BELA – BELA LOCAL MUNICIPALITY

2024 – 2025 ANNUAL REPORT

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CHAPTER 1:

1.1 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY
COMPONET A: MAYOR'S FOREWORD

This year marks the fifth year of the current Council of Bela-Bela Local Municipality. The Council with Municipality's administration's unwavering commitment has spurred changes in the lives of our communities.

In accordance with Section 121 of Local Government Municipal Finance Management Act, 56 of 2003, every municipality must prepare annual report for each financial year. Local Government: Municipal Systems Act, 32 of 2000 in Section 46(1) and (2) stipulates that a municipality must prepare performance report to outline its performance each financial year with the aim to:

- Provide a record of the activities of the municipality during the Financial Year.
- Provide a report on performance in service delivery and budget implementation for the Financial Year.
- Ensure and promote accountability to the local community for decisions made throughout the year by the municipality.

It is through this 2024/25 performance report that the Bela- Bela Local Municipality expresses its commitment to improving the lives of its residents by incorporating the service delivery needs of the community in its business operations adhering to provisions of Section 46 of the Municipal Systems Act and Section 121 of the Local Government Municipal Finance Management Act, 56 of 2003.

The emphasis of this report is to demonstrate the way the Municipality intentionally prioritised community needs during the strategic planning process and ultimately developed measurable performance indicators that are explicitly expressed in this annual report.

The Municipality's ability to meet its financial commitments is driven by implementation of revenue enhancement strategy. The revenue enhancement projects such as implementing smart meters, ensuring accurate water readings, attending to leakages, and correct billing, are pivotal to sustaining and strengthening revenue collection, supports funding for the Service Delivery and Budget Implementation Plan (SDBIP), and contributes to achieving Annual Performance Plan targets.

The effective spending of MIG and WSIG grants enables the Municipality to build critical service delivery infrastructure that supports community development.The ability to spent on infrastructure grants resulted in the Municipality receiving additional funds from the National Disaster Centre which has been allocated to the refurbishment of Roads and Stormwater on Limpopo Road in extension Six(6) and Mabunda Street at extension one(1).

The municipality successfully applied for Eskom Debt Relief Program through the National Treasury. This program has alleviated the financial pressure and is yielding positive results. It is through this program that the Municipality managed to settle Eskom debt. Magalies Water Board debt has also been settled. The Municipality is servicing current accounts of Eskom and Magalies Water Board respectively.

It is the Municipal vision to be "***The Prime Agricultural Hub and Eco-Tourism Destination of Choice***". This vision is inspired by the agricultural products and eco- tourism amenities in offer, and the geographic location of the Municipality bordering the North-West, Gauteng and Mpumalanga provinces. Tourism and Agriculture are the main economic drivers in our Municipality.

The two sectors are vulnerable to climate change which contributes to unprecedented weather patterns that are resulting in occasional disasters. To mitigate this challenge, the Municipality is prioritizing establishment of a disaster management unit as a matter of urgency.

We are committed to continuing with development and maintenance of bulk infrastructure to support economic growth. Our priority projects include repairs of roads in town and CBD, paving of access roads in new settlements, formalization of informal settlement, completion of electrical substation and the new landfill site.

In conclusion, the municipality has successfully achieved unqualified audit opinion from the Auditor-General of South Africa for the 2024/25 financial year and aims to pursue a Clean Audit in the 2025/26 financial year, which will be used as a tool to attract investors and address poverty and unemployment.

The achievement of the 2024/2025 financial year could not have been possible without the crucial contributions and invaluable support from all stakeholders, National and Provincial Treasury, the Department of Cooperative Governance, Traditional Affairs and Human Settlements, and SALGA. I would like to express my heartfelt gratitude to all of them.

I extend my appreciation to the Council and oversight committees, the Audit and Performance Committee, Risk Management Committee, Financial Misconduct Board and the Municipal Public Accounts Committee for their impeccable quality assurance, efforts and guidance throughout the year.

Special thanks to the Auditor General of South Africa, Litho Ndzundza Traditional Council, Ward Committees, Civil Society, Ratepayers and the community at large for their participation in the affairs of the Municipality and the business sector for their invaluable support and collaboration in our endeavours.

My appreciation also goes to the municipal senior management and staff, under the leadership of Mr. TG Ramagaga as Accounting Officer, for their commitment to delivering on the Municipality's constitutional mandate.

I wish to reaffirm our commitment to implementing strategies, programs and projects aimed at improving the material conditions of the residents of Bela- Bela Local Municipality. I therefore implore all stakeholders to rally behind the Municipality to achieve the development agenda.

Together we will move our Municipality forward.

Yours sincerely

G.M Seleka

Cllr GM Seleka
Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.2 EXECUTIVE SUMMARY BY THE MUNICIPAL MANAGER

Local Government is the third sphere of government, deliberately established to bring governance closer to communities and to ensure that citizens participate meaningfully in decisions that affect their daily lives. It is therefore at the coalface of service delivery. Our mandate is derived from Section 152(1) of the Constitution of the Republic of South Africa, 1996, which outlines the objects of local government as follows:

(a) To provide democratic and accountable government for local communities;

(b) To ensure the provision of services to communities in a sustainable manner;

(c) To promote social and economic development;

(d) To promote a safe and healthy environment, and

(e) To encourage the involvement of communities and community organizations in matters of local government.

Section 153(a) of the Constitution further directs that municipalities must structure and manage their administration, budgeting and planning processes to prioritise community needs while promoting social and economic development.

The Integrated Development Plan (IDP) remains the principal strategic planning tool that guides and informs all planning, budgeting, management, and decision-making processes in a municipality. In line with Section 34 of the Municipal Systems Act, 32 of 2000, this IDP has been duly reviewed.

This IDP review is informed by the harsh socioeconomic realities currently confronting communities across the country, and particularly within the Bela-Bela Local Municipality. These include:

(a) the rising costs of living (fuel, electricity, food, transport)
(b) high unemployment rate
(c) escalating crime levels
(d) deepening income inequality
(e) persistently high poverty levels
(f) slow and uneven economic growth

As a municipality, we carry a constitutional obligation to provide services in the midst of these challenges and to respond with resilience, innovation, and empathy. The IDP provides an opportunity to intensify our focus on improving basic service delivery, which remains central to improving the quality of life, stimulating local economic activity, and restoring community confidence.

Our township settlements still reflect spatial and socioeconomic imbalances, with many households living in abject poverty. The persistent “moving backlog” in services underscores the need for long-term planning, infrastructure investment, and inclusive development.

We remain fully committed to building a responsive, caring, and accountable developmental municipality, working collaboratively with communities, stakeholders and partners to find sustainable solutions to social and economic needs.

Infrastructure development remains a cornerstone of economic recovery and growth. Infrastructure stimulates job creation, activates local value chains, and improves access to essential services. For the 2026/2027 financial year, the Municipality has budgeted approximately R152.5 million for infrastructure development. This investment will significantly improve service delivery and restore dignity to our people. As the head of administration, I commit that these projects will be implemented efficiently, on time, and within budget. The Municipality spent 100% of its infrastructure grants in 2024/2025, and we intend to maintain this standard.

While building new infrastructure, we must also prioritise maintenance, as it is essential for sustainability, reliability, and value for money. We urge communities to protect public infrastructure and partner with us in discouraging theft, vandalism, and illegal connections. Collective responsibility will strengthen our developmental agenda.

The approach described above aligns with urban management or township management, concepts that focus on maintaining public assets, enforcing community standards, improving safety, and enhancing liveability. Effective urban management contributes to a vibrant, resilient, and well-regulated municipality.

The anticipated results of effective management include:

(a) A vibrant, safe, regulated, well-managed, and resilient municipality
(b) Increased community involvement
(c) More efficient and sustainable delivery of basic services
(d) Improved project and programme management to support developmental outcomes

Global and National Economic Dynamics

The 2026/2027 planning cycle occurs within a period marked by geo-political tensions, global economic uncertainty, fluctuating commodity prices, supply-chain disruptions, and rising interest rates. Sluggish global growth continues to affect developing countries, including South Africa, particularly in areas of investment attraction and fiscal stability. South Africa’s economic growth remains constrained, with slow GDP expansion, persistent load-shedding impacts, and pressure on public finances.

These dynamics require municipalities to be more strategic, efficient, and innovative in planning and managing limited resources.

The President’s 2026 SONA emphasised:

- Local economic stimulation and job creation, particularly through infrastructure projects
- Community safety, including strengthened policing and crime-prevention partnerships
- Energy stability, with continued investment in alternative energy solutions
- Water security, including support for municipalities in upgrading water infrastructure
- Strengthening municipal financial sustainability, including improved revenue collection and governance

Our IDP aligns with these national priorities and positions Bela-Bela to benefit from forthcoming national programmes and funding streams.

Alignment with the 2026/2027 National Budget Speech

The Minister of Finance highlighted key national focus areas for the medium-term, including:

- Fiscal consolidation and tighter expenditure controls
- Increased infrastructure allocations, particularly for water, sanitation, roads and electricity
- Support for municipalities to improve governance and financial management
- Targeted support for youth employment and township economic development

The Municipality will integrate these priorities into our 2026/2027 programmes and exploit all national funding opportunities to support local development.

Kind regards,

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TG. RAMAGAGA
MUNICIPAL MANAGER

1.3 MUNICIPAL OVERVIEW

1.3.1 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Bela-Bela Local Municipality is performing the Powers and Functions on Table 1 below, as assigned through the1996 Constitution of the Republic of South Africa and the Local Government Municipal Structures Act No 117 of 1998 and Regulations. Refer to the table 1 below:

Function	Y/N	Is this a Shared Service (Y/N)	Department
Air Pollution	Y	N	Social and Community Services
Building Regulation	Y	N	Planning and Economic Development
Electricity Reticulation	Y	N	Technical Services
Fire Fighting	Y	Y	Social and Community Services
Local Tourism	Y	Y	Planning and Economic Development
Municipal Airports	Y	N	Social and Community Services
Municipal Planning	Y	Y	Planning and Economic Development
Stormwater Management Systems in Built-Up Areas	Y	N	Technical Services
Trading Regulation	Y	N	Planning and Economic Development
Potable Water	Y	N	Technical Services
Billboards and Display of Advertisement in Public Places	Y	N	Planning and Economic Development
Cemeteries and Crematoria	Y	N	Social and Community Services
Cleansing	Y	N	Social and Community Services
Control of Public Nuisance	Y	N	Social and Community Services
Facilities for the accommodation, Care and Burial of Animals	Y	N	Social and Community Services
Fencing and Fences	Y	N	Technical Services
Local Sports Facilities	Y	N	Social and Community Services
Municipal Parks and Recreation	Y	N	Social and Community Services
Municipal Roads	Y	N	Technical Services
Noise Pollution	Y	Y	Social and Community Services
Public Places	Y	N	Social and Community Services
Refuse Removal, Refuse Dumps and Solid Waste Disposal	Y	N	Social and Community Services
Street Trading	Y	N	Planning and Economic Development
Street Lighting	Y	N	Social and Community Services
Traffic and Parking	Y	N	Technical Services

Table 1 Powers and Functions

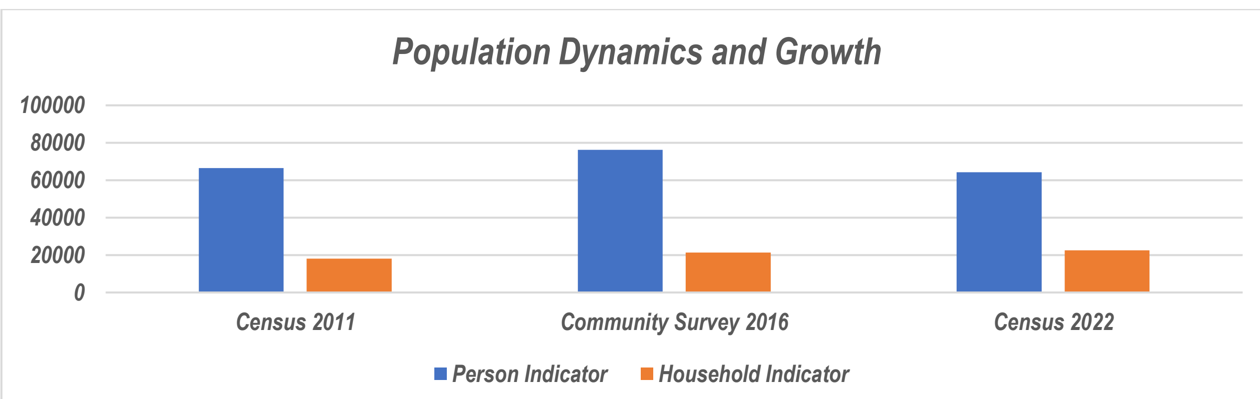
Whilst the Administration of the Municipality is tasked with the responsibility of ensuring optimal performance of all the Powers and Functions assigned to the Municipality as per the determination prescripts of the Law, Council through its Structures regularly performs an Oversight to all the respective Departments to ensure Legislative compliance to that effect and impacts aimed at improving the livelihoods of the communities therein. Accordingly, the Approved Municipal Organizational Structure. However, the Departments of Technical Services and Social & Community Services are the primary Service Delivery oriented Departments with most employees.

1.3.2 POPULATION DYNAMICS AND FUTURE GROWTH TRENDS

The total size of Bela-Bela's population is currently estimated at 64 309 individuals which have decreased as per census 2022 compared to 76 296 Community Survey 2016. Based on Census 2022 Community estimates households is approximately 22 449 households compared to 21 354 of community Survey of 2016. This figure consider Rapotokwane Village which was incorporated into the Bela-Bela Local Municipality from Dr J.S. Moroka Local Municipality (Mpumalanga Province) in 2000. The table below illustrates the comparison of total population projection/s and households for Census 2011 as compared to 2016 Community Survey and 2022 Census. The table below illustrate the estimated population trend's pattern population dynamics and growth trends:

DEMOGRAPHIC INDICATORS	CENSUS 2011	COMMUNITY SURVEY 2016	CENSUS 2022
Person indicator	66 500	76 296	64 309
Households' indicator	18 068	21 354	22 449

Table 2 estimated population trends

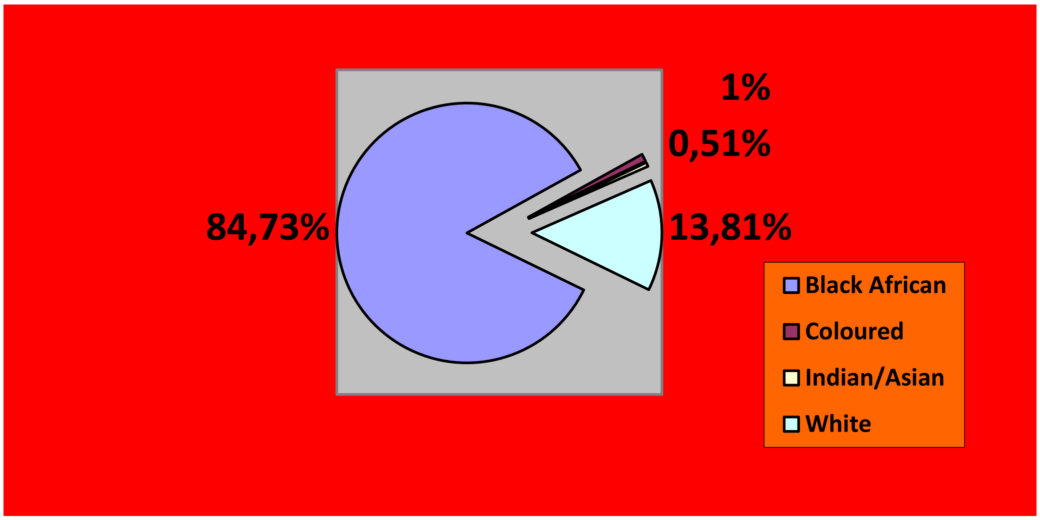


Graph: 1 Estimated Population Trends

The youth population (15–34 years) constitutes 33.2% of the total population, which implies that government capital expenditure and investment programmes should prioritise skills development, the provision of social facilities, and the creation of an enabling environment for sustainable job creation. Women account for 49% of the population, indicating the need for developmental agendas to deliberately target women empowerment and promote gender equality in socio-economic development initiatives. Furthermore, only 25% of the population has completed Grade 12, which suggests that the feasibility and expansion of educational facilities, including FET and ABET programmes, should be explored as key instruments for improving skills levels and enhancing access to the labour market.

1.3.3 POPULATION GROUPS, AGE GROUP AND GENDER

The population of Bela-Bela Local Municipality in terms of groupings is categorized as per Graph 2 below. Black Africans are in the Majority followed by Whites. It is therefore imperative to take caution that whilst the development priorities within the Municipality seeks to address the plight of Black Africans who majority of which is still characteristics of the previous dispensation in the Country, such should not be at the detriment of the other minority groupings therein.



Graph: 2 Population Groups
Source: StatsSA: Census, 2022

All residents of the Bela-Bela Local Municipality, regardless of colour or ethnicity, should be encouraged to actively participate in the municipality's developmental agenda within their respective localities and interest groupings. The age composition of the population influences the types of economic activities currently present and those that may need to be developed in the future. Different age groups have distinct economic needs and spending patterns. According to the 2016 Community Survey, the population of the municipality is composed of 33% young people (0–14 years), 62% of working age (15–64 years), and 5.3% elderly (65 years and above), highlighting the importance of planning and implementing development initiatives that are inclusive and responsive to the diverse needs of the community.

1.3.4 POPULATION BY AGE GROUP AND NATIONALITY

Population by Age Group and Nationality is illustrated on the table below:

Age	Black African	Coloured	Indian or Asian	White	Grand Total
0 – 4	9 003	72	-	396	9 471
5 – 9	7 638	63	-	566	8 267
10 - 14	6 670	93	29	612	7 403
15 - 19	5 551	50	22	281	5 904
20 - 24	5 863	77	24	638	6 602

Age	Black African	Coloured	Indian or Asian	White	Grand Total
25 - 29	6 086	30	90	800	7 007
30 - 34	5 233	28	58	604	5 922
35 - 39	4 178	139	19	444	4 780
40 - 44	3 490	18	16	573	4 097
45 - 49	3 324	71	34	539	3 967
50 - 54	2 639	45	25	910	3 619
55 - 59	2 076	35	23	886	3 020
60 - 64	1 276	-	12	915	2 203
65 - 69	760	-	-	711	1 471
70 - 74	471	11	12	649	1 143
75 - 79	193	-	-	565	757
80 - 84	84	-	22	336	442
85 +	109	-	-	111	220
Grand Total	64 642	733	386	10 535	76 296

Table 3 Population By Age Group And Nationality

Source: StatsSA: Census, 2022

This trend in age composition obliges government departments and the Municipality to prioritise the allocation of a significant portion of the budget to social development facilities and service delivery, in order to meet the needs of the youthful population. It is critical to ensure that young people acquire relevant skills and grow into responsible, productive adults. The creation of job opportunities should also form a central component of the Municipality's developmental agenda, implemented in partnership with sector departments such as Education, Health, Public Works, Roads and Transport.

The Local Economic Development (LED) Unit aims to facilitate economic growth, job creation, and poverty eradication within the Bela-Bela Local Municipality, which forms part of the Waterberg District Municipality. The LED strategy focuses on reducing unemployment, particularly among youth, women, and people with disabilities, while promoting economic development in key municipal sectors and reducing the number of people living below the poverty line.

In alignment with Section 153 of the Constitution, the Municipality is mandated to structure and manage its administration, budgeting, and planning processes to prioritise the needs of the community, promote social and economic development, and actively participate in national and provincial developmental programmes.

1.3.5 GENDER COMPOSITION

With reference to Table 4 below, the gender composition within Bela-Bela indicates a slight imbalance between the males and females. The 2016 Community Survey revealed that approximately 49% (37 335) of the population within Bela-Bela comprises of females while 51% (38 961) comprises of males. Nevertheless, that confirmed with the national trends that a higher proportion of women are found in the rural areas than men. This in many instances, especially amongst the African communities is attributed by the fact that men are generally attracted to places such as the bigger cities (i.e. Johannesburg etc.) that presents the employment opportunities sometimes regardless of the nature of work involved. However, the Census,2022 illustrate an opposite picture, and revealed that 50.5% (32 496) of the population within Bela-Bela comprises of female and 49.5% (31 811of the population comprises of male. In addition to the above, it can also be suggested that there is a need for a developmental agenda that should pro – actively target women empowerment within Bela-Bela Municipal Area.

Total Population (2016)			Total Population (2022)		
Male	Female	Total	Male	Female	Total
38 961	37 335	76 296	31 811	32 496	64 306

Table 4 Gender Composition

Source: StatsSA: Census, 2022

1.3.6 HISTORICAL ECONOMIC GROWTH

Between 2013 and 2023, the agriculture sector recorded the highest average annual growth rate in Bela-Bela Local Municipality, at 3.37%, followed by the mining sector, which grew at an average annual rate of 1.52%. In contrast, the trade sector experienced a decline, with an average annual growth rate of -3.30%, while the construction sector recorded the lowest growth at -5.05% per year. Despite these variations over the decade, all sectors recorded growth in 2023, with an overall annual increase of 0.17% compared to 2022. Table 5 below presents the Gross Value Added (GVA) by broad economic sector for Bela-Bela Local Municipality in 2013, 2018, and 2023, expressed in R millions in 2010 constant and current prices.

	Bela-Bela	Waterberg	Limpopo	National Total	Bela-Bela as % of district municipality	Bela-Bela as % of province	Bela-Bela as % of national
2013	4.0	51.0	281.7	3,868.6	7.8%	1.42%	0.10%
2014	4.2	52.9	299.0	4,133.9	8.0%	1.41%	0.10%
2015	4.5	54.5	319.8	4,420.8	8.2%	1.40%	0.10%
2016	4.9	58.2	351.9	4,759.6	8.4%	1.39%	0.10%
2017	5.1	61.1	371.3	5,078.2	8.4%	1.38%	0.10%
2018	5.4	64.7	396.2	5,363.2	8.4%	1.37%	0.10%
2019	5.7	68.5	418.7	5,625.2	8.3%	1.36%	0.10%
2020	5.7	69.6	425.0	5,562.8	8.2%	1.35%	0.10%
2021	6.6	82.5	489.0	6,220.2	8.0%	1.35%	0.11%
2022	6.8	85.2	513.0	6,655.5	7.9%	1.32%	0.10%
2023	6.8	84.9	526.9	7,024.0	8.0%	1.29%	0.10%

Table 5 Gross value added

Source: South Africa Regional eXplorer ,2 Sep 2024.

Recording a GDP of R6.81 billion in 2023, up from R4 billion in 2013, the Bela-Bela Local Municipality contributed 8.03% to the Waterberg District Municipality's GDP of R84.9 billion, representing an increase from its 7.84% share in 2013. At the provincial level, Bela-Bela contributed 1.29% to Limpopo Province's GDP, and at the national level, it accounted for 0.10% of South Africa's GDP of R7.02 trillion (measured in nominal or current prices) in 2023. Its contribution to the national economy has remained relatively stable since 2013, when it also accounted for 0.10%, although it declined slightly from a peak of 0.11% in 2021.

1.3.7 GROSS VALUE ADDED BY REGION (GVA-R)

The Bela-Bela Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its value added produced in the local economy.

Definition: Gross value added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.
The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Bela-Bela Local Municipality.

The table below illustrate Gross value added (GVA) by broad economic sector - Bela-Bela Local Municipality, 2023 [R billions, current prices]

Bela-Bela		Waterberg	Limpopo	National Total	Bela-Bela as % of district municipality	Bela-Bela as % of province	Bela-Bela as % of national
Agriculture	0.3	2.5	14.9	183.8	10.5%	1.77%	0.14%
Mining	1.9	42.1	108.2	444.2	4.5%	1.76%	0.43%
Manufacturing	0.3	2.3	17.9	910.5	11.1%	1.43%	0.03%
Electricity	0.1	1.2	12.8	219.4	9.1%	0.83%	0.05%
Construction	0.2	1.2	9.5	155.2	13.7%	1.74%	0.11%
Trade	0.8	6.3	64.1	877.7	13.4%	1.32%	0.10%
Transport	0.4	2.7	23.1	495.0	16.3%	1.93%	0.09%
Finance	0.8	6.6	68.7	1,471.8	11.8%	1.14%	0.05%
Community services	1.3	13.7	156.2	1,553.2	9.8%	0.86%	0.09%
Total Industries	6.1	78.6	475.4	6,310.8	7.8%	1.28%	0.10%

Table 6 Broad Economic Sector

Source: South Africa Regional eXplorer ,2 Sep 2024.

1.3.8 ECONOMICALLY ACTIVE POPULATION (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.
Definition: The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non- economically active population.

The table below illustrate Economically active population (EAP) - Bela-Bela, Waterberg, Limpopo and National Total, 2013-2023 [number, percentage]

Bela-Bela		Waterberg	Limpopo	National Total	Bela-Bela as % of district municipality	Bela-Bela as % of province	Bela-Bela as % of national
2013	26,600	229,000	1,310,000	19,300,000	11.6%	2.0%	0.14%
2014	28,000	244,000	1,410,000	20,100,000	11.5%	2.0%	0.14%
2015	29,500	261,000	1,530,000	20,800,000	11.3%	1.9%	0.14%
2016	30,600	273,000	1,630,000	21,500,000	11.2%	1.9%	0.14%
2017	31,500	282,000	1,700,000	22,000,000	11.2%	1.9%	0.14%
2018	31,900	286,000	1,720,000	22,300,000	11.2%	1.9%	0.14%
2019	32,200	290,000	1,750,000	22,700,000	11.1%	1.8%	0.14%
2020	31,000	280,000	1,720,000	22,100,000	11.1%	1.8%	0.14%
2021	31,200	282,000	1,750,000	22,200,000	11.1%	1.8%	0.14%
2022	33,200	301,000	1,890,000	23,100,000	11.0%	1.8%	0.14%
2023	35,200	324,000	2,040,000	24,200,000	10.9%	1.7%	0.15%
Average Annual growth							
2013-2023	2.84%	3.52%	4.48%	2.29%			

Table above 7 Economically active population

Source: South Africa Regional eXplorer ,2 Sep 2024.

Bela-Bela Local Municipality's EAP was 35 200 in 2023, which is 41.72% of its total population of 84 400, and roughly 10.88% of the total EAP of the Waterberg District Municipality. From 2013 to 2023, the average annual increase in the EAP in the Bela-Bela Local Municipality was 2.84%, which is 0.671 percentage points lower than the growth in the EAP of Waterberg's for the same period.

CHAPTER 2: GOVERNANCE

2. INTRODUCTION TO GOVERNANCE

Promoting accountability and ensuring effective governance arrangements within municipalities is a central principle of South African local government. Section 121(2)(c) of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) explicitly requires municipalities to establish mechanisms that facilitate transparency and responsible financial management, thereby reinforcing good governance practices. This requirement complements Section 18(1)(d) of the Local Government: Municipal Systems Act, No. 32 of 2000 (MSA), which mandates that municipalities must communicate information regarding governance, service delivery, and administrative performance to communities. The legislative alignment between the MFMA and the MSA underscores the integrated approach to accountability, emphasizing that municipal governance is not only a matter of internal administrative control but also a public responsibility.

Sections 65(1)(a) of the MFMA and Section 46 of the MSA operationalize this principle by specifying that municipalities must compile and publish an Annual Report. The Annual Report functions as a key instrument of participatory governance, providing comprehensive information on Council decisions, administrative processes, financial performance, and service delivery outcomes over the financial year. By systematically documenting the municipality's performance and governance practices, the Annual Report enhances transparency, strengthens public trust, and enables communities to evaluate the effectiveness of municipal leadership and administration. In essence, the Annual Report embodies both a statutory obligation and a democratic mechanism through which municipalities fulfill their accountability to the citizens they serve, reinforcing the broader objectives of good governance, participatory decision-making, and sustainable service delivery

COMPONENT A: GOVERNANCE STRUCTURES

2.1 POLITICAL GOVERNANCE STRUCTURE

Bela-Bela Local Municipality is a Category B Municipality established in terms of Section 12 of the Local Government: Municipal Structures Act, No. 117 of 1998 (MSA) and applying a collective Executive Committee System. The Municipality has established Committees in terms of Section 79 of the MSA and they are functional. The Committees meet on monthly basis. The recommendations of the Committees are then forwarded to the Executive Committee chaired by the Mayor.

The Municipality also established an Audit and Performance Committee which comprises three members. The Committee is functional and established in terms of section 166 of the MFMA. For the audit of performance, the Municipality utilizes the existing Audit Committee for the Performance Audit Committee as per Municipal Performance Regulations. Municipal Public Account Committee (MPAC) is also established and performs the role of the Oversight Committee. This committee further ensures that the Municipality complies with Section 127, 129 and 75 (c) of MFMA and Section 21A of the MSA and Regulations.

Bela-Bela Local Municipality has established section 79 committees as follows:

- Executive Committee
- Rules and Ethics Committee
- Transformation, Governance, Budget & Treasury Sub-Committee and
- Planning and Economic Development Sub - committee

- Infrastructure Sub Committee
- Social and Community Services Sub - Committee
- Municipal Public Account Committee (Section 79A)

POLITICAL STRUCTURE

MAYOR - Cllr GM SELEKA

PR Councillor, EC Chairperson and Transformation / Governance Budget & Treasury Sub - Committee member

The Mayor provides overall political leadership and strategic guidance over the fiscal and financial affairs of the Municipality, performing all responsibilities as prescribed under Section 53 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA). In this capacity, The Mayor presides over meetings of the Executive Committee, undertakes ceremonial functions, and exercises powers delegated by the Municipal Council or the Executive Committee. Furthermore, in terms of Section 49 of the Local Government: Municipal Structures Act, No. 117 of 1998, and associated regulations, The Mayor is empowered to ensure effective governance, oversight, and coordination of municipal administration, thereby promoting transparency, accountability, and alignment between political leadership and the strategic objectives of the Municipality.

Transformation / Governance/ Budget & Treasury Sub-Committee.

The Mayor is a member of the Transformation / Governance/ Budget & Treasury Sub-Committee and provide political leadership to the meetings of the Sub-Committee. Councilors in this Sub- Committee advise the Executive Committee on Financial and Budget related issues, Administration, HR and HRD, Legal Services, Occupational Health, and Safety matters. The Sub-Committee also plays an oversight role in the performance of Budget & Treasury and Corporate Services Departments.

SPEAKER- Cllr TN ZIKHALI

The Speaker of Council and Chairperson of Rules and Ethics Committee

The Speaker performs the duties and exercises the powers delegated in terms of Section 59 of the Municipal Systems Act (MSA). The Speaker ensures that the Council meets at least quarterly and maintains order during meetings, thereby facilitating effective and transparent decision-making processes. In addition, the Speaker is responsible for ensuring compliance by the Council and its committees with the Code of Conduct outlined in Schedule 7 of the Municipal Structures Act, No. 1 of 2021 (MSA). The Speaker also ensures that Council meetings are conducted in accordance with the Rules and Orders of Council and serves as the Chairperson of the Rules and Ethics Committee, providing oversight to uphold ethical governance, accountability, and procedural integrity within the Municipality.

Cllr K SEPURU

Ward 8 Councilor, Chief Whip, and member of Infrastructure Sub - Committee

Members of this Committee are responsible for advising the Executive Committee on issues of on Infrastructure development and service delivery issues and proposals which include water, sanitation, electricity, roads, and maintenance. Plays an oversight role on the performance of the Technical Services department.

Cllr FS HLUNGWANE

Ward 4 Councilor and Chairperson of the Transformation, Governance and Budget & Treasury Sub - Committee

Members of the Transformation, Governance Budget & Treasury Sub- Committee advises the Executive Committee on Financial & Budget related issues, Administration, HR and HRD issues, Legal Services, Occupational Health & Safety issues, and ICT. Plays an oversight role on the performance of Budget & Treasury and of Corporate Services Department

Cllr AF VAN DER HEYDE

PR Councilor, EC member and member of Social and Community Sub - Committee.

The Executive Committee (EXCO) is the Principal Committee of the Council in the Municipality. The Committee receives reports from other Committees and Sub-Committees of Council. Members of EXCO identify the needs of the Municipality. They also review and evaluate those needs in order of priority. Recommend to the municipal council the strategies, programs, and services to address priority needs through the Integrated Development Plan (IDP) and estimates of revenue and expenditure, considering any applicable national and provincial development plans; and also recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programs and services to the maximum benefit of the community.

Cllr KS RACHIDUMELA

Ward 7 Councilor and Chairperson of the Planning & Economic Development Sub - Committee

Members of this Committee are responsible for advising the Executive Committee on issues of Local Economic Development, Tourism, Town Planning and Human Settlement. Plays an oversight role on the performance of Planning & Economic Development.

Cllr MF KOOVER

Ward 9 Councilor and Chairperson of Infrastructure Sub - Committee

Members of this Committee are responsible for advising the Executive Committee on issues of on Infrastructure development and service delivery issues and proposals which include water, sanitation, electricity, roads, and maintenance. Plays an oversight role on the performance of the Technical Services department.

Cllr MH LEDWADA

Ward 5 Councilor and member of Transformation, Governance and Budget & Treasury and member of Planning and Economic Development Sub - Committees

Members of the Budget & Treasury and Transformation Sub-Committee provide strategic advice to the Executive Committee on a range of municipal matters, including financial and budgetary issues, administration, human resources and human resource development, legal services, and occupational health and safety. The Sub-Committee also plays an oversight role in monitoring the performance of the Budget & Treasury and Corporate Services Departments. In addition, its members advise the Executive Committee on matters related to Local Economic Development, tourism, town planning, human settlements, and infrastructure development, while exercising oversight over the Planning & Economic Development Department. Through these responsibilities, the Sub-Committee ensures effective governance, accountability, and alignment of departmental performance with the Municipality's strategic objectives.

Cllr JD CLOETE

Ward 1 Councilor and member of Planning and Economic Development and member of Infrastructure Sub – committees.

Members of this Committee are responsible for advising the Executive Committee on issues of Local Economic Development, Tourism, Town Planning and Human Settlement. The Committee members further advise the Executive Committee on Infrastructure development and service delivery issues and proposals which include water, sanitation, electricity, roads and maintenance. Plays an oversight role on the performance of the Planning & Economic Development as well as the Technical Services Departments. Members of this Committee are responsible for advising the Executive Committee on issues of Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads, and maintenance.

Cllr MD SENOSHA

PR Councilor and member of Planning and Economic Development Sub - Committee

Members of this Committee are responsible for advising the Executive Committee on issues of Local Economic Development, Tourism, Town Planning and Human Settlement. The Committee members further advise the Executive Committee on Infrastructure development and service delivery issues and proposals which include water, sanitation, electricity, roads.

Cllr PV MASHABA

Ward 2 Councilor and Chairperson of Social & Community Services Sub - Committee

The Chairperson of the Social & Community Chairperson presides and provides political leadership to the meetings of the Committee. The Committee is responsible for advising the Executive Committee on issues of Social & Community Services. The Committee further advises the Executive Committee on Social Services, Disaster Management, Environment, Waste Management, and Safety & Security. The Committee also plays an oversight role in the performance of the Social and Community Services.

Cllr MJ NGOBENI

Ward 6 Councilor and Member of Social & Community Sub - Committee

The Chairperson of the Social & Community Chairperson presides and provides political leadership to the meetings of the Committee. The Committee is responsible for advising the Executive Committee on issues of Social & Community Services. The Committee further advises the Executive Committee on Social Services, Disaster Management, Environment, Waste Management, and Safety & Security. The Committee also plays an oversight role in the performance of the Community and Social Services.

Cllr J Roets

PR Councilor and member of Social & Community Sub - Committee

The Chairperson of the Social & Community Chairperson presides and provides political leadership to the meetings of the Committee. The Committee is responsible for advising the Executive Committee on issues of Social & Community Services. The Committee further advises the Executive Committee on Social Services, Disaster Management, Environment, Waste Management, and Safety & Security. The Committee also plays an oversight role in the performance of Social and Community Services.

Cllr MO TLAKA

PR Councilor and member of Infrastructure Sub - Committee

Members of this Committee are responsible for advising the Executive Committee on issues of Infrastructure development and service delivery issues and proposals which include water, sanitation, electricity, roads, and maintenance. Plays an oversight role in the performance of the Technical Services department.

Cllr JM MABUA

Ward 3 Councilor and Chairperson of the Municipal Public Account Committee

The Chairperson of the MPAC convene and presides over the MPAC meetings. The core functions of the MPAC includes amongst others playing an oversight on the performance of the Municipality through interrogating financial and non-financial reports and the report findings to the Council. The Committee further examine the Financial Statements and the Audit Reports of the Municipality. It is this committee that considers and evaluates the content of the Annual Report and makes recommendations to the Council when adopting an Oversight Report on the Annual Report. The Committee further promotes good governance, transparency and accountability in the use of municipal resources. The Committee further recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the Municipality or the Audit Committee. The Committee also performs any other functions assigned to it through a resolution of Council.

Cllr MJ MAKHUBELA

PR Councilor and Municipal Public Account Committee Member

As indicated above members of MPAC plays an oversight on the performance of the Municipality by means of interrogating financial and non-financial reports and the report findings to Council. The Committee members further examine the Financial Statements and the Audit Reports of the Municipality. It is the members of this committee who consider and evaluate the contents of the Annual Report and make recommendations to the Council when adopting an Oversight Report on the Annual Report. The Committee members further ensure the promotion of good governance, transparency, and accountability on the use of municipal resources.

Cllr SD Seale

PR Councilor and Municipal Public Account Committee Member

As indicated above members of MPAC plays an oversight on the performance of the Municipality by means of interrogating financial and non-financial reports and the report findings to Council. The Committee members further examine the Financial Statements and the Audit Reports of the Municipality. It is the members of this committee who consider and evaluate the contents of the Annual Report and make recommendations to the Council when adopting an Oversight Report on the Annual Report. The Committee members further ensure the promotion of good governance, transparency, and accountability on the use of municipal resources.

2.1.1 POLITICAL DECISION AND COUNCIL SITTINGS

Bela - Bela Local Municipality has established section 79 committees in terms of Local Government: Municipal Structures Act 117and regulations of 1998. In the year under review 45x Section 79 committee meetings were convened as illustrated on table below.

Month	Sub - committee
July	➢ SOCOM and PED Subcommittees were convened on the 16th of July 2024. ➢ INFRA and TGBT Subcommittees were convened on the 17th of July 2024.
August	➢ SOCOM and PED Subcommittees were convened on the 28th of August 2024. ➢ INFRA and TGBT Subcommittees were convened on the 29th of August 2024.
September	➢ PED Subcommittee was convened on the 26th of September 2024. ➢ INFRA Subcommittee was convened on the 26th of September 2024
October	➢ TGBT Subcommittee was convened on the 01st of October 2024. ➢ SOCOM and PED Subcommittees were convened on the 18th of October 2024. ➢ INFRA and TGBT Subcommittees were convened on the 21st of October 2024
November	➢ SOCOM and PED Subcommittees were convened on the 20th of November 2024. ➢ INFRA and TGBT Subcommittees were convened on the 22nd of November 2024.
December	**Not Applicable**
January	➢ INFRA and TGBT Subcommittees were convened on the 22nd of November 2024. ➢ SOCOM and PED Subcommittees were convened on the 20th of January 2025. ➢ INFRA and TGBT Subcommittees were convened on the 22ndt of January 2025.
February	➢ PED Subcommittee was convened on the 24th of February 2025. ➢ SOCOM Subcommittee was convened on the 25th of February 2025. ➢ INFRA and TGBT Subcommittees were convened on the 25th of February 2025.
March	➢ SOCOM and PED Subcommittees were convened on the 18th of March 2025. ➢ INFRA and TGBT Subcommittees were convened on the 20th of March 2025.
April	➢ INFRA and TGBT Subcommittees were convened on the 22nd of April 2025. ➢ SOCOM and PED Subcommittees were convened on the 22nd of April 2025.
May	➢ SOCOM and PED Subcommittees were convened for the 19th of May 2025. ➢ INFRA and TGBT Subcommittees were convened on the 20th of May 2025.
June	➢ INFRA and TGBT Subcommittees were convened on the 25th of June 2025. ➢ PED Subcommittee was convened on the 23rd of June 2025. ➢ SOCOM Subcommittee was convened on the 24th of June 2025

Table 8 Section **79 committees**

2.1.2 EXECUTIVE COMMITTEE MEETINGS CONVENED AS FOLLOWS:

Municipality Executive committee meetings were held as per section 18 sub-section 2 of the Municipal Systems Act 117 of 1998. The table below illustrates the council meeting convened and held during the 2024/2025 financial year.

Municipal Executive committee meetings held as follow:	
Executive committee Meetings	24th July 2024 06th September 2024 24th October 2024 10th December 2024 27th January 2025 26th February 2025 26th March 2025 31st March 2025 25th April 2025 23rd May 2025 30th June 2025

Table 9 Executive Committee Meetings

2.1.3 MUNICIPAL COUNCIL SITTINGS

Bela - Bela Municipal Council has been established in terms of Local Government Municipal Structures Act No 117 of 1998 and regulations. Municipal council is stable and functional as the council meetings were convened on table below during 2024/2025

COUNCIL MEETING	ORDINARY	SPECIAL
	6x Ordinary Council meetings convened as follows: 29th of July 2024 31st of October 2024 30th of January 2025 31st of March 2025 30th of April 2025 29th of May 2025	4x Special Council meetings convened as follows: 31st of October 2024. 10th of December 2024. 28th of February 2025. 30th June 2025

Table 10 Municipal Council Sittings

2.1.4 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Accounts Committee (MPAC) is established in terms of Section 79A of the Local Government: Municipal Structures Act, No. 117 of 1998, to strengthen Council oversight over municipal financial management and governance. In line with the Constitution of the Republic of South Africa, 1996, and the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA), MPAC plays a critical role in promoting accountability, transparency, and sound financial administration by scrutinising financial reports, audit outcomes, and matters relating to unauthorised, irregular, fruitless, and wasteful expenditure, and by making recommendations to Council.

MPAC meeting	Ordinary	Special
	8x Ordinary MPAC meetings convened as follows: 04 July 2024 14 November 2024 16 January 2025 11,12 and 13 February 2025 07 March 2025 08 May 2025	N/A

Table 10 Municipal Public Accounts Committee

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

2.2.1. INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Bela - Bela Local Municipality organizational structure makes provision for a Municipal Manager as the Accounting Officer and five Senior Managers who are heading the departments respectively and are directly reporting to the Municipal Manager. In addition, there is one non-Section 56 Manager who also reports directly to the Municipal Manager.

TIER 1 TOP Administration Structure

<table>
<tr><td>Municipal Manager

Mr TG Ramagaga</td><td>Function
a) The Municipal Manager -
(i) as head of the administration, is responsible for performing the roles and responsibilities of the Accounting Officer as outlined in Section 55 of the Local Government Municipal Systems Act No 32 of 2000 and Section 61 and 62 the Local Government Municipal Finance Act, No 56 of 2003 for the effective administration of the Municipality.
(ii) is responsible for the execution of Council Resolutions.
(iii) plays a prominent role, together with the Mayor, in building, maintaining, and enhancing a good relationship between the Council,
Councillors and the administration.
(iv) ensures, that after consultation with the Mayor and Speaker, agendas and minutes are in place for each of the Committees and that Committees meet regularly.
(v) receives reports with recommendations from the Managers on all matters that must be handled by either the Municipal Manager, the Mayor, or the Council in terms of the delegation of powers of the Council.
(vi) Compiling and submitting progress performance reports on all the development initiatives, projects, programmes, and activities taking place within Bela-Bela (i.e., Quarterly, Mid - yearly and Annual Reports).
Developing and Implementing policies and procedures to manage and coordinate all approved public participation.
(vii) Managing the development, approval, and implementation of the Integrated Development Plan (IDP).
Monitoring the performance of the Municipality through Performance Management Systems (PMS) requirements.
Compiling and monitoring the implementation of strategic, operational and activity plans to give effect to the IDP.</td></tr>
<tr><td>
Chief Financial Officer Mr RM Marutha</td><td>The Chief Financial Officer (CFO) is responsible for the Budget and Treasury Office (Finance). Budgeting and Financial Reporting, Expenditure and Revenue collection.
The CFO play an advisory role to the Accounting Officer on the exercise of powers and duties assigned to the Accounting Officer in terms of the MFMA. It is also the CFO who assists the Accounting Officer with the administration of the Municipality bank's accounts and in the preparation and implementation of the Municipality's budget.
Other than advising the Accounting Officer, the CFO also advise the Senior Managers and other Senior Officials in the exercise of powers and duties assigned to them in terms of Section 78 and 79 of the MFMA.
Additionally, the CFO reviews the budget, and account, analyse and draws financial reports, and manages debts, supply chain and other duties as delegated to the CFO and the Accounting Officer.</td></tr>
<tr><td>Senior Manager: Planning & Economic Development

Mr NR Siliga</td><td>The Senior Manager Planning and Economic Development is responsible for the Planning and Economic Development directorate which is responsible for communicating projects, programmes, and activities related to Planning and Economic Development, as well as marketing the Bela-Bela municipal area to attract investment. It coordinates and facilitates investment proposals, liaises with potential and existing investors, promotes tourism, and supports Local Economic Development (LED) initiatives, including the provision of incentives and support to SMMEs. The department further ensures the implementation and enforcement of town planning requirements applicable to developments within the Bela-Bela Municipal area, renders land use management, building control, and housing administration services, and provides surveying and site demarcation services. In addition, the department is responsible for decision-making related to spatial and physical planning, and for developing, reviewing, and advertising by-laws and policies relating to town planning in accordance with applicable legislation.</td></tr>
</table>

Acting Senior Manager: Corporate Services  **Ms MN Ramolobeng**	The Senior Manager Corporate Services is responsible for Corporate Services directorate which is rendering staff acquisition and human resource planning services, administering employee benefits and conditions of service, and managing labour relations, legal relations, and disciplinary processes. It further renders training and development services aimed at improving employee capacity, provides organisational development services to enhance institutional effectiveness, and ensures proper records and document management. In addition, the department delivers information and communication technology services, provides auxiliary and general support services, oversees the drafting, review, and updating of municipal by-laws, coordinates and compiles Council agendas, and provides comprehensive legal advisory and support services to the municipality.
Senior Manager: Community and Social Services  **Ms DS Malope**	The Senior Manager Social and Community Services is responsible Social and Community services directorate mandated to ensure the effective maintenance and management of parks, cemeteries, and community facilities, thereby promoting safe, functional, and accessible public spaces. It is further responsible for rendering protection and emergency services to safeguard lives and property. In addition, the department provides licensing and registration services, delivers integrated waste management and cleansing services to promote environmental health and cleanliness, and coordinates disaster management services aimed at disaster prevention, preparedness, response, and recovery within the municipal area.
Senior Manager: Technical Services  **Ms HB Maswanganyi**	The Technical Services manager is responsible for the Technical Service Directorate which is responsible for the provision and maintenance of water and sanitation services, as well as the construction, upgrading, and maintenance of roads and storm-water infrastructure within the municipal area. The Directorate is further responsible for the provision of electrical services in areas where the Municipality is licensed to supply electricity. In addition, the Directorate provides project planning, coordination, and management services through the Project Management Unit (PMU) to ensure the effective implementation of infrastructure and capital projects.

Manager Strategic Support Services  **Mr TJ Mothapo**	The Manager: Strategic Support Services is responsible for managing the development, implementation, monitoring, and review of corporate strategies, policies, and the institutional transformation agenda. The position further ensures the development and implementation of institutional customer care initiatives to promote a responsive, effective, and people-centred municipality. The Manager leads and manages staff within the Office of the Municipal Manager and provides strategic support by interpreting the financial and non-financial implications of municipal plans, strategies, and goals, including national and provincial policy directives. In addition, the Manager oversees the development and implementation of institutional and operational plans, including the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plans (SDBIP), and the Institutional Performance Management System, and ensures effective communication of the municipality's vision and mission to internal and external stakeholders.

2.2.2 TOP MANAGEMENT

Top management is a structure that make strategic decision by ensuring that the council decision is implemented and enhance the performance of the municipality to meet its mandate. The municipal top management meet once a month and extended top management once per quarter. However, if the is an urgent matter that needs to be attend to, top management can be convened at any time. The table below illustrate municipal top management and extended top management meetings convened on the year under review

Top Management		Extended Top Management	
Date	Attended	Date	Attended
21st August 2024	11	11th July 2024	19
17th September 2024	11		
14th November 2024	12	14th October 2024	25
20th December 2025	12		
14th March 2025	10	15th January 2025	25
25th March 2025 (Special)	10	13th February 2026	22
15th May 2025	13	15th April 2025	27
19 June 2025	11		

Table 11 Top Management and Extended Top Management Meetings

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Bela-Bela Local Municipality participates in different forums for intergovernmental relations which are Premier Mayor's forum, the Municipal Manager's forum, CFOs Forum and Technical Managers forum. The municipal IDP/PMS Divisions also participates in the Provincial and District Municipality's Forums. These prime forums include sector departments operating at the cold face of society and communities. The Presidential hotline is established and deals with queries raised from various stakeholders inclusive of community members.

2.3.2 NATIONAL INTERGOVERNMENTAL STRUCTURES

Besides Provincial forums attended by both officials and politicians, other formal intergovernmental structures are dealing directly with the National Government. The interaction between National Government and the Municipality is done through the Provincial forums which are as follows: The Provincial IDP forum, Premier's Lekgotla, Premier's Monitoring and Evaluation forum and the Monitoring and Evaluation Forum by Limpopo Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA).

2.3.3 PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Provincial Planning forum, Premier's Lekgotla, Premier's Monitoring and Evaluation forum and Limpopo Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA). Bela-Bela Local Municipality attend Provincial Monitoring and Evaluation forum which ensure the correct reporting and alignment on Performance Management, Back to Basic, Circular 88 and all legislative compliance issues

2.3.4 DISTRICT INTERGOVERNMENTAL STRUCTURES

Waterberg District Municipality role is to coordinate, facilitate and provide support to the local municipalities on service delivery and governance-related matters. Bela- Bela Local Municipality participates fully in the Waterberg District forums, such as District Planning Forums, Performance and IDP forums, Back to Basic Forum, the Mayor's forum and the Municipal Managers and the District Development Model forum.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Bela - Bela Local Municipality play a vital role to account and provide feedback to the community by adherence to the adopted process plan. IDP forums and Mayoral Roadshows are held as per schedule. 9 Ward committee are established municipal wide and are functional. Through ward committee system and scheduled IDP/Budget/PMS Representative forums community can hold Council accountable.

The community participation processes have entrenched a culture of involving communities in decision-making processes including finalising the IDP/Budget/PMS of the Municipality. Through the usage of the local media, Council sittings and established Council Committees (ward committees) communities are continuously informed on municipal governance, management, and other development.

2.4 PUBLIC MEETINGS

2.4.1. COMMUNICATION, PARTICIPATION AND FORUMS

Communication is an important element of good governance. It is through communication that the communities and other stakeholders are informed about the activities of the Municipality and thereby getting empowered to participate in the affairs of the Municipality. Section 18 of the MSA stresses the importance of communication between Councils and Communities. It gives guidelines of issues that the Municipality must communicate to its community. It is in this regard that over the years the Municipality has utilized different strategies to encourage community participation as enshrined in

Section 152 of the South African Constitution of 1996. This included programmes of mobilising, informing, and educating, engaging, and empowering communities in Municipal affairs.

IDP/Budget/PMS public participation processes and ward committee meetings are the cornerstone sessions that entrenches community participation and accountability to the community on municipal programmes. The IDP/Budget/PMS process plan is approved by Municipal Council with a schedule indication date, time and venue. The purpose of these meetings is to give feedback and account to the community on the implementation of the IDP/Budget of the Municipality. They are further utilized as a platform to agree on community needs which shapes the planning processes.
Further than the IDP/Budget/PMS public participation processes, the Municipality involves the community on targeted consultations at ward level, with interested and affected stakeholders (NGOs, business, etc.) and through the IDP/Budget /PMS Representative Forums.

Other methods used to communicate with the community includes ward Imbizos, other forms such as media and utilization of the Municipal website. Over and above acquisition and confirmation of community needs, the Rep Forum meeting serves as a platform for Bela- Bela Local Municipality to engage the different stakeholders during the different stages of the IDP Process as a built-up towards the approval of the future budgets, reports on performance on current and past financial years activities

2.5 IDP PARTICIPATION AND ALIGNMENT

2.5.1 IDP / BUDGET AND PMS REP FORUM MEETINGS

The Process Plan is the Municipality's schedule of events detailing all events and activities involved leading to the drafting and completion of the 5 Year Plan Integrated Development Plan (IDP)
It is a statement that outlines in detail all the processes that the Municipality will embark on in completing its IDP cycle". The Local Government: Municipal Systems Act, No 32 of 2000 describes the various core processes that are essential to realizing a system of developmental local government. These aspects include participative governance, IDP, performance management and reporting, resource allocation and organizational change. These processes are linked into a single cycle at the local level that will align various sectoral initiatives from national and provincial government departments with municipalities own capacities and processes.
Bela – Bela Local Municipality is adhering to the adopted municipal process plan for the year under review. Four IDP meeting were held and government, sector departments, NOG, NPO, ward committee members, CDWs, people with special needs, all councillors etc were invited. The 2024/2025 IDP/Budget and PMS representative forum were held as follows on the table below.

Date	Time	Venue
26th of August 2024	10H00	Multi – purpose Centre
12th of November 2024	10H00	Multi – purpose Centre
19th of March 2025	10H00	Multi – purpose Centre
22nd of May 2025	10H00	Multi – purpose Centre

Table 12 IDP/Budget and PMS Representative Forum Meetings

2.5.2 IDP ALIGNMENT

The municipal manager of a municipality must submit a copy of the integrated development plan as adopted by the council of the municipality, and any subsequent amendment to the plan, to the MEC for local government in the province within 10 days of the adoption or amendment of the plan.

The copy of the integrated development plan to be submitted in terms of paragraph (a) must be accompanied by—
(i) a summary of the process referred to in section 29(1).
(ii) a statement that the process has been complied with, together with any explanations that may be necessary to amplify the statement; and
(iii) in the case of a district and a local municipality, a copy of the framework adopted in terms of section 27.
The MEC for local government in the province may, within 30 days of receiving a copy of an integrated development plan or an amendment to the plan, or within such reasonable longer period as may be approved by the Minister, request the relevant municipal council—
(a) to adjust the plan or the amendment in accordance with the MEC's proposals, if the plan or amendment—
(i) does not comply with a requirement of this Act; or
(ii) is in conflict with or is not aligned with or negates any of the development plans and strategies of other affected municipalities or organs of state; or
(b) to comply with the process referred to in section 29, or with a specific provision of this Act relating to the process of drafting or amending integrated development plans if the municipality has failed to comply with that process or provision, and to adjust the plan or the amendment if that becomes necessary after such compliance.
(3) A municipal council must consider the MEC's proposals, and within 30 days of receiving the MEC's request must—
(a) if it agrees with those proposals, adjust its integrated development plan or amendment in accordance with the MEC' s request; or
(b) if it disagrees with the proposals, object to the MEC's request and furnish the MEC with reasons in writing why it disagrees
MECs three consecutive years Assessment Reports

2022/2023	2023/2024	2024/2025
HIGH	HIGH	HIGH

Table 13 MEC Assessment Rating (IDP Alignment)

COMPONENT D: CORPORATE GOVERNANCE
2.6 OVERVIEW OF CORPORATE GOVERNANCE

To ensure accountability and governance arrangements are in place, Section 121 (2)(c) of the MFMA supports the requirements of Section 18(1)(d) of the MSA of 2000: stipulates that information on matters of governance should be communicated to communities. This should, according to Sections 65(1)(a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of the annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

2.6.1 RISK MANAGEMENT

Risk management is an integral component of good management and decision-making at all levels. It is about making decisions that contribute to the achievement of the Municipality's objectives.

The purpose of an Enterprise Risk Management (ERM) process is to ensure that all significant risks that the Municipality is exposed to (whether at an executive, cluster, branch, component, or project level) are proactively identified and managed to acceptable levels continuously. The key drivers to embed such a process within the Municipality are:

a) The avoidance of unplanned impacts because of risks that take us by surprise.
b) The need to protect the Municipality's reputation and image.
c) To comply with the requirements of applicable laws and regulations.
d) To ensure that we live the Municipality's values and comply with our code of conduct, and
e) To foster a culture of responsible risk-taking.

Risks are defined as 'uncertain future events that could influence the achievement of objectives. These could include strategic, operational, financial and compliance objectives. Some risks must be taken in pursuing the opportunity, but the organization should be protected against avoidable losses.

In turn, ERM is defined as a 'process that is affected by people at every level of an organization, is applied in strategy setting and across the organization. It is designed to identify events potentially affecting the entity and manage risks within its risk appetite. It further provides management and the Executive Authority with reasonable assurance regarding the achievement of the entity's objectives.

The definition of ERM reflects certain fundamental concepts. It is:

- A process, ongoing and flowing through an entity.
- Affected by people at every level of the organization.
- Applied in strategy setting.
- Applied across the business, at every level and unit,
- Includes taking an entity level portfolio view of risk.

Designed to identify potential events that, if they occur, will affect the entity and manage risk within its risk appetite.
Able to provide reasonable assurance to an entity's management and oversight structure; and
Geared to the achievement of objectives in one or more separate but overlapping categories.

Benefits of risk management

- Some of the benefits of risk management can be summarized as follows:
- Ensure that management is focused on strategic objectives
- Identifies and manages cross-organizational risks
- Provides integrated responses to risks
- Ensures rationalization of capital and financial resources

The Municipality has a risk management committee composed of the head of departments and chaired by an independent external person.

2.6.1.1 The municipality has appointed Risk management Committee members as follows:

The municipality has appointed the Risk Management and Compliance Committee Chairperson in terms of the Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA) for the period of three years.

The chairperson of Risk Management and Compliance Committee will be accountable to the management and Performance Audit Committee. Will also advice the municipality on Risk Management as stipulate in Section 166 (2) (a) (ii) of the MFMA. All municipal senior managers are members of the Risk Management and Compliance Committee as stated below:

Ms RP Mpete - Chairperson (external and independent)
Mr TG Ramagaga - Municipal Manager
Mr NR Siliga - Senior Manager: PED
Mr RM Marutha - CFO
Mrs MN Ramolobeng - Acting Senior Manager: Corporate Services
Mr DS Malope - Senior Manager: SOCOM
Ms HB Maswanganyi - Senior Manager: Technical Services
Mr TJ Mothapo - Manager Strategic Support Services
Mr TD Magagane - Chief Risk Officer: Secretariat

2.6.1.2 Top Risk

The municipality has identified the following 10 top risk on the table below

1) High service delivery backlog.
2) Ageing and under capacitated infrastructure
3) Aging ICT infrastructure
4) Litigations against the municipality
5) Illegal dumping of waste
6) Cashflow constraints
7) Negative audit outcome
8) Lack of land for human settlement near economic activities
9) Lack of economic development and growth
10) Litigations against the municipality

Section 62(1) (b) of Municipal Finance Management Act of 2003(Act no. 56 of 2003) states that: “The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that that the municipality has and maintains effective, efficient and transparent systems—
(i) of financial and risk management and internal control; and
(ii) of internal audit operating in accordance with any prescribed norms and standards;

2.6.1.3 Risk Management and Compliance Committee meetings.

The risk management and compliance committee sits every quarter to discuss risks that threaten the municipal objectives. Risk and Compliance Management Committee meetings were scheduled and held as follows on the table below:

Date	Venue
10th July 2024	Virtual
07th November 2024	Virtual
04th February 2024	Virtual
23rd April 2024	Virtual
24th June 2025	Virtual

Table 13 RMCC Meetings

2.6.2 ANTI - CORRUPTION AND ANTI - FRAUD

Bela-Bela Local Municipality has priorities fraud risk management as per the Local Government Municipal Finance Management Act (MFMA) No 56 of 2003. Fraud prevention policy and plan are in place. The hotline through which service delivery complaints are received and whistleblowers anonymous are reporting is centralized at the District Municipality and as well as at the Office of the Premier. To instill confidence in the anonymous reporting of incidents of fraud and corrupt activities, the hotline is managed independently. Bela- Bela Local Municipality has sound internal controls in place to work as a deterrent and to also prevent the occurrence of fraud. All reported cases are monitored, investigated, and discussed during the Top and Broader Management meetings as well as during the Audit Committee meetings. Internal Audit and Risk Management Committee assist to detect fraudulent and corrupt activities. The municipality has developed Anti - Fraud and Anti – Corruption Strategy

2.6.3 SUPPLY CHAIN MANAGEMENT

Section 112 of the Municipal Financial Management Act (MFMA) No.56 of 2003 requires municipalities to have a Supply Chain Management Policy which is fair, equitable, transparent, competitive, cost-effective and complying with the prescribed regulatory framework. As guided by the above mentioned Act Bela-Bela Local Municipality revised its SCM Policy during the 2022/2023 financial year to comply and implement the provisions of Section 112 of MFMA and taking into account other development in Supply Chain Management (SCM) such as the new South African Revenue Services (SARS) phasing out of tax clearance certificates and introduction of compliance PINs, the new Centralized Supplier Database (CSD) and the e-Tender advertisement platform.

With regards to the Supply chain management policy, Municipality amended the policy in the middle of the financial because of the amended regulation in the preferential procurement policy framework act. The process was subjected to public participation since is the budget related policy.

The Municipality is also adhering and complying with Section 26(b) of Local Government Municipal Finance Management Regulations, which allows the Accounting Officer to appoint members of bid committees as and when required.

2.6.4 BY-LAWS

The municipality has the following by-laws the helps to govern and provide the services to the municipality effectively.

By-Law	Status
Planning and Economic Development	
SPULMA by-law	Adopted in 2017
Informal Trading by-law	Adopted in 2021
Outdoor advertisement by-law	Adopted in 2021
Social and Community Development	
Solid Waste by-law	Adopted in 2023
Animal by-law	Adopted in 2023
Noise abatement and Prevention of nuisance by-law	Adopted in 2023
Budget and Treasury	
Property Rate by-law	Adopted in 202
Tariffs by-law	Adopted in 2021
Indigenous Support by-law	Adopted in 2021
Credit Control and Debt Collection by-law	Adopted in 2021
Technical Services	
Water supply by-law	Adopted in 2011

Table 14 By-Laws

2.6.5 WEBSITES

Section 21B of the Local Government Municipal Systems Act (MSA) No 32 of 2000 requires Municipalities to establish official Municipal Website depending on its affordability, the Municipality is further expected to place on the Municipal Website information required to be made public in terms of the MSA and the Local Government Municipal Finance Management Act (MFMA) No 56 of 2003.Currently the website is being upgraded by the current hosting government entity SITA for better public engagement, public access to information and for security and compliance. Documents that were uploaded on the municipal website are listed on table below:

Municipal Website Content	
Documents published on the Municipal Website	YES/ NO
Current annual and adjustments budget and all budget-related documents	Yes
All current budget-related policies	Yes
All quarterly reports tabled in Council in terms of Section 52 of the Municipal Finance Management Act no 56 of 2003 during 2024/2025 Financial Year	Yes
Previous Annual Report (2023/2024)	Yes

All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act no 32 of 2000	Yes
All service delivery agreements 2024/2025	N/A
All long-term borrowing contracts 2024/2025	N/A
All supply chain management contracts above a prescribed value give the value for 2024/2025FY	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 2024/2025 FY	Yes
Contracts agreed in 2024/2025 to which subsection (1) of Section 33 applies, subject to subsection (3) of that section	N/A

Table 15 Municipal Website Content

6.2.5.1 COMMENT MUNICIPAL WEBSITE CONTENT AND ACESS

In terms of Section 75 of the Municipal Finance Act, No 56 of 2003, the Accounting Officer of a Municipality is expected to place on the municipal website referred to in section 21 of the Local Government Municipal Systems Act No 32 of 2000 information as may be required and prescribed by the above-mentioned Acts. It is in this regard that Bela-Bela Local Municipality established its website which is regularly updated.

2.6.6 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality did not conduct a Customer Satisfaction Survey during the 2024/2025 financial year; However, a Customer Care Unit is in place and functional, and is effectively gathering service delivery issues and complaints forwarded by community members. The information gathered by the Customer Care Unit is communicated to various departments within the Municipality to be attended to as soon as possible. Issues raised that are not for the Municipality are referred to relevant departments via the Office of the Mayor. Only one community protest took place in the 2024/2025 financial year.

2.7 ALL MUNICIPAL OVERSIGHT COMMITTEES

2.7.1 FINANCIAL MISCOUNDUCT DISCIPLINARY BOARD

The Municipality has established a financial misconduct disciplinary board in line with Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. The purpose of the board is to investigate any financial misconduct. The Financial Misconduct Board was appointed by the municipal council on the 30th of June 2025 with council resolution number 165/06/2025

Composition of the Board is as follows

Ms. A K Mabitsela - Chairperson
Mr. N Marobane - Member
Chief Audit Executive – Member
Mr T Manaka legal – Member
Mr Provincial treasury representative - Member

2.7.1.1 Financial Management Board meetings.

The municipality has established Financial Management Board 2024/2025 meetings were scheduled and held as illustrated below*:*

DATE	VENUE
12 July 2024	Virtual meeting
22 October 2024	Virtual meeting
23 January 2025	Virtual meeting
28 January 2025	Virtual meeting

Table 16 FMB Meetings

2.7.2 INTERNAL AUDIT DIVISION

The Internal Audit is an integral part of the municipality for good governance. The Internal Audit division is the office of the Municipal Manager. It assists with coordination of the Performance and Audit Committee meeting. The Internal Audit Division is responsible for evaluating the adequacy, effectiveness and efficiency of the internal control system and performance management. The Division provides the necessary assurance and advisory services to the organization and reports quarterly to the Performance and Audit Committee. The Municipal Council appointed the Performance and Audit Committee on the 1st of May 2022 with Council Resolution number 100/04/2022 for a period of three years until 30 April 2025. Subsequently the Municipal Council appointed a new Committee on the 30th of June 2025.

2.7.2.1 The composition of the Performance and Audit Committee members is as follows as illustrated below:
The Performance and Audit Committee id chaired by independed and external person

- Mr SAB Ngobeni - Chairperson
- Ms. A K Mabitsela - Member
- Ms. T Mathabatha - Member

2.7.2.2 Performance and Audit Committee meetings.

The Performance and Audit Committee were scheduled and held as follows:

DATE	VENUE
16th of July 2024,	Virtual meeting
19th of August 2024	Virtual meeting
28th of August 2024	Virtual meeting
12th of November 2024	Virtual meeting

29th of November 2024	
27th of February 2025	
25th of April 2025	

Table 17 PAC Meetings

2.7.2.3 REPORT OF THE PERFORMANCE AUDIT COMMITTEE ON BELA-BELA LOCAL MUNICIPALITY

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

- **Performance Audit Committee Responsibility**

The Performance and Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by the National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

- **Performance and Audit Committee members and attendance**

The Audit Committee members were appointed on the 30 June 2025. The appointment is with effect from 01 July 2025 for three (3) years.

- **Evaluation of Financial Statements**

The Audit Committee has Reviewed and discussed the Annual Financial Statements. Therefore, the Audit Committee concurs and accepts the conclusions on the Annual Financial Statements and is of the opinion that the annual financial statements be accepted and read together with the report of the Auditor-General.

- **The Effectiveness of Internal Control**

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Municipality revealed certain weaknesses, which were then raised with the Municipality.
There has been an improvement in the system of internal control of the Municipality and reducing qualification issues of the previous year. There are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General. In certain instances, the matters reported previously have not been fully and satisfactorily addressed. The Audit Committee notes management's commitment to correct the deficiencies. During the year under review, there was consistent monitoring of action plans and progress.

- **In-Year Management and Monthly/Quarterly Report**

The Municipality has a monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA). Monitoring and reviews of performance information were periodically in the year under review.

- **Performance Management**

The AC reviewed the functionality of the performance management system, and it appears to be functional, however, there is room for improvement so far as the achievement of planned targets is concerned.

- **Risk Management**

The PAC is of the opinion that the Municipality's risk management appears to be effective, and the Municipality did implement a comprehensive risk management strategy, related policies, compliance with laws and regulations. A number of non-compliance with the enabling laws and regulations were revealed by Internal Audit during the year. Thus, there is room for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

- **Internal Audit**

The PAC is satisfied with the effectiveness of Internal Audit and commends Management and Council for supporting the unit. The position of additional Internal Auditor has been filled and the appointee commenced duties on the 1st of September 2025.

- **Performance Management system**

The AC is satisfied that management did implement an effective management system, however, there is room for improvement in so far assessment of external service providers' performance regularly.

- **Conclusion**

The Performance and Audit Committee wishes to acknowledge the commitment from the Council, management and staff of the Municipality. The stability in terms of the political and administrative leadership of the Municipality has contributed to these improvements reported above. We would also like to thank the Mayor for her support, Councilors, Senior Management, for their efforts and internal audit for their contribution.

ASB

Mr SAB Ngobeni
Chairperson of the Audit Committee
Bela-Bela Local Municipality \

2.7.4 Municipal Public Accounts Committee

The Municipal Public Accounts Committee (MPAC) is established in terms of Section 79A of the Local Government: Municipal Structures Act, No. 117 of 1998, to strengthen Council oversight over municipal financial management and governance. In line with the Constitution of the Republic of South Africa, 1996, and the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA), MPAC plays a critical role in promoting accountability, transparency, and sound financial administration by scrutinising financial reports, audit outcomes, and matters relating to unauthorised, irregular, fruitless, and wasteful expenditure, and by making recommendations to Council.

Ordinary	Special
8x Ordinary MPAC meetings convened as follows: **04 July 2024** **14 November 2024** **16 January 2025** **11,12 and 13 February 2025** **07 March 2025** **08 May 2025**	N/A

Table 18 MPAC Meetings

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 INTRODUCTION TO BASIC SERVICES

This section provides an overview of the Municipality's performance in delivering water services, wastewater (sanitation) services, electricity services, and roads and stormwater services during the 2024/25 financial year.

Bela-Bela Local Municipality (BBLM) serves an estimated population of approximately 64,309 individuals, reflecting an 8.42% decrease (11,987 people) since the Community Survey of 2016. According to Census 2022, the municipal area comprises 22,449 households, representing an 18.9% increase from the 2011 Census. Of these, approximately 14,497 households are classified as Urban Residential in terms of the Spatial Development Framework (SDF), Bela-Bela 2011, while the remaining households fall within Unproclaimed, informal or rural settlements.

The inclusion of Savannah Estates in service delivery planning has become essential. Although located near the boundary of Dr JS Moroka Local Municipality (Mpumalanga), the Municipal Demarcation Board has confirmed that the settlement falls fully within the jurisdiction of Bela-Bela Local Municipality. This places an obligation on BBLM to plan, budget, and deliver municipal services to this community.

WATER SUPPLY

Despite operational challenges, the Municipality successfully ensured water supply across the entire municipal area for the duration of the 2024/25 financial year. As both the Water Services Authority and Water Services Provider, the Municipality maintained stable provision to Bela-Bela Town and Township, and other outlying settlements.

Magalies Water continued supplying bulk purified water to Bela-Bela and Pienaarsrivier at a contracted 7.5 ML/day, although actual deliveries averaged approximately 4.5 ML/day. To strengthen long-term supply security, the Municipality advanced the Tsakane Water Augmentation Project, initiated in 2023/24 financial year and scheduled for completion in the 2025/26 financial year. Additionally, the Housing Development Agency (HDA), through CoGHSTA, implemented water supply upgrades in Vingerkraal by rehabilitating and securing a previously vandalised borehole and upgrading the storage facility. This project is nearing completion.

SANITATION AND WASTEWATER MANAGEMENT

Sanitation systems remain under strain due to ageing wastewater infrastructure, stormwater ingress, and growing settlement development. Key progress achieved during the year includes:

- Completion of the Warmbad Wastewater Treatment Works (WWTW) refurbishment through WSIG funding.
- The full upgrade of the WWTW which is critical for newly formalised areas such as Ext 8, Ext 9 and Ext 25, still awaits contractor appointment by CoGHSTA.
- Pump station upgrades progressed: Ext 6 was completed, Leseding reached practical completion, and Settlers Pump Station advanced in construction.
- Designs for upgrading Aventura Pump Station are scheduled for 2025/26 financial year.
- CoGHSTA is implementing bulk services for major housing development areas including Jacob Zuma and Masakhane (Marikana). However, services in Ext 25 (Koppewaai) have been suspended following a SAHRA stoppage order, pending completion of required heritage and archaeological assessments in the development area.

Long-term project prioritisation continues to be guided by the Water and Sanitation Master Plan and the Water Services Development Plan, both approved by Council in 2022/23 financial year.

ROADS AND STORMWATER

The Municipality intensified routine road maintenance and regularly conducted road visual assessments to monitor and improve accessibility across all communities. However, the stormwater drainage system remains under-capacitated and aged, requiring substantial upgrades to improve resilience, reduce flooding risks, and safeguard road networks.
To address these challenges, Council approved funding in the 2025/26 financial year for developing a comprehensive Roads and Stormwater Master Plan. While the Municipal Infrastructure Grant (MIG) is used to improve road conditions particularly in Township areas, the allocation remains insufficient to clear the extensive backlog of road rehabilitation and stormwater upgrades required in both Town and Township.

ELECTRICITY SUPPLY

The Municipality maintained electricity supply to Bela-Bela Town, the Township, and farming areas despite infrastructure capacity constraints and a largely reactive maintenance environment. Bulk supply limitations remain a key barrier to reliability and future growth.
Progress on the Bela-Bela 20MVA Substation Project continued during the year:
Construction of the municipal distribution-side is underway through INEP funding.
The Municipality achieved contractual headway with Eskom for the construction and connection of its transmission-side/ Switching Station, scheduled for implementation in subsequent financial years through INEP funding allocated to the Municipality. Therefore, a self-build contract was concluded with Eskom and the overall project will be completed once Switching Station of Eskom becomes operational.
Electrification backlogs persist in Koppewaai (Ext 25) and Ext 9, where illegal connections pose significant risks to public safety and network stability. Despite repeated disconnections, affected communities continue to reconnect illegally, further stressing the electrical grid.

STRATEGIC AND FINANCIAL OUTLOOK

The Municipality continues to advance strategic infrastructure planning through the Electrical Master Plan, Water Services Development Plan, and Water and Sanitation Master Plan. However, persistent funding constraints remain a major challenge. The Municipality is actively pursuing additional funding sources, including the Regional Bulk Infrastructure (RBIG) application submitted to the Department of Water and Sanitation (DWS) for upgrading the Bela-Bela Water Treatment Works, to accelerate infrastructure improvements and enhance service reliability across all service-delivery sectors.

3.2. INTRODUCTION TO WATER PROVISION

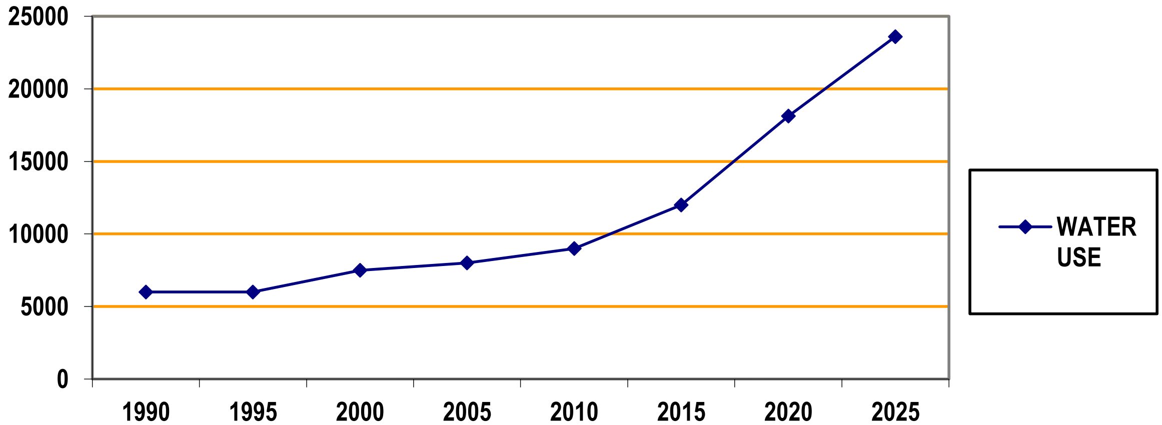
Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

Bela-Bela Local Municipality is predominantly supplied with water from the Warmbaths and Platrivier Dams, both of which improved in yield due to above-average rainfall during the year under review. The raw water is treated at the Bela-Bela Water Treatment Plant, and the supplementary potable water is sourced from Magalies Water and groundwater from boreholes, with water tankers utilised in areas where infrastructure is insufficient.
Savannah Estate does not have any formal water supply infrastructure, as it remains an informal settlement under the Bakgatla Tribal Authority. The area does not have water infrastructure. Therefore, the Municipality provides water exclusively through water tankering. This arrangement places additional pressure on limited municipal resources and highlights the need for a long-term sustainable solution once land tenure, formalisation and planning processes are finalised.

3.2.1 WATER DEMAND

The total water demand within the Municipality is currently 18,138 kL/day and based on the water demand growth curve illustrated in Graph 10, the estimated demand is expected to rise to approximately 18,800 kL/day by 2025, including Savannah Estate (Source: Zutari Situational Analysis Report - 2023).

GRAPH 3: WATER DEMAND



3.2.2. BULK WATER RESOURCES IN BELA-BELA LOCAL MUNICIPALITY

Bulk Water supply for the Bela-Bela area of jurisdiction is sourced as follows: Potable water from Magalies Water Board (Klipdrift WTW),Warmbad/ Platrivier Dams (Bela- Bela Water Treatment Works) Boreholes/ Ground Water

AVARAGE BULK WATER SUPPLY

Main Source/ Dam	Bulk Resources	Coverage	WATER SUPPLY					
			Expected Volume (kL/Month)	Water Demand (kL/Month)	% of Contribution	Actual Delivery (kL/Month)	% Contribution (Expected Volume)	% Contribution (Demand)
Roodepoort Dam	Magalies Water (Klipdrift Water Treatment Works)	Bela-Bela Town and Township	180 784	441 784	41%	193 664	100%	45.4%
Warmbaths / Platrivier Dams	Bela-Bela Water Treatment Works (WTW)	Bela-Bela Town and Township	225 000		51%	131 270	58.3%	30.8%
Boreholes	Showground, Park, Outpost and Roodepoort	Bela-Bela Town and Township	36 000		8.2%	0	0	0
Roodepoort Dam	Magalies Water (Klipdrift Water Treatment Works)	Pienaarsrivier	40 000	82 300	48.6%	47 279	100%	57.4%
Boreholes	Rapotokwane	Rapotokwane	4 080	4 395	93%	521	12.8%	11.9%
Boreholes and Water Trucks	Tsakane	Tsakane	2 700	2 292	100%	973	36.0%	42.5%
Boreholes	Masakhane/ Radium	Masakhane/ Radium	5 100	6 870	74.2%	836	16.4%	12.2%
Boreholes and Water Trucks	Vingerkraal	Vingerkraal	7 800	1 040	unknown	-	-	-
TOTALS			501 464	538 681	93.1%	374 543	79.1%	71.6%

Table 19 AVARAGE BULK WATER SUPPLY

Notes:

*** The expected volume/day is based on the capacity of the Bulk Resources. The expected volume per month = 30days X expected volume/day.

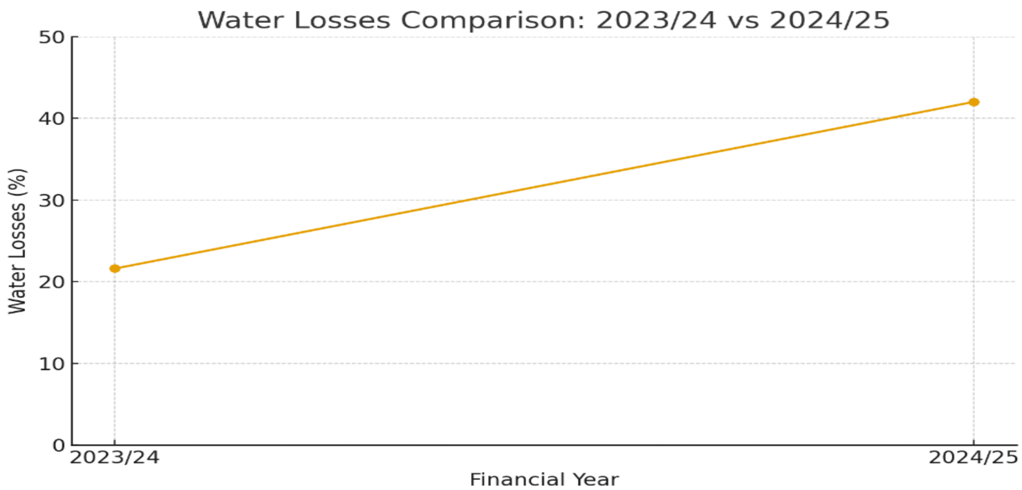
*** The % Contribution is rounded off to 1 decimal place

Key findings from the table above indicate a clear municipality-wide supply deficit across surface water, bulk supply and groundwater systems:
Bela-Bela Town and the Township currently receive only 58.3% of the expected output from the Bela-Bela Water Treatment Works (WTW), while Magalies Water contributes 45.4% of the area's demand. Despite these multiple supply sources, reservoir levels recover to an average of 60–70% daily, necessitating night-time restrictions from 21:00 to 04:00 to allow reservoirs to recharge.
Borehole-dependent settlements including Tsakane, Rapotokwane Village, Masakhane (Radium) and Vingerkraal, receive substantially less than their monthly demand due to limited groundwater yield, mechanical failures and borehole downtime.
Tsakane, Rapotokwane and Masakhane currently receive only 12% to 42% of their minimum required demand, reflecting chronic undersupply and heightened vulnerability to outages.
Vingerkraal and Rapotokwane are further impacted by theft and vandalism, including the stripping of pumps, electrical components and borehole equipment, which significantly reduces operational reliability and increases supply interruptions.
Savannah Estate, an informal settlement under the Bakgatla Tribal Authority, has no water infrastructure (no boreholes, storage or reticulation). The Municipality therefore supplies the settlement exclusively through water tankering, adding pressure on limited operational resources.
To respond to these systemic water supply deficits:
The Municipality is applying for an increase in licensed abstraction limits from its dam sources to better align supply with current and future demand.
The Municipality has applied for Regional Bulk Infrastructure Grant (RBIG) funding to upgrade the Bela-Bela Water Treatment Works, which is critical for long-term capacity augmentation.
Magalies Water is implementing the Klipvoor Bulk Water Supply Project, a multi-municipal regional bulk initiative aimed at improving long-term supply security across several local and district municipalities. Construction of the Bela-Bela section of the Klipvoor Project is scheduled to commence in June 2026, which will significantly strengthen future bulk water availability and reduce dependence on constrained local sources.
The Tsakane Water Augmentation Project is ongoing as a multi-year project for upgrading and securing existing boreholes, installing new borehole capacity, constructing a new storage tank, and installing metered yard connections to stabilise supply and reduce reliance on water tankering.
The Vingerkraal Water Supply Upgrade (HDA & CoGHSTA Support) is currently in its final phase, and the scope of work includes re-equipping and securing a vandalised borehole, Upgrading the storage facility to improve supply reliability, installing improved pumping and reticulation components. This intervention is central to improving supply in one of the municipality's most vulnerable groundwater-dependent settlements.
Overall, the analysis confirms that the current water supply system of Bela-Bela is under severe stress across both bulk and groundwater infrastructure, requiring coordinated interventions, infrastructure upgrades, and regional bulk support to restore long-term reliability.

3.2.3 WATER LOSSES

The Municipality recorded water losses of 21.6% in 2023/24, increasing significantly to 42% in 2024/25. These losses are part of Unaccounted-for Water (UFW) and are attributed to:
Technical losses (leakages, bursts, ageing pipelines, high-pressure zones)
Commercial losses (illegal connections, meter tampering, non-payment, unmetered consumption)

GRAPH: 4 WATER LOSSES



The sharp rise in losses indicates severe network inefficiencies and highlights the urgent need for:

- Meter replacement
- Pressure management
- Replacement of ageing infrastructure
- Leak detection and rapid repairs
- Enforcement against illegal connections
- Water awareness and conservation programmes

COMMENT ON WATER USAGE

Water usage in Bela-Bela Town and the Township remained generally stable, although the system operated under pressure due to limited bulk supply, high water losses, and reservoir levels recovering only 60–70%, requiring night-time restrictions. The Bela-Bela Water Treatment Works and Magalies Water continued to supply the area but demand frequently exceeded available capacity.

The most severe water shortages occurred in borehole-dependent settlements being Masakhane (Radium), Rapotokwane Village, Vingerkraal and Tsakane, were affected by low groundwater yields, frequent pump failures, vandalism and infrastructure deterioration. Many of these areas received only a fraction of their required demand and required supplementary water tankering.

Savannah Estate has no formal water infrastructure and relies entirely on water tankering as an informal settlement under the Bakgatla Tribal Authority.

In contrast, Pienaarsrivier, which is supplied exclusively by Magalies Water, did not experience supply interruptions. Challenges in this area are mainly related to non-payment, rather than water availability.

Overall, the water usage profile of the Municipality reflects urban system constraints, critical shortages in borehole-reliant communities, and stable supply but financial non-compliance in Pienaarsrivier, highlighting the need for continued augmentation, infrastructure protection and improved demand management.

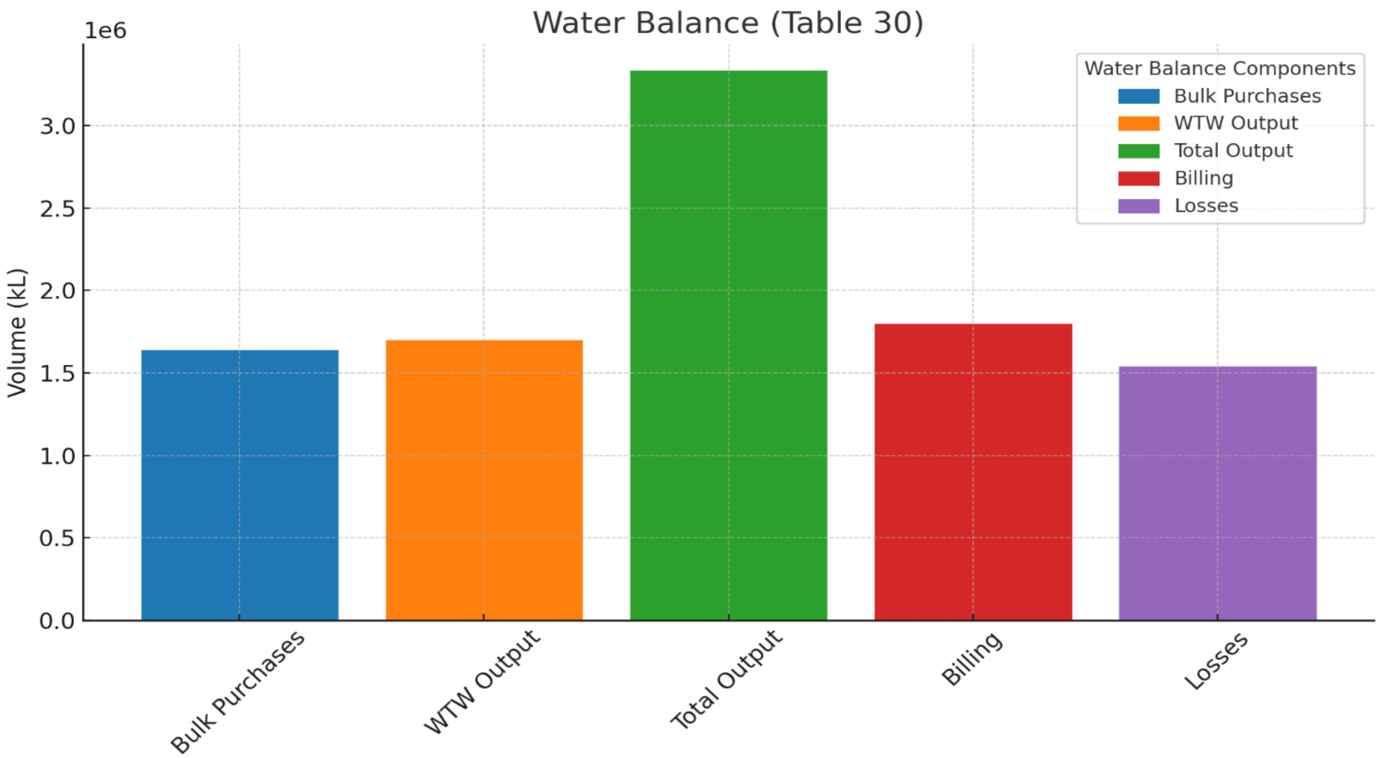
WATER BALANCE

Bulk Purchases (kL)	Output WTW (kL)	Total Output (kL)	Billing (kL)	Loss (kL)
1 636 282	1 693 500	3 329 782	1 793 259	1 536 523

Table 19 WATER BALANCE

Bulk purchases are nearly equal to WTW output, showing strong dependence on both Magalies Water and Municipal production.

