Public participation	864 193	778 254
Municipal and other services	5 202 992	6 067 938
Audit committee	527 709	659 822
Workmen's compensation	276 670	169 280
	77 452 546	**79 924 025**

Repairs and maintenance costs of R6,795,941 for 2024/25 financial year (R8,307,741 for 2023/2024) relates to property, plant and equipment . Refer to note12.

No repairs and maintenance was required for the heritage assets . Refer to note 9.

No repairs and maintenance was required for the investment property. Refer to note 11.

In determining this amount, the municipality has exclusively disclosed amounts charged by service providers

35. Remuneration of councillors

Councillors	15 067 111	14 954 095

In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members as well as MPAC chairperson are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has use of a Council owned vehicle for official duties.

The Mayor and the Speaker each have the use of separate Council owned vehicles for official duties.

The Executive Mayor and Speaker has full-time bodyguards / drivers.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

35. Remuneration of councillors (continued)

Additional information

The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa for 2025.

Troika and MPAC Chairperson	Basic	Backpay	Car Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Executive Mayor (Mngomezulu MW)	690 782	30 204	300 345	43 200	178 583	1 243 114
Speaker (Sekhonde BG)	577 771	25 039	240 275	43 200	118 015	1 004 300
Chief Whip (Mtshali BH)	533 629	23 475	225 260	43 200	118 672	944 236
MPAC Chairperson (Nhlapho N)	514 019	21 941	218 651	43 200	119 021	916 832
	2 316 201	**100 659**	**984 531**	**172 800**	**534 291**	**4 108 482**

Mayoral Committee	Basic	Backpay	Car Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Buthelezi BM	540 163	23 474	225 259	43 200	112 139	944 235
Mkhwanazi CB	564 156	23 475	225 263	43 200	88 145	944 239
Maboa-Boltman NF	564 156	23 475	225 263	43 200	88 145	944 239
Zulu NN	544 184	23 475	225 259	43 200	108 117	944 235
Malatsi PV	564 156	23 475	189 259	43 200	124 145	944 235
Mullu BP	557 499	23 475	225 264	43 200	94 802	944 240
Zunguza JB	537 673	23 475	225 259	43 200	114 628	944 235
	3 871 987	**164 324**	**1 540 826**	**302 400**	**730 121**	**6 609 658**

Other councillors	Basic	Backpay	Car Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Nkosi MV	237 802	9 490	94 796	43 200	37 092	422 380
Dlamini BA	39 761	1 189	13 650	-	-	54 600
Nkosi MP	3 575	218	-	-	-	3 793
Nkosi BJ	39 761	1 189	13 650	-	-	54 600
Tlhakudi NS	237 802	9 490	94 796	43 200	37 092	422 380
Ndlazi BL	39 761	1 189	13 650	-	-	54 600
Mazibuko TE	25 194	991	-	-	-	26 185
Seimela T	8 398	318	-	-	-	8 716
Khumalo GL	48 392	1 555	16 649	-	-	66 596
Nkambule DM	237 802	9 490	94 796	43 200	37 092	422 380
Karim LS	237 802	9 490	94 796	43 200	37 092	422 380
Weber KH	237 802	9 490	94 796	43 200	37 092	422 380
Kgwedi TH	237 802	9 490	94 796	43 200	37 092	422 380
Yende MR	39 761	1 189	13 650	-	-	54 600
Silosini SA	39 761	1 189	13 650	-	-	54 600
Mbuli TG	39 761	1 189	13 650	-	-	54 600
Sikhakhane NB	39 761	1 189	13 650	-	-	54 600
Chauke EW	22 764	708	-	-	-	23 472
Matshaba KA	39 762	1 189	13 650	-	-	54 601
Mncina LM	39 762	1 189	13 650	-	-	54 601
Mahlangu SV	6 004	247	-	-	-	6 251
Kubheka MA	8 469	106	-	-	-	8 575
Hlophe VS	39 761	1 189	13 650	-	-	54 600
Gwebu NG	117 605	4 893	40 833	-	-	163 331
Zuma NG	3 574	177	-	-	-	3 751
De Vries GR	9 542	425	-	-	-	9 967
Van Huyssteen NC	15 546	672	-	-	-	16 218
Ndhlovu NC	4 824	212	-	-	-	5 036
Mhlanga BG	8 398	389	-	-	-	8 787
Mazibuko TM	6 039	-	-	-	-	6 039

Notes to the Annual Financial Statements

Figures in Rand					2025	2024
35. Remuneration of councillors (continued)						
Khanye NB	2 394	-	-	-	-	2 394
Mgemezulu MS	13 133	-	2 364	-	-	15 497
Magubane MP	5 968	-	-	-	-	5 968
Rakitla MD	13 515	338	4 617	-	-	18 470
Hlatshwayo SM	40 582	20 291	23 334	10 800	9 130	104 137
Nkambule DM	176 930	9 490	71 461	32 400	27 961	318 242
Masango SJ	-	318	-	-	-	318
Nkosi DP	-	183	-	-	-	183
Moeketsi BK	-	35	-	-	-	35
Molaba ML	26 246	1 189	9 145	-	-	36 580
Dudley V	185 048	9 490	55 917	33 537	45 961	329 953
Ndebele JCH	30 511	1 189	10 449	-	-	42 149
Maboea SA	28 535	-	9 511	-	-	38 046
	2 635 610	**122 264**	**949 556**	**335 937**	**305 604**	**4 348 971**

The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa for 2024.

Troika and MPAC Chairperson	Basic	Backpay	Car Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Executive Mayor (Mngomezulu MW)	656 368	33 407	290 091	45 600	180 499	1 205 965
Speaker (Sekhonde BG)	554 687	26 726	232 083	45 600	114 810	973 906
Chief Whip (Mtshali BH)	517 075	25 055	217 568	45 600	110 575	915 873
MPAC Chairperson (Nhlapho N)	493 857	24 321	211 187	45 600	115 382	890 347
	2 221 987	**109 509**	**950 929**	**182 400**	**521 266**	**3 986 091**

Mayoral Committee	Basic	Backpay	Car Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Buthelezi BM	518 519	25 055	217 569	45 600	109 131	915 874
Mkhwanazi CB	542 514	25 055	217 569	45 600	85 136	915 874
Maboa-Boltman NF	542 514	25 055	217 569	45 600	85 136	915 874
Zulu NN	525 871	25 055	217 569	45 600	101 779	915 874
Malatsi PV	542 514	25 055	181 569	45 600	121 136	915 874
Mollo BP	542 514	25 055	217 569	45 600	85 136	915 874
Zunguza JB	516 032	25 055	217 569	45 600	111 367	915 623
	3 730 478	**175 385**	**1 486 983**	**319 200**	**698 821**	**6 410 867**

