MUSINA LOCAL MUNICIPALITY

2024/2025 ANNUAL REPORT

CHAPTER 5

FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

A1. INTRODUCTION TO FINANCIAL STATEMENTS

Musina Local Municipality has handed over the 2023/2024 annual financial statements to the Auditor General (Limpopo) on 31st August 2024 as per the Municipal Finance Management Act. The aforesaid components of the financial statements are discussed in detail below.

STATEMENT OF FINANCIAL PERFORMANCE			
for the year ended 30 June 2024			
	Note	**2023/2024**	**2022/2023**
		R	**R**
Revenue			
Non-Exchange Revenue			
Property Rates	**18**	28 763 617	26 814 069
Transfers and Subsidies – Operational	**25**	220 628 000	198 183 000
Transfers and Subsidies – Capital	**25**	36 353 836	30 940 960
Fines, Penalties and Forfeits	**23**	3 878 500	3 427 950
Other Revenue-LG SETA	**26**	4 678 587	1 646 778
Donations	**52**	-	16 744 000
Provision For impairment reversal	**4**	-	315 440 897
Interest on Receivables	**22**	3 754 553	3 072 588
Exchange Revenue			
Service Charges - Electricity	**19**	193 714 405	147 859 444
Service Charges – Waste Management	**19**	21 278 636	19 262 506
Rental	**20**	396 735	469 342
Interest on Investments	**21**	1 978 298	1 586 227
Interest on Receivables	**22**	3 366 009	2 904 917
Licences and Permits	**24**	2 145 420	2 125 626
Other Revenue	**26**	11 283 076	13 253 773
Total Revenue (excl. capital transfers and subsidies)		**532 219 672**	**783 732 077**
Expenditure			
Employee Related Costs	**28**	161 204 366	155 415 594
Remuneration of Councillors	**29**	11 366 548	10 295 048

Debt Impairment / Write-off	**3 & 4**	8 094 373	13 770 223
Depreciation and Amortisation	**30**	32 412 041	30 843 532
Asset Impairment	**30**	1 472 844	8 405 107
Finance Costs	**31**	1 417 763	1 234 989
Bulk Purchases	**32**	173 878 174	126 091 640
Inventory Consumed	**33**	3 183 204	7 270 296
Contracted Services	**34**	42 954 791	35 955 447
Transfers and Subsidies	**35**	4 287 000	4 390 000
Operational Costs	**36**	46 857 841	48 187 986
Loss on Disposal of Assets	**27,1**	-	319 616
Total Expenditure		**487 128 945**	**442 179 479**
Surplus/(Deficit)		45 090 727	341 552 598
Gain on Post-retirement Medical Aid Benefit Liability	**27**	4 817 000	2 051 000
Gain (Loss) on revaluation of Assets	**27,2**	1 900 670	48 304 800
Surplus/(Deficit) After Capital Transfers and Contributions		**51 808 397**	**391 908 398**
Surplus/(Deficit) Prior year errors		-	-
Surplus/(Deficit) for the year		**51 808 397**	**391 908 398**

SOURCE: MLM MUSINA AFS

The Municipality had a total revenue budget of R530 867 000 that was adjusted upwards to R542 577 000 during budget adjustment. The actual revenue realized is R502 583 507 and this resulted in under-performance variance of R 39 993 493.00. Grants and subsidies amounting to R220 628 000 were received during the financial year under review and they contributed a major portion of the total revenue base of the municipality since the grants dependency rate in thereof was 29%. The municipality had unspent MIG of R5 953 164 in 2023/2024 financial year. The transfers and subsidies is comprised of R227 135 000, that is operational and R42 307 000 that is capital.

Operating grants that is inclusive of equitable share.

The total revenue budget for service charges, rental of facilities and equipment, and property taxes amounted to R 208 568 000 and the actuals thereof amounted to R 244 153 394 that gave rise to over-performance variance of R35 585 394. Motor vehicle licenses and fines contributed to a total budget of R 6 640 000 and the actual therefore amounts to R 6 023 920 which gave rise to the under-performance amounting to R 616 080.00

COMPONENT B: MANAGING THE WORKFORCE EXPENDITURE

EMPLOYEE EXPENDITURE

The municipality manages its workforce expenditure very well, even though we experienced challenges with our overtime cost during 2022/2023 in the year 2023/2024 there was notable reduction on the item and since the implementation of normalisation of maximum overtime to be worked as per statues limited at 40hrs. MLM has the organisational structure that is aligned to the IDP and budget, to ensure that all workforce expenditure has been budgeted for.