GRAPH 5: WATER BALANCE



Graph 5 above demonstrates the widening gap between production and billed consumption, illustrating the severity of system losses.
Due to the high-water losses, the following Water Conservation and Demand Management actions are prioritized:

- Replacement of Non-functional meters
- Reduce pressure in the reticulation system
- Reduce water losses to minimum acceptable levels
- Education & awareness
- Replacement of ageing infrastructure
- Continuous repair of water pipe bursts/ leakages
- Enforcement of bylaws against illegal connections, water theft and vandalism

3.2.4 RESIDENTIAL WATER SERVICES DELIVERY ACCESS PROFILE [WATER]

Census 2022 shows that 86.4% of Bela-Bela households have piped water inside the dwelling or yard. In the 2024/ 2025 financial year, 377 households were connected to the formal water infrastructure in Ext 25 (Koppewaai), thus improving access and reducing reliance on standpipes and alternative sources. SAHRA later issued a stoppage order after potential heritage and archaeological sensitivities were identified in the area, halting the remainder of the project until statutory assessments are completed. Despite this interruption, the completed connections contributed to a measurable increase in households receiving water through the municipal network and enhanced overall service-delivery coverage.

3.2.5 ESTIMATED ACCESS TO WATER SERVICES

Census Category	Description	2022 (Census)	2023 (Est.)	2024 (Est.)
Piped (tap) water inside dwelling	House connections	9 400 (41.9%)	9 650 (43%)	10 027 (44.6%) (incl. 377 new Ext 25 connections)
Piped (tap) water inside yard	Yard connections	10 000 (44.5%)	10 100 (45%)	10 100 (45%)
Piped water at community stand (<200 m)	Standpipe connection	1 990 (8.9%)	1 889 (8.4%)	1 512 (6.7%)
Households without piped water in dwelling/yard	Borehole, tanker, spring, etc.	3 059 (13.6%)	2 999 (13.3%)	2 622 (11.7%) (reduced by 377)
Regional / Local Water Scheme	Municipal / Magalies Water	18 187 (81%)	18 400 (82%)	18 777 (83.6%)
Total households	Census baseline	22 449	22 449	22 449

Table 20 ESTIMATED ACCESS TO WATER SERVICES

(Source: Census 2022)

In addition to the current residential water access levels presented in Table 31, progress has been made in expanding water infrastructure in newly formalised and developing settlements. During the 2024/25 financial year, CoGHSTA commenced implementation of internal water services in the Jacob Zuma and Masakhane (Marikana) settlements. These works include the installation of internal water reticulation, yard connections and supporting bulk linkages to ensure alignment with township establishment requirements. Their commencement marks a significant step in reducing historic water-service backlogs and unauthorised connections in these previously unserviced communities.

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

The Department of Water and Sanitation (DWS) conducted the Blue Drop Audit for the 2022/2023 financial year, with the system analysis component completed. Bela-Bela Local Municipality achieved an overall Blue Drop Risk Rating (BDRR) score of 40.1%, indicating that while the Municipality performs adequately within the main Bela-Bela/Magalies Water Supply System (WSS), significant improvements are required in groundwater systems, monitoring frequency, technical skills, and process control to fully comply with national drinking water standards.

DWS undertook the Blue Drop Programme Assessment Tool (BD-PAT) across all Bela-Bela water supply systems for the 2023/24 financial year cycle. The BD-PAT is a mid-cycle diagnostic that evaluates water safety planning, monitoring, risk management, and operational readiness ahead of the next full Blue Drop Certification. According to the national process plan, BD-PAT results are scheduled for release in December 2025, assuming timelines remain on track. The next full Blue Drop Certification audit is expected to take place in 2026, covering the 2024/25 financial year. The Municipality anticipates improved performance during the next audit cycle, although operations continue to be affected by staffing shortages, ageing infrastructure and budgetary constraints.

3.2.6 BLUE DROP ASSESSMENT FINDINGS AND INTERPRETATION

BLUE DROP SCORES AND SYSTEM INTERPRETATION (2023)

Criteria	Bela-Bela / Magalies WSS		Radium Borehole System		Rapotokwane Borehole System	
	Score	Interpretation/ Risk Notes	Score	Interpretation/ Risk Notes	Score	Interpretation/ Risk Notes
Design Capacity (ML/d)	47	Adequate	1	Small system	1.47	Small system
% Operational Capacity	82.6%	Within design → Low risk	80%	Within design → Low risk	108.8%	Overloaded → non-compliant
Microbiological Compliance	98.8%	Excellent	100%	Excellent	0%	No monitoring – high health risk
Microbiological Monitoring Compliance	81.3%	Acceptable	0%	Not monitored	0%	Not monitored
Chemical Compliance	98.5%	Excellent	90.9%	Adequate	0%	None – risk unknown
Chemical Monitoring Compliance	50%	Below 80% required	20.6%	Poor	17.7%	Very poor
Technical Skills Availability	71%	Adequate	0%	No qualified staff	0%	Non-compliant (Regulation 3630)
Water Safety Plan	73.1%	Implemented	0%	None	0%	None
BDRR Score	38.2%	Low Risk	44.7%	Low Risk (weak monitoring)	98.4%	Critical Risk

Table 21 BLUE DROP SCORES AND SYSTEM INTERPRETATION (2023)

Key Observations

Bela-Bela/Magalies WSS remains the strongest system, with excellent water quality but insufficient monitoring frequency. Radium shows acceptable microbiological results but inadequate chemical monitoring and no technical skills. Rapotokwane presents critical risk, with over-abstraction, no monitoring, no Water Safety Plan, and lack of process controllers.

3.2.7 REGULATORY RECOMMENDATIONS AND ACTION PLAN

BLUE DROP REGULATORY RECOMMENDATIONS AND ACTION PLAN

Regulatory Recommendation	Action Plan (WSA)	Timeframe	Progress
Install calibrated meters at Rapotokwane	Install flow meters; verify abstraction	2025/26 FY	Planned; manual monitoring in place
Reduce abstraction to design limits for Radium and Rapotokwane	Pump schedules; explore new boreholes	Ongoing	Abstraction reduced slightly
Strengthen microbiological & chemical monitoring	Implement the full SANS 241 monitoring schedule by improving sampling	Ongoing	Package treatment plants deployed in Rapotokwane and Masakhane to improve final

Regulatory Recommendation	Action Plan (WSA)	Timeframe	Progress
	frequency, retesting and operational controls, and applying corrective measures for all microbiological and chemical failures to ensure continuous compliance across all water supply systems.		water quality and address chemical & microbiological risks. Flushing of the network, reservoir cleaning, and operational optimisation are ongoing
Improve chemical monitoring for Bela-Bela WSS	Increase sampling; stable reagent supply	Ongoing	Improved from 50% to ±70%
Implement corrective actions for failures	Retesting & dosing adjustments	Ongoing	Failures managed successfully
Appoint skilled staff (Reg. 3630)	Fill process controller and artisan posts; implement training and classification programme	2026/ 2027 FY	Vacancies persist due to resignations and budget constraints; training is required; the organisational structure is non-compliant with Regulation 3630 and, in line with the Municipal Staff Regulations, can only be reviewed in the next term of Council (2026/27).
Develop WSPs for Radium & Rapotokwane	Develop system-specific WSPs	2025/26 FY	Procurement for a professional service provider underway.
Improve technical skills availability	Recruit engineers, process operators, water quality officer, electricians, plumbers, artisans	2025 to 2027	Recruitment process is ongoing but remains constrained due to budget limitations, and recent resignations have further reduced the availability of critical technical and process-controller staff.
Expand monitoring coverage	Add sampling points; improve transport	2025/26 FY	Ongoing

Table 22 BLUE DROP REGULATORY RECOMMENDATIONS AND ACTION PLAN

3.2.8 MANGANESE AND BROWN WATER CHALLENGES

During the year under review, the Municipality experienced episodic brown water incidents, primarily in areas supplied by ageing reticulation infrastructure. These incidents were mainly associated with: elevated manganese concentrations in raw water sources, sediment accumulation in older pipelines, disturbance of sediments following reservoir recovery after night-time restrictions, and variable flow velocities within the network. While manganese-related discolouration significantly affects customer perception and water aesthetics, it is important to note that the 2023 Blue Drop Progress Report did not list manganese management as a specific regulatory recommendation. Instead, the Blue Drop Programme addresses such issues under the broader category of chemical failures and chemical monitoring compliance, requiring Water Services Authorities to implement appropriate corrective actions whenever chemical parameters deviate from SANS 241:2015 limits.

Despite this not being a direct regulator recommendation, the Municipality continues to proactively address manganese and brown water concerns through the following actions: intensified flushing programmes in high-risk zones, scheduled reservoir cleaning, optimisation of oxidation and dosing processes at the Water Treatment Works (WTW), targeted replacement of ageing AC pipelines with PVC/HDPE (planned for 20226/27 FY onwards), deployment of package treatment plants in Rapotokwane and Masakhane, strengthened operational monitoring under the Senior Process Controller, and securing and upgrading boreholes to reduce vandalism and stabilise raw water quality (planned for 20226/27 FY onwards), These interventions have progressively reduced the frequency, duration, and severity of brown water complaints, despite ongoing operational constraints and the ageing nature of some reticulation infrastructure.

3.2.9 SUMMARY AND CONCLUSION ON WATER SERVICES

The 2024/25 period reflects a water system under sustained pressure, with growing demand, limited bulk supply, ageing infrastructure and rising water losses. Despite these constraints, Bela-Bela maintained stable supply to the Town and Township through the Bela-Bela WTW, Magalies Water, and boreholes, although reservoir levels only recovered to 60–70%, requiring nightly restrictions. Borehole-dependent settlements; being Masakhane (Radium), Rapotokwane, Tsakane and Vingerkraal, remained critically under-supplied due to low yields, vandalism and frequent mechanical failures, while Savannah Estate continued to rely entirely on water tankering due to its lack of infrastructure.

Water demand rose to 18 138 kL/day, projected to reach 18 800 kL/day by 2025, while water losses increased sharply to 42%, reflecting serious network inefficiencies. Access improved slightly with 377 new household connections in Ext 25 before the SAHRA stoppage order, and CoGHSTA commenced water reticulation projects in Jacob Zuma and Masakhane (Marikana). Blue Drop 2023 results showed good compliance on the main Bela-Bela/Magalies system but highlighted weaknesses in monitoring, staffing (Regulation 3630), and high risk in borehole systems. A Blue Drop PAT was completed in 2024, with results expected in December 2025 and a full audit anticipated in 2026.

Major long-term interventions including an abstraction increase application, RBIG application for the WTW upgrade, the Klipvoor Bulk Water Project (Bela-Bela construction starting June 2026), Tsakane and Vingerkraal augmentation projects, and WC/WDM programmes are underway to improve reliability. Overall, while the Municipality continues to provide water services under significant constraints, sustained investments, improved operational capacity, and regional bulk interventions remain critical to meeting long-term demand and strengthening system resilience.

3.3. INTRODUCTION TO WASTEWATER (SANITATION) PROVISION

The Bela-Bela Local Municipality provides sanitation services through a combination of waterborne sewer systems in formally serviced urban areas and dry or on-site sanitation systems in rural and some of newly formalised settlements such as Rapotokwane, Vingerkraal and Masakhane. Bela-Bela Town and Township are fully reticulated and serviced through the Warmbaths (Bela-Bela) Wastewater Treatment Works (WWTW), while Pienaarsrivier and Radium/Masakhane rely on stabilisation pond systems. Unformalised and newly established areas continue to experience sanitation backlogs due to rapid population growth and limited bulk infrastructure capacity.

The Wastewater Treatment Facilities are as follows:

- Warmbaths (Bela-Bela) WWTW
- Conventional Activated Sludge System
- 6 ML/day design capacity
- Recent refurbishment under WSIG
- Services Bela-Bela Town and Township
- Process Flow Diagram included as Figure 1
- Pienaarsrivier Waste Stabilisation Ponds
- Multi-pond treatment system
- Services Pienaarsrivier settlement

- Process Flow Diagram included as Figure 2
- Radium/Masakhane Pond System
- Two-stage pond treatment
- Services Masakhane (Radium)
- Process Flow Diagram included as Figure 3
- The Municipality operates the following nine (9) sewer pump stations:
- Masakhane PS
- Pienaarsrivier PS
- Settlers PS – under construction; completion 2025/26 FY
- Leseding PS – upgraded 2024
- Ext 6 PS – upgraded 2023/24
- Bospoort 1 PS
- Bospoort 2 PS
- Aventura PS
-

Bosveld PS – vandalised; functionally replaced under Industrial Sewer Line upgrade

The deteriorating industrial outfall sewer has resulted in frequent blockages & collapses, environmental spillages, overloading & failure of Bosveld PS, unstable influent flow and loads at the WWTW, and High CRR (Cumulative Risk Rating) scores. The Upgrading of the Industrial Sewer Line project is a major intervention as it includes a full outfall AC sewer line replacement, a new secured Industrial Pump Station to replace the Bosveld PS, protection and fencing of Warmbaths WWTW ponds, increased capacity for the growth of the industrial and other surrounding areas, and improved environmental compliance. The projects is one of the most critical sanitation intervention for long-term system stability. Operational Constraints include ageing sewer and pump infrastructure, stormwater ingress (illegal connections), theft and vandalism, regulation 3630 staffing non-compliance, Lack of SCADA, Severe O&M underfunding, and backlogs in informal and newly formalised settlements.

3.3.1. ANNUAL PLANT PROCESS AUDITS

The 2024 Annual Process Audit Reports were undertaken for all wastewater systems; Warmbaths WWTW, Pienaarsrivier Waste Stabilisation Ponds, and Radium/Masakhane Ponds. These audits illustrate the full treatment process, including hydraulic flows, unit treatment functions, sludge pathways, and operational constraints across the systems. The audits provide detailed engineering insight into system performance and form a critical technical basis for multiple regulatory and planning functions. They support Green Drop readiness, verification of risk pathways for WWTW, engineering design and upgrade planning, and integration into the newly developed 2024/25 Water Services Risk Assessment and Water Services Risk Abatement Plan (W2RAP). These findings have been incorporated into the new 2024/25 W2RAP, which now guides risk mitigation, operational controls, and capital upgrade prioritisation. Furthermore, the reports identify key bottlenecks, compliance gaps, and priority areas for investment required to ensure sustained reliability, regulatory compliance, and improved effluent quality across the sanitation systems of the Municipality.

FIGURE 1: WARMBATHS WWTW – PROCESS FLOW DIAGRAM

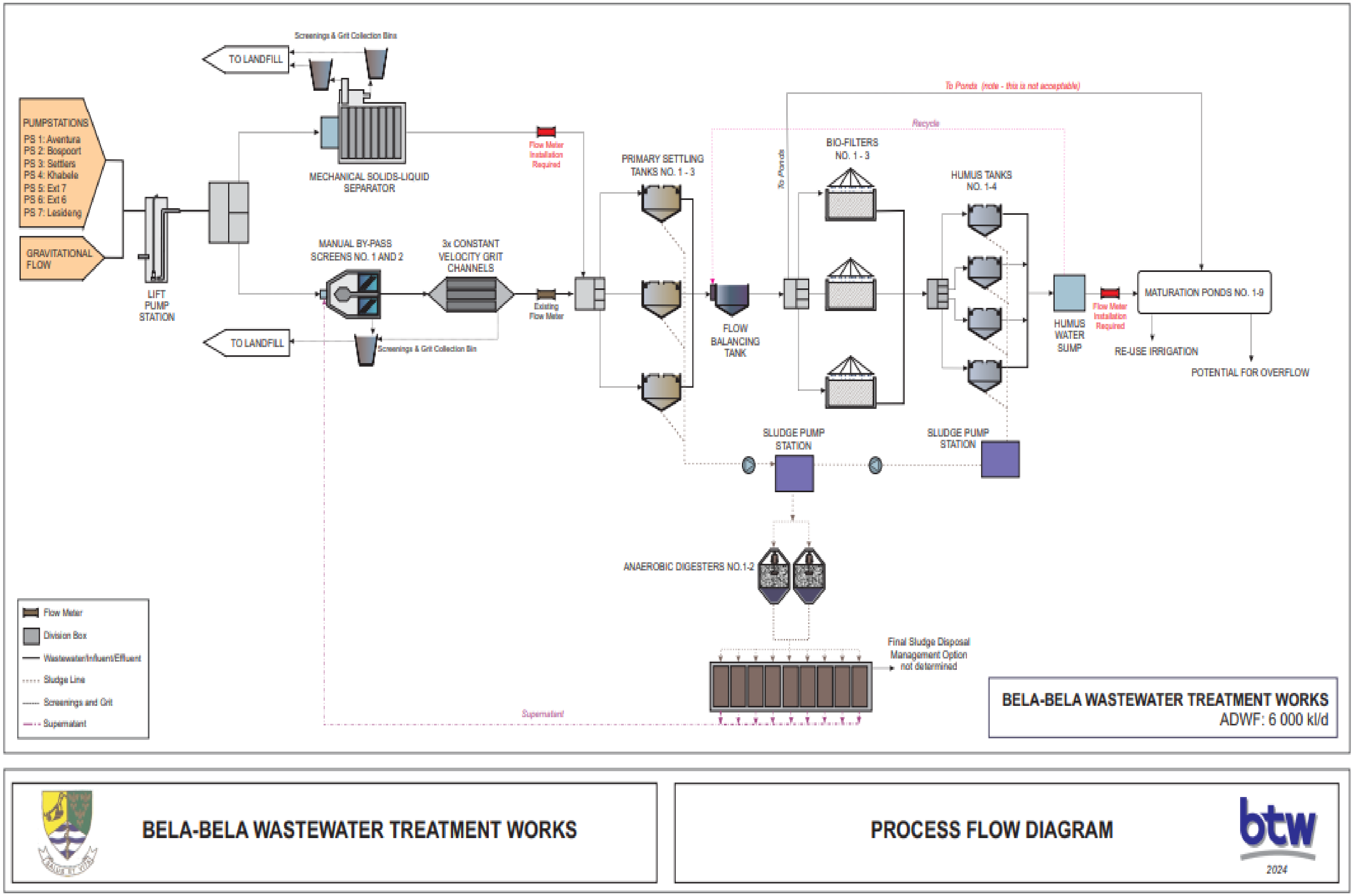


FIGURE 2: PIENAARSRIVIER POND SYSTEM – PROCESS FLOW DIAGRAM

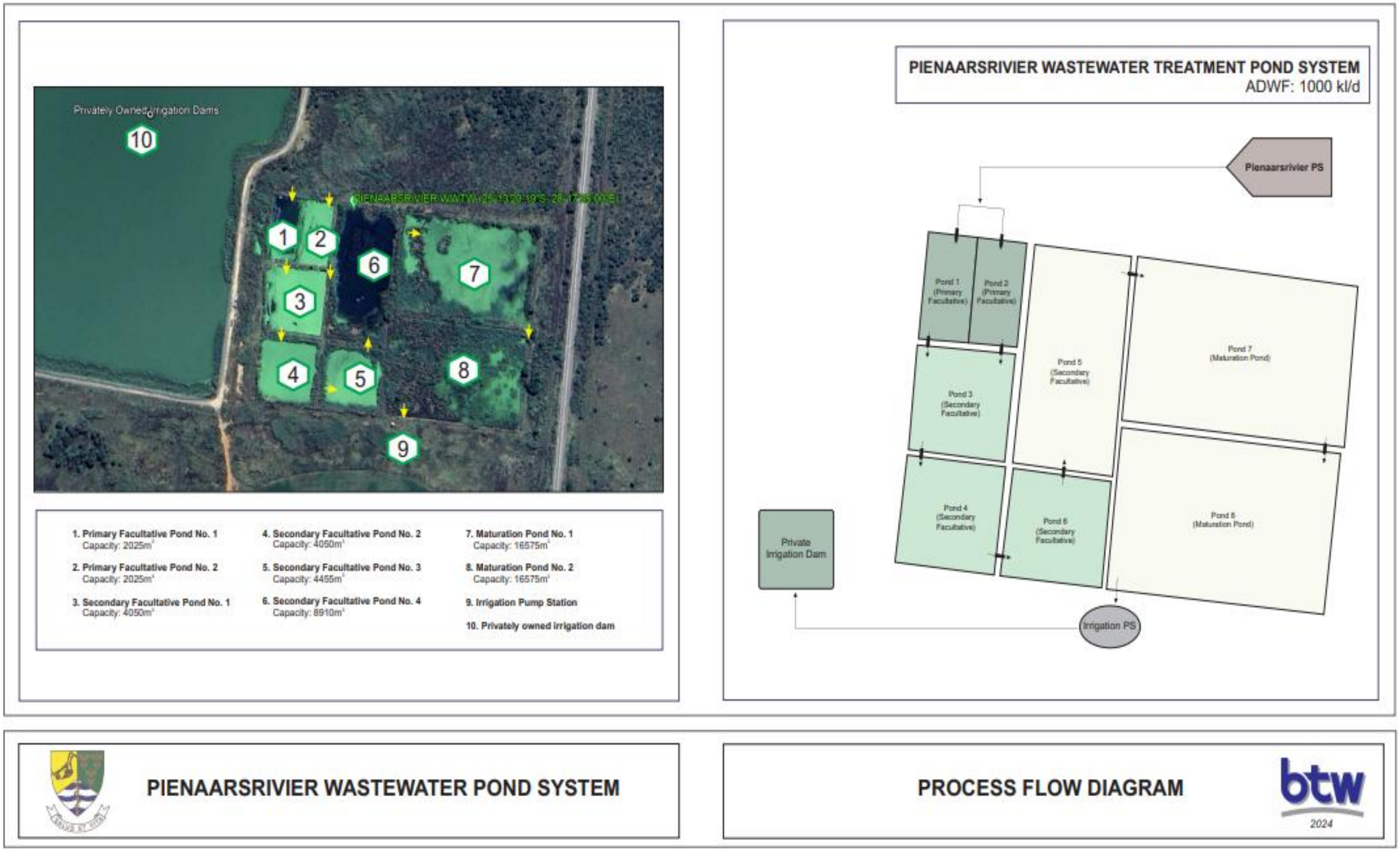
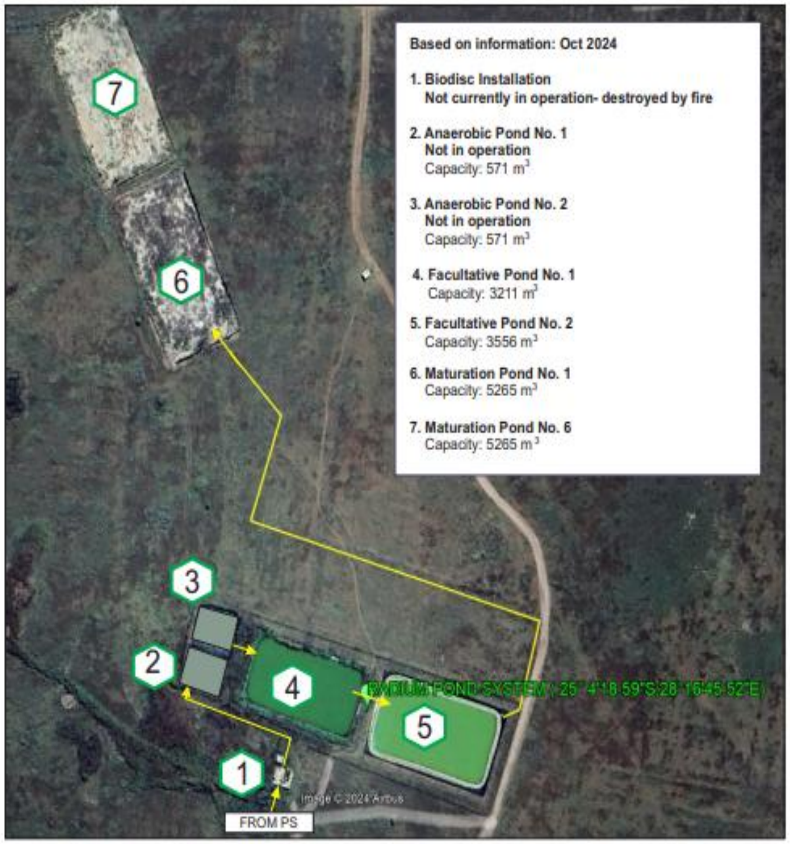
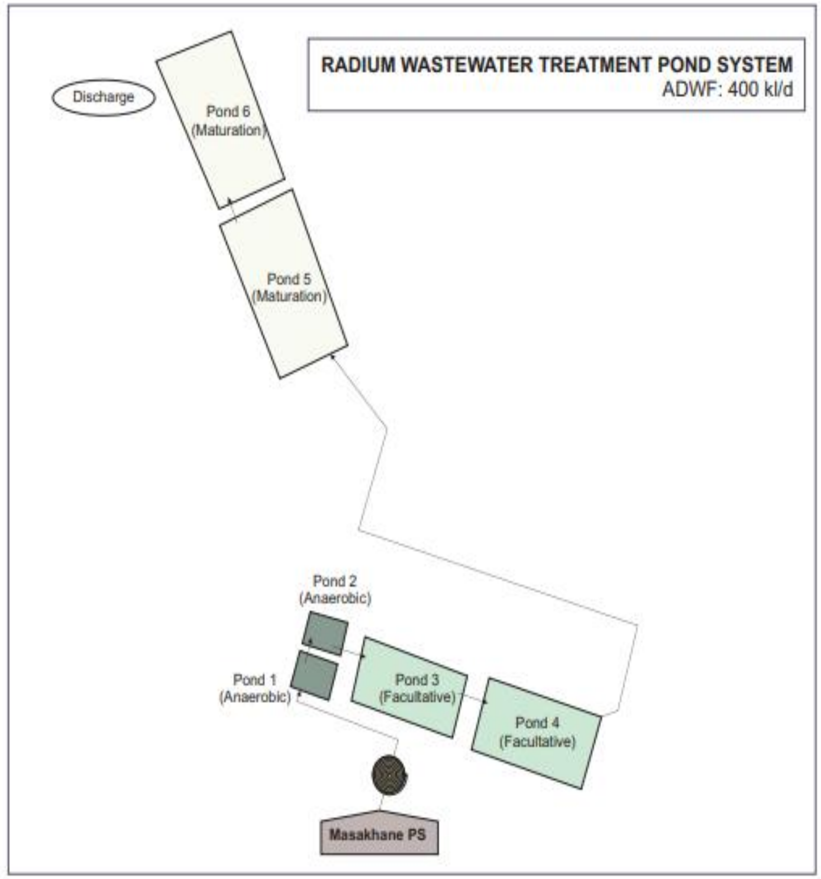


FIGURE 3: RADIUM/MASAKHANE POND SYSTEM – PROCESS FLOW DIAGRAM





RADIUM WASTEWATER POND SYSTEM

PROCESS FLOW DIAGRAM

2024

3.3.2 RESIDENTIAL SANITATION SERVICES DELIVERY ACCESS PROFILE [SANITATION]

Sanitation Type	2021 (HHs/ %)	2022 (Census)	2023 (HHs/ %)	2024 (HHs /%)
Flush toilet to sewer	14 928 (82.6%)	15 647 (69.7%)	16 050 (70.6%)	16 427 (71.4%)
Flush toilet to septic	20 (0.1%)	2 065 (9.2%)	2 090 (9.2%)	2 100 (9.1%)
VIP toilets	862 (4.8%)	651 (2.9%)	680 (3.0%)	720 (3.1%)
Chemical toilets	0 (0%)	427 (1.9%)	430 (1.9%)	435 (1.9%)
Pit latrine (unventilated)	1 399 (7.7%)	2 424 (10.8%)	2 500 (11.0%)	2 450 (10.7%)
Bucket toilet	0 (0%)	404 (1.8%)	410 (1.8%)	415 (1.8%)
Below RDP	0 (0%)	292 (1.3%)	300 (1.3%)	305 (1.3%)
No sanitation	0 (0%)	539 (2.4%)	560 (2.5%)	565 (2.5%)
TOTAL	**18 064**	**22 449**	**22 720**	**22 990**

Table 23 ESTIMATED SANITATION ACCESS PROFILE
Source: Census 2022

Sanitation access is strong in Bela-Bela Town and Township, with more than 70% of households using waterborne sewerage. However, persistent backlogs exist in Tsakane, Rapotokwane, Vingerkraal, Masakhane (Marikana), Jacob Zuma, Ext 9, and unserviced portions of Ext 25 (Koppewaai). Approximately 14.6% of households rely on below-RDP sanitation systems.

3.3.3. COMMENT ON SANITATION SERVICES PERFORMANCE (GREEN DROP)

A Full Green Drop Audit was conducted in April 2025 for all wastewater systems within the Bela-Bela Local Municipality. This assessment followed the initial Process Audit (PAT) exercises and formed the first full regulatory evaluation since the 2021 Green Drop Report. The Municipality anticipates that the 2025 scores will show substantial improvement, largely due to the refurbishment of the Warmbaths WWTW, pump station upgrades, strengthened operational monitoring, and the completion of the 2024 Process Audits and the new 2024/25 W2RAP.
The Department of Water and Sanitation (DWS) has indicated that the final Green Drop results for the 2025 audit cycle will be released in December 2025, subject to the national regulatory process plan. The Municipality awaits the outcomes with confidence that the improvements implemented across critical infrastructure and operational systems will positively influence the Green Drop performance of the Municipality.

a) GREEN DROP ASSESSMENT FINDINGS (2021) AND INTERPRETATION

The 2021 Green Drop Audit categorised all wastewater systems as High Risk, finding:
Poor effluent compliance

Inadequate monitoring
High stormwater ingress
Dysfunctional pump stations
Weak sludge management
Severe skills shortages (Regulation 3630 non-compliance)
High Cumulative Risk Ratings (CRRs)

GREEN DROP SCORE SUMMARY (2021)

Facility	2021	2013	2011	Risk Level
Warmbaths WWTW	34%	44%	17%	High Risk
Pienaarsrivier Ponds	25%	46%	2%	High Risk
Radium/Masakhane Ponds	21%	42%	21%	High Risk

Table 24 GREEN DROP SCORE SUMMARY

The new W2RAP (2024/25) incorporates the updated risk pathways, operational mitigation actions, monitoring improvements, upgrade prioritisation and compliance alignment with Green Drop requirements.

3.3.4 REGULATORY RECOMMENDATIONS AND ACTION PLAN

GREEN DROP REGULATORY RECOMMENDATIONS AND ACTION PLAN

Recommendation	Required Action	Timeframe	Progress
Improve effluent compliance	Process optimisation	Ongoing	Partially achieved
Install calibrated meters	Flow metering upgrades	2026/27 FY	BB WWTW – Done Pienaarsrivier and Masakhane sewer ponds – pending the implementation of proposed upgrading projects.
Improve pump station reliability	Replace pumps & panels	2025/2026 FY	Ext 6 & Leseding complete; Settlers underway
Reduce spillages	Network rehabilitation	2027/28 FY	Ongoing
Improve sludge handling	Restore drying beds	2026/27 FY	BB WWTW – Ongoing Pienaarsrivier and Masakhane sewer ponds – pending the implementation of

Recommendation	Required Action	Timeframe	Progress
			proposed upgrading projects to include sludge management.
Improve monitoring	Enhanced SANS 241 schedule	Ongoing	Ongoing
Strengthen staffing	PCs and artisans (Reg 3630)	Ongoing	Ongoing

Table 25 GREEN DROP REGULATORY RECOMMENDATIONS AND ACTION PLAN

3.3.5. SANITATION CHALLENGES

SANITATION CHALLENGES AND PROPOSED INTERVENTIONS

Challenge	Proposed Intervention	Timeframe	Progress (2024/25)
Ageing infrastructure (pipes, rising mains, manholes)	Replace critical sewer lines upgrade rising mains and install durable materials (HDPE/PVC)	Ongoing	Partial line replacements completed; other major upgrades planned under Industrial Sewer Line Project
Persistent flushing of foreign objects (nappies, rags, stones, plastics, grease and oils) causing blockages & pump failures	Continuous jetting/ vacuuming of sewer lines Intensified public education campaigns Distribution of pamphlets Enforcement of bylaws Installation of screens/grit traps	Ongoing	Persistent behaviour despite awareness campaigns; blockages remain frequent; increased community engagement required
Stormwater ingress into sewer network	Develop and implement stormwater ingression plan Repair manholes Upgrade stormwater system	Ongoing	Reduction observed but high ingress persists during heavy rains
Vandalism and theft (especially Bosveld PS)	Rebuild Bosveld PS with enhanced security; fencing, lighting, alarms; secure key pump stations	2025/2026 FY	Bosveld PS currently non-functional; new PS included in Industrial Sewer Line Upgrade
Under-capacitated pump stations	Upgrade Settlers, Leseding, Aventura PS, Ext 6	Ongoing	Leseding & Ext 6 complete; Settlers under construction; Aventura PS planned pending appointment of Consulting Engineers
Sludge handling deficiencies at WWTW & ponds	Improve sludge drying beds; pond desludging; update sludge management plan; mechanised sludge handling	Ongoing 2026/27 FY	Warmbaths WWTW improved; pond desludging planned. Pienaarsrivier and Masakhane sewer ponds – sludge management to be included in scope for the upgrading projects.

Challenge	Proposed Intervention	Timeframe	Progress (2024/25)
Warmbaths WWTW constrained, especially during rainy season	Process optimisation; upgrade inlet works, return sludge systems; improve stormwater diversion	2026/27 FY	Refurbishment done; further upgrades dependent on funding as planned by CoGHSTA to support the Municipality.
Lack of SCADA and real-time monitoring	SCADA installation at WWTW and key pump stations; remote alarms	2025/2026 FY	Priority identified; funding made available from OPEX, pending appointment of PSP.
Insufficient technical and process-controller staff (Regulation 3630)	Fill key posts; train & classify staff; revise organogram in next Council term	Ongoing	Recruitment constrained by resignations and budget limits
High Green Drop Risk Ratings (CRR)	Implement new 2024/25 W2RAP; address monitoring, maintenance, and process control gaps	Ongoing	2024/25 W2RAP completed; forming improvement baseline
Weak monitoring & chemical/non-compliance at pond systems	Increase sampling; improve reagent availability; borehole security; implement pond optimisation	Ongoing	Compliance monitoring ongoing
Industrial sewer line severely deteriorated	Full upgrade of industrial sewer line; construct new secured Bosveld PS; fence Bela-Bela WWTW maturation ponds	2025/2026 FY	Construction Stage
Expanding load from newly formalising areas (Ext 25, Ext 9, Jacob Zuma, Masakhane)	Align bulk upgrades with township establishment; plan future WWTW expansion	Ongoing	CoGHSTA implementing internal services; bulk upgrades still required

Table 26 SANITATION CHALLENGES AND PROPOSED INTERVENTIONS

3.3.6. SUMMARY AND CONCLUSION ON SANITATION SERVICES

Sanitation services in Bela-Bela remained operational during 2024/25 but continued to face major strain due to ageing sewer infrastructure, stormwater ingress, vandalism, and the persistent flushing of foreign objects into the network. These inappropriate materials such as rags, stones, plastics and disposable nappies cause frequent blockages and pump failures, placing continuous pressure on maintenance teams and accelerating the deterioration of infrastructure. The Municipality continues to conduct community education and distribute awareness pamphlets on the effects of foreign objects; however, the habit remains persistent and continues to undermine system performance.

The Bela-Bela WWTW performed within constraints following refurbishments, while upgrades at pump stations such as Leseding and Ext 6 improved reliability. Settlers Pump Station is under construction and scheduled for completion in 2025/26, and a major future intervention being the upgrading of the industrial sewer line including a new, secured Bosveld Pump Station and fencing of the WWTW ponds will significantly enhance system resilience and reduce spillages.

Census 2022 shows that most households have access to waterborne sanitation, although backlogs remain in newly formalising areas (Masakhane/Marikana, Jacob Zuma, Ext 25, Ext 9). The CoGHSTA rollout of internal services in 2024/25 contributes to gradual backlog reduction.

The 2021 Green Drop assessment classified all systems as high risk, largely due to insufficient monitoring, sludge management shortcomings, technical skills gaps and failing infrastructure. A full Green Drop Audit was completed in April 2025, with results expected in December 2025. Improvement is anticipated due to WWTW refurbishments, pump station upgrades, better operational controls, the 2024 Process Audits and the new 2024/25 W2RAP.

Despite significant operational and financial constraints, the Municipality has made steady progress in stabilising sanitation infrastructure, improving maintenance, and setting a stronger foundation for improved Green Drop performance and long-term service reliability.

3.3.7. EMPLOYEES IN WATER AND SANITATION SERVICES

The Water and Sanitation Division continues to face significant operational and compliance pressures due to high vacancy rates across critical technical and trade positions. Vacancies of plumbers, process controllers, mechanical artisans, and general operators directly delay maintenance response times, increase system downtime, and reduce the ability of the Division to perform preventative maintenance. These shortages contribute to higher water losses, frequent sewer blockages, pump station failures, and compromised reliability of both water supply and wastewater management services.

EMPLOYEES FOR WATER AND SANITATION SERVICES (2024/2025 FINANCIAL YEAR)

Job Level	Number of Employees	Number of Posts	Vacancies	% Vacancy
0–3	1	1	0	0%
4–6	2	5	3	60%
7–9	4	12	8	67%
10–12	4	8	4	50%
13–15	40	70	30	43%
Total	51	96	45	47%

Table 27 EMPLOYEES FOR WATER AND SANITATION SERVICES

With an overall vacancy rate of 47%, driven largely by retirements, resignations and difficulties in filling specialised technical posts, the Division experiences persistent capacity gaps, especially in the operation of the Water Treatment Works (WTW), Wastewater Treatment Works (WWTW), boreholes, pump stations, and water and sewer reticulation networks. This reduced staffing capacity affects the ability of the Municipality to sustain continuous operations at treatment works, manage peak demand, control spillages, and respond promptly to bursts, leaks and sewer overflows.

The shortage of qualified and classified process controllers poses a material challenge to legislative compliance, particularly with Regulation 3630 under the National Water Act, which prescribes minimum competency, classification and staffing requirements for water and wastewater treatment works. Non-compliance with Regulation 3630 increases the risk of operational errors, reduced process monitoring and inadequate supervision of treatment processes. These challenges, combined with shortages in artisan and supervisory posts, may directly impact the ability of the Municipality to meet SANS 241 drinking water quality standards, as well as the regulatory performance requirements of the Blue Drop and Green Drop programmes.

Despite these challenges and resource constraints, the Municipality has endeavoured to provide Water and Sanitation services to the best of its ability. Operational teams continue to work under pressure, often beyond normal capacity, to maintain supply, attend to bursts, manage sewer blockages, operate pump stations, and ensure treatment processes remain functional. However, it is acknowledged that service reliability and quality could significantly improve with adequate staffing, improved technical capacity, and compliance with regulatory staffing requirements.

3.4. INTRODUCTION TO ROADS AND STORMWATER SERVICES

Bela-Bela Local Municipality is responsible for the planning, construction, upgrading, rehabilitation and maintenance of roads and stormwater infrastructure across the Town, Township and rural settlements. Over the years, the condition of the municipal road network has deteriorated significantly due to ageing pavements, inadequate stormwater drainage, recurring flooding, increased vehicle loads, and limited capital funding. To guide prioritisation and investment decisions, the Municipality routinely conducts Road Visual Assessments, which identify critical roads requiring resurfacing, structural rehabilitation, and stormwater upgrades.

Routine maintenance activities were implemented throughout the year, including pothole patching, block paving repairs, regravelling and blading of unpaved roads, clearing of debris, and continuous maintenance of stormwater channels, culverts and pipelines. These activities were supported by EPWP labour through DFFE programmes. However, progress remains constrained by severe shortages of machinery, inadequate operational budgets and high vacancy levels within the Roads and Stormwater Division. The stormwater systems in most settlements, particularly older township areas, remain under-capacitated, leading to frequent localised flooding, accelerated road deterioration and costly repeat maintenance.

A key milestone in the year under review was the allocation of the Municipal Disaster Recovery Grant (MDRG) for the rehabilitation of Mabunda Street and a portion of Limpopo Road, both of which suffered severe damage during flooding. During the reporting period, the MDRG-funded project was at design stage, focusing on pavement rehabilitation and upgrading of stormwater structures to improve climate resilience. Construction is scheduled for the 2025/26 financial year. Because MIG funding cannot be used for disaster-related repairs, the MDRG allocation provides an essential intervention to restore mobility, strengthen drainage systems and reduce future flood risk.

The Municipality continues to collaborate with external agencies to supplement internal capacity. In the 2023/24 financial year, Roads Agency Limpopo (RAL) rehabilitated several key streets in Bela-Bela Town, projects that could not be funded under the Municipal Infrastructure Grant due to regulatory restrictions. Additionally, SANRAL continues to upgrade major routes such as the R101 and R516, indirectly improving traffic flow, mobility and regional connectivity.

Given the growing infrastructure backlog, recurring stormwater failures, and the increasing need for climate-resilient design, Council approved the development of a Roads and Stormwater Master Plan, scheduled for implementation in the 2025/26 financial year. This Master Plan will serve as the Municipality's long-term investment and asset management framework, guiding lifecycle planning, budgeting, stormwater capacity upgrades, and prioritisation of road rehabilitation projects in a structured and sustainable manner.

3.4.1 RECORDS OF MUNICIPAL ROADS INFRASTRUCTURE

The Municipality manages an extensive network of paved and unpaved roads distributed across urban and rural settlements. The updated roads inventory is presented below.

SETTLEMENTS	PAVED	UNPAVED	TOTALS
Bela-Bela Town & Bela-Bela Township	135.20 km	99.12 km	235.12 km
Tsakane	0 km	7.28 km	7.28 km
Radium (Masakhane)	1.03 km	3.27 km	4.30 km
Pienaarsrivier	5.10 km	3.70 km	8.80 km
Rapotokwane	1.90 km	17.10 km	19.00 km
TOTALS	143.23 km	M	m

Table 28 ROADS INFRASTRUCTURE

3.4.2 RECORDS OF MUNICIPAL STORMWATER INFRASTRUCTURE

The stormwater network consists of open channels, underground pipes, low-level bridges, and culverts. Although maintained regularly, the system remains under-designed for current settlement densities and rainfall patterns.

DESCRIPTION	DISTANCE / QUANTITY
Guardrails	15.6 km
Concrete Open Channels	15.6 km
Earth Open Channels	1.7 km
Underground Pipes	63.7 km
Stormwater Inlets	82
Low-Level Culverts	27

Table 29 STORMWATER INFRASTRUCTURE

3.4.3 ROAD VISUAL ASSESSMENT

The Road Visual Assessment conducted during the reporting period confirmed widespread deterioration across the municipal road network. Major pavement distresses observed include potholes, severe cracking, rutting, corrugation on gravel roads, block paving displacement, surface deformation and pavement edge failures. The assessment further highlighted significant drainage deficiencies, where inadequate or blocked stormwater infrastructure directly accelerates pavement failure and contributes to repeated maintenance requirements. High-risk areas identified include:

- Older sections of Bela-Bela Township
- Gravel roads lacking proper side drains
- Roads located downstream of undersized stormwater channels
- Roads historically affected by flooding, especially during peak rainfall
- Unpaved roads in Ext 8 and 9, Rapotokwane, Masakhane and Tsakane where erosion and loss of gravel wearing course are prevalent

Premature failures were also identified on several paved sections where stormwater systems are either absent or insufficient, resulting in accelerated degradation of road surfaces.
The Road Visual Assessment outputs are used to guide maintenance scheduling, MIG and MDRG project scoping, resource allocation and long-term infrastructure planning. All findings have been integrated into the forthcoming Roads and Stormwater Master Plan, ensuring a structured, evidence-based approach to prioritisation, budgeting and lifecycle rehabilitation across the Municipality.

3.4.4 ROUTINE ROAD AND STORMWATER MAINTENANCE

Despite limited resources, the Municipality implemented the following routine maintenance activities:
Road Maintenance: pothole repairs, sealing of damaged surfaces, regravelling and blading of gravel roads, clearing debris from road verges, and repairing concrete block paving.

Stormwater Maintenance: quarterly cleaning of open channels, unblocking of underground pipes and catch pits, desilting culverts, and responding to flooding risks during rainfall events. These activities reduced localised flooding and improved accessibility, although structural upgrades are urgently needed.

3.4.5 ROADS & STORMWATER CHALLENGES AND INTERVENTIONS

Key Challenge	Proposed Intervention	Timeframe	Progress / Status
Ageing & deteriorated roads	Develop and implement a Roads & Stormwater Master Plan. Phased rehabilitation.	2025/26 FY 2025 onwards	Master Plan funding approved, procurement for PSP to commence. No progress on phased rehabilitation due to budget constraints, however SANRAl has been engaged on CSI/ CD programs through the R516/ R101 projects to assist with road rehabilitation. MDRG allocated to refurbish Mabunda Street and portion of Limpopo Road.
Under-capacitated stormwater system	Develop and implement a Roads & Stormwater Master Plan.	2025/26 FY Ongoing	Master Plan funding approved, procurement for PSP to commence. High-risk areas identified and routine maintenance ongoing MDRG allocated to refurbish Mabunda Street and portion of Limpopo Road.
Erosion of gravel roads	Grading and regraveling Improved side drains	Ongoing	Ongoing
Inadequate stormwater in new settlements	Integrate into Master Plan priorities, and new roads projects.	Ongoing	Ongoing
Climate-related damage	Climate-resilient designs	Ongoing	Incorporated in new designs
Staffing shortages	Fill critical road/stormwater posts	2025/26 FY	Budget constraints delay recruitment
Lack of asset management tools	Develop Roads Asset Management Plan (RAMP)	2025/26	Planned with development of the Roads and Stormwater Master Plan.

Table 30 ROADS AND STORMWATER KEY CHALLENGES AND PROPOSED INTERVENTIONS

3.4.6 EMPLOYEES IN ROADS AND STORMWATER SERVICES

The Roads and Stormwater Division plays a pivotal role in ensuring safe mobility and effective drainage across the Municipality. Its core functions include road maintenance, stormwater management, preventative works, response to rainfall events and rehabilitation of damaged infrastructure depend heavily on the availability of skilled supervisors, operators, drivers and technical support staff. However, the organisational structure reflects significant vacancies across key operational levels, limiting the Municipality's ability to deliver services efficiently. The staffing profile for the year under review is presented below.

Job Level	Employees	Posts	Vacancies	% Vacancy
0–3	0	1	1	100%
4–6	0	2	2	100%
7–9	1	2	1	50%
10–12	3	18	15	83%
13–15	17	28	11	39%
Total	21	51	30	59%

Table 31 EMPLOYEES FOR ROADS AND STORMWATER DIVISION

With an overall vacancy rate of 59%, the Division faces severe operational constraints. Shortages in operators, artisans and supervisors significantly limit the Municipality's ability to conduct preventive maintenance, respond rapidly to emergencies, keep stormwater channels functional and maintain gravel and paved roads. These staffing gaps result in accelerated road deterioration, increased incidences of localised flooding and higher long-term infrastructure costs. Addressing these vacancies remains critical to improving the resilience, safety and functionality of the road and stormwater network.

3.4.7 SUMMARY AND CONCLUSION ON ROADS AND STORMWATER SERVICES

Despite severe financial, staffing and equipment constraints, the Municipality continued routine road and stormwater maintenance throughout the year. The MDRG-funded design for the rehabilitation of Mabunda Street and Limpopo Road represents a major step toward restoring flood-damaged infrastructure and improving stormwater capacity. Partnerships with RAL and SANRAL provided critical support in upgrading regional and local mobility routes.
However, the road network requires substantial rehabilitation, and stormwater infrastructure remains under-capacitated, particularly in township and high-density areas. The forthcoming Roads and Stormwater Master Plan is expected to serve as a strategic foundation for prioritising upgrades, improving resilience to climate-related events, and securing future funding. Continued investment in staff, equipment, and stormwater capacity will be essential to improving long-term service delivery.

3.5. ELECTRICITY SERVICES

INTRODUCTION TO ELECTRICITY SERVICES

Bela-Bela Local Municipality is responsible for the distribution, maintenance and upgrading of electricity infrastructure for Bela-Bela Town, Bela-Bela Township, Spa Park, Jinnah Park, Feur-en-Villa, Eu Montagne, Golfbaanpark and surrounding agricultural holdings such as Bospoort and Noodhulp/Roodepoort. Eskom is responsible for supplying electricity to Radium/Masakhane, Rapotokwane, Settlers, Pienaarsrivier and most rural areas.
Electricity service delivery during the year under review remained constrained by severe bulk supply limitations, ageing infrastructure, overloaded transformers and cables, vegetation encroachment and frequent equipment failures. The municipality's current Notified Maximum Demand (NMD) is 17.75 MVA, yet actual demand ranges between 19 MVA and 25 MVA, particularly during winter, placing the system under significant stress. Completion of the new Bela-Bela 132/11 kV 2 × 20 MVA Substation Project remains the most critical intervention to address bulk capacity deficits.
The Municipality was unable to electrify any new households in the 2024/2025 financial year due to lack of bulk capacity. Electrification backlogs persist, including:
Ext 25 (Koppewaai): 390 households
Ext 8/9: 135 households
Illegal connections in these areas exacerbate outages, risk of electrocution, transformer overload and financial losses. Disconnections conducted with law enforcement support often result in immediate reconnections by community members.
For the year under reveiw, the Municipality supplied electricity to:
10 468 residential customers
1 524 non-residential customers (businesses, churches, schools and health facilities)
All municipal electrical operations are governed by relevant legislation, including the Electricity Regulation Act (2006), NRS Standards, the South African Distribution Grid Code and Occupational Health and Safety regulations.

3.5.1 BULK ELECTRICITY SUPPLY INFRASTRUCTURE

Bela-Bela's bulk electricity supply is sourced directly from the Eskom supply yard, which operates 2 × 20 MVA transformers dedicated to the municipal intake point. Power is delivered to the Bela-Bela Main Substation through two 11 kV feeder circuits, each comprising 2 × 300 mm² cables. Eskom's responsibility ends at the bulk intake, while the Municipality is fully responsible for operating, maintaining, and upgrading the entire downstream distribution network.
Bela-Bela Main Substation
The Bela-Bela Main Substation is the central distribution node for municipal electricity supply, feeding multiple load centres across town, township, peri-urban and agricultural areas. However, the substation is facing severe operational challenges, including overloading resulting from insufficient bulk capacity, aged and unreliable switchgear, outdated protection, control and instrumentation systems, ventilation and structural defects within the building, and security vulnerabilities that expose key assets to vandalism and environmental damage. These deficiencies significantly affect supply reliability, contribute to repeated cable faults, and limit the Municipality's ability to support electrification backlogs and future growth.
New Bela-Bela 132/11 kV Substation Project
To address chronic capacity shortages, the Municipality is implementing the new Bela-Bela 132/11 kV 2 × 20 MVA Substation Project, which will provide the required distribution-side infrastructure. Parallel to this, Eskom is progressing with the transmission-side switching station, scheduled under future INEP allocations. The project will only be fully operational once the Eskom switching station is energised. Once complete, the new substation will increase bulk capacity, eliminate persistent system overloads, enable electrification of Ext 9 and Koppewaai, improve voltage stability, and reduce technical losses and cable failures, thereby significantly enhancing long-term network resilience.

3.5.2 ELECTRICITY SERVICE DELIVERY LEVELS

Service Level	Households
Electricity (At least minimum level)	658
Electricity (Above minimum level)	1 101
Electricity – Prepaid (minimum service level)	8 504
Subtotal: Minimum service level and above	13 827
Below minimum level	0
Other sources	3 364

Table 32 ELECTRICITY ACCESS

3.5.3 ELECTRICAL MAINTENANCE

Maintenance throughout the year was primarily reactive due to equipment ageing, frequent overloads, limited staff and budget constraints. Activities included:

- Mini-substation and kiosk maintenance
- Switchgear inspection and servicing
- Cable fault location and repairs
- Replacement of faulty transformers
- Replacement of damaged wooden poles
- Repair of blown fuses and tripped circuit breakers
- Streetlight repairs
- Vegetation management, cutting and clearing
- Replacement of faulty and vandalised meters

Recurring Challenges Identified

- Aged cables prone to repeated failure
- Instantaneous breakdowns without gradual deterioration
- Inefficient cable sections unable to carry rated loads
- Vulnerable substations requiring work on leaks, ventilation, and security
- Outdated protection, control and instrumentation equipment

3.5.4 EMPLOYEES IN ELECTRICAL SERVICES

The effectiveness of the Electricity Division depends on the availability of qualified artisans, electricians, technicians, operators and supervisory personnel. These roles are essential for fault response, preventative maintenance, vegetation control, meter management, and substation operations. However, the division experiences significant staff shortages caused by resignations, retirements and funding constraints, which severely affect service delivery.

Job Level	Employees	Posts	Vacancies	% Vacancy
0–3	1	1	0	0%
4–6	6	17	11	65%
7–9	5	10	5	50%
10–12	4	11	7	63%
13–15	13	25	12	48%
Total	29	64	35	55%

Table 33 EMPLOYEES FOR ELECTRICAL DIVISION

A vacancy rate of 55% presents a serious operational risk. Critical shortages, particularly in artisan and technical positions, limit the Division's ability to respond rapidly to outages, perform preventative maintenance, conduct meter audits and manage vegetation. These shortages contribute to higher electrical losses, longer downtimes, increased infrastructure damage and further risk to public safety. Addressing these staffing gaps will be essential for restoring reliability and resilience in the municipal electricity network.

3.5.5 KEY CHALLENGES AND PROPOSED INTERVENTIONS

ELECTRICAL KEY CHALLENGES AND PROPOSED INTERVENTIONS

Challenge	Intervention	Timeframe	Progress
Bulk capacity overload (19–25 MVA vs 17.75 MVA NMD)	Complete new Bela-Bela Substation	2025–2027	Municipal side under construction
Electrification backlogs (Ext 25 & Ext 8/9)	Energise new substation and implement electrification	Post-substation completion	Planning stage
Illegal connections	Law enforcement support, audits, community education	Ongoing	High reconnection rate
Electrical losses (22%)	Cost of Supply study, meter audits, streetlight audits	2024–2026	Partial audits complete
Aged cables	Cable replacement programme	2025–2028	Funding constraints
Substation building deterioration	Refurbish buildings, improve security	2024–2027	Minor repairs done
Insufficient SCADA	Implement SCADA system for monitoring	2025–2028	Planned, unfunded
Vegetation encroachment	Routine trimming and long-term clearing	Ongoing	Reactive only
Critical vacancies	Recruit artisans, electricians, operators	2025/26	Progress limited by budget

Table 34 ELECTRICAL KEY CHALLENGES AND PROPOSED INTERVENTIONS

3.5.6 SUMMARY AND CONCLUSION ON ELECTRICAL SERVICES

Electricity services in Bela-Bela continue to face significant pressures due to insufficient bulk supply, overloading, ageing infrastructure, underground cable failures, illegal connections and high technical vacancies. Despite these challenges, the Municipality continues to provide electricity to more than 10 000 households and 1 500 commercial and institutional consumers.

Completion of the 132/11 kV Bela-Bela Substation remains the most critical intervention needed to stabilise the network, unlock electrification in Ext 9 and Koppewaai, reduce overloads and improve operational reliability. A structured maintenance programme, improved demand management, and rollout of SCADA systems will be essential for modernising the network.

- Long-term sustainability will require:
- Increased technical staffing
- Accelerated infrastructure rehabilitation
- Reducing losses
- Strengthening substations
- Protecting infrastructure from theft and vandalism

- The Municipality remains committed to improving electricity reliability through targeted investments, partnerships and operational improvements.

3.5.7. CAPITAL PROJECTS

MUNICIPAL INFRASTRUCTURE (MIG) FUNDED CAPITAL PROJECTS

Programme	Project Description	Allocated Budget	Actual Annual Milestone	Expenditure by June 2025
Roads and Storm Water	Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4 (Ward 4)	R 1 054 907.71	29% (Tender Advertised)	R 1 054 907.71
Roads and Storm Water	Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (Ward 3)	R 12 234 196.04	76% (Construction Stage (61-70%))	R 12 234 196.04
Roads and Storm Water	Construction of Road Paving and Bulk Stormwater in Masakhane - Phase 1 (Ward 9)	R 0.0	5% (Appointment of consulting Engineers)	R 0.0
Roads and Storm Water	Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 2 (Ward 3)	R 0.0	5% (Appointment of consulting Engineers)	R 0.0
Sport, Art, Culture, Recreational and Cemetery	Development of sports facilities in Masakhane (Ward 9)	R 2 551 578.18	100% Completion of works	R 2 551 578.18
Waste management	Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2)	R 17 792 721.06	90% Construction Stage (91-99%)	R 17 792 721.06

Table 35 MUNICIPAL INFRASTRUCTURE (MIG) FUNDED CAPITAL PROJECTS

3.5.8 MUNICIPAL DISASTER RECOVERY GRANT (MDRG) FUNDED CAPITAL PROJECTS

Programme	Project Description	Allocated Budget	Annual Milestone	Expenditure by June 2025
Roads and Storm Water	Refurbishment of roads and stormwater in Limpopo Road and Mabunda Street (Ward 7&5)	R 11 560 000.00	29% (Tender advertised)	R 634 663.18

Table 36 MUNICIPAL DISASTER RECOVERY GRANT (MDRG) FUNDED CAPITAL PROJECTS

3.4.10 WATER SERVICES INFRASTRUCTURE GRANT (WSIG) FUNDED CAPITAL PROJECTS

Programme	Project Description	Allocated Budget	Annual Milestone	Expenditure by June 2025
Wastewater Services	Upgrading of the Leseding Sewer Pump Station (Ward 6)	R 11 215 031.08	95% (Practical Completion of Work (Snaglist))	R 11 215 031.08
Wastewater Services	Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2 & 6)	R 14 926 628.82	100% (Completion of works)	R 14 926 628.82
Wastewater Services	Upgrading of the Settlers Sewer Pump Station (Ward 2)	R 19 346 445.27	67% (Construction Stage (41-50%))	R 19 346 445.27
Wastewater Services	Upgrading of the Industrial outfall sewer line (Ward 2)	R 8 435 498.37	43% (Appointment of contractor)	R 8 435 498.37
Water Services	Water Supply Source Augmentation and the Construction of the Water Reticulation Network in Tsakane (Ward 7)	R 7 127 976.49	43% (Appointment of contractor)	R 7 127 976.49
Water Services	Construction of Water Booster Pump Station and Upgrading of a Steel Elevated tank in Ext 8 (Ward 4)	R 8 404 502.71	43% (Appointment of contractor)	R 8 404 502.71
Water Services	Replacement of Bulk Raw Water AC Pipeline from Lapa pump station to Bela-Bela Water Treatment Works (Ward 1 & 9)	R 4 690 917.26	43% (Appointment of contractor)	R 4 690 917.26

Table 37 WATER SERVICES INFRASTRUCTURE GRANT (WSIG) FUNDED CAPITAL PROJECTS

3.5.9 INTEGRATED ELECTRIFICATION PROGRAMME (INEP) FUNDED CAPITAL PROJECTS

Programme	Project Description	Allocated Budget	Annual Milestone	Expenditure by June 2025
Electricity	Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (Ward 2)	R 20 315 000.00	62% (Construction Stage (31-40%))	R 20 314 999.70

Table 38 INTEGRATED ELECTRIFICATION PROGRAMME (INEP) FUNDED CAPITAL PROJECTS

3.6. INTRODUCTION TO PLANNING AND ECONOMIC DEVELOPMENT

Purpose of the Department

The department's purpose is to lead, facilitate and manage sustainable job creation and inclusive economic growth and development in the municipality though investment facilitation, implementation of development inclusive policies, strategies and programmes.

Mandate of the Department

To lead, facilitates and promote economic transformation, inclusive growth and socio-economic development.

To ensure optimal planning, housing delivery and land use management for the municipality.

Strategic Objectives

The Planning and Economic Development Department's work seeks to achieve the following objectives:

To create a conducive environment that attracts investments, create jobs and economic competitiveness

To strive for vibrant, inclusive and sustainable regional economy that prioritises the interest of its diverse communities and improved livelihood

To ensure that the municipality is an agricultural hub and an ecotourism destination of choice by implementing programmes and projects in support of the sectors

To ensure accelerated and shared economic growth through skills development, enterprise development and investment retention.

3.6.1 PLANNING SERVICES

Planning in South Africa operates within the Legal Framework, which strives to ensure that municipalities deliver the developmentally oriented planning objectives as embraced under Sections 152 and 153 of the Constitution of South Africa. Bela-Bela Local Municipality, through the Planning and Economic Development Department, is the custodian of land development and land use; and this is guided by planning policies including the Spatial Development Framework (SDF) and Land Use Management Scheme (LUMS). Amongst the function of the division are:

Ongoing revision, implementation, monitoring, and evaluation of the SDF informed by current realities and policy frameworks

Monitor implementation of the LUMS, capture current and future development

Development of the Land Use Scheme and other By-Laws as well as other policy guidelines to enforce the implementation of the LUMS

Coordinated building control activity (Building plans, and Certificate of Occupancies, implementation of National Building Regulations Act 103 of 1977)

Coordinate/administer land development applications (township establishment, rezoning, consent uses, subdivision and consolidation and any developmental application).

3.6.2 APPLICATIONS FOR LAND USE DEVELOPMENT

Applications for Land Use Development									
Detail	Township Establishment			Rezoning			Built Environment		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Planning Applications Received	2	7	0	10	13	9	162	108	278
Determination made in a year of recipient	0	2	0	7	9	0	147	89	135
Determination made in the following year	0	0	0	0	0	5	15	0	137
Applications withdrawn	0	0	0	0	0	0	0	01	01
Applications outstanding at a year end	0	5	0	3	4	4	15	18	5
Total Applications Received	2	7	0	10	13	9	162	108	278

Table 38 APPLICATIONS FOR LAND USE DEVELOPMENT

The table above represent a double increase in the number of built environment applications received from 108 applications in 2023/24 to 278 in 2024/25. There is however a decrease in new township applications during the year under review, from 7 in 2023/24 to Zero in 2024/25.

3.6.3 BUILDING PLANS APPLICATIONS

Building Plans Applications: 2024/2025 Financial Year				
Number of Building Plans received			**Number of Building plans approved**	**Number of Building plans not approved**
94			76	18
Details of Building Plans Approved and Not Approved and reasons thereafter				
Month	Building Plans Received	Building Plans Approved	Building Plans not Approved	Reason
July 2024	09	08	01	Incomplete Building Plans
August 2024	10	09	01	Outstanding Documents
September 2024	09	06	03	Outstanding Documents and Relaxation
October 2024	07	05	02	Outstanding Documents

November 2024	05	03	02	Outstanding Documents and Relaxation
December 2024	02	01	01	Outstanding Documents
January 2025	02	02	0	N/A
February 2025	12	09	03	Incomplete Building Plans
March 2025	10	08	02	Building Withdrawn by Owner
April 2025	06	05	01	Waiting For Recommendations (Approval/Disapproval) From Waterberg Fire Department.
May 2025	10	08	02	Incomplete Building Plans
June 2025	12	12	0	N/A

Table 39 BUILDING PLANS APPLICATIONS

The table above reflects a 1% drop in the number of building plans received in 2024/2025 financial year as compared to the previous financial year. The drop is attributed to poor economic growth. An improvement is expected as the economic sentiment as well as the reduction in interest rates are anticipated going forward. There was, however, an improvement in the building plan's approval. During 2024/2025 financial year 76 building plans were approved against 94 plans submitted amounting to 80% approval rate.

3.6.4 EMPLOYEES SERVICES IN TOWN PLANNING DIVISION

Table: 59 Employees Statistics				
Job level	Number of Employees	Number of Posts	Number of Vacancies	% Vacancy
0 - 3	1	1	0	0 %
4 - 6	2	4	2	50 %
7 - 9	1	1	0	0%
10 - 12	0	0	0	0
13 - 15	0	0	0	0
Totals	4	6	2	33%

Table 40 EMPLOYEES SERVICES IN TOWN PLANNING DIVISION

3.6.5 COMMENT ON THE PERFORMANCE OF TOWN PLANNING OVERALL

The Municipality has finalized the review of the Spatial Development Framework (SDF) which is currently being implemented; however, few challenges were experienced during the implementation. Enforcement of LUMS is one of the challenges that Municipalities face, as a result, illegal land uses is experienced within the Municipal area. To educate communities about the negative impact of the illegal land use that affects municipal planning for the provision of basic services, the Municipality conducted several awareness campaigns regarding compliance with Land Use Management to reduce the illegal land use and ensure proper planning for the provision of basic services.

3.7. HUMAN SETTLEMENT

Bela-Bela is accredited level 1 by the Department of Cooperative Governance, Human Settlement and Traditional Affairs to manage and administer beneficiaries within the Municipality. During the financial year, the Municipality was allocated 75 houses.

Progress with the implementation of Human Settlement Projects
Rapotokwane Rural Housing.
Rapotokwane was allocated a total of 75 houses during the 24/25 financial year. Out of the allocated 75 houses, 59 houses have already been completed. An additional 6 houses were relocated from Warmbaths Extension 25 project to Rapotokwane project which was necessitated by the SAHRA project stoppage at Warmbaths Extension 25 project in July 2024.
Bela-Bela Ext 25 Informal Settlement Upgrading Project
During the 2024/25 financial year, no houses were built due to the discovery of human remains as well as the portion of the site being identified as a significant archaeological site. The development has impacted on archaeological site located within the project area. In terms of the National Heritage Resources Act, no person may destroy, damage, or otherwise alter an archaeological site without a legally obtained permit issued in terms of section 35(4) of the Act. Due to the above discovery, the project had to be abandoned until all the necessary compliance were obtained.
Vingerkraal Informal Settlement Upgrading Project
All allocated 215 houses have been completed. The contractor was also appointed to install services such as water and grading of the roads. The scope of the project was to service 1000 sites, however, due to a problem of encroachment, only 898 sites were serviced. The municipality, together with COGHSTA are working towards resolving the encroachment challenges and a law firm has been appointed to assist with securing eviction and demolition orders were necessary.

Of the 215 houses completed, only about 90 are occupied by beneficiaries, leaving about 125 houses unoccupied. This has created a challenge for the municipality as some of the completed houses are being vandalised. The other challenge is the illegal occupation of sites which as delayed the project implementation.

Masakhane Bulk Service Installation
The municipality commenced with the installation of bulk engineering services in the Masakhane area which will benefit about 151 households. The project is aimed at providing the necessary bulk services to the community of Masakhane through installation of services like water, sewer and grading of roads.

The major human settlement challenge identified is the shortage of land for human settlement which resulted in an increasing number of informal settlements. The Municipality continues to engage the Provincial Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA) to assist in purchasing land for the development of human settlement

3.8 ECONOMIC DEVELOPMENT SERVICES

The Constitution of the Republic of South Africa, 1996: Section 152 states that the objectives of local government among others, is to "promote social and economic development". Section 153 states that one of the developmental duties of municipalities must be to structure and manage its administration, budgeting and planning processes, to give priority to the basic needs of the community, and to promote the social and economic development of the community. The White Paper on Local Government, 1998 indicates that it is the responsibility of the private sector to create jobs, and that government has the role to create an enabling environment.

3.8.1 LOCAL ECONOMIC DEVELOPMENT BY – LAW

The municipality was instrumental in the engagement and coordination of the Bela-Bela Local Economic Development Forum (BBLEDF). This is a group of representatives from different local stakeholder formations that are working together and sharing knowledge for the developments of Bela-Bela. Its objectives are:

- To provide strategic input on the LED Strategies and drive the implementation of LED projects outlined in the IDP
- Improve integrated economic planning
- Co-ordinate access to funding for LED initiatives by creating a multi-sourced funding stream
- Assist the municipality in identifying and capitalizing on local competitive advantage
- Improve access to sustainable investment finance and capitalize on local competitive advantage
- Ensure participation of the historically disadvantaged communities in economic development
- Attract investment for projects that will enhance sustainable economic prosperity
- Serve as a vehicle for channelling resources for socio-economic development in terms of social investment obligation
- Promote knowledge management and share best practices and foster public private partnerships

- The LEDF forum meets on a quarterly basis, and a total of 4 forum sessions were held during the year under review.

3.8.2 TOWNSHIP ECONOMIES AND BUSINESS DEVELOPMENT

3.8.2.1 BELA-BELA TOWNSHIP ECONOMIES BY-LAW

The municipality adopted the Bela-Bela Township Economies By-Law during the year under review. The key objectives of the By-Law are to:

- Facilitate inclusive spatial and economic development in townships
- Harmonize the township ecosystem and provide norms and standards for the establishment and management of township-based enterprises, both formal and informal.
- Raise awareness of applicable laws and regulations affecting township businesses.
- Support small businesses to grow and participate in mainstream economic activities

3.8.2.2 REGISTRATION OF SPAZA SHOPS

The process led to the registration of 150 total number of spaza shops registered in Bela-Bela. Of the 150, there has been challenges in terms of the turnout from South African community's spaza shops operators, more than 95% of the total applications received for business operating permits in line with Limpopo Business Registration Act of 2003 has been from foreign nationals. The table below illustrate the current state of applications received by the municipality and the nationality of the applicants:

Total number of tuck shops and spaza shops registered	Total number of tuck shops and spaza shops approved	Total number of applications received from foreign nationals	Total number of applications from South Africans
150	0	142	08

Table 40 REGISTRATION OF SPAZA SHOPS

The table above indicates the application rate from both local operators and foreign based operators, and this clearly demonstrate that the municipality has received most of the compliance applications from foreign based businesses. One of the reasons of low turnout by local operators was the costs associated with the process of compliance. It is also expected that local convenient stores operators comply with the legal frameworks that guide how business operate in the Republic.

3.8.2.3 SMME TRAINING, SKILLS DEVELOPMENT, BUSINESS LICENSES AND TRADING PERMITS.

LED initiatives aimed at improving small businesses within the jurisdiction of Bela-Bela as well as interventions were implemented in partnership with various Agencies of government and the private sector. This included training interventions such as Contractor Development Programme which is aimed at equipping local contractors to be able to take advantage of the opportunities presented, particularly in the construction sector. Some of the trained beneficiaries are benefiting through construction programmes throughout the municipality. This includes project such as the SANRAL upgrading of Bela-Bela Local Municipality strategic road network.

SMME Training and Skills Development: Small, medium and micro-sized enterprises (SMME) are significant contributors to local economies, however the lack of business management skills by owners and or managers limit the development of small businesses over time. The Municipality have trained a total of 360 local SMMEs in partnership with various development agencies of government and other social partners aimed at elevating the competitiveness of local SMMEs. The table below illustrates the training interventions that Local Economic Development managed to facilitate during the year under review (2024/25 financial year).

Number of training interventions conducted in support of local SMMEs		
TRAINING NAME	IMPLEMENTING AGENT	**NUMBER OF BENEFICIARIES**
Basic Business Management Training	NYDA	**75**
Cooperatives Development Training	SANACO National	**41**
Transnet Portal Training Program	Transnet (SCM Unit)	**27**
CSD Training	Provincial Treasury	**21**
Basic Business Skills	SEDFA	**34**
Basic Business Skills	SEDFA	**38**
Business Management for disabilities	SEDFA	**24**
Economic Empowerment Training workshop	LEDET	**42**
Total		**360**

Table 41 Training interventions conducted in support of local SMMEs

Business Licenses and Permits: The Department also facilitated the issuing of business licenses and trading permits for SMME. Forty (40) contravention notices were also issued for informal traders who are operating without the relevant documentation. As such the environment of compliance and law enforcement is expected to gradually increase due to frequent By-Law enforcement which is being conducted by LED Officials and Municipal public safety. The Municipality also facilitated the process of establishing Municipal Informal Trading Forum which has elected their executive committee.

The structure is established to increase good working relations between the municipality and informal traders. The Municipality is engaging formally with the structure once per quarter in issues relating to policy formulations and any issues relating to traders confining themselves to the municipal informal trading by law. The table below indicates the number of traders who acquired trading permits from the municipality during the year under review:

Total number of traders issued with permits	**59**
Total number of contravention notices issued	40
Total number of goods impounded	91

Table 41 Business Licenses and Permits

3.8.2.4 JOB CREATION

Expanded Public Works Programme (EPWP): The expanded public works programme is a national programme that draws a significant number of unemployed people into productive work. The programme is implemented throughout the municipality by recruiting the local community within various wards, with the purpose of developing their skills during the implementation of municipal projects to enable them to apply these skills in future after completion of these projects. The municipality has shown an increase in the creation of work opportunities compared to previous years and there is better understanding and commitment from departments and project managers to create more employment. The table below depicts the number of EPWP projects, and work opportunities created during the 2024/25 financial year:

Number of jobs created through Municipality's EPWP & CWP		
EPWP SECTOR	CHAMPIONS	**Number of jobs created**
Infrastructure sector (Municipal Capital Projects)	Technical Services Department	**126**
Non-State sector (CWP)	Community Works Program	**800**
Environmental sector	Social and Community Services	**91**
EPWP (Social Sector)	Cooperate Services	**94**
Total		**1 121**

Table 42 JOB CREATION

A total of 1121 job opportunities were created during the year under review through government interventions such as expanded public works programme and other national programme that draws a significant number of unemployed people into productive work. The number, however, represents a significant drop of 9% compared to the 2023/24 financial year. The drop is attributed to reduced grants from the national and provincial government in support of job creation initiatives especially in the non-state sector (CWP) since the programme suffered a major blow in terms of its national allocation from R4.6billion to R3.2billion it has immensely affected the job creation of public employment program.

Jobs Creation through Private and Government Investment: During the year under review, various investments were being implemented within the Bela-Bela Local Municipality. This included projects such as Photovoltaic Power and Generation Facility, Battery energy storage, Expansion of Bela Mall, SANRAL Road Infrastructure upgrade. The projects have a combined investment value of about R4billion. The projects all combined have created over 1 600 Jobs during the year under review.

3.8.2.5 TOURISM DEVELOPMENT

Tourism continues to be a key focus for Bela-Bela because of its labour intensity, its multiplier effect, its ability to generate opportunities for SMMEs and its ability to support increased exports and foreign direct investment. The post-pandemic recovery of the tourism sector in Bela-Bela has been rapid. Our focus has shifted to finding ways that can deliver inclusive growth and counteract seasonality. Bela-Bela attracts approximately 1.3 million visitors annually, contributing R980 million to the local economy. The hospitality industry directly employs about 7,500 people, with 64% of accommodations rated as three-star or higher. During the year under review, the municipality has implemented programmes and projects to drive tourism development, amongst the projects include:

Bela-Bela Investment Guide: Investment Guide has been developed to provide investors, entrepreneurs, and stakeholders with a clear and comprehensive roadmap to doing business in Bela-Bela. This guide serves as a strategic tool to showcase the municipality's competitive advantages, highlight key investment sectors, and outline the local economic conditions that shape business development. It highlights opportunities in tourism, agriculture, infrastructure, or emerging industries. Throughout this document, insights into investment trends, available incentives and expanding operations in Bela-Bela are highlighted. The goal is not only to attract investment but to foster sustainable development that enhances the local economy and enriches the community.

Bela-Bela Tourism Route Feasibility Study: During the year under review, the municipality also undertaken a Tourism Route Feasibility study to boost tourism growth in the region. In South Africa, “route tourism” has gained momentum as a key strategy for developing small towns by linking their tourism resources into a cohesive destination. This approach plays a crucial role in local economic development by marketing multiple attractions as part of a unified tourism offering. Tourism routes provide an effective way to showcase unique aspects of a region, such as its history and culture, while distributing the economic benefits across various product owners.

Engagement with Tourism Stakeholders: During the year under review, the municipality participated in various engagements with tourism stakeholders such as the Waterberg Tourism Association, Friends of the Bushveld, the Waterberg Development Initiatives to create vibrancy and to supports growth of tourism economy. The municipality also participated in provincial programmes such as the Marula Festival as well as the September Tourism Month organized annually by the municipality.

The growth of tourism in the municipality needs urgent intervention in areas such as marketing and branding, Infrastructure and Services, aesthetics, and cleanliness. These areas are crucial in improving tourism experience. Well-maintained roads, utilities, and other essential services like healthcare, fire, and police are crucial for the smooth functioning of a town thereby attracting more tourists.

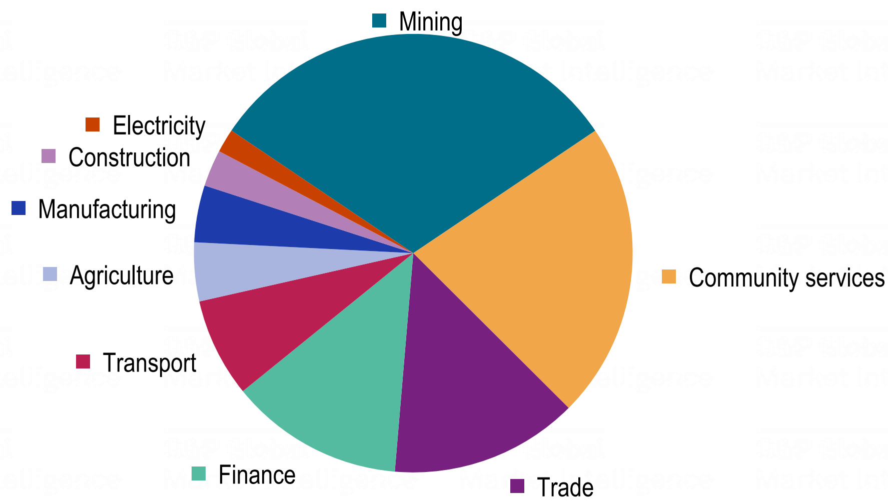
3.8.2.6 SOCIO – ECONOMIC DATA INCLUDING SECTOR CONTRIBUTION

The Municipality does not function in isolation from Limpopo, South Africa, and the rest of the world. It is crucial to have reliable information on its economy for effective planning. This information is required to empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively. This section provides insights into the economic environment of the municipality in terms of economic activity.

With a GDP of R 6.81 billion in 2023 (up from R 4 billion in 2013), the Bela-Bela Local Municipality contributed 8.03% to the Waterberg District Municipality GDP of R 84.9 billion in 2023 increasing in the share of the Waterberg from 7.84% in 2013. In 2023, the Bela-Bela Local Municipality achieved an annual growth rate of 0.87% which is a slightly higher GDP growth than the Limpopo Province's 0.49%, but is higher than that of South Africa, where the 2023 GDP growth rate was 0.70%. Contrary to the short-term growth rate of 2023, the longer-term average growth rate for Bela-Bela (-0.62%) is significantly lower than that of South Africa (0.74%). The economic growth in Bela-Bela peaked in 2021 at 2.86%.

The mining sector is the largest within Bela-Bela Local Municipality accounting for R 1.9 billion or 31.1% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Bela-Bela Local Municipality is the community services sector at 21.9%, followed by the trade sector with 13.9%. The sector that contributes the least to the economy of Bela-Bela Local Municipality is the electricity sector with a contribution of 1.75% of the total GVA.

Graph: 6



3.8.2.7 EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES

The structure makes provision for 5 LED Posts and only 2 are filled during the year under review and 1 advertised for appointment.

Challenges and mitigation factors in implementing LED

Lack of capacity and funding are the main challenges and as a mitigation, the municipality is resorting to partnerships with private and public entities to implement LED programmes.

Staff Complement

Job level	Number of Employees	Number of Posts	Number of Vacancies	% Vacancy
0 - 3	0	2	0	100%
4 - 6	2	2	0	0%
7 - 9	0	1	0	100%
10 - 12	0	0	0	0
13 - 15	0	0	0	0
Totals	2	5	3	75%

Table 43 LED Staff Complement

3.8.2.8 COMMENTS ON LOCAL ECONOMIC DEVELOPMENT

The Municipality is encountering a grim reality of low standard of living, increasing poverty level, unemployment, decreased investor confidence, and prolonged low economic growth. The department needs to work with strategic partners to enhance the implementation of its LED strategy. More work needs to be done in areas such as tourism development, marketing, and the branding of the region to live up to the strategic goal (an ecotourism destination of choice). Addressing informal trading and management of outdoor advertising is also necessary to encourage investment and development of tourism in the region

3.9 COMMUNITY & SOCIAL SERVICES
INTRODUCTION COMMUNITY AND SOCIAL SERVICES

This component includes community parks & open spaces, community halls, sports fields, grounds and courts, cemeteries & crematoria and libraries & archives and waste management services

Two of the objects of local government as enshrined in Section 152 (1) (c) (d) of the Constitution of the RSA is:
To promote social and economic development and
To promote a safe and healthy environment.
Section 24 of the Constitution of RSA Chapter 2 (b) i, ii and iii of Bill of Rights mandate municipalities to protect the environment for the benefit of present and future generations, through reasonable measures that prevent pollution and ecological degradation, promote conservation, secure ecologically sustainable development and use of natural resources. In recognition of this Constitutional obligation, National Environmental Management: Protected Areas Act No 57 of 2003 and Biodiversity Act No 10 of 2004 was promulgated to provide for the protection and conservation of ecologically viable areas and biodiversity.

Some of the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 within the Constitution of RSA are as follows:

- Cemeteries and crematoria
- Local sports facilities
- Municipal parks and recreation

Bela-Bela Local Municipality within the Social and Community Services department aims to improve the quality of life of its citizens by effectively and efficiently identifying, developing and delivering comprehensive programmes that provide safe, sustainable and aesthetically pleasing recreational parks, municipal buildings, community facilities, streetscape locations, road reserves/verges, sports facilities and cemeteries in accordance with acceptable management practices or standards.
Provide the community with a dignified and responsive cemetery and memorialisation service and consistent maintenance in accordance with acceptable management practices or standards.
promote effective and sustainable "Greening initiatives

3.9.1 CEMETERIES AND CREMATORIUM

Bela-Bela local Municipality has Four cemeteries that are consistently maintained.
Mokoena cemetery is closed and inactive. However, those who have previously booked conduct burials as and when funerals occur.
Masakhane cemetery is used by both communities of Masakhane and Pienaarsrevier.

Warmbaths cemetery is actively used by the community members from Bela-Bela Township, Muslim community, Town, Spa Park and Jinnah Park , Masakhane and Pienaarsrevier areas.
Luna street cemetery is inactive and currently closed. We confirm that the cemetery is currently maintained and situated next to the Municipal Main Building.

3.9.2 MAINTENANCE ACTIVITIES

Maintenance activities at the cemetery include the following:
Clearing of space.
Mowing, edging, and blowing grass.
Herbicides application and Litter picking.
Tree pruning
Digging of graves as per bookings

Challenges

No land available for development of cemetery in Pienaarsrevier
The Municipality is gradually running out of burial space.
There is no numbering from row markings at cemeteries.
Vandalism of tombstones and amenities.
Recording and capturing of cemeteries/burial information is done manually
No fencing at Luna cemetery

Recommendations and interventions

Identify land for cemetery development in town and Pienaarsriver.
Installation of high mast lights in all cemeteries which are solar operated.
Procurement of electronic Cemeteries Management System
Grave pegging and determination of remaining life span for Warmbad Cemetery
Luna cemetery to be fenced to deter vandalism

PICTURE: 1 MASAKHANE CEMETERY

3.9.3 PARKS AND RECREATIONAL FACILITIES

Municipal parks and recreational facilities are used and enjoyed by members of the community and members. The Municipality should emphasise measures to protect and preserve the natural vegetation of parks and recreational facilities to control the use and enjoyment by members of the community.

The Municipality maintained the following parks Lethabile park, Leseding Park, Bulbulia street park, Grobler street park, Miles Street park, Oosthuizen Street park, Wood Packer, Moloto park, Pienaarsrevier park and Town park.
The Municipality had an obligation of taking care of the parks and hereunder are scheduled maintenance activities: Cutting and mowing of grass; Irrigation; Weed control; Litter picking, Pruning of trees; Laying of soil/compost/fertilizers.

PICTURE: 2 WOOD PACKER (REITZ STREET) PARK

Challenges
Most of our parks are not secured as a result their amenities are vandalised as people have unrestrained access to the parks.
Trees and plants are stolen from the parks
Water restrictions due to lower reservoir levels because of loadshedding leads to incapacity to irrigate parks and stadium lawns

Recommendations
Installation of the security fence with access control gates in all parks.
Deploy security personnel at all parks.
Installation of a functioning system to transport greywater to the identified facilities for irrigation purposes

3.9.4 COMMUNITY HALLS

Bela-Bela Municipality rents out the community halls to the community as part of revenue collection. Community halls are booked for various events such as funerals, wedding, church services, political gatherings and any other event that meet the municipal policy concerning bookings. However, the Municipality uses this venue for its meetings and other government stakeholders are allowed to use these public facilities.

The Municipality has and maintains the following 5 Community Halls:
Spa Pak Community Hall
Jinnah Park Community Hall
Bela-Bela Community Hall
Multi-Purpose Center

Pienaarsrevier Community Hall

Scheduled maintenance activities:
Cleaning of the hall
Litter picking
Cutting of grass outside and the surrounding
Tree felling

PICTURE: 3 MULTI PURPOSE CENTER

3.9.5 SPORTS FIELDS, GROUNDS AND COURTS

The Municipality has 10 Sports and recreational facilities which are maintained per schedule by the Parks and Cemeteries personnel. The said facilities are Bela-Bela high school stadium, SUNFA stadium, Ponto sport grounds, Khabele sport grounds, Masakhane courts and soccer ground, Pienaarsrevier sport grounds, Rapotokwane sport grounds, Moloto street stadium, Leseding courts and soccer ground and Spa Park courts and sport grounds.

Concerning the Bela-Bela Sports Fields, it should be noted that six of the ten are just ground sports fields and four with lawn pitches. Furthermore, it should be noted that the Municipality has the responsibility of maintaining the sports fields, however, there is a challenge of unavailability of machinery such as Graders, this results in the delays and or non-adherence to the maintenance schedule which also lead to the outsourcing of the function.