Other councillors	Basic	Backpay	Car Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Nkosi MV	228 914	8 522	91 017	45 018	35 615	409 086
Dlamini BA	38 506	1 675	13 404	-	-	53 585
Nkosi MP	3 497	-	-	-	-	3 497
Nkosi BJ	38 507	8 166	15 702	-	-	62 375
Tlhakudi NS	190 107	18 181	80 510	39 273	31 757	359 828
Ndlazi BL	29 147	17 526	15 558	-	-	62 231
Mazibuko TE	28 650	-	2 080	-	-	30 730
Seimela T	13 317	-	2 080	-	-	15 397
Khumalo GL	46 801	2 162	16 321	-	-	65 284
Nkambule DM	228 914	10 573	91 803	45 600	35 923	412 813
Lukhele ST	228 914	10 573	91 803	45 600	35 923	412 813
Karim LS	239 425	13 368	96 903	45 600	37 919	433 215
Masango SJ	6 240	12 974	2 080	-	-	21 294
Weber KH	228 914	10 573	91 803	45 600	35 923	412 813
Kgwedi TH	228 914	10 573	91 803	45 600	35 923	412 813
Nkosi DP	4 676	-	-	-	-	4 676
Yende MR	38 506	1 779	13 428	-	-	53 713

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35. Remuneration of councillors (continued)

Silosini SA	38 506	1 779	13 428	-	-	53 713
Mbuli TG	38 507	1 778	13 428	-	-	53 713
Moeketsi BK	1 180	-	-	-	-	1 180
Sikhakhane NB	38 507	1 778	13 428	-	-	53 713
Molaba ML	38 507	1 778	13 428	-	-	53 713
Chauke EW	19 214	-	2 080	-	-	21 294
Matshaba KA	38 507	1 778	13 428	-	-	53 713
Mncina LM	38 507	1 778	13 428	-	-	53 713
Dudley V	228 914	10 573	83 803	45 600	43 922	412 812
Mahlangu SV	12 137	-	2 080	-	-	14 217
Kubheka MA	8 599	-	2 080	-	-	10 679
Hlophe VS	38 506	1 778	13 429	-	-	53 713
Gwebu NG	113 094	5 223	39 439	-	-	157 756
Zuma NG	3 539	-	-	-	-	3 539
Ndebele JHC	38 506	1 778	13 429	-	-	53 713
De Vries GR	14 496	-	2 080	-	-	16 576
Maboea SA	113 094	5 223	39 439	-	-	157 756
Van Huyssteen NC	20 394	-	2 080	-	-	22 474
Bekker PD	37 095	-	14 220	6 800	5 564	63 679
Ndhlovu NC	5 897	-	-	-	-	5 897
Mhlanga BG	9 436	-	-	-	-	9 436
	2 717 091	**161 889**	**1 011 022**	**364 691**	**298 469**	**4 553 162**

36. Transfer and subsidies

Other subsidies		
Transfers and subsidies	47 670 285	89 895 227

Transfers and subsidies includes all services rendered on behalf of the local municiplaities as per their mandate are not in the normal operations of the district. This includes services such as drilling of boreholes, road rehabilitation, water quality testing, e.t.c GSDM received R3,154,803 from local Municipaities for Road Rehabilitation in the current financial year.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

37. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	79 737 226	79 737 226
Cash and cash equivalents	188 881 471	188 881 471
	268 618 697	**268 618 697**

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	117 077 120	117 077 120
Payables from non-exchange transactions	620 632	620 632
Consumer deposits	178 046	178 046
Finance lease obligation - current liability	67 854	67 854
	118 543 652	**118 543 652**

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2024

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	68 387 123	68 387 123
Cash and cash equivalents	167 882 125	167 882 125
	236 269 248	**236 269 248**

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	133 559 628	133 559 628
Payables from non-exchange transactions	620 632	620 632
Consumer deposits	140 518	140 518
Finance lease obligation - current liability	216 863	216 863
	134 537 641	**134 537 641**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

38. Cash generated from (used in) operations

Surplus	15 076 712	20 443 258
Adjustments for:		
Depreciation and amortisation	22 081 602	22 618 266
Gain on sale of assets and liabilities	1 325 757	112 976
Actuarial losses and gains retirement benefit obligation	(79 501)	36 371
Actuarial losses and gains long service award	214 163	(40 817)
Fair value adjustments	(10 109 786)	-
Finance costs - Finance leases	30 521	52 203
Finance cost long service award	1 585 000	1 454 000
Finance costs retirement benefit obligation	74 000	73 000
Debtors impairment	153 781	-
PPE written off	-	85 973
Movements in long service award	1 224 738	(818 183)
Movements in retirement benefit obligation	(87 499)	(81 371)
Movements in provisions	182 837	441 617
Non exchange assets received - PPE	-	(73 496)
Changes in working capital:		
Inventories	(19 442)	(30 440)
Receivables from exchange transactions	(11 503 884)	(59 930 520)
Consumer debtors	(155 000)	-
Other receivables from non-exchange transactions	(108 718)	(110 779)
Prepayments	10 917	(687 811)
Payables from exchange transactions	(16 534 314)	63 335 481
VAT	17 936 308	(103 973 822)
Payables from non-exchange	-	(8 720 807)
Unspent conditional grants and receipts	2 644 395	-
Consumer deposits	37 528	41 243
	23 980 115	**(65 773 658)**

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39. Commitments

Authorised capital expenditure

Commitments entered into as implementing agent (Water and sanitation projects)		
• Water and Sanitation projects	468 139 448	633 452 278
Total capital commitments		
Already contracted for but not provided for	468 139 448	633 452 278

Total commitments

Total commitments		
Authorised capital expenditure	468 139 448	633 452 278

RBIG commitments entered into as Implementing agent

During the 2019/20 financial period GSDM,DWS,Chief Albert Luthuli,Mkhondo,Dipaleseng and Msukaligwa local municipality entered into agreement where it was agreed that GSDM was given authority to enter into agreement with service providers for the construction of the water and waste water projects. The funding of these projects is included in the budget of the local municipalities through RBIG grant allocation as gazetted by National Treasury. The above commitment of R468.139.448 for 30 June 2025 (R 633, 452,278 for 2024) relates those projects already contracted to by GSDM on behalf of the local municipalities and DWS

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

40. Contingent liabilties for the year ending 30 June 2025

BDW Eindomme CC vs GSDM vz Ndzimande	53 107	53 107
Afri-infra vs GSDM and others	747 249	747 249
GSDM vs Bonginkosi t/a Nashua	7 854 063	7 854 063
Afrirent (pty) vs Gert Siabnde District Municipality	162 381	162 381
Vuxeni Information Technologies cc//GSDM	142 819	-
	8 959 619	**8 816 800**

GSDM vs SAMWU on behalf of Mr M

Application instituted by GSDM for the court to review and set aside arbitration award. Mr M was dismissed and received an award for reinstatement and compensation, which GSDM took the matter for review. Plaintiff appealed and was denied by court. Plaintiff petitioned the Labour appeal court. Petition has been approded. Awaiting for a trial date.

BDW Eiedomme CC vs GSDM vs Ndzimande

BDW Eiedomme CC is suing GSDM as a result of a motor vehicle accident. Attorneys instructed to approach court and apply dismissal of the matter. The litigation amount is estimated to be R53,107, 20. (2024:R53,107.20)

Afri-infra vs GSDM and others

GSDM is being sued for payment for work done at Lekwa Local Municipality. Amount claimed is R747, 248.68 (2024 R 747, 248,68). Application for condonation granted in favour of the plaintiff. Awaiting case management. Matter is set down for pre-trial conferance on the 8th of August 2024.