The original budget for operating expenditure was R 484 868 000 that was adjusted downward to R 478 440 000 and the actual expenditure thereof is R 487 128 945. This reflects negative variance of R- 8 688 945. Of worthy to note was the reduction on Debt impairment none cash item from R45million to R25million and actualised at R8million by the time of reporting year end. The major portion of operating expenditure is employee related cost that had original budget of R 164 268 000 and the actual expenditure thereof is R 161 204 366 and the reflected under-spending variance is attributed to R 3 063 634.

BUDGET AND REVENUE COLLECTION

MLM is a rural municipality with a high volume of outstanding consumer debts. This leads to financial burden with none and/or underpayment for services. The Municipality has however in process of developing the Revenue Enhancement Strategy to address this challenge since the outstanding debt affects the cash-flow status of the municipality.

The Municipality had a total revenue budget of R530 867 000 that was adjusted upwards to R542 577 000 during budget adjustment. The actual revenue realized is R502 583 507 and this resulted in under-performance variance of R 39 993 493.00. Grants and subsidies amounting to R220 628 000 were received during the financial year under review and they contributed a major portion of the total revenue base of the municipality since the grants dependency rate in thereof was 29%. The municipality had unspent MIG of R5 953 164 in 2023/2024 financial year. The transfers and subsidies is comprised of R227 135 000, that is operational and R42 307 000 that is capital.

Table A1.1: Summary of financial overview

Musina Local Municipality
CASH FLOW STATEMENT

for the year ended 30 June 2024

	Note	2024	2023
		R	R
OPERATING ACTIVITIES			
Receipts		**514 053 353**	**437 965 152**
Sales of goods and services		240 719 203	185 507 157
Grants		257 381 000	233 652 000
Interest received		1 978 298	1 586 227
Other receipts		13 974 852	17 219 768
Payments		**457 756 126**	**387 940 902**
Employee costs		170 422 929	162 442 458
Suppliers		287 316 512	225 429 791
Interest paid		16 685	68 653
Net cash from operating activities	37	**56 297 227**	**50 024 250**
INVESTING ACTIVITIES			
Purchase of fixed assets		(56 523 530)	(42 351 949)
Purchase of Intangible assets		(171 500)	(280 117)
Purchase of Investment Property		(2 437 893)	-
Sale of Investment property		340 000	-
Net cash from Investing activities		**(58 792 923)**	**(42 632 066)**
FINANCING ACTIVITIES			
Increase /Decrease Finance Lease		(362 494)	-436 786
Decrease in long term Loans		-	-
Increase/Decrease in consumer deposit		366 828	148 175
Net cash outflow from financing activities		**4 334**	**-288 611**
Net increase / (decrease)		- 2 491 362	7 103 573
Net at beginning of period		12 818 638	5 715 065
Net at end of period	2	**10 327 276**	**12 818 638**

Table A1.2: Operating ratios

Operating Ratios	
Detail	**%**
Employee Costs	38
Repairs & Maintenance	1
Finance Charges & Depreciation	9

Table A1.3: Total capital expenditure

Total Capital Expenditure (R'000)		
Detail	**2024/2025**	**2023/2024**
Original Budget		42 307 000
Adjustment Budget		42 307 000
Actual		36 353 836

REVENUE

Property rates

The original budget for property rates for 2023/24 financial year was R 26 950 000 which was adjusted to the same amount. The actual revenue billed is R 28 763 617 this gave rise to favourable variance of R 1 813 617.

Service charges

This is made up of service charges for electricity and refuse removal and the original budget thereof was R 176 127 000 which was adjusted to R 181 030 000 and the actual revenue on items generated was R 214 993 042 that reflects a variance of R 33 963 042.

Investment revenue

The original budget was R 555 000 which was adjustment to R 855 000 and the actual R 1 978 298 and favourable variance of R 1 123 298.