Scheduled maintenance activities are:

- Cutting of lawn and tree felling.
- Cutting of grass of surrounding areas.
- Litter control.
- Weed control.
- Line markings with lime.
- Irrigation.
- Laying of soil/compost/fertilizers and

- Grading of sports grounds

PICTURE: 4 SUNFA SPORTS GROUND

PICTURE: 5 BELA - BELA COMMUNITY HALL: NETBALL COURTS

3.9.6 COMMUNITY FACILITIES

Bela Bela Municipality Community Facilities							
Service Indicators	OUTPUT	2022/2023		202232024		2024/2025	
		Target	Actual	Target	Actual	Target	Actual
Community Halls	Cleaning of 5 Com Hall	5	5	5	5	5	5
Maintenance of Parks	Maintenance of 10 Parks	8	8	10	10	10	10
Maintenance of Sports Fields	Maintain 10 sports grounds	13	13	10	10	10	10
Cemeteries	Maintenance of Cemeteries	4	4	4	4	4	4

Table 44 COMMUNITY FACILITIES

3.10 INTRODUCTION TO WASTE MANAGEMENT

Section 24 (Chapter 2) of the Constitution indicates that everyone has the right to have an environment that is not harmful to his or her health and to have the environment protected for the benefit of present and future generations through reasonable legislative and other measures that : prevent pollution and ecological degradation; promote conservation, and Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.
Objectives of the National Environmental Management Act (NEMA) 107 of 1998 is to:
Protect health, wellbeing and the environment by providing reasonable measures for-

- Minimizing the consumption of natural resources.
- Avoiding and minimizing the generation of waste
- Reducing, reusing, recycling and recovering waste.
- Treating and safely disposing of waste as a last resort.
- Preventing pollution and ecological degradation.

Securing ecologically sustainable development while promoting justifiable economic and social development.
Promoting and ensuring the effective delivery of waste services.
Remediating land where contamination presents or may present a significant risk of harm to health or the environment and
Achieving integrated waste management reporting and planning.
To ensure that people are aware of the impact of waste on their health, well- being and the environment.
To provide for compliance with the measures set out.

Generally, it gives effect to section 24 of the constitution to secure an environment that is not harmful to health and well-being.
The Municipality has an approved Integrated Waste Management Plan (IWMP), which has an optimum approach to waste management planning in terms of the resource's allocation, time scheduling achievable targets and allocation of responsibilities. The overall objective of this IWMP is to reduce the generation of waste and the environmental impact of all forms of waste, thereby ensuring sound socio-economic development, a healthy population and that the quality of environmental resources is no longer adversely affected by uncontrolled and uncoordinated waste management. The internationally accepted waste hierarchy approach for waste avoidance/reduction, reuse, recovery, treatment and disposal is adopted in the strategy.

The Municipality is offering efficient curbside collection programs for recyclables and engaging community participation, recycling programs also contribute to the overall wellbeing of a community. The amount of waste being sent to landfills can both be reduced. The municipality is advocating for trash to treasure, encouraging community to reduce the amount of waste disposed of at the landfill. There are growing opportunities for communities to earn money by selling their recyclable or their already recycled materials such as papers, plastic bottles and cans. With communities earning money and companies saving money, this is a recycling win-win.

3.10.1 WASTE AND REFUSE REMOVAL ACHIEVES

To comply with the requirements of Section 24 of the 1996 Constitution of Republic of South Africa, (NEMA) 107 of 1998 and Bela Local Municipality approved Integrated Waste Management Plan, which highlighted all the pivotal areas where the Municipality is responsible for Waste Management. During the 2024/2025 financial year, the Municipality collected waste from all formal settlements once per week per household which was at (Bela-Bela Town, Bela-Bela Township, Pienaarsrivier and Masakhane, Jinnah Park and Spa Park). The collection of waste was also done twice per week in business areas. Furthermore, it should be noted that apart from the collection of waste in the formalized areas, the Municipality could not ignore the informal settlements. The collection of waste was further extended to informal settlements through emptying of Mass Refuse Containers placed in different areas of the informal settlements; Zuma, Koppewaai, Tsakane. New Landfill is under construction at ward 2 as the current one is about to reach its lifespan

PICTURE: 6 KERBSIDE COLLECTION BY COMPACTOR TRUCK

3.10.2 LITTER PICKING

The importance of litter picking lies in its ability to maintain clean, safe, and attractive environment while reducing pollution and protecting natural resources. It raises awareness about responsible waste management, making it an essential part of our broader environmental sustainability efforts. Litter picking is done daily at all entrances of Bela-Bela

PICTURE: 7 AND 8

3.10.3 ILLEGAL DUMPING

Municipality has provided the mass refuse bins at hotspot areas identified for illegal dumping. However, community members continue with illegal dumping. The Municipality complies with the provisions of Section 24 of the Constitution of South Africa. Different illegal dumping areas were cleaned daily.

PICTURE: 9

Before – Next to Sedibeng bar

PICTURE: 10 After – Next to Sedibeng Bar

3.10.4 ENVIRONMENTAL EDUCATION AND AWARENESS

Environmental education and awareness provide knowledge and skills about how ecosystems work, human impacts on the environment, and sustainable ways of living. Ensures that people not only understand environmental issues but are also empowered to take meaningful action to reduce negative impacts and support sustainable goals. Awareness is about creating understanding and changing attitudes so that individuals, schools, communities, and businesses act responsibly towards the environment.

Messages of awareness on waste management and environmental consciousness were distributed through campaigns, Municipal social media networks and Community meetings.

3.10.5 WASTE MANAGEMENT AWARENESS Campaigns (KEEPING BELA - BELA CLEAN)

Environmental education and awareness is a multidisciplinary field that aims to teach people how to manage the environment and live sustainably. It's a way to raise awareness of environmental issues and the actions people can take to improve the environment.

Messages of awareness on waste management and environmental consciousness were distributed through campaigns, Municipal social media networks and Community meetings.

World Environment Day celebration

World Environment Day is celebrated worldwide on 05 June. The Municipality in partnership with UNICA celebrated the day at Ward 4, Ext 9. Municipal theme was "My Environment, My Pride, My Responsibility" powered by the global theme "End Plastic Pollution globally". The Mayor of Bela-Bela Local Municipality, Cllr GM Seleka in her address she urged members of the community to refrain from illegal dumping and report any incident to the municipality.

UNICA donated 20 color coded bins to the Municipality to distribute at schools to encourage separation at source. In attendance were stakeholders from LEDET, Waterberg District Municipality and the Department of Agriculture. The celebrations were followed by a cleanup campaign at Extension 9.

Picture: 11 The Mayor receiving the color-coded bins

3.10.6 CLEAN - UP CAMPAIGN

The purpose was to promote environmental responsibility and community participation in maintaining a clean, safe, and healthy environment. Clean-up campaigns are not only about removing waste but also about educating, inspiring, and mobilizing community to take ongoing action for a cleaner and more sustainable environment.

Picture: 12 Clean- up Campaign at Ext 9

3.10.7 ENVIRONMENTAL EDUCATION

Environmental education is the process of equipping individuals and communities with the knowledge, skills, value, and attitudes necessary to understand environmental challenges and contribute to sustainable solutions.
Environmental education and capacity building workshop was held by the municipality in partnership with PETCO to empower EPWP workers to comply with environmental legislation, adopt sustainable practices and recycling practices. The main objective of the workshop was to create awareness on possible profitable opportunities for waste collection, sorting and recycling projects.

Picture 14 and 15 Capacity building workshop

3.10.8 CHALLENGES WITHIN WASTE MANAGEMENT

Illegal dumping and littering – pose serious environmental, social, and economic challenges for the municipality and community. Impacts include environmental degradation, health risks, aesthetic decline, and financial burden. Illegal dumping is not only a challenge to compliance and waste management but also a threat to public health, environmental sustainability, and economic development.
Limited community participation on awareness to waste separation and recycling practices.

3.10.9 SOLID WASTE SERVICE DELIVERY

Solid Waste Service Delivery Levels Households				
Description	Year -3	Year -2	Year -1	2024/2025
	Actual No.	Actual No.	Actual No.	Actual No.
Solid Waste Removal: (Minimum level)	Weekly	Weekly	Weekly	Weekly
Remove at least once a week	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)
Minimum Service Level and Above sub-total	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)
	3 x Areas Jacob Zuma, Tsakane and Koppewaai	3 x Areas Jacob Zuma, Tsakane and Koppewaai	3 x Areas Jacob Zuma, Tsakane and Koppewaai	3 x Areas

Minimum Service Level and Above percentage	100%	100%	100%	100%
Solid Waste Removal: (Below minimum level)	0	0	0	0
Removed less frequently than once a week	0	0	0	0
Using communal refuse dump	1	1	1	1
Using own refuse dump	1	1	1	1
Other rubbish disposal	0	0	0	0
No rubbish disposal	0	0	0	0
Below Minimum Service Level sub-	0	0	0	0
Below Minimum Service Level percentage	0%	0%	0%	100%

Table 45 SOLID WASTE SERVICE DELIVERY

3.10.10 SPORTS, ARTS, CULTURES AND LIBRARIES

The Municipality coordinated Sport, Arts and Culture activities in line with the National Sport and Recreation Plan partnership with the Provincial Department of Sport, Arts and Culture and Sport Federations to realize national priorities of building social cohesion and active society. Council approved a Policy on usage of sport and recreation facilities that condones free usage by clubs and federations for practices and competitions and thus contributing immensely in Sport Development. Local athletes from Netball and Basketball clubs participated in their respective National Leagues. Ladies Volleyball team women the National Championships and represented the Country at the SADC championships.
There was also provision for elderly citizens to participate in the Golden Games. Local team was supported to compete at the Waterberg District Competitions. The Municipality also provides facilities to support School Sport Competitions.
The Municipality signed a Memorandum of Agreement with the Provincial Department of Sport, Arts and Culture on joint rendering of library services.

3.10.11 PUBLIC SAFETY

The following are key responsibilities of Public Safety Division:

- Traffic law enforcement and ensuring compliance
- Process traffic fines
- Traffic speed contravention – appointed service provider
- Maintenance of roads markings and traffic signs
- Disaster Management

The National Road Traffic Law Enforcement Code (NRTLEC) provides standards and targets as a basis for road traffic law enforcement service providers (authorities) to implement government's policies relating to road traffic management and road traffic law enforcement. They apply subject to all legislation in force and the Road Traffic Management Corporation Act1999, (Act No. 20 of 1999), and the National Road Traffic Act1999, (Act No. 21of 1999)
The above standards and legislation are applicable in all three (3) spheres of government, namely national, provincial and local authorities, and must be accordingly adopted and applied by all traffic law enforcement agencies and service providers including the Bela-Bela Local Municipality. The municipality conducted 26 roadblocks mainly the on R101 Potgieter road, R101 Waterfront road, Chris Hani road, R101 Pienaarsriver road, CBD between 05 July 2024 and 20 June 2025 on the year under review.

3.10.12 LICENSING AND REGISTRATION

The Municipality through the Licensing and Registration Division renders the following services in line with the National Road Traffic Act 93 of 1996 and Regulations:

- Registration and licensing of motor vehicles
- Conduct vehicle roadworthy test through the Vehicle Testing Station
- Application, examination, and issue leaner drivers' licenses
- Application, testing, and issue driving licenses

The service is rendered in partnership with the Provincial Department of Transport and Community Safety

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE
INTRODUCTION ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality had a staff complement of 318 as provided in the revised Organogram. The municipal organogram makes provision for a Municipal Manager, five Senior Managers (Head of Departments), and two additional Managers which are the Manager Legal Services and the Manager of Strategic Support Services. Furthermore, the organogram also makes provision for 25 Middle Managers (Divisional Heads)

4.1 INTRODUCTION TO THE MUNICIPAL PERSONNEL

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Section 66 of the MSA, requires the Municipality through the Office of the Municipal Manager within the Policy Framework as determined by the Municipal Council subject to any applicable legislation to develop a staff establishment for the Municipality which subsequently led to the appointment of personnel as per the Council approved organizational structure. It is in light of the above that the Municipality managed to appoint 307 permanent staff members and 30 contract employees during the 2024/2025 financial year. It should further be noted that although most posts were advertised with the intent to reduce the vacancy rate some of the positions could not be filled due to financial constraints. The tables below provide details of employee totals, vacancy rate and staff turnover.

Description	2024/2025			
	Approved Posts	Appointed Employees	2024/2025 Variance	2023/2024 Variance
	No.	No.	No.	%
Water and Sanitation	77	57	20	25,9%
Electricity	43	32	11	25 %
Waste Management	59	47	12	20 %
Housing	4	3	1	25%
Roads and Stormwater Drainage	31	19	12	38,7 %
Transport/Fleet Management	3	2	1	25%
Town Planning	5	5	0	0 %
Local Economic Development	4	2	2	50%
Planning (Strategic & Regulatory)	2	2	0	0%
Community & Social Services (Strategic & Regulatory)	2	1	1	50%
Protection & Emergency	29	22	7	24%
Parks, Sport and Recreation	51	42	9	17,6%
Corporate, Budget, MM, Audit and Other	133	126	7	5,2%
Totals	443	360	83	18,7%

Table 46 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

4.1.1 VACANCY RATE

Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using full-time equivalents)
	No.	No.
Municipal Manager	1	0
CFO	1	0

Firefighters	Function of WDM	Function of WDM
Other Management: Levels 1-3 (excluding Finance Posts)	25	5
Senior Management: Levels 1-3 (Finance posts)	10	2
Highly Skilled Supervision: Levels 4-6 (excluding Finance posts)	54	16
Highly Skilled Supervision: Levels 4-6 (Finance posts)	16	4
Total		

Table 47 VACANCY RATE

4.1.2 TURNOVER RATE

Details	Total appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate%
	No.	No.	
2024/2025	360	14	3.8 %

Table 48 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

4.1.3 COMMENT ON VACANCIES AND TURNOVER

During the 2024/2025 financial year, the Municipality had twenty (20) terminations of services. The terminations were due to the following reasons: six (6) reached retirement age, one (1) Ill-health retirement, three (3) death cases, five (5) resignations and five (5) end-of-employment contracts

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4.1.4 INJURY ON DUTY AND SICK LEAVES

Bela-Bela Local Municipality developed and approved the Occupational Health and Safety Policy as guided by the provisions of the OHS Act No 85 of 1993. The policy is aimed at giving effect to the provisions of the OHS Act which requires the Municipality to ensure that all employees and other people who are in any of the premises of the Municipality are safe and the environment is conducive for employees to perform their duties. Although there are policies in place, it should be noted that no institution is risk-free hence always striving to mitigate and prevent the risks. With all the efforts of avoiding risks, there are some accidents such as injuries occurring while performing official duties. Table 45 below depicts the details of the injuries that occurred during the financial year under review:

4.1.5 NUMBER AND COST OF INJURIES ON DUTY 2024/2025

Number and Cost of Injuries on Duty 2024/2025					
Type of injury	Injury Leave Taken	Employees using injury leave	Average injury leave taken per employee	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000

Required basic medical attention only	30	4	6.%	0.33	17 770.07
Temporary total disablement	0	0	0	0	
Permanent disablement	250	1	100 %	0.40	250 472.00
Fatal	0	0	0	0	0
Total	280	5	106 %	0.73	268 242.07

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	The proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employee	Estimated cost
	Days	%	No.	No.	Days	R' 000
Senior management (Levels 0-2)	91	0%	13	20	4,55	267 208,81
Highly skilled supervision (Levels 3-5)	97	4,12%	13	35	2,77	159 372,57
Highly skilled production (levels 6-8)	210	6,2%	28	59	3,56	307 906,23
Skilled (levels 9-12)	66	0 %	12	49	1,34	60 487,23
Lower skilled (Levels 13-15)	419	0%	27	149	2.,81	268 448,53
MM and S56	26	0%	2	6	4,33	75 997,23
Total	889	10,32%	95	318	8,48	1 161 651,56
*** - Number of employees in post at the beginning of the year**						
***Average calculated by taking sick leave in column 2 divided by total employees in column 5**						

Table 49 NUMBER AND COST OF INJURIES ON DUTY 2024/2025

Number and Cost of Injuries on Duty 202/2024					
Type of injury	Injury Leave Taken	Employees using injury leave	Average injury leave taken per employee	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	25	4	6.25%	0.33	14 044.31
Temporary total disablement	0	0	0	0	
Permanent disablement	248	1	100 %	0.40	223 083.44

Fatal	0	0	0	0	0	
Total	273	5	106.25%	0.73	237 127.75	
Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	The proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employee	Estimated cost
	Days	%	No.	No.	Days	R' 000
Senior management (Levels 0-2)	138	10%	11	19	7.27	361 125.70
Highly skilled supervision (Levels 3-5)	155	2%	16	33	4.7	249 163.08
Highly skilled production (levels 6-8)	210	2%	23	52	4.03	646 288.57
Skilled (levels 9-12)	39	9 %	9	50	0.78	21 179.70
Lower skilled(Levels 13-15)	524	16%	45	171	3.06	298 880.61
MM and S56	4	0%	1	4	1	12050.64
Total	1070	39%	105	329	20.84	1 588 688.30
*** - Number of employees in post at the beginning of the year**						
***Average calculated by taking sick leave in column 2 divided by total employees in column 5**						

4.1.6 COMMENT ON INJURY AND SICK LEAVE

For the financial year under review, 273 injury leave days were taken by 5 employees who was injured on duty. Awareness campaigns and employee wellness programmes have been initiated and conducted by the Municipality to alert employees on how to avoid health hazards. Capacity building was also identified as a means of reducing injuries on duty. The table above provides details of injuries on duty and the sick leave days taken during the 2023/2024 financial year.

4.1.7 NUMBER OF DISCIPLINARY / MISCONDUCT CASES AND STATUS

No:	Number of Employees	Nature of the alleged misconduct	Date of suspension	Details of the disciplinary hearing: status of the case	Date finalized
1.	1	Violation of the Bela-Bela Council, Information &Communication Technology Usage	Not Suspended	In Progress	Not Finalized

		Policy and Natis Uder Undertaking			
2.	1	Dereliction of Duties and Gross Negligence	Uplifted	Still in progress	Not Finalized
3.	1	Dereliction of Duties and Gross Negligence	Uplifted	Still in progress	Not Finalized
4.	1	Negligence and Insubordination	Uplifted	Finalized	05/05/2025
5.	1	Gross Negligence and Gross Dishonesty	Not Suspended	Finalized	21/08/2025
6.	1	Insubordination	uplifted	Still in progress	28/06/2024
7.	1	Insubordination and failure to comply with the rules/ policies	Uplifted	Finalized	02/05/2025
8.	1	Gross-Negligence	Uplifted	Finalized	19/05/2025
9.	1	Insubordination and late Coming	Not Suspended	Finalized	10/10/2024
10.	1	Insubordination and failure to prepare and submit the schedule of maintenance material for water and sanitation	Not Suspended	Finalized	22/05/2025
11.	1	use of Council Vehicle without prior authorization, Gross Dishonesty and Putting the name of the Municipality into Disrepute	Uplifted	Finalized	04/09/2025

12.		Reporting on duty under the influence of stupefying substance either alcohol or drug and Putting the name of the Municipality into disrepute	Not Suspended	Finalized	22/10/2025

Table 50 NUMBER OF DISCIPLINARY / MISCONDUCT CASES AND STATUS

4.1.8 COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

The Municipality adheres strictly to the provisions of the Disciplinary Code, the Collective Agreement, and the Labour Relations Act 66 of 1995. The table above depicts only the disciplinary case in place for the year 2024/2025 financial year.

4.2 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68 (1) of the Local Government Municipal System Act No: 32 of 2000, requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient, and accountable way. For the Municipality to comply with the above-mentioned act, the Municipality had developed the 2024/2025 Work Skills Plan (WSP) which was submitted to the Local Government Sector Education Training Authority (LGSETA). The Municipality implements its WSP throughout the year to ensure workforce capacity development. Though the Municipality is required to train its employees and councilors, the Municipality has also focused on initiating training of community members through different groups. The table below depicts the details of training programmes offered during the financial year under review.

4.2.1 SKILLS MATRIX

The municipality embark on training programs to skill and empower its employees in order to enable to provide effective and efficient services delivery to the entire Bel-Bela.

SKILLS MATRIX							
Management level	Gender	Number of skilled employees trained by 30 June 2025					
		Learnership		Skills programmes & another short course		Other forms of training	
		Actual 30 June 2025	Target	Actual 30 June 2025	Target	Actual 30 June 2025	Target
Mayor and Councilors	Female	2	2	0	4	0	0
	Males	2	2	0	9	0	0
MM and S57	Female	0	0	0	1	0	0
	Males	0	0	0	3	0	0

Technicians and Trade workers	Female	0	0	0	3	0	0
	Males	1	1	0	12	0	0
Professionals	Female	5	5	2	7	1	7
	Males	9	9	2	6	4	11
Community and personal service workers	Female	0	0	0	4	2	4
	Males	0	0	2	10	0	0
Clerical and administrative workers	Females	0	0	5	20	3	8
	Males	0	0	2	10	0	8
Machine Operators and Drivers	Females	0	0	1	4	0	0
	Males	0	0	0	26	0	0
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	Females	0	0	0	2	0	0
	Males	0	0	0	9	0	0
Elementary Occupations	Females	0	0	9	61	0	0
	Males	0	0	21	61	0	0
Total Trained as of 30 June 2024	Females	30					
	Males	43					

Table 51 SKILLS MATRIX

4.3 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The purpose of Information and Communication Technology (ICT) services is to enhance the accessibility, efficiency, and effectiveness of communication and information management to deliver the outmost services. ICT service delivery

is to provide agreed levels of service to users, and to manage the technology that supports the application of administrative procedures implemented by the institution. The objectives of ICT service delivery are to:
Provide users with appropriate means to access the institution's services, particularly through multichannel online systems.
Maintain business satisfaction and confidence in ICT through effective and efficient delivery and support of agreed ICT services.
Minimize the impact of service outages on daily business activities.
Ensure that access to agreed ICT services is only provided to those authorized to receive those services.
This accountability enables the Bela - Bela Local Municipality to align the Information and Communication Technology with the Municipal strategic objectives and goals as outlined in the Integrated Development on the Municipality.

4.3.1 ICT STEERING COMMITTEE MEETING

In the year under review 2024/2025 Financial Year the Bela-Bela Local Municipality Information Communication Technology division held four ICT Steering committee meetings to ensure effective and efficient management of ICT resources and process for the achievement of the Municipal objectives as stipulated in section 75 of the Municipal Finance Management Act (MFMA) No 56 of 2003. Information Communication Technology Steering Committee quarterly meetings held as illustrated on the table below:

ICT STEERING COMMITTEE MEETINGS WERE HELD AS FOLLOWS:	
DATE	VENUE
18th September 2024	Virtual
11th December 2024	Virtual
11th April 2025	Virtual
30th June 2025	Virtual

Table 52 ICT STEERING COMMITTEE MEETING

The Information Communication and Technology (ICT) Governance Framework guides the organizational accountability and responsibilities concerning the ICT functions and its operations as per the Corporate Governance of ICT Policy Framework and the Public Service Act. The ICT Division has the responsibility to develop, implement and review ICT policies to comply with the ICT Governance Framework and Standards Procedures and to adapt to the technological changes in the ICT infrastructure.

The lack of an ICT governance framework can result in a fragmented approach to the implementation and adherence to policies and standards and unlocking the value that ICT could contribute to business enablement; hence it is of vital importance to continuously develop and review policies that will give effect to different pieces of legislation guiding the usage of ICT in the Public Sector inclusive of Municipalities. It is considering the above that Bela-Bela Local Municipality developed and reviewed its ICT Policies. Below are the details of the ICT Policies developed, reviewed and approved by the Municipal Council for implementation during the financial year under review (2024/2025 FY).

- BBLM Telephone Policy
- BBLM ICT Usage Policy
- BBLM User Account Management Policy
- BBLM ICT Change Management Policy

- BBLM ICT Firewall Policy
- BBLM ICT Incident Management Policy
- BBLM ICT Strategy
- BBLM ICT Patch Management Policy
- BBLM ICT Governance Framework Policy
- BBLM ICT Backup Procedure Policy
- BBLM Information Security Policy
- BBLM ICT Disaster Recovery Policy

4.3.2 ICT HUMAN RESOURCE STATISTICS

In terms of Section 67 (1) (a)- (K) of the Local Government Municipal Systems Act (MSA) No 32 of 2000, human resource development must ensure fair, efficient, effective, and transparent personnel administration amongst others –
The recruitment, selection and appointment of persons as staff members,
Service conditions of staff
In terms of the section stated above and Section 66 of the MSA No 32 of 2000, the Municipal Manager established the ICT Division and appointed staff thereof and further determined the conditions of service. The table below depicts the details of the Human Resource statics for the ICT Division:

Job Level	Number of employees	Number of posts approved	Number of posts filled	Vacancies
Level 1	0	1	0	1
Level 3	1	1	1	0
Level 4	1	1	1	0
Level 8	0	1	0	1

Table 53 ICT Staff Complement

CHAPTER 5: FINANCIAL PERFORMANCE

FINANCIAL HEALTH OVERVIEW

Municipality average debt collection rate was 83% in the 2024/2025 financial year which is above average in the province. The Municipality's 2024/2025 financial year's total revenue is R 840 million. The highest source of revenue was Government grants, followed by Service charges (i.e. income from the sale of water, electricity, waste collection and sanitation) and property rates respectively. The total expenditure of the Municipality for the 2024/2025 financial year was R675 million. The highest expenditure was incurred on Employee related costs followed by Bulk purchases (electricity) and Debt impairment respectively.

The Municipality's financial performance resulted in a surplus of R165 million. Total receivables from exchange and non-exchange transactions after provision for doubtful debts was R167 million at the end of June 2025. Trade payables from exchange transactions amounted to R103 million as of 30 June 2025. Major creditors included bulk purchases (Eskom) for electricity distributions and (Magalies) for water respectively.

Table below illustrate financial performance for the 2024/2025 financial year.

Financial Overview 2024/2025			
Description Total Revenue (inclusive of capital transfers and contributions)	Original Budget	Adjustment Budget	Actual
Grants	237 914 000	275 572 663	328 031 982
Taxes and Service charges	374 606 140	374 366 267	347 545 792
Other	75 411 949	118 888 310	164 456 474
Total Revenue	687 932 089	768 827 240	840 034 248
Total Expenditure	571 455 845	603 186 646	674 761 708
Surplus / (Deficit)	116 476 244	165 640 594	165 272 540

Table 54 Financial Performance

Table below shows the total capital expenditure over three financial years.

Total capital expenditure			
Details	2022/2023	2023/2024	2024/2025
Original budget	97 308 500	92 692 900	97 284 261
Adjustment budget	99 401 528	88 968 313	129 219 558
Actual	87 150 884	86 015 012	128 086 058

Table 55 capital expenditure over three financial years

5.1 OPERATING RATIOS

Table Below depicts the main operating cost rations in comparison with national treasury norms

Operating cost ratios 2024/2025	
Details	Value
Increase in revenue	$\frac{(Period\ Under\ Review's\ Total\ Revenue - \text{Previous Period's Total Revenu}}{\text{Previous Period's Total Revenue}}$ $\frac{(840\ 034\ 248 - 652\ 209\ 007\ )}{652\ 209\ 007} x\ 100$ =29%
Remuneration cost	$= \frac{Employee\ related\ costs + remuneration\ of\ councillors}{Total\ Operating\ Expenditure} x100$ $= \frac{161\ 193\ 029 + 9\ 033\ 832}{674\ 761\ 708} x100$ =25%
Repairs and maintenance	$\frac{Total\ Repairs\ and\ Maintenance\ expenditure}{Property, Plant\ and\ Equipment\ and\ Investment\ property} x\ 100$ $= \frac{7\ 644\ 236}{82\ 503\ 007 + 1\ 045\ 502\ 927} x100$ =1%
Finance charges and depreciation	$\frac{Finance\ charge\ and\ depreciation}{Total\ operating\ expenditure} x\ 100$ $= \frac{15\ 784\ 407 + 44\ 115\ 824}{674\ 761\ 708} x100$ =9%
Increase/(decrease) in expenditure	$\frac{(Period\ Under\ Review's\ Total\ Expenditure - \text{Previous Period's Total Ex}}{\text{Previous Period's Total Expenditure}}$ $= \frac{674\ 761\ 708 - 547\ 865\ 023}{547\ 865\ 023} x100$ = 23%
Interest cover	$\frac{Earnings\ before\ interest\ and\ taxation}{Finance\ charges}$ $= \frac{165\ 272\ 540 + 15\ 784\ 407}{15\ 784\ 407}$ =11 times

Net surplus percentage	$$\frac{(\text{Total Operating Revenue } - \text{Total Operating Expenditure})}{\text{Total Operating Revenue}} x\ 100$$ $$= \frac{840\ 034\ 248\ - 674\ 761\ 708}{840\ 034\ 248} x100$$ =-3%

Table 56 main operating cost rations in comparison with national treasury norms

The overall increase in revenue for the 2024/2025 financial year was 29%. This increase is attributable mainly to increase in government grants and subsidies (Smart meters grant) traffic fines emanating from increase in ticket issued during the year. There were also increases in other property rates, interest income and grants. Noteworthy is that other income declined in the current year, this is based on demand for the services.
Remuneration costs are at 25% of the total operating expenditure and are within the National Treasury norms of between 25% and 40% as stipulated on MFMA Circular No. 71.
Repairs and maintenance are at 1%. Acquisition and construction of new infrastructure while gradually replacing the old infrastructure and cash flow limitations resulted in lower repairs and maintenance.
Finance charges and depreciation account for 9% of the total operating expenditure.
Total expenditure for the 2024/2025 financial year increased by 23% from the 2023/2024 financial year. The increase attributable to significant increases in debt impairment, bulk purchases, debt impairment, employee related costs and contracted services.
The interest cover ratio is11 times indicates that the municipality has more than sufficient earnings to cover interest payments as they fall due and there are no solvency concerns.
The net surplus constitutes negative 3% of the total operating revenue. Capital revenue (capital grants) is excluded.

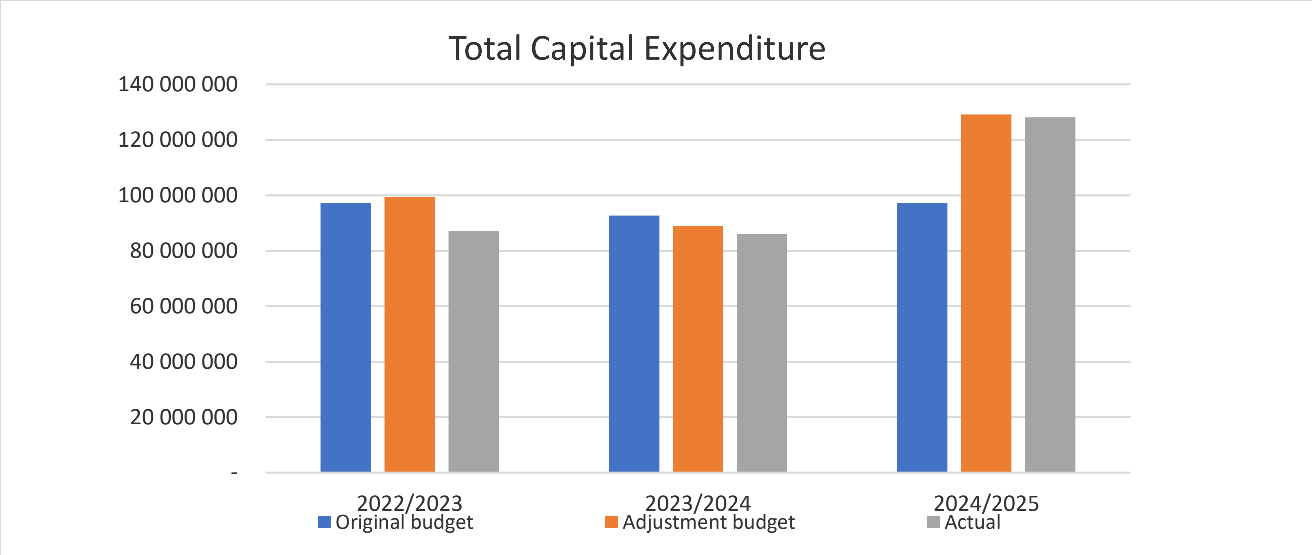
5.2 CAPITAL EXPENDITURE

Table below shows the total capital expenditure over three financial years.

Total capital expenditure			
Details	2022/2023	2023/2024	2024/2025
Original budget	97 308 500	92 692 900	97 284 261
Adjustment budget	99 401 528	88 968 313	129 219 558
Actual	87 150 884	86 015 012	128 086 058

Table 57 total capital expenditure over three financial years

GRAPH:7 BELOW ILLUSTRATE CAPITAL EXPENDITURE OVER THE PERIOD OF THREE FINANCIAL YEARS

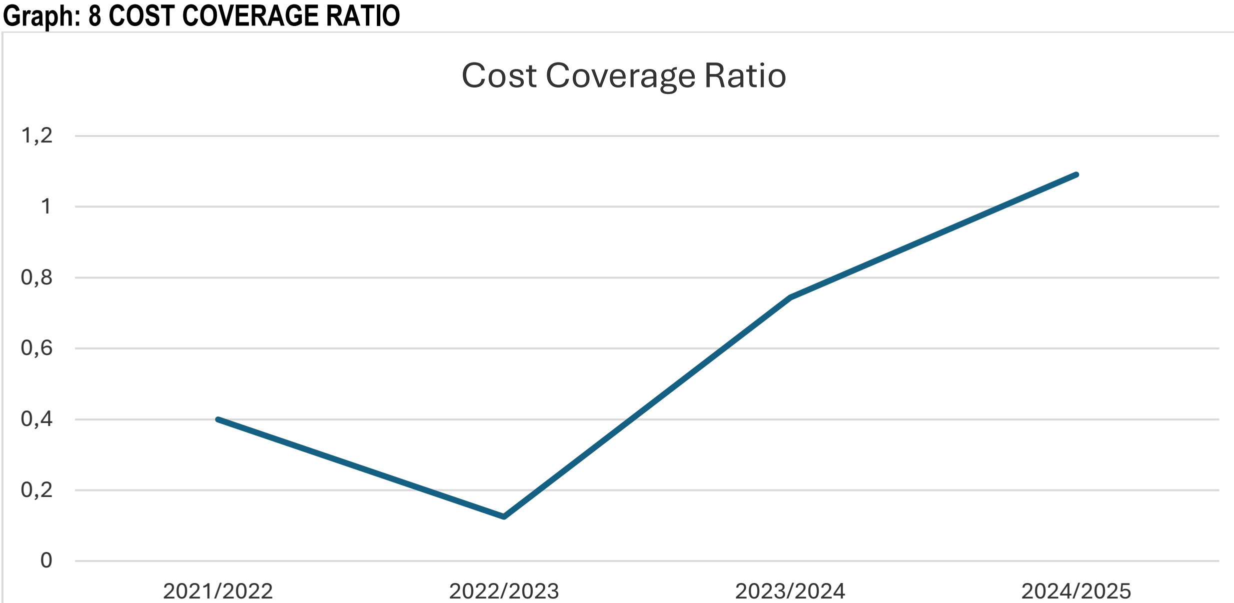


The Municipality had spent 99% of the capital budget as of 30 June 2025, the 1% relates to own source capital budget which was not spent.

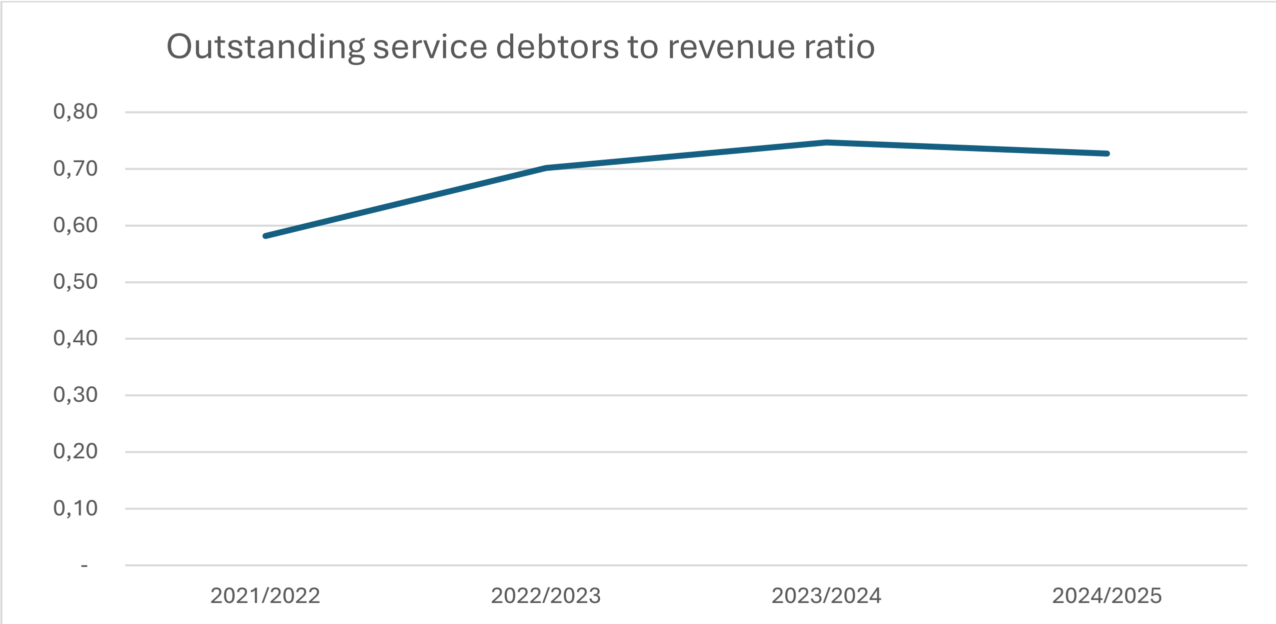
5.3. INTRODUCTION TO FINANCIAL PERFORMANCE

The graphs below depict the financial performance analysed in terms of the financial ratios.

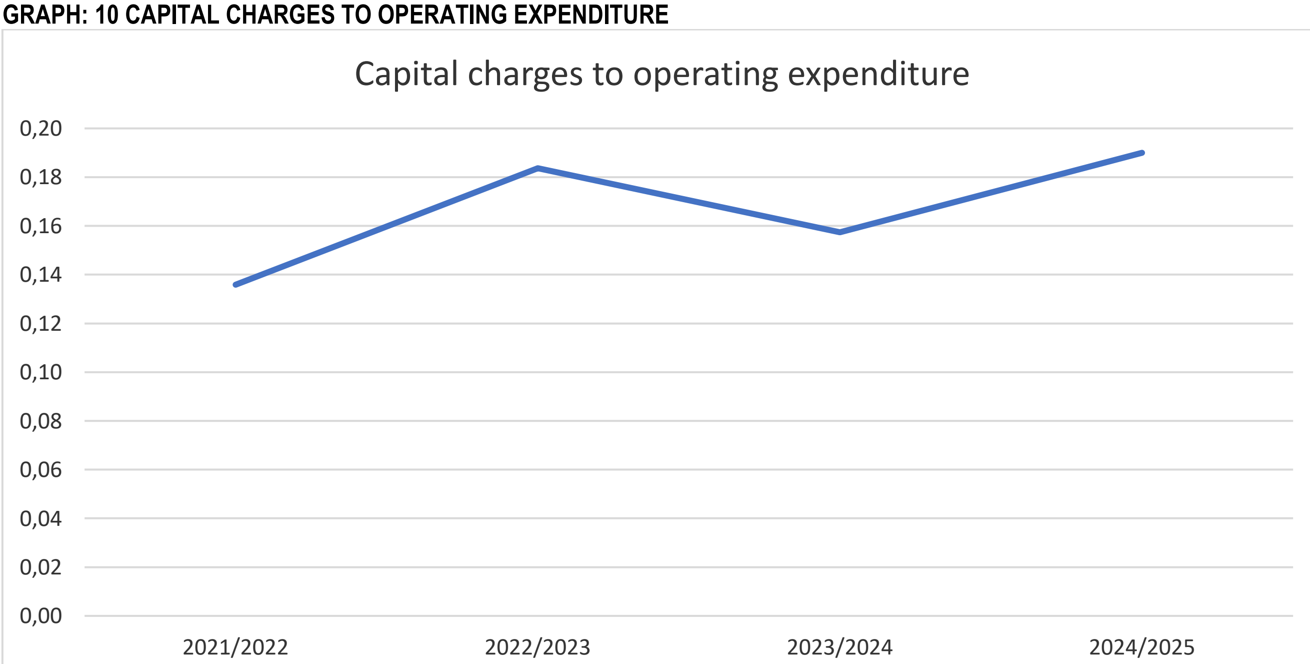
Graph: 8 COST COVERAGE RATIO



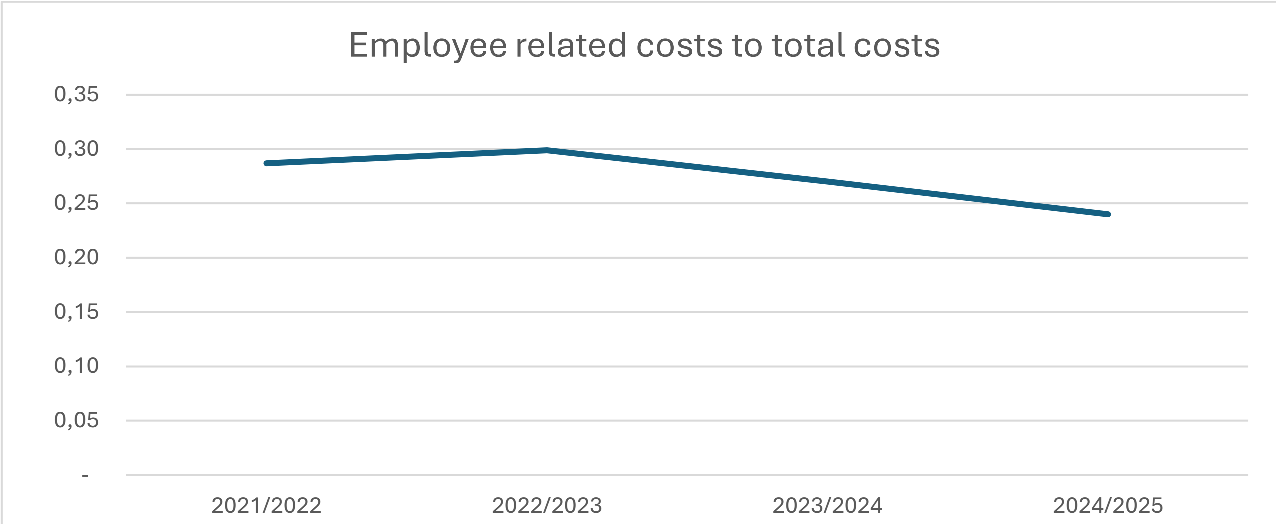
GRAPH: 9 OUTSTANDING SERVICE DEBTORS TO REVENUE RATIO



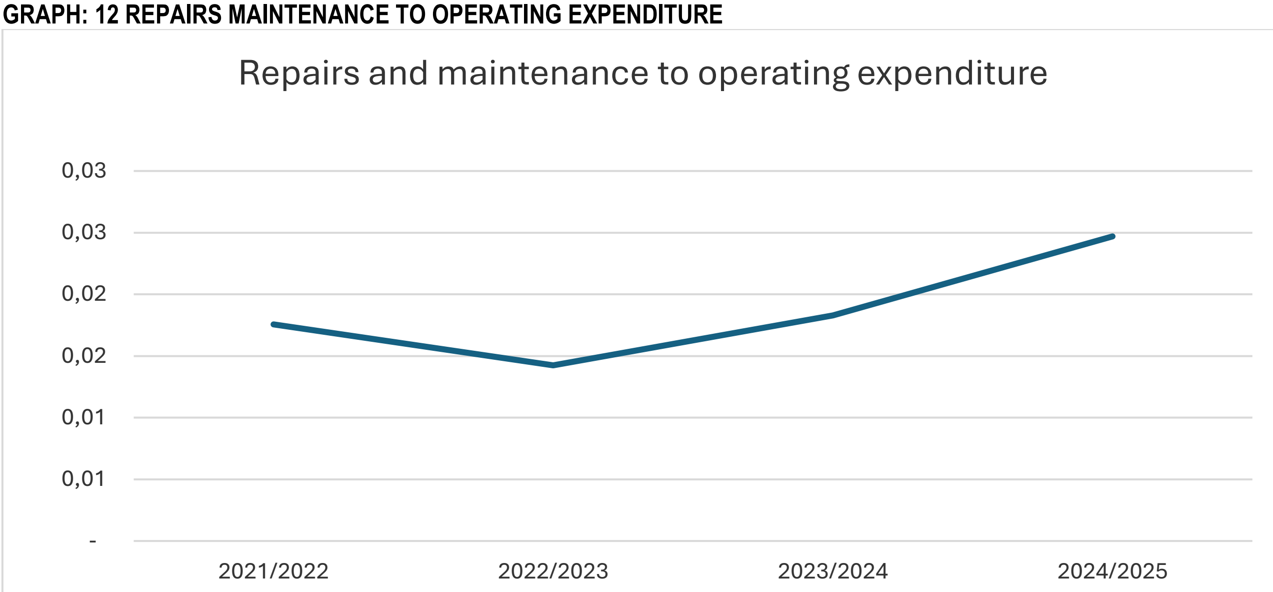
GRAPH: 10 CAPITAL CHARGES TO OPERATING EXPENDITURE



GRAPH: 11 EMPLOYEE COST RATIO



GRAPH: 12 REPAIRS MAINTENANCE TO OPERATING EXPENDITURE



5.4 STATEMENT OF FINANCIAL PERFORMANCE

Statement of Financial Performance			
Figures in Rand	Note(s)	2025	2024 restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	239 931 590	219 860 802
Rental of facilities and equipment	20	1 171 688	1 195 716
Agency services	21	4 192 641	4 601 547
Sale of goods and rendering of services	22	1 481 506	1 418 360
Other income	23	1 981 169	4 215 002
Interest income from exchange	24	18 693 146	15 404 179
Fair value adjustments	25	8 102 823	6 563 918
Impairment reversal	35	261 703	-
Actuarial gains	58	1 198 426	63 000
Change in landfill provision income	60	129 671	3 020 493
Total revenue from exchange transactions		277 144 363	256 596 517
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	107 614 202	95 606 089
Property rates - interest income	26	15 500 819	13 329 795
Licenses and Permits (Non-exchange)	27	2 192 711	2 199 648
Availability charges	28	3 847 563	3 574 838
Debt forgiveness	59	10 335 126	7 718 840
Transfer revenue			
Government grants & subsidies	29	328 031 982	224 819 967
Fines, Penalties and Forfeits	30	95 170 709	31 619 313
Public contributions and donations	41&61	51 423	16 744 000
Total revenue from non-exchange transactions		562 889 885	395 612 490
Total revenue		840 034 248	652 209 007
Expenditure			
Employee related costs	31	(161 193 029)	(147 681 591)
Remuneration of councilors	32	(9 033 832)	(8 810 393)
Depreciation and amortization	34	(44 115 824)	(41 284 799)
Impairment of assets	35	(225 730)	(921 188)
Finance costs	36	(15 784 407)	(15 351 366)
Bulk purchases	37	(156 736 350)	(136 245 642)

Statement of Financial Performance			
Figures in Rand	Note(s)	2025	2024 restated*
Contracted Services	38	(74 151 913)	(49 074 015)
General Expenses	39	(72 863 727)	(67 049 344)
Loss on disposal of assets	62	(5 555 356)	(3 006 097)
Debt Impairment	63	(135 101 540)	(78 440 588)
Total expenditure		(674 761 708)	(547 865 023)
Surplus for the year		165 272 540	104 343 984

Table 58 STATEMENT OF FINANCIAL PERFORMANCE

5.5 COMMENT ON FINANCIAL PERFORMANCE

The pre-audited Financial Statements reflect total revenue of R787 529 155. Revenue from exchange transactions consisted mainly of service charges. Revenue from non-exchange transactions was earned primarily from property rates and government grants.
Total expenditure for the year was R660 612 036. Employee related costs and bulk purchases each constituted 24% of total expenditure respectively. Total expenditure increased by 21%, this is mainly attributable to significant increases in Debt impairment, Bulk purchases, Employee related costs and contracted services.

Segment Description	Funding	Final Budget	Total Actuals
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station	INEP	17 665 217	17 665 217
Refurbishment of roads and stormwater in Limpopo Road and Ma	MDRG	551 882	551 881
Construction of Road Paving and Bulk stormwater in Bela Bela	MIG	917 311	917 311
Construction of Road Paving and Stormwater in Rapotokwane -P	MIG	2 081 747	2 081 737
Development of sports facilities in Masakhane (Ward 9)	MIG	2 218 764	2 218 763
Construction of Road Paving and Stormwater in Bela Bela X5 -	MIG	10 638 431	10 538 242
Upgrading of the Bela Bela Municipal landfill site-Phase 1	MIG	15 471 931	15 471 931
Replacement of Bulk Raw Water AC Pipeline from Lapa to Bela-	WSIG	4 079 058	4 079 058
Water Supply Source Augmentation and the construction of the	WSIG	6 198 241	6 188 558
Construction of Water Booster Pump Station and Upgrading of	WSIG	7 308 263	7 278 080
Upgrading of the Industrial outfall sewer line (Ward 2)	WSIG	7 335 216	7 335 216
Upgrading of the Leseding Sewer Pump Station (Ward 6)	WSIG	9 752 201	9 752 200
Upgrading of the Sewer Rising Main from the Leseding Pump St	WSIG	12 979 677	12 979 677
Upgrading of the Settlers Sewer Pump Station (Ward 2)	WSIG	16 822 996	16 822 995
Assets Acquired through own source funding	Own	15 198 620	14 205 191
Total		129 219 555	128 086 058

5.6. OPERATING GRANTS

Operational Grants		
Grant Name	2024	2024
Equitable share	137 988 662	129 614 000
Finance Management Grant	1 800 000	1 700 000
Expanded Public Works Program	1 502 000	1 302 000
LGSETA	1 749 996	805 468
Total	143 040 458	133 421 468

Table 59 OPERATING GRANTS

5.7. CASH FLOW STATEMENT

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Customers		311 638 415	259 982 430
Grants		286 521 997	217 428 468
Interest income		30 946 524	34 419 954
		629 106 936	511 830 852
Payments			
Employee costs		-168 013 244	-159 612 245
Suppliers		-313 657 108	-249 675 737
Finance costs		-	-211 355
		-481 670 352	-409 499 337
Net cash flows from operating activities	41	147 436 584	102 331 515
Cash flows from investing activities			
Purchase of property, plant and equipment	10	-118 283 412	-86 164 331
Proceeds from sale of property, plant and equipment	10	2 408 537	
Purchase of intangible assets	11	-	-552 723
Net cash flows from investing activities		-115 874 875	-86 717 054
Cash flows from financing activities			

Finance lease payments		-3 957 555	-1 605 374
Net increase/(decrease) in cash and cash equivalents		27 604 154	14 009 087
Cash and cash equivalents at the beginning of the year		25 267 065	11 257 979
Cash and cash equivalents at the end of the year	8	52 871 219	25 267 065

Table 60 Cash Flow Statement

Operating grant revenue for the year amounted to R 143 040 458. All the operating grants allocated to the Municipality in terms of the Division of Revenue Act for 2024/2025 were received. No operating grants were withheld by National Treasury during the financial year.

5.8. COMMENTS ON CONDITIONAL GRANTS AND GRANTS RECEIVE FROM OTHER SOURCES

Conditional Grants		
Grant Name	2024	2024
Local Government Finance Management Grant (FMG)	1 800 000	1 800 000
Expanded Public Works Programme (EPWP)	1 502 000	1 302 000
Integrated National Energy Programme Grant (INEP)	20 315 001	153 463
Municipal Infrastructure Grant (MIG)	37 509 000	28 257 000
Water Services Infrastructure Grant (WSIG)	74 147 000	62 988 036
LGSETA Grant	1 749 996	805 468
Municipal Disaster Response Grant (MDRG)	634 663	0
Total	137 657 660	95 205 966

Table 61 CONDITIONAL GRANTS AND GRANTS RECEIVE FROM OTHER SOURCES

A total of R 137 657 660 was recognised as revenue from conditional grants. Conditional grants include both operational and capital grants. Conditional grants are included in revenue only to the extent that the Municipality has met the conditions of those grants. All conditional grants were received from the National Treasury as per the Division of Revenue Act, except for the SETA grant which is received from the Department of Higher Education and Training.

5.9 COMMENTS ON CAPITAL EXPENDITURE

Capital Expenditure relates mainly to the construction and rehabilitation of municipal assets that will have value lasting over many years. Capital expenditure is funded from grants and own generated funds. Components deal with capital spending indicating the source of funding and whether the Municipality was able to spend on its planned and approved capital projects.

5.10 SUPPLY CHAIN MANAGEMENT

Section 112 of the Municipal Financial Management Act (MFMA) No.56 of 2003 requires municipalities to have a Supply Chain Management Policy which is fair, equitable, transparent, competitive, cost-effective and complying with the prescribed regulatory framework. As guided by the above mentioned Act Bela-Bela Local Municipality revised its SCM Policy during the 2022/2023 financial year to comply and implement the provisions of Section 112 of MFMA and taking

into account other development in Supply Chain Management (SCM) such as the new South African Revenue Services (SARS) phasing out of tax clearance certificates and introduction of compliance PINs, the new Centralized Supplier Database (CSD) and the e-Tender advertisement platform.
With regards to the Supply chain management policy, Municipality amended the policy in the middle of the financial because of the amended regulation in the preferential procurement policy framework act. The process was subjected to public participation since is the budget related policy.
The Municipality is also adhering and complying with Section 26(b) of Local Government Municipal Finance Management Regulations, which allows the Accounting Officer to appoint members of bid committees as and when required.

5.11 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the Municipality. It will also ensure that the Municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

5.12 INTRODUCTION TO FREE BASIC SERVICES DELIVERY

Bela-Bela Local Municipality has approved an Indigent support policy where consumers who earn R4 500 and below qualify to receive free/subsidized basic services. These services include 6kl of water, 50KWH of electricity, free weekly waste collection, free sanitation services and 100% subsidy on property rates. An indigent register has been developed and it is being used as a guide of the number of households provided with the above-mentioned free basic services. According to the statistics in the register, Bela-Bela local Municipality provides 5 053 houses with free basic services (Indigents) during the 2024/2025 financial year

SERVICES	NUMBER
FREE BASIC WATER	4 369
FREE BASIC ELECTRICITY	3 761
FREE BASIC SANITATION	4 445
FREE BASIC REFUSE	4 155

CHAPTER 6: AUDITOR GENERAL'S FINDINGS

6.1 ANNUAL PERFORMANCE SCORECARD REPORT FOR THE 2024/2025 FINANCIAL YEAR

Bela-Bela Local Municipality established Performance Management Systems (PMS) as guided by Section 38 of the Local Government Municipal Systems Act, No 32 of 2000. As required by the above - mentioned Act the established PMS commensurate with the resources of the Municipality, its circumstances and is also in line with the priorities, objectives, indicators and targets contained in its Integrated Development Plan (IDP). Furthermore, the Municipality set appropriate key performance indicators as a yardstick for measuring the 2024/2025 performance. The set indicators also outlined the outcomes and impact concerning the Municipality's developmental priorities and objectives as set out in the Approved 2024/2025 Integrated Development Plan (IDP).

Emanating from 2024/2025 Approved IDP and 2024/2025 budget, the Municipality developed an SDBIP which organizational scorecard providing a strategic direction on how the organization will implement and account for the budget, developmental objectives and priorities approved for the financial year under review. The Municipality also established the process of regular reporting to Council and to communities, whereby Management, Audit Performance Committee, and the Mayor tabled quarterly Service Delivery and Budget Implementation Plan performance reports. The Municipality also complied with the provisions of Section 46 of the Local Government Municipal Systems Act by compiling the 2024/2025 Annual Performance Report which was submitted to the Auditor General as required by Section 45 of the Local Government Municipal Systems Act No 32 of 2000.

6.2 ACTION TAKEN TO ADDRESS ISSUES RAISED BY THE AUDITOR GENERAL

AG Action Plan was developed to address the issues raised by the Auditor General. The Municipality held weekly meetings in this regard. During the financial year 2024/2025 the Municipality obtained an unqualified audit opinion with findings from the office of the Auditor General of South Africa. This is an improvement from the previous year's qualified audit outcome.

The Municipality reflects strengthened efforts in financial reporting and a more effective response to prior year audit matters. While this progress is notable, findings remain in areas relating to compliance with legislation and certain disclosure corrections made during the audit. Furthermore, the municipality demonstrates progress in specific areas, particularly within basic service delivery KPAs, where strengthened operational controls are evident. Improvements are also recognized in the quality of financial statements and some compliance-related findings remain consistent with the prior year, indicating that preventative controls are embedded and monitored more closely to avoid future recurrence.

The action plan is monitored through weekly Audit Steering Committee meetings and over and above this, the municipality is currently preparing the interim financial statements with intention to address all issues raised in the audit report.

Appendix A: Councillors; Committee Allocation and Council Attendance

COUNCIL MEETINGS AND SUB – COMMITTEE 01 JULY 2024 TO 30 JUNE 2025

NAME OF COUNCILLOR	FULL TIME/ PART-TIME	PARTY REPRESENTATIVE	NO OF COUNCIL MEETINGS SCHEDULED	NO OF COUNCIL MEETINGS ATTENDED	% OF ATTENDANCE	NO OF SUBCOMMITTEE MEETINGS SCHEDULED	NO OF SUBCOMMITTEE MEETINGS ATTENDED	% OF ATTENDANCE
CLLR GM Seleka	Full time	ANC	10	10	100%	11	11	100%
CLLR TN Zikhali	Full time	ANC	10	9	90%	Not assigned to attend Subcommittees	Not assigned to attend Subcommittees	Not assigned to attend Subcommittees
CLLR JM Mabua	Full time	ANC	10	10	100%	Not assigned to attend Subcommittees	Not assigned to attend Subcommittees	Not assigned to attend Subcommittees
CLLR FS Hlungwane	Part time	ANC	10	7	70%	11	11	100%
CLLR PV Mashaba	Part time	ANC	10	8	80%	11	10	90%
CLLR MH Ledwaba	Part time	DA	10	5	50%	11	5	45%
						11	4	36%
CLLR SD Seale	Part time	EFF	10	9	90%	Not assigned to at Subcommittees	Not assigned to attend Subcommittee	Not assigned to attend Subcommittees
CLLR MJ Ngobeni	Part time	ANC	10	9	90%	11	2	18%
CLLR KS Rachidumela	Part time	ANC	10	10	100%	11	11	100%
CLLR K Sepuru	Part time	ANC	10	9	90%	11	7	64%
CLLR MF Koover	Part time	ANC	10	8	80%	11	10	91%
			10	10	100%	11	10	91%

CLLR MD Senosha	Part time	DA						
CLLR JD Cloete	Part time	DA	10	8	80%	11	11	100%
						11	8	73%
CLLR MJ Makhubela	Part-time	BRA	10	9	90%	Not assigned to attend Subcommittee	Not assigned to attend Subcommittee	Not assigned to attend Subcommittees
CLLR MO Tlaka	Part time	EFF	10	7	70%	11	7	64%
CLLR A Van Der Heyde	Part time	DA	10	10	100%	11	11	100%
CLLR MN Mpunwana	Part time	VF+	10	5	50%	11	6	55%
CLLR J Roets	Part time	VF+	10	2	20%	11	3	27%

Appendix B: Committee and Committee Purpose

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES	
Municipal Committees established in terms of Section 79 of the Municipal Systems Act No 117 of 1998	**Purpose of Committee**
Social and Community Services Sub-Committee	Section 80 Committee appointed in terms of Section 79 of MSA No 117 of 1998 to assist the Executive Committee in performing its responsibilities of amongst others advising Council on matters related to Social and Community Services.
Planning and Economic Development Sub-committee	Section 80 Committee appointed in terms of Section 79 of MSA No 117 of 1998 to assist the Executive Committee in performing its responsibilities of amongst others advising Council on matters related to Planning and Technical Services.
Infrastructure Sub-committee	Section 80 Committee appointed in terms of Section 79 of MSA No 117 of 1998 to assist the Executive Committee in performing its responsibilities of amongst others advising Council on matters related to Technical Services.

Governance and Transformation/ Budget & Treasury Subcommittee	Section 80 Committee appointed in terms of Section 79 of MSA No 117 of 1998 to assist the Executive Committee in performing its responsibilities of amongst others advising Council on matters related to the Budget and Treasury and Corporate Services.
Municipal Public Account Committee (MPAC)	Oversight Committee which plays an oversight role over the work of the administration and advice Council as per the legislative requirements.
Performance and Audit committee	Oversight Committee established in terms of Section 166 of the Local Government Municipal Finance Management Act (MFMA) No 56 of 2003. This Committee advises the Municipal Council, the Political Office Bearers, the Accounting Officer and the Management Staff on matters listed under Section 166 (2) (a-e) of the MFMA.
Risk Management and Compliance Committee	Oversight Committee which plays an oversight role over the work of the administration and advice Council as per the legislative requirements.
Integrated Development Planning (IDP) Steering Committee	Technical support through IDP Review process
IDP Rep Forum	Stakeholder participatory mechanism during the IDP Review process
Top Management	Strategic management decision-making structure established in terms of Section 77 of the Local Government Municipal Finance Management Act no 56 of 2003. This Committee assists the Accounting Officer in managing and coordinating the financial administration of the Municipality.
Extended Top Management	Operational management decision-making structure established to assist the Top Management in performing its responsibilities.

Appendix C: Third Tier Administrative structure

Third Tier Structure		
Initials & Surname	**Title**	**Department**
Ramolobeng MN	Divisional Manager: Human Resources Management	Corporate Services
Vacant	Divisional Manager: Information Technology	Corporate Services
Seima MA	Divisional Manager: Council Administration and Support	Corporate Services
Mahlare K	Divisional Manager: Human Resources Development	Corporate Services
Manaka ST	Manager Legal Services	Corporate Services

Mothapo TJ	Manager Strategic Support Services	Office of the Municipal Manager
Tshikovhi C	Divisional Manager: Integrated Development & Planning	Office of the Municipal Manager
Mhlongo V	Divisional Manager: Performance Management System	Office of the Municipal Manager
Kabe KC	Chief Audit Executive	Office of the Municipal Manager
Moloto OPK	Divisional Manager: Communications	Office of the Municipal Manager
Vacant	Divisional Manager: Local Economic Development	Planning & Economic Development
Manzini M	Divisional Manager: Town Planning	Planning & Economic Development
Vacant	Divisional Manager Human Settlement	Planning & Economic Development
Vacant	Divisional Manager: Roads & Stormwater	Technical Services
Moloto J	Divisional Manager: Water & Sanitation	Technical Services
Kotsokoane T	Divisional Manager Electrical	Technical Services
Tshokweni P	Divisional Manager PMU	Technical Services
Vacant (Unfunded)	Divisional Manager Engineering Planning	Technical Services
Vacant (Unfunded)	Divisional Manager Fleet	Technical Services
Mohlala A	Divisional Manager: Parks and Cemeteries	Social & Community Services
Vacant	Divisional Manager: Protection and Emergency Services	Social & Community Services
Phahlane N	Divisional Manager: Waste & Cleansing	Social & Community Services

Raborolo D	Divisional Manager Sport, Arts & Culture	Social & Community Services
Matwalana LT	Divisional Manager: Licensing	Social & Community Services
Titi T	Divisional Manager: Revenue	Budget & Treasury Office
Mulaudzi M	Divisional Manager: Expenditure	Budget & Treasury Office
Makgobela K	Divisional Manager: SCM	Budget & Treasury Office
Motshoane LJ	Divisional Manager: Budget and Reporting	Budget & Treasury Office
Vacant (Unfunded)	Specialist Financial Statements	Budget & Treasury Office
Legare M	Divisional Manager Assets, Fleet & Inventory	Budget & Treasury Office

Appendix D: Functions of Municipality/Entity
See Chapter 1

Appendix F: Ward Information
See chapter 2

Appendix G: Recommendations of the Municipal Audit Committee
See Chapter 6

Appendix H: Long term Contracts and Public Private Partnership
N/A

Appendix I: Municipal Entity/Service Provider Performance Schedule
See APR - Annexure B

Appendix J: Disclosure of Financial Interest

Refere to Annual Performance Agreement

Appendix K: Revenue Collection Performance

See AFS - Annexure A

Appendix K (i): Revenue Collection Performance by Vote

See AFS - Annexure A

Appendix K (ii): Revenue Collection Performance by Source

See AFS - Annexure A

Appendix L: Conditional Grants Received: Excluding MIG

See AFS - Annexure A

Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG

See AFS - Annexure A

Appendix M(i): Capital Expenditure – New Assets Programme

See AFS - Annexure A

Appendix N: Capital Programme by Project current year

See AFS - Annexure A

Appendix O: Capital Programme by project by Ward current year

See AFS - Annexure A

Appendix P: Service Connection Backlogs at Schools and Clinics

N/A

Appendix Q: Service Backlogs Experienced by the Community where another Sphere of Government is Responsible for Service Provision

N/A

Appendix R: Declaration of Loans and Grants Made by the Municipality

See AFS - Annexure A

Appendix S: Declaration of Returns not Made in due Time under MFMA s71

See AFS - Annexure A

Appendix T: National and Provincial Outcome for local government

N/A

Bela Bela local Municipality
Audited Annual Financial Statements
for the year ended 30 June 2025

General Information

Legal form of entity	Municipality in terms of Section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with Section 155 (1) of the Constitution of the Republic of South Africa (Act 108 of 1996)
Nature of business and principal activities	The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.
Executive Committee	
Honorable Mayor	Hon. Cllr G.M. Seleka
Executive committee members	Cllr. A Van Der Heyde
	Cllr. M.H Ledwaba (Deceased12/06/2025)
Chief Whip	Cllr. K. Sepuru
Councillors	Cllr. M.F. Koover (Chairperson of Infrastructure Sub-Committee)
	Cllr. K.S. Rachidumela (Chairperson of Planning and Economic Development Sub-Committee)
	Cllr. P.V. Mashaba (Chairperson of Social and Community Services Sub-Committee)
	Cllr. F.S. Hlungwane (Chairperson of Governance and Treasury Sub-committee)
	Cllr. J.M.Mabua (Chairperson of Municipal Public Accounts Committee)
	Cllr. J.D. Cloete
	Cllr. M.O. Tlaka
	Cllr. M.J. Makhubela
	Cllr. M.N. Mpunwana (Deceased 09/02/2025)
	Cllr. M.D. Senosha
	Cllr. S.D. Seale
	Cllr. J Roets (Engagement 13/03/2025)
Grading of local authority	Level 3
Accounting Officer	Mr. T.G. Ramagaga
Chief Financial Officer (CFO)	Mr. R.M. Marutha
Registered office	58 Chris Hani Drive Bela Bela 0480
Postal address	Private Bag X1609 Bela Bela 0480
Banker	Absa Limited
Auditors	Auditor-General of South Africa (AGSA) Registered Auditors

General Information

Attorneys	Motalane Incorporated (contract ended in 30 April 2025) Noko Maimela Incorporated (contract ended in 30 April 2025) Mohale Incorporated (contract ended in 30 April 2025) Ndobela and Associates incorporated (contract ended in 30 April 2025) GSM Mohlabi incorporated (contract ended in 30 April 2025)

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Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
IPSAS	International Public Sector Accounting Standards
JSE	Johannesburg Stock Exchange
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
MSCOA	Municipal Standard Chart of Accounts
NRA	Normal Retirement Age
PAYE	Pay as Your Earn
PPE	Property, Plant and Equipment
RSA	Republic of South Africa
SETA	Sector Education and Training Authority
SDL	Skills Development Levy
SARS	South African Revenue Services
SCM	Supply Chain Management
UIF	Unemployment Insurance Fund
WSIG	Water Service Infrastructure Grant

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited annual financial statements. However, any system of internal financial control 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 to 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.

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

I certify that the salaries, allowances and benefits of councillors as disclosed in Note 32 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

The audited annual financial statements which have been prepared on the going concern basis and were approved by the accounting officer on 31 August 2025 and were signed on its behalf by:

Mr. T.G Ramagaga
Accounting Officer

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	3	286 667	480 908
Receivables from exchange transactions	4&5	90 569 651	83 807 565
Receivables from non-exchange transactions	5&6	75 889 282	68 430 225
Cash and cash equivalents	8	52 871 219	25 267 066
VAT receivable (Statutory)	7	-	163 964
		219 616 819	**178 149 728**
Non-Current Assets			
Receivables from exchange transactions	4	136 632	140 580
Investment property	9	82 503 007	74 400 184
Property, plant and equipment	10	1 045 502 927	929 198 457
Intangible assets	11	1 486 201	1 861 787
Heritage assets	12	538 950	538 950
		1 130 167 717	**1 006 139 958**
Total Assets		**1 349 784 536**	**1 184 289 686**
Liabilities			
Current Liabilities			
Payables from exchange transactions	13	102 878 365	118 353 379
Consumer deposits	14	7 444 741	7 236 417
Employee benefit obligation	15	3 617 000	3 443 000
Unspent conditional grants and receipts	16	10 925 338	49 663
Provisions	17	4 942 355	5 505 069
Finance lease obligation	18	3 364 567	4 171 101
Municipal Debt Relief financial liabilities	57	6 262 177	6 982 327
		139 434 543	**145 740 956**
Non-Current Liabilities			
Employee benefit obligation	15	64 910 000	58 439 000
Provisions	17	68 132 774	60 859 937
Finance lease obligation	18	1 691 661	4 014 851
Municipal Debt Relief financial liabilities	57	6 982 327	11 878 479
		141 716 762	**135 192 267**
Total Liabilities		**281 151 305**	**280 933 223**
Net Assets		**1 068 633 231**	**903 356 463**
Accumulated surplus	49	1 068 633 231	903 356 463
Total Net Assets		**1 068 633 231**	**903 356 463**

* See Note 49

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	239 931 590	219 860 802
Rental of facilities and equipment	20	1 171 688	1 195 716
Agency services	21	4 192 641	4 601 547
Sale of goods and rendering of services	22	1 481 506	1 418 360
Other income	23	1 981 169	4 215 002
Interest income from exchange	24	18 693 146	15 404 179
Fair value adjustments	25	8 102 823	6 817 418
Impairment reversal	35	261 703	-
Acturial gains	58	1 198 426	63 000
Change in landfill provision income	60	129 671	3 020 493
Total revenue from exchange transactions		**277 144 363**	**256 596 517**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	107 614 202	95 606 089
Property rates - interest income	26	15 500 819	13 329 795
Licences and Permits (Non-exchange)	27	2 192 711	2 199 648
Availibility charges	28	3 847 563	3 574 838
Debt forgiveness	59	10 335 126	7 718 840
Transfer revenue			
Government grants & subsidies	29	328 031 982	224 819 967
Fines, Penalties and Forfeits	30	95 316 059	31 619 313
Public contributions and donations	42&61	51 423	16 744 000
Total revenue from non-exchange transactions		**562 889 885**	**395 612 490**
Total revenue		**840 034 248**	**652 209 007**
Expenditure			
Employee related costs	31	(161 193 029)	(147 681 591)
Remuneration of councillors	32	(9 033 832)	(8 810 393)
Depreciation and amortisation	34	(44 115 824)	(41 284 799)
Impairment of assets	35	(225 730)	(921 188)
Finance costs	36	(15 784 407)	(15 351 366)
Bulk purchases	37	(156 736 350)	(136 245 642)
Contracted Services	38	(74 151 913)	(49 074 015)
General Expenses	39	(72 863 727)	(67 049 344)
Loss on disposal of assets	62	(5 555 356)	(3 006 097)
Debt Impairment	63	(135 101 540)	(78 440 588)
Total expenditure		**(674 761 708)**	**(547 865 023)**
Surplus for the year		**165 272 540**	**104 343 984**

* See Note 49

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	785 237 962	785 237 962
Adjustments		
Correction of errors 49	13 774 517	13 774 517
Balance at 01 July 2023 as restated*	**799 012 479**	**799 012 479**
Changes in net assets		
Surplus for the year	104 343 984	104 343 984
Total changes	104 343 984	104 343 984
Restated* Balance at 01 July 2024	**903 360 691**	**903 360 691**
Changes in net assets		
Surplus for the year	165 272 540	165 272 540
Total changes	165 272 540	165 272 540
Balance at 30 June 2025	**1 068 633 231**	**1 068 633 231**

Note(s)

* See Note 49

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Customers		311 638 415	259 982 430
Grants		286 521 997	217 428 468
Interest income		30 946 524	34 419 954
		629 106 936	511 830 852
Payments			
Employee costs		(168 013 244)	(159 612 245)
Suppliers		(313 657 108)	(249 675 737)
Finance costs		-	(211 355)
		(481 670 352)	(409 499 337)
Net cash flows from operating activities	41	**147 436 584**	**102 331 515**
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(118 283 412)	(86 164 331)
Proceeds from sale of property, plant and equipment	10	2 408 537	-
Purchase of intangible assets	11	-	(552 723)
Net cash flows from investing activities		**(115 874 875)**	**(86 717 054)**
Cash flows from financing activities			
Finance lease payments		(3 957 555)	(1 605 374)
Net increase/(decrease) in cash and cash equivalents		**27 604 154**	**14 009 087**
Cash and cash equivalents at the beginning of the year		25 267 065	11 257 979
Cash and cash equivalents at the end of the year	8	**52 871 219**	**25 267 066**

* See Note 49

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	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	253 529 430	(239 481)	**253 289 949**	239 931 590	**(13 358 359)**	56
Fair value adjustment	-	63 000	**63 000**	8 102 823	**8 039 823**	56
Rental of facilities and equipment	1 146 719	24 422	**1 171 141**	1 171 688	**547**	56
Agency services	4 905 976	-	**4 905 976**	4 192 641	**(713 335)**	56
Acturial gains	-	-	**-**	1 198 426	**1 198 426**	56
Impairment reversal	-	-	**-**	261 703	**261 703**	56
Sale of goods and rendering of services	1 486 953	279 092	**1 766 045**	1 481 506	**(284 539)**	56
Change in landfill provision income	-	-	**-**	129 671	**129 671**	56
Other income	2 109 833	(1 464 061)	**645 772**	1 981 169	**1 335 397**	56
Interest income	13 468 993	6 239 735	**19 708 728**	18 693 146	**(1 015 582)**	56
Total revenue from exchange transactions	**276 647 904**	**4 902 707**	**281 550 611**	**277 144 363**	**(4 406 248)**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	121 076 710	(392)	**121 076 318**	107 614 202	**(13 462 116)**	56
Property rates - interest income	16 613 328	(846 000)	**15 767 328**	15 500 819	**(266 509)**	56
Licences and Permits (Non-exchange)	2 070 298	355 000	**2 425 298**	2 192 711	**(232 587)**	56
Availibility charges	-	3 872 136	**3 872 136**	3 847 563	**(24 573)**	56
Debt forgiveness	-	10 335 128	**10 335 128**	10 335 126	**(2)**	56
Transfer revenue						
Government grants & subsidies	237 914 000	37 658 663	**275 572 663**	328 031 982	**52 459 319**	56
Public contributions and donations	-	-	**-**	51 423	**51 423**	56
Fines, Penalties and Forfeits	33 609 849	24 617 909	**58 227 758**	95 316 059	**37 088 301**	56
Total revenue from non-exchange transactions	**411 284 185**	**75 992 444**	**487 276 629**	**562 889 885**	**75 613 256**	
Total revenue	**687 932 089**	**80 895 151**	**768 827 240**	**840 034 248**	**71 207 008**	
Expenditure						
Employee related costs	(177 222 124)	(1 984 314)	**(179 206 438)**	(161 193 029)	**18 013 409**	56
Remuneration of councillors	(9 236 430)	(195 164)	**(9 431 594)**	(9 033 832)	**397 762**	56
Depreciation and amortisation	(39 862 000)	(3 340 093)	**(43 202 093)**	(44 115 824)	**(913 731)**	56
Finance costs	(17 000 000)	(1 633 828)	**(18 633 828)**	(15 784 407)	**2 849 421**	56
Debt Impairment	(14 686 000)	(20 083 428)	**(34 769 428)**	(135 101 540)	**(100 332 112)**	56
Impairment of assets	-	-	**-**	(225 730)	**(225 730)**	
Bulk purchases	(166 549 751)	9 800 000	**(156 749 751)**	(156 736 350)	**13 401**	56
Contracted Services	(56 492 540)	(18 746 716)	**(75 239 256)**	(74 151 913)	**1 087 343**	56
Loss on disposal of assets	-	-	**-**	(5 555 356)	**(5 555 356)**	56
General Expenses	(90 407 000)	4 452 742	**(85 954 258)**	(72 863 727)	**13 090 531**	56

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Total expenditure	**(571 455 845)**	**(31 730 801)**	**(603 186 646)**	**(674 761 708)**	**(71 575 062)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**116 476 244**	**49 164 350**	**165 640 594**	**165 272 540**	**(368 054)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	8 709 000	(5 209 000)	**3 500 000**	286 667	**(3 213 333)**	56
Receivables from exchange transactions	161 640 000	(76 221 000)	**85 419 000**	74 529 283	**(10 889 717)**	56
Receivables from non-exchange transactions	122 131 000	(32 368 000)	**89 763 000**	75 889 282	**(13 873 718)**	56
Cash and cash equivalents	33 558 000	34 189 000	**67 747 000**	52 871 218	**(14 875 782)**	56
VAT receivable	(3 757 000)	19 533 000	**15 776 000**	8 698 183	**(7 077 817)**	56
	322 281 000	**(60 076 000)**	**262 205 000**	**212 274 633**	**(49 930 367)**	
Non-Current Assets						
Receivables from exchange transactions	147 000	-	**147 000**	136 632	**(10 368)**	56
Investment property	290 992 000	(222 992 000)	**68 000 000**	82 503 007	**14 503 007**	56
Property, plant and equipment	975 951 000	29 019 000	**1 004 970 000**	1 045 502 927	**40 532 927**	56
Intangible assets	1 265 000	1 207 000	**2 472 000**	1 486 201	**(985 799)**	56
Heritage assets	565 000	-	**565 000**	538 950	**(26 050)**	56
	1 268 920 000	**(192 766 000)**	**1 076 154 000**	**1 130 167 717**	**54 013 717**	
Total Assets	**1 591 201 000**	**(252 842 000)**	**1 338 359 000**	**1 342 442 350**	**4 083 350**	
Liabilities						
Current Liabilities						
Payables from exchange transactions	174 627 088	(41 723 354)	**132 903 734**	95 536 180	**(37 367 554)**	56
Consumer deposits	7 295 861	-	**7 295 861**	7 444 741	**148 880**	56
Employee benefit obligation	2 340 319	-	**2 340 319**	3 617 000	**1 276 681**	56
Unspent conditional grants and receipts	-	10 925 337	**10 925 337**	10 925 338	**1**	56
Provisions	282 749	9 606 470	**9 889 219**	4 942 355	**(4 946 864)**	56
Finance lease obligation	-	-	**-**	3 364 567	**3 364 567**	56
Municipal Debt Relief financial liabilities	-	10 335 125	**10 335 125**	6 262 177	**(4 072 948)**	56
	184 546 017	**(10 856 422)**	**173 689 595**	**132 092 358**	**(41 597 237)**	
Non-Current Liabilities						
Employee benefit obligation	54 059 166	-	**54 059 166**	64 910 000	**10 850 834**	56
Provisions	109 836 597	174 680 734	**284 517 331**	68 132 774	**(216 384 557)**	56
Finance lease obligation	-	-	**-**	1 691 661	**1 691 661**	56
Municipal Debt Relief financial liabilities	31 005 378	(20 670 253)	**10 335 125**	6 982 327	**(3 352 798)**	56
	194 901 141	**154 010 481**	**348 911 622**	**141 716 762**	**(207 194 860)**	
Total Liabilities	**379 447 158**	**143 154 059**	**522 601 217**	**273 809 120**	**(248 792 097)**	
Net Assets	**1 211 753 842**	**(395 996 059)**	**815 757 783**	**1 068 633 230**	**252 875 447**	
Net Assets						
Accumulated surplus	1 211 753 842	(395 996 059)	**815 757 783**	1 068 633 232	**252 875 449**	56

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Customers	379 584 640	(12 770 434)	**366 814 206**	311 638 415	**(55 175 791)**	56
Grants	237 914 000	48 584 000	**286 498 000**	286 521 997	**23 997**	56
Interest income	2 350 000	29 843 277	**32 193 277**	30 946 524	**(1 246 753)**	56
	619 848 640	**65 656 843**	**685 505 483**	**629 106 936**	**(56 398 547)**	
Payments						
Supplier and Employee costs	(509 632 015)	808 250	**(508 823 765)**	(481 670 352)	**27 153 413**	56
Net cash flows from operating activities	**110 216 625**	**66 465 093**	**176 681 718**	**147 436 584**	**(29 245 134)**	
Cash flows from investing activities						
Net Purchase of property, plant and equipment	(97 284 261)	(36 920 380)	**(134 204 641)**	(115 874 875)	**18 329 766**	56
Cash flows from financing activities						
Finance lease payments	-	-	**-**	(3 957 555)	**(3 957 555)**	56
Net increase/(decrease) in cash and cash equivalents	12 932 364	29 544 713	**42 477 077**	27 604 154	**(14 872 923)**	
Cash and cash equivalents at the beginning of the year	20 626 000	4 644 330	**25 270 330**	25 267 065	**(3 265)**	
Cash and cash equivalents at the end of the year	**33 558 364**	**34 189 043**	**67 747 407**	**52 871 219**	**(14 876 188)**	

1. Significant accounting policies

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

1.1 Basis of preparation

The audited 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 financial statements have been prepared on an accrual basis of accounting and incorporate the historical cost convention as the basis of measurement, except where indicated otherwise.

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

1.2 Going concern assumption

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

1.3 Offsetting

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

1.4 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.5 Comparative information

When the presentation or classification of items in the audited annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and/or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

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

1.6 Presentation currency

These audited annual financial statements are presented in South African Rand, which is the functional currency of the municipality and all values are rounded to the nearest rand.

Significant Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty

In the application of the municipality's accounting policies, which are described below, management is required to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Water Inventory

The basis of determining the cost of water purchased and not yet sold, on the Statement of Financial Position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates. Water is valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

Impairment of Property, Plant and Equipment, Intangible Assets and Heritage Asset

The municipality classifies all assets held with the primary objective of generating a commercial return as cash generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

Impairment of Non-cash-generating Assets

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

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount is defined as the value in use of the asset, representing the present value of the asset's remaining service potential. The municipality does not determine fair value less costs to sell for non-cash-generating assets.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

Significant Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions are recognised when the municipality has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances, where the provision being measured involves a large population of items; the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Legal obligation - arises when the settlement of the obligation can be enforced by law.

Constructive obligation - arises where past practices create a valid expectation on the part of a third party and the entity may have no realistic alternative but to incur the expense.

The amount of a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

The best estimate is normally the amount that the entity would rationally pay to settle the obligation or to transfer it to a third party at reporting date. These estimates are based on judgements by management and these judgements are supported by experience of similar transactions and, in some cases, reports from independent experts. Any events after reporting date should also be considered and included.

If the effect of time value of money is material, the provision should be measured at the present value of the expected future outflows of resources.

The discount rate to be used, to determine the present value, should be pre-tax and should take into consideration the current market assessment of the time value of money as well as risk specifically associated with the liability. The entity should be careful not to adjust the discount rate and the future cash flows for the same risks as this will result in double-counting of risks.

Where discounting is used, the balance of the provision will increase with interest in each period to reflect the passage of time. This is also known as unwinding of the discount. The periodic unwinding of the discount should be treated as a finance cost in surplus or deficit as it occurs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Provisions are used only for expenditures for which the provision was originally recognised.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Environmental rehabilitation provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that do not relate to the initial asset are charged to the Statement of Financial Performance.

1.7 Significant judgements and sources of estimation uncertainty (continued)

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

In applying the principles in the standards of GRAP on Provisions, Contingent liabilities and Contingent assets, the municipality recognises the cost of rehabilitation as part of the landfill rehabilitation provision as the recognition criteria of a provision is met.

The municipality applies the Interpretation of the Standards of GRAP on Changes in Existing Decommissioning, Restoration and Similar Liabilities to account for changes in the landfill rehabilitation provision that results from changes in:

- The estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation,
- A change in the discount rate, and
- An increase that reflects the passage of time.

In applying the principles in the Standards of GRAP on Changes in Existing Decommissioning, Restoration and Similar Liabilities, if the related asset is measured using the cost model:

- Changes in the liability are added to, or deducted from, the cost of the related asset in the current period.
- The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount or recoverable service amount, and shall account for any impairment loss, in accordance with the Standards of GRAP on Impairment of Non-cash-generating Assets or Impairment of Cash-generating Assets.

Contingent liabilities

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
  - the amount of the obligation cannot be measured with sufficient reliability.

The municipality does not recognise contingent liabilities. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent liabilities are reviewed continuously to determine if the outflow of resources have become probable. A provision is raised in the financial statements in the period in which the outflow of resources becomes probable.

In measuring a contingent liability relating to a legal claim against the municipality, the municipality does not include an estimate of its own legal costs to be incurred. The reason is that the recognition of a liability or disclosure of a contingent liability is based on past events that give rise to the obligation. In this case, the past event would be the performance of the work by the legal practitioners.

The municipality own legal costs are considered part of its future conduct and are subject to and within the control of the municipality's future actions. As a result, there is no past event at the reporting date that would give rise to a liability or contingent liability in relation to the entity's estimate of its own legal costs.

Significant Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty (continued)

Contingent assets

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The municipality does not recognise contingent assets. Contingent assets are disclosed where an inflow of economic benefits or service potential is probable.

Contingent assets are assessed on a continuous basis and should an inflow of resources become virtually certain then the related asset should be recognised.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for post-retirement benefits obligations are based on current market conditions. Additional information is disclosed in Note 15.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Recognition and Derecognition of Land

The municipality assesses whether it controls or does not control land by considering the principles contained in IGRAP 18.

The municipality is assessed to not control land of which it is the legal owner or the custodian and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP and the required disclosure is made in the relevant Notes to the Financial Statements.

In order to assess that the municipality does not control the land, the following factors are considered in applying its judgement:

- Another entity acts as the custodian of the land in terms of a binding arrangement with the municipality and that entity has the right to direct access to the land, and to restrict or deny the access of others to the land.
- Another entity is required or granted a right to use the land in terms of a binding arrangement with the municipality and that entity has the right to direct access to the land, and to restrict or deny the access of others to the land to meet its service delivery objectives.

Significant Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty (continued)

Accounting by principals and agent

Management's judgement is required when determining whether it has entered into a principal agent arrangement, as set out in note 45. A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf and for the benefit of another entity (the principal).

The assessment of whether a municipality is a principal or an agent requires the municipality to evaluate rights and obligations of all parties to each binding arrangement to establish whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Impairment of statutory receivables

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

Significant delays in assets under construction

The municipality regards delays in assets under construction of more than one year as significant.

Material losses

Material losses that occur due to normal production are classified as production costs and factored into the municipality's tariffs. They, therefore, do not constitute material losses. If actual production losses exceed the budgeted production losses factored into the tariff, the difference is considered a material loss.

Materail losses are reported in annual financial statement in the relevant note and the amount is VAT inclusive.

1.8 Investment property

Investment property includes property held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Investment property also includes land held for an undetermined future use.

Initial recognition

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Subsequent measurement – fair value model

Investment property is subsequently measured using the fair value model. Investment property is carried at fair value, representing open market value determined by professional valuer on the reporting date. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. A gain or loss arising from a change in the fair value of investment property is included in surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value to be reliably measurable when construction is completed, it measures that investment property at cost until the fair value can be reliably determined or construction has been completed.

Where the municipality has determined that the fair value of an investment property (other than investment property under construction) is not determinable on a continuing basis, the municipality measures that investment property using the cost model.