GSDM vs Mr S

GSDM filed a review application against the ruling of the arbitrator. Application for review was filed. The litigation amount will be determined by the court judgemental. Pleadings closed. Awaiting trial date.

GSDM vs SAMWU M and M

Dismissal review application was brought against GSDM awaiting trial date. The litigation amount will be determined by the court judgement.

GSDM vs Bonginkosi t/a Nashua

Review application to terminate service level agreement amount. Review application will set down to be heard on 23 July 2024. The litigation amount is estimated to be R7,854,063.00. (2024:R 7,854,063) Awaiting judgement

Afrirent (pty)ltd vs Gert Sibande District Municipality

The Plaintiff herein is suing council for R162,381.43, (2024:R162,381.43) interest on the aforesaid amount at the rate of 10.5% per annum a tempora morae until date of full and final payment. The Plaintiff's attorneys have withdrawn acting as attorneys of record on behalf of the plaintiff. Thus we wait for the plaintiff to appointed attorneys to file their notice pf appointment as Attorneys of record

Vuxeni Information Technologies cc//GSDM

The plaintiff is suing GSDM for work done. The estimated is R80,000 legal costs and interest of R62,818.97.

GSDM did not disclose the reliable estimated costs in relation to the labour related litigations in terms of GRAP 19 par 111,as it will be prejudicial to the municipality based on the nature of the cases.

Notes to the Annual Financial Statements

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41. Related parties

Relationships	
Accounting Officer -CA Habile	Management
Chief Financial Officer -ZR Buthelezi	Management
General Manager: Community and Social Services - ME Michele	Management
General Manager: Planning, Economic Development and Innovation - PC Chiloane	Management
General Manager: Corporate Service - ME Radebe	Management
General Manager: Infrastructure and Technical Services - BC Mdutyulwa	Management
Acting Chief Financial Officer - SJF Gates	Management
Chief Financial Officer - OG Hlope	Management

Refer to the note for Employee Related Costs note 31 for amounts paid to management and time frame

Councillors are deemed to be related parties, refer to the note for Remuneration of Councillors note 35 or amounts paid to councillors as well as time frame

42. Change in estimate

Property, plant and equipment

The estimated useful life of assets in certain classes of Property, Plant and Equipment were reassessed during the 2025 financial year. During the financial year management have extended these assets estimated useful lives. The effect of this revision has decreased the depreciation and amortisation charges by R494,456 for 2024 (R1,012,940 for 2024) and increased for future periods by R494,456 for 2025 (R1,012,290 for 2024)

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

43. Risk management

Financial risk management

Liquidity risk

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

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Payables from exchange transactions	117 677 120	-	-	-
• Payables from non-exchange transactions	620 632	-	-	-
• Consumer deposits	178 046	-	-	-
• Finance lease obligation - current liability	67 854	49 341	-	-

At 30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Payables from exchange transactions	133 559 628	-	-	-
• Payables from non-exchange transactions	620 632	-	-	-
• Consumer deposits	140 528	-	-	-
• Finance lease obligation - current liability	216 863	399 636	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

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

Financial instrument	2025	2024
Receivables from exchange transactions (at amortised cost)	2 340 866	3 566 681
Other receivables from non-exchange transactions - non-current (at amortised cost)	1 217 037	1 108 319
Other receivables from non-exchange transactions - current (at amortised cost)	219 625	64 625
Cash and cash equivalents (at fair value)	188 881 474	167 882 125

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Market risk

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

44. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government (SALGA)

	2025	2024
Opening balance	(2 358 775)	(2 210 982)
Current year subscription/fee	2 358 775	2 210 982
Amount paid - current year	(2 368 812)	(2 358 775)
	(2 368 812)	**(2 358 775)**

Figures in Rand	2025	2024

44. Additional disclosure in terms of Municipal Finance Management Act (continued)

Audit fees

Current year fee	6 091 811	6 798 775
Amount paid - current year	(6 091 811)	(6 798 775)
	-	-

PAYE, SDL and UIF

Current year fee	50 868 154	46 245 902
Amount paid - current year	(50 868 154)	(46 245 902)
	-	-

Pension and Medical Aid Deductions

Current year fee	61 258 003	57 138 353
Amount paid - current year	(61 258 003)	(57 138 353)
	-	-

45. Budget differences

Differences between budget and actual amounts basis of preparation and presentation

Note 1: Rendering of charges Less Environmental compliance fines issued than planned

-**Note 2: Revenue from Construction contract** - Lekwa repurposing delays due to international customs for material, which was procured from outside the country, Amsterdam there were some unrest which disrupted the project. The Balfour project is complete and on the retention stage .

Additional budget adjustment was due to additional funding which was provided for the implementation of projects Schedule 5B and 6B

Note 3: Other Income - 5% administration fees (refer to the revenue from construction contract).

Additional budget adjustment was due to the increase on Administration fees for the implementation of projects Schedule 5B and 6B ..

Note 4: Interest received - the difference is due to the changes in the repo rate.

Note 5: Revaluation Surplus -It is due to the revaluation of the airport, which was done during the financial year

Note 6: Government grants - Even though the % is reasonable, but the amount is huge hence the explanation. R2.6M relates to the unspent grant on MIG.

Budget adjustment was due to MIG received during the DORA adjustment

Note 7: Co Funding received - less funding received from Msukaligwa due to refocusing its funding towards a water project

Budget adjustment was due Reallocation of funds as per Msukaligwa's request on Co-Funding

Note 8: Employee costs - due to savings from vacant posts

Budget, adjustment was due reallocation of funds among different segments

Note 9: Depreciation - the difference was due to the additions of new assets that were procured during the last quarters of the financial year

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

45. Budget differences (continued)

Note 10: Transfers and Subsidies - the difference is due to unspent grant relating to MIG

Budget, adjustment was due additional funding for EPWP, MIG, which was gazetted to the municipality during the DORA adjustment and reallocation of funds

Note 11: **Operating Costs** - the % is reasonable, but we paid less to Compensation fund and less on fuel due to no load reduction and load shedding compared to prior year

Budget, adjustment was due to reallocation of funds among different segments

Note 12: Remuneration of councilors -savings due to changes in council during the financial year. e.g some councilor went to Provincial legislature and some passed on

Note 13: **Other Income Non- exhange** - the difference is as a result of an increase from funding of Fasset and the donation received from FNB

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Notes to the Annual Financial Statements

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46. Segment information

The segment reporting note is setup as per GRAP18 requirements.

General information

Identification of segments

The district municipality is not necessarily involved in delivering core service to its citizens. This is compounded by the fact that some of the functions that are ordinarily performed by the district in terms of municipal structures act were delegated to the local municipalities e.g. bulk water bulk sewer, solid waste sites etc. For management purposes, the municipality is organized and operates in two key functional segments which are involved in service delivery purposes therefore has the ability to derive service potential. To this end, management monitors the operating results of these business units.