Transfer recognized

This is revenue of R220 628 000 realized from both conditional and unconditional operating grants and subsidies including equitable share. The results show full spending on unconditional grants, however conditional grants has an unspent amount of R6 507 000.

Other Income

Other revenue mostly consists of sale of stands and agency fee of which 100% of the budget was realised.

Employee related cost

Employee Cost resulted in 98.03% of the actual expenditure against the Employee related cost Budget.

Depreciation and asset impairment

Provision was made in the budget for capital asset depreciation and impairment and the budget thereof was R34 000 000 and the actual expenditure was R 33 884 885.

Materials and bulk purchases

The major portion of this line item was mainly for purchase of electricity and material.

Transfers and grants – expenditure

Transfers and grants refer to subsidies made to indigent and pensioners consumers, external bursaries warded. The subsidies were done in the form of special rebates on property rates and free basic electricity.

The budget provision still appears to be too little in light of Equitable share allocation that amounted to R 4 500 000 since this is the source of funding thereof.

GRANTS

COMMENT ON OPERATING TRANSFERS AND GRANTS:
All grants gazetted for 2023/24 financial year were received and cognizance should be taken that the above table does include capital grants. The total amount received on operational grants amounted to R 227 135 000 during the 2023/24 financial year. All grants were received from national sphere of government and nothing was gazetted to be received from the provincial government.

COMMENT ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES:
No grants were received from other sources.

COMMENT ON ASSET MANAGEMENT:
All year end procedures regarding assets have been done and all journals posted, the carrying value has since been updated.

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:
Repairs and maintenance of assets were done mainly on electrical infrastructure and vehicles.

FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Liquidity ratio

Liquidity Ratio – Measures the municipality's ability to pay its bills, and is calculated by dividing the monetary assets by the municipality's current liabilities. A higher ratio is better; however the graph portrays a picture that shows a staggering liquidity ratio for 2023/24 financial year since the ratio is less than 1. This is attributed to high amount of invoices that were not paid at year end.

Outstanding Debtors to revenue

53%

Outstanding Service Debtors to Revenue - Measures how much money is still owed by the community for electricity, waste removal and other services, compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors, by the total annual revenue thereof. A lower score is better. The graph shows that the municipality has a ratio of 53% outstanding debtors that has slightly increased by 1% when compared to 2022/23 ratio.

Employee cost

23%

Employee related cost ratio measures what portion of revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue

Repairs and maintenance

0.35%

Repairs and Maintenance - This represent the proportion of operating expenditure spent, and is calculated by dividing the total repairs and maintenance by total revenue excluding capital revenue.

COMMENT ON FINANCIAL RATIOS:

The municipality is still facing a challenge of achieving threshold of operating expenditure for repairs and maintenance. Liquidity ratio is negatively affected by invoices that are paid as accruals at year end since the magnitude thereof was too high in 2023/24 financial year as those invoices are treated as current liabilities. The municipality is in a process of implementing cost containment measures as documented in the National Treasury Instruction letter number 01 and this will result in improved liquidity ratio and in addition, it will do away with unnecessary expenditure.

COMPONENT C: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to projects and/or items whose outputs will result in assets that will have to be documented in the asset register. Capital expenditure is funded from grants and own revenue. Component B deals with capital spending, indicating where the funding comes from and whether the Municipality is able to spend the available funding as planned. In this component, it is important to indicate the different sources of funding as well as how these funds are spent