Derecognition/Disposal

1.8 Investment property (continued)

Investment properties are derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value [or carrying amount if cost model is used] at the date of change in use. If owner-occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- Land held for long-term capital appreciation rather than for short-term sale in the ordinary course of operations;
- Land held for a currently undetermined future use (If the municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of operations, the land is regarded as held for capital appreciation);
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases on a commercial basis (this will include the property portfolio rented out on a commercial basis on behalf of the municipality);
- A property owned by the municipality and leased out at a below market rental; and
- Property that is being constructed or developed for future use as investment property.

The rent earned does not have to be at a commercial basis or market related for the property to be classified as investment property.

The following assets do not fall within the ambit of Investment Property and shall be classified as Property, Plant and Equipment, Inventory or assets classified as held for sale, as appropriate:

- Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;
- Property being constructed or developed on behalf of third parties;
- Owner-occupied property, including (inter alia) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal;
- Property that is leased to another entity under a finance lease;
- Property held to provide a social service, and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low-income families, etc; and
- Property held for strategic purposes or service delivery.

1.9 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets.

1.9 Intangible assets (continued)

Initial recognition and measurement

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality, or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Subsequent measurement

Amortisation is calculated on cost, using the straight-line method, over the useful lives of the assets. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.ing period. The intangible assets's useful life and the amortisation method for intangible assets are reviewed at the end of each reporting report.

Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the net disposal proceeds and the carrying value and is recognised in the Statement of Financial Performance.

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	2-30 years
Servitudes	Straight-line	Indefinite

1.10 Heritage assets

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations

The municipality classifies assets as heritage asset where the significance as a heritage asset can be determined. In regard to land and buildings all graded sites are classified a heritage Assets. Furthermore, land with a natural significance is not componentised but seen as a single heritage Asset due to all parts contributing together to make up its significance.

Land and buildings that qualify as heritage asset, but of which a significant portion of that land and buildings is held for use in the production or supply of goods or services or for administrative purposes, are recognised as property, plant and equipment, rather than heritage asset.

Initial recognition and measurement

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

Heritage assets are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of heritage assets is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

1.10 Heritage assets (continued)

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. The cost of an item of heritage assets acquired in exchange for a non-monetary or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent Measurement

Subsequent expenditure relating to Heritage Assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all heritage assets (excluding Heritage Assets which are land and buildings) are measured at cost less accumulated impairment losses. Heritage assets are not depreciated.

Derecognition

The carrying amount of an item of Heritage Assets is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of Heritage Assets.

1.11 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.

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

Inventories are measured at the lower of cost and current replacement cost where they are held for;
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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 consumed, the carrying amounts of those inventories are recognised as an expense. The amount of any write-down of inventories to 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 cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset’s future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Significant Accounting Policies

1.12 Impairment of cash-generating assets (continued)

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:
- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

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

The municipality assesses at each reporting date whether there is any indication that a 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 cash-generating intangible asset with an indefinite useful life or a 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 cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the municipality:
- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

1.12 Impairment of cash-generating assets (continued)

Composition of estimates of future cash flows

Estimates of future cash flows include:
- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:
- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:
- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:
- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Significant Accounting Policies

1.12 Impairment of 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 cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a 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 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 cash-generating asset is recognised immediately in surplus or deficit.

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 cash-generating asset’s revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:
- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.13 Provisions and contingencies

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

1.13 Provisions and contingencies (continued)

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

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

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

A constructive obligation to restructure arises only when the municipality:
- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:
- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 44.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:
- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:
- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.14 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.

Measurement

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest earned and rentals received

Revenue arising from the use by others of municipality's assets yielding interest and rental 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.

Income from agency services

Revenue arising from situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of commission or fee payable to the municipality for services performed.

Significant Accounting Policies

1.14 Revenue from exchange transactions (continued)

Revenue recognition of unclaimed deposits

Unclaimed deposits older than three (3) years are recognised as revenue

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. The municipality council approved consumption estimates based on estimates which is used where the inaccessible meters does not have history that could be substantiated. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Pre- paid electricity is only recognised as income once the electricity is consumed. The prepaid electricity balances (included under payables) represent the best estimate of electricity sold at year-end that is still unused.The average pre-paid electricity sold per month/ day during the year under review is used and estimates is calculated using between 9% and 13% worth of unused prepaid electricity.

Service charges relating to Sewerage and refuse removal is recognised monthly in arrears by applying the approved tariff. The municipality use the approved tariff for basic charge and based on the size of the property determine the revenue to be recognised.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

1.15 Revenue from non-exchange transactions (continued)

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and/or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

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.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

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

Rates and Taxes

Taxes satisfy the definition of a non-exchange transaction due to the taxpayer transferring resources (tax paid) to government without receiving approximately equal value directly in exchange.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied. Unless laws or regulations specify otherwise, it is likely that the taxable event for the following is:

- Property (rate) tax – the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

1.15 Revenue from non-exchange transactions (continued)

Transfers and subsidies

Unconditional grants - The municipality recognises revenue from unconditional grants upon receipt and/or when resources transferred meet the criteria for recognition as an asset and there is also no present obligation to the municipality to refund transferred resources to the transferor. Unconditional grants also includes grants with restrictions since restrictions do not include a requirement that the transferred asset, or future economic benefits or service potential be returned to the transferor if the asset is not deployed as specified. Therefore, gaining control of an asset subject to a restriction does not impose on the municipality a present obligation to transfer future economic benefits or service potential to third parties when control of the asset is initially gained. The municipality recognises grants with restriction and unconditional grants as revenue upon receipt of the grant and no corresponding liability is recognised. Unconditional grants are measured at their fair value.

Conditional grants - Conditions on transferred assets (hereafter referred to as conditions) require that the entity either consume the future economic benefits or service potential of the asset as specified or return future economic benefits or service potential to the transferor in the event that the conditions are breached. Therefore, the municipality incurs a present obligation to transfer future economic benefits or service potential to third parties when it initially gains control of an asset subject to a condition. This is because the municipality is unable to avoid the outflow of resources as it is required to consume the future economic benefits or service potential embodied in the transferred asset in the delivery of particular goods or services to third parties or else to return to the transferor future economic benefits or service potential. Therefore, when a municipality initially recognises an asset that is subject to a condition it also recognises a liability. Revenue on such grants is recognised when the qualifying expenditure has been incurred and to the extent that conditions have been complied with.

Debt forgiveness and assumption of liabilities

The municipality recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect. Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Subsequent to initial recognition and measurement, the municipality assesses the collectability of the revenue and recognises a separate impairment loss where appropriate.

1.15 Revenue from non-exchange transactions (continued)

Gifts and donations, including goods in-kind

Gifts and donations are voluntary transfers of assets that one entity makes to another, normally free from stipulations. Goods in-kind are tangible assets transferred to an entity, without charge, but may be subject to stipulations.

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

As indicated under the section on Recognition of assets, grants, gifts and donations (other than services in-kind) are recognised when the definition of an asset is met and the recognition criteria of an asset are satisfied. The making of a gift or donation and the transfer of legal title is often simultaneous and in these circumstances there is no doubt as to the future economic benefits flowing to the municipality, however the transfer of legal title does not necessarily have to happen before the municipality will have control over the asset.

For grants, gifts and donations received without conditions attached, revenue is recognised when the asset is recognised. For grants, gifts and donations received that have conditions attached to it, a liability will be recognised to the extent that the conditions have not been met, and will be reduced as the conditions are satisfied with a corresponding increase in revenue.

Goods in-kind are recognised as assets when the goods are received or there is a binding agreement to receive the goods. If the goods in-kind have conditions attached to it, a liability will be recognised to the extent that the conditions have not been met, and will be reduced as the conditions are satisfied with a corresponding increase in revenue.

At initial recognition, gifts and donations including goods in-kind are measured at their fair value. Due to the nature of these transactions, the fair values might not be readily available and consequently it may be obtained with reference to market prices or appraisals.

Services in-kind

Services in kind are recognised at its fair value when it is significant to the operations and/or service delivery objectives and when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably. If the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, only the nature and type of services in-kind received during the reporting period is disclosed.

Where services in-kind are not significant to the municipality’s operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

The municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Service in-kind is recognised when it meets asset the recognition criteria. These assets are, however, immediately consumed and a transaction of equal value is also recognised to reflect the consumption of the service.

Revenue is recognised when the asset is recognised.

The following may lead to the municipality not being able to recognise the services in-kind as an asset:

- The municipality has insufficient control over the services provided; or

- The municipality may have control over the service provided but may not be able to measure it reliably.

1.16 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

1.16 Borrowing costs (continued)

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits or service potential to the municipality, and the costs can be measured reliably. The municipality applies this consistently to all borrowing costs that are directly attributable to the acquisition, construction, or production of all qualifying assets of the municipality. The amount of borrowing costs eligible for capitalisation is determined as follows:

- To the extent that the municipality borrows funds specifically for the purpose of obtaining a qualifying asset, the entity determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period, less any investment income on the temporary investment of those borrowings.
- To the extent that an municipality borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to all borrowings of the municipality that are outstanding during the period. However, the municipality excludes from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare the asset for its intended use or sale are complete. The amount of borrowing costs that the municipality capitalises during a period does not exceed the amount of borrowing costs it incurred during that period.

The capitalisation of borrowing costs commences when all the following conditions have been met:

- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets and Inventories as per accounting policy. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation is suspended during extended periods in which active development is suspended.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the municipality completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the municipality ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Property, plant and equipment

Property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components} of property, plant and equipment.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment

1.17 Property, plant and equipment (continued)

Major inspection costs which are a condition of continued use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent measurement – cost model

Subsequently all property plant and equipment, excluding land, are measured at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated using the straight line method, to allocate their cost amounts less their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets' future economic benefits or service potential are expected to be consumed by the municipality. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease. The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue. Gains or losses are calculated as the difference between the carrying values of assets.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Site rehabilitation and restoration costs

Where the municipality has an obligation to rehabilitate and restore items of property, plant and equipment such obligations are referred to as rehabilitation provisions'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of rehabilitation and restoring the site on which it is located, the obligation for which the municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period.

As the related asset is measured using the cost model:

a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;

b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and

c) if the adjustment results in an addition to the cost of an asset, the group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash generating assets and/or impairment of non-cash-generating assets.

1.17 Property, plant and equipment (continued)

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

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

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	5-80 years
Machinery and equipment	Straight-line	3-20 years
Furniture and office equipment	Straight-line	3-20 years
Transport assets	Straight-line	3-20 years
Computer equipment	Straight-line	3-20 years
Infrastructure	Straight-line	2-100 years
Community	Straight-line	5-80 years
Recreational facilities	Straight-line	5-100 years
Emergency equipment	Straight-line	2-20 years

The municipality assesses at each reporting date whether there is any indication that the municipality's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

1.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are classified into three categories namely: financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The municipality determines the classification of its financial instruments at initial recognition.

Initial recognition and measurement

A financial instrument is recognised when the municipality becomes a party to the contractual provisions of the instrument. The municipality recognises financial assets using the trade date accounting.

Subsequent measurement – financial assets

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

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

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

Subsequent measurement – financial liabilities

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

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs.

1.18 Financial instruments (continued)

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

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalent	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non exchange transactions (excluding statutory receivables)	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Municipal Debt Relief financial liabilities	Financial liability measured at amortised cost

1.19 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

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

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

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

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

The municipality has the following major categories under the ambit of statutory receivables, namely:
- VAT receivables
- Property Rates debtors

1.19 Statutory receivables (continued)

- Traffic fine debtors

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Accrued interest

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

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

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

Significant Accounting Policies

1.19 Statutory receivables (continued)

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

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

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

1.20 Contingent assets and contingent liabilities

Contingent liabilities

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The municipality does not recognise contingent liabilities. contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

The municipality does not recognise contingent assets. Continegnt assets are disclosed where an inflow of economic benefits or servoce potential is probable. Contingencies are disclosed in the notes to the municipality

1.21 Value Added Tax

The municipality is registered with the South Afrcan Revenue Service (SARS) for Value Added Tax on the payment basis, in accordance with Section 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

The municipality is registered as a category C VAT vendor. VAT receivable or payable is calculated on a monthly basis. VAT receivable is treated as current assets while VAT payable is treated as current liablity.

VAT is accounted for on an accrual basis in the annual financial statements.

The VAT accrual account does not represent amounts to be received or paid, but rather amounts that are associated with transactions that are yet to be settled. There is no money to be received or paid to SARS for these amounts as yet.

VAT input accruals is recognised as receivable from exchange transactions on the expenses incurred.

VAT output accrual is recognised as payable from the exchange transaction. relating to the income.

1.22 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.

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

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality’s net investment in the finance lease.

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 interest rate implicit in the lease.

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 - lessor

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

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

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

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

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

Significant Accounting Policies

1.22 Leases (continued)

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.

1.23 Cash and cash equivalents

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

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

1.24 Councillor and Employee benefits

Short-term employee and councillor benefits

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

Short-term councillor/employee benefits include items such as the following, if expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related services: (a) wages, salaries and social security contributions; (b) paid annual leave and paid sick leave; (c) bonus, incentive and performance related payments; and (d) non-monetary benefits such as medical care, housing, cars and free or subsidised goods or services for current employees. An entity need not reclassify a short-term employee benefit if the entity's expectations of the timing of settlement change temporarily. However, if the characteristics of the benefit change (such as a change from a non-accumulating benefit to an accumulating benefit) or if a change in expectations of the timing of settlement is not temporary, then the entity considers whether the benefit still meets the definition of short-term employee benefits.

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 municipality 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 municipality has no realistic alternative but to make the payments.

When an councillor/employee has rendered service to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term councillor/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.

1.24 Councillor and Employee benefits (continued)

Post-employment benefits: Defined contribution plans

Recognition and measurement

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

(a) as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, 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

(b) as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset. When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, they will be discounted using the discount rate as specified.

1.24 Councillor and Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Recognition and measurement

The entity determines the net defined benefit liability (asset) with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

Recognition and measurement: Present value of defined benefit obligations and current service cost

Actuarial valuation method

The municipality 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.

Attributing benefit to periods of service

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity attributes 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, the municipality attributes benefit on a straight-line basis from:

(a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until

(b) 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 assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

Actuarial assumptions: Mortality

The municipality determines its mortality assumptions by reference to its best estimate of the mortality of plan members both during and after employment.

Actuarial assumptions: Discount rate

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects 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.

Actuarial assumptions: Salaries, benefits and medical costs

The municipality measures its defined benefit obligations on a basis that reflects:

(a) the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the end of the reporting period;

(b) any estimated future salary increases that affect the benefits payable;

(c) the effect of any limit on the employer's share of the cost of the future benefits;

(d) contributions from employees or third parties that reduce the ultimate cost to the entity of those benefits; and

(e) 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:

1.24 Councillor and Employee benefits (continued)

(i) those changes were enacted before the end of the reporting period; or

(ii) historical data, 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 takes account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Past service cost and gains and losses on settlement

When determining past service cost, or a gain or loss on settlement, the entity remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices), reflecting:

(a) the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and

(b) the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement.

Past service cost

The entity recognises past service cost as an expense at the earlier of the following dates:

(a) when the plan amendment or curtailment occurs; and

(b) when the entity recognises related restructuring costs or termination benefits.

Gains and losses on settlement

The municipality recognises a gain or loss on the settlement of a defined benefit plan when the settlement occurs.

1.25 Commitments

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

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-cancellable or only cancellable 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.

1.26 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.27 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

1.27 Accounting by principals and agents (continued)

Identifying whether an entity is a principal or an agent

When the municipality is party a to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties as established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:
- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.28 Unauthorised expenditure

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA), defines Unauthorised expenditure as follows:
- Overspending of the total amount appropriated in the municipality’s approved budget;
- Overspending of the total amount appropriated for a vote in the approved budget;
- Expenditure from a vote unrelated to the department or functional area covered by the vote;
- Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- Spending of an allocation referred to in the above paragraphs of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- A grant by the municipality otherwise than in accordance with this Act.

Expenditure from which unauthorised expenditure arise is either recognised as an expense in the statement of financial performance or capitalized to an asset in the statement of financial position in the year that the expenditure was incurred.

Significant Accounting Policies

1.28 Unauthorised expenditure (continued)

Where a council resolution to recover the unauthorised expenditure is adopted, the municipality considers whether the definition and recognition criteria of an asset and/or revenue in accordance with the applicable standards of GRAP have been met and satisfied and recognise the asset or revenue accordingly.

Where a council adopts a council committee recommendation to write-off the unauthorised expenditure, the municipality expenses the unauthorised expenditure in surplus/deficit.

1.29 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance.

Expenditure from which fruitless and wasteful expenditure arise is either recognised as an expense in the statement of financial performance or capitalized to an asset in the statement of financial position in the year that the expenditure was incurred.

Fruitless and wasteful expenditure is recorded in the register on the date it is first identified and disclosed in the notes to inclusive of VAT as required in section 125 (d) of the MFMA.

Where a council resolution to recover the fruitless and wasteful expenditure is adopted, the municipality considers whether the definition and recognition criteria of an asset and/or revenue in accordance with the applicable standards of GRAP have been met and satisfied and recognise the asset or revenue accordingly.

Where a council adopts a council committee recommendation to write-off the fruitless and wasteful expenditure, the municipality expenses the fruitless and wasteful expenditure in surplus/deficit.

1.30 Irregular expenditure

Irregular expenditure, in relation to a municipality or municipal entity, means:

- expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of MFMA, and which has not been condoned in terms of section 170 of MFMA,
- expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act,
- expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998, or
- expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or any of the municipality’s by laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of “unauthorised expenditure”.

Expenditure from which irregular expenditure arise is either recognised as an expense in the statement of financial performance or capitalized to an asset in the statement of financial position in the year that the expenditure was incurred.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Significant Accounting Policies

1.30 Irregular expenditure (continued)

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is recorded in the register on the date it is first identified and disclosed in the notes to inclusive of VAT as required in section 125 (d) of the MFMA.

Where a council resolution to recover the irregular expenditure is adopted, the municipality considers whether the definition and recognition criteria of an asset and/or revenue in accordance with the applicable standards of GRAP have been met and satisfied and recognise the asset or revenue accordingly.

Where a council adopts a council committee recommendation to write-off the irregular expenditure, the municipality expenses the irregular expenditure in surplus/deficit.

1.31 Segment information

A segment is an activity of the municipality:
- 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.

The mandate of the municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective. The components (Item and Fuction aligned to revenue generation) described below have been identified as individually significant segments for purposes of reporting in terms of GRAP 18 (Segment Reporting).

The following Votes are considered significant to the municipality and are accordingly managed separately
- Social and Community Services
- Planning and Economic Development
- Technical Services

The components identified as individually insignificant for internal management reporting purpose in terms of GRAP 18 are aggregated under Unallocated.

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.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity’s financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment’s surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment’s assets and segment’s liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

1.32 Budget information

Municipalities 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 economic classification linked to performance outcome objectives.

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

The audited 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.

The Statement of comparative and actual information has been included in the audited annual financial statements as the recommended disclosure when the audited annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

In general, a difference of more or less than 10% is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the annual financial statements in determining whether a difference between the budgeted and actual amount is material.

All comparisons of the budget and actual amounts shall be presented on a comparative basis to the budget. Comparative information includes the following:
- the approved and final amounts;
- actual amounts and final budget amounts.

1.33 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.

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 audited annual financial statements.

Significant Accounting Policies

1.34 Events after reporting date

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

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

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

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

1.35 Change in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Details of changes in accounting policies, changes in estimates and correction of errors are disclosed in the notes to the audited annual financial statements where applicable.

1.36 Consumer deposits

The municipality recognises consumer deposits as a current liability when the municipality becomes a party to the contract i.e. when the deposit is made. The consumer deposit is recognised as a liability as the municipality has an obligation to pay the money back to the consumer once the consumer account is closed. As the timing of when a consumer will close their account is unknown, the consumer deposits are classified as a current liability.

Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.37 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surplus realised during a specific financial year is credited against the accumulated surplus.

Prior year adjustments, relating to income and expenditure are credited and debited against accumulated surplus/(deficit) when retrospective adjustments are made.

1.38 Deviations

In terms of section 36 of the municipal SCM regulations, any deviation from SCM policy needs to be approved by the Accounting Officer and noted by Council.

The Deviations are disclosed as a note to the annual financial statements and the amount are VAT inclusive.

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Fact sheet Assessing going concern	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact sheet on GRAP 24	To be determined by the Minister of Finance	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 107 (as revised) Mergers	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 103 (amended): Heritage Assets	To be determined by the Minister of Finance	Unlikely there will be a material impact

Notes to the Audited Annual Financial Statements

Figures in Rand		2025	2024

3. Inventories

Water		286 667	480 908
Carrying value of inventories carried at fair value less costs to sell		286 667	480 908

Water inventory reconciliation

Opening balance		480 908	361 755
System input volume		43 578 645	34 998 933
Authorised consumption		(23 186 839)	(26 393 163)
Water losses	37	(20 586 047)	(8 486 617)
Closing balance		**286 667**	**480 908**

Below are the costs included in the water consumables expenditure:

Employee related cost for the year under review R 19 425 818 (2024: R12 262 306). Ref note 31

Bulk purchase for the year under review R 671 013 (2024: R604 484). Ref note 37

General expense for the year under review R 21 827 960 (2024: R20 417 099). Ref note 39

Contracted services for the year under review R 1 213 276 (2024: R1 045 077). Ref note 38

When determining inventory cost, the cost of conversion is conisdered in the production of the water. Water is valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

Water consumables as an expense during the year in the prior year annual financial statement was incorrectly disclosed as R26 329 163

Employee related costs in the prior year annual financial statement was incorrectly disclosed as R 9 463 985

Bulk purchase costS in the prior year annual financial statements was incorrectly disclosed as R 466 692

General expense costS in the prior year annual financial statements was incorrectly disclosed as R 15 744 850

Contracted services costs in the prior year annual financial statements was incorrectly disclosed as R 717 636

Inventory pledged as security

No inventory was pledged as security during the year under review.

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

4. Receivables from exchange transactions

Long term agreements	136 632	140 580
Short Term agreements	-	134 368
Agency services	548 697	1 229 081
Other receivables from exchange	20 434 413	15 282 864
VAT Input Accrual	16 040 368	15 781 743
Consumer debtors - Electricity	17 491 863	12 548 245
Consumer debtors - Water	14 441 066	17 166 623
Consumer debtors - Sewerage	6 285 241	4 441 702
Consumer debtors - Refuse	2 716 908	2 053 748
Consumer debtors - Fees	3 174 388	2 554 432
Consumer debtors - Merchandising and jobbing	9 436 707	12 614 759
	90 706 283	**83 948 145**

Non-current assets	136 632	140 580
Current assets	90 569 651	83 807 565
	90 706 283	**83 948 145**

Statutory receivables included in receivables from exchange transactions above are as follows:

Financial asset receivables included in receivables from exchange transactions above	**90 706 283**	**83 948 145**
Total receivables from exchange transactions	90 706 283	83 948 145

No Trade and other receivables was pledged as security during the year under review

Interest Charges

- Interest will be charged on any amount in arrears in accordance to the prime rate of the reserve bank + 2%:

Interest on Arrears

- No interest will be levied on honored payment agreements. No interest will be levied on employees municipal accounts with staff deduction arrangements.
- No interest will be levied on indigent accounts.
- No interest will be levied on fines and penalties.
- No interest will be levied on government accounts.
- Interest is calculated on the monthly principal amount (debt exclusive of unpaid interest)

Trade and other receivables past due but not impaired

Trade and other receivables which are past due but are not considered to be impaired. At 30 June 2025, 37 160 110 (2024: 32 568 636) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

Long term agreements	136 632	140 580
Short Term agreements	-	134 368
Agency services	548 697	1 229 081
Other receivables from exchange	20 434 413	15 282 864
VAT Input Accrual	16 040 368	15 781 743
	37 160 110	**32 568 636**

4. Receivables from exchange transactions (continued)

Trade and other receivables impaired

As of 30 June 2025, trade and other receivables of 196 242 051 (2024: 188 019 412) were impaired and provided for.

The amount of the provision was 142 696 359 as of 30 June 2025 (2024: 137 802 752).

The ageing of these receivables from exchange are as follows:

	2025	2024
Current (0 - 30 days)	27 113 370	16 870 128
31 - 60 Days	4 154 085	5 903 421
61 - 90 Days	3 568 980	4 811 113
91 - 120 Days	4 036 686	5 071 268
121 - 365 days	24 321 439	31 160 524
More than 365 days	133 047 491	124 202 958
	196 242 051	**188 019 412**

Reconciliation of provision for impairment of trade and other receivables

	2025	2024
Balance at beginning of the year	137 802 752	106 459 753
Debt impairment written off against allowance	(26 961 695)	(13 519 680)
Contributions to allowance (VAT)	(471 502)	2 944 875
Contributions to allowance (expense)	32 326 804	41 917 804
	142 696 359	**137 802 752**

Impairment provision for receivables from exchange and non-exchange have been splitted to ensure that there is a fair presentation.

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

5. Consumer debtors disclosure

Gross balances		
Consumer debtors - Rates	181 058 037	194 771 401
Consumer debtors - Electricity	25 447 013	23 543 481
Consumer debtors - Water	82 631 193	78 433 414
Consumer debtors - Sewerage	47 850 397	45 364 941
Consumer debtors - Refuse	18 492 083	17 416 907
Consumer debtors - Fees	3 860 688	4 872 536
Consumer debtors - Merchandising and jobbing	17 961 158	19 550 981
Consumer debtors - Availibility charge	4 833 401	10 034 477
	382 133 970	**393 988 138**
Less: Allowance for impairment		
Consumer debtors - Rates	(125 971 323)	(146 556 302)
Consumer debtors - Electricity	(7 955 150)	(10 995 236)
Consumer debtors - Water	(68 190 127)	(61 266 791)
Consumer debtors - Sewerage	(41 565 156)	(40 923 239)
Consumer debtors - Refuse	(15 775 175)	(15 363 159)
Consumer debtors - Fees	(686 300)	(2 318 104)
Consumer debtors - Merchandising and jobbing	(8 524 451)	(6 936 222)
Consumer debtors - Availibility charge	(3 848 908)	(90 181)
	(272 516 590)	**(284 449 234)**
Net balance		
Consumer debtors - Rates	55 086 714	48 215 099
Consumer debtors - Electricity	17 491 863	12 548 245
Consumer debtors - Water	14 441 066	17 166 623
Consumer debtors - Sewerage	6 285 241	4 441 702
Consumer debtors - Refuse	2 716 908	2 053 748
Consumer debtors - Fees	3 174 388	2 554 432
Consumer debtors - Merchandising and jobbing	9 436 707	12 614 759
Consumer debtors - Availibility charge	984 493	9 944 296
	109 617 380	**109 538 904**
Statutory receivables included in consumer debtors above are as follows:		
Consumer debtors - Rates	55 086 714	48 215 099
Financial asset receivables included in consumer debtors above	**54 530 666**	**61 323 805**
Total consumer debtors	109 617 380	109 538 904
Rates		
Current (0 -30 days)	14 822 818	11 234 234
31 - 60 days	4 076 541	5 306 093
61 - 90 days	5 338 668	4 745 238
91 - 120 days	3 801 157	4 568 289
121 - 365 days	27 660 086	33 363 404
More than 365 days	125 358 767	135 554 143
Impairment	(125 971 323)	(146 556 302)
	55 086 714	**48 215 099**
Electricity		
Current (0 -30 days)	14 012 271	8 035 969
31 - 60 days	300 887	809 373
61 - 90 days	225 297	490 080
91 - 120 days	657 587	388 061

Figures in Rand	2025	2024

5. Consumer debtors disclosure (continued)

121 - 365 days	1 720 716	3 059 116
More than 365 days	8 530 255	10 760 882
Impairment	(7 955 150)	(10 995 236)
	17 491 863	**12 548 245**

Water

Current (0 -30 days)	6 995 500	4 916 083
31 - 60 days	2 021 000	2 757 682
61 - 90 days	1 696 245	2 212 865
91 - 120 days	1 792 032	2 182 000
121 - 365 days	11 145 556	13 598 661
More than 365 days	58 980 860	52 766 123
Impairment	(68 190 127)	(61 266 791)
	14 441 066	**17 166 623**

Sewerage

Current (0 -30 days)	3 789 609	2 404 294
31 - 60 days	1 070 829	1 500 410
61 - 90 days	1 001 482	1 329 019
91 - 120 days	975 696	1 232 411
121 - 365 days	6 766 380	7 942 664
More than 365 days	34 246 401	30 956 143
Impairment	(41 565 156)	(40 923 239)
	6 285 241	**4 441 702**

Availibility charge

Current (0 -30 days)	405 137	248 631
31 - 60 days	313 187	352 561
61 - 90 days	170 790	-
91 - 120 days	158 581	-
121 - 365 days	3 662 628	9 433 285
More than 365 days	123 159	-
Impairment	(3 848 908)	(90 181)
	984 574	**9 944 296**

Refuse

Current (0 -30 days)	1 664 758	1 118 971
31 - 60 days	418 770	613 388
61 - 90 days	396 142	524 518
91 - 120 days	388 041	471 655
121 - 365 days	2 618 990	2 999 929
More than 365 days	13 005 382	11 688 446
Impairment	(15 775 175)	(15 363 159)
	2 716 908	**2 053 748**

Fees

Current (0 -30 days)	259 183	75 796
31 - 60 days	129 459	1 948
61 - 90 days	37 802	24 632
91 - 120 days	6	597 171
121 - 365 days	264 828	1 606 787
More than 365 days	3 169 410	2 566 202
Impairment	(686 300)	(2 318 104)
	3 174 388	**2 554 432**

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

5. Consumer debtors disclosure (continued)

Merchandising and jobbing		
Current (0 -30 days)	392 050	257 950
31 - 60 days	213 141	220 620
61 - 90 days	212 013	230 000
91 - 120 days	223 324	199 968
121 - 365 days	1 804 969	1 953 367
More than 365 days	15 115 661	16 689 076
Impairment	(8 524 451)	(6 936 222)
	9 436 707	**12 614 759**

Receivables from Traffic fine (Non - consumer debtors)		
Current (0 -30 days)	8 253 400	7 102 300
31 - 60 days	9 424 700	3 988 902
61 - 90 days	9 156 900	5 982 202
91 - 120 days	9 000 400	7 648 161
121 - 365 days	48 239 500	6 417 100
More than 365 days	58 628 301	65 978 936
Impairment	(122 901 096)	(86 861 838)
	19 802 105	**10 255 763**

Summary of debtors by customer classification

Consumers		
Current (0 -30 days)	25 674 304	15 152 239
31 - 60 days	5 930 005	8 150 617
61 - 90 days	5 704 571	6 879 378
91 - 120 days	5 206 079	7 133 916
121 - 365 days	39 692 447	54 966 181
More than 365 days	177 231 951	178 077 220
	259 439 357	270 359 551
Less: Allowance for impairment	(198 152 912)	(201 184 616)
	61 286 445	**69 174 935**

Industrial/ commercial		
Current (0 -30 days)	14 039 431	9 855 530
31 - 60 days	1 796 346	2 252 680
61 - 90 days	2 528 351	1 540 236
91 - 120 days	1 929 656	1 376 193
121 - 365 days	12 281 751	10 695 466
More than 365 days	67 502 772	56 824 261
	100 078 307	82 544 366
Less: Allowance for impairment	(58 656 332)	(53 451 370)
	41 421 975	**29 092 996**

National and provincial government		
Current (0 -30 days)	2 627 590	3 353 589
31 - 60 days	817 463	1 159 227
61 - 90 days	845 436	1 136 735
91 - 120 days	860 689	1 130 447
121 - 365 days	3 669 955	8 295 564
More than 365 days	13 794 393	27 296 144
	22 615 526	42 371 706
Less: Allowance for impairment	(15 707 345)	(29 813 248)
	6 908 181	**12 558 458**

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

5. Consumer debtors disclosure (continued)

Total		
Current (0 -30 days)	42 341 326	28 361 359
31 - 60 days	8 543 814	11 562 075
61 - 90 days	9 078 357	9 556 350
91 - 120 days	7 996 425	9 639 557
121 - 365 days	55 644 153	73 957 212
More than 365 days	258 529 416	262 197 626
	382 133 491	395 274 179
Less: Allowance for impairment	(272 516 589)	(284 449 236)
	109 616 902	**110 824 943**

6. Receivables from non-exchange transactions

Fines	19 803 008	10 255 763
Other receivables from non-exchange revenue	15 067	15 067
Property rates	55 086 714	48 215 099
Availibility charges	984 493	9 944 296
	75 889 282	**68 430 225**

Non-current assets	-	-
Current assets	75 889 282	68 430 225
	75 889 282	**68 430 225**

Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Fines	19 803 008	10 255 763
Consumer debtors - Rates	55 086 714	48 215 099
	74 889 722	**58 470 862**
Financial asset receivables included in receivables from non-exchange transactions above	**999 560**	**9 962 115**
Total receivables from non-exchange transactions	75 889 282	68 438 591

6. Receivables from non-exchange transactions (continued)

Receivables from non-exchange general information

Interest or other charges levied/charged

- Interest will be charged on any amount in arrears in accordance to the prime rate of the reserve bank + 2%.
- No interest will be levied on honored payment agreements.
- No interest will be levied on employees municipal accounts with staff deduction arrangements.
- No interest will be levied on indigent accounts
- No interest will be levied on fines and penalties.
- No interest will be levied on government accounts.
- Interest is calculated on the monthly principal amount (debt exclusive of unpaid interest)

Receivables from non-exchange past due but not impaired

Receivables from non-exchange which are past due but are not considered to be impaired. At 30 June 2025, 15 067 (2024: 15 067) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

	2025	2024
Other receivables from non-exchange revenue	15 067	15 067

Receivables from non-exchange impaired

As of 30 June 2025, Receivables from non-exchange of 328 450 189 (2024: 301 923 478) were impaired and provided for.The amount of the provision was 252 721 328 as of 30 June 2025 (2024: 233 508 322).

The ageing of these receivables from non-exchange is as follows:

	2025	2024
Current (0 -30 days)	23 440 458	18 585 165
31 - 60 days	13 795 228	9 647 556
61 - 90 days	14 655 377	10 727 440
91 - 120 days	12 957 937	12 216 450
121 - 365 days	78 926 163	49 213 789
More than 365 days	184 675 026	201 533 078
	328 450 189	**301 923 478**

Reconciliation of provision for impairment for receivables from non-exchange

	2025	2024
Balance at beginning of the year	233 508 322	200 779 625
Contributions to allowance (expense)	102 774 736	36 522 785
Debt impairment written off against allowance	(84 049 862)	(3 805 550)
Contributions to allowance (VAT)	488 132	11 462
	252 721 328	**233 508 322**

Receivables from non-exchange transactions pledged as security

No receivables from non-exchange transactions were pledged as security during the year under review.

Impairment provision for receivables from non-exchange and receivables from exchange have been splitted to ensure fair presentation of the financial statements.

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

7. VAT receivable (Statutory)

VAT Receivable	-	163 964

VAT Receivables (Statutory) Reconciliation

Balance at the beginning of the year	163 964	-
Restated balance at the begining of the year	163 964	-
Add: Net refunds as per VAT receivable	17 848 784	17 066 474
Less: VAT payment by SARS-Current year	(17 848 784)	(16 902 510)
Less: VAT payment by SARS-prior year	(163 964)	-
	-	**163 964**

The financial statements have been prepared on the accrual basis whilst VAT is receivable/payable to SARS on the payment basis. VAT accrual does not represent amounts to be received or paid, but rather amounts that are associated with transactions that are yet to be declared to SARS. Interest and penalties is charged according to SARS policies. During the current financial year no interest and penalities charged to the municiplity.

VAT Input Accrual	16 040 368	15 781 743
Provision for VAT Payable	(21 194 760)	(24 559 398)
Impairment provision for VAT payables	13 852 575	13 835 945
	8 698 183	**5 058 290**

Statutory VAT receivables relates to receivables that arise from the legislation i.e. VAT Act and are confirmed by SARS.

VAT accrual receivables represent the accrual VAT that is still to be collected from SARS and it is not yet confirmed.

Below are the Notes references related to VAT:

VAT Input Accrual per note no. 4

Provision for VAT payables per note no. 13

Impairment provision for VAT payables per note no. 13

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	49 096 683	23 843 448
Short-term deposits	3 774 536	1 423 618
	52 871 219	**25 267 066**

Cash and cash equivalents pledged as collateral

Limited cession of ABSA fixed deposit account number 206-670-1092. The cession of R500 000 - Guarantee for Raad Van Magalies Water and R300 000 - INCA Infrastructure Finance Corp Limited.	800 000	800 000
Guarantee for Raad Van Magalies Water. Account number 690-020-9994	500 000	500 000

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2025	30 June 2024	30 June 2023	30 June 2025	30 June 2024	30 June 2023
ABSA BANK - Account Type(Primary account)- 133-000-0062	48 716 505	23 654 045	6 029 206	49 096 480	23 843 448	6 287 581
ABSA BANK - Call Account - 407-836-0937	2 275 416	31 506	3 697 332	2 296 686	52 573	3 705 560
ABSA BANK - Call Account - 929-574-5884	207 076	192 615	178 346	207 076	192 615	178 346
ABSA BANK - Fixed Account - 206-670-1092	1 270 977	1 178 430	1 089 757	1 270 977	1 178 430	1 089 757
Total	**52 469 974**	**25 056 596**	**10 994 641**	**52 871 219**	**25 267 066**	**11 261 244**

Notes to the Audited Annual Financial Statements

Figures in Rand

9. Investment property

	Cost	Carrying value	Cost	Carrying value
Investment property	82 503 007	82 503 007	74 400 184	74 400 184

Reconciliation of investment property - 2025

	Opening balance	Fair value adjustments	Carrying Value
Investment property	74 400 184	8 102 830	82 503 007

Reconciliation of investment property - 2024

	Opening balance	Fair value adjustments	Carrying Value
Investment property	67 917 259	6 572 918	74 400 184

Fair value of investment properties	8 102 823	6 572 918

9. Investment property (continued)

Pledged as security

No carrying value of investment properties were pledged as security during the year under review.

Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

The effective date of the valuations was Monday, 30 June 2025. Valuations were performed by an independent valuer, Ms Corne Louw. Ms Corne Louw is not connected to the municipality and have recent experience in location and category of the investment property being valued.

The value indicated is established by comparing the subject property with similar properties, called comparable sales. Comparable sales are recent property transactions of property that were sold in accordance with the definition of market value. These comparable sales are judged as being the most comparable to the subject property to indicate a range of value in which the subject property's value could be determined. The subject property is then measured against the comparable sales, in various elements of comparison that might influence and ultimately determine the value of the subject property.

Maintenance of investment property

There were no repairs and maintenance incurred during the year under review.

10. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	88 051 185	-	88 051 185	88 051 185	-	88 051 185
Machinery and equipment	3 607 540	(2 513 014)	1 094 526	3 664 373	(2 760 955)	903 418
Furniture and office equipment	7 691 436	(6 100 909)	1 590 527	7 856 687	(6 250 168)	1 606 519
Transport assets	26 652 409	(18 010 125)	8 642 284	42 744 127	(25 783 700)	16 960 427
Computer equipment	12 789 543	(9 629 757)	3 159 786	11 043 299	(9 078 743)	1 964 556
Infrastructure	1 418 140 414	(736 499 323)	681 641 091	1 330 474 275	(695 815 747)	634 658 528
Community assets	140 193 034	(70 084 668)	70 108 366	133 933 894	(66 839 328)	67 094 566
Buildings	48 607 405	(31 820 514)	16 786 891	48 598 925	(31 005 266)	17 593 659
Work-in-progress	170 273 399	-	170 273 399	94 132 941	-	94 132 941
Leased assets	8 616 595	(4 461 723)	4 154 872	8 616 595	(2 383 937)	6 232 658
Total	**1 924 622 960**	**(879 120 033)**	**1 045 502 927**	**1 769 116 301**	**(839 917 844)**	**929 198 457**

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals: Cost	Transfers	Landfill change	Disposals: Accumulated Depreciation & Impairment	Depreciation	Impairment loss	Impairment reversal	Carrying Value
Land	88 051 185	-	-	-	-	-	-	-	-	88 051 185
Machinery and equipment	903 418	612 644	(669 578)	-	-	629 325	(381 385)	-	-	1 094 526
Furniture and office equipment	1 606 519	501 753	(666 848)	-	-	629 620	(486 937)	-	-	1 590 527
Transport assets	16 960 427	-	(16 091 718)	-	-	9 868 211	(2 094 636)	-	-	8 642 284
Computer equipment	1 964 556	1 864 444	(1 571 750)	-	-	1 553 320	(650 798)	-	-	3 159 786
Infrastructure	634 658 528	50 899 704	(12 060 889)	31 629 252	(40 873)	10 440 250	(34 045 403)	(103 990)	261 679	681 641 091
Community	67 094 566	247 278	(99 292)	6 111 154	-	75 456	(3 190 065)	(130 731)	-	70 108 366
Buildings	17 593 659	8 480	-	-	-	-	(813 260)	(1 989)	-	16 786 891
Work-in-progress	94 132 941	113 880 867	-	(37 740 406)	-	-	-	-	-	170 273 399
Leased Assets	6 232 658	-	-	-	-	-	(2 077 786)	-	-	4 154 872
	929 198 457	**168 015 170**	**(31 160 075)**	**-**	**(40 873)**	**23 196 182**	**(43 740 270)**	**(236 710)**	**261 679**	**1 045 502 927**

Asset not verified and still under investigation:

During the year 2024/25, assets with the carrying amount of R356,464 could not be verified and management is still investigating the existence of those assets.

Below is the property plant and equipment classes affected:.

- Computer equipment - R115,659
- Furniture and office equipment - R71,822
- Machinery and equipment - R168,984

Notes to the Audited Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposal cost	Landfill Site Change	Transfers	Disposal (Accumulated depreciation)	Depreciation	Impairment loss	Carrying Value
Land	88 051 185	-	-	-	-	-	-	-	88 051 185
Machinery and equipment	876 140	349 008	-	-	-	-	(316 491)	-	903 418
Furniture and office equipment	1 831 315	321 792	-	-	-	-	(547 152)	-	1 606 519
Transport assets	19 384 998	-	-	-	-	-	(2 424 571)	-	16 960 427
Computer equipment	1 705 045	917 962	-	-	-	-	(664 314)	-	1 964 556
Infrastructure	564 313 295	24 049 513	(9 977 880)	(667 998)	80 671 986	6 971 783	(30 511 187)	(186 439)	634 658 528
Community	71 486 617	-	-	-	-	-	(3 661 861)	(734 749)	67 094 566
Buildings	18 525 616	-	-	-	-	-	(931 989)	-	17 593 659
Work-in-progress	97 193 913	77 611 011	-	-	(80 671 986)	-	-	-	94 132 941
Leased Assets	1 165 211	7 007 771	-	-	-	-	(1 940 334)	-	6 232 658
	864 533 335	**110 257 057**	**(9 977 880)**	**(667 998)**	**-**	**6 971 783**	**(40 997 899)**	**(921 188)**	**929 198 457**

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

10. Property, plant and equipment (continued)

Pledged as security

Leased printers	419 130	628 695
Leased vehicles	3 736 443	5 604 664

No Property Plant Equipment were pledged during the during the year except for municipality's obligation under the finance leases which are secured by the lessors charge over the assets.

Property, plant and equipment in the process of being constructed or developed

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected		
Construction of 20MVA Substation	63 606 158	-

Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)		
Construction of 20MVA Substation	-	45 941 300
The none completion of this project was due to the underperformance of the appointed service providers; hence the termination was realised.		
	-	**45 941 300**

In the current financial year, the entity has enhanced its disclosure of Work-in-Progress (WIP) by presenting balances disaggregated per asset class. This change improves the relevance and transparency of financial reporting.

The prior year WIP balances were presented on a consolidated basis. Comparative figures have not been restated, as the change in presentation does not affect the recognition, measurement, or classification of assets.

Reconciliation of Work-in-Progress 2025

	Included within Infrastructure	Included within Community	Carrying Value
Opening balance	90 240 550	3 892 391	94 132 941
Additions/capital expenditure	111 662 104	2 218 763	113 880 867
Transferred to completed items	(31 629 251)	(6 111 154)	(37 740 405)
	170 273 403	**-**	**170 273 403**

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Included within Community	Carrying Value
Opening balance	97 193 913	-	97 193 913
Additions/capital expenditure	73 718 620	3 892 391	77 611 011
Transferred to completed items	(80 671 983)	-	(80 671 983)
	90 240 550	**3 892 391**	**94 132 941**

Figures in Rand	2025	2024

10. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Property, Plant and Equipment	7 644 236	10 746 498

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Change in estimate

During the current financial year, management conducted a review of the useful lives of categories of property, plant and equipment in accordance with GRAP 3. The reassessment was undertaken following the physical verification of assets and the updated information on asset performance which indicated that previously estimated useful life were adjusted by increasing the useful life of the assets to reflect the expected consumption of economic benefits. The change in accounting estimates has been applied prospectively. Management believes that the revised estimates provide a more accurate reflection of the consumption of economic benefits associated with these assets.

The impact on the cash flow statement is Nil.

Current year change in estimate.

Decrease in depreciation expense due to the reassessment of useful life.

Property Plant and Equipment per class	**Amount**
Computer Equipment	(16 349)
Furniture and Office Equipment	(32 989)
Machinery and Equipment	(2 095)
Community Assets	(47 294)
Infrastructure Assets	(73 645)
	(172 372)

The effect of the reassessment of future periods will be an increase in depreciation charge of R172 372.00 over the remaining periods.

11. Intangible assets

	2025			2024		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	3 059 412	(2 218 875)	840 537	3 059 412	(1 843 289)	1 216 123
Servitudes	645 664	-	645 664	645 664	-	645 664
Total	**3 705 076**	**(2 218 875)**	**1 486 201**	**3 705 076**	**(1 843 289)**	**1 861 787**

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Carrying Value
Computer software, other	1 216 123	(375 586)	840 537
Servitudes	645 664	-	645 664
	1 861 787	**(375 586)**	**1 486 201**

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Carrying Value
Computer software, other	950 236	552 723	(286 836)	1 216 123
Servitudes	645 664	-	-	645 664
	1 595 900	**552 723**	**(286 836)**	**1 861 787**

Figures in Rand	2025	2024

11. Intangible assets (continued)

Pledged as security

No intangible assets were pledged during the year.

Other information

Intangible assets with an indefinite useful life	645 664	645 664

The servitudes recognised in the asset register represent a right of way to land in order to service and maintain municipal infrastructure, such as under ground water networks, and since land is considered to have an indefinite lifespan, the servitude embeds the same lifespan properties.

Notes to the Audited Annual Financial Statements

Figures in Rand

12. Heritage assets

	2025			2024		
	Cost	Accumulated impairment losses	Carrying value	Cost	Accumulated impairment losses	Carrying value
Heritage assets	538 950	-	538 950	538 950	-	538 950

Reconciliation of heritage assets 2025

	Opening balance	Carrying Value
Heritage assets	538 950	538 950

Reconciliation of heritage assets 2024

	Opening balance	Carrying Value
Heritage assets	538 950	538 950

Pledged as security

No Heritage assets were pledged during the year.

Expenditure incurred to repair and maintain heritage assets

No expenditure incurred in maintaining heritage assets.

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

13. Payables from exchange transactions

Trade payables	42 881 236	57 490 601
Income received in advanced	19 020 927	18 334 444
Retentions	14 644 102	14 055 971
Accrued leave pay	13 292 680	11 331 386
Accrued bonus	3 325 630	2 908 948
Deposits on sale of land	-	2 359
Unkwown (unallocated) deposits	2 303 481	3 506 217
Provision for VAT Payable	21 194 760	24 559 398
Impairment provision for VAT payables	(13 852 575)	(13 835 945)
Accrued payroll expenditure	68 124	-
	102 878 365	**118 353 379**

14. Consumer deposits

Electricity	3 006 102	5 343 307
Water	4 015 626	1 474 056
Refuse	2 034	2 034
Sewerage	394 917	400 072
Housing rental	26 062	16 948
	7 444 741	**7 236 417**

15. Employee benefit obligations

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

Carrying value		
Opening balance of the Post-Employment Medical aid benefit	(53 989 000)	(46 441 000)
Movement in the Post - Employment Medical aid benefit	(5 228 000)	(7 548 000)
Opening balance long service awards	(7 893 000)	(7 324 000)
Movement in Long service awards	(1 417 000)	(569 000)
	(68 527 000)	**(61 882 000)**

Non-current liabilities	(64 910 000)	(58 439 000)
Current liabilities	(3 617 000)	(3 443 000)
	(68 527 000)	**(61 882 000)**

Changes in the present value of the long service awards are as follows:

Opening balance	(7 893 000)	(7 324 000)
Service cost	(644 000)	(601 000)
Interest expense	(825 000)	(806 000)
Benefits Paid	1 999 000	833 000
Actuarial Loss/(Gain)	(1 947 000)	5 000
	(9 310 000)	**(7 893 000)**

Changes in the present value of the post-employment medical aid liabilities are as follows:

Opening balance	(53 989 000)	(46 441 000)
Service cost	(2 491 000)	(2 412 000)
Interest cost	(7 442 000)	(6 653 000)
Benefits Paid	1 559 574	1 459 000
Actuarial Loss/(Gain)	3 145 426	58 000
	(59 217 000)	**(53 989 000)**

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

15. Employee benefit obligations (continued)

Net expense/income recognised in the statement of financial performance are as follows:

- Current service cost - Long Service Awards	644 000	601 000
- Current service cost - Post-employment Medical Aid	2 491 000	2 412 000
- Interest expense - Long Service Awards	825 000	806 000
- Interest expense - Post-employment Medical Aid	7 442 000	6 653 000
- Actuarial gains and losses arising from - Long Service Awards	1 947 000	(5 000)
- Actuarial gains and losses arising from - Post-employment Medical Aid	(3 145 426)	(58 000)
- Benefits Paid - Long Service Awards	(1 947 000)	(833 000)
- Benefits Paid - Post-employment Medical Aid	(1 559 574)	(1 459 000)
	6 697 000	**8 117 000**

Calculation of actuarial gains and losses

Actuarial (gains) losses – Post-employment medical aid benefit	(3 145 426)	(58 000)
Actuarial (gains) losses – Long service awards	1 947 000	(5 000)
	(1 198 426)	**(63 000)**

15. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Post-employment Medical Aid Liabilities

The expected value of each employee and their spouse's future medical aid subsidies is projected by allowing for future medical inflation. The calculated values are then discounted at the assumed discount interest rate to the present date of valuation (calculation). We also allowed for mortality, retirements and withdrawals from service as set out below. The accrued liability is determined on the basis that each employee's medical aid benefit accrues uniformly over the working life of an employee up until retirement. Further it is assumed that the current policy for awarding medical aid subsidies remains unchanged in the future. We assumed that 100% of all active members on medical aid will remain on medical aid once they retire. We also assumed that all active members will remain on the same medical aid option at retirement.

Valuation of Assets - As at the valuation date, the medical aid liability of the Municipality was unfunded, i.e., no dedicated assets have been set aside to meet this liability. We therefore did not consider any assets as part of our valuation.

Valuation Assumptions

- In estimating the liability for post-employment medical aid benefits a number of assumptions are required. GRAP 25 places the responsibility on management to set these assumptions, as guided by the principles set out in GRAP 25 and in discussion with the actuary.

- APN 301 states that the assumptions should be realistic and mutually compatible. The difference between the assumptions drives the valuation and it is very important to monitor how this difference changes from one valuation to the next. The most relevant actuarial assumptions used in this valuation are discussed below.

- **Financial Variables** - The two most important financial variables used in our valuation are the discount- and medical aid inflation rates. We have assumed the following values for these variables:

Financial Variable	Assumed Value 30-06-2025 (Current Valuation)	Assumed Value at 30-06-2024 (Preceding Valuation)
Discount Rate	Yield Curve	Yield Curve
CPI (Consumer Price Inflation)	Difference between nominal and real yield curve	Difference between nominal and real yield curve
Normal Salary Increase Rate	Equal to CPI+1%	Equal to CPI+1%
Net Effective Discount Rate	Yield Curve Based	Yield Curve Based

- Discount Rate - GRAP 25 defines the determination of the Discount rate assumption to be used as follows: *"The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve."* We use the nominal and zero curves as at 30 June 2025 supplied by the JSE to determine our discounted rates and CPI assumptions at each relevant time period. For example, a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years. Previously only one discount rate was used to value all the liabilities.

- The following table compares the average values of the financial variables assumed for the subsequent valuations. This is to be used for comparison purposes only and does not reflect the actual rates used as per the explanation above.

15. Employee benefit obligations (continued)

- Although we have used the yield curve for our discount rates and our corresponding inflation rates, for indicative purposes we show the discount rate and CPI that corresponds to the implied duration of our liability. The implied duration of the liability for this valuation is 14,75 years. It is however important to note that this is solely for indicative purposes as we use the entire yield curve to obtain our financial variables.

Financial Variable	Assumed Value 30-06-2025 (Current Valuation)	Assumed Value at 30-06-2024 (Preceding Valuation)
Discount Rate	12,44%	13,69%
CPI (Consumer Price Inflation)	6,89%	8,08%
Normal Salary Increase Rate	7,89%	9,08%
Net Effective Discount Rate	4,22%	4,23%

- **Medical Aid Inflation** - The Medical Aid Contribution Inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period. South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. We do not consider these increases to be sustainable and have assumed that medical aid contribution increases would out strip general inflation by 1% per annum over the foreseeable future.

- **Normal Retirement Age** - The normal retirement age (NRA) for all active employees was assumed to be 65 years.

- **Average Retirement Age** - The average retirement age for all active employees was assumed to be 62 years. This assumption implicitly allows for ill-health and early retirements.

- **Mortality Rates** - Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry. Mortality post-employment (for pensioners) has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS. Previously mortality before retirement was based on the SA 85-90 mortality tables whilst post employment was based on PA (90) rated down one year.

- **Spouses and Dependants** - We assumed that the marital status of members who are currently married will remain the same up to retirement. It was also assumed that 90% of all single employees would be married at retirement with no dependent children. Where necessary it was assumed that female spouses would be five years younger than their male spouses at retirement and vice versa.

- **Spouses and Dependants** - We assumed that the marital status of members who are currently married will remain the same up to retirement. It was also assumed that 90% of all single employees would be married at retirement with no dependent children. Where necessary it was assumed that female spouses would be five years younger than their male spouses at retirement and vice versa.

Benefit Structure

- **Medical Aid Scheme Arrangements** - The Municipality offers employees and continuation members (pensioners) the opportunity of belonging to one of several medical aid schemes, most of which offer a range of options pertaining to levels of cover. Upon retirement, an employee may continue membership of the medical aid scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependants may continue membership of the medical aid scheme.

- **Contribution Rate Structure** - Members contribute according to tables of contribution rates which differentiate between them on the type and number of dependants. Some options also differentiate on the basis of income. The contribution rate tables used are contained in Appendix of the report.

15. Employee benefit obligations (continued)

- **Subsidy Arrangements** - The Municipality has agreed to subsidise the medical aid contributions of retired members in the following way: Eligible employees will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement; All continuation members and their eligible dependants receive a 70% subsidy; Widow(er)s and orphans of eligible in-service members are not entitled to receive this same subsidy on and after the death in-service of an employee; Upon a member's death-in-retirement, the surviving dependants will continue to receive the same 70% subsidy.

On the basis of the information supplied and the actuarial assumptions used, the value of the Municipality's liability for future subsidies of medical aid contributions has been calculated as at the valuation date and is summarised below.

- **Accrued Liability** - The accrued liability is given below and is split between the current employees and continuation members (pensioners).

- **Interest Cost** - The Interest Cost represents the accrual of interest on the Accrued Liability, allowing for benefit payments, over the corresponding year. This arises because the post-employment medical aid scheme contributions are one year closer to payment. This item should be accounted for in the Statement of profit or loss and other comprehensive income (herein after referred to as the "income statement") according to GRAP 25.

- **Current Service Cost** - The Current Service Cost reflects the additional liability that is expected to accrue in respect of in service members' service over the corresponding year. This item should be accounted for in the income statement according to GRAP 25.

Membership Changes - Changes to current (in service) membership as at the valuation dates:

	30-06-2025 Valuation	30-06-2024 Valuation	% Change
Number of active employees	226	226	0,0%
Subsidy weighted average age	48,4	47,8	1,4%
Subsidy weighted average past service	13,48	14,82	-9,0%

Changes to continuation membership (pensioners' membership) as at the valuation dates:

	30-06-2025 Valuation	30-06-2024 Valuation	% Change
Number of principal members	20	20	0,0%
Subsidy weighted average age	75,29	76,18	-1,2%
Subsidy weighted average past service	R 6 740	R 6 080	10,9%

The main reasons for the actuarial gain can be attributed to the following factors:

- **Changes in economic variables** – The nominal and real zero curves as at 30 June 2025 supplied by the JSE to determine our discount rates and CPI assumptions at each relevant time period. As a result, the interest rates, bond yields and inflation figures change. This resulted in an overall decrease in the liability of around R 184 000.

- **Change in Employment Dates** – Following discussions with management, updates were made to the employment dates of some in-service members. A few members were found to have later employment start dates than previously recorded, which led to a decrease in the liability of approximately R 871 000.

- **Changes in membership and other experience items** –There were several changes in the membership data between the two valuation dates. While the number of in-service members remained unchanged, the average years of past service decreased, primarily due to new joiners entering the group and some longer-serving members leaving. The net effect of this, along with a few other factors, resulted in a decrease in the liability of approximately R 2 090 426.

Sensitivity Analysis

15. Employee benefit obligations (continued)

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:

- 20% increase/decrease in the assumed level of mortality;
- 1% increase/decrease in the Normal Salary cost inflation;
- 1 year increase/decrease in the average retirement age;
- 1% increase/decrease in the discount rate

Mortality rate - Deviations from the assumed level of mortality experience of the current employees and the continuation members (pensioners) will have a large impact on the actual cost to the Municipality. If the actual rate of mortality turns out higher than the rates assumed in the valuation basis, the cost to the Municipality in the form of subsidies will reduce and vice versa. We have illustrated the effect of higher and lower mortality rates by increasing and decreasing the mortality rates by 20%. The effect is as follows:

	-20% Mortality rate	Valuation Assumption	+20% Mortality rate
Total Accrued Liability	R 63 985 000	R 59 217 000	R 55 270 000
Interest Cost	R 8 040 000	R 7 431 000	R 6 928 00
Service Cost	R 3 246 000	R 2 998 000	R 2 790 00

Medical aid inflation - The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees. We have tested the effect of a 1% p.a. change in the medical aid inflation assumption. The effect is as follows:

	-1% Medical aid inflation	Valuation Assumption	+1% Medical aid inflation
Total Accrued Liability	R 52 017 000	R 59 217 000	R 67 892 000
Interest Cost	R 6 507 000	R 7 431 000	R 8 547 000
Service Cost	R 2 525 000	R 2 998 000	R 3 584 000

Long Service Awards Liabilities

Long service benefits are awarded in the form of a number of leave days awarded once an employee has completed a certain number of years in service. We have converted the awarded leave days to a percentage of annual salary by assuming there are 250 working days per year. The expected value of each employee's long service award is projected to the next interval by allowing for future salary growth. The table below contains a summary of the benefit policy:

Completed Years of Service	Total Long Service Benefit Award (% of Annual Salary)	Formula used to calculate Total Long Service Benefit Award
5	2%	(5/250)*Annual Salary
10	6%	(15/250)*Annual Salary
15	10%	(25/250)*Annual Salary
20, 25, 30, 35, 40 and 45	14%	(35/250)*Annual Salary

The calculated award values are then discounted at the assumed discount interest rate to the date of calculation. We also allowed for mortality, retirements and withdrawals from service as set out in the next section of this report.

The accrued liability is determined on the basis that each employee's long service benefit accrues uniformly over the working life of an employee up to the end of the interval at which the benefit becomes payable. Further it is assumed that the current policy for awarding long service awards remains unchanged in the future.

Valuation of Assets - As at the valuation date, the long service leave award liability of the Municipality was unfunded, i.e., no dedicated assets have been set aside to meet this liability. We therefore did not value any assets as part of our valuation.

Valuation Assumptions

- In estimating the liability for long service leave benefits a number of assumptions are required. GRAP 25 places the responsibility on management to set these assumptions, as guided by the principles set out in GRAP 25 and in discussion with the actuary.

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15. Employee benefit obligations (continued)

- **The assumptions should be realistic and mutually compatible**. The difference between the assumptions drives the valuation and it is very important to monitor how this difference changes from one valuation to the next. The most relevant actuarial assumptions used in this valuation are discussed below.

- **Discount Rate** - GRAP 25 defines the determination of the Discount rate assumption to be used as follows: *"The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve."* We use the nominal and zero curves as at 30 June 2025 supplied by the JSE to determine our discounted rates and CPI assumptions at each relevant time period. For example, a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years. Previously only one discount rate was used to value all the liabilities.

- **Financial Variables** - The two most important financial variables used in our valuation are the discount rate and salary inflation. We have assumed the following values for these variables:

Financial Variable	Assumed Value 30-06-2025 (Current Valuation)	Assumed Value at 30-06-2024 (Preceding Valuation)
Discount Rate	Yield Curve	Yield Curve
CPI (Consumer Price Inflation)	Difference between nominal and real yield curve	Difference between nominal and real yield curve
Normal Salary Increase Rate	Equal to CPI+1%	Equal to CPI+1%
Net Effective Discount Rate	Yield Curve Based	Yield Curve Based

- The following table compares the average values of the financial variables assumed for the subsequent valuations. This is to be used for comparison purposes only and does not reflect the actual rates used as per the explanation above.

Financial Variable	Assumed Value 30-06-2025 (Current Valuation)	Assumed Value at 30-06-2024 (Preceding Valuation)
Discount Rate	9,31%	10,58%
CPI (Consumer Price Inflation)	4,13%	5,46%
Normal Salary Increase Rate	5,13%	6,46%
Net Effective Discount Rate	3,98%	3,87%

- **Average Retirement Age** - The average retirement age for all active employees was assumed to be 62 years. This assumption implicitly allows for ill-health and early retirements.

- **Normal Retirement Age** - The normal retirement age (NRA) for all active employees was assumed to be 65 years.

- **Mortality Rates** - Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry.

- **Interest Cost** - The Interest Cost represents the accrual of interest on the Accrued Defined Benefit Obligation, allowing for benefit payments, over the corresponding year. This arises because the long service benefits are one year closer to payment. This item should be accounted for in the Statement of profit or loss and other comprehensive income (herein after referred to as the "income statement") according to GRAP 25.

- **Current Service Cost** - The Current Service Cost reflects the additional liability that is expected to accrue in respect of in service members' service over the corresponding year. This item should be accounted for in the income statement according to GRAP 25.

The main reasons for the actuarial gain can be attributed to the following factors:

15. Employee benefit obligations (continued)

- **Changes in economic variables** – We used the nominal and real zero curves as at 30 June 2025 supplied by the JSE to determine our discount rates and CPI assumptions at each relevant time period. As a result, the interest rates, bond yields and inflation figures changed significantly. This resulted in a higher net effective discount rate and hence an overall decrease in the liability of around R 52 000.

- **Membership Changes and other smaller factors** - Over the past year, there have been several changes in the membership data that differed from expectations, most notably withdrawals being lower than anticipated. These changes, along with a few other minor factors, resulted in an increase in the liability of approximately R 238 000.

- **Change in benefit structure** – There has been a change in the long service award benefit structure since the previous valuation, confirmed through discussions with management. This change resulted in an increase in the liability of approximately R1 761 000.

Sensitivity Analysis

the valuation is only an estimate of the cost of providing Long service leave award benefits. The actual cost to the Municipality will be dependent on actual future levels of assumed variables and the demographic profile of the membership.

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:

- 20% increase/decrease in the assumed level of withdrawal rates;

- 1% increase/decrease in the Normal Salary cost inflation;

- 1 year increase/decrease in the average retirement age;

- 1% increase/decrease in the discount rate

Withdrawal rate

Deviations from the assumed level of withdrawal experience of the eligible employees will have a large impact on the actual cost to the Municipality. If the actual rate of withdrawal turns out to be higher than the rates assumed in the valuation basis, then the cost to the Municipality in the form of benefits will reduce and vice versa.

Illustrated below is the effect of higher and lower withdrawal rates by increasing and decreasing the withdrawal rates by 20%. The effect is as follows:

	-20% Withdrawal rate	Valuation Assumption	+20% Withdrawal rate
Total Accrued Liability	R 9 636 000	R 9 310 000	R 9 003 000
Current Service Cost	R 828 000	R 789 000	R 754 000
Interest Cost	R 842 000	R 809 000	R 779 000

Normal salary inflation

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the liability of future employees.

We have tested the effect of a 1% p.a. change in the Normal Salary inflation assumption. The effect is as follows:

	-1% Normal salary inflation	Valuation Assumption	+1% Normal salary inflation
Total Accrued Liability	R 8 802 000	R 9 310 000	R 9 862 000
Current Service Cost	R 739 000	R 789 000	R 845 000
Interest Cost	R 760 000	R 809 000	R 863 000

Figures in Rand	2025	2024

16. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Water Services Infrastructure Grant (WISG)	-	49 662
Municipal Disaster Response Grant (MDRG)	10 925 337	-
	10 925 337	**49 662**

Movement during the year

Balance at the beginning of the year	49 662	7 441 162
Additions during the year	286 521 990	217 428 166
Income recognition during the year	(275 646 322)	(224 819 666)
	10 925 330	**49 662**

The nature and extent of government grants recognised in the audited annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 29 for reconciliation of grants from National/Provincial Government.

17. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions	Interest charges	Change in landfill closure provision	Closing balance
Rehabilitation of landfil site	65 774 960	-	6 689 576	(170 544)	72 293 992
Performance bonus	590 046	191 091	-	-	781 137
	66 365 006	**191 091**	**6 689 576**	**(170 544)**	**73 075 129**

Reconciliation of provisions - 2024

	Opening Balance	Additions	Interest charges	Change in landfill closure provision	Closing balance
Rehabilitation of landfil site	62 789 813	-	6 700 678	(3 715 531)	65 774 960
Performance bonus	269 531	320 515	-	-	590 046
	63 059 344	**320 515**	**6 700 678**	**(3 715 531)**	**66 365 006**

	2025	2024
Non-current liabilities	68 132 774	60 859 937
Current liabilities	4 942 355	5 505 069
	73 075 129	**66 365 006**

Landfill provision

The provision for the rehabilitation of the landfill site relates to the legal obligation to rehabilitate landfill sites used for waste disposal. The valuation of the landfill site was performed as at 30 June 2025 by Environmental and Sustainibility Solutions CC (ESS).

The basis for this assessment is limited to information that was available at the time of completion of the report. Where information is not available, the worst case as far as the cost determination is concerned, is assumed.

Location of Landfill - The Warmbad landfill is situated on Portion of the farm Het Bad 465 KR, Bela Bela, Bela Bela Local Municipality, approximately 2 km Southeast of Bela Bela.

Permit or license for the Landfill - A permit referenced B33/2/123/3/P184 for the landfill was issued by the national Department of Water Affairs and Forestry on 06 June 1995. The permit has an unlimited period of validity.

Classification of landfill

- Waste types allowed - This landfill is a General landfill.
- Waste types allowed - This landfill is a General landfill.
- Size class - The size class of the landfill is specified as Medium
- Climatic water balance - The landfill is classified as B

Size of the landfill

- The calculation of the present liability must be based on the area that was used in the past as well as the area that is currently being used for disposing of waste, irrespective of the potential final size of the landfill. This is in line with the accounting concept of present obligation.
- The total area of the landfill is 163,510 m^2.
- The area of the landfill that has already been used for dumping of waste is estimated at 108,471 m^2.

17. Provisions (continued)

Expected remaining life of the landfill

- The expected remaining life of the landfill is critically important for determining for how long the landfill can still be used and for planning the replacement of the landfill. The expected remaining life of the landfill is used in the discounting calculations of the provision for closure.

- The current expected remaining life of the landfill is estimated at 2 year. This is based on an assessment by an expert

Determination of closure cost provision

- **General landfill closure costing model** - ESS has developed a General Landfill Closure Costing Model (GLCCM) to estimate the final rehabilitation and closure costs for general landfills. The GLCCM is being updated in cooperation with Jones and Wagener Consulting Civil Engineers (Pty) Ltd, a company that is actively involved in rehabilitation and closure of landfill sites. The GLCCM standardises the determination of landfill closure costs between different landfills and for the same landfill over time. The GLCCM is based on the Minimum Requirements for Waste Disposal by Landfill of the Department of Water Affairs (1998), as amended by more recent regulations. The GLCCM provides a reliable best possible estimate of closure costs in terms of paragraph 49 of GRAP 19 or paragraph 36 of IAS 37.

Financial assumptions used:

- **Unit costs** - Unit costs for each of the cost elements are obtained annually by means of a commercial quotation.

- **Consumer Price Index (CPI)** - The CPI is used for determining the future value of current costs in the year when the cost is projected to be incurred. The CPI figure used in the GLCCM is based on the three-month average CPI for the quarter that includes the financial year-end date. The average of the CPI for the last three months amounted to 3.2095%.

- **Discount rate** - GRAP 19 states that where the effect of the time value of money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. In view of the long operational life of landfills, the time value of money is considered material. GRAP 19 prescribes that the discount rate shall be the pre-tax rate that reflects current market assessments of the time value of money, and the risks specific to the liability. Normally corporate bond rates are used to determine the discount rate. In line with GRAP 25 Defined benefit plans, government bond rates may also be used to determine the discount rate. The liability for this purpose is in most cases determined for a government entity (municipality). Therefore, government bond rates are considered a more appropriate indicator of the risk associated with the entity than corporate bond rates to determine the discount rate. The government bond rate most consistent with the estimated term of the liability should be used. As inflation-linked RSA retail bond rates have longer terms than fixed RSA retail bond rates, inflation-linked rates are used.

- The rate most consistent with the remaining life of the landfill published at the end ofthe quarter that includes the financial year-end date was used.

- For this landfill the rate associated with the maximum period of 3 years was used, i.e.5.5% above CPI.

Key financial assumptions used	**2025**	**2024**
CPI	3.2095%	5.1704%
Discount rate	8.7095%	10.1704%
Net effective discount rate	5.5%	5%

Performance bonus

The provision for the performance bonus has been calculated at 14% of the relevant Section 56 Manager's package as per the Department of Provincial and Local Government guidelines on Performance Management and based on the past experience of Section 56 Managers paid out bonuses. In accordance with regulation 32, a performance bonus, based on affordability, may be paid to the employee after:

- the annual report for the financial year under review has been tabled and adopted by municipal council.

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

17. Provisions (continued)

- the evaluation of performance in accordance with the provisions of regulation 23; and
- approval of such evaluation by the municipal council as a rewards for outstanding performance

18. Finance lease obligation

	2025	2024
Minimum lease payments due		
- within one year	3 749 318	4 109 034
- in second to fifth year inclusive	1 712 423	5 083 334
	5 461 741	9 192 368
less: future finance charges	(405 514)	(1 006 416)
Present value of minimum lease payments	**5 056 227**	**8 185 952**

	2025	2024
Present value of minimum lease payments due		
- within one year	3 364 567	4 171 101
- in second to fifth year inclusive	1 691 661	4 014 851
	5 056 228	**8 185 952**

	2025	2024
Non-current liabilities	1 691 661	4 014 851
Current liabilities	3 364 567	4 171 101
	5 056 228	**8 185 952**

The average lease term was three years and the average effective implicit rate in the leases was 35% (2024: 35%).

Motor vehicle lease - Interest rates are fixed at the contract date. All leases escalate at determined percentage an per annum and no arrangements have been entered into for contingent rent.

Printers lease- Interest rates are fixed at the contract date. All leases escalate at determined percentage an per annum and 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.

19. Service charges

	2025	2024
Sale of electricity	167 898 084	147 596 497
Sale of water	39 835 798	39 510 400
Solid waste	10 536 534	10 596 349
Sewerage and sanitation charges	21 661 174	22 157 556
	239 931 590	**219 860 802**

20. Rental of facilities and equipment

	2025	2024
Facilities and equipment		
Rental of facilities	1 171 688	1 195 716

21. Agency services

	2025	2024
Vehicle registration	4 192 641	4 601 547

The agency fee is a revenue generated from the department of transport. The municipality earned 20% and 3% commission of the cash collected for undertaking these activities for the provincial department of transport and ARRTO respectively.

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

22. Sale of goods and rendering of services

Application fees for land usage	90 133	169 274
Occupation certificates	9 386	9 848
Removal of restriction	147 966	20 935
Clearance certificate	253 110	211 291
Building plan approval	389 198	437 905
Cemetery and burial	470 014	433 783
Fire services	786	1 150
Sale of goods	120 913	134 174
	1 481 506	**1 418 360**

23. Other income

Administrative handling fees	74 381	132 462
Collection charges	455 025	2 445 792
Incidental Cash	1 319 331	1 505 305
Printing and duplicates	2 674	4 311
Staff and Councillors recoveries	129 758	127 132
	1 981 169	**4 215 002**

24. Interest income from exchange

Interest revenue		
Interest from the bank	4 788 877	2 752 331
Interest charged on trade and other receivables	13 904 269	12 651 848
	18 693 146	**15 404 179**

25. Fair value adjustments

Fair value adjustment Investment properties	8 102 823	6 817 418

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

26. Property rates revenue

Residential properties	42 813 203	41 770 522
Business, Industrail and Commercial properties	28 165 326	23 070 140
Public benefits activities Properties	406 361	372 848
Agricultural properties	12 049 737	12 022 401
State owned properties	16 406 271	15 678 078
Vacant land properties	7 773 305	2 692 100
	107 614 203	95 606 089
Property rates - interest income	15 500 819	13 329 795
	123 115 022	**108 935 884**

Valuations

Business, Industrail and Commercial properties	1 534 332 000	1 448 731 000
Agricultural properties	4 635 098 000	4 745 153 000
Residential properties	5 508 718 299	5 469 925 324
Municiplal properties	606 500 250	595 552 250
Vacant land	857 280 928	907 240 893
Public benefit activities properties	113 878 000	104 778 000
State owned property	288 938 000	288 363 000
	13 544 745 477	**13 559 743 467**

Property rates revenue and valuation of properties have been realligned to ensure coherant comparatives on the the annual financial statements..

Valuations on land and buildings are performed every five (5) years. The general valuation came into effect on 1 July 2022. Valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The rate ranges are as follows:

Valuation per class	**2025**	**2024**
Business, Industrail & Commercial properties	R0.0189	R0.0180
Agricultural properties	R0.0037	R0.0035
State owned properties	R0.0189	R0.0180
Residential properties	R0.0151	R0.0144
Vacant land properties	R0.0140 - R0.0189	R0.0133 - R0.0180
Municipal properties	R0.0189	R0.0180
Public Benefit Activities properties	R0.0037	R0.0035

27. Licences and permits (non-exchange)

Trading	9 216	3 298
Road and Transport	2 183 495	2 196 350
	2 192 711	**2 199 648**

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

28. Availability charges

Availability charges - Electricity	16 040	13 342
Availability charges - Solid waste	1 112 732	1 041 844
Availability charges - Sewerage and sanitation charges	2 041 526	1 869 690
Availability charges - Water	677 265	649 962
	3 847 563	**3 574 838**

Availability Charges classified as non-exchange transactions. There is no direct exchange of approximately equal value, and they are levied/ charged in terms of municipal tariffs policy. The transactions relate to Vacant land, in proclaimed or developed areas and covers all trading services.

29. Government grants & subsidies

Operating grants		
Equitable share	137 988 662	129 614 000
Local Government Financial Management Grant (FMG)	1 800 000	1 700 000
Expanded Public Works Programme Integrated Grant (EPWP)	1 502 000	1 302 000
Local Government Sector Education and Training Authority Grant (LGSETAG)	1 749 996	805 468
	143 040 658	**133 421 468**
Capital grants		
Integrated National Electrification Programme Grant (INEP)	20 315 001	153 463
Municipal Disaster Response Grant (MDRG)	634 663	-
Municipal Infrastructure Grant (MIG)	37 509 000	28 257 000
Water Services Infrastructure Grant (WISG)	74 147 000	62 988 036
SMART Meter Grant	52 385 660	-
	184 991 324	**91 398 499**
Total Government grants & subsidies	**328 031 982**	**224 819 967**

Conditional and Unconditional

Included in above are the following grants and subsidies earned:

Conditional grants received	137 988 662	129 614 000
Unconditional grants received	190 043 320	95 205 967
	328 031 982	**224 819 967**

Equitable Share

The Equitable Share is the unconditional share of the revenue raised nationally and is allocated in terms of S214 of the Constitution (Act 108 of 1996) to the to the municipality by the National Treasury. In terms of the constitution, this grant is used to subsidise the provision of basic services to indigent community members.In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Local Government Financial Management Grant (FMG)

Current-year receipts	1 800 000	1 700 000
Conditions met - transferred to revenue	(1 800 000)	(1 700 000)
	-	-

The purpose of the FMG Grant is to promote and support municipal financial management reforms and assist municipalities with the implementation of the MFMA.

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

29. Government grants & subsidies (continued)

Expanded Public Works Programme Integrated Grant (EPWP)

Current-year receipts	1 502 000	1 302 000
Conditions met - transferred to revenue	(1 502 000)	(1 302 000)
	-	-

The grant is to incentivise municipalities to increase labour intensive employment through infrastructure programmes that maximise job creation and skills development in line with the EPWP guidelines.

The Local Government Sector Education and Training Authority (LGSETA)

Current-year receipts	1 749 996	-
Conditions met - transferred to revenue	(1 749 996)	-
	-	-

The Local Government Sector Education and Training Authority (LGSETA) plays a vital role in promoting and coordinating skills development initiatives in the local government sector. Their focus includes conducting skills planning, developing quality learning programs, monitoring training performance, and communicating career advancement opportunities. With the aim of enhancing efficiency and effectiveness, the LGSETA works towards improving the skills and qualifications within the local government sector.

Water Services Infrastructure Grant (WISG)

Balance unspent at beginning of year	49 662	7 287 698
Current-year receipts	74 147 000	55 750 000
Conditions met - transferred to revenue	(74 196 662)	(62 988 036)
	-	**49 662**

Conditions still to be met - remain liabilities (see note 16).

The purpose of this grant is to ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner for the benefit of all people and environment, through effective policies, integrated planning, strategies, knowledge based and procedures.

Municipal Infrastructure Grant (MIG)

Current-year receipts	37 509 000	28 257 000
Conditions met - transferred to revenue	(37 509 000)	(28 257 000)
	-	-

The municipal infrastructure grants complement the equitable share grants for local government; however, it is provided conditionally to municipalities.

The key principles underpinning the design of the MIG are outlined below:

The MIG programme is aimed at providing only basic infrastructure.

Municipal Disaster Response Grant (MDRG)

Current-year receipts	11 560 000	805 468
Conditions met - transferred to revenue	(634 663)	(805 468)
	10 925 337	**-**

To provide for the immediate release of funds for disaster response if an occurrence cannot be adequately addressed in line with section 2(1) of the Disaster Management Act.

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

29. Government grants & subsidies (continued)

Integrated National Electrification Programme Grant (INEP)

Balance unspent at beginning of year	-	153 464
Current-year receipts	20 315 000	-
Conditions met - transferred to revenue	(20 315 000)	(153 464)
	-	-

This grant is used for electrification projects as part of upgrading of informal settlement areas.

SMART Meter Grant

Current-year in-direct allocation	52 385 660	-
Conditions met - transferred to revenue	(52 385 660)	-
	-	-

Conditions still to be met - remain liabilities (see note 16).

The objective of SMART Meter Grant is to enable municipalities to implement bi-drectional smart metering systems.

Smart Meter grant was a Schedule 6 grant-allocations in kind and that the grant was an indirect grant managed by National treasury through transversal contract.

30. Fines, Penalties and Forfeits

Building Fines	8 542	103 304
Illegal Connections Fines	123 920	115 884
Municipal Traffic Fines	95 183 597	31 400 125
	95 316 059	**31 619 313**

31. Employee related costs

Basic salary	88 208 599	81 051 538
Standby allowance	2 430 122	2 285 693
Bonus - 13th Cheque	6 835 639	5 799 493
Perfomance bonus	191 091	320 513
Medical aid - company contributions	8 545 027	7 741 901
Unemployment Insurance Fund - Company Contribution	708 745	687 468
Leave pay	2 566 437	2 262 995
Post employment benefit (continous members)	1 134 387	1 733 994
Overtime payments	12 784 836	12 210 472
Long-service awards	2 249 773	1 101 061
Acting allowances	3 224 729	3 371 654
Car allowance	12 220 108	10 429 675
Housing benefits and allowances	530 505	456 425
Bargaining Council	47 188	43 313
Cellphone allowance	1 901 629	1 723 490
Pension fund contribution - Company Contribution	17 614 214	16 461 906
	161 193 029	**147 681 591**

Figures in Rand	2025	2024

31. Employee related costs (continued)

Remuneration of Municipal Manager - T.G. Ramagaga

Basic salary	1 017 445	1 005 950
Car Allowance	373 379	334 616
Contributions to UIF, Medical and Pension Funds	185 266	180 145
Cellphone allowance	42 000	42 000
	1 618 090	**1 562 711**

The Municipal Manager was appointed effectively from the 1st of September 2022 on a fixed term basis.

Remuneration of Chief Financial Officer: R.M Marutha

Basic salary	835 392	872 319
Car Allowance	305 209	238 978
Contributions to UIF, Medical and Pension Funds	152 496	152 897
Cellphone allowance	36 000	36 000
	1 329 097	**1 300 194**

The fixed contract of the Chief Financial Officer ended in March 2023. The incumbant was subsequntly reappointed on a permanent basis effectively from the 1st of July 2023.

Remuneration of Technical Services Senior Manager: H.B. Maswanganyi

Basic salary	778 090	482 876
Car Allowance	305 206	147 140
Contributions to UIF, Medical and Pension Funds	189 817	115 308
Cellphone allowance	36 000	21 000
Leave pay	-	205 188
	1 309 113	**971 512**

The fixed contract of the senior manager technical ended in August 2023. The incumbant was subsequantly reappointed on a permanent basis effectively from the 1st of Februrary 2024.

Remuneration of Planning and Economic Development Senior Manager: N.R Siliga

Basic salary	780 279	727 793
Car Allowance	305 206	219 500
Contributions to UIF, Medical and Pension Funds	201 763	178 369
Cellphone allowance	36 000	33 000
	1 323 248	**1 158 662**

The planning and economic development senior manager was appointed on a permanent basis effectively from the 1st of August 2023.

Remuneration of Social and Community Services Senior Manager: D.S Malope

Basic salary	507 921	-
Car Allowance	187 881	-
Contributions to UIF, Medical and Pension Funds	133 286	-
Cellphone allowance	24 000	-
	853 088	**-**

The council appointed Ms D.S Malope in her capacity as senior manager of social and community services effectively from the 1st of November 2024.

Figures in Rand	2025	2024

31. Employee related costs (continued)

Remuneration of the Divisional Manager Human Resource - NM Ramolobeng

Basic salary	630 988	436 955
Car Allowance	221 098	153 108
Bonus	53 106	36 413
Contributions to UIF, Medical and Pension Funds	213 249	155 645
Housing benefits and allowance	12 258	8 531
Acting allowance for position of Corporate Services Senior Manager	358 490	275 503
Cellphone allowance	35 116	24 317
	1 524 305	**1 090 472**

The council appointed divisional manager of Human Resource (Mrs N.M Ramolobeng) to act in capacity of Corporate services Senior manager effectively from the 01st of November 2023 to 30th of October 2024. She further acted in the same position from the 20th of January 2025 the 30th of June 2025 the period of, due to the vacant position.

Remuneration of the Divisional Manager Sports Arts and Culture- D.T. Raborolo

Basic salary	76 103	655 432
Car Allowance	25 440	219 096
Bonus	6 342	54 619
Housing benefits and allowance	1 486	12 797
Contributions to UIF, Medical and Pension Funds	16 995	159 203
Acting allowance for position of Social and Community Services Senior Manager	136 938	322 327
Cellphone allowance	4 235	36 476
	267 539	**1 459 950**

The council appointed divisional manager of sports arts and culture (Mr D.T Raborolo) to act in capacity of senior manager of social and community services effectively from the 1st of March 2023 to the 31st October 2025, due to the vacant position.

Remuneration of Manager Strategic Support: T.J. Mothapo

Basic salary	-	204 240
Car Allowance	-	66 105
Contributions to UIF, Medical and Pension Funds	-	54 584
Acting allowance for position of Corporate Services Senior Manager	-	33 366
Cellphone allowance	-	9 000
Leave pay	-	24 495
	-	**391 790**

The council appointed Manager Strategic Support Services (Mr TJ Mothapo) to act in capacity of corporate services senior manager from the 01st of July to the 30th of September 2023, due to the vacant position.

Remuneration of Intergrated Development and Planning Divisional Manager - L.C. Tshikovhi

Basic salary	-	54 619
Car Allowance	-	19 139
Performance Bonuses	-	4 552
Housing benefits and allowance	-	1 066
Contributions to UIF, Medical and Pension Funds	-	13 907
Acting Allowance	-	44 261
Cellphone allowance	-	3 040
	-	**140 584**

The council appointed divisional manager of Intergrated Development and Planning (Mr L.C. Tshikovhi) to act in capacity of Planning and Economic Development Senior Manager effectively from the 01st of July 2023 to the 31st July 2023 due to the vacant position.

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

31. Employee related costs (continued)

Remuneration of Divisional Manager Electrical Services

Basic salary	-	273 097
Car Allowance	-	91 290
Performance Bonuses	-	22 758
Contributions to UIF, Medical and Pension Funds	-	85 882
Acting allowance for position of Technical Services Senior Manager	-	172 189
Cellphone allowance	-	15 198
	-	**660 414**

The council appointed divisional manager of electrical services (Mr TJ Kotsokoane) to act in capacity of Technical Services Senior manager from 01st of Septermber to 31st of January 2024, due to the vacant position.

Employee related cost - Inventory Consumed of Water

Annual Remuneration	19 425 818	12 262 303

Employee related cost used in consumption of water during the year under review.

32. Remuneration of councillors

Honorable Mayor	1 046 307	1 003 680
Speaker	846 449	812 869
Chief Whip	465 121	585 865
Executive Committee Members	1 544 161	1 443 388
Other Councillors	5 131 794	4 964 591
	9 033 832	**8 810 393**

In-kind benefits

The Honorable Mayor, Speaker, MPAC chairperson and Executive members are full-time councillors. The Honorable Mayor and the Speaker are provided with the secretarial support at the cost of the Council. The Honorable Mayor is also provided with the vehicle and driver at the cost of the Council.