The two key business units comprise of

- Community and social services which include municipal health services, environmental health and disaster management amongst it function;-

-Infrastructure and technical services which include amongst others support to local municipalities on road maintenance, bulk infrastructure projects,water quality testing etc;

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (If any).

Aggregated segments

For the purpose of this reporting the other departments such as Office of the Executive Mayor,Office of the Municipal manager,Finance,Corporate service and Planning and economic development are viewed as support function and therefore grouped as governance and administration support

For segment reporting purposes the income and expenditures as well as assets and liabilities will be included in the annual financial statements. The information regarding cash flow is not readily split into these departments, therefore it has not been included in the segment reporting.

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 social services	Municipal health services, environmental health and disaster management
Infrastructure and technical services	Support local municipalities on bulk infrastructure, maintenance of road as well as water quality
Governance and administration support	Support function (not a major segment)

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46. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2025

Segment revenue	Community and social services	Infrastructure and technical services	Governance and Administration	Total
Revenue from non-exchange transactions	316 338 000	7 562 605	33 305 000	357 205 605
Revenue from exchange transactions	688 086	268 755 520	-	269 443 606
Other income	-	3 156 312	15 849 787	19 006 099
Revenue interest investments	-	-	21 732 431	21 732 431
Total Segment revenue	317 026 086	279 474 437	70 887 218	667 387 741
Total segmental revenue				**667 387 741**

Segment expenditure	Community and social services	Infrastructure and technical services	Governance and Administration	Total
Employee cost	(50 221 316)	(34 347 895)	(161 768 024)	(246 337 235)
Depreciation, amortisation & impairment loss	(656 628)	(2 421 101)	(19 003 873)	(22 081 602)
Contracted services	-	(265 596 928)	-	(265 596 928)
Other	(6 757 293)	(25 047 580)	(93 584 899)	(125 389 772)
Finance cost	-	-	(1 689 521)	(1 689 521)
Total Segment expenditure	(57 635 237)	(327 413 504)	(276 046 317)	(661 095 058)
Total segmental expenditure				**(661 095 058)**

Notes to the Annual Financial Statements

Figures in Rand				2025	2024

46. Segment information (continued)

Segment and entity reconciliation

	Community and social services	Infrastructure and technical services	Governance and Administration	Total
Total segmental revenue	317 026 085	279 474 437	70 887 218	667 387 741
Total segmental expenditure	(57 635 237)	(327 413 504)	(276 046 317)	(661 095 058)
Total segmental surplus / deficit	259 390 849	(47 939 067)	(205 159 099)	6 292 683
Total entity surplus / deficit				**6 292 683**
Other reconciling items				
Gains and losses on disposal of assets and liabilities				(1 325 757)
Fair value adjustments				10 109 786
Total reconciling items				**8 784 029**
Total segment (deficit) / surplus				**15 076 712**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

46. Segment information (continued)

2024

Segment revenue	Community and social services	Infrastructure and technical services	Governance and Administration	Total
Revenue from non-exchange transactions	-	-	345 548 496	345 548 496
Revenue from exchange transactions	798 311	472 399 886	28 401 318	501 599 515
Total Segment revenue	798 311	472 399 886	373 949 814	847 148 011
Total entity revenue				**847 148 011**

Segment expenditure	Community and social services	Infrastructure and technical services	Governance and administration	Total
Salaries and wages	58 149 996	34 377 365	137 951 650	230 479 011
Depreciation, amortisation & impairment loss	764 073	2 513 676	19 340 517	22 618 266
Other Expenditure	4 494 351	10 677 501	66 454 613	81 626 465
Transfers and subsidies	2 310 075	61 293 686	26 291 466	89 895 227
Loss on disposal of assets	1 008	86 072	111 870	198 950
Construction contract cost	-	401 886 833		401 886 833
Total Segment expenditure	65 719 503	510 835 133	250 150 116	826 704 752
Total segmental expenditure				**826 704 752**

Segment and entity reconciliation	Community and social services	Infrastructure and technical services	Governance and Administration	Total
Total segmental revenue	798 311	472 399 886	373 949 814	847 148 011
Total segmental expenditure	(65 719 503)	(510 835 133)	(250 150 116)	(826 704 752)
Total segmental surplus / deficit	(64 921 192)	(38 435 247)	123 799 698	20 443 259

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
46. Segment information (continued)		
Total entity surplus / deficit		**20 443 259**
Total reconciling items		-
Total segment (deficit) / surplus		**20 443 259**

47. Irregular expenditure

	2025	2024
Opening balance as previously reported	508 398	62 862 689
Add: Irregular expenditure - current	-	67 939 757
Less: Amount written off - current	(508 398)	(130 294 048)
Closing balance	-	508 398

Amount written-off

After the council committee investigations, council adopted the council committee recommendation no C94/07/2025 to write-off an amount of R 508 398 from the total irregular expenditure amount .

The irregular expenditure relates to non compliance with Preferential Procurement regulations.

48. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

48. Prior-year adjustments (continued)

2025

	Note	As previously reported	Correction of error	Re-classification	Restated
Vat Recievable - 2024 (Error 1 and Error 2)	8	(1 853 217)	17 361 724	-	15 508 507
Accumulated Surplus -2023 - See Statement of change in net assets (Error 1 and Error 4 & Error 5		(304 453 150)	(18 586 556)	-	(323 039 706)
Payables from exchange transaction - Payables 2024 (Error 2)	17	(79 000 858)	9 747	-	(78 991 111)
Payables from exchange transaction - Retention (Error 3)	17	(54 333 503)	-	(235 014)	(54 568 517)
Property, plant and equipment (Error 5)	12	245 529 203	676 714	-	246 205 917
		(194 111 525)	**(538 371)**	**(235 014)**	**(194 884 910)**

Statement of financial performance

2025

	Note	As previously reported	Correction of error	Re-classification	Restated
Transfers and subsidies - (Error 3)	36	89 660 213	-	235 014	89 895 227
Depreciation - (Error 4)		22 079 005	530 301	-	22 010 200
Surplus for the year		**111 740 098**	**538 381**	**235 014**	**112 513 493**

Prior Errors

Error 1: Vat receivable: GSDM received an amount of R17,361,724 from SARS relating to VAT returns for previous periods,refunded into the municipal bank account in the 2024/25 financial year. These refunds had previously been denied by SARS.GSDM subsequently lodged disputes and objections with SARS to query the refunds due for the 2022/2023 financial year.SARS has since deposited the funds. The error is corrected as a prior-year error in the 2023 financial year, adjusted against Accumulated Surplus and VAT Receivable.

Error 2: Payables from exchange transaction corrected with vat payable of R9 747 which was a result of a reduction of an invoice previolusly recognised in 2024

Error 3: Prior period retention amount was wrongly allocated to Transfers and Subsidies and corrected with R235, 015 .