CAPITAL EXPENDITURE REPORT 2024-2025					
Supplier Name	**Project Description**	**Funding**	**Amount Paid excl Vat**	**VAT**	**Total Amount On certificate**
Dignity Supply and Projects	Construction of ext 6 & 12 roads	MIG	1 747 220	262 083	2 232 558
Impumelelo consulting engineers	Construction of ext 6 & 12 roads	MIG	612 759	91 914	704 673
Dignity Supply and projects	Construction of ext 6 & 12 roads	MIG	1 295 933	194 390	1 655 914
Dignity Supply and projects	Construction of ext 6 & 12 roads	MIG	1 143 491	171 524	1 460 382
Dignity Supply and projects	Construction of ext 6 & 12 roads	MIG	1 424 651	213 698	1 820 387
Masequa Bricks Pty Ltd	Construction of ext 6 & 12 roads	MIG	1 719 816	257 972	1 977 788
Billy Jokns security	Construction of ext 6 & 12 roads	MIG	70 800	-	70 800
Maimele Solutions Holdings	Construction of ext 6 & 12 roads	MIG	24 400	-	24 400
Phodzo Plant hire	Construction of ext 6 & 12 roads	MIG	201 000	-	201 000
Shirea Cc	Construction of ext 6 & 12 roads	MIG	425 271	-	425 271
Ntshetse constructions & Projects	Construction of ext 6 & 12 roads	MIG	99 000	-	99 000
Dignity Supply and projects	Construction of ext 6 & 12 roads	MIG	405 847	60 877	633 419
Nwa Mencani Trading PTY LTD	Tshikotini	MDRG	203 409	30 511	246 232
Nwa Mencani Trading PTY LTD	Tshikotini	MDRG	208 217	31 233	252 052
Gloma Trading	Masisi Internal street	MDRG	347 799	52 170	419 967
Gloma Trading	Masisi Internal street	MDRG	237 410	35 612	286 673
Gloma Trading	Masisi Internal street	MDRG	136 689	20 503	165 052
Gloma Trading	Masisi Internal street	MDRG	71 891	10 784	86 808
Gloma Trading	Masisi Internal street	MDRG	115 319	17 298	139 597
Thavha Services	Construction of skoonplass stormwater	MDRG	1 060 952	159 143	1 220 095
Thavha Services	Construction of skoonplass stormwater	MDRG	229 326	34 399	341 792
Thavha Services	Construction of skoonplass stormwater	MDRG	387 484	58 123	469 059
Mbuyadzi Trade and Projects	Electrification of Rhino ridge	OWN	1 075 500	161 325	1 374 250

Mbuyadzi Trade and Projects	Electrification of Rhino ridge	OWN	2 466 000	369 900	3 151 000
Mbuyadzi Trade and Projects	Electrification of Rhino ridge	OWN	2 749 950	412 493	3 513 825
Mbuyadzi Trade and Projects	Electrification of Rhino ridge	OWN	1 308 915	196 337	1 672 503
Winding Technologies	Electrification of Rhino ridge	OWN	157 791	23 669	181 459
Bauen Afrique Group JV dzivha	Shakadza Multipurpose Centre	MIG	523 870	78 581	669 390
Bauen Afrique Group JV dzivha	Shakadza Multipurpose Centre	MIG	464 553	69 683	593 596
Bauen Afrique Group JV dzivha	Shakadza Multipurpose Centre	MIG	645 048	96 757	824 228
Corobrick PTY LTD	Shakadza Multipurpose Centre	MIG	294 960	44 244	339 204
Phaphama	Shakadza Multipurpose Centre	MIG	37 500	-	37 500
Enviro Options PTY LTD	Shakadza Multipurpose Centre	MIG	117 767	17 665	135 432
Rabton Trading and Projects	Shakadza Multipurpose Centre	MIG	37 500	-	37 500
Bauen Afrique Group JV dzivha	Shakadza Multipurpose Centre	MIG	376 196	56 429	480 694
Koephu Business Enterprise	Mabvete Community hall	MIG	444 810	66 721	589 359
Koephu Business Enterprise	Mabvete Community hall	MIG	657 290	98 593	850 981
Koephu Business Enterprise	Mabvete Community hall	MIG	100 000	-	100 000
Koephu Business Enterprise	Mabvete Community hall	MIG	1 392 162	208 824	1 757 773
Koephu Business Enterprise	Mabvete Community hall	MIG	1 306 238	195 936	1 669 081
Koephu Business Enterprise	Mabvete Community hall	MIG	267 930	40 190	342 355
PK Financial Consultants	Construction of Nancefield 9 &10 roads	MIG	665 954	99 893	850941
PK Financial Consultants	Construction of Nancefield 9 &10 roads	MIG	676 667	101 500	864630
Merafe Holdings	Procurement of waste Trucks	MIG	5 575 551	836 333	6411884
Musina Local Municipality	PMU FEES	MIG	228 966,94	-	228967
Musina Local Municipality	PMU FEES	MIG	166 512	-	166512
Musina Local Municipality	PMU FEES	MIG	166 516	-	166516
Musina Local Municipality	PMU FEES	MIG	166 508	-	166508
Musina Local Municipality	PMU FEES	MIG	166 541	-	166541
Withheld against Equitable Share			1 000 000	-	1000000

Musina Local Municipality	PMU FEES	MIG	212 147	-	212147
Musina Local Municipality	PMU FEES	MIG	167 674	-	167674
Musina Local Municipality	PMU FEES	MIG	167 678	-	167678
Withheld against Equitable Share			1 000 000	-	1000000
Musina Local Municipality	PMU FEES	MIG	145 457	-	145457
Mbuyadzi Trade and Projects	Electrification of Rhino ridge	OWN	612 360	91 854,00	782460
Zimra Linoni trading	Shakadza Multipurpose Centre	MIG	60 000	-	60000
Libada General Trading	Shakadza Multipurpose Centre	MIG	116 100	-	116100
Dops Investment Solution	Shakadza Multipurpose Centre	MIG	18 150	-	18150
Lamela Consulting PTY LTD	Rhino ridge roadsand stormwater	OWN	2 608 696	391 304	3000000
Bauen Afrique Group JV dzivha	Shakadza Multipurpose Centre	MIG	531 000	79 650,00	678500
Nemorango Consulting engineer	Tshikudini Community hall	MIG	31 304	4 695,65	36000
Technicrete ISG	Construction of ext 6 & 12 roads	MIG	1 117 200	167 580,00	1284780
Merafe Holdings	Procurement of waste Trucks	MIG	1 755 910	263 386,53	2019297
Dignity supply and projects	Construction of ext 6 & 12 roads	MIG	869 651,78	130 447,77	1 148 526,60
Diges Group	Construction of Nancefield 9 &10 roads	MIG	125 666,43	18 849,97	144 516,40
Bauen Afrique Group JV dzivha	Shakadza Multipurpose Centre	MIG	1 097 519,00	164 627,85	1 262 146,85
AVAX SA 222 Electrical	Check METER	OWN	772 091,10	115 813,67	887 904,77
Pheta Trading Enterprise	Reconstruction of nancefield flood road	MDRG	557 217,00	83 582,55	711 999,05
Oraculan 201 Close Corporation	Reconstruction of damaged storm water Nancefield ext 8	MDRG	210 280,43	31 502,07	254 510,00
Lamela Consulting PTY LTD	Rhino ridge roadsand stormwater	OWN	1 391 304,35	208 695,65	1 600 000,00
AVAX SA 222 Electrical	Supply of 22kv Pole Mounted Bulk Meter-Check meter	OWN	772 091,10	115 813,67	986 560,86
			49 745 373	**6 745 108**	**59 959 955**

COMMENT ON SOURCES OF FUNDING: The municipality have spent 85.92% of their capital funding as at 30 June 2024 The original capital budget for 2023/24 financial year was R 42 307 000. The actual expenditure is R36 353 836 and this reflects a variance of R 5 953 164.

COMMENT ON CAPITAL PROJECTS: During 2023/2024 Financial Year, the Municipality received the Total Allocation of R 34 036 000 of MIG grant and R 8 271 00 of Disaster grant respectively.

COMPONENT D: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The cash flow outcome presents the actual revenue and actual payments made during the year under review. Actual revenue realized should be differentiated from revenue billed because revenue billed does not portray the holistic financial position and performance of the municipality.

As a result, the cash flow outcome is presented on cash basis as opposed accrual basis of accounting.

Cash and cash equivalent of the municipality is made up of cash in the primary and all the short term investment

COMMENT ON CASH-FLOW OUTCOMES:

Cash and cash equivalent at the beginning of the financial year was R 5 715 066 and when comparing this to the cash and cash equivalent as at end of 2022/23 financial year, the results reflects a increase in cash and cash equivalent to R12 818 683 and this portrays a positive picture about cash management of the municipality. The municipality still has an unfavourable liquidity ratio. Cognizance should be taken that the municipality is still dependent on grants since a major portion of revenue realized is made up of Transfer recognized (both operating and capital).

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Actual Borrowings 2022/23-2024/25 **R'000**			
Instrument	**2022/23**	**2023/24**	**2024/25**
Municipality			
Long-term loans (annuity/reducing balance)	0	0	0
Long-term loans (non-annuity)			
Local registered stock			
Instalment credit			
Financial leases	R 238 137	R 799 280	R 362 494
PPP liabilities			
Finance granted by cap equipment supplier			
Marketable bonds			
Non-marketable bonds			
Bankers acceptances			

Financial derivatives			
Other securities			
Municipal Total			
Municipal Entities			
Long-term Loans (annuity/reducing balance)	–	–	
Long-term Loans (non-annuity)	–	–	
Local registered stock	–	–	
Instalment credit	–	–	
Financial leases	–	–	
PPP liabilities	–	–	
Finance granted by cap equipment supplier	–	–	
Marketable bonds	–	–	
Non-Marketable bonds	–	–	
Bankers acceptances	–	–	
Financial derivatives	–	–	
Other Securities	–	–	
Entities Total			

Municipal and Entity Investments 2022/23- 2024/25 R'000			
Investment type	**2022/23**	**2023/24**	**2024/25**
Municipality			
Securities - national government			
Listed corporate bonds			
Deposits –bank			
Deposits -public investment commissioners			
Deposits -corporation for public deposits			
Bankers' acceptance certificates			
Negotiable certificates of deposit - Banks			
Guaranteed endowment policies (sinking)	R10 731 000	R10 731 000	R10 731 000
Repurchase agreements - Banks			
Municipal bonds			
Other			
Municipal Entities			
Securities - National government			
Listed corporate bonds			
Deposits – Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers' acceptance certificates			
Negotiable certificates of deposit- Banks	–		
Guaranteed endowment policies (sinking)	–		
Repurchase agreements – Banks	–		

Municipal bonds	–		
Other	–		
Entities Sub-Total	–		
Consolidated Total:			

COMMENT ON BORROWING AND INVESTMENTS:

The Municipality has a recurring and short term investment with ABSA

PUBLIC-PRIVATE PARTNERSHIPS

Not applicable

COMPONENT E: OTHER FINANCIAL MATTERS

SUPPLY CHAIN MANAGEMENT

The financial statements for the 2023/2024 financial year present an irregular expenditure of R 122 825 213 as opening balance and during the year irregular expenditure amounting to R 22 584 093 was incurred. This leaves the municipality with overall irregular expenditure of R 145 409 306 that emanated from procurement of goods and services without fully following the supply chain management processes.

The municipality has started with the implementation of central supplier database that has been rolled out by National Treasury with the intention of maintaining a database of organisations, institutions and individuals who can provide goods and services to government institutions. This database serves as the single source of key supplier information for organs of state and it provides consolidated, accurate, up-to date, complete and verified supplier information to procuring organs of state.

The Municipality has an SCM policy in place to minimize fraud and corruption. There are SCM committees in place that are reviewable as and when required to ensure value for money in awarding of tenders. For the year under review, 14 tenders were awarded.

- The council has adopted an SCM policy in terms of SCM regulation 3.
- The SCM unit consists of three full-time staff; three positions (Manager, Accountant SCM, and Procurement officer.
- A report on the implementation of the SCM policy is presented to the Mayor every quarter.
- Needs assessments are undertaken for each acquisition and preferential policy objectives identified.
- Threshold values in the SCM policy are aligned with values stipulated in regulation 12.
- Municipal bid documents comply with MFMA circular 25.
- Records of tenders and all other bids received and awards made.
- All bid committees were established and appointed by the Accounting officer.
- Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer the best value for money, and minimize the opportunities for fraud and corruption.
- 28 Tenders were advertised during 23/24

- All tenders were advertised in the newspaper and on the municipal website
- 14 Tenders were evaluated, adjudicated, and awarded during 23/24
- 43 formal quotations were awarded(R30000.00 up to R300000.00)
- 94 Procurement below R30000.00
- 132 BEE beneficiation awarded for the financial year 2023/2024

GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules and principles by which municipalities are required to abide by in preparing the financial statements. Successful GRAP compliance and implementation will ensure that municipal accounts are transparent, comparable and more informative to the users of the financial statement. Musina Local Municipality annual financial statements for the year 2023/24 were presented in line with GRAP requirements.