33. Related parties

Relationships	
Members of key management	Refer to note 31
Members of council	Refer to note 32

33. Related parties (continued)

Remuneration of councillors

Reconciliation of remuneration of Councillors

2025

Name	Basic salary	Cellphone allowance	Car allowance	Contribution to medical and pension fund	Total
Honourable Mayor - G.M. Seleka	842 615	47 004	-	156 688	1 046 307
Speaker - T.N. Zikhali	464 299	47 004	190 525	144 621	846 449
Chief Whip - K. Seporu	279 479	47 004	99 646	38 992	465 121
Executive committee member - M.H Ledwaba	473 703	43 087	163 434	67 450	747 674
Executive committee member - AF Van Der Heyden	500 972	47 004	178 617	69 893	796 486
MPAC Chairperson Councillor - J.M Mabua	477 498	47 004	178 617	97 202	800 321
Section 79 Member - Councillor M.F. Koover	229 325	47 004	96 716	79 798	452 843
Section 79 Member - Councillor - P.V Mashaba	355 377	47 004	-	50 462	452 843
Section 79 Member - Councillor - F.S Hlungwane	229 325	47 004	96 716	79 798	452 843
Section 79 Member - Councilor K.S. Rachidumela	271 275	47 004	96 716	37 847	452 842
Councillor - M.D Senosha	211 370	47 004	75 364	29 491	363 229
Councilor - M.J. Makhubela	247 493	47 004	-	68 724	363 221
Councillor - M.N Mpunwana	160 547	27 419	-	33 704	221 670
Councillor - M.O Tlaka	276 899	47 004	-	39 321	363 224
Councillor - S.D. Seale	216 346	47 004	-	99 872	363 222
Councillor - JD Cloete	276 899	47 004	-	39 321	363 224
Councillor - J Roets	80 376	15 668	-	12 056	108 100
Councillor - MJ Ngobeni	144 773	47 004	75 364	107 066	374 207
	5 738 571	**791 234**	**1 251 715**	**1 252 306**	**9 033 826**

33. Related parties (continued)

2024

Name	Basic salary	Cellphone allowance	Car allowance	Contribution to medical and pension fund	Total
Honourable Mayor : G.M Seleka	808 747	46 353	-	148 580	1 003 680
Speaker: T.N Zikhali	448 744	46 353	182 394	135 378	812 869
Chief Whip: K Sepuru	417 370	46 353	87 790	34 352	585 865
Executive committee member: M.J Ngobeni	428 823	46 353	170 128	122 231	767 535
Executive committee member - AF Van Der Heyden	414 574	42 653	157 137	61 489	675 853
MPAC Chairperson Councillor - J.M Mabua	453 700	46 353	170 157	86 819	757 029
Section 79 Member - Councillor M.F. Koover	223 580	46 353	92 589	74 554	437 076
Section 79 Member - Councillor - P.V Mashaba	342 419	46 353	92 589	48 309	529 670
Section 79 Member - Councilor - F.SHlungwane	223 529	46 353	92 589	74 546	437 017
Section 79 Member - Councilor K.S. Rachidumela	261 908	46 353	72 150	36 232	416 643
Councillor - M.D Senosha	194 854	46 353	-	28 233	269 440
Councilor -M.J. Makhubela	240 450	46 353	-	64 701	351 504
Councillor - M.N Mpunwana	244 120	46 353	-	55 785	346 258
Councillor - M.O Tlaka	267 540	46 353	-	37 643	351 536
Councillor - S.D. Seale	212 226	46 353	-	92 958	351 537
Councillor - J.D Cloete	267 540	46 353	-	37 643	351 536
Councillor - M.H Ledwaba	218 609	46 353	72 150	28 233	365 345
	5 668 733	**784 301**	**1 189 673**	**1 167 686**	**8 810 393**

34. Depreciation and amortisation

	2025	2024
Property, plant and equipment	43 740 238	40 997 963
Intangible assets	375 586	286 836
	44 115 824	**41 284 799**

35. Impairments of assets

	2025	2024
Impairments		
Property, plant and equipment	225 730	921 188
Reversal of impairments		
Property, plant and equipment	261 703	-

36. Finance costs

	2025	2024
Landfill site	6 689 576	6 700 678
Overdue accounts	-	211 355
Post Employee benefits	8 267 000	7 459 000
Finance leases	827 831	980 333
	15 784 407	**15 351 366**

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

37. Bulk purchases

Electricity - Eskom	156 736 350	136 245 642

Electricity used in consumption of water during the year under review was R 671 013 (2024: 604 684)

Electricity losses

	Number 2025 (KVA)	Number 2024 (KVA)		
Units purchased	78 971 335	76 560 440	156 736 350	156 677 557
Units sold	(63 537 725)	(59 553 939)	(134 848 755)	(121 151 825)
Total loss	**15 433 610**	**17 006 501**	**21 887 595**	**35 525 732**
Comprising of:				
Technical losses	7 998 404	7 656 044	11 343 155	15 993 094
Non-technical losses	7 435 206	9 350 457	10 544 439	19 532 638
Total	**15 433 610**	**17 006 501**	**21 887 594**	**35 525 732**
Percentage Loss:				
Technical losses	10 %	10 %	10 %	10 %
Non-technical losses	9 %	12 %	9 %	12 %
Total	**19 %**	**22 %**	**19 %**	**22 %**

Electricity Losses: Technical losses occur when power dissipates in the transmission lines and transformers due to electrical resistance.

Contributing factors to these losses are: power theft, meter tampering, meter bypass, Illegal connections, unpaid bills, non payment, default meters, system failures, unbalanced loading, overloading, low voltage, load shedding and deteriorating infrastructure

Water losses

	Number 2025 (KL)	Number 2024 (KL)		
Units purchased	3 385 374	2 435 739	43 772 886	34 879 780
Units sold	(1 793 259)	(1 843 098)	(23 186 839)	(26 393 163)
Total	**1 592 115**	**592 641**	**20 586 047**	**8 486 617**
Comprising of:				
Technical losses	338 537	246 934	4 377 289	3 536 090
Non-technical losses	1 253 577	345 707	16 208 758	4 950 527
Total	**1 592 114**	**592 641**	**20 586 047**	**8 486 617**
Percentage Loss:				
Technical losses	10 %	10 %	10 %	10 %
Non-technical losses	37 %	14 %	37 %	14 %
Total	**47 %**	**24 %**	**47 %**	**24 %**

Water Losses: Technical losses occur when water is lost in the reticulation lines and in treatment plants due to backwash. Contributing factors to these losses are: system failures, unbalanced networks, high pressure, pipe bursts and deteriorating infrastructure,

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

37. Bulk purchases (continued)

Non-technical losses on water are due to consumers. Contributing factors are: water theft, meter tampering, meter bypass, illegal connections, no billing, unpaid bills, consumer non-payment, faulty meters.

38. Contracted services

	2025	2024
Outsourced Services		
Business and Advisory	545 401	839 824
Connection/Dis-connection	483 853	533 789
Security Services	16 584 947	15 333 663
Traffic Fines Management	5 740 158	548 794
Consultants and Professional Services		
Business and Advisory	11 169 589	7 836 219
Infrastructure and Planning	962 440	858 696
Laboratory Services	284 459	184 684
Legal Cost	7 382 184	10 214 671
Contractors		
Catering Services	182 370	131 660
Electrical	889 426	989 407
Event Promoters	539 304	367 012
Gardening Services	24 200	-
Graphic Designers	-	46 913
Repairs and maintenance	28 823 640	10 746 498
Medical Services	-	26 000
Pest Control and Fumigation	26 050	31 000
Transportation	12 133	5 900
Sewerage Services	501 759	379 285
	74 151 913	**49 074 015**

Included in the Consultants and Professional Services: business and advisory is the water inventory consumed amounting to R 246 350 (2024: R524 344)

Included in the contracted service: repairs and maintence is the water inventory consumed amounting to R 768 016 (2024: R520 733)

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

39. General expenses

Advertising	500 028	336 868
Auditors remuneration	6 187 844	7 161 712
Bank charges	1 640 777	1 459 859
Commission paid	3 951 553	3 339 981
Hire	3 521 319	1 766 867
Insurance	1 802 500	1 279 799
IT expenses	8 014 054	6 458 327
Skills levy	1 385 898	1 271 724
Fuel and oil	3 263 774	4 506 762
Consumables expenses	27 544 905	25 206 255
Protective clothing	2 752 716	2 595 612
Ward committee members	995 544	1 032 000
Telephone and fax	508 936	1 274 099
Travel - local	1 139 060	2 484 741
Tools and kits	350 948	474 031
Utilities - Other	2 447 617	2 048 851
Other expenses	6 856 254	4 351 856
	72 863 727	**67 049 344**

Included in the consumables is water inventory consumed amounting to R 21 827 960 (2024: R20 417 099)

40. Auditors' remuneration

Fees	6 187 844	7 161 712

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

41. Cash generated from operations

Surplus	165 272 540	104 343 984
Adjustments for:		
Depreciation and amortisation	44 115 824	41 284 799
Loss on disposal of property plant and equipment	5 555 356	3 006 097
Acturial gains and losses	(1 198 426)	(63 000)
Change in landfill provision income	(129 671)	(3 020 493)
Debt forgiveness	(10 335 126)	(7 718 840)
Fair value adjustments	(8 102 823)	(6 817 418)
Finance costs - Finance leases	827 831	980 333
Government grants & subsidies (SMART Meter revenue)	(52 385 660)	-
Contracted Services (Repairs and maintenance - SMART Meter)	12 507 581	-
Post Employee benefits - interest	8 267 000	7 459 000
Impairment of assets	225 730	921 188
Debt impairment	135 101 540	78 440 588
Public contributions and donations	(51 423)	(16 744 000)
Impairment of assets reversal	(261 703)	-
Net movement in long service award	(1 355 000)	(232 000)
Finance cost - Landfill site	6 689 570	6 700 679
Net movement in employee benefit obligation	931 425	953 000
Leave pay provision	1 961 294	936 276
Performance bonus accrual	191 091	320 515
Changes in working capital:		
Inventories	194 241	(119 153)
Movement in trade and other receivables (including vat receivable)	(149 179 378)	(98 581 361)
Movement in Municipal Debt Relief financial liabilities	4 718 824	26 579 646
Movement in deposits on land	(2 359)	2 359
Payables from exchange transactions (including vat payable)	(27 174 246)	(23 750 611)
Movement in accrued bonus	416 682	(317 857)
Unspent conditional grants and receipts	10 875 675	(7 391 499)
Consumer deposits	208 324	281 354
Movement in payroll accrual	68 124	(4 780 195)
Movement in Income received in advance	686 483	1 117 853
Movement in Unkown (unallocated) deposit	(1 202 736)	(1 459 729)
	147 436 584	**102 331 515**

42. Service in-kind

The below service-in kind were earned in the year under review - 2024/25 financial year

RM Mashaba Projects - Donation of trailer

RM Mashaba Projects donated the a trailer to the value of R51,423 oon the 03rd of December 2024. The donation was intened to support the municipaity in providing repairs and maintenance services to the community.

The below service-in kind were earned in the 2023/24 financial year

Road Agency Limpopo

A formal agreement was entered into between Bela Bela Local Municipality and Road Agency Limpopo to refurbish streets within the boundries around Bela Bela.

Road Agency Limpopo will, on behalf of the Bela-Bela Local Municipality, which falls within the Waterberg District Municipality, implement construction and/or maintenance and/or rehabilitation of road infrastructure projects relating to deteriorated and hazardous roads falling within the ambit of the municipality, as may be identified to from time to time between the parties.

The following streets were refurbished in the current financial year at no costs to the municipality and resulting in a service in kind:

- Luna Street
- Grobler Ave
- Van der Merwe Street
- Pretoria Street
- Mentz Street
- Moffat Street
- Sutter RD
- Reitz Street

The infrastructure refurbished, meet the definition of an asset and satisfy the criteria for recognition and as a result the transaction meet the definition of a service in kind.

The service in kind was recognised as non exchange revenue and the corresponding recognition of infrastructure asses the at fair value of the improvements done.

	2025	2024
Services in-kind that are significant to the entities operations and/or service delivery objectives		
Roads infrastructure Rehabilitation of roads by Road Agency Limpopo (RAL)	-	16 744 000
Donation of a Property Plant and Equipment (Transport Asset) Donation of a trailer by RM Mashaba Projects	51 423	-
	51 423	**16 744 000**

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

43. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Property, plant and equipment	110 838 662	39 402 860
Total capital commitments		
Already contracted for but not provided for	110 838 662	39 402 860

Total commitments

Total commitments		
Authorised capital expenditure	110 838 662	39 402 860

This committed expenditure relates to plant and equipment and will be financed by retained surpluses, existing cash resources, funds internally generated, grants from National Treasury.

This commitment register is regularly maintained.

Notes to the Audited Annual Financial Statements

Figures in Rand		2025	2024

44. Contingent liabilities

Litigants	Brief description	2025	2024
Nakevi Abel Makgatho Damages Claim Case Number - 258/2020	The Plaintiff issued summons in the local magistrate court claiming payment in the sum of R52 683.50. He alleges that he collided with a pothole that was situated at or near R101 Business Park, Potgieter Road. Matter is defended on the basis of lack of Jurisdiction. The road in question belongs to SANRAL and a Special Plea has been raised and filed to this effect. Matter was set for Trial on 16 and 17 November 2022. Matter removed from the roll by the Plaintiff and the Municipality's Attorneys have requested reasons and wasted costs for the removal. The municipality have received a notice of withdrawal of action from the plaintiff dated 21 February 2024 Monetary value cannot be asertained at the date of reporting.	-	-
Masale Marium Morudu Contempt of Court Case Number - 1743/2014	The Applicant brought an application in the Polokwane High Court on 19 January 2021 to declare inter alia, that the Municipality had failed to comply with the court order of 9 December 2014 under Case Number: 1743/2014. The case was finalized and the municipality was ordered to assist Morudu MM to register the stand with the Deed Office. There is no monetary cost implication to the municipality.	-	-
George Aschendorf Patrimonial Loss Case number - 384/2022	George Aschendorf served the Municipality with a letter of demand for payment of the sum of R15 894.00 resulting from damage to his household appliances. Aschendorf alleges negligence on the part of the Municipality for failing to properly maintain the electricity infrastructure with the result that there was a power surge that damaged the appliances. The Municipality denies liability. A letter denying liability was sent to Aschendorf's attorneys. The letter further explained that the fault was caused by a failed piercing clamp which was subsequently replaced. The notice of intention to institute legal proceedings against the Municipality was issued in August 2022, which is more than one year and four months and no further step has been take against the Municipality. The claim can be regarded as abandoned.	-	15 894

Figures in Rand		2025	2024

44. Contingent liabilities (continued)

Ludgijo Holdings (Pty) Ltd) and another Damages Claim Case number - 11013/2022	The Plaintiffs are suing for damages from an alleged wrongful disqualification and irregular appointment of other contractors/suppliers to the disadvantage of their company. The Municipality’s attorneys have entered a notice of intention to defend and will arrange for consultations with the Municipal officials in order to prepare and to subsequently file pleadings. In addition, the Plaintiffs’ claim has prescribed and was not launched in compliance with the provisions of Section 3 of the Institution of Legal Proceedings Against Certain Organs of State’s Act, No 40 of 2002. Further to the above, the Municipality has filed an exception to the plea as it is vague and embarrassing. We are awaiting the Plaintiff’s response.	9 481 670	9 481 670
Baroka Funerals Services (Pty) Ltd Damages Claim Case number 47/20	The Plaintiff issued civil claim against the Municipality alleging that damage amounting to R54 138.25 occurred to the Plaintiff’s vehicle due to the Plaintiff’s vehicle colliding with a large pothole that was situated in the road that falls under the Municipalities area of jurisdiction and maintenance. Avers that the municipality is responsible for the road maintenance. The plaintiff withdrawn the claim after the Municipality raised a special plea that they cited a wrong Defendant, Municipality not responsible for the road in question.	-	54 138
Hosea Thipe Damages Claim Case number - 54/2023	The Plaintiff issued summons against the Municipality alleging that Plaintiff suffered damages in the sum of R48 284.75 when his vehicle was involved in a collision with the Municipality’s vehicle on 31 July 2022. The Plaintiff is claiming vicarious liability against the Municipality. The Municipality filed a Special Plea of misjoinder on 29 March 2023 in that the wrong parties to the proceeding were cited (this is based on the discrepancy between the letter of demand and summons). A pre-trial date has been set for 21 July 2023. The municipality received a notice of withdrawal of action dated 31 August 2023. Monetary value cannot be asertained at the date of reporting.	-	-
Motalane Mathopa Erens // BBLM Review Application Case number - J222/23	The Municipality received a Labour Court Review Application from Mr E Motalane alleging constructive dismissal by the Municipality. The matter is opposed by the Municipality on the basis that Mr E Motalane resigned voluntarily. We have served and file a Notice to Oppose and Responding affidavits. Parties held a pre-trial conference and currently waiting for the trial date. On the 23 February 2024 the applicant application was dismissed. Monetary value cannot be asertained at the date of reporting.	-	-

44. Contingent liabilities (continued)

		2025	2024
Choeu Farming // BBLM Damages Claim Case number - 4115/2023	The Plaintiff issued summons against the Municipality for payment of R1,9 Million Rands in the Polokwane High Court for damages caused by fire. The Plaintiff alleges that the fire was caused by the Municipality's employees. The Municipality is defending the matter and a notice of intention to defend was filed on the 15 June 2023. A Special Plea and Plea dated 30 August 2023 were served and filed. The process of serving and filing of pleadings is in motion. Once the pleadings have closed, we shall receive a notice of a trial date.	1 900 000	1 900 000
BBLM// Dikala Plant Hire Case number - 95187/2015	The Municipality issued an application to set aside the warrant of execution under Case Number: 95187/2015 in terms of which the Sheriff was directed to attach and take into execution the sum of R82 795 796,84 plus interest at the rate of 9% from 18 July 2019 until date of final payment. Further prayers by the Municipality included the setting aside of the Notice of Attachment in Execution dated 09 November 2022, of movable and immovable properties of the Applicant pursuant to the warrant of execution under Case Number 95187/2015, in favour of the First Respondent. The Application was issued on the Department of Justice's case online system and a Case Number: 31630/2023 was allocated. The matter was also allocated a trial date of 14 September 2023 for hearing. On 24 May 2023, a notice to oppose was received by our attorneys from Dikala's legal representatives. On 14 June 2023, our attorneys received an undertaking in a form of a letter from Dikala's legal representatives confirming that they will not proceed with any further attachments pending the finalization of the review application. In addition, Dikala's attorneys indicated that they were of the view that it would be in both parties' interest to settle the matter. The Judge set aside warrant of execution issued under case number 95187/2015. The case was finalized on the 18 November 2024.	-	59 795 796
Earle // Bela-Bela Local Municipality	The Plaintiff instituted legal action in the Bela-Bela Magistrate Court as he alleges that he was involved in an accident after he hit a pothole near Settlers/Bela-Bela offramp and is now claiming damages against the Municipality alongside RAF, SANRAL and MEC of Community Safety. The Plaintiff claims damages of R140 000.00 from all Defendants, jointly and severally, one paying for the other to be absolved. The claim was dismissed 02 August 2024	-	140 000

Notes to the Audited Annual Financial Statements

Figures in Rand		2025	2024

44. Contingent liabilities (continued)

Zutari South African (Pty) Ltd (Formerly known as Aurecon South Africa (Pty) Ltd Damages Claim Case Number - 4930/202 // Bela-Bela Local Municipality	The Plaintiff claims an amount of R509126.01 which is in relation to the appointment of the Plaintiff to render certain professional consultancy engineering services on the project known as Bela-Bela Pave Bus Route Rapotokwane (MIG/LP/2126/R, ST/16/18). Proceedings stayed to pursue possible settlement.	509 126	509 126
Bela-Bela VTS (Pty) Ltd Case number - 10379/2023	The applicant made an application to the Polokwane High Court under case number 10379/2023 requesting the court to compel the Bela-Bela Local Municipality to support their application for private vehicle testing station in Bela-Bela Town. The application was made to MEC for Department of Transport and Community Safety in Limpopo Province. On the 9th of September 2024, the applicant received a judgement in their favour four the municiplaity to support them. On the 20th of September 2024, the attorney's were instructed to appeal the the judgement since it was not possible to implement the judgement outcome on the 9th of September 2024. Monetary value cannot be asertained at the date of reporting.	-	-
Lebelo // Makwakwa Eviction	This is an eviction matter in the Magistrate Court of Bela-Bela and relates to a dispute over the ownership (s) of Erfs (1185 & 1186). The Municipality made an error in allocating the stands by swopping the properties during the transfer process. Initially, the matter was set down for 10 June 2020, but postponed sine dies (indefinitely) pending the outcome of the High Court’s decision in the same matter. The matter was launched in the Polokwane High Court, subsequent to an application for an interdict against the Bela-Bela Municipality to halt the Rectification process over Erf (1185 & 1186). The matter was heard on 12 June 2022 for the revival of the rule nisi order which was granted. The matter was set down for Part B of the Application, which is the main interdict, for 6 March 2023. On 6 March 2023, the matter was removed from the roll and re-enrolled for hearing on 26 February 2024. On the 26 February 2024 the matter was removed from the roll after argument and re-enrolled for 20 March 2025. Monetary value cannot be asertained at the date of reporting.	-	-
Paul and Partners	On the 09 February 2024 the Pretoria High Court granted a default order against the Municipality for payment of R631 801. The Municipality is in a process of settlement negotiations.	631 801	631 801

Notes to the Audited Annual Financial Statements

Figures in Rand		2025	2024

44. Contingent liabilities (continued)

Telkom SA SOC Limited	The plaintiff issued civil claim against the municipality with the Polokwane High Court Case No: 13882/2024 claiming the sum of R1600 839.10. Claiming to be for the professional services rendered at the municipality's special request.	1 600 839	-
		14 123 436	**72 528 425**

45. Accounting by principals and agents

Description of Principal and Agent Arrangement

The municipality is a party to a principal-agent arrangement.

1. The municipality is the agent to the Provincial Department of Transport (Principal of the municipality)

a) The Provincial Government, through the respective Provincial Department of Transport, is mandated to collect motor vehicle licenses on an annual basis. The Provincial Department of Transport determines the fee that is payable annually by motor vehicle owners, which varies depending on the type of motor vehicle owned.

b) To make the payment of the motor vehicle licenses easier, the provincial department entered into a contractual arrangement with the Bela-Bela Local Municipality to undertake this activity on their behalf.in terms of the arrangement:

- The Provincial Department of Transport issues the motor vehicle license renewal form to the respective owners of the motor vehicle, indicating the amount due for the year.
- The municipality provides facilities for owners of motor vehicles to pay their licenses.
- The Provincial Department of Transport provides the municipality with access to its IT systems so that they can capture the amounts received and issue the motor vehicles licenses on their behalf. The system automatically generates the motor vehicle license upon capturing the payment of the fee due.
- The municipality collect the fees due from motor vehicles owners and simultaneously issue the new licenses on behalf of the provincial government.
- The municipality is required to pay over any revenue (cash) collected to the Provincial Department in respect of motor vehicles licenses.
- The municipality is entitled to retain 20% of the cash collected for undertaking this activity of the Provincial Department of Transport.
- No significant risks exist other than risks associated with cash management. The application controls designed within the IT system are adequate to correctly account for such revenues.

2. The municipality is the principal to the Landis+Gyr (agent of the municipality)

a) The Service which Landis+Gyr shall provide for the client shall be the granting of remote access to the system ,to the client or managing agent, to obtain tokens for Consumers; and to Consumers, to purchase tokens for themselves.

b) Landis+Gyr shall keep full and proper accounts and records showing clearly all transactions in relation to the services, which accounts and records shall be separate from those relating to other clients of Landis+Gyr.

c) Landis+Gyr shall provide to the client such number of reports as the client may from time to time require, up to a maximum of four reports per month at no additional charge to the client, and any further reports per month at a fair and reasonable charge payable by the client, on the value of Tokens issued by or for Consumers

d) Landis+Gyr shall remit to the Client, by the fifth business day in each month, all token payments received by Landis+Gyr during the preceding month, less such amount as Landis+Gyr is permitted to deduct in accordance with clause 13 .

e) The Landis+Gyr are entitled to retain 4% for the cash collected for undertaking this activity of the municipality.

f) The Landis+Gyr therefore permits the municipality to utilise its software for undertaking this activity, to issue Tokens for Consumers after purchase and access to reports (monitoring and evaluation) through the SUPRIMA system.

g) No significant risks exist other than risks associated with cash management.

3. **The municipality is the principal to the Syntell (Agent) of the municipality**

45. Accounting by principals and agents (continued)

a) Syntell is the agent to the Municipality from 1 September 2023 to 31 August 2026

b) The Service Provider (Syntell) is responsible for provision of the Traffic Management System, collection of Traffic Fines, the supply of digital and red-light cameras related Services.

c) Syntell keeps full and proper accounts and records showing clearly all transactions in relation to the Services, which accounts and records shall be separate from those relating to other clients of Syntell.

d) Syntell provide daily, weekly, monthly, annual financial transaction reports to the Principal, for reconciliation, reporting and budgeting purposes.

e) The Agent render services in accordance with applicable tendered rates.

f) No significant risks exist other than risks associated with cash management.

Additional information

Reconciliation of the statement of financial performance

	2025	2024
Reconciliation of the statement of financial performance: Municipality acting as the Agent - Provincial department of transport		
Agency services: Revenue commission/agency recognized as compensation for the transactions carried out on behalf of the Principal	6 296 879	4 601 547

	2025	2024
Reconciliation of the statement of financial performance : Municipality acting as the principal - Landis+Gyr		
Expense recognised as compensation for the transactions carried out on behalf of the Principal	4 544 240	3 339 981

The commission expense of Landis+Gyr was reported under general expense.

	2025	2024
Reconciliation of the statement of financial performance : Municipality acting as the principal - Syntell		
Expense recognised as compensation for the transactions carried out on behalf of the Principal	5 740 158	-

There are no receivables held on behalf of the principal (i.e. municipality).

The commission expense of Syntell were reported under contracted services.

Figures in Rand	2025	2024

46. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	1 926 190	1 886 527
Amount paid - current year	(1 926 190)	(1 886 527)
	-	-

Material losses through criminal conduct

The material losses are debit orders which went fraudulently through the bank account. Invetsigation is still ongoing and no amounts were wrtten off in the current year.

Skills Development Levy (SDL)

Opening balance as previously reported	-	97 222
Add: Losses identified - current period	1 385 898	1 271 724
Less: Amounts recovered - current	(1 385 898)	(1 368 946)
	-	-

Audit fees

Opening balance	2 803	170 817
Current year subscription / fee	7 116 019	8 235 969
Amount paid - current year	(7 118 822)	(6 755 340)
Interest written-off	-	(1 648 643)
	-	**2 803**

Pay As You Earn (PAYE) and Unemployment Insurance Fund (UIF)

Opening balance	-	1 684 215
Current year subscription / fee	26 203 425	23 359 501
Amount paid - current year	(26 203 425)	(25 043 716)
	-	-

Pension and Medical Aid Deductions

Opening balance	-	3 052 436
Current year subscription / fee	42 022 939	36 691 106
Amount paid - current year	(42 022 939)	(39 743 542)
	-	-

Councillors' arrear consumer accounts

There were no Councillors with arrear accounts outstanding for more than 90 days as at 30 June 2025.

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Senosha MD	427	-	427

Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

46. Additional disclosure in terms of Municipal Finance Management Act (continued)

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements.

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Deviation below is in relation to emergency procurement as stipulated in section 36 of the Municipal Supply Chain Management Regulations - Emergency request to procure services and materials to restore power at Noodhulp/Roodepoort. Supply, delivery and installation of 2-3MVA 11Kv/22Kv step up transformer.

Incident		
Emergency procurement	-	1 369 248

47. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	90 706 283	90 706 283
Other receivables from non-exchange transactions	999 560	999 560
Cash and cash equivalents	52 871 219	52 871 219
	144 577 062	**144 577 062**

Financial liabilities

	At amortised cost	Total
Municipal Debt Relief financial liabilities	13 244 504	13 244 504
Trade and other payables from exchange transactions	83 888 450	83 888 450
Consumer deposits	7 444 741	7 444 741
	104 577 695	**104 577 695**

2024

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	83 948 145	83 948 145
Other receivables from non-exchange transactions	9 962 115	9 962 115
Cash and cash equivalents	25 267 066	25 267 066
	119 177 326	**119 177 326**

Financial liabilities

	At amortised cost	Total
Municipal Debt Relief financial liabilities	18 860 806	18 860 806
Trade and other payables from exchange transactions	100 606 828	100 606 828
Consumer deposits	7 236 417	7 236 417
	126 704 051	**126 704 051**

Notes to the Audited Annual Financial Statements

48. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of 1 068 633 231 and that the municipality's total assets exceed its liabilities by 1 068 633 231.

This annual financial statements have been prepared on a going concern basis.

Management has prepared an annual budget based on the municipality's collection levels, and applied cost cutting measures to ensure that the municipality operate within its financial limits. Monthly and annual cash flow forecast for the period ending 30 June 2026 are prepared and monitored by senior management team, if necessary budget adjustment process will be initiated. The annual budget for the next financial year has been prepared and approved by council and it is deemed to be fully funded.

The municipality's budget for the 2026 financial year has been assessed to be funded in terms of section 18 of the MFMA.

Management is satisfied that the municpality has, or has access to, adequate resources to continue in operational existence for the foreseeable future. The municipality will continue monitor the budget process and assess risk associated to changes in adverse economic conditions and ensure that its operating activities will be within its financial measures.

There are factors that cast doubt on the municipality’s ability to continue as a going concern, however the municipality has measures in place to address these factors.

Risk idenified	**Future plans to mitigate risks identified**
Revenue collection rate below the norm of 95%	Through the collaboration with DBSA, the municipality is developing a revenue enahancement strategy. The strayegy willl assist in detecting collection rate leakaged and mechanism to improve the collection rate. The municipality intensified credit control measures to recover long outstanding amounts from consumers.
The municipality has a high commitment register	A provision of conditional grant has made on the funded budget for 2025/26 to fund the capital commitment

49. 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

2023

	Note	As previously reported	Correction of error	Restated
Receivables from exchange transactions	4&5	60 565 747	(1 206 697)	59 359 050
VAT Receivables	7	7 789 978	30 757	7 820 735
Cash and cash equivalents	8	11 261 243	(3 264)	11 257 979
Investment Property	9	60 717 194	7 119 072	67 836 266
Property Plant and Equipment	10	856 446 494	7 834 649	864 281 143
Accumulated surplus		(785 247 880)	(13 774 517)	(799 022 397)
		211 532 776	**-**	**211 532 776**

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Receivables from exchange transactions	4&5	69 303 501	(1 251 252)	15 755 316	83 807 565
Receivables from non-exchange transactions	5&6	68 438 591	(8 366)	-	68 430 225
VAT Receivables	7	5 155 579	40 248	(5 031 863)	163 964
Investment property	9	67 457 882	6 942 302	-	74 400 184
Cash and cash equivalents	8	25 270 330	(3 264)	-	25 267 066
Property, plant and equipment	10	921 469 381	7 729 076	-	929 198 457
Payables from exchange transactions	13	(106 058 870)	(1 571 056)	(10 723 453)	(118 353 379)
Accumulated surplus		(891 478 775)	(11 877 688)	-	(903 356 463)
		159 557 619	**-**	**-**	**159 557 619**

Statement of financial performance

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Service charges	19	220 651 599	(790 797)	-	219 860 802
Rental of facilities and equipment	20	1 192 390	3 326	-	1 195 716
Other Income	23	4 811 178	(596 176)	-	4 215 002
Fair value adjustment	25	6 803 688	76 730	(63 000)	6 817 418
Availibility charges	28	3 578 310	(3 472)	-	3 574 838
Fines, Penalties and Forfeits	30	31 660 575	(41 267)	-	31 619 308
Depreciation and amortisation	34	(40 925 725)	(359 074)	-	(41 284 799)
General Expenses	39	(66 873 160)	(196 066)	-	(67 069 226)
Acturial gains	58	-	-	63 000	63 000
Surplus for the year		**160 898 855**	**(1 906 796)**	**-**	**158 992 059**

49. Prior-year adjustments (continued)

Cash flow statement

2024

	Note	As previously reported	Correction of error	Restated
Cash flow from operating activities				
Service charges		177 200 312	82 782 118	259 982 430
Property rates		104 581 049	(104 581 049)	-
Other receipts		17 987 547	(17 987 547)	-
Employee costs		(156 412 974)	(3 199 271)	(159 612 245)
Suppliers		(264 178 426)	14 519 307	(249 659 119)
Finance costs		-	-	-
		(120 822 492)	**(28 466 442)**	**(149 288 934)**
Cash flow from investing activities				
Purchase of property, plant and equipment		(82 987 137)	(3 177 194)	(86 164 331)
Proceeds of property, plant and equipment		-	(552 723)	(552 723)
		(82 987 137)	**(3 729 917)**	**(86 717 054)**
Cash flow from financing activities				
Finance lease payments		(1 598 006)	(7 368)	(1 605 374)

Receivables from exchange transactions

The following prior period errors adjustments occurred:

Over charging on water due to incorrect reading. The correction of error resulted:

Decrease in Receivables from exchange transactions		(R 16 808)
• Decrease Merchandising Jobbing and Contracts	(R 75)	
• Decrease Fees	(R 72)	
• Decrease Refuse	(R 713)	
• Decrease Sewerage	(R 1 882)	
• Decrease Water	(R 14 064)	
Decrease in Receivables from non exchange transactions - Property rates		(R 4 502)
Decrease in revenue from services charges - water		R 18 531
Increase in VAT Receivables		R 2 780

Availability charges incorrectly levied on debtors account. The correction of error resulted:

Decrease in Receivables from exchange transaction - Water		(R 128)
Decrease in Receivables from non-exchange transactions		(R 3 864)
• Decrease in Property Rates	(R 1 112)	

49. Prior-year adjustments (continued)

• Decrease in Service charges	(R 2 752)	
Decrease in Availability charges		R 3 472
Increase in VAT Receivables		R 521

Undercharging of rental levies and incorrect rental charges on suspended service account. The correction of error resulted:

Increase in Receivables from exchange transactions (Merchandising, Jobbing and Contracts)	R 3 326
Increase in revenue from Rental of facilities and equipment	(R 3 326)

Incorrect posting of accounting period of building fines. The correction of error resulted:

Decrease in Receivables from exchange transactions (Merchandising Jobbing and Contract)	(R 47 456)
Decrease in revenue from Fines, Penalties and Forfeits	R 41 266
Increase in VAT Receivables	R 6 190

Receivables from exchange transactions (VAT Input) accounting for in the incorrect financial year. Refer to payables from exchange transactions for narration.

Incorrect classification of VAT receivables (Input VAT). The reclassification of VAT input resulted:

Decrease in VAT receivables (Statutory)	(R 15 755 316)
Increase in receivables from exchange (VAT Input)	R 15 755 316

Receivables from non-exchange transactions

The following prior period errors adjustments occurred:

Refer to Receivables from exchange transactions narration.

Accumulated surplus

The following prior period errors adjustments occurred:

Refer to Receivables from exchange transactions narration.

VAT Receivables

The following prior period errors adjustments occurred:

Refer to Receivables from exchange transactions and Payables from exchange transactions narrations.

Service charges

The following prior period errors adjustments occurred:

Refer to Receivables from exchange transactions and trade payables from exchange receivables narration.

Fines, Penalties and Forfeits

49. Prior-year adjustments (continued)

The following prior period errors adjustments occurred:

Refer to Receivables from exchange transactions narration.

Cash and cash equivalents

The following prior period errors adjustments occurred:

During the previous years Cash and cash equivalent was incorrectly reported with the petty cash balance. The effect of the correction of error is:

Increase in accumulated surplus		R 3 264
Decrease in cash and cash equivalent:		(R 3 264)

Acturial gains

The following reclassification adjustments occurred:

Acturial gains was previously classified as fair value adjustment. This resulted in overstatment of fair value adjustment by R63000. The effect of the reclassification is as follows:

Increase in acturial gains		(R 63 000)
Decrease in fair value adjustment		R 63 000

Payables from exchange transactions

Expenditure recorded in the incorrect accounting period. The correction of error resulted:

Increase in payables from exchange transactions		(R 202 611)
Increase incease in general expenditure		R 202 611
• Increase incease in bank charges	R 51 514	
• Increase incease in utilities others	R 124 669	
• Increase in VAT receivables	R 26 427	

Unused prepaid electricity not accounted for at year end. The correction of error resulted:

Increase in payables from exchange transactions (Advance Payments)		(R 772 266)
Decrease in revenue from Service Charges (electricity)		R 772 266

Incorrect classification of VAT payables (Output VAT). The reclassification of VAT Output resulted:

Increase in VAT receivables (Statutory)		R 10 723 453
Increase in payables from exchnage transactions		(R 10 723 453)
• Increase in Provision for VAT Payable	(R 24 559 398)	
• Increase in Impairment provision for VAT payables	R 13 835 945	

Notes to the Audited Annual Financial Statements

49. Prior-year adjustments (continued)

General Expenses

General expenditure accounting for in the incorrect financial year. Refer to payables from exchange transactions for narration.

Property, plant and equipment

The following prior period errors occurred:

Incorrect valuation of land recognised. The correction resulted in the following:

During the preparation of the annual financial statements, the municipality has identified properties registered in the municipal name which were not accounted for and as a result had to bring those properties into the accounting records. The correction resulted into the following:

Increase in land	R 6 750 243
Increase in accumulated surplus	(R 6 750 243)

Incorrect classification of social housing after change of intention of use:
The municipality had constructed social housing for use by the municipal staff, on further assessment of occupants it was found that the houses are now open for leasing to the general public therefore they no longer fall into the GRAP 17 Property Plant and Equipment. They are now accounted for under GRAP 16 Investment Property. The correction resulted as follows:

Decrease in depreciation	(R 195 572)
Decrease in accumulated depreciation	R 195 572
Decrese in Cost	(R 19 269 552)
Decrease in accmulated depreciation	R18 533 611
Decrease in accumulated surplus	R 735 941
Decrease in land	(R 24 873 159)
Decrease in accmulated Impairment	R 24 873 159

Incorrect reassessment of residual useful life:

During the preparation of the Annual Financial Statement, the municipality identified assets that were still in use but were fully or almost fully depreciated. An exercise of prior period reassessment of useful lives of the assets. The correction resulted into the following:

Decrease in accumulated depreciation	R 1 342 108
Increase in accumulated surplus	(R 1 342 108)
Increase in depreciation	R 403 497
Increase in accumulated Depreciation	(R 403 497)

Asset identified during phyisal verication but previously not reported

During the annual verification, the municipality identified assets which were in use but were not in the accounting records. The municipality then added the identified assets into the accounting records. The correction resulted into the following:

Increase in cost	R 976 412

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

49. Prior-year adjustments (continued)

Increase in accumulated depreciation	(R 855 166)
Increase in accumulated surplus	(R 121 246)
Increase in depreciation	R 151 147
Increase in accumulated Depreciation	(R 151 147)

Investment Property

During the year, the municipality identified properties that were duplicated on the investment property register. The municipality derecognised these properties. The municipality also identified the properties under Grap 17 were there had been a change in intention of use of the properties. The effects of the prior period adjustment is narrated below.

Understatement of investment property dercognition and recognition:

Increase in fair value gain	(R 76 730)
Increase in Investment property	R 76 730
Increase in Investment property	R 7 119 072
Increase in accumulated surplus	(R 7 119 072)

Cashflow statement

In the prior year cashflow statement was misclassified per activity. The correction resulted in a:

Decrease in net cash flows from operating activities	(R 28 446 442)
Increase in net cash flows from investing activities	(R 3 729 917)
Increase in net cash flows from financing activities	(R 7 368)

50. Events after the reporting date

No events known by council that warrant a disclosure of an adjusting event after the reporting date.

Non-adjusting events after the reporting date:
- Effectively from the 1st of August 2025, Council appointed Mrs NM Ramolobeng as a Senior Manager Corporate Service

51. Risk management

Financial risk management

The municipality’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

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

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, 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.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Financial instruments exposed to market and credit risk at year end were as follows:

Financial instrument	2025	2024
Cash and cash equivalents	52 871 219	25 270 330
Trade and other receivables from exchange transactions	90 706 283	83 948 145
Other receivables from non-exchange transactions	999 560	9 962 115
Trade and other payables from exchange transactions	(83 888 450)	(100 606 828)
Consumer deposits	(7 444 741)	(7 236 417)
Municipal Debt Relief financial liabilities	(13 244 504)	(18 860 806)

Market risk

Interest rate risk

The municipality analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the municipality calculates the impact on surplus and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

52. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of three major functional areas: primary, secondary and tertiary educational services. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments’ performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The municipality operates throughout the Limpopo Province in Waterberg District. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout Limpopo were sufficiently similar to warrant aggregation.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Planning and Economic Services	Building control, trading/business licensing, issuing, human settlement and housing
Social and Community Services	Law enforcement management services, Driver and motor vehicle licensing, refuse/solid waste removal, sports and recreation, cemetery and burial services
Technical Services	Water, sanitation, electricity and road infrastructure

52. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2025

	Planning and Economic Services	Social and Community Services	Technical Services	Unallocated	Total
Revenue					
Service charges	-	10 536 534	229 395 057	-	239 931 591
Rental of facilities and equipment	-	-	-	1 171 688	1 171 688
Agency services	-	4 192 641	-	-	4 192 641
Sale of goods and rendering of services	636 682	470 800	-	374 023	1 481 505
Other income	11 392	-	-	1 969 777	1 981 169
Impairment reversal	-	-	261 703	-	261 703
Interest income	-	1 642 327	10 559 546	6 491 273	18 693 146
Fair value adjustment	8 102 823	-	-	-	8 102 823
Change in landfill provision income	-	129 671	-	-	129 671
Public donation	-	-	51 423	-	51 423
Licences and Permits (Non-exchange)	-	2 192 711	-	-	2 192 711
Government grants & subsidies	-	1 502 000	186 484 780	140 045 200	328 031 980
Actuarial gains	-	-	-	1 198 426	1 198 426
Fines, Penalties and Forfeits	8 542	95 183 597	123 920	-	95 316 059
Availibility charges	-	1 112 732	2 734 831	-	3 847 563
Property rates	-	-	-	107 614 202	107 614 202
Property rates - interest income	-	-	-	15 500 819	15 500 819
Debt forgiveness	-	-	10 335 127	-	10 335 127
Total segment revenue	**8 759 439**	**116 963 013**	**439 946 387**	**274 365 408**	**840 034 247**
Total segment revenue					**840 034 247**
Expenditure					
Employee related costs	8 055 337	29 850 454	60 173 531	63 113 709	161 193 031
Finance costs	-	-	-	15 784 407	15 784 407
Remuneration of councillors	-	-	-	9 033 831	9 033 831
Depreciation and amortisation	-	3 193 517	34 423 336	6 498 970	44 115 823

	Planning and Economic Services	Social and Community Services	Technical Services	Unallocated	Total
52. Segment information (continued)					
Impairment of assets	-	107 754	117 976	-	225 730
Debt Impairment	-	72 890 741	37 793 008	24 417 791	135 101 540
Bulk purchases	-	-	156 736 350	-	156 736 350
Loss on disposal of assets	-	-	1 682 797	3 872 559	5 555 356
General Expenses	145 867	3 868 685	37 740 495	31 108 677	72 863 724
Contracted services	3 114 078	35 577 391	15 766 411	19 694 033	74 151 913
Total segment expenditure	**11 315 282**	**145 488 542**	**344 433 904**	**173 523 977**	**674 761 705**
Total segmental surplus/(deficit)	**(2 555 843)**	**(28 525 529)**	**95 512 483**	**100 841 431**	**165 272 542**
Assets					
Inventories	-	-	286 667	-	286 667
Receivables from exchange transactions (short term)	1 711	2 554 469	42 381 032	45 635 422	90 572 634
Receivables from non-exchange transactions	-	20 585 780	784 927	54 518 575	75 889 282
Property, plant and equipment	79 498 942	135 678 889	804 225 380	26 099 717	1 045 502 928
Investment property	82 503 007	-	-	-	82 503 007
Receivables from exchange transactions (long term)	-	-	136 632	-	136 632
Cash and cash equivalents	-	-	-	52 871 218	52 871 218
Intangible assets	-	-	-	1 486 201	1 486 201
Heritage assets	-	538 950	-	-	538 950
Total segment assets	**162 003 660**	**159 358 088**	**847 814 638**	**180 611 133**	**1 349 787 519**
Total assets as per Statement of financial Position					**1 349 787 519**
Liabilities					
Consumer deposits	-	(1 946)	(7 416 854)	(25 941)	(7 444 741)
Unspent conditional grants and receipts	-	-	(10 925 338)	-	(10 925 338)
Provisions (short term)	-	(4 161 217)	-	(781 138)	(4 942 355)
Payables from exchange transactions	-	(818 890)	(8 293 648)	(93 788 691)	(102 901 229)
Employee benefit obligation (short)	-	-	-	(3 617 000)	(3 617 000)
Finance lease obligation (Long)	-	-	-	(3 364 567)	(3 364 567)
Employee benefit obligation 1	-	-	-	(64 910 000)	(64 910 000)

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	Planning and Economic Services	Social and Community Services	Technical Services	Unallocated	Total
52. Segment information (continued)					
Municipal Debt Relief financial liabilities (short term)	-	-	(6 262 177)	-	(6 262 177)
Municipal Debt Relief (Long term)	-	-	(6 982 327)	-	(6 982 327)
Finance lease obligation (Long term)	-	-	-	(1 691 661)	(1 691 661)
Provisions (Long term)	-	(68 132 775)	-	-	(68 132 775)
Total segment liabilities	**-**	**(73 114 828)**	**(39 880 344)**	**(168 178 998)**	**(281 174 170)**
Total liabilities as per Statement of financial Position					**(281 174 170)**

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52. Segment information (continued)

2024

	Planning and Economic Services	Social and Community Services	Technical Services	Unallocated	Total
Revenue					
Service charge	-	10 596 348	209 264 454	-	219 860 802
Licences and permits (non-exchange)	-	2 199 648	-	-	2 199 648
Rental of facilities and equipment	-	62 323	-	1 133 393	1 195 716
Agency services	-	4 601 547	-	-	4 601 547
Sale of goods and rendering of services	637 963	434 932	-	345 465	1 418 360
Other income	-	-	-	4 215 002	4 215 002
Interest income from exchange	-	1 315 854	9 410 152	4 678 173	15 404 179
Fair value adjustment	6 817 418	-	-	-	6 817 418
Actuarial gains	-	-	-	63 000	63 000
Change in landfill provision income	-	3 020 493	-	-	3 020 493
Availibility charges	-	1 041 844	2 532 994	-	3 574 838
Government grants and subsidies	-	1 302 000	91 958 209	131 559 758	224 819 967
Fines, penalities and forfeits	103 300	31 400 124	115 884	-	31 619 308
Property rates	-	-	-	95 606 089	95 606 089
Property rates - interest income	-	-	-	13 329 795	13 329 795
Public contributions and donations	-	-	16 744 000	-	16 744 000
Debt forgiveness	-	-	7 718 841	-	7 718 841
Total segment revenue	**7 558 681**	**55 975 113**	**337 744 534**	**250 930 675**	**652 209 003**
Total segment revenue					**652 209 003**
Expenditure					
Employee related costs	6 847 653	25 863 950	57 509 008	57 460 979	147 681 590
Depreciation and Amortization	-	3 687 052	30 802 585	6 795 162	41 284 799
Remuneration of councillors	-	-	-	8 810 393	8 810 393
Debt impairment	-	28 929 202	39 171 362	10 340 025	78 440 589
Impairment of assets	-	734 749	186 438	-	921 187
Bulk purchases	-	-	136 245 642	-	136 245 642
Finance costs	-	14 159 678	-	1 191 688	15 351 366

	Planning and Economic Services	Social and Community Services	Technical Services	Unallocated	Total
52. Segment information (continued)					
Contracted services	894 066	22 379 316	5 243 138	20 557 493	49 074 013
Loss on disposal of assets	-	-	3 006 097	-	3 006 097
General expenses	103 821	4 133 603	29 772 673	32 863 062	66 873 159
Total segment expenditure	**7 845 540**	**99 887 550**	**301 936 943**	**138 018 802**	**547 688 835**
Total segmental surplus/(deficit)	**(286 859)**	**(43 912 437)**	**35 807 591**	**112 911 873**	**104 520 168**
Assets					
Inventories	-	-	480 908	-	480 908
Receivables from exchange transactions (short term)	-	2 233 783	37 489 778	44 084 004	83 807 565
Cash and cash equivalents	-	-	-	25 267 069	25 267 069
Receivables from non-exchange transactions	-	13 289 253	6 910 805	48 230 165	68 430 223
VAT receivable	-	(248 999)	(399 754)	812 717	163 964
Receivables from exchange transactions (Long-term)	-	-	140 580	-	140 580
Investment property	74 400 184	-	-	-	74 400 184
Property, plant and equipment	79 498 942	130 168 676	709 727 106	9 803 733	929 198 457
Heritage assets	-	538 950	-	-	538 950
Intangible assets	-	-	-	1 861 787	1 861 787
Total segment assets	**153 899 126**	**145 981 663**	**754 349 423**	**130 059 475**	**1 184 289 687**
Total assets as per Statement of financial Position					**1 184 289 687**
Liabilities					
Payables from exchange transactions	-	(1 245 011)	(17 370 714)	(99 737 654)	(118 353 379)
Consumer deposits	-	(2 034)	(7 217 426)	(16 957)	(7 236 417)
Unspent conditional grants and receipts	-	-	(49 662)	-	(49 662)
Employee benefit obligation (short-term)	-	-	-	(3 443 000)	(3 443 000)
Finance lease obligation - short	-	-	-	(4 171 101)	(4 171 101)
Municipal Debt Relief financial liabilities (Long-term)	-	-	(11 878 479)	-	(11 878 479)
Provision (short-term)	-	(4 941 901)	-	(563 168)	(5 505 069)
Municipal Debt Relief financial liabilities (short-term)	-	-	(6 982 327)	-	(6 982 327)
Employee benefit obligation (Long-term)	-	-	-	(58 439 000)	(58 439 000)

Notes to the Audited Annual Financial Statements

Figures in Rand

	Planning and Economic Services	Social and Community Services	Technical Services	Unallocated	Total
52. Segment information (continued)					
Finance lease obligation	-	-	-	(4 014 850)	(4 014 850)
Provisions (Long-term)	-	(60 859 937)	-	-	(60 859 937)
Total segment net assets	**-**	**(67 048 883)**	**(43 498 608)**	**(170 385 730)**	**(280 933 221)**
Total liabilities as per Statement of financial Position					**(280 933 221)**

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

53. Fruitless and wasteful expenditure

Opening balance as previously reported	105 752	4 470 743
Add: Fruitless and wasteful expenditure identified - current	-	211 355
Less: Amount written off - current period	-	(844 278)
Add: Amount written off - current period (Reversal**)	-	738 675
Less: Amount written off - prior period	(105 752)	(4 470 743)
Closing balance	**-**	**105 752**

Fruitless and wasteful expenditure is presented inclusive of VAT

The Fruitless and wasteful expenditure amounting to R 105 752 (2024: R 5 315 021) was referred to MPAC for investigation during the year under review

After MPAC investigations, council adopted the MPAC recommendation to write-off an amount of R 105 752 (2024: R 5 315 021) from the total fruitless and wasteful expenditure amount as it was proven without reasonable doubt that the amount was not recoverable.

The fruitless and wasteful expenditure was as a result of interest charged on late payments to suppliers, was then referred to MPAC by council for investigation. The fruitless and wasteful expenditure was certified as irrecoverable and written off by council in terms of MFMA Section 32(2)(b) and as guided by MFMA Circular 68.

Details of fruitless and wasteful expenditure

Legislation contravened	Interest Charges due to late payment - Contravention of MFMA section 65(2)(e)	-	211 355

Figures in Rand	2025	2024

54. Irregular expenditure

Opening balance as previously reported	15 971 764	66 421 187
Add: Irregular expenditure - current	6 851 521	28 748 752
Add: Irregular expenditure - prior period	-	412 315
Less: Amount written off - current	(2 621 099)	(12 828 633)
Less: Amount written off - prior period	(15 920 119)	(66 781 857)
Closing balance	**4 282 067**	**15 971 764**

Irregular Expenditure is presented inclusive of VAT.

Incidents/cases identified/reported in the current year include those listed below:

PPPFA Regulations, 2017 Local Content Production not included on the bid document andtender advert	-	302 490
Functionality not objective	2 100 000	-
The functionality was not created in manner that it could be quantified.	-	1 909 006
Non Compliance with PPPFA MBD 6.2 - does not have Annexure C and E. No local content evaluation on BEC and BAC reports	4 567 035	16 980 395
Deviation not justifiable	-	109 825
Non-Compliant with CIDB	184 486	912 814
Winning bidder's funtionality score incorrectly calculated	-	8 946 537
	6 851 521	**29 161 067**

Irregular Expenditure is presented inclusive of VAT.

Details of the Irregular Expenditure contain incidents/cases identified and referred to MPAC by council for investigation.

The irregular expenditure was as a result of non compliance with SCM legislation and other applicable laws, was then referred to MPAC by council for investigation. The irregular expenditure was certified as irrecoverable and written off by council in terms of MFMA Section 32(2)(b) and as guided by MFMA Circular 68.

Amount written-off

After the municipal public accounts committee investigations, council adopted the municipal public accounts committee recommendation to write-off an amount of 17 911 218 (2024: R66 781 587) from the total irregular expenditure amount as it was proven without reasonable doubt that the amount was not recoverable.

55. Unauthorised expenditure

Opening balance as previously reported	58 368 129	35 270 541
Add: Unauthorised expenditure - current	128 105 626	58 368 129
Less: Amount written - prior period	(58 368 129)	(35 270 541)
Closing balance	**128 105 626**	**58 368 129**

Amount written off

After the municipal public accounts committee investigations, council adopted the municipal public accounts committee recommendation to write-off an amount of R58 368 129 (2024: R35 270 541) from the total unathorised expenditure amount as it was proven without reasonable doubt that the amount was not recoverable.

Figures in Rand	2025	2024

55. Unauthorised expenditure (continued)

Unauthorised expenditure: Budget overspending – per municipal department:

Budget and Treasury Office	25 277 550	7 386 582
Internal Audit	-	109 354
Social and Community Services	63 898 676	28 463 214
Technical Services	38 929 401	22 341 616
Corporate services	-	67 363
	128 105 627	**58 368 129**

Chief Financial Officer was renamed to Budget and Treasury Office for the fair presentation purposes.

Unauthorised expenditure arose due to actual expenditure incurred exceeding the approved budget. For the 2024/25 financial year, the unauthorized expenditure was mainly attributable to non-cash items i.e. Debt impairment (debtors and traffic fines), Loss on disposal of assets, smart meter grant in-kind, and the year-end reclassification of expenditure from operational (e.g repairs and maintenance) to capital (acquisition of assets).

56. Budget differences

Statement of Financial Position - Material differences between budget and actual amounts

Current Assets

- **Inventories** - A negative 92% variance was due to higher consumption of water and a the year end water count there was lower levels in the reservoirs as had been initialy anticipated.

- **Receivables from exchange transactions** - The negative 13% variance is attributable to correction of estimates in relation to trading service water.

- **Receivables from non-exchange transactions** - A negative 15% variance is attributable to adjustments from queries received on property valuations in terms of MPRA Section 78 which resulted in lower assessment rates being levied than anticipated.

- **VAT receivable** - a negative variance of 45% was attributable to fewer VAT eligible expenses (VAT input) than budgeted for. Additionally, the approved budget assumed that the municipality will transact with suppliers who are generally VAT vendors. However, during the year under review, fewer VAT vendors provided goods and services therefore resulted to a lower VAT receivables amount as compared to the budget.

- **Cash and cash equivalent**s - The negative variance of 22% resulted from the municipality settling most of its creditors accounts at year-end.

Non-Current Assets

- **Investment property** - A positive 21% variance on the investment property was due to fair value gains on the investment properties and during the preration of the annnual financial statements the municipality identified new properties that were added on the account records.

- **Intangible assets** - A negative 40% variance was due to the amortisation of intangible assets in the current financial year and in the current no intangible asset were acquired as had initially budegeted.

Current Liabilities

- **Payables from exchange transactions** - a negative variance of 28% was due to improvement in cash management, compliance with MFMA Section 65(2)(e) and mSCOA chart limitations which resulted in finance lease obligation being budgeted under payables from exchange transactions. Furthermore, the Municipal Debt Relief financial liabilities is budgeted under payables from exchange transactions on the budget (B schedule).

56. Budget differences (continued)

- **Employee benefit obligation** - A negative 50% variance was due to the lower intrest rates determined on the final experts provision calcualtions therefore the intial budgeted amount was significantly overstated.
- **Provisions** - a negative variance of 50% due overestimation of provision for the financial year under review. The variance was due to the lower intrest rates determined on the final experts provision calcualtions therefore the intial budgeted amount was significantly overstated
- **Finance lease obligation** - A positive 100% variance was due to mSCOA chart limitations which resulted in the finance lease obligation being budgeted under payables from exchange transactions.

Non-Current Liabilities

- **Employee benefit obligation** - A 20% positive variance is attributable to due to underestimation of employee benefit obligations during the financial year.
- **Municipal Debt Relief financial liabilities** - The negative of 32% is due to payment arrangement with Eskom prior to the Eskom debt waiver.
- **Finance lease obligation** - A 100% positive variance was due to mSCOA chart limitations which resulted in the finance lease obligation being budgeted under payables from exchange transactions.
- **Provision**s - A negative 76% variance was due to the lower intrest rates determined on the final experts provision calcualtions therefore the intial budgeted amount was significantly overstated.

Statement of Financial Performance - Material differences between budget and actual amounts

Revenue from exchange transactions

- **Agency services** - Agency service income is derived solely from vehicle licensing commission and it dependent on the damand for licensing services.The negative variance of 15% is due lower than anticipated demand for licensing services during the financial year.
- **Acturial gain** - Assessment is prepared during the preparation of the annual finacnial statement. At the time of preparing the budget, the was no sufficient information to determine the valuation hence the 100% variance.
- **Other income** - The positive variance of 207% was as a result of under-budgeting, recognition of revenue from unknown deposit (Incidental Cash Surpluses) and Collection charges**.**
- **Sale of goods and rendering of services** - The negative variance of 16% is demand based and encompasses services such as cemetery (burial, tomb stone unveiling), issuance of clearance certificates (sale of properties).
- **Impairment reversal** - The positive variance of 100% was a result of the annual physical verification assests that were previous impaired were determined to be in a good conditon on assessment of the assets by the engineer it was determined that there was a reversal of the original impairment of the asset.
- **Change in landfill provision income** - The positive 100% variance was due to the increase in the unit cost of the cost componets due to changes in the disocunts rates and the CPI.
- **Fair value adjustment** - The positive variance of 12762% was due to the valuation of investment properties at year end by the valuer, the investment properties increase in value leading to a fair value gain on the statement of financial position.

Revenue from non exchange transactions

- **Property rates** - The negative variance of 11% was attributable to adjustments arising from queries received on property valuations in terms of MPRA Section 78 which resulted in lower assessment rates being levied.

56. Budget differences (continued)

- **Government grants and subsidies** - The positive variance of 19% emanated from the grant-received-kind from the National Treasury for the installation of prepaid electricity smart meters. The grant was not included in the original budget as it was allocated during the financial year.

- **Licences and Permits (Non-exchange)** - The budget amount considered the increase in price for the driver licences and permits however due to lower demand during the financial year, less income of 15% was derived.

- **Fines, Penalties and Forfeits** - The positive variance of 64% is due to the placement of camera mailers in key strategic areas within the municipal juristiction which resulted in high number of fines issued during the financial year, this resulted in more revenue than anticipated.

- **Public contributions and donations** - The positive variance of 100% is attributable to the trailer donated to be utilised in unblocking sewer drainage.

Expenditure

- **Employee related costs** - The negative variance of 10% was due to unfilled budgeted vacancies.

- **Finance costs** - a negative variance of 15% was due to over estimation of the post employment benefits and landfill vaulation in the budget.

- **Loss on disposal of assets** - The positive 100% variance was due to the disposal of assets that were no longer meeting service delivery function via an open bid auction and the derecognition of assets that were damaged and replaced in the financial year.

- **Impairment of assets** - During the annual physical verification of assets, assets that had impairment indicators were noted and upon impairment assessment it was noted the carrying amount exceeded the recoverable service amount therefore the assets were impaired, this resulted in a positive variance of 100% as this was not anticipated in the budget.

- **Debt Impairment** - The positive 289% variance was as a result of higher number of traffic fines issued and not collected. The increasing debtors book due to non-payment of municipal accounts.

- **General Expenses** - The negative 15% variance of was due to lower actual expenditure than the budget thereof.

Cash flow Statement - Material differences between budget and actual amounts

- **Customers** - The negative variance is attributable to the lower collection as a result of non-payment of municipal accounts by consumers.

- **Finance lease payments** - The positive variance of 100% was due to mSCOA chart limitations which resulted in finance obligations being budgeted under payables from exchange transactions.

- **Net Property, Plant and Equipment** - The 14% negative variance is attributable to the lower spending on acquisation of assets.

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

57. Municipal Debt Relief financial liabilities

At amortised cost		
Municipal Debt Relief financial liabilities	13 244 504	18 860 806

Bela-Bela Local Muncipality received an approval of municipal debt relief with effect from first of November 2023 in line with MFMA circular 124 for consecutive period of 36 months. The amount approved by national treasury was R31 million. Prior to the approval of the debt relief but post application of the debt relief, the municiplaity had already paid R7 million in line with the previous payment arrangment. This therefore resulted into the debt balance of R23 million that is subject to the debt relief program.

June 2025 constitute the 18th month of the municipality's debt relief compliance cycle. The Limpopo Provincial Treasury monitored and assessed the municipality's compliance with all the debt relief conditions.

The Limpopo Provincial Treasury's assessment shows that the municiplaity achieved an average compliance rate of 95% with the MFMA Circular 124 conditions.

The municipality has successfully qualified for the one-thrid (1/3) debt write-off at the conclusion of its first debt relief comcpliance cycle which amounts to R10.3 million. The Provincial Treasury commended this achievement and encourages the municipality to maintain the same level of commitment to ensure that it qualifies for the two-third (2/3) debt write-off in the next phase of the compliance cycle.

Non-current liabilities		
At amortised cost	6 982 327	11 878 479
Current liabilities		
At amortised cost	6 262 177	6 982 327

58. Acturial gains

Acturial gains and losses	1 198 426	63 000

59. Debt forgiveness

Interest charges waived by creditors	-	3 223 762
Municipal Debt Relief	10 335 126	4 495 078
	10 335 126	**7 718 840**

Refer to note 57 for detailed description on the Municipal Debt Relief financial liability

Notes to the Audited Annual Financial Statements

Figures in Rand	2025	2024

60. Change in landfill provision

Landfill provision	129 671	3 020 493

61. Public contributions and donations

Road improvements by Road Agency Limpopo	-	16 744 000
Donation of a Property Plant and Equipment (Transport Asset)	51 423	-
	51 423	**16 744 000**

62. Loss on disposal of assets

Property, plant and equipment	5 555 356	3 006 097

63. Debt impairment

Contributions to debt impairment provision	135 101 540	78 440 588

FINAL ADJUSTED AUDITED ANNUAL PERFORMANCE REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

31 AUGUST 2025

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ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
APR	Annual Performance Report
AR	Annual Report
BBLM	Bela-Bela Local Municipality
CoGHSTA	Cooperative Governance , Human Settlement and Traditional Affairs
CoGTA	Cooperative Governance and Traditional Affairs
FMB	Financial Misconduct Board
HRD	Human Resource Development
HRM	Human Resource Management \
IDP	Integrated Development Plan
KPA	Key Performance Area
KPI	Key Performance Indicators
LGSETA	Local Government Sector Education Training Authority
LLF	Local Labour Forum
MFMA	Municipal Finance Management Act No 56 of 2003
MPAC	Municipal Public Accounts Committee
MSA	Municipal System Act No 32 of 2000
NKPA	National Key Performance Areas
PMS	Performance Management System
S.M.A.R.T	Specific, Measurable, Attainable, Realistic and Timely
SDBIP	Service Delivery and Budget Implementation Plan
UoM	Unit of Measurement
WSP	Workplace Skill Plan
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works
ICT	Information and Communication Technology
PED	Planning and Economic Development
LED	Local Economic Development
SDF	Spatial Development Framework
LUMS	Land Use Management Scheme
SPLUMA	Spatial Planning and Land Use Management Act No16 of 2013
FY	Financial Year
MVA	Mega Voltage Amps
MIG	Municipal Infrastructure Grant
INEP	Integrated National Electrification Programme
WSIG	Water Services Infrastructure Grant

EEDSM	Energy Efficiency Demand Side Management

1.0 INTRODUCTION

The Annual Performance Report (APR) is hereby prepared for Bela-Bela Local Municipality in terms of Section 46 (1) and (2) of the Local Government: Municipal Systems Act (MSA) No. 32 of 2000, Section 121 (2)(b) and (3)(c) of the Local Government: Municipal Financial Management Act (MFMA) No. 56 of 2003 as well as MFMA Circular 11 on annual reporting.

This report covers the performance information from 01 July 2024 to 30 June 2025 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP) as revised in conjunction with the Budget Adjustment during February 2025, in relation to the objectives and targets as summarized in the Municipality's Integrated Development and Plan (IDP).

The report further reflects the actual performance of the Municipality as measured against the performance indicators and targets in its 2024/2025 IDP, Annual Budget and SDBIP.

Furthermore, it takes into account the National Government's Strategic key Performance Areas for local government, which are (1) Basic Service Delivery and Infrastructure Development; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management, (5) Good Governance and Public Participation, and (6) Spatial Rationale as added.

The report format will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area (KPA). Each KPA has several Municipal Programmes which are linked to the IDP of the Bela-Bela Local Municipality focusing on priority development initiatives in a more coherent and organised manner.

The report further contains, *inter alia*, the list of service providers and their performance on grant-funded service delivery capital projects and the performance of other external service providers.

2.0 LEGISLATIVE REQUIREMENT

This APR has been prepared in compliance with the requirements of section 46 (1) of the Local Government: MSA as amended; which stipulates as follows:

A municipality must prepare for each financial year a performance report reflecting:

(a) the performance of the Municipality and each external service provider during that financial year;

(b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and

(c) measures taken to improve performance.

Further to the above, this APR should form part of the 2024/2025 Annual Report in terms of section 121(3)(c) of the Local Government: MFMA which stipulates as follows:

(3) The annual report of a municipality must include-

a) --;

b) --;

c) *the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act*

3.0 PERFORMANCE MANAGEMENT OVERVIEW AND PROCESS

Performance management in the municipality is managed through the Council approved Performance Management System Framework which clearly defines the process and reporting cycles of the performance information. The reporting cycles in the SDBIP are monitored quarterly and early warning indicators are picked up which are therefore discussed and corrective measures effected, this is referenced on revised indicators of the SDBIP. The APR contains both performance information from the Original (Initial) SDBIP as well as the revised performance information from the revised SDBIP.

Targets indicated as "*withdrawn*" are the ones that will not be applicable for reporting hereunder.

3.1 Summary of indicators and their classifications

Table 1: Summary of KPIs per KPA

No.	KPAs	No. of original KPIs	No. of KPIs withdrawn	No. of new KPIs	No. of applicable KPIs
1	Basic Service Delivery and Infrastructure Development	**16**	**3**	**5**	**18**
2	Local Economic Development	**10**	**1**	**-**	**9**
3	Municipal Transformation and Institutional Development	**4**	**-**	**-**	**4**
4	Municipal Financial Viability and Management	**13**	**-**	**-**	**13**
5	Good Governance and Public Participation	**19**	**-**	**-**	**19**
6	Spatial Rationale	**6**	**3**	**-**	**3**
Total		**68**	**7**	**5**	**66**
Total No. of applicable KPIs		**66**			

There are five legislated KPAs and one which was later added after the enacting of the Spatial Planning and Land Use Act. The KPA is called *"Spatial Rationale"*. Given the importance of the KPA, the Municipality has included indicators that relate to this KPA which its implementation mandate is under the Planning and Economic Development Department. There is a total of **66 KPIs** which are inclusive of capital projects,5 **KPIs** were added during the revision of the SDBIP and **7** of them are **KPIs** that are not applicable for reporting and are termed as *"withdrawn"* and were not considered for performance rating in terms of targets achievements. The total number of applicable KPIs for reporting stands at **66** and these were **KPIs** considered for performance rating for targets achieved.

3.2 List of withdrawn indicators

Table 2: Withdrawn indicators and Reasons

KPI Code	Key Performance Indicator (KPI)	Department	Reasons for Withdrawal
KPI 5	Upgrading of the Bela-Bela Water Treatment Works (Ward 1)	**Technical Services**	The project has been reprioritised, and an application for Regional Bulk Infrastructure Grant (RBIG) funding is being pursued due to the magnitude and estimated costs, which exceed the Water Services Infrastructure Grant (WSIG) framework. A Scoping Report and Feasibility Study have already been submitted, while the Preliminary Design Report and Water Use License Application (WULA) are still in progress. These processes are being undertaken to produce a full Implementation-Ready Study (IRS) in line with the requirements of RBIG funding.
KPI 11	Construction of Road Paving and Stormwater in Rapotokwane - Phase 1 (Ward 8)	**Technical Services**	Budget constraints
KPI 21	Development of a new Cemetery – Pienaarsrevier (Ward 8)	**Technical Services**	Land acquisition process underway
KPI 54	Number of Tourism Program Implementation Report	**Planning and Economic Development**	Budget Constraints
KPI 57	Number of Strategic Land Release Report for 10 properties	**Planning and Economic Development**	Budget Constraints
KPI 60	Number of feasibility study for Pienaarsrevier cemetery completed	**Planning and Economic Development**	Budget Constraints
KPI 61	Number of Engineering Services Designs Report for Commercial Park Development Completed	**Planning and Economic Development**	Budget Constraints

3.3 List of Revised Annual targets

Table 3: Revised Annual Targets and Reasons

KPI Code	Key Performance Indicator (KPI)	Original Annual Target	Revised Annual Target	Upwards/ Downwards	Department	Reasons for Revision
KPI 3	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station (Ward 2) by 30 June 2025.	71% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station (Ward 2) by 30 June 2025.	67% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station (Ward 2) 30 June 2025.	Downwards	Technical Services	Slow progress due to inclement weather, extension of time was subsequently granted.
KPI 6	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Augmentation of the water supply source and the construction of the water reticulation network in Tsakane (Ward 7) by 30 June 2025.	29% of the work completed as measured according to the PPII **(Appendix D)** for the Augmentation of the water supply source and the construction of the water reticulation network in Tsakane (Ward 7) 30 June 2025.	43% of the work completed as measured according to the PPII (Appendix D) for the Augmentation of the water supply source and the construction of the water reticulation network in Tsakane (Ward 7) 30 June 2025.	Upwards	Technical Services	Project was progressing well.
KPI 7	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Water Booster Pump Station and Upgrading of a Steel Elevated tank in Ext 8 (Ward 4) by 30 June 2025.	71% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Water Booster Pump Station and Upgrading of a Steel Elevated tank in Ext 8 (Ward 4) 30 June 2025.	43% of the work completed as measured according to the PPII (Appendix D) for the Construction of Water Booster Pump Station and Upgrading of a Steel Elevated tank in Ext 8 (Ward 4) 30 June 2025.	Downwards	Technical Services	Delays in progress were caused by the underperformance of the Consultant.

KPI Code	Key Performance Indicator (KPI)	Original Annual Target	Revised Annual Target	Upwards/ Downwards	Department	Reasons for Revision
KPI 8	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Replacement of Bulk Raw Water AC Pipeline from Lapa pump station to Bela-Bela Water Treatment Works (Ward 1 & 9) by 30 June 2025.	19% of the work completed as measured according to the PPII (Appendix D) for the Replacement of Bulk Raw Water AC Pipeline from Lapa pump station to Bela-Bela Water Treatment Works (Ward 1 & 9) 30 June 2025.	29% of the work completed as measured according to the PPII (Appendix D) for the Replacement of Bulk Raw Water AC Pipeline from Lapa pump station to Bela-Bela Water Treatment Works (Ward 1 & 9) 30 June 2025.	Upwards	Technical Services	Project was progressing well.
KPI 9	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and bulk Stormwater in Bela-Bela X8 - Phase 4 (Ward 4) by 30 June 2025.	62% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4 (Ward 4) 30 June 2025.	29% of the work completed as measured according to the PPII (Appendix D) for the Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4 (Ward 4) 30 June 2025.	Downwards	Technical Services	Although the project designs were completed on time, budget constraints necessitated a slowdown in implementation to better manage the cash flow.

3.4 Overview of the performance summary

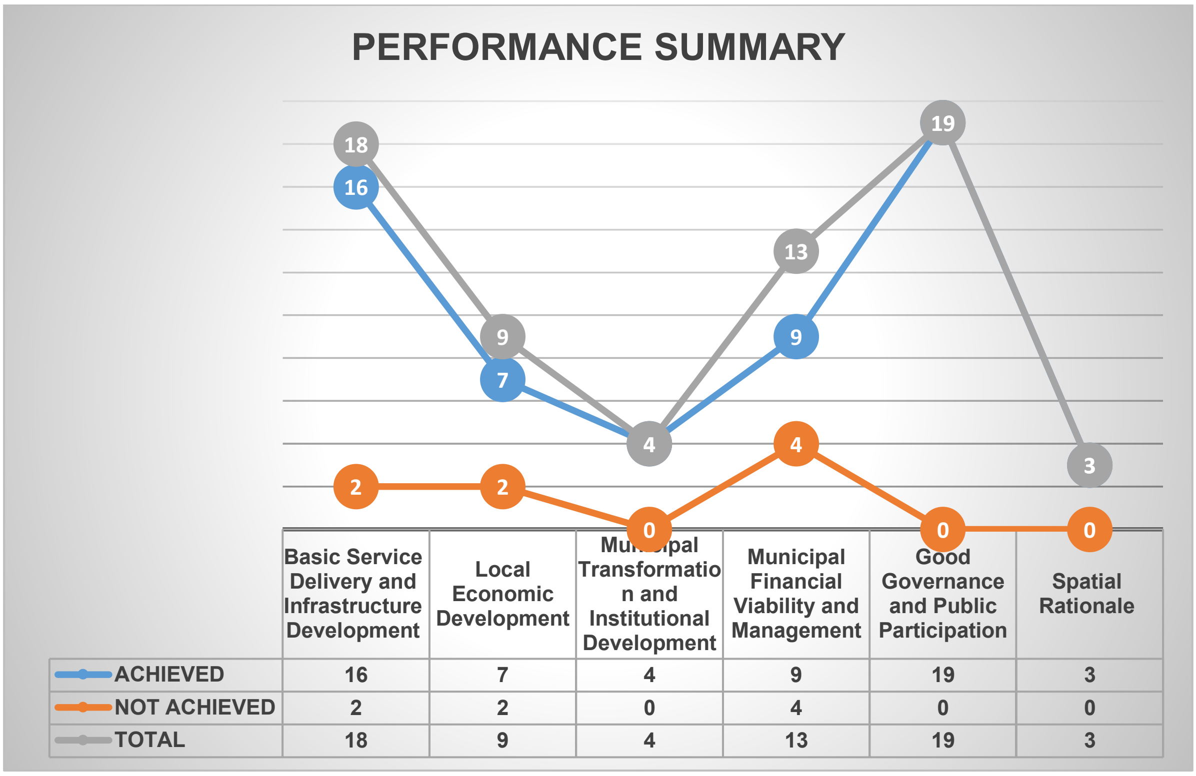
Table 4: Summary of performance rating per KPAs in terms of targets achievements.

No.	KPAs	Achieved	Not Achieved	Withdrawn
1	Basic Service Delivery and Infrastructure Development	**16**	**2**	**3**
2	Local Economic Development	**7**	**2**	**1**
3	Municipal Transformation and Institutional Development	**4**	**-**	**-**

No.	KPAs	Achieved	Not Achieved	Withdrawn
4	Municipal Financial Viability and Management	9	4	-
5	Good Governance and Public Participation	19	-	-
6	Spatial Rationale	3	-	3
	Totals	58	8	7
		66		

A total of 58 KPIs were achieved out of 66 applicable indicators which are due for reporting by the end of the financial year. A total of 8 were not achieved of which reasons and corrective measures are indicated in the report. The overall performance of the institution is at 58 achieved out of 66 which translates to 88 percentage of achievement.

Graph 1: Performance summary per KPA



The graph above represents performance indicators per KPA in the Municipality. The information on the graph is directly derived from the reported information of actual work achieved as reported by end of the financial year (30 June 2025).

4.0 PERFORMANCE COMPARISON OF THE 2024/2025 FINANCIAL YEAR AND THE PRIOR-YEAR 2023/2024 FINANCIAL YEAR.

Section 46 (1) (b) of the Local Government: MSA requires the Annual Performance Report to include a comparison of set targets of the reported year with the previous years' performance. This section summarises the performance trend of the two financial years. The rating is based on indicators that were achieved and a total of indicators not achieved for both financial years. The table below presents a summary of performance trends based on the two financial years.

Table 5: Performance comparison in terms of the number of KPIs

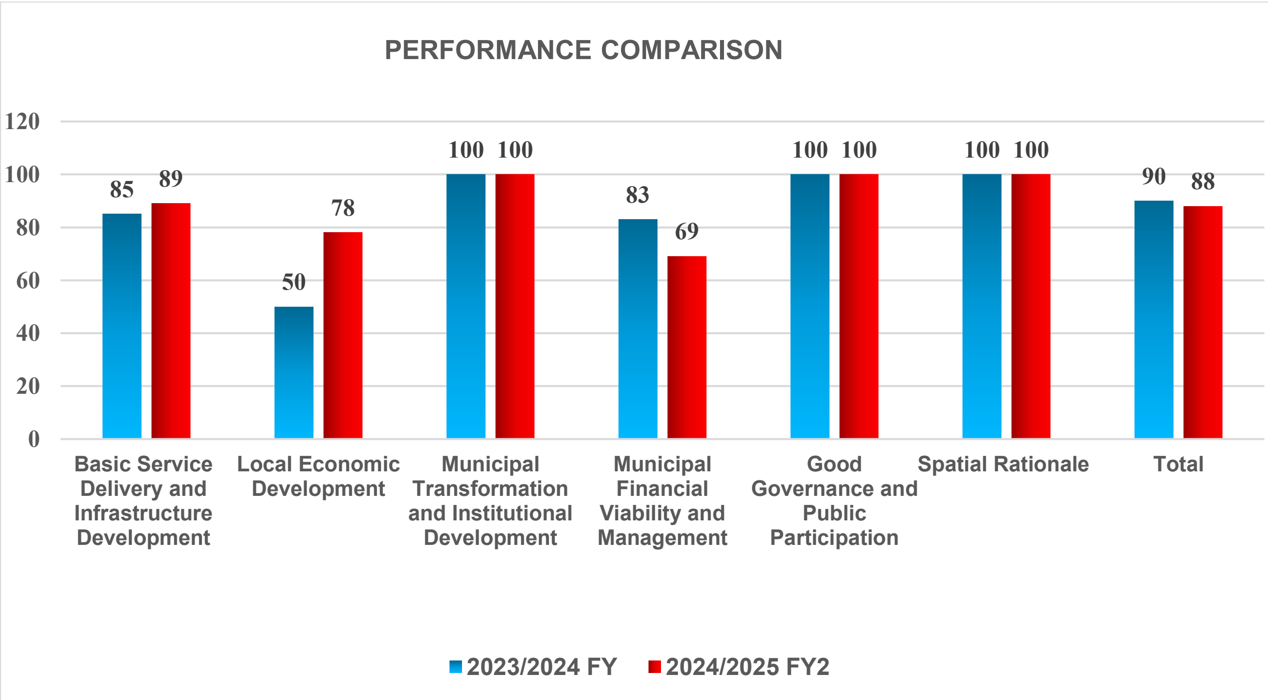
No.	KPAs	2023/2024 FY		2024/2025 FY	
		Achieved	Not Achieved	Achieved	Not Achieved
1	Basic Service Delivery and Infrastructure Development	17	3	16	2
2	Local Economic Development	1	1	7	2
3	Municipal Transformation and Institutional Development	3	-	4	-
4	Municipal Financial Viability and Management	10	2	9	4
5	Good Governance and Public Participation	20	**-**	19	-
6	Spatial Rationale	**1**	**-**	3	-
	Totals	**52**	**6**	**58**	**8**
		58		**66**	

The table above presents the comparison of the overall performance of the institution based on the applicable indicators and targets. In the 2024/2025 financial year, the Municipality has achieved a total of 58 targets compared to 52 achieved targets for 2023/2024. However, the total number of indicators applicable for the 2023/2024 financial year was 58 which is less compared to 66 for the 2024/2025 financial year. The numbers can be translated as follows: In the 2023/2024 financial year, the Municipality achieved 90 percent of the overall achievements as compared to 88 percent for the 2024/2025 financial year.

Table 6: Performance comparison in terms of percentages

No.	KPAs	2023/2024 FY		2024/2025 FY	
		Achieved	**Not Achieved**	**Achieved**	**Not Achieved**
1	Basic Service Delivery and Infrastructure Development	85%	15%	89%	11%
2	Local Economic Development	50%	50%	78%	22%
3	Municipal Transformation and Institutional Development	100%	0%	100%	0%
4	Municipal Financial Viability and Management	83%	17%	69%	31%
5	Good Governance and Public Participation	100%	0%	100%	0%
6	Spatial Rationale	100%	0%	100%	0%
	Totals	**90%**	**10%**	**88%**	**12%**

Graph 2: Performance comparison (% for KPIs achieved) between 2023/2024 and 2024/2025 financial years



Rating based on performance

The overall rating of the performance of the Municipality is based on the overall work performed. If there has been an overachievement on the planned annual targets, the overall work performed is recognised and if there has been underachievement on the planned annual targets, the overall work performed is also recognised. Each indicator is rated individually and scored based on the work performed. The rating system is applied on all targets i.e achieved and not achieved on all applicable indicators. The total percentage of all indicators is added and divided by the total number of applicable indicators and multiplied by 100 to derive a percentage rating.

Table 7: Overall performance (%) for KPAs based on the performance of each KPI

No.	KPAs	No. of KPIs	Cumulative percentage of KPIs	Average %
1	Basic Service Delivery and Basic Infrastructure	18	1806	100%
2	Local Economic Development	9	1013	113%
3	Municipal Institutional Transformation and Development	4	400	100%
4	Municipal Financial Viability and Management	13	1320	102%
5	Good Governance and Public Participation	19	2017	106%
6	Spatial Rationale	3	300	100%
	Totals	**66**	**6856**	**104%**

Based on the formula presented above for recognition of the overall work performed, the calculated overall institutional performance is 104 percent.

5.0 SUMMARY OF ALLOCATED BUDGET AND EXPENDITURE PERFORMANCE ON CAPITAL PROJECTS AS OF 30 JUNE 2025

Table 8: Summary of Budget allocation and Expenditure by end of June 2025

Grant	Initial Total Allocation	Adjusted Allocation	Actual Expenditure by 30 June 2025	Actual Balance by 30 June 2025	Expenditure %
MIG	R29,509,000.00	R37,509,000.00	R37,508,999.99	R0.01	100%

Grant	Initial Total Allocation	Adjusted Allocation	Actual Expenditure by 30 June 2025	Actual Balance by 30 June 2025	Expenditure %
WSIG	R45,000,000.00	R74,147,000.00	R 74,146,945.29	R54.71	100%
INEP	R20,315,000.00	R20,315,000.00	R20,314,999.70	R0.30	100%
MDRG	R11,560,000.00	R11,560,000.00	R634,663.18	R10,925,336.82	5.5%
TOTAL	**R106,384,000.00**	**R143,531,000.00**	**R132,605,608.16**	**R10,925,391.84**	**92%**

The Municipality was allocated conditional grants amounting to **R143,531,000.00** for the implementation of basic service delivery projects. As at the end of June 2025, a total of **R132,605,608.16** had been spent, representing 92% expenditure. The Municipal Disaster Recovery Grant (MDRG), however, was only transferred in March 2025, with an implementation period from 18 March 2025 to 18 March 2026, which accounts for the lower expenditure rate of 5.5%.

6.0 VALIDATION OF PERFORMANCE INFORMATION

In-year and annual performance reports are submitted to Internal Audit for verification and validation of the reported information. The observations and outcomes from Internal Audit are incorporated into the Internal Audit Performance Reports, which are subsequently submitted to the Audit Committee. Following the inclusion of Internal Audit comments, the performance report is finalised and thereafter processed through Council for approval

7.0 DETAILED ANNUAL PERFORMANCE INFORMATION

Appendix A on the following page details the performance information as reported and verified by Internal Audit Unit within the Bela-Bela Local Municipality as of 30 June 2025.