Error 4: Correction of the depreciation is as a result of re-assessment of the useful lives of assets which had R1 book value, and yet the municipality was still using these assets - See Error 4

Error 5: Correction of assets that was not re-assesed for R676,714 in 2024 after the assets reached the end of their life span and were wrongly reported as R 1.

49. Debt impairment

	2025	2024
Debt impairment	153 781	-

Debtors were impaired according to the approved debtors impairment policy and evaluation assessment report as at reporting date. 30 June 2025 also refer to note 6. Trade and other receivables

Audited By

2025 -11- 30

Auditor General

* See Note

REVISED FINAL REMEDIAL ACTION PLAN -AG - FRAMEWORK
AUDITOR GENERAL
REMEDIAL ACTION PLAN FOR: 2024/25

DEPT	NO.	COMF NO	CATEGORY/ KEY AREA	FOCUS AREA (FINDING)	ROOT CAUSE OF NON-COMPLIANCE / INTERNAL CONTROL DEFICIENCIES	ACTION PLANS TO BE TAKEN	ACTIVITIES TO BE UNDERTAKEN TO OPERATIONALISE THE ACTION PLANS	IMPLEMENTATION DATE (start Date)	DUE DATE (Completion date)	RESPONSIBLE PERSON - RESOURSES USED	ADDITIONAL RESOURCES REQUIRED	MONITORING MECHANISM / PERSON	Progress	% Completed
	Matters affecting the auditor's report													
	Revenue													
Fin Man	7	COMAF 17	Financial reporting - AFS compliant : Revenue	Revenue Management: Interest not charged on accounts that are older than 30 days	Non-compliance with MFMA Section 64 (2) (g) as GDSM does not utilise the billing module resulting in the interest not charged on accounts over 30 days.	1. A detailed report analysis of all the accrued interest on all the outstanding accounts not charged will be prepared. 2. Interest to be charged on accounts over 30 days effective from 01 February 2026.	1.The detailed report on interest not charged will be prepared by Snr Manager: FM and submitted to the Deputy CFO and CFO for review. 2. The report will be presented to Council for approval to write off the historical and current interest accrued to outstanding accounts.	1. 15 February 2026 (for interest accrued in both years. 2. The Detailed Report will be compiled and submitted to Council for write-off approval by the 28th February 2026.	28-Feb-26	Ms K Makaula	NONE	DCFO CFO		
	Audit of Predetermined objectives													
AOPO	8	COMAF 4 ITEM 1	Basic service delivery and infrastructure development.	The % of water samples taken from local municipalities per month compared to scheduled target (KPI 2.5). The SDBIP measures the number of water samples taken from the local municipalities does not measure the number/percentage of samples complying to the South African National Standards (SANS) to enable the achievement of the strategic goal of sustainable innovative quality services to all.	Inadequate oversight and misalignment of SDBIP indicators with strategic outcomes	Management to adequate review SDBIP to ensure alignment with the strategic outcomes and submit to council for approval	1. Review checklist of the SDBIP to ensure alignment with the strategic outcomes 2. Ensure that all supporting indicators are removed from the SDBIP be included in performance plan annexureof the affected employees 3. Engage relevant departments and oversight bodies on the amended indicators. 4. Submit the revised SDBIP to Council for approval and retain Council resolution as evidence.	1. 05 December 2025 2. 23 January 2026 3. 09 February 2026 4. 27 March 2026	1. 30 January 2026 2. 30 January 2026 3. 17 February 2026 4. 27 March 2026	Mr Mkhabela A (PMS Manager)			1. Review of SDBIP in progress 2. Review of SDBIP in progress 3. Not started 4. Not started	
AOPO	9	COMF 4 ITEM 2	Basic service delivery and infrastructure development.	The % of inspections performed on water treatment plants by 30 June (KPI 2.6.9). The indicator measures inspections on water treatment plants and does not measure the number/percentage of treatment plants complying to SANS 241	Inadequate oversight and misalignment of SDBIP indicators with strategic outcomes	Management to adequate review SDBIP to ensure alignment with the strategic outcomes and submit to council for approval	1. Review checklist of the SDBIP to ensure alignment with the strategic outcomes 2. Ensure that all supporting indicators are removed from the SDBIP be included in performance plan annexureof the affected employees 3. Engage relevant departments and oversight bodies on the amended indicators. 4. Submit the revised SDBIP to Council for approval and retain Council resolution as evidence.	1. 05 December 2025 2. 23 January 2026 3. 09 February 2026 4. 27 March 2026	1. 30 January 2026 2. 30 January 2026 3. 17 February 2026 4. 27 March 2026	Mr Mkhabela A (PMS Manager)			1. Review of SDBIP in progress 2. Review of SDBIP in progress 3. Not started 4. Not started	
AOPO	10	COMF 4 ITEM 3	Basic service delivery and infrastructure development.	The assessment of indicators 2.1.1 and 2.2.1 against the relevance criteria. The indicators above measures projects for which contractor appointments have been finalized by 30 June. The appointment of contractors is part of the process in the cycle leading to the eventual delivery of water and sanitation services through completed infrastructure projects, it is more an operational or administrative step/element.	Inadequate oversight and misalignment of SDBIP indicators with strategic outcomes	Management to adequate review SDBIP to ensure alignment with the strategic outcomes and submit to council for approval	1. Review checklist of the SDBIP to ensure alignment with the strategic outcomes 2. Ensure that all supporting indicators are removed from the SDBIP be included in performance plan annexureof the affected employees 3. Engage relevant departments and oversight bodies on the amended indicators. 4. Submit the revised SDBIP to Council for approval and retain Council resolution as evidence.	1. 05 December 2025 2. 23 January 2026 3. 09 February 2026 4. 27 March 2026	1. 30 January 2026 2. 30 January 2026 3. 17 February 2026 4. 27 March 2026	Mr Mkhabela A (PMS Manager)			1. Review of SDBIP in progress 2. Review of SDBIP in progress 3. Not started 4. Not started	