APPENDIX A: DETAILED PERFORAMNCE INFORMATION

Achieved	Not Achieved	Withdrawn

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
BASIC SERVICE DELIVERY																	
PRIORITY AREA: SANITATION SERVICES																	
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	71% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Leseding Sewer Pump Station (ward 6).	**ACHIEVED** 71% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Leseding Sewer Pump Station (ward 6).	Upgrading of the Leseding Sewer Pump Station (Ward 6)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Leseding Sewer Pump Station (Ward 6) by 30 June 2025.		%	KPI 1	Construction work for the Upgrading of the Leseding Sewer Pump Station (Ward 6) project commenced in the previous 2023/24 financial year, with a projected target of 71% as per the PPII **(Appendix D)** by financial year end. The project has a multi-year budget.	100% of the work to be completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Leseding Sewer Pump Station (Ward 6) by 30 June 2025.		**NOT ACHIEVED** **95%** (Practical Completion of the Works (Snag List)	The project is at practical completion stage with a snag list. The completion of the snag list is continuously affected by commissioning and operational activities.	The Contractor is addressing the snag list. The project will be completed by the end of Quarter 1 of the 2025/26 financial year.	**Q1:** Construction Quarterly progress report **Q2:** Construction Quarterly progress report **Q3:** Construction Quarterly progress report **Q4:** Construction Quarterly progress report and Completion Certificate	Technical Services	**95%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	29% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (ward 2&6)	**ACHIEVED** **29%** (Tender Advertised)	Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2 & 6)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2 & 6) by 30 June 2025.		%	KPI 2	The Bid for the appointment of the Contractor for the upgrading of the Sewer Rising Main from Leseding Pump Station to WWTW (Ward 2&6) project was advertised in the previous 2023/24 financial year. The project has a multi-year budget.	100% of the work to be completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2 & 6) by 30 June 2025.		**ACHIEVED** **100%** (Completion of the Works)	N/A	N/A	**Q1:** Contractor's appointment letter **Q2:** Construction Quarterly progress report **Q3:** Construction Quarterly progress report **Q4:** Construction Quarterly progress report and Completion Certificate	Technical Services	**100%**
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	19% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station (ward 2)	**ACHIEVED** 29% (Tender Advertised)	Upgrading of the Settlers Sewer Pump Station (Ward 2)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station (Ward 2) by 30 June 2025.		%	KPI 3	The Bid for the appointment of the Contractor for the upgrading of the Settlers Sewer Pump Station (Ward 2) project was advertised in the previous 2023/24 financial year. The project has a multi-year budget.	71% of the work to be completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station (Ward 2) by 30 June 2025.	67% of the work to be completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station (Ward 2) by 30 June 2025.	**ACHIEVED** **67%** (Construction Stage at 41 - 50%)	N/A	N/A	**Q1:** Contractor's appointment letter **Q2:** Construction Quarterly progress report **Q3:** Construction Quarterly progress report	Technical Services	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
															Q4: Construction Quarterly progress report		
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	19% of the work completed as measured according to the PPII (Appendix D) for the Upgrading of the Industrial outfall sewer line (ward 2).	**ACHIEVED** 19% (Detailed Design Report and Drawings approved)	Upgrading of the Industrial outfall sewer line (Ward 2)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Industrial outfall sewer line (Ward 2) by 30 June 2025.	New	%	KPI 4	The industrial outfall sewer line is deteriorating and requires to be refurbished. The Consulting Engineers are already appointed.	43% of the work to be completed as measured according to the PPII (Appendix D) for the Upgrading of the Industrial outfall sewer line (Ward 2) by 30 June 2025.		**ACHIEVED** **43%** (Appointment of contractor)	N/A	N/A	**Q1:** N/A **Q2:** N/A **Q3:** Tender Advertiseme nt **Q4:** Contractor Appointment letter	Technical Services	**100%**
PRIORITY AREA: WATER SERVICES.																	
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	N/A	N/A	Upgrading of the Bela-Bela Water Treatment Works (Ward 1)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Bela-Bela Water Treatment Works (Ward 1) by 30 June 2025.	Withdrawn	%	KPI 5	The Bela-Bela Water Treatment Works requires an upgrade to increase its capacity. The Consulting Engineers are already appointed.	29% of the work to be completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Bela-Bela Water Treatment Works (Ward 1) by 30 June 2025.	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Technical Services	**N/A**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	N/A	N/A	Augmentation of the water supply source and the construction of the water reticulation network in Tsakane (Ward 7)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Augmentation of the water supply source and the construction of the water reticulation network in Tsakane (Ward 7) by 30 June 2025.		%	KPI 6	The Tsakane Settlement has water shortages. The Consulting Engineers are already appointed.	29% of the work to be completed as measured according to the PPII **(Appendix D)** for the Augmentation of the water supply source and the construction of the water reticulation network in Tsakane (Ward 7) by 30 June 2025.	43% of the work to be completed as measured according to the PPII **(Appendix D)** for the Augmentation of the water supply source and the construction of the water reticulation network in Tsakane (Ward 7) by 30 June 2025.	**ACHIEVED** **43%** (Appointment of contractor)	N/A	N/A	**Q1:** Approved Scoping Report **Q2:** Approved Preliminary Design Report **Q3:** Tender advertisement **Q4:** Contractor's appointment letter	Technical Services	**100%**
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	N/A	N/A	Construction of Water Booster Pump Station and Upgrading of a Steel Elevated tank in Ext 8 (Ward 4)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Water Booster Pump Station and Upgrading of a Steel Elevated tank in Ext 8 (Ward 4) by 30 June 2025.		%	KPI 7	The Designs for the Construction of Water Booster Pump Station and Upgrading of a Steel Elevated tank in Ext 8 (Ward 4) project were completed in the previous 2023/24 financial year. The project has a multi-year budget.	71% of the work to be completed as measured according to the PPII **(Appendix D)** for the Construction of Water Booster Pump Station and Upgrading of a Steel Elevated tank in Ext 8 (Ward 4) by 30 June 2025.	43% of the work to be completed as measured according to the PPII **(Appendix D)** for the Construction of Water Booster Pump Station and Upgrading of a Steel Elevated tank in Ext 8 (Ward 4) by 30 June 2025.	**ACHIEVED** **43%** (Appointment of the Contractor)	N/A	N/A	**Q1:** Tender advertisement **Q2:** Contractor's appointment letter **Q3:** Tender advertisement **Q4:** Contractor's appointment letter	Technical Services	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	N/A	N/A	Replacement of Bulk Raw Water AC Pipeline from Lapa Pump station to Bela-Bela Water Treatment Works (Ward 1 & 9)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Replacement of Bulk Raw Water AC Pipeline from Lapa pump station to Bela-Bela Water Treatment Works (Ward 1 & 9) by 30 June 2025.	New	%	KPI 8	The raw bulk water pipeline is a deteriorating AC pipeline that requires refurbishment and upgrading. The Consulting Engineers are already appointed.	19% of the work to be completed as measured according to the PPII **(Appendix D)** for the Replacement of Bulk Raw Water AC Pipeline from Lapa pump station to Bela-Bela Water Treatment Works (Ward 1 & 9) by 30 June 2025.	29% of the work to be completed as measured according to the PPII **(Appendix D)** for the Replacement of Bulk Raw Water AC Pipeline from Lapa pump station to Bela-Bela Water Treatment Works (Ward 1 & 9) by 30 June 2025.	**ACHIEVED** **29%** (Tender Advertised)	N/A	N/A	**Q1:** N/A **Q2:** N/A **Q3:** Detailed Design Report and Approval Letter. **Q4:** Tender advertisement	Technical Services	**100%**
PRIORITY AREA: ROADS AND STORM WATER																	
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	Withdrawn	Withdrawn	Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4 (Ward 4)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and bulk Stormwater in Bela-Bela X8 - Phase 4 (Ward 4) by 30 June 2025.		%	KPI 9	The Designs for the Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4 (Ward 4) project was completed in the previous 2023/24 financial year. The project has a multi-year budget.	62% of the work to be completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4 (Ward 4) by 30 June 2025.	29% of the work to be completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4 (Ward 4) by 30 June 2025.	**ACHIEVED** **29%** (Tender Advertised)	N/A	N/A	**Q1**: Tender advertisement **Q2**: Contractor's appointment letter **Q3:** N/A **Q4**: Tender advertisement	Technical Services	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	Withdrawn	Withdrawn	Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (Ward 3)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (Ward 3) by 30 June 2025.		%	KPI 10	The Designs for the Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (Ward 3) project were completed in the previous 2023/24 financial year. The project has a multi-year budget.	62% of the work to be completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (Ward 3) by 30 June 2025.		**ACHIEVED** 76% (Construction Stage at 61 - 70%)	The contractor progressed well than originally planned, leading to accelerated achievement fo the KPI.	N/A	**Q1:** Tender advertiseme nt **Q2:** Contractor's appointment letter **Q3:** Construction Quarterly progress report **Q4:** Construction Quarterly progress report	Technical Services	**123%**
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	Withdrawn	Withdrawn	Construction of Road Paving and Stormwater in Rapotokwan e -Phase 1 (Ward 8)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Rapotokwane - Phase 1 (Ward 8) by 30 June 2025.	Withdrawn	%	KPI 11	The Designs for the Construction of Road Paving and Stormwater in Rapotokwane - Phase 1 (Ward 8) project were completed in the previous 2023/24 financial year. The project has a multi-year budget.	57% of the work to be completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Rapotokwane -Phase 1 (Ward 8) by 30 June 2025.	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	**Technical Services**	**N/A**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	N/A	N/A	Refurbishment of roads and stormwater in Limpopo Road and Mabunda Street (Ward 7&5)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Refurbishment of roads and stormwater in Limpopo Road and Mabunda Street (Ward 7&5) by 30 June 2025.	New	%	KPI 12	The Mabunda and Limpopo Roads are in a bad condition due to poor stormwater drainage. MDRG was allocated to our Municipality amidst the financial year to attend to the condition of these roads.	29% of the work to be completed as measured according to the PPII **(Appendix D)** for the Refurbishment of roads and stormwater in Limpopo Road and Mabunda Street (Ward 7&5) by 30 June 2025.		**ACHIEVED** **29%** (Tender Advertised)	N/A	N/A	**Q1:** N/A **Q2:** N/A **Q3:** N/A **Q4:** Tender Advertisement	Technical Services	**100%**
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	N/A	N/A	Construction of Road Paving and Bulk Stormwater in Masakhane - Phase 1 (Ward 9)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Bulk Stormwater in Masakhane (Ward 9) - Phase 1 by 30 June 2025.	New	%	KPI 13	The Construction of Road Paving and Bulk stormwater in Masakhane - Phase 1 (Ward 9) project was initial planned for implementation in the next financial year 2025/26. However, Project is prioritised to commence in the 2024/25 FY	5% of the work to be completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Bulk Stormwater in Masakhane (Ward 9) by 30 June 2025.		**ACHIEVED** **5%** (Appointment of Consulting Engineers)	N/A	N/A	**Q1:** N/A **Q2:** N/A **Q3:** N/A **Q4:** Consultant's Appointment Letter	Technical Services	**100%**
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	N/A	N/A	Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 2 (Ward 3)	Percentage of the work completed as measured according to the PPII (Appendix D) for the Construction of	New	%	KPI 14	The Designs for the Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (Ward 3) project were completed in the previous 2023/24	5% of the work to be completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving		**ACHIEVED** **5%** (Appointment of Consulting Engineers)	N/A	N/A	**Q1:** N/A **Q2:** N/A **Q3:** N/A **Q4:** Consultant's	Technical Services	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
					Road Paving and Stormwater in Bela-Bela X5 - Phase 2 (Ward 3) by 30 June 2025.				financial year. The project has a multi-year budget. Phase 2 of the project has been prioritised to commence in the 2024/25 FY	and Stormwater in Bela-Bela X5 - Phase 2 (Ward 3) by 30 June 2025.					Appointment Letter		
PRIORITY AREA: ELECTRICITY																	
Basic Service Delivery and Infrastructure Development	To improve infrastructure services management	19% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (ward 2)	**NOT ACHIEVED** 10% (Scoping Report completed and approved)	Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (Ward 2)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (Ward 2) by 30 June 2025.		%	KPI 15	The Substation project is incomplete from the 2019/20 financial year, and subsequently both contracts of the Consultant and Contractor have been terminated. A new Service Provider has been appointed to complete a Technical Assessment, a new Business Plan to request INEP funding and other activities to ensure full completion of the project. The project has now been allocated INEP funding, and currently on	62% of the work to be completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (Ward 2) by 30 June 2025.		**ACHIEVED** **62%** (Construction Stage at 31 - 40%)	N/A	N/A	**Q1:** Tender advertiseme nt **Q2:** Contractor's appointment letter **Q3:** Construction Quarterly progress report **Q4:** Construction Quarterly progress report	Technical Services	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
									Preliminary Design stage pending final budget quote expected from Eskom by the end of June 2024.								
PRIORITY AREA: WASTE MANAGEMENT																	
Basic Service Delivery and Infrastructure Development	To promote the welfare of the community	6 x Formal areas with weekly access to waste removal Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsriver.	**ACHIEVED** 6 x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsriver)	Waste Management and Cleansing	Number of Formal areas with weekly access to solid waste removal by 30 June 2025		#	KPI 16	6x Formal areas with weekly access to solid waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	6x Formal areas with weekly access to solid waste removal by 30 June 2025. (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)		**ACHIEVED** 6x Formal areas with weekly access to solid waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsriver)	N/A	N/A	Collection Schedule	Social and Community Services	**100%**
Basic Service Delivery and Infrastructure Development	To promote the welfare of the community	3 x Informal Settlements with weekly access to solid waste removal (Jacob Zuma, Tsakane and Koppewaai)	**ACHIEVED** 3 x Informal areas with weekly access to waste removal (Jacob Zuma, Tsakane and Koppewaai)	Waste Management and Cleansing	Number of informal settlements with weekly access to solid waste removal by 30 June 2025		#	KPI 17	3x Informal Settlements with weekly access to solid waste removal (Jacob Zuma, Tsakane and Koppewaai)	3x Informal Settlements with weekly access to solid waste removal by 30 June 2025 (Jacob Zuma, Tsakane and Koppewaai).		**ACHIEVED** 3x Informal areas with weekly access to waste removal (Jacob Zuma, Tsakane and Koppewaai)	N/A	N/A	Collection Schedule	Social and Community Services	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	5x Landfill Site Permit Audit Reports	**ACHIEVED** 5x Landfill Site Audit Reports 14 September 2023 07 December 2023 26 March 2024 10 May 2024 and 25 June 2024	Waste Management and Cleansing	Number of Landfill Site Permit Audit report conducted by 30 June 2025		#	KPI 18	5x Landfill Site Permit Audit Report	5x Landfill Site Permit Audit Report to be conducted by 30 June 2025.		**ACHIEVED** 5x Landfill Site Permit Audit Reports conducted as follows: 18th of September 2024, 26th of November 2024, 04th of December 2024, 26th of March 2025, and 25th of June 2025	N/A	N/A	Audit Reports on Landfill Site Permit	Social and Community Services	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	71% of the work completed as measured according to the PPII (Appendix D) for the construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2)	**ACHIEVED** 71% (Construction Stage at 51 - 60%)	Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2) by 30 June 2025.		%	KPI 19	Construction work for the Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2) project commenced in the previous 2023/24 financial year, with a projected target of 71% as per the PPII **(Appendix D)** by financial year end. The project has a multi-year budget.	100% of the work to be completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2) by 30 June 2025.		**NOT ACHIEVED** **90%** (Construction Stage at 91 - 99%)	Delays and an extended approval process of the Budget Maintenance by CoGHSTA impacted the procurement of materials with long lead times, thereby hindering the overall progress of the project.	The Budget Maintenance appraisals were conducted on 23 June 2025. It is important to note that an extension of time had already been granted in April 2025, revising the contractor's completion date to September 2025. Subsequent to the approval of the budget maintenance, a further request for an extension of time, together with a revised programme of works, is anticipated.	**Q1:** Construction Quarterly progress report **Q2:** Construction Quarterly progress report and Completion Certificate **Q3:** Construction Quarterly progress report **Q4:** Construction Quarterly progress report and Completion Certificate	Technical Services	**90%**
PRIORITY AREA: SPORT, ARTS, CULTURE, RECREATIONAL AND CEMETERY																	
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	62% of the work completed as measured according to the PPII **(Appendix D)** for the Development and Construction	**ACHIEVED** 81% (Construction Stage at 71 - 80%)	Development of sports facilities in Masakhane (Ward 9)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Development of sports facilities in	Percentage of the work completed as measured according to the PPII (Appendix D) for the Development of sports facilities in	%	KPI 20	Construction work for the Development of sports facilities in Masakhane (Ward 9) project commenced in the previous 2023/24 financial year, with a	100% of the work to be completed as measured according to the PPII **(Appendix D)** for the Development of sports facilities in Masakhane (Ward 9) by 30		**ACHIEVED** **100%** (Completion of the Works)	N/A	N/A	**Q1:** Construction Quarterly progress report and Completion Certificate **Q2:** N/A	Technical Services	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
		of a sports facility in Masakhane (Ward 9)			Masakhane (Ward 9) by 30 June 2025	Masakhane (Ward 9) by 30 September 2024			projected target of 62% as per the PPII **(Appendix D)** by financial year end. However, the set target was already surpassed by the 3rd quarter. The project has a multi-year budget.	September 2024.					**Q3:** N/A **Q4:** N/A		
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	Withdrawn	Withdrawn	Development of a new Cemetery – Pienaarsrevier (Ward 8)	Percentage of the work completed as measured according to the PPII (Appendix D) for the Development of a new Cemetery – Pienaarsrevier (Ward 8) by 30 June 2025	Withdrawn	%	KPI 21	There is no Cemetery at Pienaarsrevier, and the process to acquire suitable land to develop a new one is underway.	19% of the work completed as measured according to the PPII (Appendix D) for the Construction development of a new Cemetery – Pienaarsrevier (Ward 8) by 30 June 2025.	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Technical Services	**N/A**
Municipal Financial Viability and Management	Improve Financial Viability	100%	**ACHIEVED** 100%	Expenditure Management	Percentage payment on grant funded capital projects identified for 2024/2025 financial year i.t.o IDP by 30 June 2025		%	KPI 22	100%	100% payment on grant funded capital projects identified for 2024/2025 financial year i.t.o IDP by 30 June 2025.		**NOT ACHIEVED** **92%**	The expenditure performance on grant funded capital projects is affected by the additional grant for MDRG	None	Report	Technical Services	**92%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
													which was only transferred in March 2025 with the implementation period spanning from the 18 of March 2025 to 18 March 2026				
PRIORITY AREA: INSTITUTIONAL DEVELOPMENT & TRANSFORMATION																	
Good Governance and Public Participation	To Improve Administrative and Governance Capacity	6x Ordinary Council meetings to be convened	**ACHIEVED** 11x Council meetings convened and as follows: 1x Ordinary Council meeting held on the 27th of July 2023 1st of September 2023. 3rd of October 2023 (special), Ordinary Council meeting held on the 31st of October 2023, 7th of December 2023 (special).	Council Administration	Number of Ordinary Council meetings convened by 30 June 2025		#	KPI 23	6x Ordinary Council meetings convened	6x Ordinary Council meetings to be convened by 30 June 2025.		**ACHIEVED** 10x Council meetings convened as follows 1x Ordinary Council meeting convened on the 29th of July 2024, 1x Special Council meeting convened on the 6th September 2024, 1x Ordinary Council meeting convened on the 31st of October 2024. 1x Special Council meeting	4x Special Council meetings convened	None	Notice of Ordinary Council meetings	Corporate Services	**167%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			30th of January 2024 and 27th of March 2024. 28th of February 2024. Ordinary meetings held on the 30th of April, 24th of May 2024, 1x Special Meeting held on the 21st of June 2024									convened on the 10th of December 2024. 1x Ordinary Council meeting convened on the 30th of January 2025. 1x Special Council meeting convened on the 28th of February 2025. 1x Ordinary Council meeting convened on the 31st of March 2025. 1x Ordinary Council meeting convened on the 30th of April 2025, 1x Ordinary Council meeting convened on the 29th of May 2025, and 1x Special Council meeting convened on the 30th June 2025					
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	44x Section 79 Committee meetings to be convened	**ACHIEVED** 45x Section 79 committee meetings held as follows:	Council Administration	Number of Section 79 Committee meetings convened by 30 June 2025		#	KPI 24	44x Section 79 Committee meetings convened	44x Section 79 Committee meetings to be convened by 30 June 2025.		**ACHIEVED** 44x Section 79 subcommittee meetings were	N/A	N/A	Notice of Section 79 committee meetings	Corporate Service	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			SOCOM and PED on the 20th of July 2023. INFRA and TGBT held on the 21st of July 2023. SOCOM and PED on the 28h of August 2023. INFRA held on the 29th of August 2023 TGBT held on the 30th of August 2023. SOCOM and PED on the 20th of September 2023. INFRA held on the 21st of September 2023 TGBT held on the 21st of September 2023. SOCOM meetings were held on the 18th of October 2023, and 21st of November 2023. PED were meetings held on the 18th of									convened as follows: SOCOM and PED Subcommittees were convened on the 16th of July 2024. INFRA and TGBT Subcommittees were convened on the 17th of July 2024. SOCOM and PED Subcommittees were convened on the 28th of August 2024. INFRA and TGBT Subcommittees were convened on the 29th of August 2024. PED Subcommittee was convened on the 26th of September 2024. SOCOM Subcommittee was convened on the 01st of October 2024. INFRA Subcommittee was convened on					

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			October 2023, and 21st of October 2023. INFRA meetings were held on the 19th of October 2023, and the 22nd of October 2023. TGBT meetings were held on the 19th of October 2023, 22nd of November 2023, and the 28th of November 2023 (special) SOCOM and PED on the 22nd of January 2024. INFRA on the 23rd of January 2024 TGBT on the 24th of January 2024. SOCOM and PED on the 22nd of February 2024. INFRA and TGBT on the 27th of February									the 26th of September 2024 TGBT Subcommittee was convened on the 01st of October 2024. SOCOM and PED Subcommittees were convened on the 18th of October 2024. INFRA and TGBT Subcommittees were convened on the 21st of October 2024 SOCOM and PED Subcommittees were convened on the 20th of November 2024. INFRA and TGBT Subcommittees were convened on the 22nd of November 2024. SOCOM and PED Subcommittees were convened on the 20th of January 2025. INFRA and TGBT Subcommittees were convened					

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			2024. However, the TGBT meeting did not take place.SOCOM and PED on the 19th of March 2024. INFRA and TGBT were convened and held virtually on the on the 22nd of March 2024 SOCOM Subcommittee, and PED Subcommittee successfully convened for the 17th of April 2024. INFRA Subcommittee and, TGBT Subcommittee convened for the 18th of April 2024. SOCOM Subcommittee convened for the 16th of May 2024, PED Subcommittee successfully convened for the 20th of May 2024.									on the 22ndt of January 2025. PED Subcommittee was convened on the 24th of February 2025. SOCOM Subcommittee was convened on the 25th of February 2025. INFRA and TGBT Subcommittees were convened on the 25th of February 2025. SOCOM and PED Subcommittees were convened on the 18th of March 2025. INFRA and TGBT Subcommittees were convened on the 20th of March 2025. INFRA and TGBT Subcommittees were convened on the 22nd of April 2025. SOCOM and PED Subcommittees were convened					

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			INFRA Subcommittee successfully convened for the 20th of May 2024, TGBT Subcommittee successfully convened for the 21st of May 2024. SOCOM Subcommittee successfully convened for the 26th of June 2024, PED successfully convened for the 24th of June 2024. INFRA Subcommittee successfully convened for the 27th of June 2024, TGBT Subcommittee successfully convened for the 27th of June 2024									on the 22nd of April 2025. SOCOM and PED Subcommittees were convened for the 19th of May 2025. INFRA and TGBT Subcommittees were convened on the 20th of May 2025. INFRA and TGBT Subcommittees were convened on the 25th of June 2025. PED Subcommittee was convened on the 23rd of June 2025. SOCOM Subcommittee was convened on the 24th of June 2025.					
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	1x Employment Equity Report	**ACHIEVED** 1x Employment Equity Report	Human Resources	Number of Employment Equity Report compiled and submitted to the		#	KPI 25	1x Employment Equity Report	1x Employment Equity Report to be compiled and submitted to the Department		**ACHIEVED** 1x Employment Equity Report submitted to the Department of	N/A	N/A	Acknowledgement letter from the Department of Labour	Corporate Service	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
					Department of Labour by 31 January 2025					of Labour by 31 January 2025		Labour on the 14th of January 2025					
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	1x 2023/2024 WSP to be Developed and submitted	**ACHIEVED** 1x 2023/2024 WSP Developed	Human Resources & Development (Training)	Number of WSP reviewed and submitted to LGSETA by 30 April 2025		#	KPI 26	1x 2023/2024 WSP reviewed and submitted	1x 2024/2025 WSP to be reviewed and submitted to LGSETA by 30 April 2025.		**ACHIEVED** 1x 2024/2025 WSP reviewed and submitted to LGSETA on the 30th of April 2025	N/A	N/A	2024/2025 WSP Acknowledgement letter from LGSETA	Corporate Service	**100%**
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	N/A	N/A	Council Administration	Number of PAIA Annual Reports submitted to the Information Regulator by 25 June 2025		#	KPI 27	-	1x PAIA Annual Report to be submitted to the Information Regulator by 25 June 2025.		**ACHIEVED** 1x PAIA Annual Report submitted to the Information Regulator on the 23rd of June 2025	N/A	N/A	PAIA Annual Report and Acknowledgement letter from the Information Regulator	Corporate Service	**100%**
PRIORITY AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION																	
PRIORITY AREA: INTEGRATED DEVELOPMENT PLANNING																	
Good Governance and Public Participation	To Plan for the Future	1x 2024/2025 IDP/Budget/PMS process plan to be approved	**ACHIEVED** 1x 2024/2025 IDP/Budget/PMS process plan reviewed and approved by Council with Resolution Number **MC33/07/2023**	Integrated Development Planning	Number of IDP/Budget/PMS Process Plan approved by Council by 31 August 2024		#	KPI 28	2024/2025 IDP/Budget/PMS Process Plan Approved by Council	1x 2025/2026 IDP/Budget/PMS process plan to be approved by Council by 31 August 2024.		**ACHIEVED** 1x 2025/2026 IDP/Budget/PMS process plan reviewed and approved by Council on the 29th July 2024 with Council Resolution Number: **MC30/07/2024**	N/A	N/A	Council Approved 2025/2026 Process Plan and Council Resolution	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	To Plan for the Future	4x IDP Representative Forums to be held	**ACHIEVED** 4x IDP Representativ	Integrated Development Planning	Number of IDP Representative Forums held by 30 June 2025		#	KPI 29	4x IDP Representative Forums held	4x IDP Representative Forums to be held by 30 June 2025.		**ACHIEVED** 4x IDP Representative	N/A	N/A	Signed attendance register, agenda,	Office of the Municipal Manager	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			e Forums held on : 18 August 2023 08 November 2023 15 March 2024 21 May 2024									Forums held on the: 26th of August 2024, 12th of November 2024, 19th of March 2025 and 22nd of May 2025			presentation & minutes		
Good Governance and Public Participation	To Plan for the Future	1x 2024/2025 IDP to be reviewed and approved	**ACHIEVED** 1x 2024/2025 IDP reviewed and approved on 24 May 2024 with Council resolution no: **MC156/05/2024**	Integrated Development Planning	Number of 2025/2026 IDP reviewed and approved by Council by 31 May 2025		#	KPI 30	1x 2024/2025 IDP reviewed and approved	1x 2025/2026 IDP to be reviewed and approved by 31 May 2025.		**ACHIEVED** 1x 2025/2026 IDP reviewed and approved by council on the 29th of May 2025 with Council Resolution number: **MC149/05/2025**	N/A	N/A	Council approved IDP and Council Resolution	Office of the Municipal Manager	**100%**
PRIORITY AREA: PERFORMANCE MANAGEMENT SYSTEM																	
Good Governance and Public Participation	Clean Governance	1x 2024/2025 SDBIP to be Approved within 28 days after budget approval	**ACHIEVED** 1x 2024/2025 Approved SDBIP within 28 days after budget approval	Performance Management	Number of SDBIP approved by the Mayor within 28 days after the approval of the budget by 30 June 2025		#	KPI 31	1x Approved 2024/2025 SDBIP Approved	1x 2025/2026 SDBIP to be Approved within 28 days after budget approval by 30 June 2025.		**ACHIEVED** 1x 2025/2026 Approved SDBIP by the Mayor on the 25th of June 2025	N/A	N/A	2025/2026 Approved SDBIP and Letter of Acknowledgement from Mayor's office	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	Clean Governance	1x 2022/2023 Annual Report to be compiled and approved	**ACHIEVED** 1x 2022/2023 Annual Report compiled and approved by Council on 27 March 2024. Council resolution Number: **MC 126/03.2024**	Corporate Governance	Number of Annual reports compiled and tabled to Council for approval by 31 March 2025		#	KPI 32	2022/2023 Annual Report compiled d and approved by council	1x 2023/2024 Annual Report to be compiled and approved by Council by 31 March 2025		**ACHIEVED** 1x 2023/2024 Annual Report compiled and approved by Council on the 31st of March 2025 with Council Resolution number: **MC107/03/2025**	N/A	N/A	Council Approved 2023/2024 Annual Report with Council Resolution	Office of the Municipal Manager	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Good Governance and Public Participation	Clean Governance	1x 2022/2023 Oversight Report to be compiled and approved	**ACHIEVED** 1x 2022/2023 Oversight Report compiled and approved by Council on 27 March 2024. Council resolution Number: **MC 126/03.2024**	Corporate Governance	Number of Oversight reports compiled and tabled to Council for approval by 31 March 2025		#	KPI 33	2022/2023 Oversight Report compiled and approved by council	1x 2023/2024 Oversight Report to be compiled and approved by Council 31 March 2025		**ACHIEVED** 1x 2023/2024 Oversight Report compiled and approved by Council on the 31st of March 2025 with Council Resolution number: **MC107/03/2025**	N/A	N/A	Council Approved Oversight Report with Council Resolution	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	Clean Governance	4x Quarterly performance reports	**ACHIEVED** 4x Quarterly performance reports were submitted to Council for approval as per Council Resolution Numbers: **MC 76/10/2023 MC 111/01/2024 MC 152/04/2024 MC 31/07/2024**	Performance Management System	Number of MFMA Section 52d reports compiled and submitted to Council for approval by 30 June 2025		#	KPI 34	4x Quarterly performance reports compiled and approved by council	4x Quarterly performance reports to be compiled and submitted to Council for approval by 30 June 2025		**ACHIEVED** 4x sets of Quarterly performance reports approved by Council with Council Resolutions Numbers: **MC64/10/2024 MC95/01/2025 MC154/05/2025 MC24/07/2025**	N/A	N/A	4x sets of Approved Quarterly performance reports and council resolutions	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	Clean Governance	1x 2023/2024 Section 72 MFMA Report to be compiled and approved	**ACHIEVED** 1x 2023/2024 Section 72 MFMA Report was compiled	Corporate Governance	Number of MFMA Section 72 Mid-Year report compiled and submitted to		#	KPI 35	1x 2023/2024 Section 72 MFMA Report compiled and submitted to Mayor for	1x 2024/2025 Section 72 MFMA Report to be compiled, submitted, and approved by the		**ACHIEVED** 1x 2024/2025 Section 72 MFMA Report compiled, submitted and	N/A	N/A	Approval correspondence of the 2024/2025 Section 72 Mid-Year	Office of the Municipal Manager	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			and approved by the Mayor on the 25th of Janaury 2024 and noted by Council on the 30th of January 2024 as per the Council Resolution Number: ***MC/01/2024***		Mayor for approval by 25 January 2025 and Council for noting by 31 January 2025				approval and Council for noting	Mayor by the 25 of January 2025 and noted by Council by 31 January 2025		approved by the Mayor on the 25th of January 2025 and Council noted by the 31st January 2025 with Council Resolution Number: **MC78/01/2025**			Report form the Mayor and Council Resolution		
Good Governance and Public Participation	Clean Governance	6x Signed Performance Agreements to be signed	**ACHIEVED** 6x Signed Performance Agreements to be signed	Performance Management System	Number of Performance Agreements signed by 30 July 2024		#	KPI 36	6x Signed Performance Agreements signed	6x Performance Agreements to be signed by 30 July 2024		**ACHIEVED** 6x Signed Performance Agreements signed	N/A	N/A	Signed Performance Agreements	Office of the Municipal Manager	**100%**
PRIORITY AREA: COMMUNICATION																	
Good Governance and Public Participation	To improve administrative and governance capacity	4x Ward Committees reports	**ACHIEVED** 4x Ward Committees reports submitted to the Office of the Speaker	Corporate Governance	Number of Ward Committees reports submitted to the Office of the Speaker by 30 June 2025		#	KPI 37	4x Ward Committees reports	4 x Ward Committees report to be submitted to the Office of the Speaker by 30 June 2025		**ACHIEVED** 4x Ward committee Reports	N/A	N/A	4x Ward committee Reports	Office of the Municipal Manager	**100%**
PRIORITY AREA: RISK AND INTERNAL AUDITOR																	
Good Governance and Public Participation	To improve administrative and governance capacity	1x Audit and Performance Committee Charter to be reviewed and approved by council	**ACHIEVED** 1x Audit and Performance Committee Charter reviewed by the Committee on 30 June 2023 and	Corporate Governance	Number of Performance Audit and Committee Charter reviewed and approved by Council by 30 September 2024		#	KPI 38	1x Audit and Performance Committee Charter Reviewed and approved by council	1x Performance Audit and Committee Charter to be reviewed and approved by council by 30 September 2024		**ACHIEVED** 1x Performance Audit and Committee Charter reviewed and approved by council on the 29th of July 2024 with Council	N/A	N/A	Copy of Performance and Audit committee charter, minutes, and council resolution	Office of the Municipal Manager	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			submitted to Council for approval on the 27th of July 2023. Council resolution no: **MC40/07/2023**									Resolution Number: **MC34/07/2024**					
Good Governance and Public Participation	To improve administrative and governance capacity	1x Internal Audit Charter to be reviewed	**ACHIEVED** 1x Internal Auditor Charter approved by Audit Committee on the 30th of June 2024.	Corporate Governance	Number of Internal Audit Charter reviewed and approved by PAC by 30 September 2024		#	KPI 39	1x Internal Audit Charter Reviewed	1x Internal Audit Charter to be reviewed and approved by PAC by 30 September 2024		**ACHIEVED** 1x Internal Audit Charter reviewed and approved by PAC on the 28th of June 2024	N/A	N/A	Copy of Approved Internal Audit Charter and minutes	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	To improve administrative and governance capacity	1x Internal Audit strategic 3 year rolling plan to be approved	**ACHIEVED** 1x Internal audit 3 years strategic rolling plan approved by Audit Committee on the 28th of June 2024.	Corporate Governance	Number of PAC Approved Internal Audit strategic 3-year rolling plan by 30 September 2024		#	KPI 40	1x Approved Internal Audit strategic 3- year rolling plan	1x Internal Audit strategic 3-year rolling plan to be approved by PAC by 30 September 2024		**ACHIEVED** 1x Internal Audit strategic 3 year rolling plan approved by PAC on 28th of June 2024	N/A	N/A	Internal Audit strategic 3 year rolling plan and minutes of Performance and Audit	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	To improve administrative and governance capacity	4x Performance and Audit Committee meetings to be held	**ACHIEVED** 6x Performance and Audit Committee meetings held on the 22nd August 2023 31st August 2023 29th November 2023	Corporate Governance	Number of Performance and Audit Committee meetings held by 30 June 2025		#	KPI 41	6x Performance and Audit Committee meetings held	6x Performance and Audit Committee meetings to be held by 30 June 2025		**ACHIEVED** 7x Performance and Audit Committee meetings were held as follows: 16th of July 2024, 19th of August 2024 ,28th of August 2024, 12th of November 2024, 29th of November 2024,	1x Special Performance and Audit Committee meeting held	None	Signed Attendance and minutes	Office of the Municipal Manager	**116%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			17th January 2024 14th March 2024 20th May 2024									27th of February 2025 and 25th of April 2025					
Good Governance and Public Participation	To improve administrative and governance capacity	4x Performance and Audit Committee Report to be tabled to Council	**ACHIEVED** 4x Performance and Audit Committee Report tabled to Council on the 31st October 2023 27th March 2024 29th July 2024 **MC80/10/2023** **MC125/03/2024** **MC33/07/2024**	Corporate Governance	Number of Audit Committee, Reports tabled to Council for approval by 30 June 2025		#	KPI 42	4x Performance and Audit Committee Reports	4x Performance and Audit Committee Reports to be tabled to Council for approval by 30 June 2025		**ACHIEVED** 4x Performance and Audit Committee Reports tabled to council with Council Resolution Numbers: **MC68/10/2024** **MC98/01/2025** **MC33/07/2025** **MC/34/07/2025**	N/A	N/A	4x Performance and Audit Committee Reports with Council Resolution	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	To improve administrative and governance capacity	1x 2023/2024 Strategic Risk Register to be reviewed	**ACHIEVED** 1x 2023/2024 Strategic Risk Register reviewed on the 01st of May 2024	Corporate Governance	Number of Strategic Risk Management Registers Reviewed by 30 June 2025		#	KPI 43	1x 2024/2025 Strategic Risk Register reviewed	1x 2025/2026 Strategic Risk Register to be reviewed by 30 June 2025		**ACHIEVED** 1x 2025/2026 Strategic Risk Register reviewed	N/A	N/A	2025/2026 Reviewed Strategic Register, Signed Attendance Registers	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	To improve administrative and governance capacity	4x Risk Management Meetings to be held	**ACHIEVED** 5x Risk Management Meeting held on 10 August 2023, 01 November 2023, 01 February 2024,	Corporate Governance	Number of Risk Management meetings held by 30 June 2025		#	KPI 44	4x Risk Management meetings held	4x Risk Management Meetings to be held by 30 June 2025		**ACHIEVED** 5x Risk Management Meeting held as follows: 10th of July 2024, 07th of November 2024, 04th of February 2025,	1x Special Risk Management Meeting convened	None	Signed Attendance Registers and minutes	Office of the Municipal Manager	**125%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			24 April 2024 29 April 2024									23rd of April 2025 and 24th of June 2025					
Good Governance and Public Participation	To improve administrative and governance capacity	4x MPAC meetings to be held	**ACHIEVED** 6x MPAC meetings held on 25 July 2023, 06 February 2024, 06 March 2024, 19 March 2024, 25 March 2024 02 May 2024	Council Administration	Number of MPAC meetings held by 30 June 2025		#	KPI 45	4x MPAC meetings held	4x MPAC meetings to be held by 30 June 2025		**ACHIEVED** 9x MPAC meetings held as follows: 4th of July 2024, 14th of November 2024, 16th of January 2025, 11th of February 2025, 12th of February 2025, 13th of February 2025, 07th of March 2025, 25th of March 2025 and 08th of May 2025	5x MPAC meetings were convened and held between February and March 2025 to probe the 2023/2024 Annual Report.	None	Signed Attendance Registers and Reports	Office of the Municipal Manager	**225%**
PRIORITY AREA: LOCAL ECONOMIC DEVELOPMENT																	
Local Economic Development	Promote and Encourage Sustainable Economic Environment	4x LED Representative Forums meetings to be facilitated	3x LED Representative Forums meetings held on the 28th September 2023 01st November 2023 26th March 2024	Stakeholder Management and Participation	Number of LED Forums convened by 30 June 2025		#	KPI 46	4x LED Forums convened	4x LED Forums to be convened by 30 June 2025		**ACHIEVED** 4x LED Forum convened as follows: 12th of September 2024, 18th of December 2024, 13th of March 2025 and 03rd of June 2025	N/A	N/A	Invitations and Agenda	Planning & Economic Development	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Local Economic Development	Promote and Encourage Sustainable Economic Environment	120x Jobs created through Municipality's LED initiatives including capital projects (EPWP, CWP	**ACHIEVED** 288x jobs created through Municipality's LED initiatives including capital projects (EPWP, CWP	Job Creation	Number of jobs created through Municipality's LED initiatives including capital projects (EPWP, CWP) by 30 June 2025		#	KPI 47	120	240x jobs to be created through Municipality's LED initiatives including capital projects (EPWP, CWP) by 30 June 2025		**ACHIEVED** 311x jobs created through Municipality's LED initiatives including capital projects (EPWP, CWP)	Good working relationship with our Technical Services Department and continuous monitoring of EPWP project implementation	None	Report on Jobs created and contracts	Planning & Economic Development	**130%**
Local Economic Development	Promote and Encourage Sustainable Economic Environment	N/A	N/A	Concept Design of Informal Trading stalls	Number of Informal Trading Stalls Concept Design Report Developed by 30 June 2025		#	KPI 48	0	1x Informal Trading Stalls Concept Design Report to be Developed by 30 June 2025		**ACHIEVED** 1x informal trading stalls Concept designs Report	N/A	N/A	**Q1**: N/A **Q2:** Appointment of a Service Provider **Q3**: Inception Report **Q4**: informal trading stalls Concept designs Report	Planning & Economic Development	**100%**
Local Economic Development	Promote and Encourage Sustainable Economic Environment	N/A	N/A	Stakeholder Management and Participation	Number of Informal Trading forum meeting convened by 30 June 2025		#	KPI 49	0	3x Informal Trading forum meetings to be convened by 30 June 2025		**ACHIEVED** 4x Informal Trading forum meeting	Good working relationship with Informal	None	Invitations and Agenda	Planning & Economic Development	**133%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
												convened as follows: 20th of November 2024, 03rd of Feb 2025, 16th of May 202 and 22nd May 2025	Traders Association				
Local Economic Development	Promote and Encourage Sustainable Economic Environment	N/A	N/A	Investment Profiling/ Investment Book	Number of Investment book developed by 30 June 2025		#	KPI 50	0	1x Investment Book to be developed by 30 June 2025		**ACHIEVED** 1x Final Investment Book developed	N/A	N/A	**Q1**: N/A **Q2:** Appointment of a Service Provider **Q3:** Draft Investment Book **Q4:** Final Investment Book	Planning & Economic Development	**100%**
Local Economic Development	Promote and Encourage Sustainable Economic Environment	N/A	N/A	SME Training and Developmen t	Number of SMME Training conducted by 30 June 2025		#	KPI 51	0	4x SMME Training to be Conducted by 30 June 2025		**ACHIEVED** 8x SMME Training Conducted as follows: on the 10th of July 2024, 30th of October 2024, 14th of March 2025, 20th of March 2025, 26th of March 2025, 22nd - 25th April 2025, 22nd of May 2025 and	Improved collaboration with other government agencies that provides training sunch as SEFDA, NYDA, LEDET and SEDA	None	Attendance register	Planning & Economic Development	**200%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
												10th of June 2025.					
Local Economic Development	Promote and Encourage Sustainable Economic Environment	N/A	N/A	Outdoor Advertisement	Number of Service Providers appointed for Outdoor Advertisement by 30 June 2025		#	KPI 52	0	1x Service Provider appointed for Outdoor Advertisement by 30 June 2025		**NOT ACHIEVED**	Procurement delays	Fastracking Appointment	**Q1:** N/A **Q2:** Specifications **Q3**: Tender Advertisement **Q4:** Appointment letter.	Planning & Economic Development	**75%**
Local Economic Development	Promote and Encourage Sustainable Economic Environment	N/A	N/A	Partnership and Promotional funding in Support of Tourism Initiatives	Number of Tourism MOA signed by 30 June 2025		#	KPI 53	0	1x Tourism MOA to be Signed by 30 June 2025		**NOT ACHIEVED**	Procurement delays	Fastracking Appointment	**Q1:** N/A **Q2:** Tender Advertisement **Q3:** Appointment letter **Q4:** Signed Tourism MOA	Planning & Economic Development	**75%**
Local Economic Development	Promote and Encourage Sustainable Economic Environment	N/A	N/A	Partnership and Promotional funding in Support of Tourism Initiatives	Number of Tourism Program Implementation Report by 30 June 2025	Withdrawn	#	KPI 54	0	1x Tourism Program Implementation report by 30 June 2025	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Planning & Economic Development	**N/A**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Local Economic Development	Promote and Encourage Sustainable Economic Environment	Withdrawn	Withdrawn	Feasibility Study	Number of tourism route feasibility study developed by 30 June 2025		#	KPI 55	0	1x tourism route feasibility Study to be developed by 30 June 2025		**ACHIEVED** 1x Final tourism route Feasibility Study developed	N/A	N/A	**Q1:** N/A **Q2:** Appointment Letter **Q3:** Draft Feasibility study report **Q4:** Final tourism route Feasibility Study report	Planning & Economic Development	**100%**
PRIORITY AREA: SPATIAL RATIONAL																	
Spatial Planning and Rationale	Liveable and Integrated Communities	Withdrawn	Withdrawn	Formalization of Tsakani Informal Settlements	Number of reports on technical / feasibility studies for the Formalization of Tsakani Informal Settlements completed by 30 June 2025		#	KPI 56	0	1x Report of Technical / Feasibility studies for the Formalization of Tsakani Informal Settlements to be completed by 30 June 2025		**ACHIEVED** 1x Report of Technical / Feasibility studies for the Formalization of Tsakani Informal Settlements completed	N/A	N/A	**Q1:** N/A **Q2:** Appointment letter **Q3:** Draft Report **Q4:** Technical / feasibility studies report	Planning & Economic Development	**100%**
Spatial Planning and Rationale	Liveable and Integrated Communities	Withdrawn	Withdrawn	Release of Strategic Land Parcels for investment purpose	Number of Strategic Land Release Report for 10 properties by 30 June 2025	Withdrawn	#	KPI 57	0	1x Strategic Land Release Report for 10 properties by 30 June 2025	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Planning & Economic Development	**N/A**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Spatial Planning and Rationale	Liveable and Integrated Communities	N/A	N/A	SDF and Housing Sector Plan Review	Number of SDF and Housing Sector plans reviewed by 30 June 2025		#	KPI 58	2018 SDF	1x SDF and Housing Sector plans to be approved by 30 June 2025		**ACHIEVED** 1x Final SDF and Housing Sector plan completed	N/A	N/A	**Q1:** N/A **Q2:** Appointment letter **Q3:** Draft SDF and Housing Sector plans **Q4:** Final SDF and Housing Sector plans	Planning & Economic Development	**100%**
Spatial Planning and Rationale	Liveable and Integrated Communities	N/A	N/A	Township Ratification Project	Number of township ratified project report completed by 30 June 2025		#	KPI 59	0	1x Township ratified project report to be completed by 30 June 2025		**ACHIEVED** 1x Final township ratified project report completed	N/A	N/A	**Q1:** Inception Report **Q2:** Draft township ratified project report **Q3:** N/A **Q4:** Final township ratified project report	Planning & Economic Development	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Spatial Planning and Rationale	Liveable and Integrated Communities	Withdrawn	Withdrawn	Land for Cemetery (Pienaarsrevier)	Number of feasibility study for Pienaarsrevier cemetery completed by 30 June 2025	Withdrawn	#	KPI 60	0	1x Feasibility study for Pienaarsrevier cemetery to be completed by 30 June 2025	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Planning & Economic Development	**N/A**
Spatial Planning and Rationale	Liveable and Integrated Communities	Withdrawn	Withdrawn	Commercial Park Development	Number of Engineering Services Designs Report for Commercial Park Development Completed by 30 June 2025	Withdrawn	#	KPI 61	Township Approval	1x Engineering Services Designs Report for Commercial Park Development to be Completed by 30 June 2025	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Planning & Economic Development	**N/A**
PRIORITY AREA: FINANCIAL VIABILITY																	
Municipal Financial Viability and Management	To improve financial viability	1x 2022/2023 AFS to be compiled and submitted to the Auditor General	1x 2022/2023 AFS to be compiled and submitted to the Auditor General 31st of August 2023	Budget and Reporting	Number of Annual Financial Statements compiled and submitted to the Auditor General by 31 August 2024		#	KPI 62	1x 2022/2023 AFS compiled and submitted to the Auditor General	1x 2023/2024 AFS to be compiled and submitted to the Auditor General by 31 August 2024		**ACHIEVED** 1x 2023/2024 AFS compiled and submitted to the Auditor General by the 31st of August 2024	N/A	N/A	2023/2024 AFS and Proof of Submissions to the Auditor General	Budget & Treasury	**100%**
Municipal Financial Viability and Management	To improve financial viability	1x 2022/2023 AG Action Plan developed and submitted to Council	**ACHIEVED** 1x 2022/2023 AG Action Plan developed and submitted to Council with Resolution No. ***MC107/01/2024***	Budget and Reporting	Number of AG Action Plan for 2023/24 developed and submitted to Council by 31 January 2025		#	KPI 63	1x 2022/2023 AG Action Plan	1x 2023/2024 AG Action Plan to be developed and submitted to Council by 31 January 2025		**ACHIEVED** 1x 2023/2024 AG Action Plan developed and submitted to Council by the 31st of January 2025 with Council Resolution No. **MC93/01/2025**	N/A	N/A	2023/2024 AG Action Plan with Council Resolution	Budget & Treasury	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Good Governance and Public Participation	To improve administrative and governance capacity	Obtain Unqualified Audit Report for 2022/2023	**NOT ACHIEVED** Obtained Qualified Audit Report for 2022/2023	Budget and Reporting	Obtain Unqualified Audit Report for 2023/2024 by 30 November 2024		#	KPI 64	Obtained Qualified Audit Report for 2022/2023	Obtain Unqualified Audit Report for 2023/2024 by 30 November 2024		**NOT ACHIEVED** Obtain Qualified Audit Report for 2023/2024	Disqualified on land valuation and completeness of investment properties.	Audit action plan is developed to address issues raised.	Auditor General's Report	Budget & Treasury	**75%**
Municipal Financial Viability and Management	To improve financial viability	75% of AG queries resolved for 2021/2022	**NOT ACHIEVED** 81% of AG queries resolved	Budget and Reporting	Percentage of AG queries resolved as per the Action Plan by 30 June 2025		%	KPI 65	72% of AG findings resolved for 2022/2023	90% of AG queries to be resolved for 2023/2024 by 30 June 2025		**NOT ACHIEVED** 85%	None	The remaining 5% will be resolved through 2025 AFS preparation	Progress Report on the implementation of the Action Plan for 2023/2024	Budget & Treasury	**94%**
Municipal Financial Viability and Management	To improve financial viability	1x 2024/2025 Final Annual Budget to be approved by Council	**ACHIEVED** 1x 2024/2025 Final Annual Budget approved by Council on 24 May 2024 with Council Resolution No. **MC156/05/**	Budget and Reporting	Number of 2025/2026 Annual Budget approved by Council by the 31 May 2025		#	KPI 66	1x 2024/2025 Annual Budget approved.	1x 2025/2026 Annual Budget to be approved by Council by 31 May 2025		**ACHIEVED** 1x 2025/2026 Annual Budget approved by Council by the 29th of May 2025 with Council Resolution: **MC149/05/2025**	N/A	N/A	Council Approved 2025/2026 Annual Budget with Council Resolutions	Budget & Treasury	**100%**
Municipal Financial Viability and Management	Improve Financial Viability	**ACHIEVED** 12x Monthly MFMA Section 71 Reports for 2023/24 FY submitted to the Mayor, Provincial and National Treasury by no later than	**ACHIEVED** 12x Monthly MFMA Section 71 Reports for 2023/24 FY submitted to the Mayor, Provincial and National Treasury by no later than 10	Budget and Reporting	Number of MFMA Section 71 Reports submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of each month		#	KPI 67	12x Monthly MFMA Section 71 Reports for 2023/2024 FY submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of each month	12x Monthly MFMA Section 71 Reports for 2024/25 FY to be submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of each month		**ACHIEVED** 12x Monthly MFMA Section 71 Reports for 2024/25 FY submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of each month	N/A	N/A	Section 71 Reports, Council Resolutions, and proof of Submission to the Provincial and National Treasury	Budget & Treasury	**100%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
		10 days after the end of each month	days after the end of each														
Municipal Financial Viability and Management	Improve Financial Viability	1 month norm	**ACHIEVED** 1:11 month norm	Expenditure Managemen t	Cash/cost coverage ratio of 1 - 3 months by 30 June 2025		#	KPI 68	2 months norm	Cash/cost coverage ratio of 1 - 3 months by 30 June 2025		**ACHIEVED** 1.7 month norm	N/A	N/A	Monthly Report and Bank Statements	Budget & Treasury	**170%**
Municipal Financial Viability and Management	To improve financial viability	1x quarterly assets verification for 2023/2024 FY to be conducted	**ACHIEVED** 1x quarterly assets verification for 2023/2024 FY conducted.	Assets Managemen t	Number of quarterly asset verification reports conducted - movables (sampling) compiled by 30 June 2025		#	KPI 69	1x quarterly assets verification for 2023/2024 FY conducted	1x quarterly assets verification for 2024/2025 FY to be conducted by 30 June 2025		**ACHIEVED** 1x quarterly assets verification for 2024/2025 FY conducted	N/A	N/A	1x Set of Quarterly asset verification reports	Budget & Treasury	**100%**
Municipal Financial Viability and Management	To improve financial viability	100% of Registered Indigents with access to Free Basic Services	**ACHIEVED** 100% of Registered Indigents with access to Free Basic Services	Revenue Managemen t	Percentage of Registered Indigents with access to Free Basic Services by 30 June 2025		%	KPI 70	100%	100% Registered Indigents with access to Free Basic Services by 30 June 2025		**ACHIEVED** 100%	N/A	N/A	Billing Report and indigent register	Budget & Treasury	**100%**
Municipal Financial Viability and Management	Improve Financial Viability	85%	**ACHIEVED** 92%	Revenue Managemen t	Percentage Maintenance of debtors' collection rate (Consumer cash collected / Consumer billing) by 30 June 2025		%	KPI 71	85%	90% Maintenance of debtors' collection rate (Consumer cash collected / Consumer billing) by 30 June 2025		**NOT ACHIEVED** 80%	Non implementati on of system cut offs (Smart meters) due to ongoing process of Symphony configuration	Implementation of system cut offs (Smart meters)	Monthly Report	Budget & Treasury	**89%**

Key Performance Area	Strategic Objectives	2023//2024 Annual Target	2023//2024 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2023//2024	Annual Targets 2024/2025	Revised Annual Targets 2024/2025	Annual Actual Performance 2024/2025	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Municipal Financial Viability and Management	Improve Financial Viability	N/A	N/A	Supply Chain Management	Number of report on the implementation of SCM Policy compiled and tabled to council by 30 June 2025		#	KPI 72	0	4x SCM reports to be Compiled and tabled to council for approval by 30 June 2025		**ACHIEVED** 4x SCM reports Compiled and tabled to council for approval with Council Resolution numbers: **MC45/10/2024** **MC76/01/2025** **MC118/04/2025** **MC05/07/2025**	N/A	N/A	4x SCM reports and Council resolutions	Budget and Treasury	**100%**
Municipal Financial Viability and Management	Financial Stability	16x Budget related policies to be reviewed and approved	**ACHIEVED** 19x Budget related policies reviewed and approved by council with Resolution No: **MC156/05/2024**	Budget and Reporting	Number of Budget related policies reviewed and approved by 30 June 2025		#	KPI 73	16x Budget related policies reviewed and approved	17x Budget related policies to be reviewed and approved by 30 June 2025		**ACHIEVED** 17x Budget related policies reviewed and approved by Council by the 29th of May 2025 with Council Resolution: **MC149/05/2025**	N/A	N/A	17x Budget related policies reviewed and approved	Budget & Treasury	**100%**

Note 1: Table 2: Withdrawn indicators and *Reasons*

Note 2: Table 3: Revised Annual Targets and *Reasons*

8.0 LIST OF SERVICE PROVIDERS AND THEIR PERFORMANCE ON GRANT FUNDED SERVICE DELIVERY CAPITAL PROJECTS

Section 46 (1) (a) is presented as part of the requirement of Local Government: Municipal Systems Act No. 32 of 2000 as amended; which requires the Annual Performance Report to include information on Performance of each external service provider during that financial year.

The rating of service providers is based on the status of contracts as at end June 2025, including currently appointed service providers, those whose contracts have been terminated, and those with expired contracts. This rating relates specifically to contractual performance and should not be interpreted as the overall project performance rating.

8.1 Performance Rating of Service Providers on Grant Funded Service Delivery Capital Projects

RATING SCALE (1-5)

5: Outstanding performance

4: Performance significantly above expectations

3: Fully effective

2: Performance not fully effective

1: Unacceptable performance

APPENDIX B: PERFORMANCE RATING OF EXTERNAL SERVICE PROVIDERS FOR THE GRANT FUNDED SERVICE DELIVERY CAPITAL PROJECTS

No.	Project Description	Initial Allocated Budget	1st Adjustment Budget	2nd Adjustment Budget	3rd/Special Adjusted Budget	Annual Milestone	Expenditure by June 2025	Actual Performance By 30 June 2025	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
WATER SERVICE INFRASTRUCTURE GRANT (WSIG)														
1.	Upgrading of the Leseding Sewer Pump Station (Ward 6)	R8 992 582.00	R11 215 031.08	R11 215 031.08	R11 215 031.08	100% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Leseding Sewer Pump Station (Ward 6) 30 June 2025	R11 215 030.54	**NOT ACHIEVED** 95% Practical Completion of the Works (Snag List)	The project is at practical completion stage with a snag list. The completion of the snag list is continuously affected by commissioning and operational activities.	The Contractor is addressing the snag list. The project will be completed by the end of Quarter 1 of the 2025/26 financial year.	Construction Quarterly progress report.	Technical Services	**Consultant:** ROMH **Contractor:** Cmon Construction	**Consultant:** 3 **Contractor:** 3
2.	Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2 & 6)	R14 926 629.00	R14 926 628.82	R14 926 628.82	R14 926 628.82	100% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2 & 6) by 30 June 2025.	R14 926 28.29	**ACHIEVED** **100%** (Completion of the Works)	N/A	N/A	Construction Quarterly progress report and Completion Certificate	Technical Services	**Consultant:** Marungane Projects **Contractor:** RM Mashaba Projects	**Consultant:** 3 **Contractor:** 3

No.	Project Description	Initial Allocated Budget	1st Adjustment Budget	2nd Adjustment Budget	3rd/Special Adjusted Budget	Annual Milestone	Expenditure by June 2025	Actual Performance By 30 June 2025	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
3.	Upgrading of the Settlers Sewer Pump Station (Ward 2)	R10 000 000.00	R10 000 000.00	R14 000 000.00	R19 346 445.27	67% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station (Ward 2) by 30 June 2025.	R19 346 444.83	**ACHIEVED** **67%** (Construction Stage at 41 - 50%)	N/A	N/A	Construction Quarterly progress report	Technical Services	**Consultant:** ROMH **Contractor:** MM Star	**Consultant:** 3 **Contractor:** 3
4.	Upgrading of the Industrial outfall sewer line (Ward 2)	-	R2 500 000.00	R10 500 000.00	R8 435 498.37	43% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Industrial outfall sewer line (Ward 2) by 30 June 2025.	R8 435 498.37	**ACHIEVED** **43%** (Appointment of contractor)	N/A	N/A	Contractor Appointment letter	Technical Services	**Consultant:** Phamela Engineering Services **Contractor:** Brooklynn Projects	**Consultant:** 3 **Contractor:** 3
5.	Water Supply Source Augmentation and the Construction of the Water Reticulation Network in Tsakane (Ward 7)	R2 500 000.00	R1 500 000.00	R 9 147 000.00	R7 127 976.49	43% of the work completed as measured according to the PPII **(Appendix D)** for the Augmentation of the water supply source and the	R7 127 927.32	**ACHIEVED** **43%** (Appointment of contractor)	N/A	N/A	Contractor's appointment letter	Technical Services	**Consultant:** Tshashu Consulting and Project Managers **Contractor:** Toro Ya Bakwena Civil Engineers	**Consultant:** 3 **Contractor:** 3

No.	Project Description	Initial Allocated Budget	1st Adjustment Budget	2nd Adjustment Budget	3rd/Special Adjusted Budget	Annual Milestone	Expenditure by June 2025	Actual Performance By 30 June 2025	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
						construction of the water reticulation network in Tsakane (Ward 7) by 30 June 2025.								
7.	Construction of Water Booster Pump Station and Upgrading of a Steel Elevated tank in Ext 8 (Ward 4)	R5 580 789.00	R3 858 340.10	R10 358 340.10	R8 404 502.71	43% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Water Booster Pump Station and Upgrading of a Steel Elevated tank in Ext 8 (Ward 4) by 30 June 2025.	R8 404 499.26	**ACHIEVED** **43%** (Appointment of contractor)	N/A	N/A	Contractor's appointment letter	Technical Services	**Consultant:** Mafumu Consulting **Contractor:** Motlisha Diphetogo	**Consultant:** 2 (Poor performance letter was issued to the consultant) **Contractor:** 3

No.	Project Description	Initial Allocated Budget	1st Adjustment Budget	2nd Adjustment Budget	3rd/Special Adjusted Budget	Annual Milestone	Expenditure by June 2025	Actual Performance By 30 June 2025	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
8.	Replacement of Bulk Raw Water AC Pipeline from Lapa pump station to Bela-Bela Water Treatment Works (Ward 1 & 9)	-	R1 000 000.00	R4 000 000.00	R4 690 917.26	29% of the work completed as measured according to the PPII **(Appendix D)** for the Replacement of Bulk Raw Water AC Pipeline from Lapa pump station to Bela-Bela Water Treatment Works (Ward 1 & 9) by 30 June 2025	R4 690 916.68	**ACHIEVED** **29%** (Tender Advertised)	N/A	N/A	Tender advertisement	Technical Services	**Consultant:** Phamela Engineering Services **Contractor:** Boitshepo Consortium	**Consultant:** 3 **Contractor:** N/A (Contractor was appointed at the end of June 2025 and started with contractual obligations before construction work can commence)
MUNICIPAL INFRASTRUCTURE GRANT (MIG)														
9.	Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4 (Ward 4)	R3 415 794.00	R901 141.78	R1 151 141.78	R1 054 907.71	29% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4 (Ward 4) by 30 June 2025.	R1 054 907.71	**ACHIEVED** **29%** (Tender Advertised))	N/A	N/A	Tender advertisement	Technical Services	**Consultant:** Hoxana Consulting Engineers (Pty) Ltd **Contractor:** N/A	**Consultant:** 3 **Contractor:** N/A

No.	Project Description	Initial Allocated Budget	1st Adjustment Budget	2nd Adjustment Budget	3rd/Special Adjusted Budget	Annual Milestone	Expenditure by June 2025	Actual Performance By 30 June 2025	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
10.	Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (Ward 3)	R4 777 685.00	R4 969 879.45	R9 539 070.90	R12 234 196.04	62% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (Ward 3) by 30 June 2025.	R12 234 196.04	**ACHIEVED** **76%** Construction Stage at 61-70%)	The contractor progressed well than originally planned, leading to accelerated achievement fo the KPI.	None	Construction Quarterly progress report	Technical Services	**Consultant:** AES Consulting **Contractor:** Sooka Tshilingano JV	**Consultant:** 4 **Contractor:** 4
11.	Construction of Road Paving and Stormwater in Rapotokwane - Phase 1 (Ward 8)	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Technical Services	**Consultant:** Batatise Consulting Engineers **Contractor:** N/A	**Consultant:** 3 **Contractor:** N/A
12.	Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2)	R14 319 140.00	R17 210 803.58	R20 291 612.13	R17 792 721.06	100% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2) by 30 June 2025.	R17 792 721.05	**NOT ACHIEVED** **90%** (Construction Stage at 91 - 99%)	Delays and an extended approval process of the Budget Maintenance by CoGHSTA impacted the procurement of materials with long lead times, thereby hindering the overall progress of the project.	The Budget Maintenance appraisals were conducted on 23 June 2025. It is important to note that an extension of time had already been granted in April 2025, revising the contractor's completion date to	Construction Quarterly progress report	Technical Services	**Consultant:** Marungane Projects **Contractor:** Ditlou Enhanced JV	**Consultant:** 3 **Contractor:** 3

No.	Project Description	Initial Allocated Budget	1st Adjustment Budget	2nd Adjustment Budget	3rd/Special Adjusted Budget	Annual Milestone	Expenditure by June 2025	Actual Performance By 30 June 2025	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
										September 2025. Subsequent to the approval of the budget maintenance , a further request for an extension of time, together with a revised programme of works, is anticipated.				
13.	Development of sports facilities in Masakhane (Ward 9)	R2 551 589.00	R2 551 578.18	R2 551 578.18	R2 551 578.18	100% of the work completed as measured according to the PPII **(Appendix D)** for the Development of sports facilities in Masakhane (Ward 9 by 30 June 2025.	R2 551 578.18	**ACHIEVED** **100%** Completion of the Works	N/A	N/A	Construction Quarterly progress report and completion certificate	Technical Services	**Consultant:** T2 Tech Engineers (Pty) Ltd **Contractor:** Phetha Trading Enterprise	**Consultant:** 3 **Contractor:** 3

No.	Project Description	Initial Allocated Budget	1st Adjustment Budget	2nd Adjustment Budget	3rd/Special Adjusted Budget	Annual Milestone	Expenditure by June 2025	Actual Performance By 30 June 2025	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
MUNICIPAL DISASTER RECOVERY GRANT (MDRG)														
14.	Refurbishment of roads and stormwater in Limpopo Road and Mabunda Street (Ward 7&5)	R11 560 000.00			R634 663.18	29% of the work completed as measured according to the PPII (Appendix D) for the Refurbishment of roads and stormwater in Limpopo Road and Mabunda Street (Ward 7&5) by 30 June 2025	R634 663.18	**ACHIEVED** 29% (Tender Advertised)	None	None	Tender advertisement	Technical Services	**Consultant:** T2 Tech Engineers (Pty) Ltd **Contractor:** N/A	**Consultant:** 3 **Contractor:** N/A
INTEGRATED NATIONAL ELECTRICITY PROGRAMME (INEP)														
15.	Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (ward 2)	R20 315 000.00	R20 315 000.00	R20 315 000.00	R20 315 000.00	62% of the work completed as measured according to the PPII (Appendix D) for the Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (Ward 2) by 30 June 2025.	20 314 999.70	**ACHIEVED** **62%** (Construction Stage at 31 - 40%)	N/A	N/A	Construction Quarterly progress report	Technical Services	**Consultant:** Volt Consulting Engineers **Contractor:** NSK Electrical and Construction Managers (Pty) Ltd	**Consultant:** 3 **Contractor:** 3

APPENDIX C: CONTRACT REGISTER OPERATIONAL

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
OFFICE OF THE MUNICIPAL MANAGER										
CORPORATE SERVICES										
1.	Mun Comp System	Mun Admin System	Various Rates – As and when required	18 Oct 2000	N/A	N/A	30 Jun 2026	3	Fully effective	CSS-01 MUN COMP
2.	SITA	Information Management Web Services	R275 897.36	01 Jul 2023	Organ of State	3 years	30 Jun 2026	3	Fully effective	CSS-02 SITA
3.	SITA	Internet Services	Not applicable	01 Apr 2023	Organ of State	5 years	31 Mar 2028	3	Fully effective	CSS-03 SITA
4.	Dido Digital Document Pty Ltd	Leasing, Maintenance and Servicing of Photocopiers to Bela-Bela Local Municipality	R3 505 344,68	01 Sep 2022	9/3/1/338	3 years	31 Aug 2025	3	Fully effective	CSS-04 DIDO DIGITAL DOCUMENT
5.	TELKOM / Business Connexion PTY LTD	Dedicated Internet Services Via Provider Access Agreement	Various Rates – As and when required	17 Mar 2022	Organ of State	3 years	16 Mar 2025	3	Fully effective	CSS-05 TELKOM BUSINESS
6.	Noko Maimela Incorporated	Provision of Legal Services	Various Rates – As and when required	1 May 2022	9/3/1/330	3 years	30 Apr 2025	3	Fully effective	CSS-06 NOKO MAIMELA

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
7.	Ndobela and Associates Inc.	Provision of Legal Services	Various Rates – As and when required	1 May 2022	9/3/1/330	3 years	30 Apr 2025	3	Fully effective	CSS-07 NDOBELA
8.	GSM Mohlabi Inc.	Provision of Legal Services	Various Rates – As and when required	1 May 2022	9/3/1/330	3 years	30 Apr 2025	3	Fully effective	CSS-08 GSM MOHLABI
9.	Motalane Inc.	Provision of Legal Services	Various Rates – As and when required	1 May 2022	9/3/1/330	3 years	30 Apr 2025	3	Fully effective	CSS-09 MOTALANE
10.	Mohale Inc.	Provision of Legal Services	Various Rates – As and when required	1 May 2022	9/3/1/330	3 years	30 Apr 2025	3	Fully effective	CSS-10 MOHALE
11.	Mahube Training Development	Procurement of a Panel of Five (5) Accredited Skills Development Providers for a Period of Thirty-Six (36) Months	Various Rates – As and when required	23 Jun 2023	9/3/1/362	3 years	22 Jun 2026	3	Fully effective	CSS-11 MAHUBE
12.	Excellent Mind Institute	Procurement of a Panel of Five (5) Accredited Skills Development Providers for a Period of Thirty-Six (36) Months	Various Rates – As and when required	26 Jun 2023	9/3/1/362	3 years	22 Jun 2026	N/A	Panel - No work allocation	CSS-12 EXCELLENT MIND
13.	Dinaledi Management Services	Procurement of a Panel of Five (5) Accredited Skills Development Providers for a	Various Rates – As and when required	23 Jun 2023	9/3/1/362	3 years	22 Jun 2026	N/A	Panel - No work allocation	CSS-13 DINALEDI

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
		Period of Thirty-Six (36) Months								
14.	Ponontle Consulting	Procurement of a Panel of Five (5) Accredited Skills Development Providers for a Period of Thirty-Six (36) Months	Various Rates – As and when required	23 Jun 2023	9/3/1/362	3 years	22 Jun 2026	3	Fully effective	CSS-14 PONONTLE
15.	Summat Training Institute	Procurement of a Panel of Five (5) Accredited Skills Development Providers for a Period of Thirty-Six (36) Months	Various Rates – As and when required	23 Jun 2023	9/3/1/362	3 years	22 Jun 2026	N/A	Panel - No work allocation	CSS-15 SUMMAT TRAINING
16.	Tshuki Trading Enterprise	Supply and Delivery of Personal Protective Clothing	Various Rates – As and when required	1 Sep 2022	9/3/1/341	3 years	31 Aug 2025	3	Fully effective	CSS-16 TSHUKI TRADING
17.	Mas In Trading and Projects	Supply and Delivery of Personal Protective Clothing	Various Rates – As and when required	1 Sep 2022	9/3/1/341	3 years	31 Aug 2025	3	Fully effective	CSS-17 MAS IN TRADING
18.	Reagetswe Trading 423 CC	Supply and Delivery of Personal Protective Clothing	Various Rates – As and when required	1 Sep 2022	9/3/1/341	3 years	31 Aug 2025	2	Performance not fully effective (The service provider's failed to perform in line with SLA and poor	CSS-18 REAGETSWE

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
									performance letter was issued)	
19.	Innovation Government Software Solutions	Provision of Automated Performance Management System	R4 761 000	1 Jul 2022	9/3/1/325	3 years	30 Jun 2025	3	Fully effective	CSS-19 INNOVATION GOVERNMENT
20.	Managed Integrity Evaluation	Procurement of a Panel of Three (3) Service Providers to Offer Vetting Services for a Period of Thirty-Six (36) Months:	Various Rates – As and when required	10 Jun 2023	9/3/1/363	3 years	09 Jun 2026	3	Fully effective	CSS-20 MANAGED INTERGRITY
21.	Nexus Forensic Services	Procurement of a Panel of Three (3) Service Providers to Offer Vetting Services for a Period of Thirty-Six (36) Months:	Various Rates – As and when required	08 Jan 2024	9/3/1/363	3 years	9 Jun 2026	N/A	Panel - No work allocation	CSS-21 NEXUS FORENSIC
22.	Redifine IT Solution PTY LTD	Maintenance of Cloud-Hosted VoIP Telephone System for a Period of Thirty-Six Months	R1 065 546.30	01 Jun 2024	9/3/1/377	3 years	01 Jul 2027	3	Fully effective	CSS-22 REDIFINE IT

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
23.	SITA	Web Hosting Services	R215 267.33	01 Aug 2024	Organ of state	3 years	31 Jul 2026	3	Fully effective	CSS-23 SITA
24.	Afrika Comprehensive PTY LTD	Supply and delivery of laptops and desktop	R1 249 877.50	09 Dec 2024	9/3/1/393	5 days	13 Dec 2024	3	Fully effective	CSS-24 AFRIKA COMPREHENSIVE
25.	Bophelo Occupational Health Care	Service level agreement for the provision of occupational medical surveillance and periodic check-ups of employees	Various Rates – As and when required	01 Jan 2025	9/3/1/379	3 years	31 Dec 2027	3	Fully effective	CSS-25 BOPHELO OCCUPATIONAL
BUDGET AND TREASURY										
26.	Absa Bank	Banking Services	Various Rates – As and when required	01 Nov 2022	9/3/1/329	5 years	30 Oct 2027	3	Fully effective	BTO-01 ABSA BANK
27.	Munsoft	Integrated financial System	R9 607 511.08	01 Jul 2022	RT25-2016	3 Years	30 Jun 2025	3	Fully effective	BTO-02 MUNSOFT
28.	Kunene Makopo Risk Solutions	Provision of Short-Term Insurance	R1 025 011.73 pa	01 Oct 2023	9/3/1/367	3 Years	30 Sep 2026	3	Fully effective	BTO-03 KUNENE
29.	Mod Hope Properties	Compilation of the Valuation Roll	R1 380 000.00 pa	01 Jul 2021	9/23/1/288	5 Years	30 Jun 2026	3	Fully effective	BTO-04 MOD HOPE

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
30.	NMP Trading Projects	Supply and delivery of forty-two fleet vehicles on a full maintenance lease	Various Rates – As and when required	28 Jul 2023	9/3/1/364	3 years	28 Jul 2026	3	Fully effective	BTO-5 NMP TRADING
31.	Badiredi Travel	Provision of Travel agency services for a period of thirty-six (36) months	Various Rates – As and when required	14 Feb 2024	9/3/1/370	3 years	13 Feb 2027	3	Fully effective	BTO-06 BADIREDI TRAVEL
32.	Basadzi Personnel and Media	Provision of advertising Agency Services for a Period of Thirty-six (36) Months	Various Rates – As and when required	14 Feb 2024	9/3/1/369	3 years	13 Feb 2027	3	Fully effective	BTO-07 BASADZI PERSONNEL AND MEDIA
33.	TJ Rasimeni Chartered Accountants	Panel of five (5) Service Providers to assist with Accounting Services and Technical Support for a period of (36) months.	Various Rates – As and when required	10 Jun 2024	9/3/1/386	3 years	09 Jun 2027	3	Fully effective	BTO-08 TJ RASIMENI
34.	Cathu Consulting	Panel of five (5) Service Providers to assist with Accounting Services and Technical	Various Rates – As and when required	10 Jun 2024	9/3/1/386	3 years	09 Jun 2027	N/A	Panel - No work allocation	BTO-09 CATHU CONSULTING

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
		Support for a period of (36) months.								
35.	CORPMD Consulting	Panel of five (5) Service Providers to assist with Accounting Services and Technical Support for a period of (36) months.	Various Rates – As and when required	10 Jun 2024	9/3/1/386	3 years	09 Jun 2027	N/A	Panel - No work allocation	BTO-10 CORPMD CONSULTING
36.	FBN Consulting	Panel of five (5) Service Providers to assist with Accounting Services and Technical Support for a period of (36) months.	Various Rates – As and when required	10 Jun 2024	9/3/1/386	3 years	09 Jun 2027	3	Fully effective	BTO-11 FBN CONSULTING
37.	Isibani Chartered Accountants	Panel of five (5) Service Providers to assist with Accounting Services and Technical Support for a period of (36) months.	Various Rates – As and when required	10 Jun 2024	9/3/1/386	3 years	09 Jun 2027	N/A	Panel - No work allocation	BTO-12 ISIBANI CHARTERED

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
38.	SEMPRO Consulting	Provision of indigent management service for a period of thirty-six (36) months	Various Rates – As and when required	05 Jun 2024	9/3/1/375	3 years	04 Jun 2027	3	Fully effective	BTO-13 SEMPRO CONSULTING
39.	Phamagamang Enterprise (Pty) Ltd	Panel of two service provider for the provision of credit control services	Various Rates – As and when required	01 Dec 2024	9/3/1/374	3 years	30 Nov 2027	3	Fully effective	BTO-14 PHAMAGAMANG
40.	Shaeli Mat Enterprise	Panel of two service provider for the provision of credit control services	Various Rates – As and when required	01 Dec 2024	9/3/1/374	3 years	30 Nov 2027	3	Fully effective	BTO-15 SHAELI MAT
41	Lesedi Holding Solution	Supply and delivery of fleet vehicles on a full maintenance lease	R 47 674 520.28	01 May 2025	9/3/1/399	36 Months	30 Apr 2028	3	Fully effective	BTO-16 LESEDI HOLDINGS
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT										
42.	UAfrika Projects	Town Planning	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	3	Fully effective	N/A
43.	Mabuyi Development Planners	Town Planning	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	N/A	Panel - No work allocation	N/A

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
44.	Elmon Consulting	Town Planning	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	3	Fully effective	N/A
45.	DAK Geomatics and Engineering Services Pty Ltd	Surveying	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	N/A	Panel - No work allocation	N/A
46.	Ngoti Development Consultants (Pty) Ltd	Town Planning	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	4	Performance significantly above expectations (Feasibility Report delivered before time)	N/A
47.	Root-X Auctioneers (Pty) Ltd	Auctioneering	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	N/A	Panel - No work allocation	N/A
48.	Liberty Town Planners	Town Planning	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	N/A	Panel - No work allocation	N/A
49.	Urban-Econ Development Economics	Tourism	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	3	Fully effective	N/A
50.	GPS Architects	Architecture	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	3	Fully effective	N/A
51.	Hearty Consulting and Engineering	Architecture	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	N/A	Panel - No work allocation	N/A
52.	Akisa Architects	Architecture	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	N/A	Panel - No work allocation	N/A
53.	VST Consulting Engineering (Pty) Ltd	Project Management	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	N/A	Panel - No work allocation	N/A

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
54.	Kabe Consulting Engineering	Project Management	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	N/A	Panel - No work allocation	N/A
55.	Mayisani and Associates Engineering Solutions	Project Management	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	N/A	Panel - No work allocation	N/A
56.	Navi Professional Consulting (Pty) Ltd	Project Management	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	N/A	Panel - No work allocation	N/A
SOCIAL AND COMMUNITY SERVICES										
57.	Syntell (Pty) Ltd	Provision of Traffic law Enforcement Equipment, Back System and Related Services	Various Rates – As and when required	01 Sep 2023	9/3/1/361	3 Years	31 Aug 2026	3	Fully effective	SCS-01 SYNTELL
58.	Vanchery Security PTY LTD	Provision of security services for a period of 36 months (36)	R1 382 078.96 per Month	01 Jun 2024	9/3/1/382	3 years	30 May 2027	3	Fully effective	SCS-02 VANCHERY
59.	Ditlou Suppliers and Services	Operation, Management, Maintenance of Landfill Site	R39 123 000.00	01 May 2024	9/3/1/376	3 years	30 Apr 2027	3	Fully effective	SCS-03 DITLOU SUPPLIERS

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
60.	Mangwajana Logistics and Construction	Service Level Agreement for the Supply and Delivery of Wheelie Bins	R720 360.00	01 Mar 2025	9/3/1/395	3 Months	31 May 2025	3	Fully effective	SCS-04 MANGWAJANA LOGISTICS
61.	Limpopo Provincial Government	Limpopo Department of Transport and Community Safety	Regulated Rates – As and when required	01 Apr 2024	N/A	3 years	31 Mar 2027	3	Fully effective	SCS-05 LIMPOPO PROVINCIAL GOVERNMENT
TECHNICAL SERVICES										
62.	Brooklynn Projects 21	Panel of two Service Providers for Provision of a Jet Machine Wet with operator as and when required for a period of thirty-six (36) months	Various Rates – As and when required	21 Nov 2024	9/3/1/384(1)	3 years	21 Nov 2027	3	Fully effective	TS-01 BROOKLYNN
63.	Bateline Investments (Pty) Ltd	Panel of two Service Providers for Provision of a Jet Machine Wet with Operator as and when required for a period of thirty- six (36) months	Various Rates – As and when required	21 Nov 2024	9/3/1/384(1)	3 years	21 Nov 2027	3	Fully effective	TS-02 BATELINE

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
64.	Waterlab (Pty) Ltd	Procurement of Potable and Wastewater Analysis Laboratory for a period of thirty-six (36) months	Various Rates – As and when required	02 Aug 2024	9/3/1/373	3 years	02 Aug 2027	3	Fully effective	TS-03 WATERLAB
65.	Electrical and Pump Centre CC	Provision of a panel of three service providers for the supply, Delivery and Installation of New Pumps, Electrical Motors and Panels, the strip and Repair of Broken-down Pumps, Electrical Motors and Panels as and when required services for a period of thirty-six (36) months	Various Rates – As and when required	15 Feb 2024	9/3/1/372	3 years	15 Feb 2027	3	Fully effective	TS-04 ELECTRICAL
66.	K T S General Trader	Provision of a panel of three service providers for the supply, Delivery and Installation of New Pumps, Electrical Motors and	Various Rates – As and when required	15 Feb 2024	9/3/1/372	3 years	15 Feb 2027	3	Fully effective	TS-05 KTS GENERAL

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
		Panels, the strip and Repair of Broken-down Pumps, Electrical Motors and Panels as and when required services for a period of thirty-six (36) months								
67.	Bateline Investment	Provision of a panel of three service providers for the supply, Delivery and Installation of New Pumps, Electrical Motors and Panels, the strip and Repair of Broken-down Pumps, Electrical Motors and Panels as and when required services for a period of thirty-six (36) months	Various Rates – As and when required	15 Feb 2024	9/3/1/372	3 years	15 Feb 2027	3	Fully effective	TS-06 BATELINE
68.	Mncobela Trading Enterprise (Pty) Ltd	Water Purification Chemicals (Panel of two	Various Rates – As and when required	01 Sep 2022	9/3/1/335	3 years	31 Aug 2025	3	Fully effective	TS-07 MNCOBELA

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
		(2) duration of three (3) years).								
69.	Orathon Trading (Pty) Ltd	Water Purification Chemicals (Panel of two (2) duration of three (3) years).	Various Rates – As and when required	01 Sep 2022	9/3/1/335	3 years	31 Aug 2025	3	Fully effective	TS-08 ORATHON
70.	Lesapho Construction and Supply	Supply and delivery of Electrical Materials (Panel of three (3) duration of three (3) years).	Various Rates – As and when required	01 Sep 2022	9/3/1/336	3 years	31 Aug 2025	3	Fully effective	TS-09 LESAPHO
71.	Dzungeni and Sons	Supply and delivery of Electrical Materials (Panel of three (3) duration of three (3) years).	Various Rates – As and when required	01 Sep 2022	9/3/1/336	3 years	31 Aug 2025	3	Fully effective	TS-10 DZUNGENI
72.	Pent Projects and Services	Supply and delivery of Electrical Materials (Panel of three (3) duration of three (3) years).	Various Rates – As and when required	01 Sep 2022	9/3/1/336	3 years	31 Aug 2025	3	Fully effective	TS-11 PENT PROJECT
73.	Zakumi Consulting Engineers	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
74.	AES Consulting	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A
75.	Zonk Engineering Consultants	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A
76.	Tshashu Consulting and Project managers	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A
77.	Hoxana consulting engineers (Pty) Ltd	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A
78.	Mafumu Consulting	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	2	Performance not fully effective (Poor performance letter was issued to the consultant)	N/A
79.	Phamela Engineering Services	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A
80.	JTMI Consulting Engineers	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A
81.	Batatise Consulting Engineers	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
82.	T2Tech Engineers	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A
83.	Marungane Projects	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A
84.	Orbitals Trading and Projects	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A
85.	2MC Consulting Engineers	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A
86.	Best Thought Trading and Projects 358	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A
87.	Volt Consulting Engineers	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A
88.	MXN Electrocon Projects	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	N/A	N/A	N/A
89.	HDM Engineers	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	N/A	N/A	N/A
90.	ROMH Consulting	Panel of twenty (30) Consulting Engineers	As and when required	25 May 2022	9/3/1/340	3 years	30 Jun 2025	3	Fully effective	N/A

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
91.	Skyline Innovation	Provision of a panel of Three service providers for supply and delivery of roads and stormwater maintenance materials	Various rates as and when required	27 Feb 2025	9/3/1/380	36 Months	27 Feb 2028	3	Fully effective	TS-23 SKYLINE
92.	Mavuks Holding	Provision of a panel of Three service providers for supply and delivery of roads and stormwater maintenance materials	Various rates as and when required	28 Feb 2025	9/3/1/380	36 months	28 Feb 2028	3	Fully effective	TS-36 MAVUKS
93.	Multistar Traders	Provision of a panel of Three service providers for supply and delivery of roads and stormwater maintenance materials	Various rates as and when required	27 Feb 2025	9/3/1/380	36 months	27 Feb 2028	3	Fully effective	TS-37 MULTISTAR
94.	Reoratile Group Pty Ltd	Supply and Delivery of Street Light	R 866 502.00	15 Nov 2024	9/3/1/381(1)	4.5 Months	31 Mar 2025	3	Fully effective	TS-28 REORATILE GROUP

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
95.	Reoratile Group	Panel of three service providers for supply and delivery of water and sanitation maintenance material as and when required for a period of thirty-six (36 months)	Various Rates – As and when required	27 Feb 2025	9/3/1/392	36 months	27 Feb 2028	3	Fully effective	TS-33 REORATILE GROUP
96.	Moricho Enterprise	Panel of three service providers for supply and delivery of water and sanitation maintenance material as and when required for a period of thirty-six (36 months)	Various rates as and when required	27 Feb 2025	9/3/1/392	36 months	27 Feb 2028	3	Fully effective	TS-34 MORICHO ENTERPRISE
97.	Young and Bold Solution	Panel of three service providers for supply and delivery of water and sanitation maintenance material as and when required for a period of	Various rates as and when required	27 Feb 2025	9/3/1/392	36 months	27 Feb 2028	3	Fully effective	TS-35 YOUNG AND BOLD

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	TERMINATION DATE	RATING	COMMENTS ON SERVICE PROVIDER'S PERFORMANCE	REFERENCE
		thirty-six (36 months)								

RATING SCALE (1-5)
5: Outstanding performance
4: Performance significantly above expectations
3: Fully effective
2: Performance not fully effective
1: Unacceptable performance
Zero rated: Not achieved due to unforeseen circumstances beyond the control of the Service Provider

APPENDIX D: PROJECT PERFOMANCE INDICATOR IMPLEMENTATION (PPII)

Item No.	Performance Description	% completed
1	Appointment of Consulting Engineers	5%
2	Scoping Report completed and approved	10%
3	Preliminary Designs completed and approved	14%
4	Detailed Design Report and Drawings approved	19%
5	Draft Tender Document (Bid Specifications) approved	24%
6	Tender Advertised	29%
7	Tender Evaluation completed	33%
8	Tender Adjudication completed	38%
9	Appointment of Contractor	43%
Construction Stage (Completed as per scope of works and monthly reports)		
10	0-10% complete	48%
11	11-20% complete	52%
12	21-30% complete	57%
13	31-40% complete	62%
14	41-50% complete	67%
15	51-60% complete	71%
16	61-70% complete	76%
17	71-80% complete	81%
18	81-90% complete	86%
19	91-99% complete	90%
20	Practical Completion of the Works (Snag List)	95%
21	Completion of the Works	100%
22	Defects Liability Period (Retention) Stage	
23	Final Completion	

9.0 ANALYSIS OF AND LESSONS OF THE OVERALL PERFORMANCE

Section 46 (1) (c) of the Local Government: MSA as amended requires that the Municipality's Annual Performance Report include information on corrective action or measures taken to improve performance. Under Appendix A of the report the table includes a column on reasons for poor and under achievements as well as measures taken or corrective actions to improve performance. The Municipality confirms that such indicators and their programmes or projects have found their expression in the new SDBIP for the financial year 2025/2026. In addition to this, the Municipality has considered all other necessary technical and strategic inputs stemming from various in year monitoring platforms into the new SDBIP. The reason and corrective measures provided in the report will also be used as a reference for improving performance planning and management within the Municipality moving forward.

10. CONCLUSION

10. CONCLUSION

Notwithstanding challenges experienced during the year under review, Bela-Bela Local Municipality strived to serve its constituent Community with distinction during the 2024/2025 financial year. This report demonstrates the commitment of the Municipality to ensure that the local community have access to their basic needs, as enshrined in the 1996 Constitution of the Republic of South. Investment in capital and social infrastructure remains a clear focus area when projects are identified in the IDP. This report to Council and the local community demonstrates the ability of the Bela-Bela Local Municipality to adapt to the ever-changing socio-economic needs of the local community. The Municipality has already put in place corrective actions in response to the unachieved targets for implementation in the 2025/2026 IDP Review; Budget and SDBIP respectively, and will duly report to Council through its Governance Structures on the progress made to address those targets.

We wish to extend our gratitude to the Municipal Council, Executive Committee, Portfolio Committees, the Management Team as well as to all the employees of the Bela-Bela Local Municipality who diligently and competently assisted to ensure that our Municipality is well on its way to becoming "A Place of Excellence" in all its Service Delivery and Governance processes.

Our Governance approach is that of continuous learning from our experiences and those of other well-performing Municipalities across the country, as we embark on our journey of Good Corporate Governance, characterised by improved quality of livelihoods in all the neighbourhoods therein.

....	31/08/2025
Mr . TG RAMAGAGA	**DATE**
MUNICIPAL MANAGER	

The accounting officer
Bela-Bela Local Municipality
Private Bag X 1609
Bela-Bela
0480

30 November 2025

Reference: 02564REG24/25AS

Dear Sir

Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Bela-Bela Local 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 and section 126(3) of the Municipal Finance Management Act 56 of 2003.

2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received it will be read, and should any inconsistencies be identified, these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.

3. In terms of section 121(3) of the MFMA you are required to include the auditor's report in the Bela-Bela Local Municipality's annual report to be tabled.

4. 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 authorized 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.

5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.

6. 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 her delegate, unless this is to a legislature or internal committee of a legislature or a court in a criminal matter..

7. Until the steps described in paragraphs 2 and 4 of these documents 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.

8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

....

Precious Thosago
Senior Manager: Limpopo Business Unit

Enquiries: Ngoako Makgato
Telephone: (015) 283 9400
Fax: (015) 283 9341
Email: Ngoakom@agsa.co.za

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Bela-Bela Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, cash flow statement and 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 Bela Bela Local Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (DoRA).

Basis for opinion

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

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

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

Emphasis of matter

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

7. As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 30 June 2025.

8. As disclosed in note 37 to the financial statements, material electricity losses of R21 887 595 were incurred which represent 19% of the total electricity purchased. Technical losses amounted to R11 343 155 and system failures, unbalanced loading, overloading, low voltage,

load shedding and deteriorating infrastructure. Non-technical losses amounted to R10 544 439 and were due to power theft, meter tampering, meter bypass, illegal connections, unpaid bills, consumer non-payment and faulty meters.

9. As disclosed in note 37 to the financial statements, material water losses of R20 586 047 were incurred, which represented 47% of the total water purchased. The technical losses amounted to R4 377 289 and were due to system failures, unbalance networks, high pressure, pipe bursts and deteriorating infrastructure. Non-technical losses amounted to R16 208 758 and were due to water theft, meter tampering, meter bypass, illegal connections, no billing, unpaid bills, consumer non-payment and faulty meters and the delay by operators to repair reported leakages.
10. As disclosed in note 63 to the financial statements, the entity incurred a material impairment for receivables of R135 101 540 (2024: R78 440 588) as a result of irrecoverable debts.
11. With reference to note 44 to the financial statements, the municipality is the defendant in various lawsuits. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Other matters

12. I draw attention to the matters below. My opinion is not modified in respect of these matters.
13. The supplementary schedule set out on pages xx to xx does not form part of the financial statement and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon
14. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA 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

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
16. 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

17. 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.

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

Report on the annual performance report

19. 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 indicator presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

20. I selected the following material performance indicators related to Basic Service Delivery and Infrastructure Development 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.

KPA1 - Basic Service Delivery and Infrastructure Development

- Percentage of the work completed as measured according to the PPII for the Upgrading of the Leseding Sewer Pump Station (Ward 6) by 30 June 2025.
- Percentage of the work completed as measured according to the PPII for the Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2 & 6) by 30 June 2025
- Percentage of the work completed as measured according to the PPII for the Upgrading of the Settlers Sewer Pump Station (Ward 2) by 30 June 2025.
- Percentage of the work completed as measured according to the PPII for the Upgrading of the Industrial outfall sewer line (Ward 2) by 30 June 2025.
- Percentage of the work completed as measured according to the PPII for the Augmentation of the water supply source and the construction of the water reticulation network in Tsakane (Ward 7) by 30 June 2025.
- Percentage of the work completed as measured according to the PPII for the Construction of Water Booster Pump Station and Upgrading of a Steel Elevated tank in Ext 8 (Ward 4) by 30 June 2025.

- Percentage of the work completed as measured according to the PPII for the Replacement of Bulk Raw Water AC Pipeline from Lapa pump station to Bela-Bela Water Treatment Works (Ward 1 & 9) by 30 June 2025.

- Percentage of the work completed as measured according to the PPII for the Construction of Road Paving and bulk Stormwater in Bela-Bela X8 - Phase 4 (Ward 4) by 30 June 2025.

- Percentage of the work completed as measured according to the PPII for the Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (Ward 3) by 30 June 2025.

- Percentage of the work completed as measured according to the PPII for the Refurbishment of roads and stormwater in Limpopo Road and Mabunda Street (Ward 7&5) by 30 June 2025.

- Percentage of the work completed as measured according to the PPII for the Construction of Road Paving and Bulk Stormwater in Masakhane (Ward 9) - Phase 1 by 30 June 2025.

- Percentage of the work completed as measured according to the PPII for the Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 2 (Ward 3) by 30 June 2025.

- Percentage of the work completed as measured according to the PPII for the Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (Ward 2) by 30 June 2025.

- Number of Formal areas with weekly access to solid waste removal by 30 June 2025.

- Number of informal settlements with weekly access to solid waste removal by 30 June 2025.

- Number of Landfill Site Permit Audit report conducted by 30 June 2025.

- Percentage of the work completed as measured according to the PPII for the Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2) by 30 June 2025.

- Percentage of the work completed as measured according to the PPII for the Development of sports facilities in Masakhane (Ward 9) by 30 June 2025.

21. 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.

22. 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 reported and measures taken to improve performance

23. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

24. I did not identify any material findings on the reported performance information for KPA 1- Basic service delivery and infrastructure development.

25. I draw attention to the matter below.

Achievement of planned targets

26. The table that follows provides information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages xx to xx.

KPA 1 - Basic service delivery and infrastructure development

Targets achieved: 89%

Budget spent100%

Key indicators not achieved	Planned target	Reported achievement
Percentage of the work completed as measured according to the PPII for the Upgrading of the Leseding Sewer Pump Station (Ward 6) by 30 June 2025	100% of the work to be completed as measured according to the PPII for the Upgrading of the Leseding Sewer Pump	95% (Practical completion of the works (Snag list)

Targets achieved: 89% *Budget spent100%*		
Key indicators not achieved	**Planned target**	**Reported achievement**
	Station (Ward 6) by 30 June 2025	
Percentage of the work completed as measured according to the PPII for the Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2) by 30 June 2025.	100% (of the work to be completed as measured according to the PPII for the Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2) by 30 June 2025	90% (Construction Stage 91 – 99%)

Report on compliance with legislation

27. 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.

28. 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.

29. 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.

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

Annual financial statements, performance and annual report

31. 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.

32. Material misstatements of revenue, assets, cash flow statements and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

33. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R128 105 626, as disclosed in note 55 to the annual financial statements, in contravention of

section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by budgeted spent exceeding the approved budget within the municipality votes.

34. Reasonable steps were not taken to prevent irregular expenditure amounting to R6 851 521 as disclosed in note 54 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance supply chain management regulations including CIDB requirements.

Assets management

35. Capital assets were transferred without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services as required by section14(2)(a) the MFMA.
36. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Other information in the annual report

37. The accounting officer is responsible for the other information included in the annual report which includes the audit committee's 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.

38. My opinion on the financial statements and the 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.

39. 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

40. 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.

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

42. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls which resulted in material misstatements and non-compliance with legislations.

43. The accounting officer did not adequately review the annual financial statements with the assistance and support of the governance structures prior to their submission for audit, as a number of material misstatements were identified.

44. Senior management did not adequately review and monitor compliance with applicable legislation resulting in material non-compliances.

45. The municipality developed an action plan to address internal and external audit findings; however, monitoring of this action plan did not sufficiently and adequately mitigate the risk of misstatements in the annual financial statements and non-compliance with legislations. There is also lack of proper reviews of the valuation reports and the asset register to ensure that assets are properly valued and accounted for in accordance with financial reporting frameworks and applicable legislation for the municipality.

Material irregularities

46. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on the status of material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

Ineffective management of the landfill site likely to cause harm to the general public

47. Section 28(1) of National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) states that "Every person who causes, has caused or may cause significant pollution or degradation to the environment must take reasonable steps to prevent such pollution or degradation for occurring, continuing or recurring, or, in so far as such harm to the environment is authorised by law or cannot be avoided or stopped to, minimise and rectify the pollution or degrading of the environment."

48. Section 16(1) of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) (NEMWA) states the following requirements regarding the general duty of a holder of waste in respect of waste management:

- avoid the generation of waste and where such generation cannot be avoided to minimise the toxicity and amounts of waste that are generated
- reduce, re-use, recycle and recover waste
- where waste must be disposed of, ensure that the waste is treated and disposed of in an environmentally sound manner
- manage the waste in such a manner that it does not endanger health or the environment or cause a nuisance through noise, odour or visual impacts
- prevent any employee or any person under his or her supervision from contravening this Act; and
- prevent the waste from being used for an unauthorised purpose.

49. Section 19(1) of the National Water Act, 1998 (Act 36 of 1998) states that "An owner of land, a person in control of land or a person who occupies or uses the land on which - (a) any activity or process is or was performed or undertaken; or (b) any other situation exists, which causes, has caused or is likely to cause pollution of a water resource, must take all reasonable measures to prevent any such pollution from occurring, continuing or recurring."

50. The municipality's Warmbaths landfill site located on part of portion of the farm Het Bad 465KR located in Bela-Bela with landfill authorisation permit number B33/2/123/3 P184/P185 (class GMB) is operated in contravention of the National Environmental Management Act, 1998 (Act 107 of 1998) read with the National Environmental Management: Waste Act, 2008 (Act 59 of 2008), National Water Act, 1998 (Act 36 of 1998) and permit B33/2/123/3 P184/ P185. We observed the following issues on the landfill site contrary to the operating conditions stipulated in the landfill site's authorisation permit:

- Inadequate access controls. Some portions of the fence are damaged
- The landfill site did not have a fully functional storm water control system or passive gas control system
- No gas monitoring was performed. A fire was observed on the landfill site on more than one occasion. Management attributes the fires to methane gas emitted by the landfill site
- The landfill site does not have a weighbridge
- Surface water monitoring was not performed
- Disposal of unpermitted waste
- Presence of waste reclaimers contrary to the conditions of the permit.

51. Furthermore, mismanagement of the landfill site as a result of lack of monitoring of surface water may cause water pollution on water used by the communities and the farms that are located next to the landfill site.

52. The non-adherence to the conditions of the authorisation permit including the management of harmful gases emitted by the landfill site is likely to cause substantial harm to the environment and negatively impact the health of citizens of Bela-Bela.

53. The accounting officer was notified of the material irregularity (MI) on 9 April 2024 and invited to make a written submission on the actions taken and that will be taken to address the MI. The accounting officer responded on 17 May 2024, and the following actions have been taken to address the MI: An external audit was conducted on 14 March 2024 (report dated 10 May 2024) by a management expert to monitor compliance with legislation and the authorisation permit. Findings are consistent with those in the MI notification and management's response i.e. the landfill site was not designed hence absence of amenities such as gas monitoring, storm water drainage, no weighbridge etc. The audit also noted presence of waste reclaimers on site contrary to the requirements of the permit. The report is accompanied by an Airspace determination report dated 26 April 2024 which shows that the landfill site is about to reach maximum capacity. In terms of the report no hazardous waste (unpermitted waste) was identified on site at the time of the audit. The sites visits have been conducted on the 30

September 2025 at the old and current landfill sites. On 17 September 2025, a follow up letter was submitted to the accounting officer to provide a formal response regarding progress on actions taken to address the material irregularity and the accounting officer responded on the progress made to date as follows

- The landfill was never designed into a proper landfill site at the time therefore closure will address the potential environmental harm the site poses. The site is nearing the end of its useful life and construction of a new site is already underway. It is vital for management to honour its commitment to properly rehabilitate the site in accordance with legislation.

- The fence was repaired, and it no longer has any openings. The main gate is now the only entry point. Inspected pictures submitted with the response. We also performed a site visit on 30 September 2025 and confirmed that indeed the fence was fixed.

- Construction of a new landfill site which is at 95% on the 27 November 2025 – The contractor as appointed on 2 October 2023 at a cost of R23 681 772 for the construction of a new landfill site for Bela Bela Local Municipality. The project is a multi-year project budgeted over two financial years i.e. 2023-24 and 2024-25.

- Key specifications of the new landfill site are as follows:
  - Construction of new landfill site (Cell no 1)
  - Construction of 1KM external access road and internal access roads
  - Construction of administration buildings
  - Recycling yard
  - Composting area
  - Weigh bridge and computer facility construction along site entrance
  - Security gates and guard facilities
  - Concrete palisade fencing
  - Stormwater drains
  - Leachate collection dam
  - Electrification of the site

- The target completion date was 25 September 2025. It is expected that the project should be completed by end of 13 March 2026.

- It is expected that the new contract will improve operations on the site especially because of lessons gained from the audit which were factored in the SLA. This will help minimise possible environmental harm while the closure process unfolds, and the new landfill site is commissioned

- The municipality appointed a service provider to conduct an external landfill site audit in March 2024 to determine remaining airspace, landfill closure (including cost), rehabilitation and end-use with an intention to prepare for the closure and rehabilitation of the landfill site to remedy any negative environmental impact the current landfill is posing. Final closure report from the service provider for the old landfill sites and evidence of the several administrative processes (legislative) which were undertaken prior to the actual closure. External audit report for 2024-25 indicates that the landfill site is left with an air space of 2 years.

- In addition to the landfill audit, the service provider compiled a preliminary closure report and end use plan. The report includes current status of the landfill site, specifications for end use and closure. The report makes the following conclusions:
  - The recommended end use is the "No Use" option once the site has been fully remediated or rehabilitated
  - Further site investigations must be undertaken, and these must then become part and parcel of the closure plan and end use plan. Such investigations include Ecological risk assessment of the site and any other potentially hazardous waste that may have been dumped off at the site. This must by an Environmental Toxicologist and Pollution expert and analysis, and the Toxicity Characteristic Leaching Procedure (TCLP) must be done by a competent and accredited laboratory. This process must be similar to the procedure for delisting of hazardous waste as per the Minimum Requirements for Handling, Classification and Disposal of Hazardous Waste
  - The site must be surveyed, and cross-sections layouts must be developed and submitted to aid the design of the site
  - The final shaping and capping of the landfill should be carried out as per the closure design
  - Ongoing monitoring of the groundwater should continue according to the requirements and recommendations stipulated in this report
  - The site should be fenced off to prevent unauthorised access and further dumping
  - The site should be subject to ongoing inspection and maintenance as stipulated in this report
- The gaps at the landfill site fence have been repaired to improve access control. Vehicles are searched at the gate and details of the driver, and the vehicles are recorded prior to disposal of waste. This is done to avoid non-permitted waste disposal.
- Spotters are on site on a daily basis to monitor type of waste disposed. In unpermitted waste is spotted disposed from vehicles, a fine is imposed immediately.
- To ensure that own waste collection trucks don't bring unpermitted waste to the landfill site (current site), general workers check and verify the type of waste in the bins prior to loading into the truck. An infringement notice (including a fine) is issued should unpermitted waste be found in the waste collection bin. Summary of notices issued provided including an example of an infringement notice.
- All vehicles entering the site are searched to ensure that they don't bring any unpermitted waste. Vehicle details and drivers' details are captured in access control register
- No individual was identified as responsible for the MI. The current landfill site was not designed and has been in existence for many years. No steps were taken against any employee.

- Management has appointed a Divisional Manager for waste management (1 September 2023), holds a B. Tech in Environmental Health with a view of improving operations and maintenance of the landfill site and to ensure compliance with permit/license conditions.

- The landfill site is subject to weekly monitoring by the Divisional Manager: Waste Management and Cleansing. The monitoring covers various aspects of the landfill such as access control, daily compaction, covering waste etc.

- A service provider was appointed on 30 April 2024 to operate the existing landfill site for a period of 36 months to which will assist to address most of the concerns raised during the audit including gas and water monitoring and storm water management.

- The service provider responsible for operating the landfill site uses spotters to identify and remove unpermitted waste that may have passed the gate from being compacted. They control waste disposal at the working area ensuring that one vehicle at a time dispose waste and immediately check for unpermitted was that might have been stacked in other piles. These duties are conducted in the presence of the vehicle drivers.

- Water monitoring and gas monitoring will be conducted in the first quarter of 2024-25 by the new service provider appointed to operate the landfill site for the 36 months for the period 2024 - 2027.

- The municipality plans to appoint an Environmental Assessment Practitioner to apply for the licensing, designs, basic assessment report which would be implemented in 2026/27. The draft scope of work has been compiled for further considerations by the accounting officer and municipal council.

54. The accounting officer is taking appropriate action to address the MI. The nature of the Material Irregularity is such that ample time is required from the commencement of the closure process till its finality. The landfill was never designed into a proper landfill site at the time therefore closure will address the potential environmental harm the site poses. The site is nearing the end of its useful life and construction of a new site is already underway.

55. I will continue monitoring the actions taken by the accounting officer to ensure that the implementations the actions in progress and planned actions appropriately during my next audit.

Ineffective Management of Wastewater Systems –Warmbaths Wastewater Treatment Works

56. Section 28(1) of National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) states that "Every person who causes, has caused or may cause significant pollution or degradation to the environment must take reasonable steps to prevent such pollution or degradation for occurring, continuing or recurring, or, in so far as such harm to the environment is authorised by law or cannot be avoided or stopped to, minimize and rectify the pollution or degrading of the environment."

57. Section 19(1) of the National Water Act, 1998 (Act 36 of 1998) (NWA) states that "An owner of land, a person in control of land or a person who occupies or uses the land on which - (a) any

activity or process is or was performed or undertaken; or (b) any other situation exists, which causes, has caused or is likely to cause pollution of a water resource, must take all reasonable measures to prevent any such pollution from occurring, continuing or recurring."

58. The Warmbaths Wastewater Treatment Works (WWTW) is in a concerning state. The system is operated without authorisation by the Department of Water and Sanitation (DWS) as required by the National Water Act, 1998 (Act 36 of 1998). In terms of the green drop 2022 report, the facility attained a score of 34% (medium risk) against a certification score of at least 90%. The score was not far from the dysfunctional category (below 31%). The score represented more than a 10% decline as compared to the previous assessment. Major contributors included non-compliant effluent discharged by the system and lack of maintenance. Non-compliant effluent remained an issue during our audit for 2022-23. On our visit to the wastewater treatment plant on 26 October 2023, we noted that the area around the maturation ponds was not fenced, which could potentially harm people who come into contact with the facility. The facility is near Bela-Bela town and township. The maturation ponds are located not far from a major storm water channel that passes through the town of Bela-Bela. Any overflows on the facility (especially during heavy rain) are likely to reach the storm water channel (crossing R101), thus affecting the areas along the route of the channel including the Pienaar's river.

59. Our visit during October 2023 included a visit to the pump stations that form part of the WWTW network. We made the following observations on the 26th of October 2023 at Leseding pump station and Settlers Road pump station:

Leseding pump station

- Inadequate access control, there was an opening on the fence.
- The area around the station was untidy, there was a lot of solid waste such as tissues, plastics etc. There was no proper bin to dispose the solid waste.
- There was evidence of a significant blockage leading to overflowing of wastewater. The overflow was evident around the site.
- There were scores of cattle grazing and consuming the wastewater.
- On one of the visits (10 October 2023), a dead cow was observed. On this day there was a major blockage, the pump station was full to the rafters and overflowing.
- The pump station is in a residential area and is easily accessible by people and livestock.
- The facility is located adjacent to a storm water channel.
- Water was also observed in the channel.

Settlers pump station

- The area around the station was untidy, an open trench with refuse (foreign objects removed from the station).

- Evidence of a significant blockage leading to overflowing of wastewater.
- An overflow (wet area) was evident on the side with cattle tracks. The overflow was also evident on the road nearby residences adjacent to the station.
- The pump station is located in a residential area, and it is adjacent an industrial area.

60. Failure by the municipality to ensure that its WWTWs are conducted in accordance with applicable legislations (NEMA and NWA) threatens the environment and the wellbeing of the people of Bela-Bela and their livestock. The adverse impact of untreated/raw effluent or non-compliant effluent include contamination of ground and surface water resources causing irreversible damage to the ecosystem and humans (health and quality of life). This also applies to humans and animals coming into contact with the waste. The major economic drivers of the economy of Bela-Bela include tourism and agriculture. Bela-Bela town and township are surrounded by farmland. These sectors are reliant on water resources, especially ground water for farms. Runoff of storm water is likely to deposit non-compliant wastewater into these sectors and disrupt the economy of the area. Runoff of storm water (through storm water channels during heavy rains) along the Leseding and Settlers Road pump stations is likely to contaminate surface water such as the Pienaar's river with non-compliant effluent. Attractiveness of the town including that of being a tourist destination) is likely to be affected as well.

61. The extent of the harm could, however, not be determined with absolute certainty. The non-compliance is therefore likely to result in substantial harm to the general public if appropriate actions are not taken to address the cause of the pollution and prevent continued pollution of the water resources and/or minimise or rectify the impact of such pollution on the wider community and environment dependent on the affected water resources.

62. The accounting officer was notified of the material irregularity (MI) on 9 April 2024 and invited to make a written submission on the actions taken and that will be taken to address the MI. The accounting officer responded on 17 May 2024, and the following actions have been taken to address the MI. In the current financial year, we conducted the sites visit to the WWTW and respective pumps stations to verify and observe the progress made to date. Subsequently, management submitted additional documentation and progress report on 29 September 2025 for our consideration as follows

    - The municipality applied for a water use license and was granted the license on 31 December 2024 by the Department of Warter and Sanitation for Bela Bela Wastewater Treatment Plant.
    - A previous contractor is responsible for operating the plant (Warmbaths WWTW) using municipal personnel stationed at the plant. Primary task is to demonstrate the functionality of the equipment, ensuring that the on-site personnel gain a basic understanding of plant operations. The focus is on immediate operational support and knowledge transfer to mitigate the shortage of personnel and prevent potential damage and operational disruptions at the WWTW. The intervention is for a period of 3 months ending 19 July 2024. The intervention is done to improve the quality of the effluent. The support will serve as an interim measure till the recruitment process for controllers is finalised. Handover date was subsequently revised to 13 September 2024 to allow handover to the new Class V Operator who commenced employment on 2 September 2024.

- The Municipality did not make any new appointments of contractors for operations and maintenance following the departure of the previous contractor in May 2025. There are currently no plans to appoint new service providers in this regard. Instead, the Municipality is focusing on strengthening internal capacity to ensure efficient and sustainable process operations through its own technical teams. Only specialized services, such as pump repairs and replacements, are outsourced on a case-by-case basis where specific technical expertise is required.
- To date, there has been upgrades on the WWTW for pump's stations and effective digestors on sites to ensure smooth water treatment facilities as well as reduction of the high-volume sludge within the facilities.
- The primary driver of the non-compliant effluent is attributable to the persistent malfunctioning of the Primary Settlement Tanks, which was a significant issue in the past. These tanks were unable to perform crucial desludging process effectively. As a result, this failure severely disrupted the biological treatment phase. Consequently, partially treated sewage frequently bypassed the treatment plant, leading to non-compliant effluent being released into the ponds. The primary settlement tanks are now fully functional and an improvement in the quality of the treated effluent is expected to be realized overtime as treatment continues through the sewer ponds.
- Fencing the WWTWs maturation ponds is planned for the 2025-26 financial year and incorporated into the project for Upgrading of the Sewer Line Project due for completion in February 2026.
- The Leseding pump station is being upgraded, completed and in use. The project aims to reduce environmental risks and improve efficiency by increasing capacity, conveying sewerage from Extension 2, 4 and 5 to the Warmbaths WWTWs securely below ground level, and by automating the screening and pump systems to ensure that there is no solid waste build up, and that sewage is not exposed to the community. This will significantly improve the quality of life in the surrounding areas and mitigate the associated environmental and health risks
- The municipality appointed an Electro Mechanic Fitting and Turning in November 2023 which has led to an improvement in the turnaround time for troubleshooting on stuck pipes. Primary functions include the service, maintenance, overhauling machine components and repairing mechanical plant and equipment.
- Upgrade of the Settlers Road pump station is scheduled for the 2024-25 financial year which is planned to be completed by end of 30 November 2025. As per the technical report and the municipality spend almost R23 Million to date, site assessments and inspections were done on 29 September 2025. The objective of the project is to upgrade the capacity of the pump station to match the incoming sewage inflow rate and stormwater ingress so that spillages which may lead to pollution are avoided.
- A skip bin has been allocated to dispose of the debris/foreign objects retrieved from the sump and pumps.
- The municipality does not currently have a dedicated public education or awareness programme specifically focused on the Wastewater Treatment Works (WWTW) and its operations. However, awareness activities are done through pamphlet distribution and during the Mayoral Integrated Development Plan (IDP) roadshows. These sessions include

messages aimed at discouraging the flushing of foreign objects and improper disposal of fats and oils into the sewer system

- The municipality is performing regular repair and maintenance of sewer pipelines and Unblocking sewer blockages timeously supported by the maintenance log sheet.
- Investing in infrastructure upgrades to enhance the efficiency and reliability of the wastewater treatment processes through Water Service Infrastructure Grant (WSIG)– R55.75m (2023-24) and R74.147m (2024-25). The municipality is implementing the capital infrastructure project in the current financial year in line with the conditions of the grant and the grant has been fully utilised at year end.
- Investigate the possibility to review the organizational structure to comply with the Water Service Act (WSA), Regulation 3630 of 2023 on the compulsory national standards for Process Controllers and Water Services Works to ensure the recruitment of suitably qualified Process Controllers and to implement a full shift cycle on the works. This is also to ensure efficiency in the operations of the Water Services Works – 30 June 2024. An email enquiry was sent to CoGHSTA enquiring about amending the organizational structure. The department indicated that the structure cannot be reviewed until the end of the term for the current council unless specific triggers outlined in the Municipal Staff Regulations, Notice No 890 (Gazette No 45181 of 2021) occur. Such triggers include the redetermination of boundaries, the election of a new council, the adoption of a new 5-year IDP of the municipality or any material changes to the powers and functions of the municipality. At this stage none of these triggers are applicable and herewith are the developments from the corrective action plan
- The municipality does not have sufficient financial resources to improve the Organizational Structure to accommodate the required professionals. In the meantime, the Divisional Manager Water and Sanitation, oversee the operations of the Warmbath WWTW. Additionally, the PMU Division provides the necessary engineering support when required.
- The municipality does not have the water quality officer for 2024-25 financial year however oversight responsibilities are being supported through internal coordination between the Superintendent: Water, the Senior Process Controller and external service providers responsible for compliance sampling and laboratory testing.
- Appointment of Process Operator effective were made for the year under review.
- Appointment of term contractors (three contractors) for the repair and maintenance of pumps of motors for short circuiting SCM process and for prompt replacements in case of complete breakdowns of pumps and motors. Appointment letter is dated 15 February 2024. The contract also includes the supply, delivery and installation of new pumps, electrical motors and panels. The municipality are monitoring the performance of the service providers on regular basis.
- Notices have been issued to owners of livestock that constantly roam town and may possibly access the sewer facilities, particularly unfenced maturation ponds. Two notices (with acknowledgement of receipt) dated May 2024 provided. In terms of the notices Section 3(a) of the Animal Keeping By-Law Gazette 3416, no person may keep any livestock, other than poultry in any area defined by the Municipality as unsuitable livestock. Either a fine of R20 000 or imprisonment or both is applicable. In the current financial year, there were no incidents of livestock's consuming water from the maturity ponds, and the

municipality is conducting awareness session to the communities and enforcing security service to prevent any unauthorised usage of maturity ponds.

- The short team lease agreement has been concluded with the farmer responsible for extracting water from the maturation ponds to contribute towards the maintenance of the sewer ponds as well as effective management and utilisations of the treatment effluent from the Warmbaths WWTW. The farmer operates requires water for irrigating their animal feed crops.
- The municipality has not yet fully implemented a Supervisory Control and Data Acquisition (SCADA) system. However, the procurement process has been initiated for the installation of SCADA and associated monitoring equipment at the Wastewater Treatment Works (WWTW). Draft technical specifications have been prepared and submitted to the Bid Specification Committee (BSC) for consideration. Once approved, the tender advertisement will be issued in line with the Municipality's Supply Chain Management (SCM) Policy. The project is planned for implementation during the 2025/26 financial year
- A green drop action plan is in place. The action plan is a work in progress. The action plan was uploaded on DWS's IRIS system, and it is updated as an when the municipality uploads new information. DWS does not provide an assessment of the adequacy and correctness of the plan. DWS met with the municipality in April 2024 to prepare for the next green drop evaluation.
- The Green Drop Action Plan has been assessed in April 2025, and the report would be released by Minister in 2020. There has been significant progress on the Green Drop Action plan however, a stormwater ingression plan is required urgently to ensure sufficiency of the sewer system, this plan will be done in the 2025-26 financial year and the procurement process for the appointment of a professional service provider to develop the plan is currently underway.

63. I will continue monitoring the actions taken by the accounting officer to ensure that the implementations the actions in progress and planned actions appropriately during my next audit.

Auditor - General

Polokwane

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

Legislation	Sections or regulations
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
Annual Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(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)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

		Financial Year: 2024/2025											
							RECURRING FINDING (7)						
			Total	34					100%				
							FINDING RESOLVED	21	62%				
							IN PROGRESS	9	26%				
							NOT RESOLVED	0	0%				
							PARTLY RESOLVED	4	12%				

No	Reference	Line Item	Matter Affecting	Finding	Finding Details	Root Causes	Action Plan	Progress to date	Implementation date	Recurring Finding	Responsible Person	IA Review Comments	Resolved/not resolved and in progress
1	AAP87630-2025	Investment property	Audit Report	**COMAF 14 - Assets (Investment property / Property, plant equipment's)**	1. During the audit of investment property and property, plant and equipment's, we performed completeness procedure using Deeds Search (CAATS) to trace the assets to the municipal fixed asset register, however the asset listed in the attached annexure were not recorded in the assets register and annual financial statements. Furthermore, we noted that the municipality did not determine the	Asset Management Unit did not exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls to ensure assets of the municipality are accounted in the assets register and annual financial statements, derecognition or removal of the	Management to acquire the deeds search information in order to determine the total number of properties belonging to the municipality. Reconcile the deeds information with the asset registers. Perform the asset verification to confirm existence and rights and obligations. Update the asset registers to ensure completeness.	The consolidation of names that were previously used and is currently used to identify properties belonging to Bela Bela local municipality is completed. This will allow a smooth acquisition of the deed's information from the Deeds Office. The appointment if the service provider to be finalized by the 28th of February 2025. Management through engagement	31-Mar-26	No	DM: Assets Accountant Assets	Internal control deficiency to be investigated	PARTLY RESOLVED
2	AAP87559-2025	Internal Control Deficiencies	Management Report	**COMAF 01 of 2024 - High level review of financial statements**	**Issue 1:** Supporting schedules not submitted with the AFS **Issue 2:** Casting error identified on Statement of Changes in Net assets **Issue 3**: A councillor duplicated on related parties' schedule **Issue 4:** Differences identified between the trial balance and the annual financial statements **Issue 5:** administrative issue	The financial management team did not implement adequate controls to ensure the preparation of regular, accurate, and complete financial and performance reports that are supported and evidenced by reliable information as well as compliance with GRAP & MFMA requirements	Finding resolved during audit.	Finding resolved during audit.	Finding resolved during audit.	Yes	DM: Expenditure Acting DM: BTO	Confirmed as resolved	FINDING RESOLVED
3	AAP87559-2025	Assets Management and Supply Chain Management	Management Report	**COMAF 02 - Internal control deficiencies - Assets Management and Supply Chain Management**	1. The Supply Chain Management policy is not aligned with the requirements of the MFMA Supply Chain Management Regulations, as it sets the minimum threshold for tax compliance at R30,000 instead of the prescribed R15,000. Assets management 2. The municipality maintains its Fixed Asset	Management did not perform adequate review for SCM policy to adequately ensure it is aligned with SCM regulations and MFMA as well as ensure that the assets register its kept on the reliable system which is free from any errors or omissions.	The SCM Policy is updated with the tax requirement of R15 000 refer to paragraph 49The SCM policy will be tabled to Council for approval with the 2025/26 Adjustment Budget in February 2026	In progress	31-Mar-26	No	DM: Assets DM: SCM	Awaiting Implementation	PARTLY RESOLVED
4	AAP87570-2025	Human Resources	Management Report	**COMAF 03 - Employee Costs**	1. The municipality did not perform performance evaluations for staff members as required by MSA and PMS policy. Furthermore, we noted that municipality's performance management system does not cater for officials other than section 57 managers in the year under review.	Human Resource Department did not implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	In progress	In progress	31-Mar-26	No	SM: Corporate Services Manager: SSS	Awaiting Implementation	IN PROGRESS
5	AAP87573-2025	Taxation	Management Report	**COMAF 04 - VALUE ADDED TAX**	The VAT note disclosed in the financial statements does not include the reconciliation of the VAT amounts calculated on a cash basis as per the SARS requirement and on an accrual basis as per the GRAP requirement.The VAT disclosed in the financial statements reflects an accrual-based approach in line with Generally Recognized	Finance management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls to enable fair presentation and disclosure of VAT in the annual financial statements.	Finding resolved during audit.	Finding resolved during audit.	Finding resolved during audit.	No	DM: Assets	Confirmed as resolved	FINDING RESOLVED
6	AAP87576-2025	Internal Audit	Management Report	**COMAF 05 - Composition and Resourcing of the Internal Audit Unit (Internal Control Deficiency)**	1. The Internal Audit (IA) unit of Bela Bela Local Municipality consists of the Chief Audit Executive (CAE), Senior Internal Auditor, Chief Risk Officer (CRO), and an MPAC Researcher as per organisational structure submitted for audit. The inclusion of the CRO and MPAC Researcher within the Internal Audit structure is inconsistent with the defined mandate of Internal Audit in terms of the	Management did not ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively. The Internal Audit unit is inadequately staffed, limiting its ability to effectively evaluate and monitor risk	Review the organizational structure to ensure clearer distinction of the Internal Audit, Risk Management, and MPAC functions. Update internal governance documents (Audit Charters and Organogram)	In progress	31-Mar-26	No	Chief Audit Executive	Awaiting Implementation	IN PROGRESS
7	AAP87579-2025	Revenue	Management Report	**COMAF 06 - Unused prepaid electricity not accounted for at reporting date and in prior year.**	The municipality did not determine or account for the valuation of unused prepaid electricity as at year-end for both the current and prior financial years.The municipality sells prepaid electricity directly to customers through its own financial system and also makes use of several vendors as distribution points. This is in terms of a service level agreement with Landis GR effective from	The finance management unit did not exercise oversight responsibility regarding financial and performance reporting and related internal controls to enable fair presentation and disclosure of deferred revenue and provision (accrued income) in the annual financial statements.	Finding resolved during audit.	Finding resolved during audit.	Finding resolved during audit.	No	ACTING CFO	Confirmed as resolved	FINDING RESOLVED
8	AAP87585-2025	Commitments	Management Report	**COMAF 07 - Overstatement of the Commitment value amount as at 30 June 2025.**	the municipality did not accurately and completely record capital expenditure relating to Mafumu Consulting and Royal Mndawe Holdings for the year ended 30 June 2025. We identified that not all payments made to projects were accounted for in the commitment register resulting in incorrect	Maagement did not: •Provide oversight responsibility regarding financial and performance reporting and related internal controls to enable fair presentation and disclosure of commitments in the annual financial statements. •Implement proper recording	Finding resolved during audit.	Resolved during audit	Finding resolved during audit.	No	DM: Expenditure	Confirmed as resolved	FINDING RESOLVED
9	AAP87586-2025	AOPO	Management Report	**COMAF 08 - Audit of Predetermined Objectives (Basic Service Delivery and Infrastructure Developments)**	It was noted that cumulative indicators were incorrectly classified as non-cumulative on the Technical Indicator Description which results in misstatements of the actual achievements in the annual performance report due to the fact that the current year actual achievements incorrectly include the prior year actual achievements in the annual performance report for 2024/25	There is lack of proper review and oversight of the Technical Indicator Description (TID): The cumulative nature of indicators was not correctly identified and classified due to insufficient attention to indicator definitions during the planning of performance indicators.	In progress	In progress	31-Mar-26	No	DM: Assets	Awaiting Implementation	IN PROGRESS
10	AAP87588-2025	Rev from non-exch transactions: Fines	Management Report	**COMAF 09 - Receivables from non-exchange transactions – Traffic Fines**	**Issue 1. Difference between schedule and supporting documents.** It was noted during the audit of Gross traffic fines that there was a difference between the amount recorded in the traffic fines schedule and the amount as per the actual traffic fine notice.	The finance management unit did not adequately review the supporting schedule to ensure that the schedule accurately and validly accounts for the transactions relating to the current reporting period.	The communication of the audit finding was resolved during the audit.	Resolved during audit	Resolved during audit	Yes	Acting CFO SM: Socom	Confirmed as resolved	FINDING RESOLVED

11	AAP87620-2025	Investment property	Management Report	**COMAF 10 - Investment Property (IGRAP 18)**	**Issue No 1** 1. Assets Management: The municipality derecognised the Investment Property out of the Assets register (2024/25) without the formal approval of the council contrary to the MFMA. It was noted that the municipality derecognized certain investment properties from the asset register in the current financial	The Asset management unit did not exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls to ensure that derecognition of the investment property in implemented in line with the MFMA.	Management will ensure review of all additions in the current year to determine if they are replacing any existing asset and if there is an existing asset that is being replaced, ensure derecognition of the existing asset.	In Progress	31-Mar-26	No	DM: Assets Accountant Assets	Internal control deficiency to be investigated	PARTLY RESOLVED
12	AAP87625-2025	Investment property	Management Report	**COMAF 11 - Investment Property**	During the audit of the investment property (land) and property, plant and equipment (land), it was identified that there is land (investment property) with similar characteristics as land (property, plant and equipment) however the municipality has recognized those properties as investment	The Asset Management unit did not exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls to ensure that new investment property & property, plant and equipment's in line	Finding resolved during audit.	Finding resolved during audit.	Finding resolved during audit.	No	DM: Assets Accountant Assets	Confirmed as resolved	FINDING RESOLVED
13	AAP87626-2025	Property, plant and equipment	Management Report	**COMAF 12 - Property, plant and equipment**	1)The fixed asset register is not prepared as per the asset management framework As per the asset management framework the fixed asset register does not have details pertaining the following: >Supplier name > Manufacturer	1. The assets management team did not ensure that adequate and sufficient controls that support business processes are in place to ensure sound and credible financial and performance reporting and compliance with applicable laws and regulations as well as ensuring that	Management to ensure that all the mappings on caseware are properly reviewed and agreed to the asset registers. Separate excel disclosure notes will be prepared as part of assets working papers which will be used to agree the mapping as per the annual financial statements.	In progress	31-Mar-26	No	DM: Assets Accountant Assets	Awaiting Implementation	IN PROGRESS
14	AAP87628-2025	Property, plant and equipment	Management Report	**COMAF 13 - Property, Plant and Equipment**	1. During the assets verification of assets were observed and identified as impaired (poor condition and severely damaged) during the physical assets verification (2024/25) in line with Paragraph 23 of the GRAP 21 requirements as well as impairment methodology however management did not account for impairment in the annual financial statement resulting in material misstatement	Finance and Assets department should perform adequate review on the Property, Plant and Equipment's against the GRAP 17, 21 & 14 requirements as well as keeping records of the impairments assessments to support the assets which were subjected to impairments on basis of requirement of GRAP 21	Finding resolved during audit.	Resolved during audit	Resolved during audit	No	DM: Assets Accountant Assets	Confirmed as resolved	FINDING RESOLVED
15	AAP87632-2025	Investment property	Management Report	**COMAF 15 - Landfill Site Asset and Rehabilitation Provision: Fully Depreciated Asset, Inadequate Useful Life Reassessment**	**Issue 1: Non-disclosure of Depreciation Method and Useful Life** Under significant accounting policies (1.16 – Property, Plant and Equipment), the depreciation method and average useful life applied to the landfill site rehabilitation asset were not disclosed as required by GRAP 17.	Management did not exercise adequate oversight to ensure that the Expert Report and the Fixed Asset Register were properly reviewed and evaluated by assets management team during the preparation of the Annual Financial Statements as well	In progress	In progress	31-Mar-26	No	DM: Assets Accountant Assets	Awaiting Implementation	PARTLY RESOLVED
16	AAP87635-2025	SCM	Management Report	**COMAF 16 - Supply Chain Management**	We have noted that the municipality allocates specific goals for evaluation on a scale of 100% shareholding to less than 51% shareholding for youth, women owned, black owned and disability. The municipality allocates 5 points for 100% shareholding, 3 points for shareholding between 51% to 99%	1. The supply chain management did not implement adequate review and compliance with laws and regulation within the supply chain management to ensure that bid evaluation committee is evaluating and allocate points in line with bid specifications for	SCM Policy is updated on specific goals to include that bidders with 0% shareholding will be allocated 0 point refer to paragraph 64.SCM Policy will be tabled to council for approval in February 2026.	In progress	31-Mar-26	No	DM: SCM	Awaiting Implementation	IN PROGRESS
17	AAP87638-2025	SCM	Management Report	**COMAF 17 - Supply Chain Management**	We noted that the below mentioned supplier was awarded engineering and construction work although their membership has expired. We further noted that the supplier submitted a CIDB status depicting expiry date as 14/04/2028 whilst the one printed out by the SCM division during evaluation reflects expiry	Supply chain management and did not ensure review and monitor the compliance with MFMA, CIDB regulations and CIDB Act which are applicable to the municipality for the year under review.	Finding resolved during audit.	Resolved	Resolved during audit	No	DM: SCM	Confirmed as resolved	FINDING RESOLVED
18	AAP87639-2025	Expenditure	Management Report	**COMAF 18 - Expenditure**	Through the use of Computer-Assisted Audit Techniques (CAATS), it was identified that there are suppliers that have been paid after more than 60 days from the invoice date. The following is an extract of the suppliers that were paid after more than 60 days contrary to	•The municipality's current controls for monitoring and processing supplier payments do not appear to operate effectively to ensure compliance with the 30-day payment requirement prescribed by section 65(2)(e) of the	Finding resolved during audit.	Resolved	Resolved during audit	Yes	DM: Expenditure Accountant Creditors & VAT	Confirmed as resolved	FINDING RESOLVED
19	AAP87640-2025	Taxation	Management Report	**COMAF 19 - VALUE ADDED TAX**	During our audit of the Municipality for the financial year ending 30 June 2025, we identified that the VAT accrual and statutory VAT are not included in the notes for Payables from exchange and Receivable from exchange.	Finance management did not exercise oversight responsibility regarding financial reporting and compliance and related internal controls to enable fair presentation and disclosure of VAT in the annual financial statements. Furthermore, management did not implement SALGA recommendations to promote	Finding resolved during audit.	Resolved during audit	Resolved during audit	No	DM: Expenditure Accountant Creditors & VAT	Confirmed as resolved	FINDING RESOLVED
20	AAP87641-2025	Rev from non-exch transactions: Government grants & subsidies	Management Report	**COMAF 20 - Revenue Management**	The municipality, National Treasury, and Cigicell entered into a Service Level Agreement (SLA) for the rollout of smart meters, signed on 11 November 2024, in accordance with the Smart Meters Grant outlined in Schedule 6, Part B of the Division of Revenue Bill 2024/25, which forms part of Allocations-In-Kind to Municipalities for	The municipality incorrectly classified the Smart Meter Grant as a service in-kind instead of an indirect transfer grant. This occurred due to inadequate technical review of the signed agreement and GRAP 23 requirements.	Finding resolved during audit.	Resolved during audit	Resolved during audit	No	Acting CFO	Confirmed as resolved	FINDING RESOLVED
21	AAP87642-2025	Rev from non-exch transactions: Fines	Management Report	**COMAF 21 - Revenue from non- exchange Transactions**	It was noted during the audit of receivables from non-exchange transactions that the provision for impairment of traffic fines was incorrectly calculated. Engagement with management revealed that the error was detected after submission of the AFS and the audit file.	The finance management unit did not adequately review the traffic fines schedule to ensure that the provision for impairment of traffic fines is accurate.Prepare regular, accurate, and complete financial and performance reports that are supported and evidenced by reliable	Finding resolved during audit.	Resolved during audit	Resolved during audit	No	Acting CFO SM: Socom	Confirmed as resolved	FINDING RESOLVED
22	AAP87643-2025	Rev from non-exch transactions: Fines	Management Report	**COMAF 22 - Traffic fines not accounted for in the annual financial statements**	We noted that there were traffic fines in the fine books which were not included in the traffic fines schedule submitted for audit. Consequently, revenue from non-exchange and receivables from non-exchange transactions is understated in the annual financial statements.	The finance management unit did not adequately review the supporting schedule to ensure that the schedule accurately and validly accounts for the transactions relating to the current reporting period.Prepare regular, accurate, and complete financial and performance reports that are supported and evidenced by reliable	Audit finding was subsequently resolved during the audit adjustment.	Resolved during audit	Resolved during audit	Yes	Acting CFO SM: Socom DM: Expenditure	Confirmed as resolved	FINDING RESOLVED
23	AAP87645-2025	As per audit finding	Management Report	**COMAF 23 - Financial instruments not disclosed in accordance with GRAP 104**	**Issue 1: Inclusion of Non-Financial Instrument Items in Financial Instruments Disclosure** During the audit of financial instruments, it was noted that Note 46 in the Annual Financial Statements (AFS) discloses	1. •Finance department did not correctly apply GRAP 104, and misclassified employee related as financial instruments. •There is inadequate review, and no	Finding was subsequently resolved during the audit adjustment.	Resolved during audit	Resolved during audit	No	DM: Expenditure	Confirmed as resolved	FINDING RESOLVED

24	AAP87646-2025	Statement of comparison of budget and actual amounts	Management Report	**COMAF 24 - Statement of Comparison of Budget and Actual Amounts**	**Issue 1:** Variances incorrectly calculated **Issue 2:** The following line items did not include a budget variance explanation, despite the differences exceeding 10%, which is considered material in accordance with the accounting policy outlined in Note 1.31 of the financial statements **Issue 3:** The following differences were noted between the statement of budget and the actual Second Special Revised budget	The finance department did not implement adequate internal control measures over the preparation of the financial statements and did not exercise the required level oversight to ensure the accuracy and completeness of the financial statements.	Finding was subsequently resolved during the audit adjustment.	Resolved during audit	Resolved during audit	Yes	DM: Expenditure Acting DM: BTO	Confirmed as resolved	FINDING RESOLVED
25	AAP87647-2025	AOPO	Management Report	**COMAF 25 - Basic Service Delivery and Infrastructure Development**	During the audit of performance information, it was observed that although the municipality reported the current year's performance for all indicators, the prior-year comparative for one indicator is not aligned to the same KPI. The current year indicator relates to the construction of the Bela-Bela Municipal landfill	Lack of proper review and oversight of the Annual Performance Report: The incorrect prior year indicator description and performance was not correctly identified and due to insufficient attention to indicator performance during the reporting of	Finding was subsequently resolved during the audit adjustment.	Resolved during audit	Resolved during audit	No	SM: Technical Services	Confirmed as resolved	FINDING RESOLVED
26	AAP87648-2025	Expenditure	Management Report	**COMAF 26 - INVENTORY MANAGEMENT**	During the audit of inventory, it was noted that the amounts disclosed as "Inventories recognised as an expense" under Note 3 are (2025: R43 138 068; 2024: R26 393 163).	Inadequate review and reconciliation of inventory disclosures between Note 3 and Note 39.	Finding resolved during audit.	Resolved during audit	Resolved during audit	No	DM: SCM Chief Accountant: SCM	Confirmed as resolved	FINDING RESOLVED
27	AAP87830-2025	Rev from exch transactions: Service charges	Management Report	**COMAF 27 - Revenue - Service Charges billing not supported**	We noted that there were service charges (water, sewerage and refuse) in the billing report and general ledger were not supported and agreeing by the Meter readings (Peter Meter Report) and Valuation Roll submitted for audit, therefore we are unable to satisfy	The finance management unit did not adequately review the supporting schedule to ensure that the schedule accurately and validly accounts for the transactions relating to the current reporting period.	Finding resolved during audit.	Resolved during audit	Resolved during audit	No	Acting CFO	Confirmed as resolved	FINDING RESOLVED
28	AAP87832-2025	Contract Management	Management Report	**COMAF 28 - Contract Management**	We noted that the municipality made amendments to contracts in the current financial year in the form of variation orders and extension of time. The municipality however did not table the proposed reasons for the amendments in council meetings.	The supply chain management did not perform adequate review and monitor compliance with applicable laws and regulations for the year under review.	Finding was subsequently resolved during the audit adjustment.	Resolved during audit	Resolved during audit	No	DM: SCM DM: Expenditure	Confirmed as resolved	FINDING RESOLVED
29	AAP87833-2025	Property, plant and equipment	Management Report	**COMAF 29 - Property, plant and equipment**	During our testing of PPE, we noted that some assets have been recorded under the same asset number (Duplicates component ID) in the FAR which could result in misstatements of assets values (PPE) in the annual financial statements as well as	The assets management team did not ensure that adequate and sufficient controls that support business processes are in place to ensure sound and credible financial and performance reporting and	In progress	In progress	31-Mar-26	No	DM: Assets Accountant Assets	Awaiting Implementation	IN PROGRESS
30	AAP91293-2025	Contingent liabilities	Management Report	**COMAF 30 - Contingent liabilities and Unauthorised expenditure**	We have identified that the municipality has disclosed items in the contingent liabilities and assets which did not meet the recognition criteria as per GRAP 19. The municipality had legal cases which were confirmed as due for settlement as at year end, the municipality however incorrectly recognised the confirmed settlements as contingent liabilities.	1. The finance and legal services did not adequately perform review of litigation registers and state of cases or claims against the municipality to identify, monitor and report on the finalized or incomplete cases to support the financial information in the annual financial statement to mitigate the risk of the material misstatements. 2. Management did not prepare	Finding was subsequently resolved during the audit adjustment.	Resolved during audit	Resolved during audit	No	DM: SCM Chief Accountant: SCM	Confirmed as resolved	FINDING RESOLVED
31	AAP91548-2025	Water	Management Report	**COMAF 31 - Material water losses**	**MATTER 1** During the audit of the 2024/2025 AFS, the municipality disclosed Water Losses under note 37. Bulk Purchases as follows: •Units purchased and units sold; •Technical losses and non-technical losses •Percentage losses •A narration of the definition of the terms	Management did not implement internal control measures to ensure that the municipality applies the DWS Municipal Water Balance Guidelines when calculating water losses. There were no proper records to enable the municipality to quantify the losses into the different categories as	In progress	In progress	31-Mar-26	Yes	SM: Technical Services	Awaiting Implementation	IN PROGRESS
32	AAP91556-2025	Receivables from non-exchange transactions	Management Report	**COMAF 32 - Revenue from exchange- revenue awarded to non-qualifying indigents**	**1. Indigent Subsidy Allocated to Applicants Who Passed Away During the Financial Year** Indigent subsidies were allocated to applicants who passed away during the financial year. Computer Assisted Audit Techniques (CAATS) identified 109 such cases where the municipality continued to	Revenue management did not ensure that there are continual monitoring controls over the provision of indigent subsidies. Management did not put adequate controls in place to ensure that there is sound processes in place to verify the applicants and to subsequently	In progress	In progress	31-Mar-26	Yes	Acting CFO	Awaiting Implementation	IN PROGRESS
33	AAP91572-2025	Cash flow statement	Management Report	**COMAF 33 - Cash flow statement**	During the audit, we noted differences between the cash paid to suppliers as disclosed in the Cash Flow Statement and the auditor-recalculated amount. The variance arises from the incorrect application of fundamental cash flow preparation principles. Specifically, the Cash Flow Statement requires conversion of accrual-based balances to cash flows, and classification of cash	Inadequate application of cash flow principles resulted in the misstatements in the Cash Flow Statement. This includes reliance on accrual balances rather than actual cash movements, misclassification of capital and non-operating items, and omission of relevant adjustments such as prepayments, employee-related	Resolved during audit	Resolved during audit	Resolved during audit	No	DM: Expenditure	Confirmed as resolved	FINDING RESOLVED
34	AAP91586-2025	Trade and other payables from exchange transactions	Management Report	**COMAF 34 - Payables- Payables not recorded in the financial statements**	During our audit of the Municipality for the financial year ending 30 June 2025, we identified that the transactions paid by debit order at the beginning of July 2025 are not recorded as payables as at year end.	Finance Management did not ensure that there are proper controls in place to recognize accurate and complete provisions/Payables at the reporting date.	In progress	In progress	31-Mar-26	No	DM: Expenditure	Awaiting Implementation	IN PROGRESS

FINDING RESOLVED
IN PROGRESS
NOT RESOLVED
PARTLY RESOLVED

BELA-BELA LOCAL MUNICIPALITY APPROVED ORGANIZATIONAL STRUCTURE 2023-2028

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

MAYOR'S OFFICE ORGANOGRAM

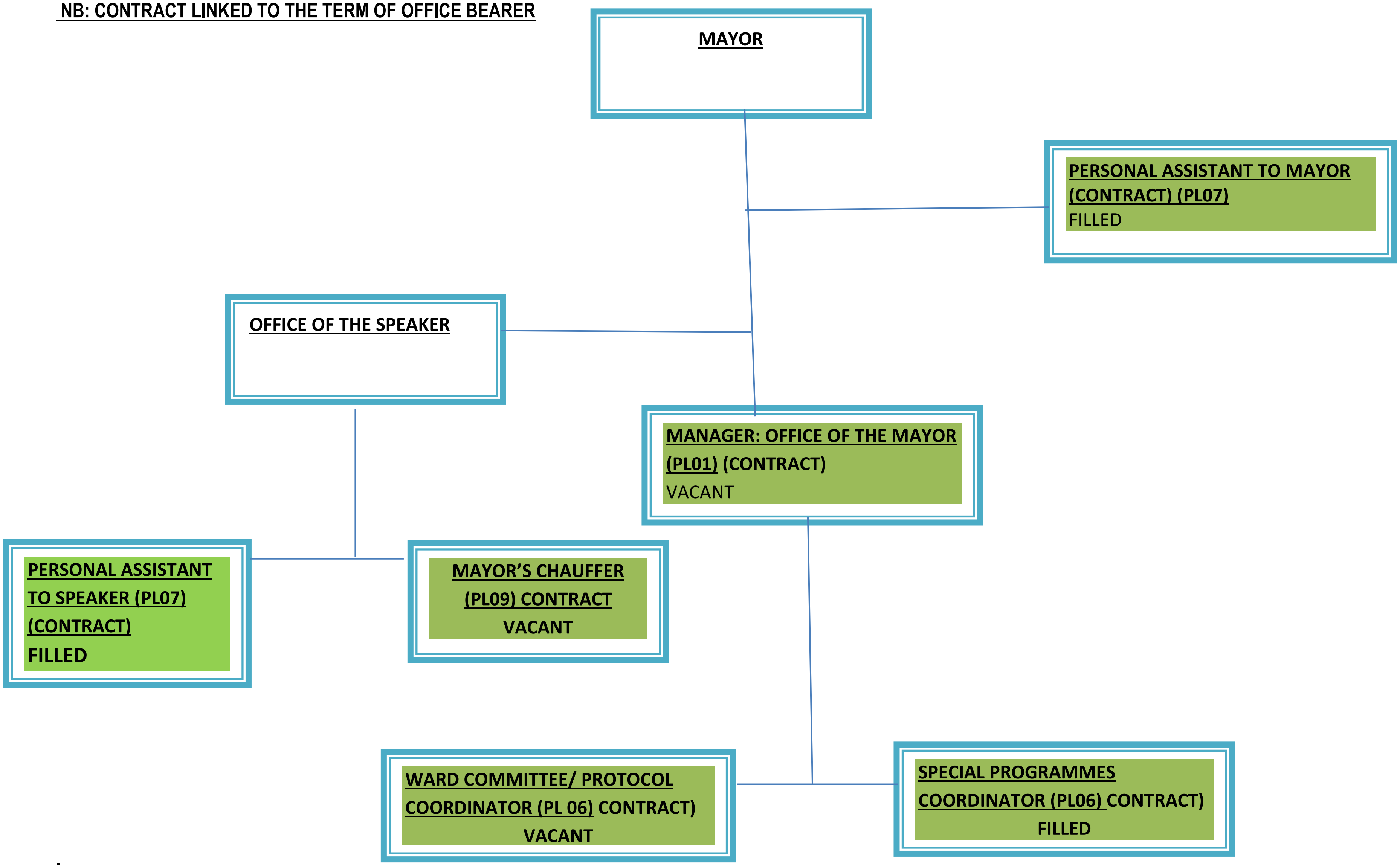
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

OFFICE OF THE MAYOR
Purpose: To provide administrative support for political office bearers to enhance provision of Municipal Services. Functions: 1. Render administrative support to the offices of political office bearers. 2. Facilitate special programmes activities for the municipality 3. Monitor and evaluate project implementation 4. Coordinate activities of the ward committees
Posts 1x Manager: Office of the Mayor 1x Personal Assistant to the Mayor 1x Personal Assistant to the Speaker 1x Ward Committee /Protocol Coordinator' 1x Special Programmes Coordinator

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

ORGANOGRAM- OFFICE OF THE MAYOR /SPEAKER

NB: CONTRACT LINKED TO THE TERM OF OFFICE BEARER



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

MUNICIPAL MANAGER'S OFFICE ORGANOGRAM

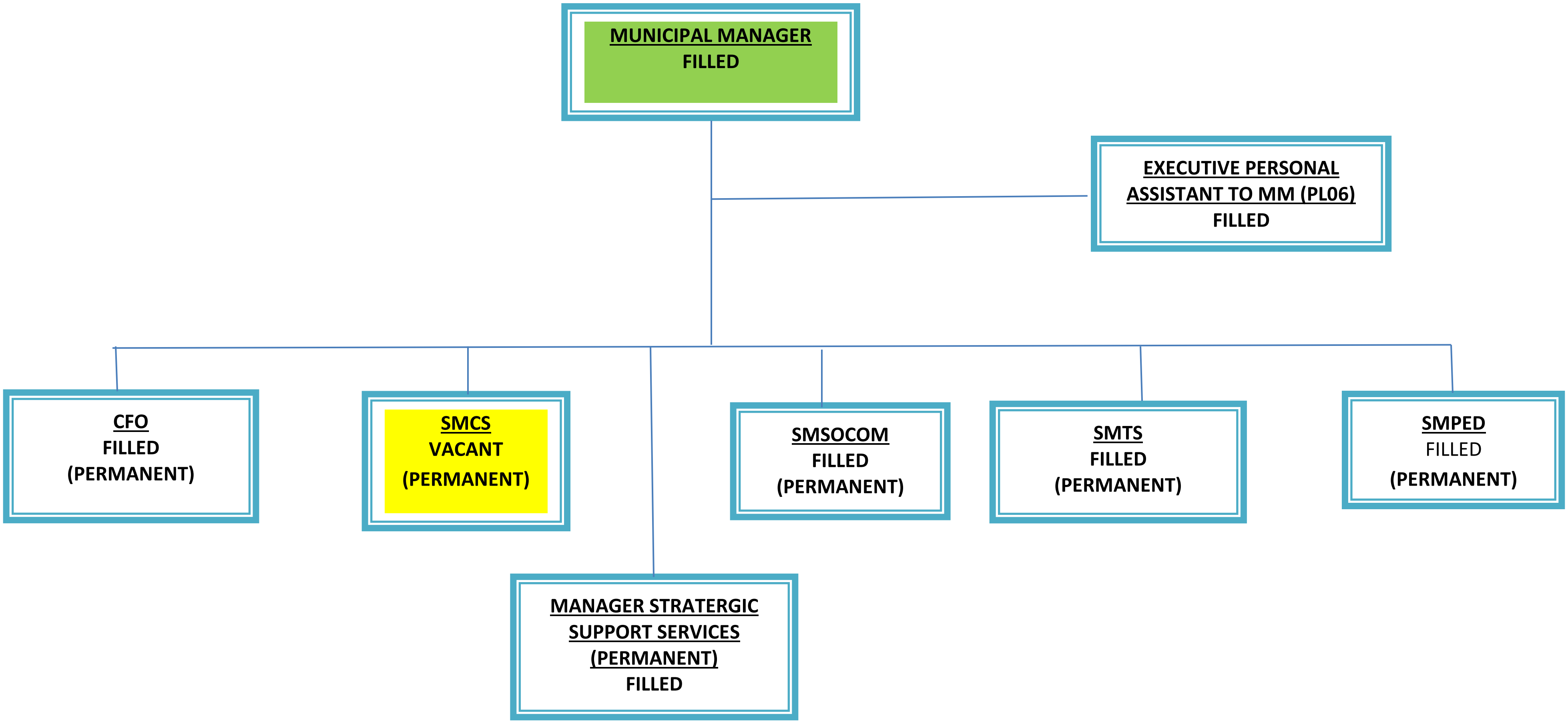
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

OFFICE OF THE MUNICIPAL MANAGER

OFFICE OF THE MUNICIPAL MANAGER
Purpose: To ensure responsible policy direction and development of economical, effective, efficient, and accountable administration Functions: 1. Maintain effective, efficient, and transparent systems of financial and risk management and internal control. 2. Maintain effective and efficient and transparent systems of internal auditing 3. Coordinate integrated development planning 4. Implement municipal performance management systems. 5. Provide strategic management of infrastructure development, municipal public works, and basic communities. 6. Provide Strategic management for community services.
Posts 1x Municipal Manager 1x Personal Assistant to the Municipal Manager 1x Manager Strategic Support Services 1x Senior Manager Technical Services 1x Senior Manager Social and Community Services 1x Senior Manager Planning and Economic Development 1x Senior Manager Corporate Services 1x Chief Financial Officer

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

ORGANOGRAM – MUNICIPAL MANAGER’S OFFICE DIVISION



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

MANAGER STRATERGIC SUPPORT SERVICES

Purpose: To o lead and manage institutional strategy and performance

Functions:

1. Manage and coordinate the development and review of the IDP.
2. Manage and coordinate organizational performance management services.
3. Manage Internal Audit services.
4. Provide strategic operational risk and compliance
5. Provide strategic support to municipal departments.

DIVISION: COMMUNICATIONS AND PUBLIC PARTICIPATION

Purpose: To manage municipal communications and render customer services

Functions:

1. Manage internal and external communications
2. Provide content for media liaison
3. Provide branding, advertising, and marketing services
4. Provide events management services
5. Coordinate and Facilitate Customer Care services to the Community
6. Coordinate public participation and stakeholder engagement
7. Render switchboard and reception services.

DIVISION: INTERGRATED DEVELOPMENT PLANNING

Purpose: To coordinate organizational Strategy and IDP

Functions:

1. Develop and implement organizational strategy.
2. Coordinate the development of IDP.
3. Coordinate review and implementation of IDP.

DIVISION: PERFOMANCE MONITORING AND EVELAUTION

Purpose: To coordinate Organizational Performance services.

Functions:

1. Develop and monitor organizational performance KPA's.
2. Align organizational KPA'sinto departmental SDBIPs.
3. Coordinate and ensure implementation of organizational performance.

DIVISION: INTERNAL AUDITING

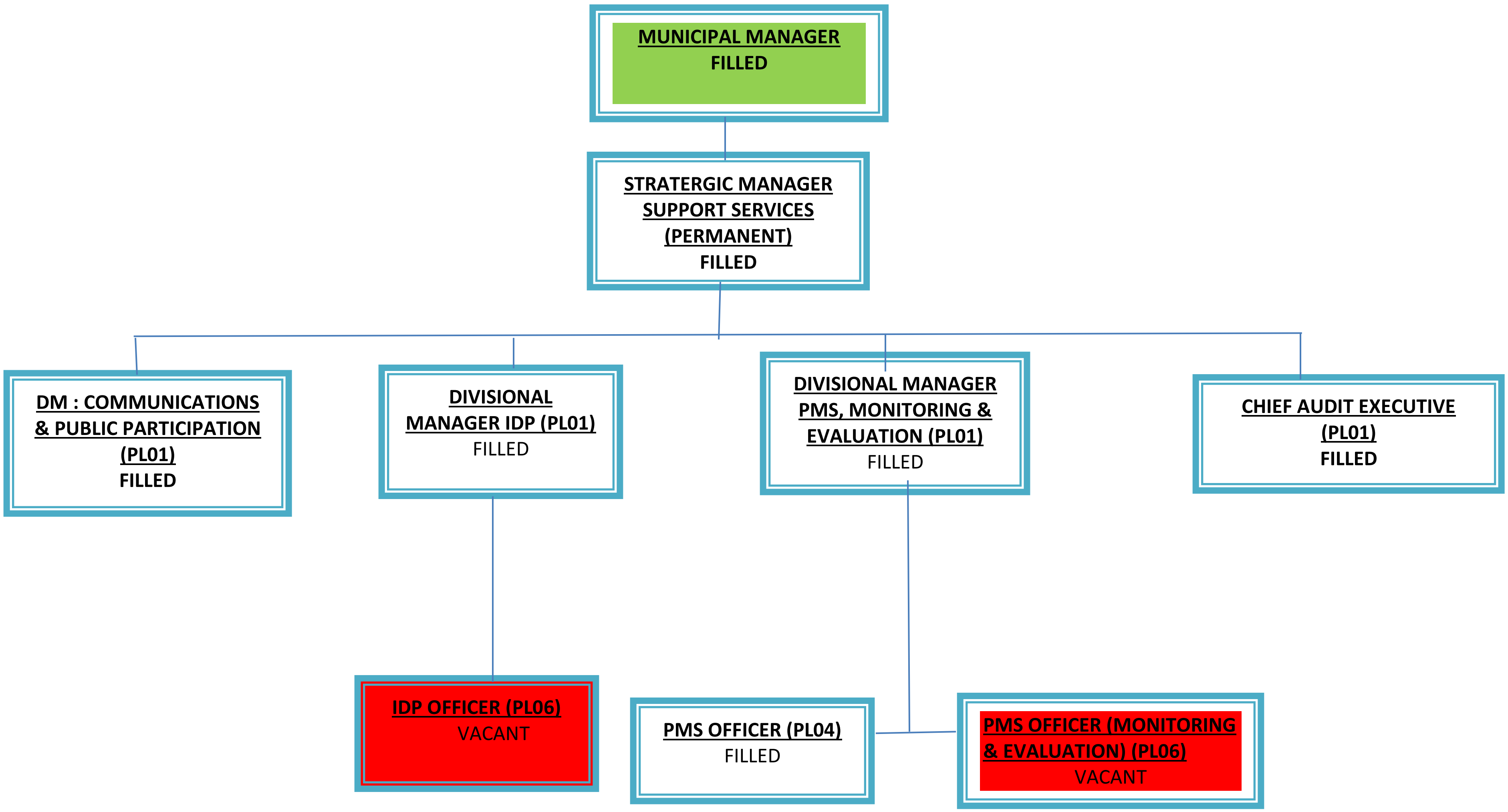
Purpose: To provide risk based internal audit and risk management services.

Functions:

1. Provide internal audit services
2. Manage the compilation of the internal audit plan.
3. Manage and oversee the implementation of the internal
4. audit plan.
5. Provide management reviews on audit.
6. Develop risk management strategy and compilation of fraud prevention plan.
7. Manage the identification of strategic and operational risks.
8. Implement Municipal Fraud Prevention Plan.
9. Provide research services.

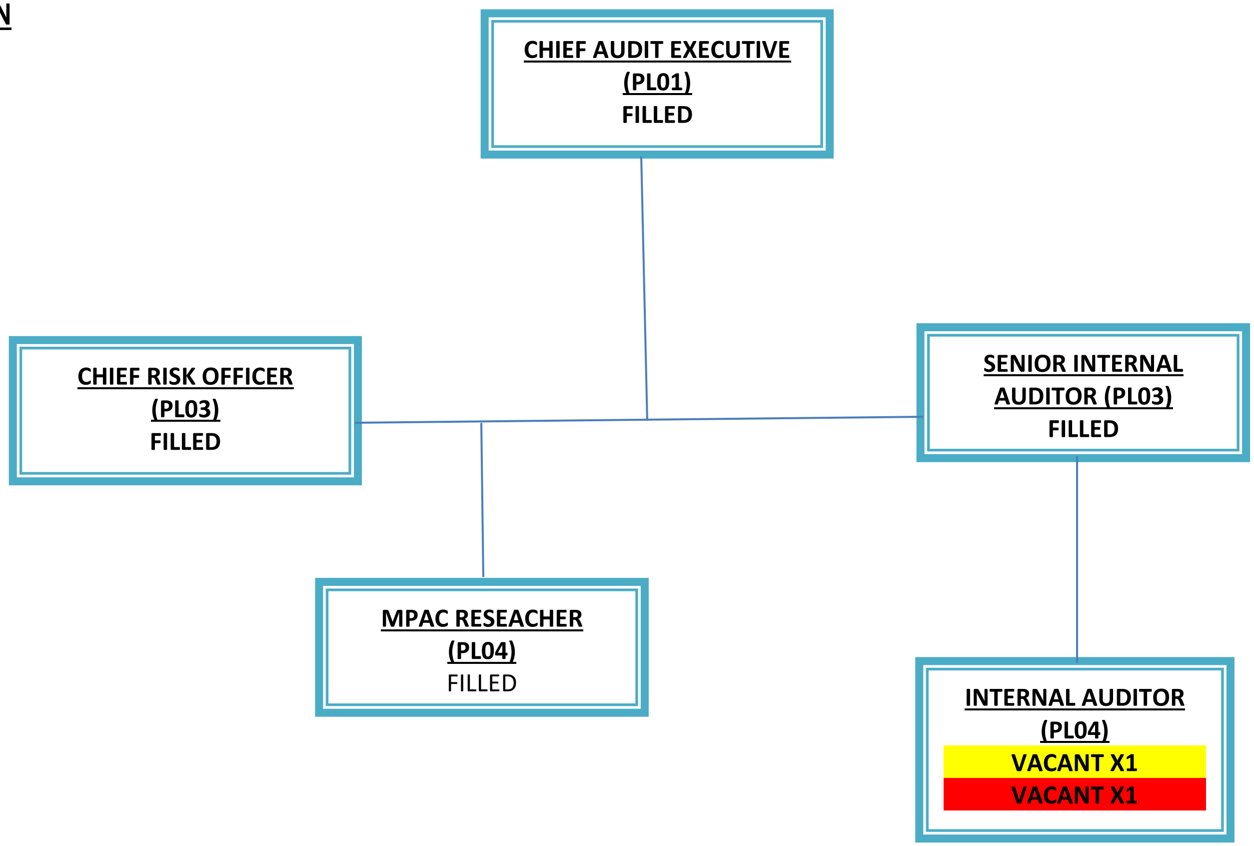
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

ORGANOGRAM – OFFICE OF THE MUNICIPAL MANAGER



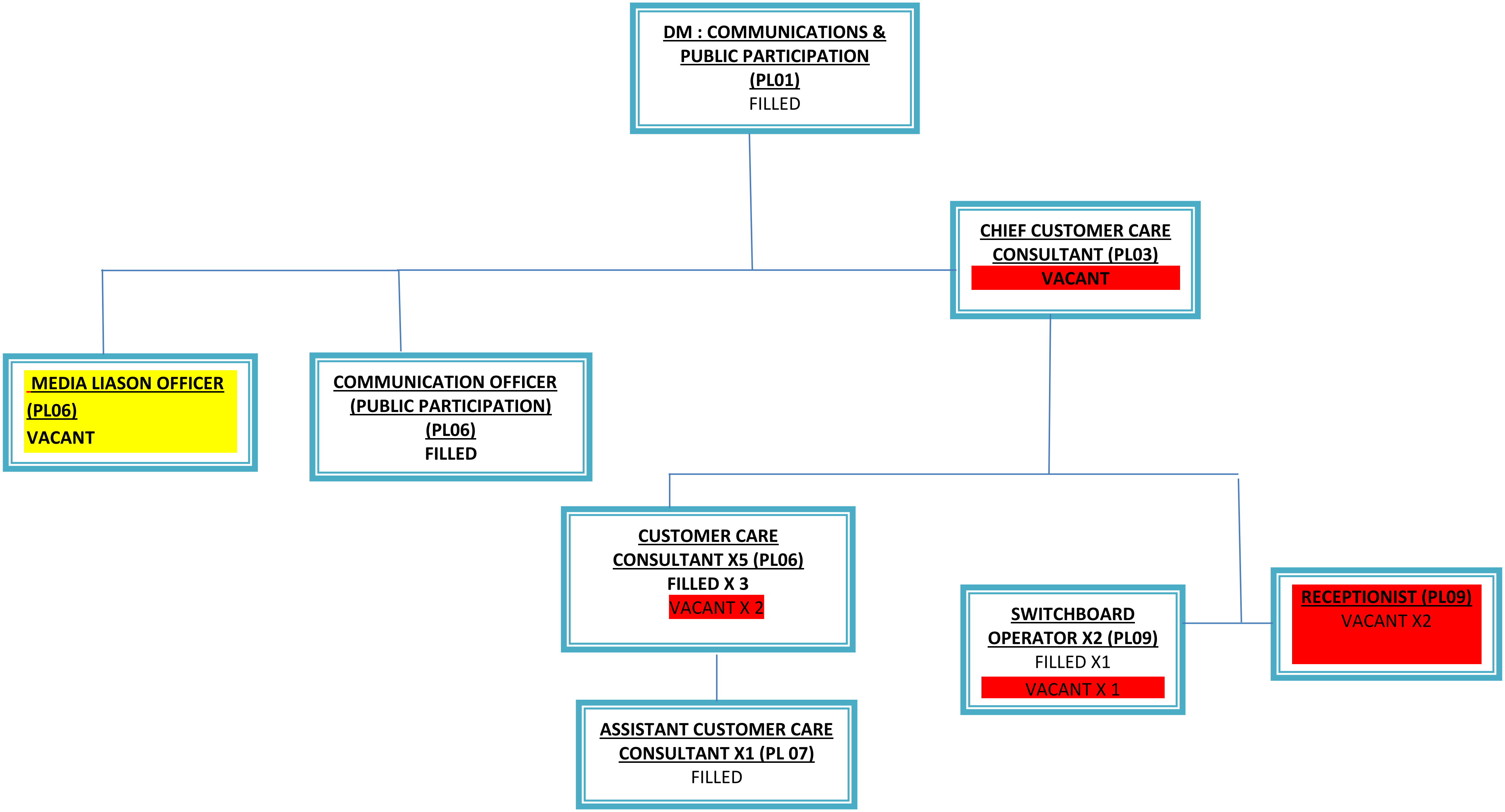
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

INTERNAL AUDIT DIVISION



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

ORGANOGRAM- COMMUNICATION DIVISION



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

TECHNICAL SERVICE'S OFFICE ORGANOGRAM

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DEPARTMENT: TECHNICAL SERVICES

Purpose: To provide strategic management for infrastructure development and basic service delivery to communities.

1. Manage and ensure acceptable water and sanitation services
2. Ensure effective electricity distribution to consumers
3. Manage the construction and maintenance of roads and stormwater infrastructure
4. Ensure effective project design, planning and management of technical projects
5. Provision of effective repairs and maintenance of municipal infrastructure

DIVISION: PROJECT MANAGEMENT UNIT

Purpose: To provide professional engineering service for infrastructure development

Functions:

1. Manage implementation of infrastructure projects of the municipality
2. Provide project coordination services for inter-governmental capital projects within municipal area.
3. Manage and coordinate the spending on the approved
4. capital budget.
5. Conduct visits and approve progress reports and
6. payment claims.
7. Oversee the handing over of completed projects to beneficiaries.

DIVISION: ROADS AND STORMWATER

Purpose: To provide effective maintenance and construction of roads and stormwater infrastructure.

Functions:

1. Ensure construction and maintenance of roads and stormwater infrastructure
2. Provide facility management services and maintenance of municipal buildings.
3. Provide quality roads and storm water systems to the communities.

DIVISION: WATER AND SANITATION

Purpose: To provide water and sanitation services to the community and ensure compliance with relevant legislations.

Functions:

1. Manage the abstraction of water from the source.
2. Manage the production of clean quality water.
3. Manage Laboratory services.
4. Manage the treatment of wastewater.
5. Manage maintenance of water and sewer networks.

DIVISION: ELECTRICAL SERVICES

Purpose: To plan, construct and maintain an integrated network system which supplies electricity to the consumers.

Functions:

1. Ensure proper construction maintenance of electrical infrastructure
2. Provide household and streetlighting services to the community.
3.

DIVISION: ENGINEERING PLANNING

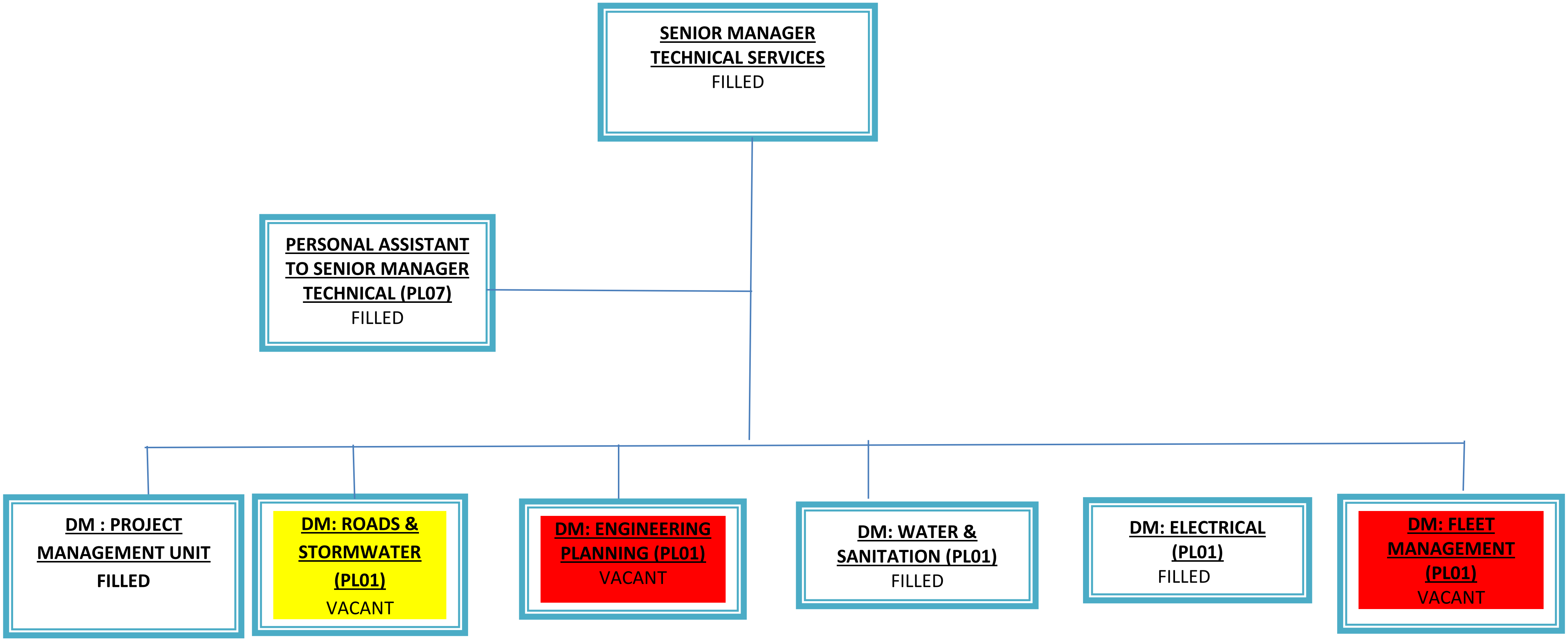
Purpose: To provide infrastructure planning and designing services to the municipality.