AOPO	11	COMF 16	Basic service delivery and infrastructure development.	Indicator 2.15 - Number of Local Municipalities assisted with applications of sourcing resources for waste management (landfill sites, waste transfer sites, drop off facilities, and buy back centres). Reported achievement on the Annual Performance Report is not valid	Lack of standardized and clearly defined means of verification	Implement a standardised evidence checklist for all reported support to municipalities.	1. Annual performance report was corrected during the audit process. 2. PMS manager and Senior Manager office of the MM to perform quality review of the Quarterly and Annual performance report. 3. Develop and implement a standardised evidence checklist to ensure that performance information is accurate, reliable, valid, and complete.	1.14 November 2025 2. Ongoing on a quarterly basis 3. To be carried out upon request from the local municipality.	1.14 November 2025 2.Ongoing on a quarterly basis 3. As requested by the local municipality	Mr Mkhabela A (PMS Manager)			1. Completed by 14 November 2025 2. Second-quarter performance report review (2025/26) completed by 30 January 2026. 3. As requested by the local municipality	
AOPO	12	COMF 19	Basic service delivery and infrastructure development.	Deficiencies identified on the Technical Indicator definitions	Inadequate regular review and approval of technical indicator definitions	Review and update all technical indicator definitions to ensure clear calculation methodologies and compliance with the FMPPI and Municipal Systems Act.	1. Annual performance report was corrected during the audit process. 2. PMS manager and Senior Manager office of the MM to perform quality review of the Quarterly and Annual performance report. 3. Review all technical indicator defination during the review of the SDBIP and update where changes are neccessary	1. 24 November 2025 2. Ongoing on a quarterly basis 3. 23 January 2026	1.14 November 2025 2. Ongoing on a quarterly basis 3. 30 January 2026	Mr Mkhabela A (PMS Manager)			1. Completed by 14 November 2025 2. Second-quarter performance report review (2025/26) completed by 30 January 2026. 3. Review of SDBIP in progress	
	Other Matters													
	Procurement and contract management													
SCM	1	COMF 1	Business Process - SCM processes	SCM Policy not in compliant with the SCM Regulations as it is not complete	Management oversight on the ommission of petty cash purchases in the SCM policy because of adoption of a stand alone petty cash policy.	Amend the SCM policy to include the petty cash transactions to be in compliant with SCM Regulations.	1. Snr Manager SCM will amend the policy and submit it to the budget steering committee meeting for consideration before approved by Council with other budget related policies.	19-Jan-26	31-Mar-26	Lucky Mbuyane: Senior Manager SCM.	None	DCFO CFO		
SCM	2	COMF 6	Business Process - SCM processes	Invalid letter of Good Standing attached	Inadequate internal controls to identify and detect possible fraud.	During the compliance stage of evaluation, verification and confirmation of authenticity of all attached returnables on bid documents must be conducted.	1. Use registration numbers on the attachments to confirm authenticity. 2. An investigation be instituted by against the service provider.	1. Verification and confirmation be done effective from 05 January 2026. 2. Investigation to be concluded by 31 March 2026.	30-Jun-26	1. Lucky Mbuyane: Senior Manager SCM. 2. Mr CA Habile - Accounting Officer.	None	DCFO CFO		
SCM	3	COMF 20 ITEM 3	Business Process - SCM processes	Bidders Sharing the Same Address	Inadequate internal controls to identify possible collusion/fraud.	During the compliance stage of evaluation, verification and confirmation of similar addresses on the bids submitted must be conducted.	1. Use MBD4 declaration form for bidders. 2. Coroborate information on CSD against MBD4. 3. Check similarity of addresses on CSD. 4. Checklist be amended to incorporate for the verification of similar addresses.	19-Jan-26	30-Jun-26	Lucky Mbuyane: Senior Manager SCM	None	DCFO CFO		
SCM	4	COMF 22	Business Process - SCM processes	Procurement and contract management – Bid evaluation criteria applied not in accordance with criteria in the specifications for the specific procurement	Poor record keeping	Improve record keeping by timeous review of files by senior personnel at SCM.	1. Minutes and reports must be aligned with the approved tender and any addendums must be filed.	19-Jan-26	30-Jun-26	Lucky Mbuyane: Senior Manager SCM	None	DCFO CFO		
SCM	5	COMF 23	Business Process - SCM processes	Inadequate Contract Management and Non-Compliance with Contractual Requirements – Labware Africa (Pty) Ltd (LIMS Contract)	Lack of Evaluation procedure for service providers.	Ensure by means of reviews and inspection that contract files contains evidence of monitoring and evaluation of performance of contractors.	1. On a monthly basis, user departments must evaluated performance of contractors in a prescribed and standardised format. 2. A dedicated official at SCM will be assigned with the responsibility of contract management.	19-Jan-26	30-Jun-26	All HODs	None	DCFO CFO SM -SCM		

	Transfers and subsidies												
Fin Man	**6**	**COMF 10**	**Compliance to legislation (MFMA)**	**Payments to supplier not made within 30 days**	**Inadequate reviews and monitoring of existing controls to track returned/rejected invoices.**	**Management will introduce an additional tracking register for internal and external documents with compliance issues and returned back for correction in monitoring the 30 days compliance period.**	**1.The additional tracking register will be developed immediately and will be monitored on a weekly basis. 2. However, all invoices must still be submitted and registered at Records Section before channelled to Creditors Section. 3. Invoice register shall still be kept at creditors sections and it should be reviewed on a weekly basis.**	**15-Jan-26**	**2026/06/31**	**Ms S Tsolo**		**Ms K Makaula**	
	Annual Financial Statements												
	Revaluation surplus												
Fin Man	**13**	**COMF 8**	**Financial reporting - AFS compliant : Reevaluation surplus**	**The revaluation surplus from investment property is incorrectly classified as revenue from non-exchange transactions**	**Misinterpretation of GRAP 8 & 9 and inadequate reviews of AFS.**	**Management will review the Annual Financial statement and supporting schedules to ensure compliance with GRAP.**	**1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.**	**1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026**	**31-Aug-26**	**Ms Makaula**		**DCFO &CFO**	
	Travel and subsistence												
BTO	**14**	**COMF 11**	**Financial reporting - AFS compliant : Salaries - S&T calculation**	**An incorrect mileage tariff was applied when processing councillors' claims for kilometres travelled.**	**Non- compliance with approved S&T policy.**	**1. All travel claims calculations will be checked by Senior Manager Budget, Assets & Payroll before capturing onto the SAGE system. 2. Overpayments to be recouped.**	**1. Management will compile a comprehensive report on the travel claims incorrectly paid. 2. Management will review the travel and subsistence policy during the 2026/27 budget process to include all the catergories in line with the tarrifs issue by the Department of Transport on a monthly basis.**	**1. =31 March2026 2. =31 May 2026**	**1. 30 June 2026**	**Ms Ntombela**	**None**	**DCFO/CFO**	
	Staff leave												
C/S	**15**	**COMF 18**	**Financial reporting - AFS compliant : Salaries - Staff Leave**	**Staff leave incorrectly calculate**	**No segregation of duties**	**The error on miscalculation of leave days has been rectified and corrected and the entire population on leave forfeiture for period under audit is accurate and correct.**	**1. Updating and reconciliation of leave register be done on a weekly, monthly and quarterly basis. 2. Third party confirmations be conducted quarterly. 3. A payroll and leave management system be procured.**	**1. Monthly 2. Quarterly 3. 31 March 2026**	**30-Jun-26**	**M Madonsela - Acting General Manager: Corporate Services. M Barnabas - Senior Manager: HR. M Pillay - Manager: HR**			**Monthly and quarterly reports**

	Cash flow statement													
Fin Man	16	COMF 9	Financial reporting - AFS compliant	Misclassifications identified on the cashflow statement	Inadequate review of the classification of items in the cashflow statements before the financial statements were submitted for audit.	Management will review the Annual Financial statement and supporting schedules to ensure compliance with GRAP	1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, Internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.	1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026	31-Aug-26	Ms Makaula		DCFO &CFO		
Fin Man	17	COMF 15 ITEM 1	Financial reporting - AFS compliant	Differences identified on the restated comparatives of the cashflow statement	Inadequate reviews of the Annual financial statements before submission	Management will review the Annual Financial statement and supporting schedules to ensure compliance with GRAP	1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, Internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.	1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026	31-Aug-26	Ms Makaula		DCFO &CFO		
	Disclosures													
Fin Man	18	COMF 3 ITEM 1	Financial reporting - AFS compliant	The disclosure of contingent liabilities is not accurate as estimates of some amounts are not disclosed.	Inadequate reviews of the Annual financial statements before submission - Management took a decision not to disclose possible estimates of the cases involving officials of the district.	Management will review the Annual Financial statements and supporting schedules to ensure compliance with GRAP	1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, Internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.	1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026	31-Aug-26	Ms Makaula		DCFO &CFO		
Fin Man	19	COMF 3 ITEM 2	Financial reporting - AFS compliant	The disclosure of contingent liabilities is not accurate as the corresponding amounts of some items have not been disclosed	Inadequate reviews of the Annual financial statements before submission	Management will review the Annual Financial statement and supporting schedules to ensure compliance with GRAP	1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, Internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.	1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026	31-Aug-26	Ms Makaula		DCFO &CFO		
Fin Man	20	COMF 5 ITEM 1	Financial reporting - AFS compliant	The disclosure of prior period error note is not accurate as the narrations of some errors have been omitted.	Inadequate reviews of the Annual financial statements before submission	Management will review the Annual Financial statement and supporting schedules to ensure compliance with GRAP	1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, Internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.	1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026	31-Aug-26	Ms Makaula		DCFO &CFO		

Fin Man	**21**	**COMF 5 ITEM 2**	**Financial reporting - AFS compliant**	**The disclosure of prior period error note is not accurate as the amounts included in the narration differs from the amount per the adjustment.**	**Inadequate reviews of the Annual financial statements before submission**	**Management will review the Annual Financial statement and supporting schedules to ensure compliance with GRAP**	**1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.**	**1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026**	**31-Aug-26**	**Ms Makaula**		**DCFO &CFO**		
	22	**COMF 7 ITEM 1**	**Financial reporting - AFS compliant**	**The corresponding amounts of the segment reporting do not agree to the amounts in the audited financial statements.**	**Management in the current reporting period decided to automise (enhancement) segment reporting and that resulted in differences on the corresponding figures.**	**Management will review the Annual Financial statements and supporting schedules to ensure compliance with GRAP**	**1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.**	**1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026**	**31-Aug-26**	**Ms Makaula**		**DCFO &CFO**		
Fin Man	**23**	**COMF 7 ITEM 2**	**Financial reporting - AFS compliant**	**The disclosure of the segment reporting is not complete**	**Inadequate reviews of the Annual financial statements before submission**	**Management will review the Annual Financial statements and supporting schedules to ensure compliance with GRAP**	**1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.**	**1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026**	**31-Aug-26**	**Ms Makaula**		**DCFO &CFO**		
Fin Man	**24**	**COMF 7 ITEM 3**	**Financial reporting - AFS compliant**	**The disclosure of the segment reporting note is not in accordance with the requirements of GRAP 18**	**Inadequate reviews of the Annual financial statements before submission**	**Management will review the Annual Financial statements and supporting schedules to ensure compliance with GRAP**	**1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.**	**1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026**	**31-Aug-26**	**Ms Makaula**		**DCFO &CFO**		

Fin Man	25	COMF 12	Financial reporting - AFS compliant	Understatement of contingent liabilities	Inadequate reviews of the Annual financial statements and supporting information before submission - THIRD PARTY INFORMATION.	Management will review the Annual Financial statements and supporting schedules to ensure compliance with GRAP	1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.	1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026 5. 31/08/2026	1. 31 August 2026	Ms Makaula		DCFO &CFO		
DCFO	26	COMF 21	Financial reporting - AFS compliant	Risk management – The amount of payables disclosed on the financial statements for risk management is not accurate	Inadequate review of the Annual financial statements for accuracy	Management will review the Annual Financial statements and supporting schedules to ensure compliance with GRAP	1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.	1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026	31-Aug-26	Ms Makaula		DCFO &CFO		
BTO	27	COMF 27 ITEM 1	Financial reporting - AFS compliant	Noncompliance with GRAP 24 presentation of budget information in financial statements	Inadequate review of the Annual financial statements for accuracy	1. Management will review the Annual Financial statement and supporting schedules to ensure compliance with GRAP 2. Management to develop a standardised framework on the percentage for comments	1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.	1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026	31-Aug-26	Ms Ntombela		DCFO &CFO		
	Other audit findings													
DCFO	28	COMF 24 ITEM 2	Financial reporting - AFS compliant	Throughout the financial statements – The narrations on the financial statements are not accurate	Inadequate review of the Annual financial statements for accuracy	Management will review the Annual Financial statement and supporting schedules to ensure compliance with GRAP	1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.	1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026	31-Aug-26	Ms Makaula		DCFO &CFO		
Fin Man	29	COMF 24 ITEM 3	Financial reporting - AFS compliant	Revenue and receivables – Misclassification between exchange and non-exchange	Inadequate review of the classification of items in the cashflow statements before the financial statements were submitted for audit.	Management will review the Annual Financial statement and supporting schedules to ensure compliance with GRAP	1. A GRAP compliant Interim AFS will be prepared and submitted for review by CFO, DCFO, internal audit and Audit Committee. 2. An AFS team shall be establised to prepare working papers and perform reconciliations. 3. An AFS checklist and process plan shall be developed with strict timelines as suggested by AGSA. 4. The AFS which are compliant with applicable laws and legislation shall be prepared for thorough review by all CFO, DCFO, relevant oversight bodies, PT, COGSTHA and the contracted quality reviewer before submission to AGSA.	1. 2026/04/30 2. 16/01/2026 3. 28/02/2026 4. 31/08/2026	31-Aug-26	Ms Makaula		DCFO &CFO		

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2025

The Audit Committee (AC) was established in accordance with Section 166 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), as amended. This section requires every municipality to constitute an independent audit committee responsible for advising the municipal council, political office-bearers, the accounting officer, and senior management on matters relating to internal financial controls, internal audit activities, risk management, and accounting policies. The Audit Committee is also mandated to provide guidance on the adequacy, reliability, and accuracy of financial reporting and related information within the municipality.

In addition, the Committee advises on performance management, effective governance practices, compliance with the MFMA, the annual Division of Revenue Act, and all other applicable legislation, as well as on performance evaluations.

During the financial year under review, the Audit Committee convened eight (8) times, in line with its approved Terms of Reference. These meetings comprised four (4) regular Audit Committee meetings and four (4) special meetings.

The current Audit Committee was appointed in April 2022 for a three-year term ending in March 2025. Accordingly, the Committee's term was still active during the reporting period. A new Audit Committee was subsequently appointed in April 2025, with duties commencing in May 2025. All members of both the outgoing and incoming Audit Committees are independent external appointees.

Below is the summary of tenure and meeting attendances of the members:

NAME OFMEMBER	NUMBER OF MEETINGS ATTENDED	TENURE PERIOD
Previously Appointed Audit Committee Members		
Mr. Lankalebalela L (Audit Committee Chairperson)	7 (100%)	01April 2022 To 31 March 2025
Mr. Simelane SP(Member)	8 (100%)	14 August 2022 To 13 August 2025
Mr. Thenga O (Member)	7 (100%)	01 April 2022 To 31 March 2025
Ms. Rasalanavho TM (Member of AC and Chairperson of PAC)	5 (71%)	01 April 2022 To 31 March 2025
Newly Appointed Audit Committee Members		
Mr. Gafane T (Audit Committee Chairperson)	1 (100%)	05 May 2025 to 04 May 2028
Mr. Mothamaha M (Member of AC and Chairperson of PAC)	1 (100%)	05 May 2025 to 04 May 2028
Mr. Singh A (Members)	1 (100%)	05 May 2025 to 04 May 2028
Ms. Mabula A (Members)	1 (100%)	05 May 2025 to 04 May 2028

Four (4) Ordinary Audit Committee meetings and four (4) Special Audit Committee meetings were held during the year. The four (5) special meetings were amongst others for the purposes of:

- Unaudited Draft Annual Financial Statements (before submission to the AGSA)
- Unaudited Draft Annual Performance Report (before submission to the AGSA)
- AGSA 2023/24 Audit Strategy
- AGSA 2023/24 Audit Report
- AGSA 2022/23 Audit Action Plan
- Mid-year budget and performance report
- Approval of Charters and Combine Assurance Framework

The Audit Committee meeting agendas are comprehensive and require diligent preparation by the committee members, and all members participate in the meetings with the highest levels ofprofessionalism, commitment, integrity and objectivity. The AC meetings are attended by:

- Municipal Manager
- All Senior Managers;
- Other officials (as and when required);
- Chief Audit Executive, Internal Audit and relevant staff; and
- Mpumalanga Provincial Treasury

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee confirms that it has complied with its responsibilities arising from section 166 of Municipal Finance Management Act, 2003, (Act 56 of 2003), section 79 of Municipal Structures Act 117, 1998 (Act 117 of 1998) and paragraph 14 (2)(a) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 and the King IV Report on the Best Practices on Corporate Governance for South Africa. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and regulated its affairs in compliance with this charter and has discharged all its responsibilitiesas contained therein.

EFFICIENT AND EFFECTIVE OF INTERNAL CONTROL

The systems of internal controls applied by the Municipality over financial and risk management have improved though there are still some areas that requires attention from management. In line with the MFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls ofthe Municipality have been fairly designed, however they are not fully efficient and effective. This is as a result of failure to identify control weaknesses and non-implementation of recommendedenhancements to the controls and processes.

From the Audit Report of the Auditor-General South Africa on the Annual Financial Statements ofthe Municipality, the Municipality received an unqualified audit opinion with emphases of matters for the year under review which is the same opinion as compared to prior year. Management did not fully resolve findings raised by Internal Audit and Auditor General in the year under review. We recommended that management should develop and implement an action plan to address all the findings raised bythe Auditor General and Internal Audit in order to strengthen the efficiency and effectiveness of the systems of internal controls over financial reporting

We draw attention to the following areas following from the Committee's observations and internal audit findings reported during the year:

- Supply Chain Management control deficiencies.
- Lack of adequate review of financial reports and supporting evidence.
- Lack of sufficient management review and supervisory checks;
- Delayed performance management and monitoring processes; and
- Non-adherence to established internal control.

The areas highlighted above require the necessary management attention, as the first line of defense in combined assurance, it is critical to emphasis that these matter needs to be addressed as soon as possible.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

- Management submitted draft Annual Financial Statements to the Audit Committee which wereincomplete at the time of review. This limited the oversight responsibility of the Audit Committeeon the Annual Financial Statement before submission to the Auditor General.
- The Audit Committee reviewed the audited annual financial statements to be included in the annual report.
- The Audit Committee reviewed the Municipality's compliance with legal and regulatory provisions.
- The Audit Committee reviewed the Auditor General's management report and audit report.
- The Audit Committee reviewed significant adjustments resulting from the audit.

INTERNAL AUDIT

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Municipality and its audits. Internal audit performed the audit of internal controls and compliance with relevant legislations. The Audit Committee noted some improvement in the effectiveness of the internal controls during the financial year. This is a positive reflection on the quality of work produced by Internal Audit and on management's commitment to quality and good governance. The Committee has noted that there is a need to improve monitoring, oversight and implementation by Management in executing and managing internal controls.

The Internal Audit activities are carried out by an in-house department operating in terms of an Internal Audit Charter and an annually approved audit plan. There has been no compromise of theindependence or objectivity of the function during the year under review. The Chief Audit Executive (CAE) reports functionally to the Audit Committee and administratively to the Municipal Manager.

INTERNAL AUDIT EFFECTIVENESS

To ensure continued effectiveness in the performance of audit function the CAE developed a Continuous Development Programme for internal audit staff. The programme outlines training programmes aligned to each staff members development needs.

RISK MANAGEMENT

The Audit Committee is satisfied that risk management is continually improving within the Municipality. However, management needs to ensure that there is improved co-ordination betweenrisk management and strategic planning functions, so that resources can be allocated in an optimalmanner to address the top risks of the Municipality. For the year under review management implemented 100% of the strategic risk mitigations measures. Therisks that were not mitigated are carried forward to the 2025/26 risk register. The Audit Committeewill monitor progress in the implementation of mitigation measures.

PRE-DETERMINED OBJECTIVES

The Audit Committee is satisfied that preparation and reporting on pre-determined objectives of theMunicipality is improving, however there must be improvements in submission of the Annual Performance Report and performance information to the Audit Committee and Internal Audit for adequate review.

Key Performance Indicators need to be reviewed, as many are activity based rather than outcome/output based. The tactical indicator definition (TIDs) need to be updated to include clear and concise calculation methodologies.

QUALITY OF IN-YEAR REPORTING

Management was able to table all quarterly financial reports and performance reports for the financial year 2024/25. The Audit Committee reviewed this reports on and were satisfied with the quality thereof.

ICT GOVERNANCE

The Audit Committee reviewed reports from ICT Steering Committee for the year under review. For the year under review management implemented 100% of the ICT risk mitigations measures.

AUDITOR-GENERAL OF SOUTH AFRICA

The Audit Committee in consultation with management, agreed to the terms of the engagement and approved the Audit Strategy. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The Audit Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues. The committee concur with and accept the Auditor-General of South

Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa. The Audit Committee recommends to management to address all issues raised by the Auditor-General inthe audit report.

REPORTING

The Audit Committee tabled all its quarterly reports to the Municipal Council, reporting on matters attended to during the relevant quarter.

APPRECIATION

The Audit Committee wishes to thank Municipal Council, management and staff for their continuedcommitment to improving effective control environment and good governance in the municipality. Our appreciation is also extended to the team from the Auditor-General South Africa for the independent value that they continue to add to the municipality.

Mr. T Gafane
Audit Committee Chairperson
Gert Sibande District Municipality