Functions:

1. Plan and design of municipal water, electrical and roads and stormwater related infrastructure
2. Development of water & sanitation, electricity and roads and stormwater master plan

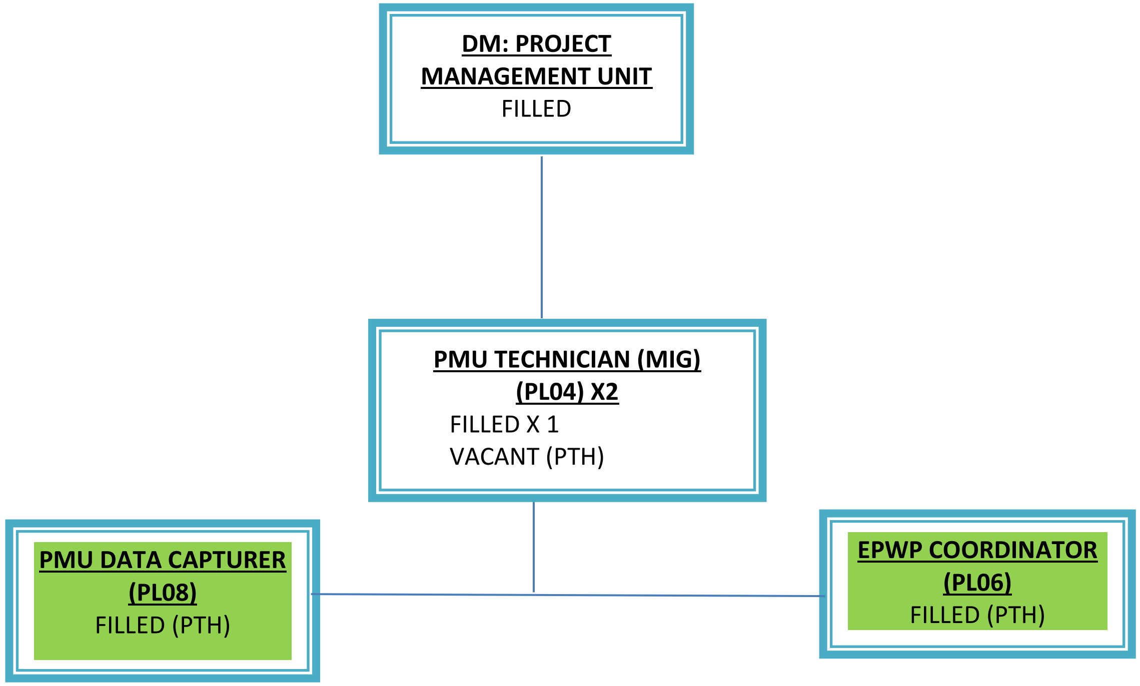
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

ORGANOGRAMS – MANAGER TECHNICAL SERVICES



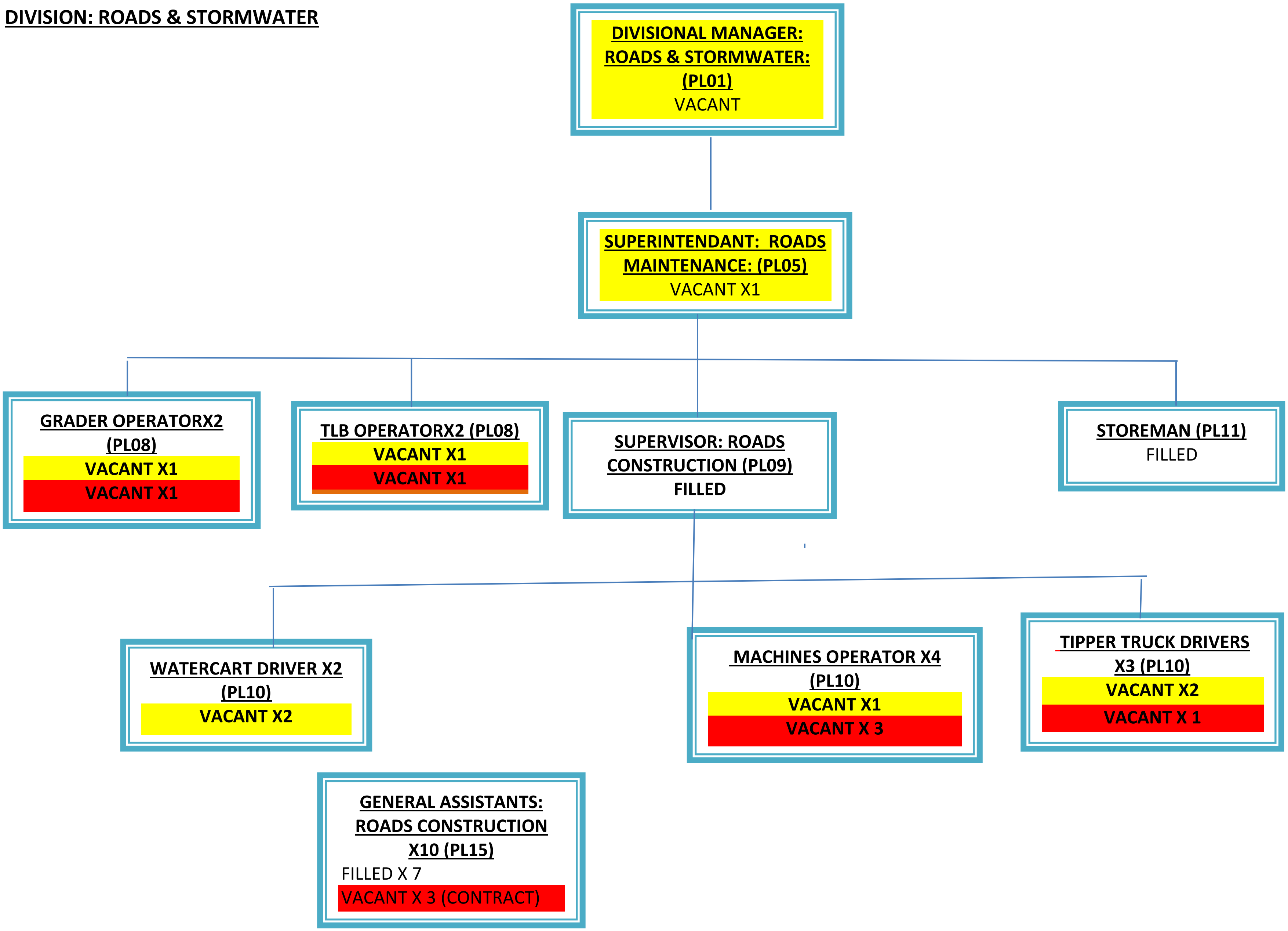
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

PROJECT MANAGEMENT UNIT



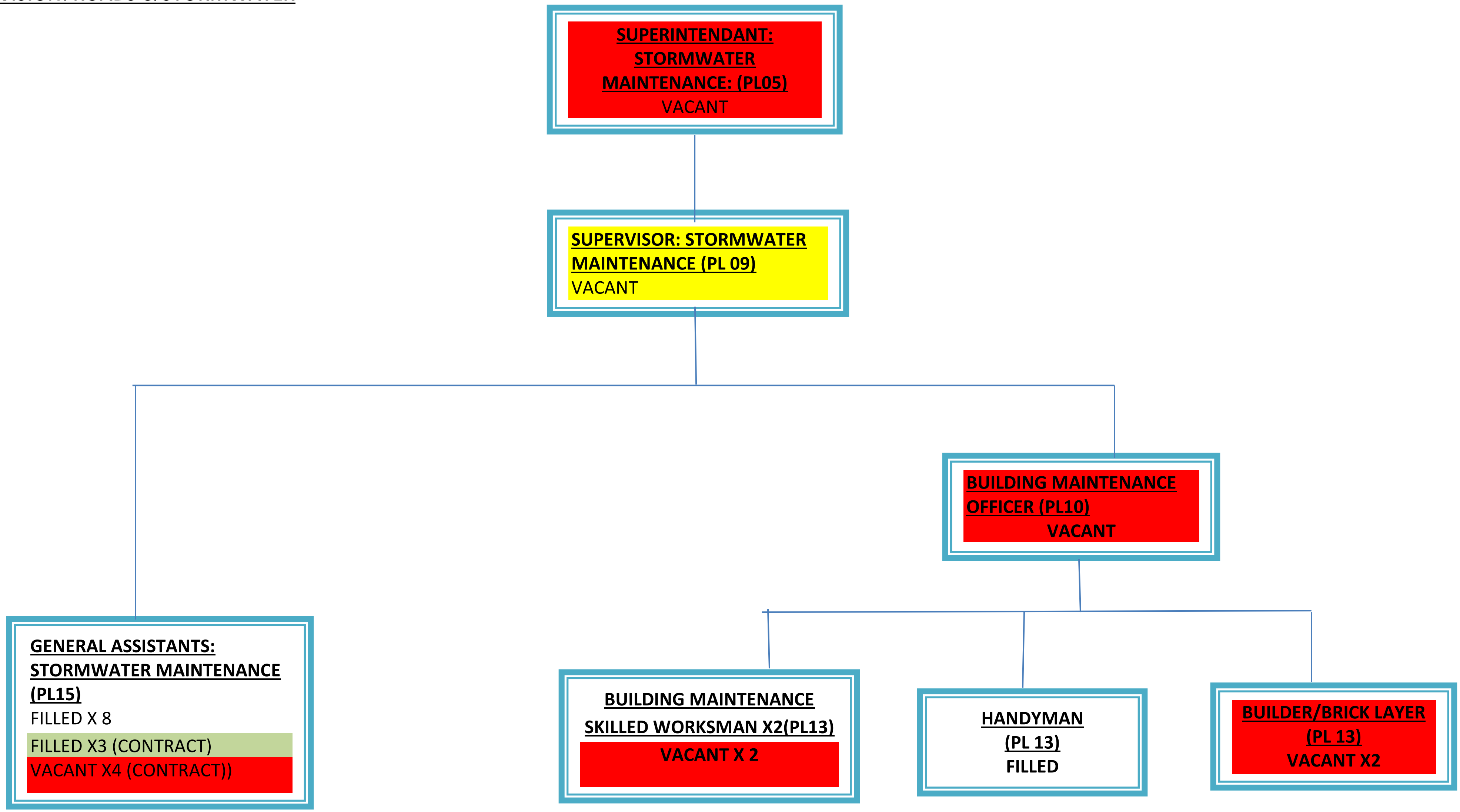
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: ROADS & STORMWATER



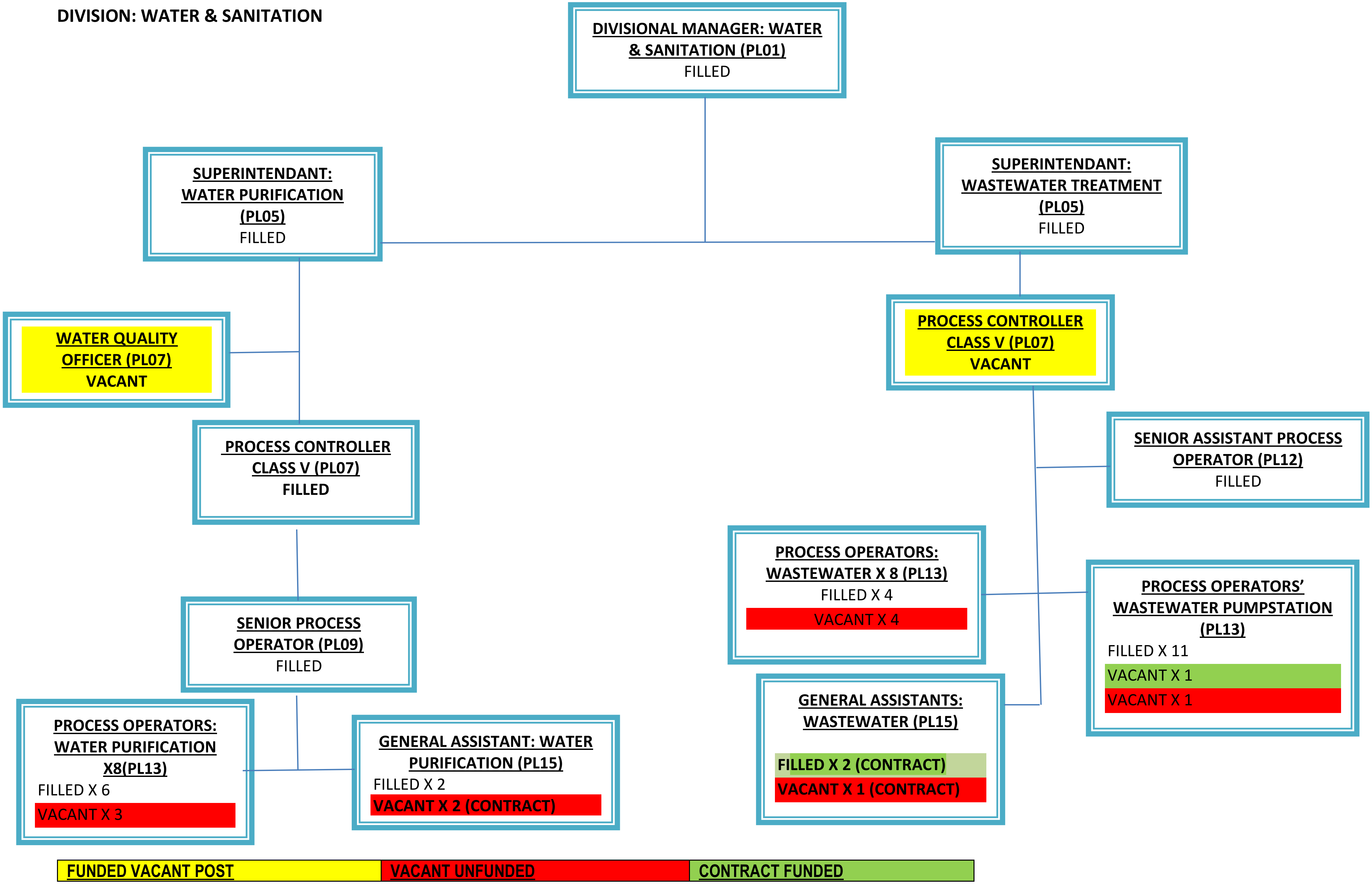
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: ROADS & STORMWATER

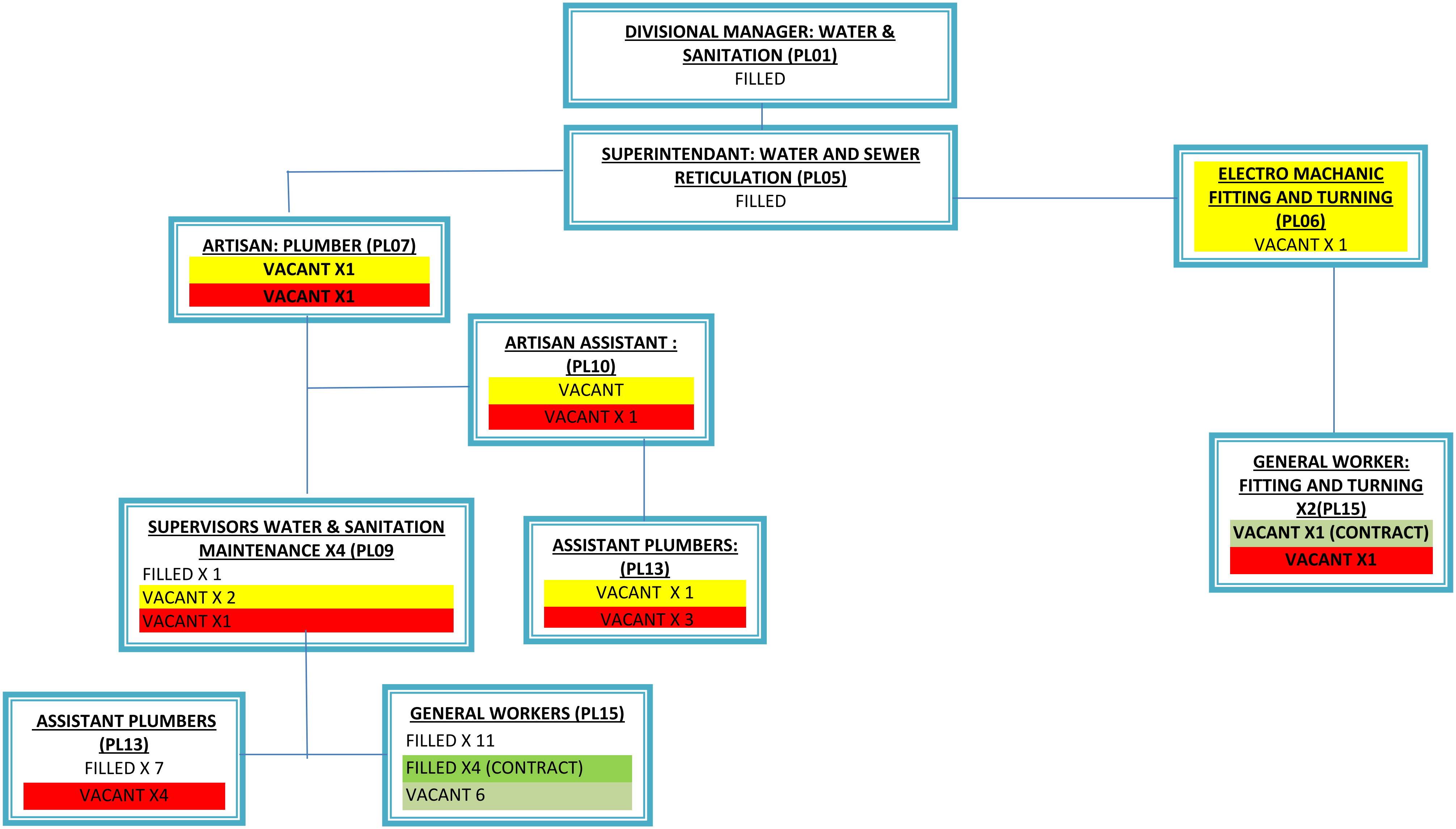


FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: WATER & SANITATION

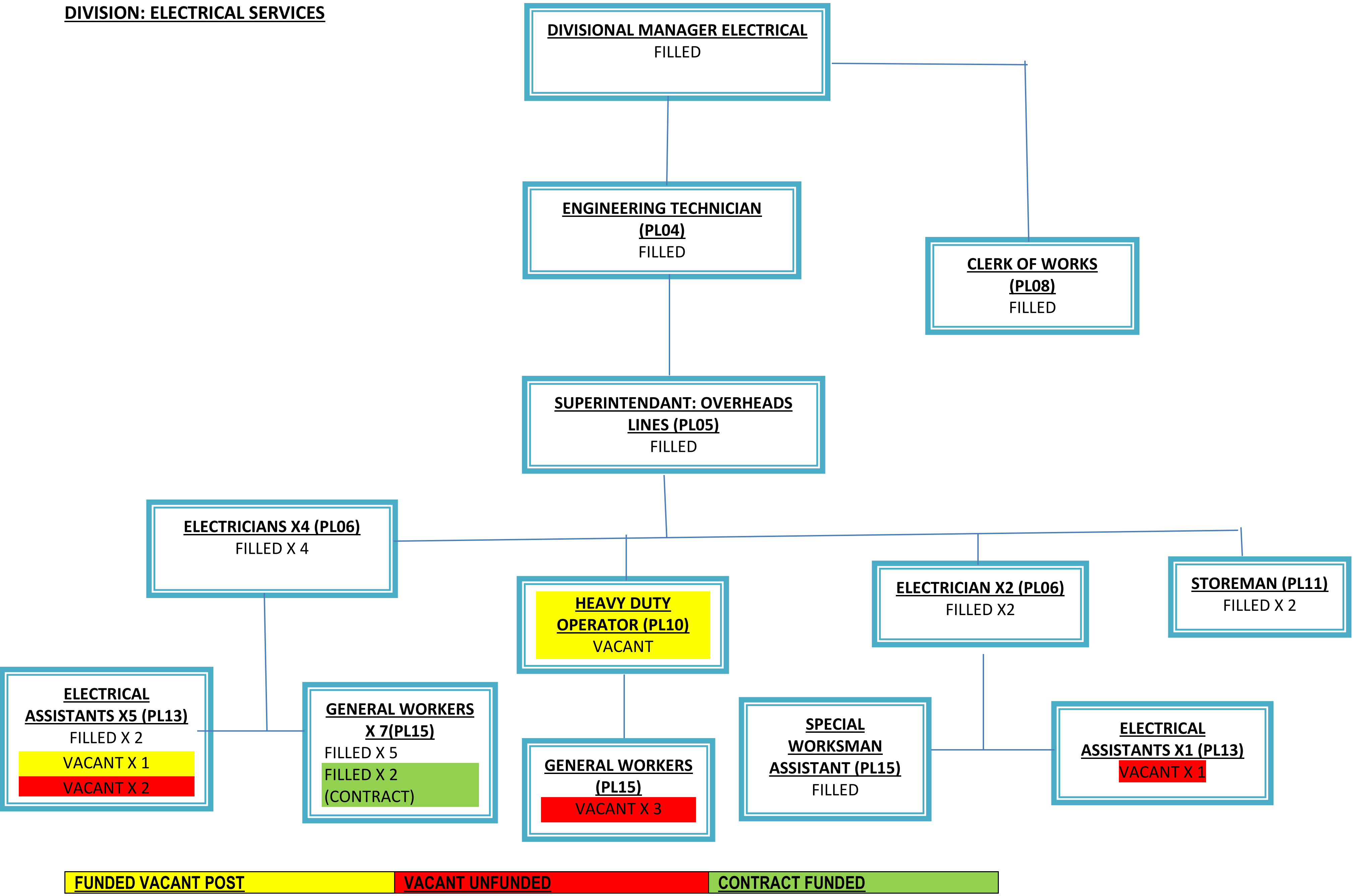


DIVISION: WATER & SANITATION (CONTINUED)



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: ELECTRICAL SERVICES



DIVISION: ELECTRICAL (CONTINUED)

ENGINEERING TECHNICIAN (PL04)
FILLED

SUPERINTENDANT: SUBSTANTIONS & CABLES (PL05)
FILLED

SENIOR CABLE JOINTER (PL05)
VACANT

ELECTRICIANS X 4 (PL06)
FILLED X 2
VACANT X2

CABLE JOINTER (PL06)
FILLED

CABLE JOINTER ASSISTANT X2 (PL13)
VACANT X 1
VACANT X1

SPECIAL WORKSMAN ASSISTANT X3 (PL15)
FILLED X 1
VACANT X 2

ELECTRICAL ASSISTANT X3 (PL13)
VACANT X1
VACANT X2

GENERAL WORKERS X8 (PL15)
FILLED X 4
FILLED X 1 (CONTRACT)
VACANT X3 (CONTRACT)

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: ELECTRICAL (CONTINUED)

ENGINEERING TECHNICIAN (PL04)
FILLED

SUPERINTENDANT STREETLIGHTS & TRAFFIC LIGHT (PL05)
VACANT

ELECTRICIAN STREETLIGHTS (PL06)
FILLED

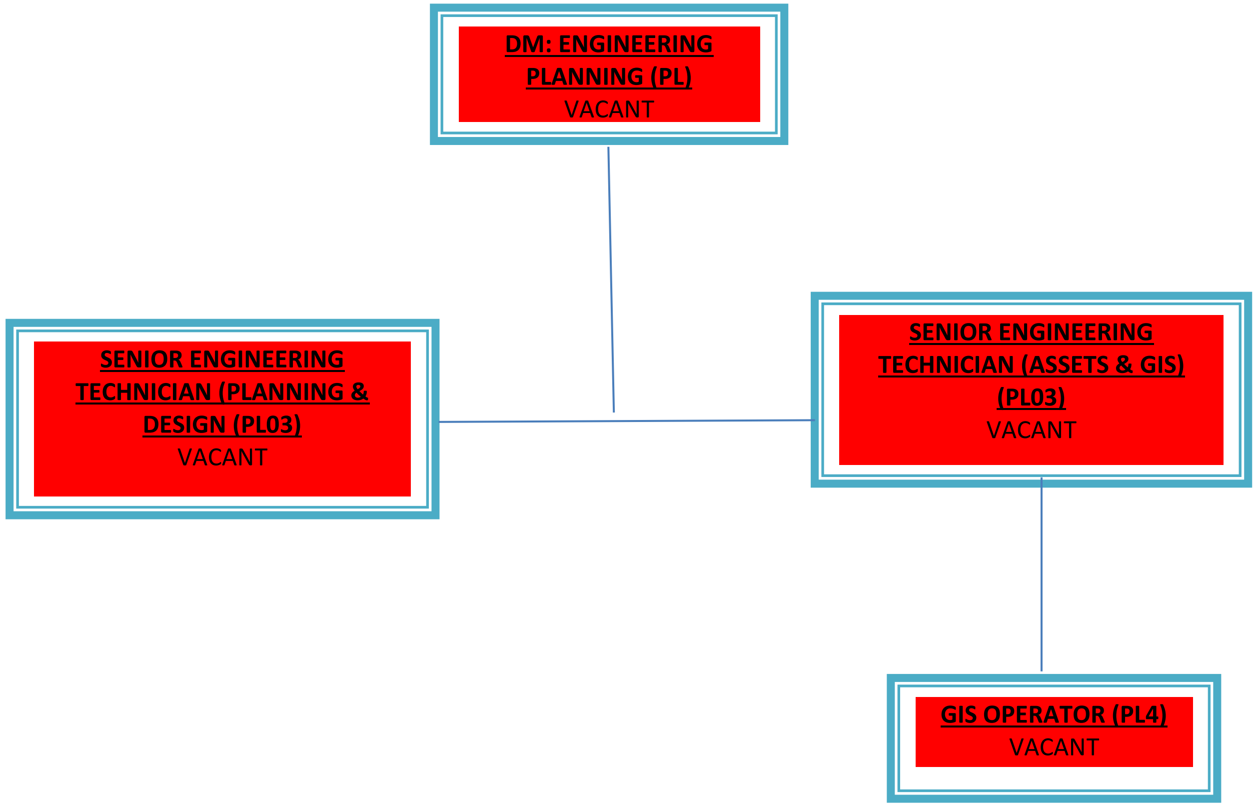
STREETLIGHTS ATTENDANTX 2 (PL10)
VACANT X 1
FILLED X1 (PTH)

STREETLIGHT ASSISTANT X2(PL13)
FILLED X 1
VACANT X 1

GENERAL WORKERS (PL15)
VACANT X 3

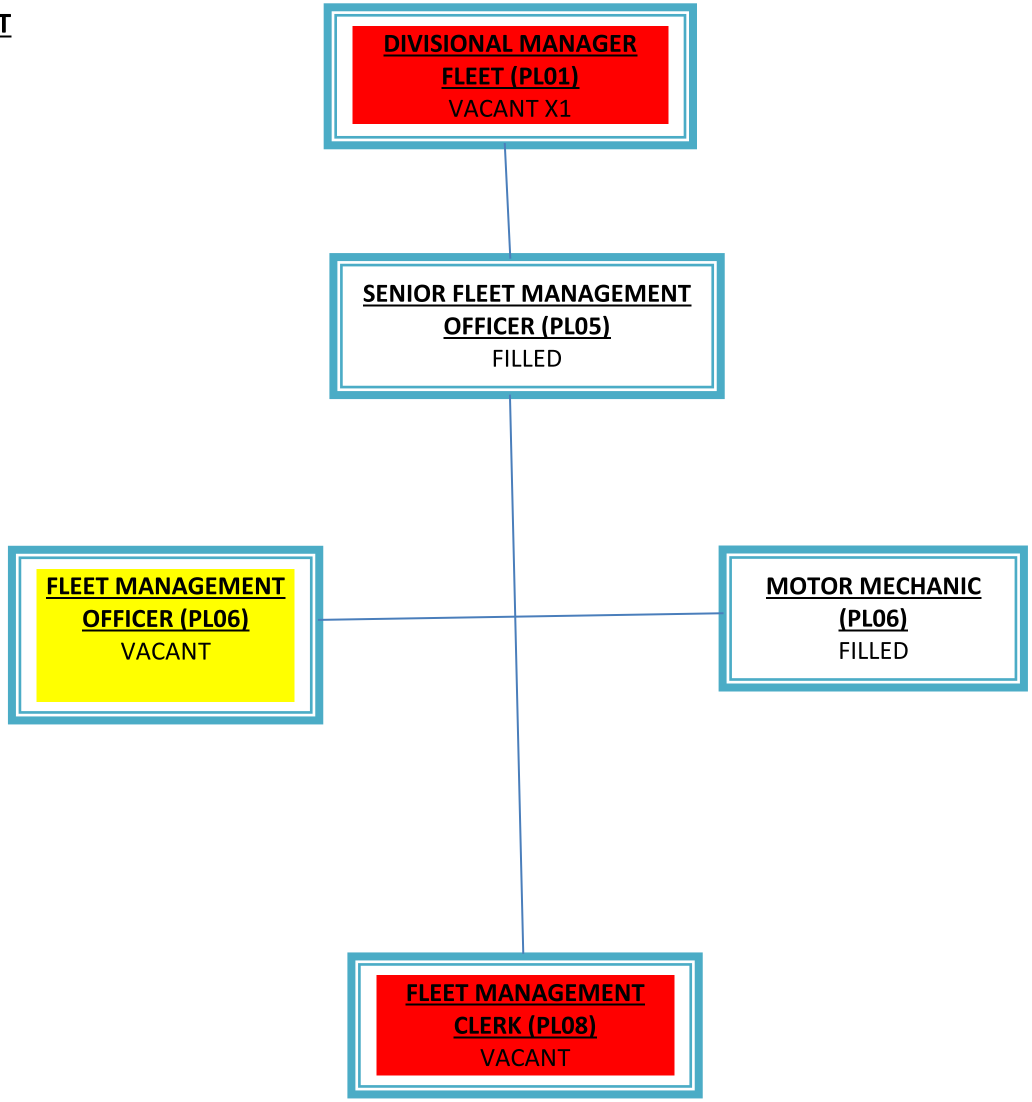
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

ENGINEERING PLANNING DIVISION



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: FLEET MANAGEMENT



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

SOCIAL & COMMUNITY SERVICES ORGANOGRAM

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DEPARTMENT: SOCIAL & COMMUNITY SERVICES

Purpose: To provide strategic management of social and community services

Functions:

1. Manage Public Safety and security management services
2. Manage Licensing and registration services.
3. Provide waste and environmental management services.
4. Provide sport arts and culture services
5. Manage and maintain Parks, Cemeteries services.

DIVISION: PARKS, CEMETERIES AND COMMUNITY FACILITIES

Purpose: To render parks, cemeteries, and recreational facilities management services.

Functions:

1. Manage and oversee Parks and Open Spaces.
2. Manage and coordinate the growing of plants and flowers.
3. Manage and oversee the cutting of grown-up grass and trees.
4. Manage the provision of cemetery services

DIVISION: SPORT, ARTS AND CULTURE

Purpose: To provide sports, recreation, arts and culture facilitation and development within the municipality.

Functions:

1.Manage the procurement, lending, and use of library material.

2.Manage user education and promote reading.

3.Provide support in the establishment of new libraries.

4.Coordinate and support various sporting activities and sports federations.

5.Coordinates arts and culture activities

DIVISION: PUBLIC SAFETY

Purpose: To coordinate traffic law enforcement and security services to the municipality.

Functions:

1. Render traffic law enforcement operations.
2. Coordinate and oversee the issuing of the infringement notice to offenders.
3. Monitor the court outcomes regarding the infringement notice
4. Coordinate and provide security and disaster management services
5. Provide by-law enforcement services
6. Provide road safety education to citizens within municipal area.
7. Maintain road marking/signs.

DIVISION: LICENSING AND REGISTRATION

Purpose: To provide licensing and registration services.

Functions:

1. Coordinate and oversee the motor vehicle registration and licensing services.
2. Coordinate and oversee the learner and driver testing.
3. Coordinate and oversee the driver license renewal services.

DIVISION: CLEANSING AND WASTE MANAGEMENT

Purpose: To provide solid waste Management services to the Municipality.

Functions:

1. Manage and oversee the collection and transportation of solid waste.
2. Manage and oversee the treatment and disposal of solid waste.
3. Manage and oversee the recycling of solid waste.
4. Manage and coordinate the compilation of the Integrated Waste Management Plan.
5. To provide compliance monitoring and enforcement.

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

SENIOR MANAGER: SOCIAL & COMMUNITY SERVICES
FILLED

PERSONAL ASSISTANT (PL07)
VACANT

DIVISIONAL MANAGER: CLEANSING & WASTE MANAGEMENT (PL01)
FILLED

DIVISIONAL MANAGER: PUBLIC SAFETY (PL01)
VACANT

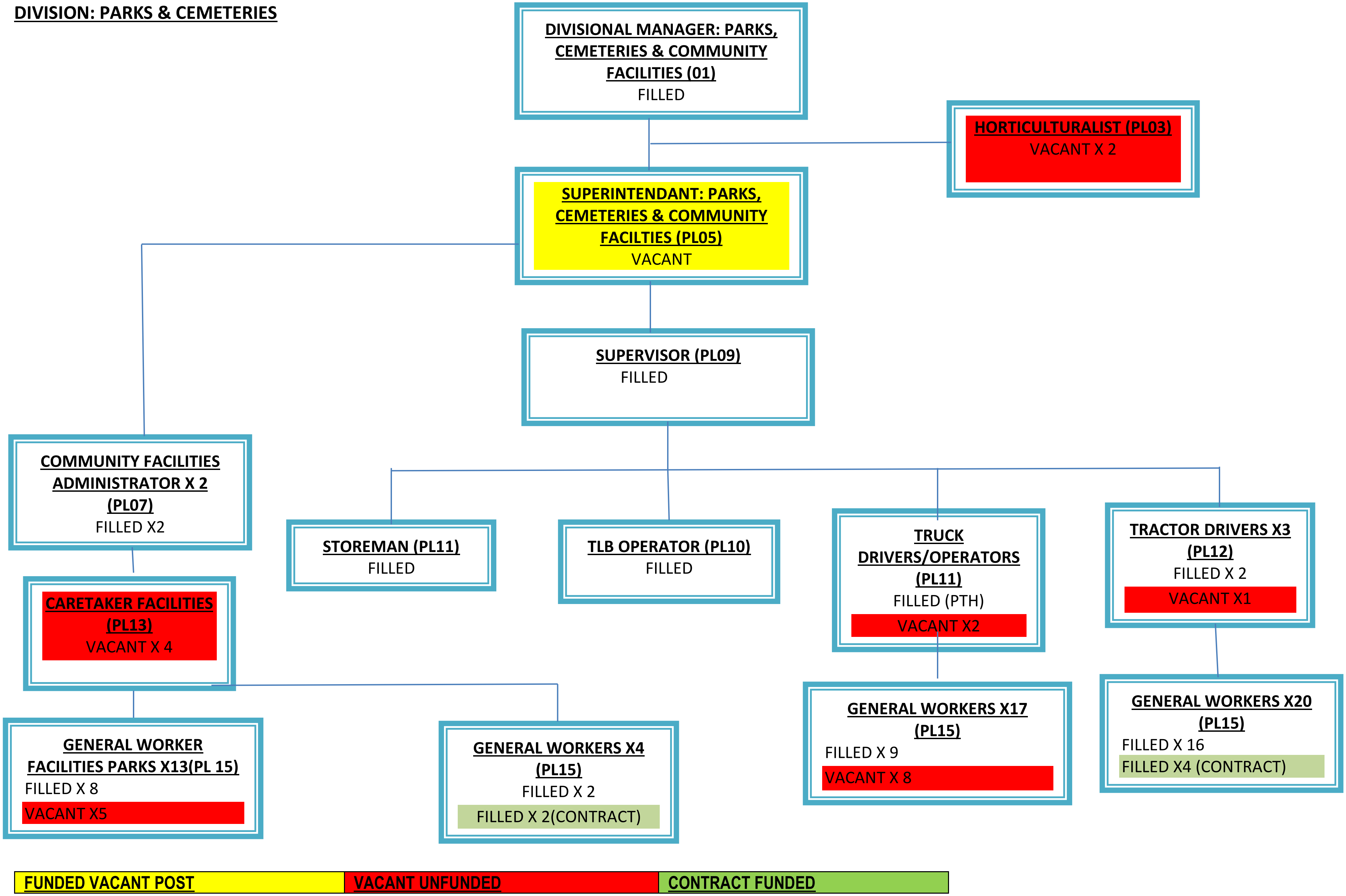
DIVISIONAL MANAGER: LICENSING & REGISTRATION (PL01)
FILLED

DIVISIONAL MANAGER: SPORTS ARTS AND CULTURE (PL01)
FILLED

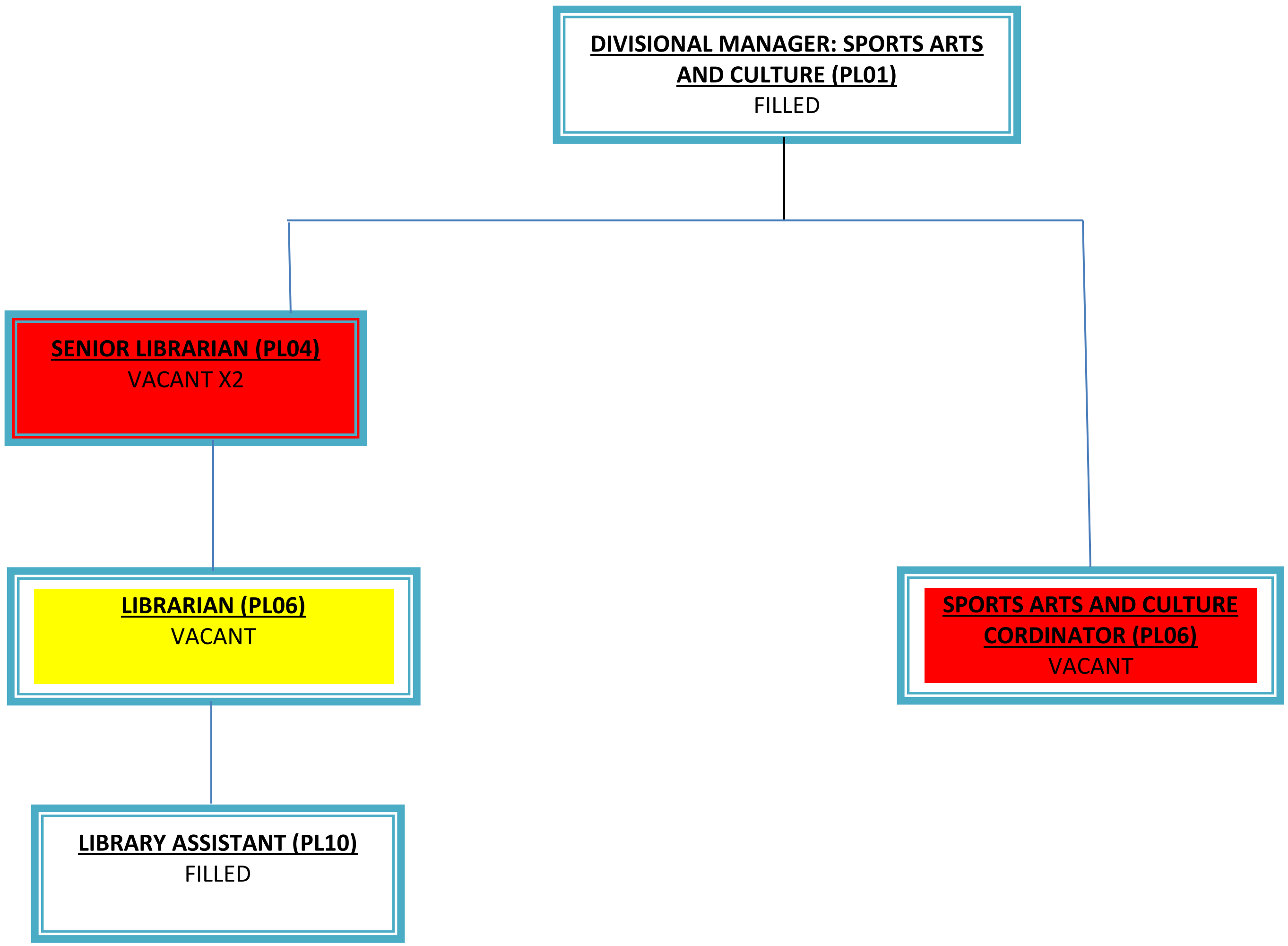
DIVISIONAL MANAGER: PARKS AND COMMUNTIY FACILITIES (PL01)
FILLED

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: PARKS & CEMETERIES



DIVISION: SPORTS ARTS AND CULTURE



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: PUBLIC SAFETY

DIVISIONAL MANAGER: PUBLIC SAFETY (PL01)
VACANT

SENIOR SUPERINTENDANT TRAFFIC LAW ENFORCEMENT: (PL03)
FILLED

ASSISTANT SUPERINTENDANT TRAFFIC LAW ENFORCEMENT (PL06)
FILLED

SUPERINTENDANT TRAFFIC (PL05)
VACANT

SECURITY & DISASTER MANAGEMENT OFFICER (PL05)
FILLED

TRAFFIC OFFICER GRADE 1 X5 (PL07)
FILLED X1
VACANT X4

TRAFFIC SIGNS CONTROLLER (PL10)
FILLED X 2

SENIOR PROCESSING CLERK (PL06)
VACANT

PROCESS CLERK (PL08)
FILLED

TRAFFIC OFFICER GRADE 3 X 14 (PL09)
FILLED X 11
VACANT X 3

BY- LAW ENFORCEMENT OFFICER GRADE 3 X3 (PL09)
VACANT X 3

GENERAL WORKERS TRAFFIC SIGNS AND ROAD MARKINGS X9 (PL15)
FILLED X 4
VACANT X1 (CONTRACT)
VACANT X 4 (CONTRACT)

ASSISTANT PROCESS CLERK X 3 (PL09)
FILLED x3

FUNDED VACANT POST	**VACANT UNFUNDED**	**CONTRACT FUNDED**

DIVISION: LICENSING & REGISTRATION

DIVISIONAL MANAGER LICENSING & REGISTRATION (PL01)
FILLED

MANAGEMENT REPRESENTATIVE DLTC & VTS X2 (PL05)
FILLED
VACANT X1

EXAMINER VTS X 2 (PL07)
VACANT X 2

PITT ASSISTANT (PL15)
VACANT X1

SENIOR LICENCING OFFICER (PL06)
FILLED

SENIOR CLERICAL ASSISTANT (PL08)
FILLED X 2

CLERICAL ASSISTANT X 4 (PL09)
FILLED X 4

ASSISTANT SUPERINTENDANT EXAMINERS (PL06)
FILLED

EXAMINERS DLTC X2(PL07)
VACANT X 1
VACANT X 1

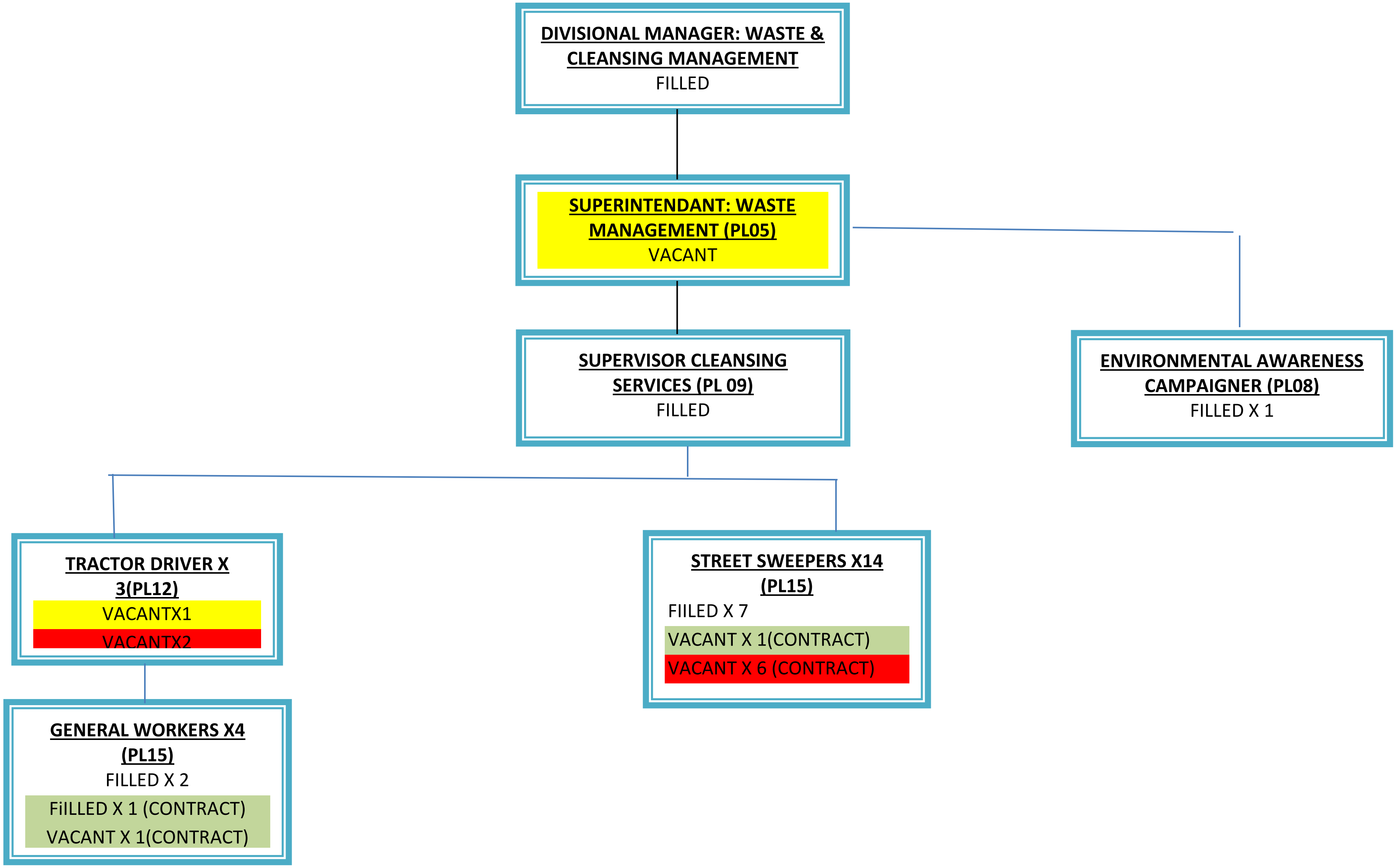
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: CLEANISING & WASTE MANAGEMENT

- **DIVISIONAL MANAGER: CLEANSING & WASTE MANAGEMENT (PL01)**
  FILLED
  - **SUPERINTENDANT: WASTE MANAGEMENT (PL05)**
    VACANT
    - **SUPERVISOR: WASTE MANAGEMENT (PL09)**
      VACANT
      - **WORKSHOP ASSISTANT (PL13)**
        FILLED X 1
        VACANT X1
        - **TRACTOR DRIVER X3 (PL12)**
          FILLED X1
          VACANT X1
          VACANT X1
          - **GENERAL WORKERS X18 (PL15)**
            FILLED X 14
            FILLED X 4 (CONTRACT)
      - **HEAVY DUTY TRUCK DRIVERS (PL10)**
        FILLED X 3
        VACANT X 1
        VACANT X 3
        - **GENERAL WORKERS X18 (PL15)**
          FILLED X 12
          FILLED X6 (CONTRACT)

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: CLEANSING & WASTE MANAGEMENT (CLEANSING)



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

PLANNING & ECONOMIC OFFICE ORGANOGRAM

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DEPARTMENT: PLANNING & ECONOMIC DEVELOPMENT

Purpose: To Provide Planning and Economic Development services.

Functions:

1. Manage Local Economic Development opportunities.
2. Manage coordination of Municipal Land and Human Settlements.
3. Provide Spatial Planning and Land Use Management services.
4. Manage and coordinate the collection of Geographical data.

DIVISION: LOCAL ECONOMIC DEVELOPMENT

Purpose: To manage Local Economic Development opportunities.

Functions:

1. Manage and coordinate the compilation and review of LED strategy.
2. Manage and coordinate business registration and outdoor advertising services
3. Market tourism and investment opportunities
4. Manage and coordinate trade and business licenses and outdoor advertisement
5. Provide cooperatives, SMME's and informal business development support.

DIVISION: TOWN PLANNING

Purpose: To provide spatial planning and land use management services.

Functions:

1. Develop and implement spatial and land use management framework.
2. Manage building inspections.
3. Manage provision of building plans and building control services.
4. Develop GIS plan and internal controls.
5. Implement GIS plan and internal controls.
6. Manage setting of priorities for database and application development.

DIVISION: HUMAN SETTLEMENT AND PROPERTIES

Purpose: To provide property management and housing services

Functions:

1. Coordinate the development of the housing
2. plan.
3. Coordinate the provision of housing delivery.
4. Conduct the determination of the true value of a property.
5. Render municipal owned housing administration.
6. Administer transfer of properties.

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: PLANNING & ECONOMIC DEVELOPMENT

SENIOR MANAGER PLANNING & ECONOMIC DEVELOPMENT)
FILLED

PERSONAL ASSISTANT (PL07)
FILLED

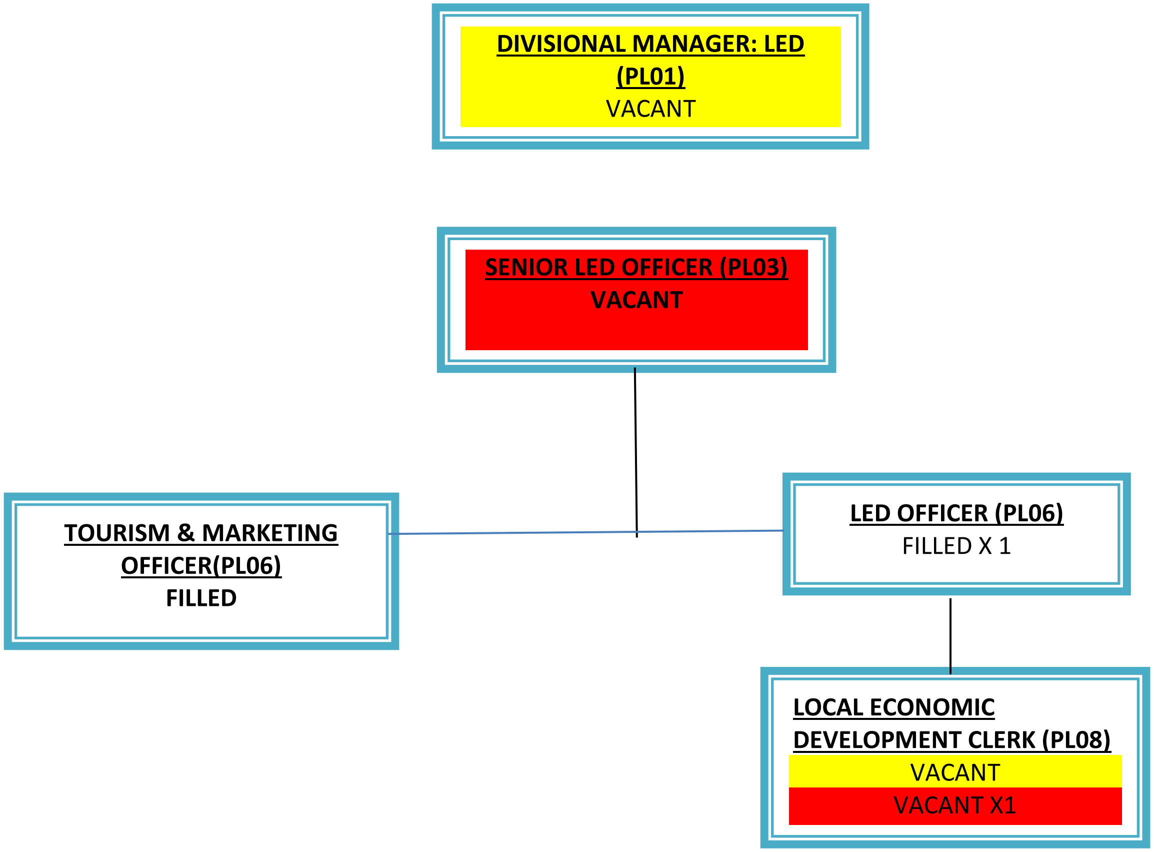
DIVISIONAL MANAGER LED (PL01)
VACANT

DIVISIONAL MANAGER HUMAN SETTLEMENT (PL01)
VACANT

DIVISIONAL MANAGER TOWN PLANNING (PL01)
FILLED

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: LOCAL ECONOMIC DEVELOPMENT



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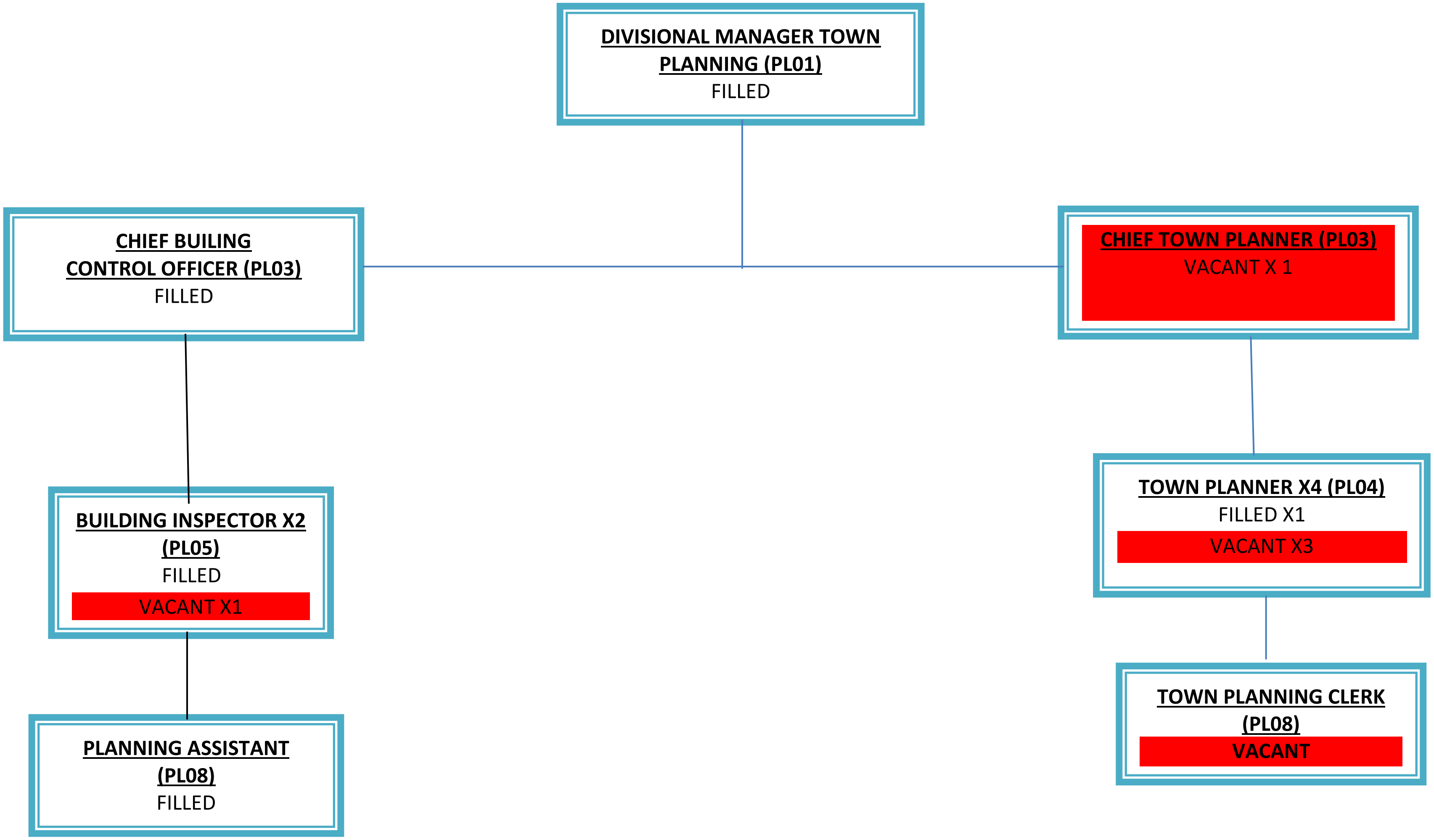
DIVISION: TOWN PLANNING



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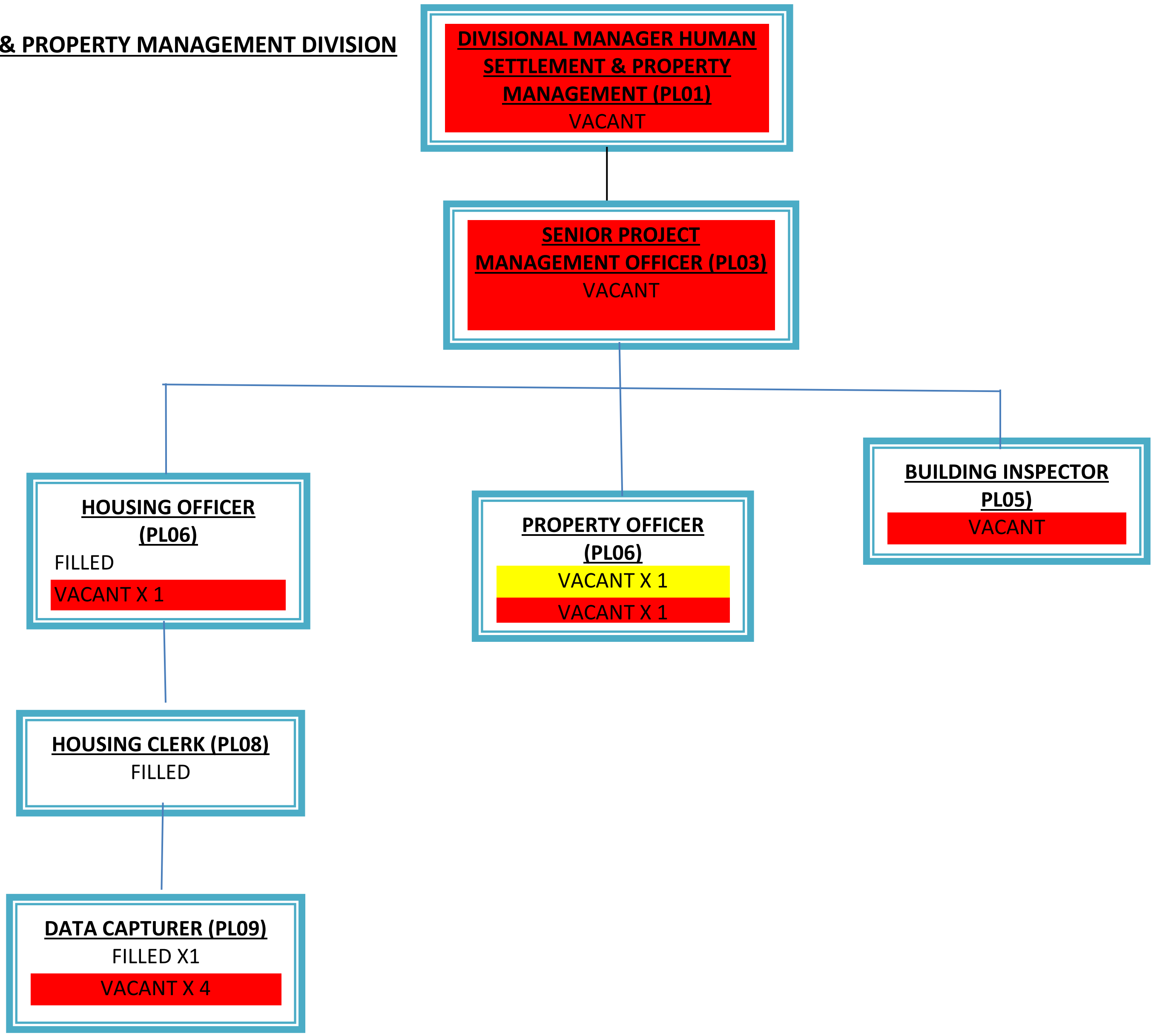
HUMAN SETTLEMENT & PROPERTY MANAGEMENT DIVISION



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

OFFICE OF CORPORATE ORGANOGRAM

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DEPARTMENT: CORPORATE SERVICES

Purpose: To provide administration and management support services.

Functions:

1. Manage human resources management services.
2. Manage council support and records management Services.
3. Manage Information and Communication Technological Services.
4. Manage training and development services of the municipality.

DIVISION: INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

Purpose: To manage the provision of information communications technology services.

Functions:

1. Manage the development of Information Technology infrastructure design and planning.
2. Manage network access and usage
3. Manage and coordinate Information Technology infrastructure support and operations.
4. Manage and oversee ICT security and governance.
5. Install and maintain ICT systems security, data integrity and information security and backup.

DIVISION: LEGAL SERVICES

Purpose: To manage the provision of legal advisory services to the Municipality.

Functions:

1. Provide sound legal advice and opinion to Council and Management.
2. Handle litigation advisory services.
3. Advice of the drafting and monitoring of service level agreements.
4. Provide advisory support on drafting of policies and by-laws.

DIVISION: COUNCIL ADMINISTRATION

Purpose: To manage Council support, records management, and auxiliary services to the municipality.

Functions:

1. Provide secretariat services to the Council and Council committees.
2. Provide Council oversight support.
3. Manage knowledge and records management services Provide messenger services
4. Coordinate cleaning and auxiliary services.

DIVISION: HUMAN RESOURCES MANAGEMENT

Purpose: To provide effective and efficient human resources support services and promote sound labour relations

Functions:

1. Conduct and review Organizational Design processes.
2. Coordinate process improvement and change management.
3. Facilitate the development and review of Job Descriptions.
4. Manage employee health and safety.
5. Manage Labour Relations services.
6. Manage Employee Health and Wellness services.
7. Coordinate the implementation of human resource strategy and plan.
8. Provide Human Resource Administration.
9. Provide Recruitment, and Selection services.

DIVISION: HUMAN RESOURCES DEVELOPMENT

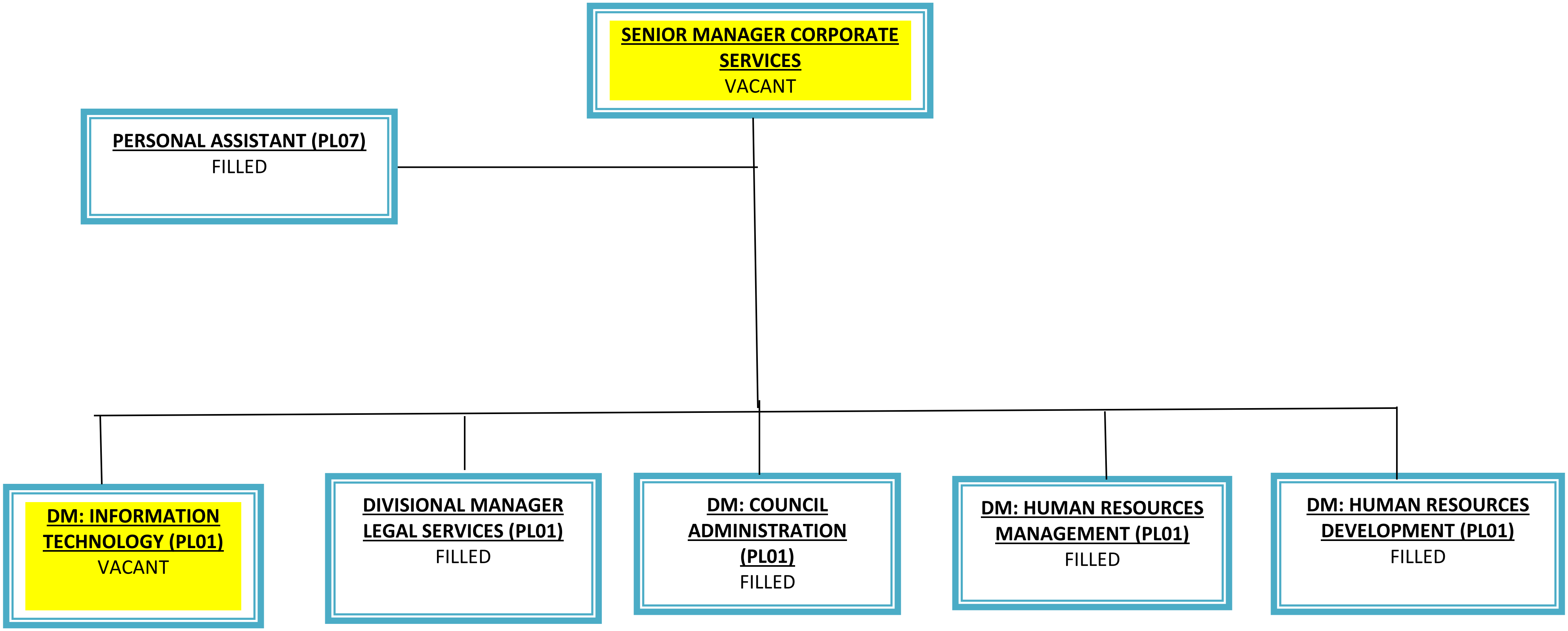
Purpose: To provide

Functions:

1. Manage Training and Skills Development
2. Provide Employment Equity services
3. Facilitate and coordinate internship, learnership, apprenticeship and Adult Education Training.
4. Develop individual performance management framework plan.
5. Facilitate the development of performance agreement plan.
6. Coordinate the implementation of performance assessment

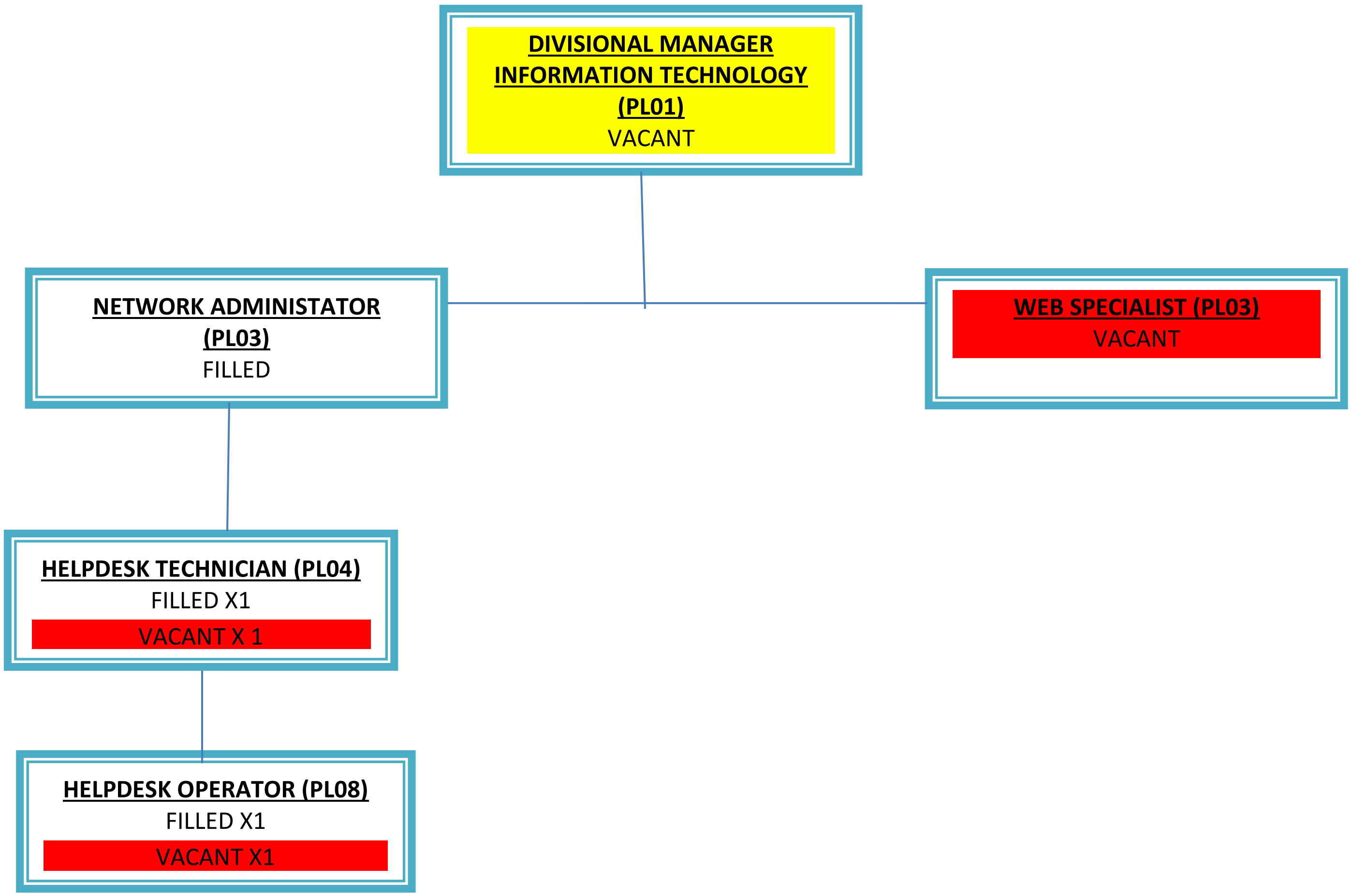
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DEPARTMENT: CORPORATE SERVICES



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

INFORMATION TECHNOLOGY DIVISION



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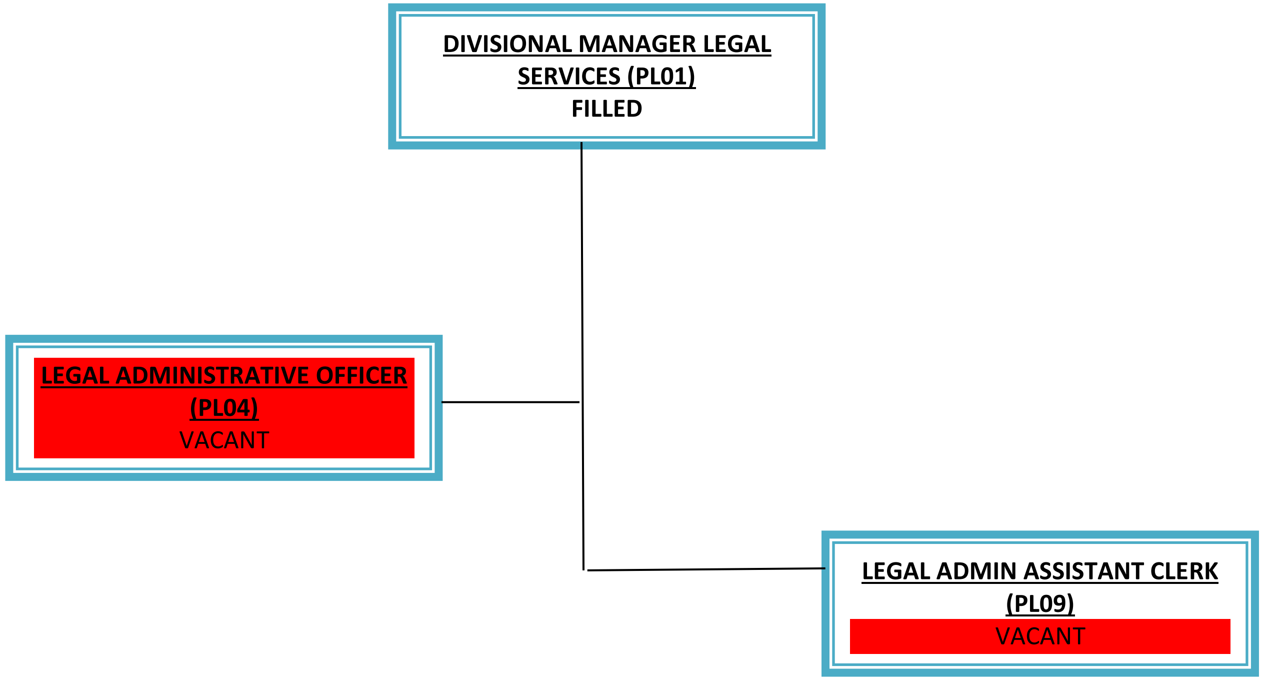
DIVISION: LEGAL SERVICES



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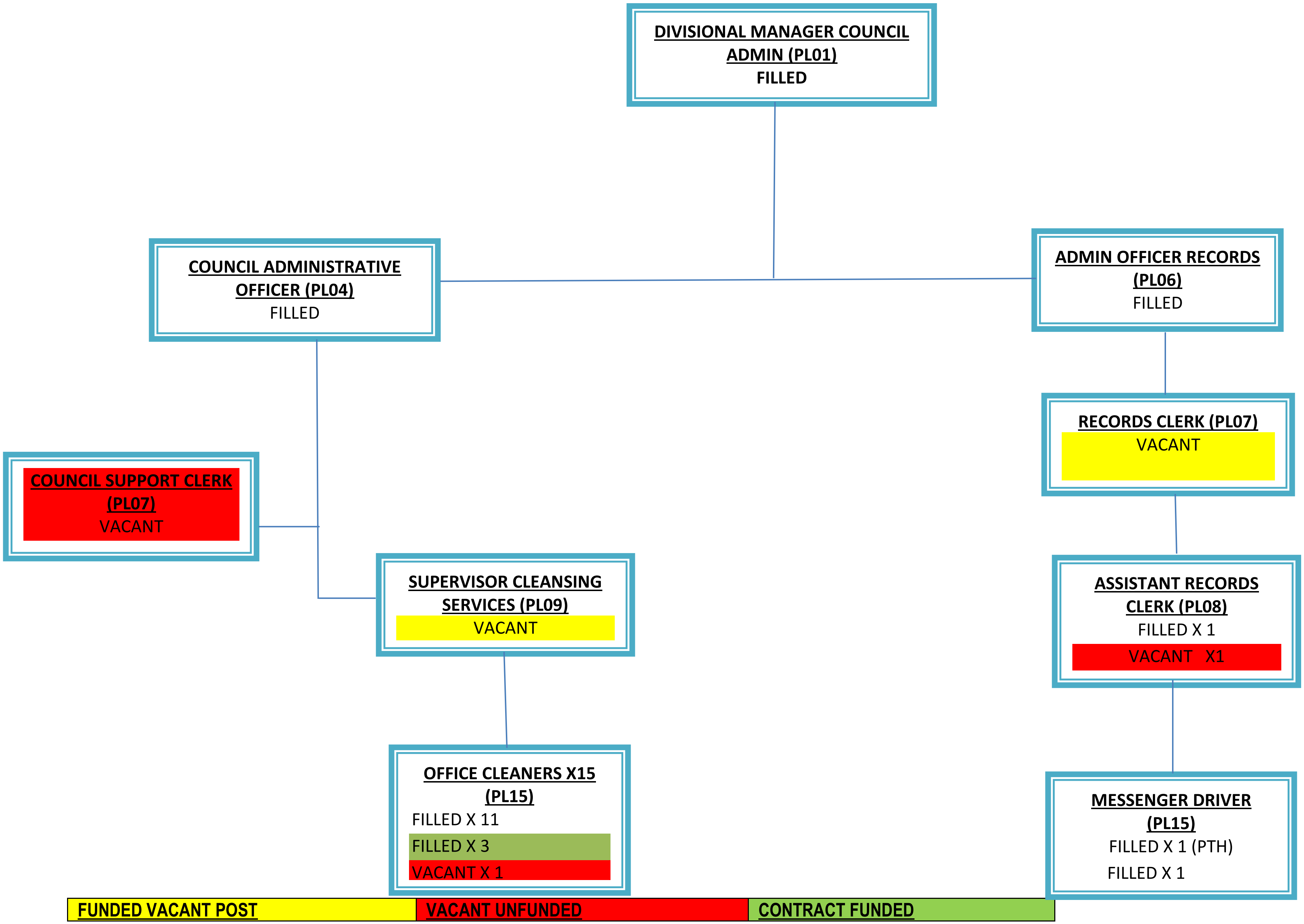
DIVISION: COUNCIL ADMIN



DIVISION: HUMAN RESOURCES MANAGEMENT

DIVISIONAL MANAGER HUMAN RESOURCES (PL01)
FILLED

SENIOR HUMAN RESOURCES OFFICER (PL03)
VACANT

HUMAN RESOURCES OFFICER (PL04)
FILLED
VACANT X1

HUMAN RESOURCES CLERK (PL08)
FILLED X 1
VACANT X 1

LABOUR RELATIONS OFFICER (PL04)
FILLED

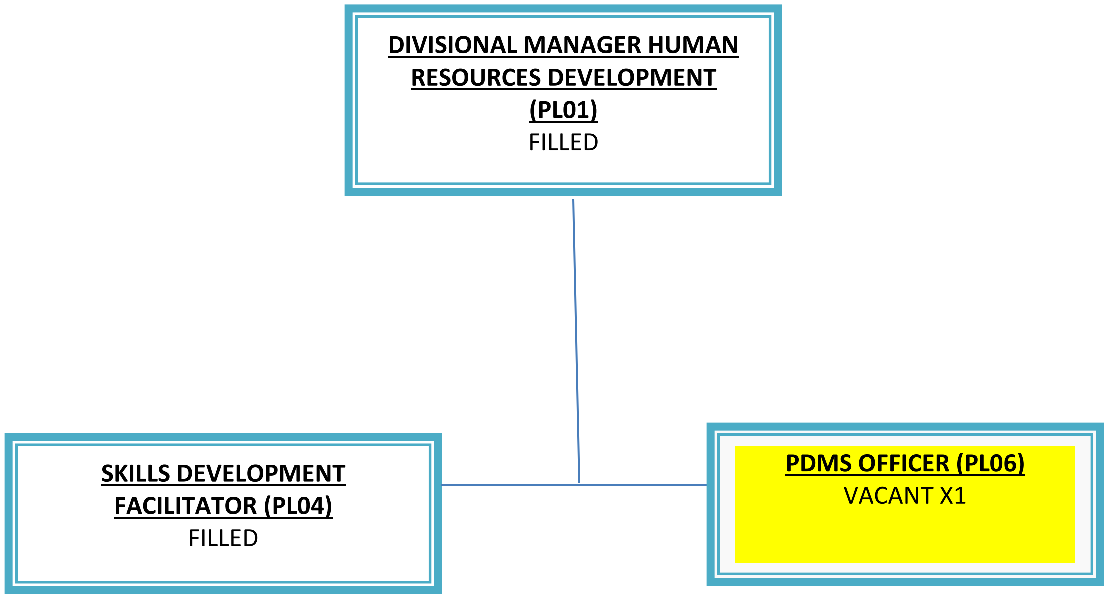
EAP PRACTIONER (PL04)
FILLED

ORGANISATIONAL DEVELOPMENT /WORKSTUDY OFFICER (PL06)
VACANT

OCCUPATIONAL HEALTH & SAFETY OFFICER(PL05)
VACANT

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: HUMAN RESOURCES DEVELOPMENT



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

BUDGET & TREASURY ORGANOGRAM

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DEPARTMENT: BUDGET & TREASURY

Purpose: To manage and coordinate the Financial Management services.

Functions:

1. Manage and oversee the compilation of the municipal budget.
2. Manage and oversee the budget control and reporting.
3. Manage and oversee the income and expenditure.
4. Manage and oversee the procurement of goods and services
5. Manage and maintain assets and stores services.
6. Report and compile annual financial statements

DIVISION: BUDGET & REPORTING

Purpose: To provide budget planning and financial reporting services.

Functions:

1. Prepare credible budget for the Municipality.
2. Provide Budget information for compiling the SDBIP
3. Prepare budget reports.
4. Manage budget information and provide in year monitoring and reporting.
5. Prepare and coordinate the compilation of the budget.
6. .
7. Coordinate and provide support during the audit functions.

DIVISIONSUPPLY CHAIN MANAGEMENT

Purpose: To manage Supply Chain Management processes of the Municipality.

Functions:

1. Collate all projects procurement schedules and compile annual municipal procurement plan.
2. Manage all open and closed bid acquisition as per annual procurement plan.
3. Manage and coordinate the demand and acquisition of goods and services.
4. Manage and oversee SCM committees.
5. Manage all service level agreement for all purchases/acquisitions
6. Monitor and report on supply chain performance chain performance

DIVISION: EXPENDITURE

Purpose: To manage and coordinate Expenditure services and Payroll.

Functions:

1. Manage and oversee the budget spending.
2. Authorise and approve payment requests.
3. Manage creditor payment requests.
4. Manage all expenditure and provide monthly bank reconciliations.
5. Manage payroll and personnel expenditure

DIVISION: ASSETS MANAGEMENT

Purpose: To manage assets and stores services of the municipality.

Functions:

1. Coordinate the compilation and updating of the asset register.
2. Coordinate the verification of assets.
3. Coordinate the disposal of obsolete assets.
4. Manage assets depreciation and disposals.
5. Manage and coordinate Inventory management.
6. Monitor the utilization and maintenance of fleet

DIVISION: REVENUE MANAGEMENT

Purpose: To manage and oversee the collection of rates, taxes, and other service income.

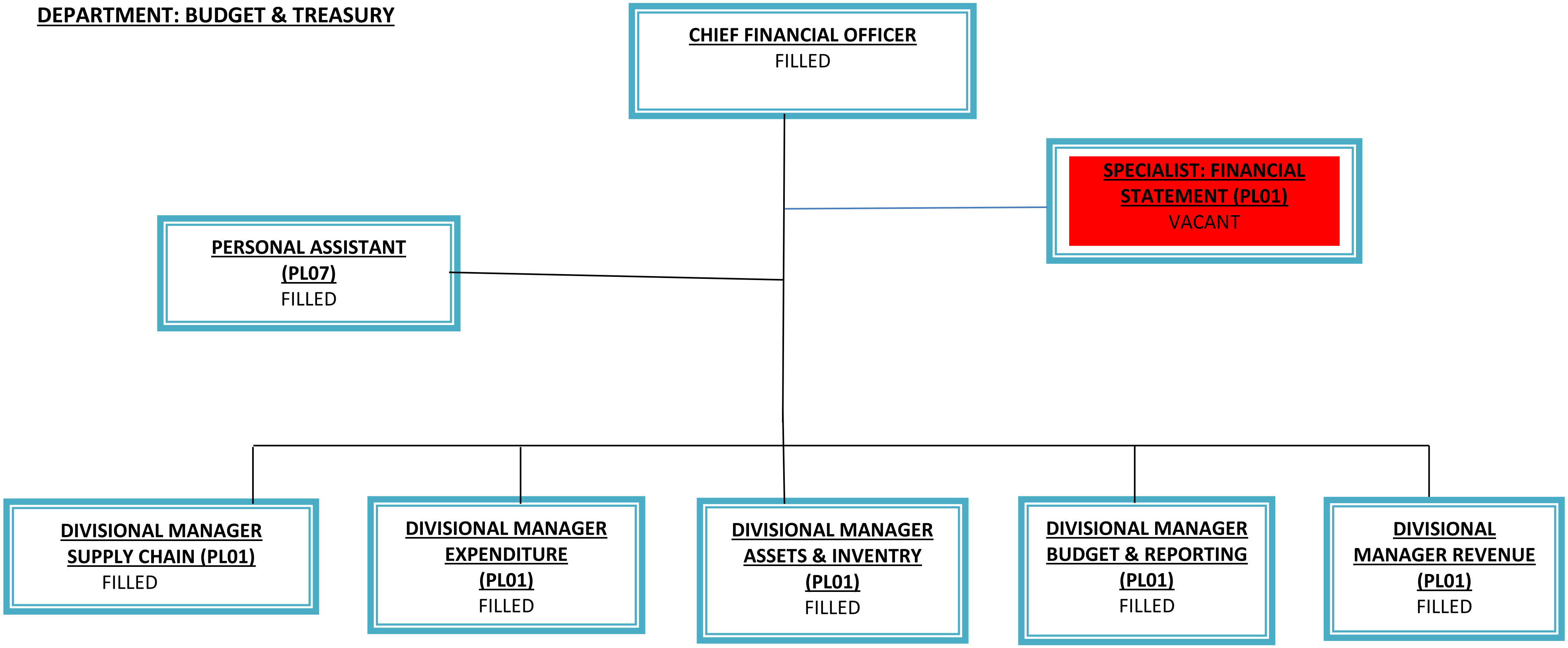
Functions:

1. Manage and oversee the billing of customers.

1. Manage the implementation of credit control.
2. Manage revenue collection and banking
3. Manage debt collection.
4. Manage the approval of the indigent register.
5. Set and manage municipal rates/tariffs
6. Manage property rates and valuation roll.

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DEPARTMENT: BUDGET & TREASURY



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: SUPPLY CHAIN MANAGEMENT

DIVISIONAL MANAGER SUPPLY CHAIN (PL01)
FILLED

CHIEF ACCOUNTANT SUPPLYCHAIN (PL03)
FILLED

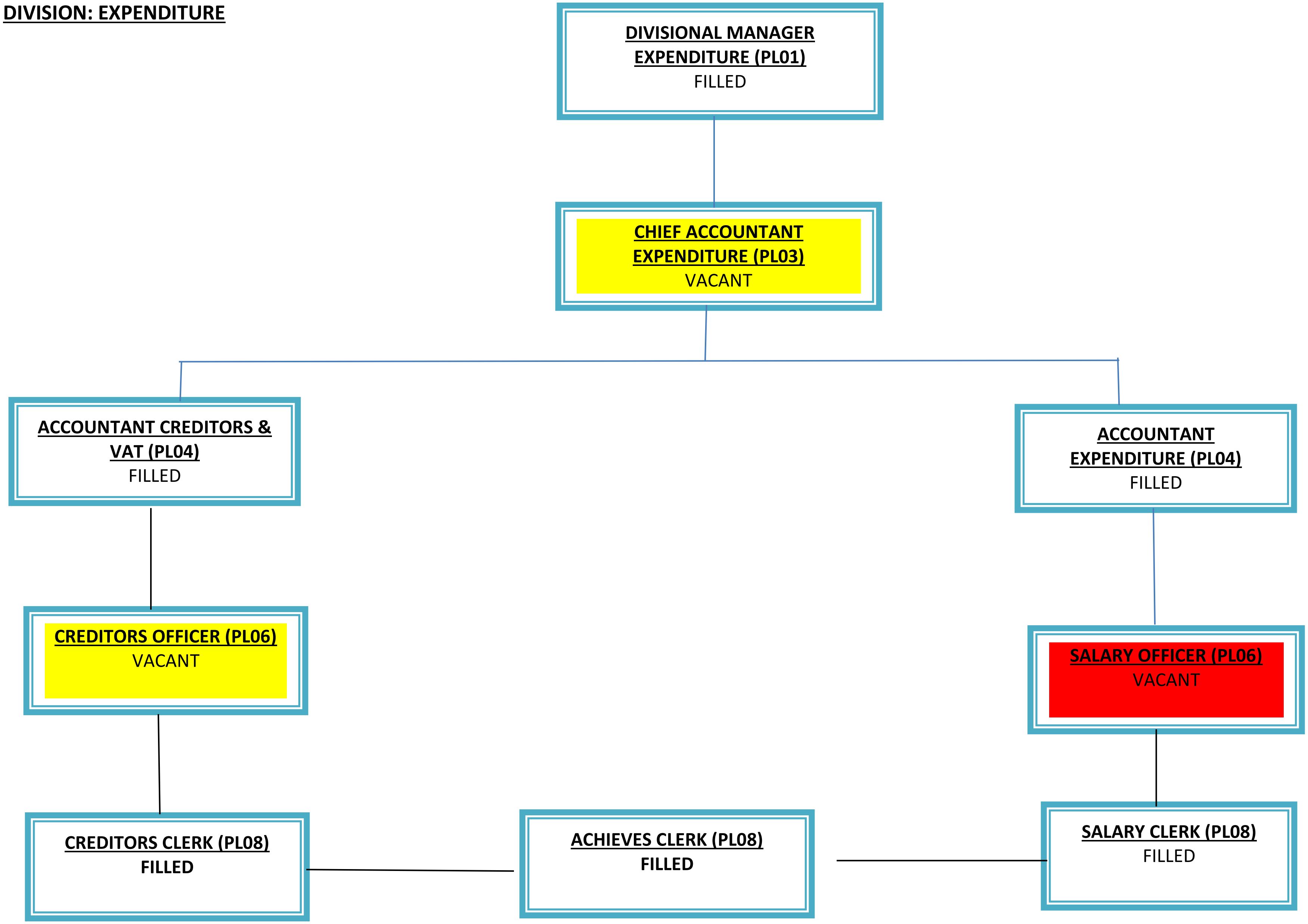
ACCOUNTANT SUPPLY CHAIN MANAGEMENT (PL04)
FILLED
VACANT X 1

PROCUREMENT CLERK DEMAND (PL08)
FILLED

PROCUREMENT CLERK ACQUISITION (PL08)
VACANT

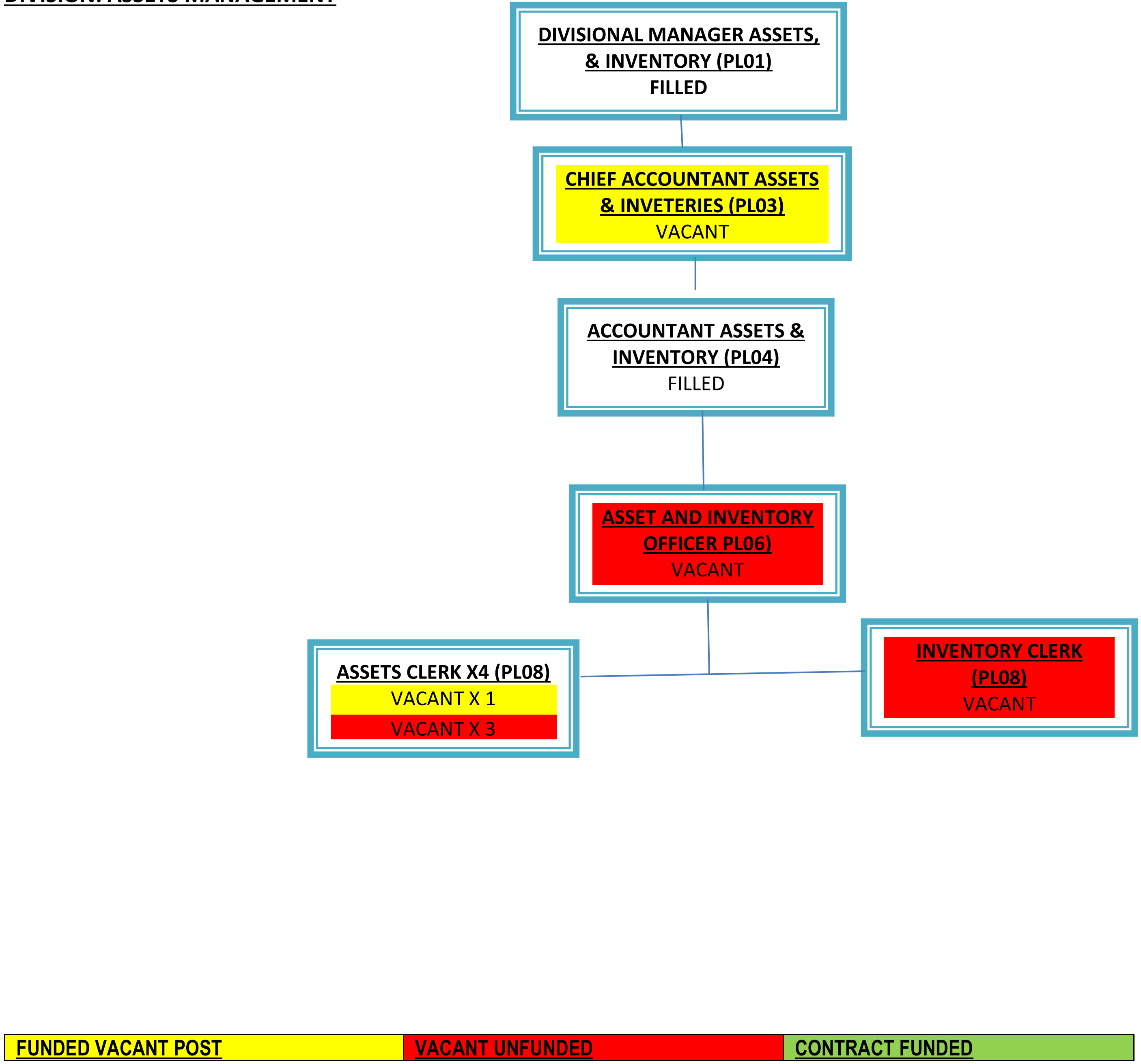
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: EXPENDITURE



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: ASSETS MANAGEMENT



DIVISION BUDGET & REPORTING

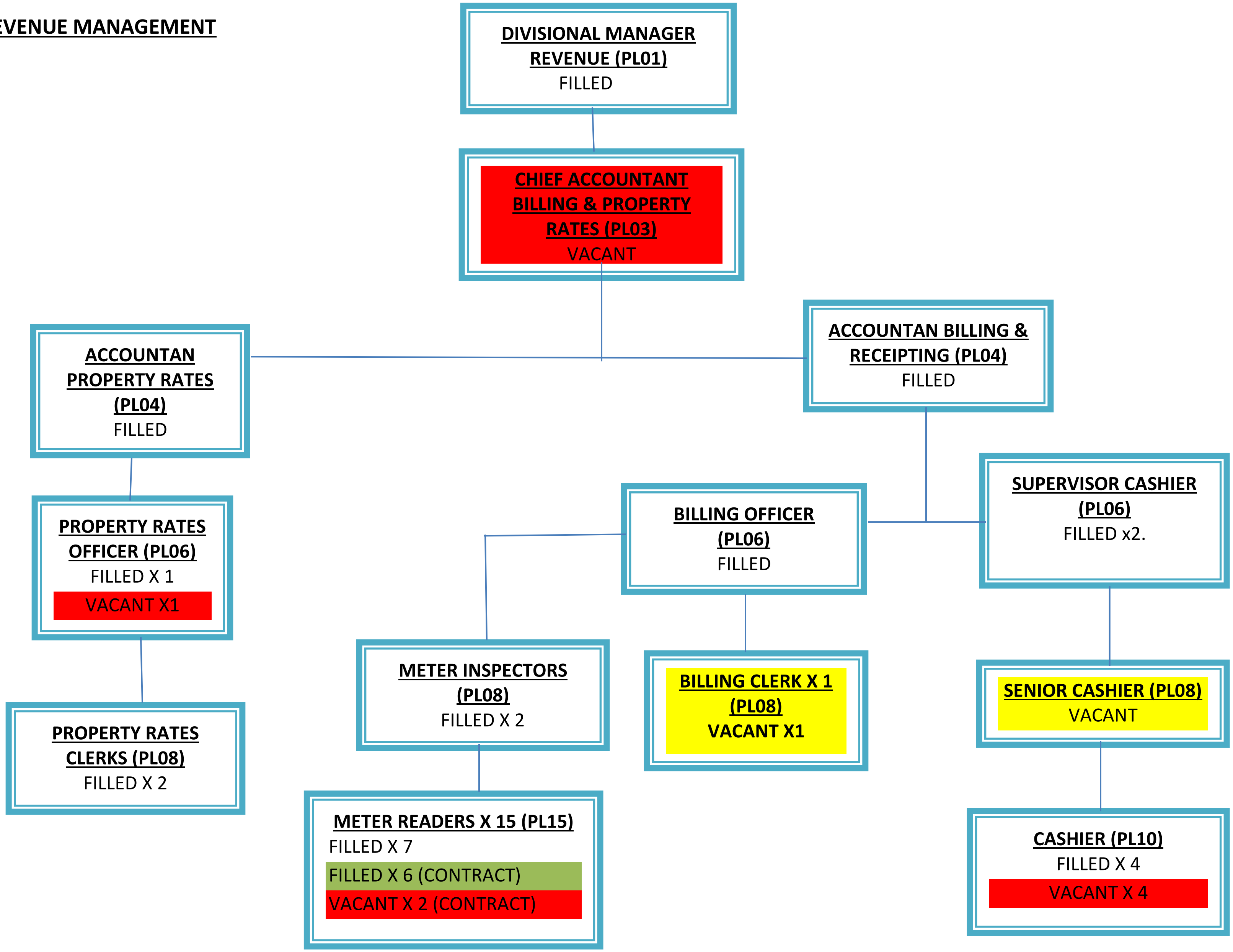
DIVISIONAL MANAGER BUDGET & REPORTING (PL01)
FILLED

CHIEF ACCOUNTANT BUDGET & REPORTING (PL03)
FILLED

ACCOUNTANT BUDGET & REPORTING (PL04)
VACANT X 1
VACANT X 1

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: REVENUE MANAGEMENT



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

REVENUE MANAGEMENT CONTINUE

CHIEF ACCOUNTANT CREDIT CONTROL & DEBT COLLECTION (PL03)
FILLED

ACCOUNTANT CREDIT CONTROL & INDIGENT MANAGEMENT (PL04)
FILLED

ACCOUNTANT DEBT COLLECTION (PL04)
VACANT X1

CREDIT CONTROL OFFICER (PL06)
VACANT

DEBT COLLECTION CLERK (PL08)
FILLED

INDIGENT CLERK (PL08)
FILLED
VACANT X 1

CREDIT CONTROL CLERKS X 4 (PL08)
FILLED X 3
VACANT X 1

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED