SEKHUKHUNE DISTRICT MUNICIPALITY

ANNUAL REPORT 2024/2025



Ephraim Mogale Local Municipality

Elias Motsoaledi Municipality

MAKHUDUTHAMAGA LOCAL MUNICIPALITY

SEKHUKHUNE District Municipality

SEKHUKHUNE
District Municipality

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CERTIFIED COUNCIL RESOLUTION

The Council at its Ordinary Meeting held on the 29 JANUARY 2026 under:

OC 14/01/26 DRAFT ANNUAL REPORT FOR 2024/2025 F/Y

RESOLVED AS FOLLOWS:

1. Council noted the Draft Annual Report for 2024/2025 financial year.

CERTIFIED AS TRUE RESOLUTION
MUNICIPAL MANAGER
KGWALE MM

DATE

1.1 GENERAL INFORMATION

The Table below illustrates the Members of the Mayoral Committee as at 01 July 2024 to 31 October 2024

NO.	SURNAME AND INITIALS	DESIGNATION
1.	Cllr. Bahula M	Executive Mayor
2.	Cllr. Sefala R.E	Member of the Mayoral Committee (MMC): Budget & Treasury
3.	Cllr. Kupa C.R	1st Member of the Mayoral Committee (MMC): Infrastructure & water Services
4.	Cllr. Mabatane M.C	2nd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
5.	Cllr. Mathipa M.P	3rd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
6.	Cllr. Mafefe O.H	Member of the Mayoral Committee (MMC): Corporate Services
7.	Cllr. Mashilo M.S	Member of the Mayoral Committee (MMC): Planning & Economic Developmenqt
8.	Cllr. Leshaba M.B	Member of the Mayoral Committee (MMC): Community Services
9.	Cllr. Leokana M.D	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)
10	Cllr. Nkosi S.B	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)

The Table below illustrates the Members of the Mayoral Committee as at 20 November 2024 to 30 June 2025

NO.	SURNAME AND INITIALS	DESIGNATION
1.	Cllr. Bahula M	Executive Mayor
2.	Cllr. Sefala R.E	1st Member of the Mayoral Committee (MMC): Infrasructure and Water Services (Leader of Executive Business)
3.	Cllr. Mabatane M.C	2nd Member of the Mayoral Committee (MMC): Infrastructure & water Services
4.	Cllr. Ngobeni C.P	3rd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
5.	Cllr. Mathipa M.P	4th Member of the Mayoral Committee (MMC): Infrastructure & Water Services
6.	Cllr. Mafefe O.H	Member of the Mayoral Committee (MMC): Community Services
7.	Cllr. Matlala M.A	Member of the Mayoral Committee (MMC): Planning & Economic Developmenqt
8.	Cllr. Leshaba M.B	Member of the Mayoral Committee (MMC): Budget and Treasury
9.	Cllr. Leokana M.D	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)
10	Cllr. Nkosi S.M	Member of the Mayoral Committee (MMC): Corporate Services

1. **ADDRESS**

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2. **CONTACTS**

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ACRONYMS

NO.	ABBREVIATIONS	ABBREVIATION IN FULL
1.	AFS	Annual Financial Statement
2.	A.G.	Auditor General
3.	AGSA	Auditor General South Africa
4.	AIDS	Acquired Immune Deficiency Syndrome
5.	ANC	African National Congress
6.	AC	Audit Committe
7.	APR	Annual Performance Report
8.	AR	Annual Report
9.	BLSV	Bolshevic
10.	CAC	Chid Advisory Council
11.	CDW	Community Development Worker
12.	CFO	Chief Financial Officer
13.	CLLR.	Councillor
14.	COGHSTA	Co-operative Governance, Human Settlement and Traditional Affairs
15.	CPMD	Certificate Programme in Management Development
16.	DA	Democratic Alliance
17.	DOE	Department of Energy
18.	DSAC	Department of Sport, Arts & Culture
19.	EFF	Economic Freedom Fighters
20.	EPWP	Expanded Public Works Programme
21.	ESKOM	Electricity Supply Commission
22.	FMG	Financial Management Grant
23.	GRAP	General Recognised Accounting Practice
24.	HIV	Human Immune Virus

25.	HH	Households
16.	ICT	Information Communication Technology
26.	IDP	Integrated Development Plan
27.	IGR	Integovernmental Relations
28.	INEP	Integrated National Electricity Programme
29.	Km	Kilometre
30.	KPA	Key Performance Area
31.	KPI	Key Performance Indicator
32.	LED	Local Economic Development
33.	LEDET	Limpopo Economic Development Environment Tourism
34.	LGSETA	Local Governement Sector Education & Training Authority
35.	MEC	Member of Executive Council
36.	MFMA	Municipal Finance Management Act
37.	MIG	Municipal Infrastructure Grant
38.	MM	Municipal Manager
39.	MPAC	Municipal Public Accounts Committee
40.	MSA	Municipal Systems Act
41.	MTREF	Medium Term Revenue & Expenditure Framework
42.	N/A	Not Applicable
43.	No.	Number
44.	PMS	Performance Management System
45.	PMU	Project Management Unit
46.	PPP	Public Privite Partnership
47.	PR	Proportional Representative
48.	OHS	Occupational Health & Safety
49.	R	Rand

50.	RBIG	Regional Infrastructure Grant
51.	RDP	Reconstruction & Development Plan
52.	RRMS	Rural Roads Assets Management System Grant
53.	RSA	Republic of South Africa
54.	SADA	Social Agenda of Dispossesed Africans
55.	SCM	Supply Chain Management
56.	SDBIP	Service Delivery & Budget Implementation Plan.
57.	SDM	Sekhukhune District Municipality
58.	SETA	Sector Education & Training Authority
59.	SODA	State of the District Adrress
60.	STATSSA	Statistics South Africa
61.	STI	Sexually Transmitted infection
62.	TB	Tuberculosis
63.	TOR	Terms of Reference
64.	TVR	Treasury Views and Recommendation
65.	WSP	Work Skills Plan
66.	VIP	Ventilated Improved pit
67.	WSIG	Water Services Infrastructure Grant

Glossary

Annual Financial Statement: the statement that reflects the financial position of the municipality regarding the revenue and expenditures, the statement also shows whether the municipality will be able to operate in the next twelve months based on its assets and liabilities using a formula on financial ratio to determine health.

Annual Report: report that is compiled by the municipality indicating overall performance of the organisation in all key areas of service delivery and institutional performance, the report is compiled in terms of Local Government Municipal Finance Management Act, 2003 and submitted in the beginning of the third quarter of the municipal financial year to Council and other legally established structures for review and consideration.

Governance: refers to establishment and implementation of systems, processes, and procedures to ensure that the municipality and/or organisation complies with the laws, protocols, codes, standards for the purposes of managing risk and internal controls which applies here in South Africa and internationally

Integrated Development Plan (IDP): A five-year strategic plan undertaken by a municipality outlining the key projects and programmes to be implemented by the Council which is prepared in accordance with the Local Government Municipal Systems Act, 2000 (Act 32 of 2000). The IDP can be reviewed annually in accordance with a prescribed process.

Risk Assessment: overall process of risk identification, risk quantification and risk evaluation in order to identify potential opportunities and minimise loss

Risk management: the identification and evaluation of actual and potential risk areas as they pertain to the organisation as a total entity, followed by a process of either avoidance, termination and transfer, tolerance, exploitation, or mitigation of each risk, or a response that is a combination or *integration.*

Service Delivery and Budget Implementation Plan **(SDBIP)**: this refers to a detailed plan compiled by a municipality indicating the processes, measurement, indicators and targets that will be followed in implementing the IDP.

Supply Chain Management: known and recorded systems and procedures for procurement of goods and services that are being followed by the municipality in line with the Preferential Procurement Framework Act.

Municipal Infrastructure Grant (MIG): The MIG aims to eradicate municipal infrastructure backlogs in poor communities to ensure the provision of basic services such as water, sanitation, roads and community lighting. The Department of Cooperative Governance is responsible for managing and transferring the MIG and provides support to provinces and municipalities on implementing MIG projects.

Regional Bulk Infrastructure Grant (RBIG): The infrastructure required to connect the water resources, on a macro or subregional scale (over vast distances), with internal bulk and reticulation systems. Macro is defined as infrastructure serving extensive areas across multi-municipal boundaries. Sub-regional is defined as large bulk infrastructure serving numerous communities over a large area normally within a specific district or local municipal area.

Water Service Infrastructure Grant (WSIG): Facilitate the planning and implementation of various water and on-site sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities. Provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including through spring protection and groundwater development. Support municipalities in implementing water conservation and water demand management (WC/WDM) projects. Support the

existing Bucket Eradication Programme intervention in formal residential areas. Support drought relief projects in affected municipalities Outcome statements. An increased number of households with access to reliable, safe drinking water and sanitation services

Expanded Public Works Programme (EPWP): is one of government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed. The EPWP is a nationwide programme covering all spheres of government and SOEs. The programme provides an important avenue for labour absorption and income transfers to poor households, in the short to medium-term.

EPWP projects employ workers on a temporary or ongoing basis with government, contractors, or other non-governmental organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions.

The EPWP creates work opportunities in four sectors, namely infrastructure, non-State, environment, and culture and social, by:

- increasing the labour intensity of government-funded infrastructure projects
- creating work opportunities through the Non-Profit Organisation programme and Community Work Programme
- creating work opportunities in public environment and culture programmes
- creating work opportunities in public social programmes.

Financial Municipal Grant (FMG): to address the unemployment of young graduate who has qualifications in finance related matters. It is also used to capacitate employees in the Budget and Treasury department.

1.2 Table of Contents

Chapters	Content	Page No.
Chapter 1	1.1. GENERAL INFORMATION	1 - 7
	1.2. TABLE OF CONTENT	8 - 13
	1.3. EXECUTIVE MAYOR'S FOREWORD	14 – 16
	1.4. EXECUTIVE SUMMARY: MUNICIPAL MANAGER'S OVERVIEW	17
	1.5. Structure of the Annual Report of Sekhukhune District Municipality	18
	1.6. Legislative framework for Annual Reporting	18 – 21
	1.7. Municipal powers and functions	21 – 22
	1.8. Demographic overview	22 – 24
	1.9. Service delivery overview	24 - 42
	1.10. Financial health overview	43 – 46
	1.11. Statutory Annual Report Process	46 – 47
Chapter 2	**CHAPTER TWO: GOVERNANCE**	48
	2.1. Introduction to governance	49
	COMPONENT A: Political and administrative governance	49
	2.2. Introduction to political & administrative governance	49
	2.3. Political Governance	49
	2.3.1. Introduction	49
	2.3.2. Political Structures	49
	2.3.2.1. The Executive Mayor	49 – 50
	2.3.2.2. The Speaker	51
	2.3.2.3. The Chief Whip	51 -52
	2.3.2.4. The Mayoral Committee	52 – 53
	2.3.2.5. Directly Elected Councillors	54

	2.3.2.6. Traditional Leaders in Council	55
	2.3.2.7. Political Decision Making	55
	2.3.3. SECTION - 79 standing committees of council	55 – 57
	2.3.4. Special Committees of Council	57
	2.3.5. Municipal Portfolio Committees	57 – 58
	2.3.6 Municipal Public Account Committee (Oversight committee)	58
	2.3.7. Meetings of committees	59 – 60
	2.3.8. Attendance of Council meetings & MPAC meetings	61 – 67
	2.4. Administrative Governance	68
	2.4.1. Introduction	68
	2.4.2. Top Administrative Structure	68 – 69
	COMPONENT B: Intergovernmental Relations	69 – 70
	2.5.1. District Intergovernmental Structure	70 – 72
	2.5.2. Provincial Intergovernmental Structure	72
	2.6. Relationships with municipal entities	72 – 75
	COMPONENT C: Public Accountability and Participation	76
	2.7.1. Introduction	76
	2.7.2. Public Participation meetings held	76 – 79
	2.7.3. Ward Committees	79
	2.7.4. Launching ward committees performance awards	79 – 80
	COMPONENT D: Corporative Governance	80
	2.8.1. Overview of corporate governance	80
	2.8.2. Audit committee	80 – 82
	2.8.3. Risk steering management Committee	82
	2.8.3.1. Strategic Values of Risk Management	83 - 84

	Committee	
	2.8.3.2. Strategic Risks	84
	2.8.3.3. Top Ten Risk	84 – 86
	2.8.3.4. Liquidity Risk Management	86
	2.8.3.5. Fraud and anti-corruption strategy	87
	2.8.4. Supply Chain Management	87 – 117
	2.8.5. By-law	118
	2.8.6. Website	118
	2.8.7. Customer Care Batho Pele and Complaints Services	119 – 124
State Chapter 3	**SERVICE DELIVERY PERFORMANCE**	125
	3.1. Introduction	125
	COMPONENT A: Basic Service	125
	3.2 Water Provision	125 – 133
	3.3. Sanitation provision	134
	3.4. Municipal Health Services	134 – 139
	3.5. Emergency Management	139
	3.5.1 Fire and Rescue Operations	139
	3.5.2 Emergency management Service Training Academy 2023/2024 Trainings	139
	3.5.3 Fire and Safety 2023/2024 Summative Stats	140
	3.5.4 Disaster Management	140 – 190
	COMPONENT B: Planning & Economic Development	191
	3.6. Local Economic Development	191
	3.6.1. Introduction	191
	3.6.2. State of district economy	191 – 200
	3.6.3. Unemployment	200 - 207

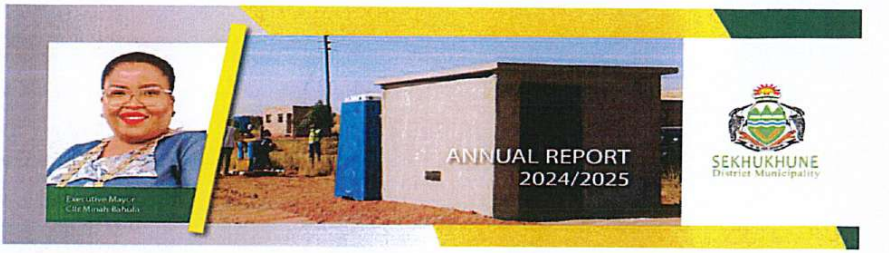
	3.8 Local Economic Development Initiatives	208
	3.8.1 Tourism development	208 – 209
	3.8.2 Agricultural development	209 – 210
	3.8.3 Mining Development	211 – 214
	3.8.4 Economic Infrastructure Development	214 – 215
	3.8.5. SMME's & Cooperative Development	215
	3.9 Facilitation of Economic Development Forum	216
	3.9 Jobs created through municipal projects and EPWP	216
	3.11 Spatial Rational	216
	3.11.1 Spatial Rationale and Land use Management Act	216 – 217
	3.11.2 Spatial Development Framework	217 – 219
	3.11.3. Land for Municipal Offices	219 – 221
Chapter 4	**ORGANISATIONAL DEVELOPMENT PERFORMANCE**	222
	Organisational Development Performance	222 – 225
	COMPONENT A: Introduction to Municipal Personnel	225
	4.1.1. Introduction to Municipal Personnel	225
	4.1.2. HR Vision and Mission	226
	4.1.3. Legal Framework	226
	4.2. Employees	226
	4..2.1. Total number of employees, staff turnover and vacancies.	226
	4.2.2 Total number of employees	227
	4.2 3 Senior Management post vacancy rate in comparison with local municipalities	227
	4.3 Human Resources Organisational policies	228 – 229
	4.4 Injuries on duty	229 - 231

	4.5. Labour Relations cases	232
	4.6 Skills Development and training	232
	4.7. Training spend in 2024/2025	233
	4.8. Bursaries	233
Chapter 5	**FINANCIAL PERFORMANCE**	234
	COMPONENT A: 5.1. Statement of financial performance	234
	5.2. Revenue	234 – 235
	5.3. Expenditure	235 – 237
	5.4. Asset Management	237
	5.5. Net asset position = Assets : Liabilities	237
	COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	238
	5.6. Grants received	238
	5.7 Source of Finance for Capital Funding	238 – 239
	COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT	239
	5.8. Cash equivalent	239
	5.9. Borrowing and Investment	239
	COMPONENT D: OTHER FINANCIAL MATTER	240
	5.10. Supply Chain Management	240
	5.11. Bid Committees	240
	5.12. Oversight role of Council	240
	5.13. GRAP Compliance	240
Chapter 6	**AUDITOR GENERAL FINDINGS AND OPINION**	240
	COMPONENT A: 2024/2025 AUDITOR GENERAL SOUTH AFRICA REPORT OPINION & FINDINGS	241

	6.1. 2024/2025 AGSA opinion	
	COMPONENT B: 2023/2024 AUDITOR GENERAL OPINION	242
	6.2. Auditor General Report opinion for 2024/2025 financial year	242
	6.3. Progress on Auditor General SA findings of the 2024/2025	242
	6.4. Progress on 2023/24 Financial Year Auditor General South Africa Findings	242
	Conclusions	242
	Annexure A: 2024/2025 Audited Annual Financial Statement: SDM & SDA	243
	Annexure B: 2024/2025 Audit Report : SDM and SDA	243
	Annexure C: 2024/2025 SDBIP Cumulative Report and Performance of Service Providers	243
	Annexure D: 2024/2025 Sekhukhune Development Agency Annual Report	243
	Annexure E: 2024/2025 Audit Committee Report – SDM and SDA	243
	Annexure F: 2023/2024 Audit Action Plan	243
	Annexure G: 2024/2025 Community Consultation Report	243
	ANNEXURE H: 2024/2025 Oversight Report	243

CHAPTER 1:

INTRODUCTION AND CONTEXT



CHAPTER ONE:

1.3 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

It is my privilege to present the Sekhukhune District Municipality's Annual Report for the 2024/2025 financial year. This report reflects the implementation of the municipality's Integrated Development Plan (IDP), Annual Budget, and Service Delivery and Budget Implementation Plan (SDBIP) as adopted by Council for the 2024/2025 financial year. It provides an account of the municipality's performance, highlighting achievements made during the year under review and identifying areas that require improvement.

Our vision remains firmly focused on positioning Sekhukhune District Municipality as:

"An innovative leader in integrated economic development and sustainable service delivery."

In pursuit of this vision, the municipality continues to advance its mission of improving the quality of life of all communities through:

- Provision of a democratic and accountable government
- Promotion of inclusive and egalitarian economic transformation
- Promotion of a safe and healthy environment
- Fostering community involvement and stakeholder engagement
- Strengthening institutional capacity
- Promotion of social cohesion

This Annual Report outlines the municipality's financial performance and position for the 2024/2025 financial year, as well as key milestones achieved by the administration. As political leadership, we remain committed to ensuring that our strategic priorities translate into tangible improvements in the lives of our communities. These priorities include:

1. Provision of water and sanitation services in a sustainable manner;
2. Promotion of local economic development, growth, and job creation through agrarian reform, mining, tourism, and the repositioning of the Special Development Areas (SDA);

3. Strengthening good governance and sound financial management;
4. Advancing sustainable land use management and spatial transformation;
5. Promoting community development, social cohesion, and nation-building; and
6. Enhancing public participation, stakeholder engagement, and partnerships.

Key Service Delivery Improvements

The provision of water and sanitation services, which is the core mandate of the Sekhukhune District Municipality, continues to present challenges to our communities. To address these challenges, the municipality has implemented various short-term and long-term interventions aimed at improving access to clean and reliable water supply. A Special Mayoral Project was initiated to drill boreholes across all Traditional Authorities within the district. I am pleased to report that all Traditional Authorities have been covered, with surrounding households also benefiting from these interventions. Furthermore, the municipality embarked on the drilling and equipping of boreholes, as well as the installation of water storage tanks as a short-term strategy to alleviate water shortages in villages across the district.

To further strengthen service delivery, the municipality has entered into Memoranda of Understanding with local municipalities for the devolution of certain Operation and Maintenance functions. This initiative aims to bring services closer to communities and improve response times to service delivery challenges. Makhuduthamaga Local Municipality was the first municipality to sign the agreement and has already begun to experience the benefits of this collaborative approach.

In addition, the municipality is currently implementing a Turnaround Strategy for the Integrated and Aligned Delivery of Water Services in the District. Significant progress has been made in reviving bulk water infrastructure projects that will provide long-term solutions to water challenges. These include the Nebo Plateau Bulk Water Supply Scheme, the Malekana to Jane Furse Bulk Water Supply project which is currently undergoing commissioning and pipeline condition assessments, the upgrading of the Groblersdal to Luckau Bulk Water Pipeline and associated water treatment plant capacity, and the expansion of the Mooihoek Water Treatment Works, which is being upgraded from a capacity of 12 megalitres per day to 24 megalitres per day.

Financial Management and Governance

Sound financial management practices remain the cornerstone of a sustainable municipality. A municipality with weak financial controls becomes vulnerable to corruption and the misdirection of public resources. We are therefore pleased to report that Sekhukhune District Municipality has made significant improvements in strengthening its financial systems.

The municipality recorded an incident-free financial year and has implemented measures aimed at rooting out corruption, maladministration, and nepotism. The administration has also strengthened internal capacity and now prepares the Annual Financial Statements internally in compliance with National Treasury regulations.

Historically, the municipality has received qualified audit opinions. However, progress is being made in addressing audit findings. The number of matters raised by the

Auditor-General of South Africa has been reduced from eight in the 2022/2023 financial year to two in the 2023/2024 financial year. The 2024/2025 Annual Financial Statements together with the Annual Performance Report were submitted to the Auditor-General on 29 August 2025, ahead of the statutory deadline. We remain optimistic that the municipality will soon achieve further improvements in its audit outcomes.

Another notable achievement is the municipality's improved spending of allocated grants. In the past, the municipality had to return unspent grant funding to the National Treasury. Through improved planning and project implementation, the municipality spent all allocated grants during the 2024/2025 financial year.

Institutional Strengthening

The municipality has made progress in strengthening institutional capacity. All senior management positions have been filled, and each department is now headed by a Director. A newly reviewed organisational structure has also been developed to identify critical positions required to enhance service delivery.

Critical funded posts will be filled in a phased approach to ensure that personnel costs remain within the prescribed limit of 37% of total operating expenditure. The municipality has also implemented measures to reduce non-priority expenditure, including uncontrolled overtime, excessive travelling costs, security expenses, and fleet management costs.

To ensure long-term sustainability and reduce reliance on government grants and subsidies, the municipality has initiated a review of its Revenue Enhancement Strategy. This strategy will assist the municipality in improving revenue collection and recovering outstanding amounts owed by households, businesses, and government institutions.

Economic Development and Environmental Health

The municipality has strengthened regulatory enforcement to ensure compliance with environmental health standards. Environmental Health Practitioners have been trained as peace officers in terms of Section 56 of the Criminal Procedure Act, enabling them to issue fines and enforce municipal by-laws where businesses fail to comply with regulations. Continuous inspections of spaza shops are also being conducted to ensure that goods sold to communities meet safety and health standards.

In support of economic growth, the municipality has developed draft Terms of Reference for a Mining Multi-Stakeholder Engagement Forum. Mining remains a critical sector in the Sekhukhune District and contributes significantly to both the district and national economy.

Furthermore, the Fetakgomo–Tubatse Special Economic Zone (FTSEZ) Political Steering Committee has been reactivated to drive economic development initiatives aimed at industrialisation, regional development, and job creation. The fencing of the FTSEZ site has been completed and progress is being made towards finalising the licensing of the Special Economic Zone.

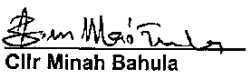
Conclusion

Despite significant progress made during the year under review, we acknowledge the enormous task that still lies ahead in ensuring that government delivers services effectively and equitably to all citizens. Our work continues to be shaped by broader macro-economic challenges, limited fiscal resources, and socio-economic pressures facing many of our communities.

Many households in our district continue to face financial hardships, which affects the municipality's revenue base. Furthermore, the lingering socio-economic impacts of the COVID-19 pandemic continue to affect local businesses and employment levels. Rising unemployment remains a national challenge that directly impacts municipal sustainability and service delivery capacity.

Nevertheless, the Sekhukhune District Municipality remains committed to fulfilling its constitutional obligations. We will continue to prioritise local economic development, infrastructure development, and the maintenance of existing municipal systems to ensure sustainable service delivery.

On behalf of the Sekhukhune District Municipality Council, I hereby present the Annual Report for the 2024/2025 financial year.



Cllr Minah Bahula
Executive Mayor



MUNICIPAL MANAGER OVERVIEW

1.4 EXECUTIVE SUMMARY

Sekhukhune District Municipality (SDM) hereby presents its Annual Report for the 2024/2025 financial year. The Annual Report is a statutory requirement for all municipalities in South Africa and serves as a key accountability instrument to report on the municipality's performance, achievements, and challenges during the year under review.

The municipality is structured into five departments, excluding the offices of the Municipal Manager and the Chief Operations Officer (COO). Each department is led by a Senior Manager responsible for the implementation of strategic programmes and service delivery priorities. During the year under review, all senior management positions were filled, with the exception of the Chief Operations Officer position, which remained vacant.

For the 2024/2025 financial year, the municipality received a Qualified Audit Opinion, which reflects a continued pattern of similar outcomes over the past seven years. In response to the findings raised by the Auditor-General of South Africa, the municipality has developed and is implementing a comprehensive audit action plan aimed at addressing the identified weaknesses, strengthening internal controls, and improving financial management and governance systems

Municipal Manager
Mr Kgwale M.M
Date: 20/03/2026.

1.7. STRUCTURE OF THE ANNUAL REPORT OF SEKHUKHUNE DISTRICT MUNICPALITY

Guided by Municipal Finance Management Act (MFMA) Circular 63 of 2012, contents of this Annual Report are set out as below:

Chapter 1: Introduction

Chapter 2: Governance.

Chapter 3: Service Delivery Performance.

Chapter 4: Organisational Development Performance.

Chapter 5: Financial Performance.

Chapter 6: Auditor General's Findings.

Appendices; and

Volume II: Annual Financial Statements (AFS)

However, this introductory chapter begins by presenting the legislative background, powers and functions of SDM, overviews on demographic, service delivery and financial health, and a summary of the Annual Report process.

1.8. LEGISLATIVE FRAMEWORK FOR ANNUAL REPORTING

Requirement for a Municipal Annual Report

Section 46 (2) of the Local Government: Municipal Systems Act (MSA) 56 of 2000 recognizes that a municipality shall have an Annual Report as a component of performance management, which shall consist of annual performance report.

Section 121 of the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003 requires that every municipality must prepare an Annual Report for each financial year. This section outlines the purposes of Annual Report, which are:

- To provide a record of activities of the municipality or its entity for that particular year
- To provide a report on performance against the budget of the municipality or entity for that year
- To promote accountability to the local community

The above section also specifies the contents of Annual Report in detail, which include annual financial statements, auditor general's audit report, annual performance report, and other issues.

Submission and tabling of Annual Report.

Section 127(2) of Local Government: Municipal Finance Management Act (MFMA) 56 of 2003 provides details on the requirements of submission and tabling of Annual Reports. The section requires that within 7 months after a financial year the mayor of a municipality must submit an Annual Report of that particular year to Council. In addition to this requirement, Circular 11 of MFMA states that Annual Report must be tabled on 31 January and considered by Council on 31 March of the following financial year.

However, MFMA Circular 63 of 2012 requires that the draft Annual Report must be prepared and submitted to internal auditing, combined audit/performance committee, Auditor General, and Council of the municipality whereas Council submits the unaudited Annual Report to MPAC. The latest MFMA circular of 2012 (No.63) provides the latest guidelines that should be followed.

Section 127 also says the Accounting Officer of the municipality must make public the Annual Report according to section 21A of the Municipal Systems Act and invite the local community to contribute towards the Annual Report. Finally, Section 127 of MFMA requires the Accounting Officer to submit the Annual Report to the Auditor General, Provincial Treasury and the Provincial Department of local government (Coghsta).

Preparation of Annual Report

There are two MFMA circulars which were made to guide preparation of Annual Reports of municipalities and their entities: Circular 11 of 2005 and Circular 63 of 2012. The two circulars are supposed to be read concurrently (in conjunction with each other).

MFMA Circular No.11 (2005) was made to provide guidance on preparation of Annual Report. The circular re-emphasise the requirements of Annual Report stated in the MFMA and the MSA, and supplements two documents which were produced earlier

in the same year of 2003, namely the National Treasury "Budget Circular 2" and Annual Report Guidelines.

However, the circular goes further to describe the timelines required to produce the Annual Report, and accordingly states that the Annual Report must be tabled on 31 January and considered by Council on 31 March of the following financial year. At the same time the Council is required to adopt an oversight report over the Annual Report.

Circular 11 also prescribed the format which an Annual Report must have, namely:

Chapter 1: Introduction and Overview

Chapter 2: Performance Highlights

Chapter 3: Human Resource and other Organisational Management

Chapter 4: Audited Statements and Related Financial Information

Chapter 5: Functional Area Service Delivery Reporting

Also mentioned in the same circular 11 are the requirements on Annual Report according to Division of Revenue Act (DORA), which requires inclusion of certain issues in the Annual Report, including:

- How the municipality met the requirements of the use of conditional grants
- Use of donor funding.
- Information on long-term contracts

MFMA Circular No.63 of 2012 builds on Circular 11, and its main aim is to provide guidance to municipalities and municipal entities on new Annual Report Format and its contents. This particular circular state that over and above the purposes of Annual Report stated above, also aims to reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions. The specific goals of the new Annual Report format are the following:

- Standardise reporting to enable municipalities / municipal entities to submit comparable Annual Reports.
- Align financial and non-financial reporting in the Annual Report.

- Create a standardised reporting structure that will enhance comprehensive oversight, meaningful evaluation and improved understanding of service delivery output.
- Ensure the standardisation of terminology used in Annual Reports; and
- Support the internal and external audit process.

Circular 63 of 2012 requests that the format of the Annual Report for municipalities and municipal entities be set out as below:

Chapter 1: Mayor's Foreword and Executive Summary.

Chapter 2: Governance.

Chapter 3: Service Delivery Performance.

Chapter 4: Organisational Development Performance.

Chapter 5: Financial Performance.

Chapter 6: Auditor General's Findings.

Appendices; and

Volume II: AFS

The format as prescribed by the latest MFMA circular (No.63) was used for preparation of the Annual Report for Sekhukhune District Municipality 00 financial year.

Circular No. 104 of the Municipal Finance Management Act 56 of 2003 outlines the extension to timelines for the submission of the annual financial statements, Annual Reports, audits, and related matters. The Annual Report will be tabled to Council by the 31st of January 2025 and further be subjected to public for comments.

1.9. MUNICIPAL POWERS AND FUNCTIONS

The powers and functions of Sekhukhune District Municipality are determined in terms of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) Schedule 4 Part B as follows:

- Fire fighting
- Local Tourism
- Municipal Airports except for Ephraim Mogale and Elias Motsoaledi
- Municipal Planning
- Municipal Health Services
- Municipal Public Transport
- Markets
- Municipal Abattoirs
- Regional Land Fill Sites
- Water
- Sanitation

1.10. DEMOGRAPHIC OVERVIEW

Population

Statistics South Africa indicated during the 2016 Community Survey that the total population of Sekhukhune district is 1 169 762. In Census 2011, the population of Sekhukhune District Municipality stood at 1 076 830 persons. The SDM total population increased by 8, 6% over the past five years. The youth population, which consists of mostly unemployed persons, increased by 30% over the same five years. The table below displays the official numbers:

Municipality	POPULATION		AS % of district population 2016	YOUTH POPULATION	
	2011	2016		2011	2016
Fetakgomo Tubatse	429 471	490 381	42%	160 413	223 214
Makhuduthamaga	274 358	283 956	24%	88 663	107 577

Ephraim Mogale	123 648	127 168	11%	42 964	51 829
Elias Motsoaledi	249 363	268 256	23%	86 165	109 022
Sekhukhune	**1 076 840**	**1 169 762**	**100%**	**378 205**	**491 642**

Source: Census (2011), Community Survey (2016)

However, Statistics South Africa indicated during the 2011 census figures that the annual population growth rate in the district was at 1% per annum. Based on that statement, it can be seen that the population growth rate was projected to be slower as the district population was to reach 1, 130, and 670 in 2016. However, this projected number has been exceeded in 2016 community survey as demonstrated in the above table.

Stats SA – Recent data available as per Source: Mid-year Population Estimates 2021: District Projections 2022 – 2026

Population for Sekhukhune District in 2023 = 1 225 866

Households

Households in the district have also increased from a total of 263 802 in 2011 to 290 489 in 2022 according to the Community Survey of 2022. This is an increase of 10% over the last five years. It can thus be inferred that households have a possible average increase of 2% per annum. The table below presents the official numbers provided by Statistics South Africa through its normal studies:

MUNICIPALITY	HOUSEHOLDS 2011	HOUSEHOLDS 2016	AS PERCENTAGE
Fetakgomo Tubatse	106 050	125 454	43%
Makhuduthamaga	65 217	64 769	22%
Elias Motsoaledi	60 251	66 330	23%
Ephraim Mogale	32 284	33 936	12%
Sekhukhune	**263 802**	**290 489**	**100%**

Source: Census (2011), Community Survey (2016)

The average growth rate of Sekhukhune population and households per annum (1, 7% and 2% respectively) imply that there will be a continual increase in demand for services in future, particularly water, sanitation, and electricity. Future resource allocation for these services by the SDM need to increase accordingly, which must be considered through its planning processes.

Stats SA – latest available data

Number of households for Sekhukhune District in 2024 = **313 509**

Source: Mid-year Population Estimates 2021: Household Estimates 2002 – 2032

1.11. SERVICE DELIVERY OVERVIEW

Sekhukhune District Municipality (SDM) is a Water Services Authority (WSA) and Water Services Provider (WSP) in accordance with its powers and functions in terms of in terms of Water Services Act, Act 108 of 1997.

The Department of Infrastructure and Water Services is responsible for delivery of water and sanitation services in the entire SDM area. The municipality planned to review its Water Services Development Plan (WSDP) and Water & Sanitation Master Plan (WSMP) in the financial year (2024/2025). Both WSDP and WSMP are used as the guiding tool to ensure effective and efficient implementation of various water schemes and provide a blueprint of providing water sustainably in the district.

The Municipality is currently providing full water and sanitation services in the main towns such as Burgersfort (12 815 people), Marble Hall (4 025 people), Groblersdal (6 312 people), Steelpoort (3 374 people) and Ohrigstad (1 520 people). These areas have access to other high-level services such as refuse removal and roads.

The most villages in the vast rural areas are being provided with ground water as alternative sources and water tankers where necessary. Most of the rural villages in the Flag Boshielo Water Scheme are receiving water services in a much more improved way than most rural other villages.

Under the Municipal Infrastructure Grant (MIG), Sekhukhune managed to implement fourteen (14) water infrastructure projects.

The Water Services Infrastructure Grant (WSIG) enabled us to implement Eleven (11) water projects as we intervened in areas that required urgent attention and One (1) VDIP sanitation projects.

Based on the Regional Bulk Infrastructure Grant (RBIG), Five (05) bulk water projects were implemented.

The SDM is currently implementing a massive sanitation programme and providing Ventilated Improved Pit latrines (VIP's) to various households. In 2024/2025 8389 units were provided for which add up to 49774 VIP units provided. For 2024/2025 774 units were provided for which add up to 50548 VIP units provided to date.

TABLE: 1

SCHEME	PROJECT	LOCALITY	OBJECTIVE	CHALLENGES AND REMEDIAL
MAMPURU	Feasibility studies and technical reports - Mapodile	Fetakgomo	1 feasibility study conducted & 1 technical report developed	Operations and Maintenance to intervene with interim measures while the project team is sourcing funding for the project.
MOOIHOEK	Feasibility studies and technical reports - Praktiseer	Fetakgomo Tubatse	Refurbish and upgrade the primary and secondary bulk distribution system from source development	The consultant completed both the inception and concept report. SDM approved the inception report And concept report. The reports will be submitted to DWS in July 2025 for appraisal. Operations and Maintenance to intervene with interim measures while the project team is sourcing funding for the project.
MOOIHOEK TUBATSE	Water Reticulation to Dresden, Ga-Manoke , Alverton, Ga-Matodi,	Fetakgomo Tubatse	Refurbish and upgrading the secondary bulk distribution system	SDM to resubmit the concept design report to DWS for appraisal purpose in July 2025
NEBO	Nebo De Hoop Sub Scheme Jane Furse Water Distribution	Makhudutha maga	Refurbish and upgrading the secondary bulk distribution system	Project under litigation

NEBO	IRS Nebo Ga Malekana to Zaaiplaas	Makhudutha maga	Infrastructure Integration to refurbish and upgrade the primary and secondary bulk distribution system	Project was submitted to DWS. SDM is awaiting inputs, comments and approval Activities to be undertaken Implementation Readiness study (IRS) Preliminary design Environmental Impact Assessment (EIA)* Water use license authorization (WULA)* Funding & co-funding agreements* Land acquisition / Servitudes* Operation and maintenance agreements Water Services Development Plan, inclusive of WC/WDM
NEBO	Feasibility studies and technical reports – Jane Furse RDP	Makhudutha maga	Refurbish and upgrading the primary and secondary bulk distribution system	Project not feasible with the current state of water shortages in RDP section. Engineer has produced Draft inception report
FLAG BOSHIELO	Feasibility studies and technical reports - Leeuwfontein	Ephraim Mogale LM	Refurbish and upgrading the primary and secondary bulk distribution system	Final inception and concept report approved. Approval letter was issued to consultant to refurbish O&M activities on Flag Scheme Report to be submitted to DWS in July 2025
NEBO	Feasibility studies and technical	Elias Motsoaledi	Refurbish and upgrading the primary and secondary bulk distribution system	Final inception and concept report approved.

	reports - Monsterlus			Approval letter was issued to consultant to refurbish O&M activities on Flag Scheme Report to be submitted to DWS in July 2025
WESTERNHIGHVELD	Feasibility studies and technical reports - Waalkraal RDP	Ephraim Mogale	Refurbish and upgrade the primary and secondary bulk distribution system	The inception report and draft concept report have been approved. Consultant to address the inputs and comments from the municipality
GROBLERSDALLUCKAU	Feasibility studies and technical reports - Moteterna	Elias Motsoaledi	Refurbish and upgrade the secondary bulk distribution and reticulation network	The inception report and draft concept report have been approved. Consultant to address the inputs and comments from the municipality
DISTRICT SANITATION	Feasibility study and technical Report - District Municipality Sanitation Program	District municipality	Provision of improved ventilated pit Provision of improved ventilated pit to Elias, Makhuduthamaga, Fetakgomo Tubatse and Ephraim Local Municipalities	All contract documentation in place. Inception report received Develop need analysis -Pre investigation

2.1. SANITATION (VENTILATED IMPROVED PITS) SERVICES PROVISION

Provision of sanitation project through means of dry sanitation as the areas in Sekhukhune have not yet developed to the stage of having 2/3 of settlement receiving water within the yard. Above 90% of the households within the district are categorised as indigent with largely showing appetite of acquiring high level of service through own drilling of boreholes and developing onsite sewer septic tanks. Main challenge is the control of municipalities regulating the quality standards work works performed by households in the classified rural settlement or informal settlement as there is lack of compliance or unawareness by the affected rural communities.

As the municipality is obliged and mandated under the water service act we have adopted the proposed and approved technical services researched by DWS to use per unique scenario. Thus, meaning under the current FY2025/2026 SDM will embark on providing additional dry sanitation in order to gradually reduce the backlog and protection of underground aquifers.

Project Current Status

The following is a status of items for the sanitation projects in four local municipality within the district:

Item	Status	Description
Scope		Rural Household Sanitation within the district under FY 2025/2026. This consist of perfricated panels and accessories with watertight lining with optional using mortar or prefabricated sub tank or septic
Time		Some delays to update the design and undertake investigations as result of allocation not yet done and aligning proper scoping being addressed
Risk		Risks identified and being mitigated.
Safety		The current utility service has improved health benefits that control also the hibernation mode of insects and flies

		fertilization to avoid or pretend mode of transmittal from bacterial infection between excrete waste and domestic consumables. Secondly the seating pedestal is adjustable between adults and minors creating safety feature for comfortable use
Quality		Product manufacturing is tested under SABS and or Agreement SA certification
Cost		Cost estimate to be depended on finalized scope. On estimate the unit cost is R19,000.00. Calculation per current escalation
Cashflow		Additional funding to be informed by the project cost estimate

Local Municipality	Historic installed units from 2015 to 2023
Ephraim Mogale LM	7,230
Fetakgomo Tubatse LM	14,671
Makhuduthamaga LM	9,465
Elias Motsoaledi LM	11,301

Local Municipality	Current sanitation under implementation started in FYI 2024/2025 – 2025/2026
Makhuduthamaga LM	300 (Still under construction)
Fetakgomo LM	300 (Still under construction)
Ephraim Mogale LM	250 Completed
Elias Motsoaledi LM	300 (Still under construction)

PROJECT NAME	EXPENDITURE TO DATE	PLANNED SCOPE OF WORKS	ACTUAL PROGRESS
Lebalelo South connector pipes and reticulation	R 0	Construction of 90.7km bulk Pipeline, Package plant, Valve chambers and electrification of boreholes	**Bulk Pipelines** **The overall progress is at 95%.** System 1 – 84.39km of Bulk pipeline constructed. Contractor to Finalize the outstanding pipework, installation of Valve chambers and pipe testing – **Physical Progress = 99%**
	R0.00	Construction of 95.5km bulk Pipeline, Erection of Steel tank, Package plant, valve chambers and electrification of boreholes	System 2 – 93.6km of Bulk pipeline constructed, one Steel tank erected, currently busy with the erection of Valve chambers –**Physical Progress = 96%**
		Construction of 35km bulk pipeline, Steel tank, Erection of 2X Elevated steel tanks, Valve chambers and electrification of boreholes	System 3 - 35km of Bulk pipeline constructed, Two Steel tanks erected and valve chambers completed. Project practically completed- **Physical Progress 99%.**
		Construction of 87.6km reticulation network including meters and yard connections.	**Reticulation.** **The overall progress is at 99%.** System 1 – 87km of reticulation constructed including water meters- **Physical Progress 100%.**
		Construction of 118km reticulation network including meters and yard connections	System 2 – 118km of reticulation network constructed, currently busy with the installation of the watermeters and standpipes –**Physical Progress 97%.**
		Construction of 15km reticulation network including meters and yard connection	System 3 - 15km of reticulation network constructed, contractor is currently busy with the erection of standpipes. – **Physical Progress 96%**
		Construction of one 2.0ML (Driekop-Mohlopi Village) and One 4.1ML (Riba- Cross village) and 0.3ML (Ga-Riba)	**Reservoirs** **The overall progress is at 88%.** Package A All platforms completed. No reservoir erected.
		Construction of one 0.2ML (Driekop-Ga-ragopola Village) and two 0.3ML (Driekop-Mohlopi	Package B All the 5 steel tanks have been erected, only connections, pumps and

		village) and two 0.7ML (Driekop-Ga-ragopola Village).	fencing are still outstanding. **Physical progress is at 95%.**
		Construction of three 0.3ML (River-cross Village) and three 0.7ML (Madiseng, Maeseng and Mandela)	Package C All 6 steel tanks have been erected and fencing is completed. Project is practically completed. **Physical progress is at 99%.**
Upgrading of De Hoop WTW	R13 070 204,53	Construction of 2 Settling dams, 5km Subfloor pipeline, chemical building, filter building, Clarifies and Retaining Walls.	**Overall Progress percentage: 33%** The contractor is currently busy with carport and finishing on the new offices for Department of Agriculture, construction of slab panels on 2 sludge/settling dams, 294m Subfloor pipeline laid, formwork and casting concrete for foundation on chemical building and steel fixing for floor on filter building.
Groblersdal to Luckau BWS (Phase 1)	R 113 445 340,25	**Contract 1 A** Upgrading of Electrical and Mechanical works at Groblersdal WTW. Upgrading of Electrical and Mechanical works at Motetema Pump station.	**Progress is at 66%.** The Contractor is currently busy with steel fixing for the roof slab in Motetema Pump station.
		Contract 1 B Construction of a three-span arch type steel truss olifants river crossing pipe bridge. Construction of a 200kl ground steel tank at Motetema.	**Progress is at 48%.** The contractor has casted concrete for the abutments,currently busy with steel fixing for the column and blinding for the concrete tank at Motetema.
		Contract 1 C Construction of a 300mm DN Steel pipes (4.2km long) from Groblersdal WTW to the Bloed river. Construction of 300 mm DN Steel pipeline from Motetema PS to Motetema SR (0.8km long). Construction of a 500mm DN Steel pipes (3.2km long) from Groblersdal WTW to R33-R574 Junction.	**Progress is at 72%.** Contractor has laid 3180m of 500mm DN Steel pipes out of 3260 and 4180m out of 4200m of 300mm DN steel pipes and currently busy with the chambers.

		Contract 1 D Construction of a 500mm DN Steel pipes (6.9km long) from R33-R574 Junction Motetema Sump.	**Progress is at 81% ,** Contractor has laid 6811m of 6900m of 500mm DN Steel pipes and currently busy with the chambers
		Contract 1 E Construction of a 500mm DN Steel pipes (4.2km long) from Motetema Sump to Tafelkop pump.	**Progress is at 59%.** Contractor has laid 3819m of 500mm DN Steel pipes and currently busy with the chambers and blasting of hard rock.
Groblersdal to Luckau BWS (Phase 2)	R66 058 202,07	**Contract 2A** Installation of Electrical, Mechanical and civil Infrastructure (Pumps, pipework and Electrical at Tafelkop pumpstation. Construction of 6,4km long 350mm GRP from Tafelkop to Bapeding.	**Progress is at 32%.** Contractor is currently busy with the excavations and pipe laying. Excavation – 6115m Pipe laid – 3000m
		Contract 2B Construction of 3,7ML concrete reservoir at Bapeding	**Progress is at 33%.** Contractor is currently busy with the earthworks
		Contract 2C Construction of 4,4km long 250mm GRP gravity main from proposed 3,7ml command reservoir to Chego. Construction of 200kl steel tank at Babeding.	**Progress is at 32%.** Pipes have been delivered, and the Contractor is currently busy with the excavations, bedding and pipe laying. Pipe laying – 2328m
		Contract 2D Construction of 8,5km long 150mm GRP gravity pipeline from proposed CR to Dikgalaopeng.	**Progress is at 29%.** Pipes have been delivered, and the Contractor is currently busy with the excavations, bedding and laying of pipes. Pipe laid - 5265m.
Moutse East and West Water Reticulation phase 1	R60 200 026,80	**Contract A** Construction of 136,56km reticulation pipeline, install 2800 house connections, 40m pipe jacking on road crossing D1399, electrical and mechanical works	**Progress is at 80%.** 140,25km reticulation pipeline and 1800 house connections constructed.

		on the pump station, rehabilitation of the bulk feeder line, construct 1* 25KL pressure tank	
		Contract B Construction of 93.96km reticulation pipeline, construction of 1*steel break pressure tank Install 2950 house connections, pipe jacking on D1399, electrical and mechanical works, rehabilitation of internal bulk feeder line	**Progress is at 75%.** 70.107km reticulation pipeline laid. 960 house connections constructed. 40% M&E Work done
		Contract C Construction of 100.832km reticulation pipeline, installation of 3720 house connections, rehabilitation of internal bulk feeder lines, construction of 1*25kl break pressure tank, construction of 2*248kl storage tank	**Progress is at 40%.** 39,572km of reticulation pipeline constructed.1122 house connections constructed. 32% of Rehabilitation of the internal bulk feeder line done
		Contract D Construction of 35,748km reticulation pipeline, construction of 1*25kl break pressure tank, installation of 812 house connections, rehabilitation of internal bulk feeder lines	**Progress is at 100%.** 37,024km reticulation pipeline constructed. 812 house connections constructed.1* 25KL Steel tank installed. rehabilitation of internal bulk feeder lines done.
		Contract E Construction of 46,847km reticulation pipeline, installation of 802 house connections, rehabilitation of internal bulk feeder line, construction of 1*25kl break pressure tank	**Progress is at 100%.** 46,847km reticulation pipeline laid. 802 house connections constructed; rehabilitation of internal bulk feeder line done, 1*25kl break pressure tank
Moutse East and West Water Reticulation phase 2	R3 551 328,10	Construction of a water reticulation network approximately 292 995m & internal bulk 12 600m, elevated steel tank complete with fittings and relevant water supply equipment of various villages.	4 contractors have been appointed, site hand over will be conducted on the 02/06/2025.
Mampuru Bulk Water Scheme	R13 252 995,27	1*150kl steel reservoir, Borehole development 8, construction of 10km Rising mains	**Overall progress 10%** 2 contractors appointed, busy with site establishment, awaiting approval of the construction work permit to commence with the actual works.

			One construction was re -advertised and the briefing session was held on 03/06/2025
Olifantspoort South Regional Water Supply Phase 6	R0	Hydraulic testing and commissioning of 5052m uPVC bulk pipeline. Installation of 3-phase power line to 8 boreholes	**Overall Progress 0%** Eskom is busy with procuring material for installation of a three-phase line. Project was advertised and the tender closed on the 16 April 2025. Currently at Bid Evaluation committee stage.
GaMaphopha Command Reservoir	R0	1 Manhole, cathodic protection, connections completed, I reservoir tested and commissioned.	Remeasurement of quantities to be submitted to determine if the contractor was overpaid. And start with the process for termination.
Refurbishment of Leeufontein WWTW	R4 204 954,06	1 detailed design completed. 1 term contractor and 1 main contractor appointed. 1 bulk meter installed. 1 mechanical grinder installed. 1,1 km of fence installed.	Detailed designs submitted to SDM for approval. Meeting for presentation of designs to be held on the 01st of July 2025. Consultant also finalising the draft tender document.
Refurbishment of Dennilton WWTW	R3 585 318,63	1 detailed design completed. 1 term contractor and 1 main contractor appointed. 1 bulk meter installed. 1 mechanical grinder installed. 1,1 km of fence installed. 1 generator refurbished.	Detailed designs and draft tender document submitted to SDM for approval. Meeting for presentation of designs to be held on the 01st of July 2025.
Lebalelo Central RWS sub-scheme 1A	R20 000 000,00	Equipping boreholes, pumping mains, water treatment works, booster pump station, bulk pumping main, command reservoir, bulk gravity main from command reservoir to service reservoirs, service reservoirs and connection to existing water reticulation	Project was advertised on the 23 May 2025 and closing on the 04 July 2025

PROJECT NAME	**EXPENDITURE TO DATE (R)**	**PLANNED SCOPE OF WORKS**	**ACTUAL PROGRESS**
Malekana Regional Water Scheme	R6 268 226,89	**Contract A** Construction of 29km of Epoxy coated steel pipelines, Valve chambers and Installation of valves.	**Overall progress = 100%** **Completion reached on the 23 April 2025** Works in Progress

			28.658 km out of 29km completed to date.
		Contract F Reticulation network and yard connection in Ga Masha and Rantho village	**Overall progress = 88%** 39697m out of 43447m completed Activities for the month was construction of 93-yard connections 1605-yard connections completed out of 2073-yard connections
		Contract J Reticulation network and yard connection in Kutullo/Steelpoort village	**Overall progress = 80%** 33374 m out of 34171m completed. Activities for the month was the casting of valve chamber roofs
Olifantspoort South Regional Water Supply Phase 6	R723 798,17	Same as above	
Moutse East and West Water Reticulation - Phase 1	0.00	Same as above	
Ga-Mogashoa (Senkgapudi) and Ga-Mogashoa (Manamane) Water Reticulation	0.00	**Contract 23:** **76.6 kilometers of pipeline completed**, equipping of 3 boreholes, installation of fire hydrants, 896-yard connections.	**71.3km pipeline constructed.** Currently there are no activities on site. **Overall progress 98%** No progress for the month.
NSD07 Regional Water Scheme Construction of Concrete Reservoirs	0.00	**Contract 5-2019/20:** 1.5 kilometers of pipeline completed and 1 x 3ML concrete reservoir completed	**0km pipeline constructed and 0 reservoir completed.** **Overall progress at 48%.** Platform preparations completed, installation of drainage pipes completed, cast-in pipes completed, the reinforcement of the ring beam completed and the casting of concrete for the ring beam is completed, casting of floor no-fines completed and the floor reinforcement underway
		Contract 6-2019/20:	**0.1 km pipeline constructed.**

		1.5 kilometers of pipeline completed and 2 x 1ML concrete reservoirs completed	**Overall progress at 70%.** Senkgapudi: ring beam,floor slab completed and 50% of steel & shuttering is completed. Manamane: ring beam and floor slab completed, the removal of the excessive soil material is almost complete, steel fixing and formwork of first lift completed for Senkgapudi reservoir completed
Lebalelo South connector pipes and reticulation	0.00	Same as above	
Lebalelo South: Phase 3 (Ga Maroga & Motlolo Bulk and reticulation infrastructure)	3 413 309.25	Construction 5 x0.15ML ,1 x0.20ML, 1 x 0.3ML and 1 x1.5 ML tanks Construction of valve chambers, installation of respective valves and tank pipe work, refurbish existing damaged or deteriorating reservoirs and construction of 105 km pipeline.	**Reservoirs (Ga-Maroga and Motlolo)** Overall Progress =95% 8 out of 8 reservoirs completed, the contractor is currently busy with the chambers and installation of inlet and outlets. **Bulk and Reticulation (Motlolo)** Overall Progress =100% 69 km out of 69 km of pipeline has been completed, 1 Water package plant constructed,1510 out of 1510 house connections completed ,3 out of 3 boreholes refurbished. Pressure testing done sectionally as the project proceeds. **Bulk and Reticulation (Maroga)** **Overall progress=98%** 52.1km of reticulation pipeline constructed,7.5km of bulk line constructed, package plant construction, 1 elevated steel tank completed, 3 boreholes completed, and pipe pressure testing is done sectionally as the project proceeds.
			Motlailana Village

Motlailana and Makgemeng villages water supply	0.00	68 km Bulk and Reticulation pipeline for Motlailana and Makgemeng Villages, 3 storage tanks and equipping of 4 boreholes.	Practical completion done on the 28 September 2023 **Makgemeng Village** **Overall Progress = 90%** 54.050 kilometers for reticulation and 5.136 kilometers for pumping main). 1645 house connections installed out of 1824. Borehole H16-2288 and H162290 have been equipped. Awaiting ESKOM to connect 2 boreholes. Concrete works for reservoirs are ongoing, pressure testing in progress, out of 45832m, 31624 m is tested.
SDM Disaster Management Pandemic Intervention projects COVID 19	0.00	Legolaneng Testing and Commission 75 mm diameter 2.5 km pipeline Equipping and electrification of 2 x pump station Equipping and electrification 2 x Borehole	Project abandoned at 70%
		Mahlokwena/ Malaeneng 700m of pipeline 160 dia mm One pump station 3 stand pipe Pipeline markers	Project on practical completion Consultant submitted completion report which is being reviewed by SDM
GaMaphopha Command Reservoir	0.00	Same as above	

PROJECT	PROJECT SCOPE	EXPENDITURE	CUMULATIVE ACTUAL PROGRESS
Tukakgomo water Supply Phase V	Construction of 1.7km water reticulation and Water Meters installation	R3 963 462,19	Site establishment at 100%, construction of reticulation at 100%, Refurbishment of abstraction at 100%, Refurbishment Water source development at 100% and meter installation at 100%. **Overall progress at 100%**
Maebe Water Intervention Project-Phase V	Installation of 1x 50 000l/hr Reverse Osmosis package plant. Raw Storage Tank and the Clean Water Storage Tank.	R0 (Claim at hand **R1 373 569,10**)	**Overall progress is 98%** Install submissible pumps 100% Galvanised steel pipe 100% Palisade fence 100%. Pump houses 100%. Installation of RO Plant 97%
Phokwane / Brooklyn Water Supply	Drilling, testing and equipping of 1 borehole, construction of a rising main, one elevated steel tank and connect it to the existing reticulation network.	R 3 605 827,53	Site establishment at 100%. Drilling, testing and equipping at 100%, rising main at 96%, elevated steel tank at 100% and gravity main at 90% **Overall progress at 96%**
Nkosini Water Supply	Refurbishment of Nkosini Package Plant	R5 695 976,42	Site establishment is at 100%, Package plant at 100%, Reticulation network at 100%, Steel Tank works at 99% and Telemetric at 100%. **Overall progress at 98%**
Commissioning of Moutse bulk pipeline	Assessments, refurbishment, and commissioning of bulk pipeline	R5 748 089,91 **R1 711 070,92 claim at hand June 2025**	DWS Construction received construction works permit. Site camp is established Pressure testing of the pipeline is underway Sub-contractor for pipe supply is appointed

Ga-Marishane Village Water Supply	Construction of 1.3km of rising main from the boreholes to the water treatment plant, 3* pump house equipping, 3*borehole equipping, installation of 30KVA transformer, construction of air valve and scour valve	R2 840 580.45	Overall progress = 99%. Snag list items were issued to the contractor
Laersdrift Water Supply	Construction of 60kl elevated steel tank, refurbishing of 2 boreholes, drilling and equipping, constructing of 11,6km of reticulation pipeline and 810 house connections.	R13 485 164,00	Site establishment is 100%. Construction of 80kl elevated steel tank at 98%, refurbishing of boreholes 100%, constructing of 11.6km of reticulation pipeline at 100% and 810 house connections at 100%. **Overall Progress at 100%**
Eenzaam water supply (Work Package 1)	Construction of 7km rising main, testing and equipping of 8 existing boreholes, refurbish reservoirs, valves and valve chambers, reticulation network, install water treatment package plant and steel tank	R3 935 688,18 **Claims at hand R4 044 797,25 – June 2025**	Clear and grub complete Delivery of pipe material Excavation of trenches
Kgotlopong water supply (Work Package 1)	Install 2.5km GRP pipe and 21.6km of uPVC-O pipes., refurbish existing 138kl concrete reservoir, installation of RO plant, supply and erect 500kl steel tank for portable water and 3kl steel tank for raw water, construction of 2m x 1m weir and abstraction well with depth of approximate 10m, ERF connections for499 households, equipping and electrification of one borehole, construction of electrical power main connection 38KV x 2	R5 342 920,84	Site establishment at 100%. Clear and grub complete at 100% Excavation for pipeline at 90%. Pipeline laying at 45%. Material delivered to site.

PROJECT NAME	EXPENDITURE TO DATE	PLANNED SCOPE OF WORKS	PROGRESS TO DATE
Mooihoek bulk water supply phase 4G1.1	R11,232,895.00 (Overall expenditure on the project = R61,208,711.93)	3 km of bulk water supply pipeline and 1 package plant constructed.	**Overall Physical progress 100%.** Contractor has achieved practical completion stage. 3000m/3000m length of pipeline laid. (Overall Pressure testing 99%, bridge crossing 100% and Manholes 100%.) Fittings to manholes 100% Package Plant at Mooihoek WTW 100% Complete. Contractor busy with overall pipeline pressure testing. Training and additional work (installations of high-lift pumps 100% Complete).
Nebo BWS Makgeru to Schoonoord BWS	R2 362 143.71 (Claims at hand **R579 388.59,** claims to be submitted in July based on approved additional funds **R17 506 584.00**)	Construction of 24,5km of bulk pipeline and 10ML concrete reservoir	**Overall project progress at 99%,** project has reached practical completion stage 23,8km of bulk pipeline completed at 98% 10ML reservoir structure completed, only water tightness testing outstanding at 99% Contractor busy with rehabilitation of the site. Main work remaining is the pressure testing of pipeline which will be linked to Nebo Phase 1A commissioning.
Development of IRS on the De Hoop, Nebo Plateau scheme up to Zaalplaas	R0,00	1 consultant appointed for scoping and needs assessments. F Feasibility study, preliminary design report and implementation readiness study	Draft scoping report, need assessment, conditional assessment and draft Feasibility studies report completed, now awaiting approval from DWS and SDM before producing a final report.
Nebo Commission Malekana to Jane Furse Pipeline	R0,00	31 Kilometres of bulk water supply pipeline tested & 1 command reservoir tested	Conditional Assessment Inspection to survey the existing pipeline (internal lining and corrosion) Inception and concept report are 95% complete

Moutse BWS Project 13 & 14	R7,877,000.00	1 mechanical and 1 Electrical (M & E) components installed for the extensions to the Groblersdal Water Treatment Works and pump station. Civil works for 1 clarifier and 1 filter basin	Clarifier completed. Raw water pumps are in for repairs Clear water tank has been aligned Lining of filter literals, grouting of filter literal, levelling of nozzles Overall progress at 92%
Moutse BWS Project (7 to 12)		10 Kilometres of bulk water supply pipeline constructed and tested	Pipe installation and testing is complete Engineer to issue completion certificate for project 12 Overall progress 98%

1.12. FINANCIAL HEALTH OVERVIEW

Sekhukhune District Municipality has a few assets in the form of water and sanitation infrastructure (immovable assets) as well as those assets that are movable (office furniture and vehicles). In the 2024/2025 financial year, the Property, plant and equipment was reported at R5 590 508 875 as compared to R 5 063 231 678 in the 2023/2024 financial year. There was an overall increase in the SDM assets as most WIP projects were completed in the 2024/2025 financial year. Furthermore, the total liabilities for the 2024/2025 financial year were reported at R 935 886 701 as compared to R 794 108 880 in the 2023/2024 financial year. The net asset position of the municipality stands at R 5 263 024 544 in 2024/2025 compared to R5 036 517 648 in the 2023/2024 financial year.

Revenue

The total revenue realised by the SDM for the 2024/2025 financial year reported at R1 886 963 036 compared to R1 758 919 190 for the 2023/2024 financial year. Revenue from exchange items is summarised as follows:

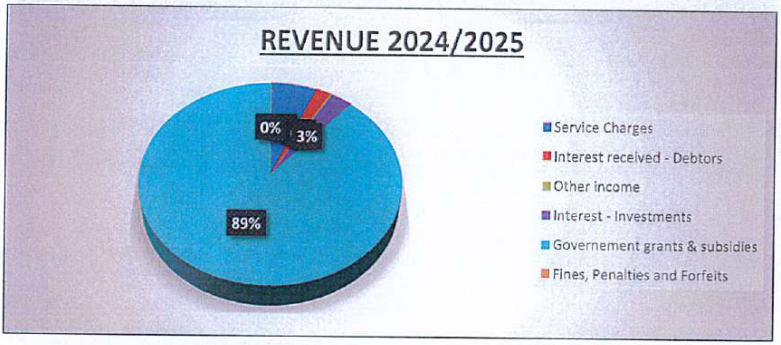
Service charges, which are the sale of water and sewer services, stood at R 116 424 838 as compared to R 71 551 840 in the 2023/2024 financial year.

Interest received by debtors is reported at R 39 224 920 as compared to R 34 069 586 in the 2023/2024 financial year. Other sources of revenue, such as the sale of tender documents, contributed R 2 174 673 as compared to R 1 082 941 in the 2023/2024 financial year.

Revenue from non-exchange items reported at R1 671 896 012 as compared to R 1 571 008 030 in the 2023/2024 financial year. The greater part of the revenue from non-exchange items is the government subsidies and grants, which clearly indicate that we are a grant-dependent municipality.

TABLE 1: REVENUE FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Revenue from exchange transac	2025	2024
Service Charges	116 424 838,00	71 551 840,00
Interest received - Debtors	39 224 920,00	34 069 586,00
Other income	2 174 673,00	1 082 941,00
Interest - Investments	57 242 593,00	81 206 793,00
Total	**215 067 024,00**	**187 911 160,00**
Revenue from non-exchange tra	**2025**	**2024**
Governement grants & subsidies	1 671 005 900,00	1 570 998 704,00
Fines, Penalties and Forfeits	890 112,00	9 326,00
Total	**1 671 896 012,00**	**1 571 008 030,00**



Expenditure

The total expenditure for the municipality in 2024/2025 was at R 1 717 338 755 as compared to R 1 620 231 840 in the 2023/2024 financial year.

Employee-related cost is the highest contributor, amounting to R 422 603 849 compared to R 432 773 919 in the 2023/2024 financial year.

The contracted services are the second contributor, amounting to R 360 322 935 as compared to R 313 097 579 in the 2023/2024 financial year.

The General expenses are the third contributor at R 261 288 330 in 2024/2025 as compared to R 222 751 723 in the 2023/2024 financial year.

Bulk purchases are the fourth contributor at R 165 686 135 compared to R 231 345 755 in the 2023/2024 financial year.

Depreciation and amortization are the fifth contributor at R 149 159 084 compared to R 144 961 078.

Debt impairment is the sixth contributor at R 99 298 034, as compared to R 83 509 317 in 2023/2024 financial year.

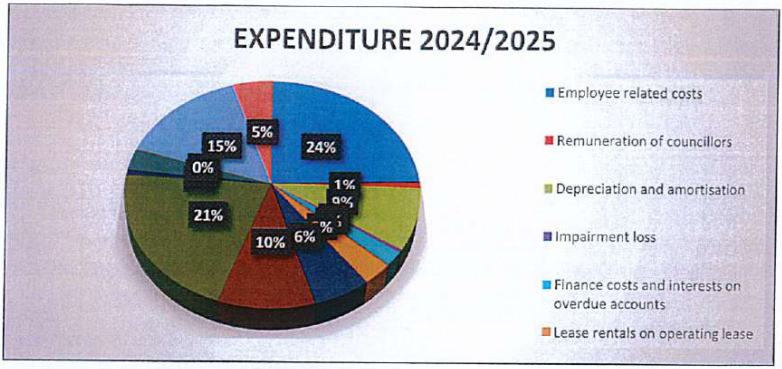
Repairs and maintenance are the seventh contributor at R 82 281 773 compared to R 51 075 674 in the 2023/2024 financial year.

Remuneration of councillors is the ninth contributor reported at R 16 301 304 as compared to R 17 935 498 in the 2023/2024 financial year

Transfer and subsidies are the sixth contributors at R 12 178 756 in 2024/2025, as compared to R 10 697 833 in the 2023/2024 financial year

TABLE 2: 2024/2025 EXPENDITURE

EXPENDITURES	2025	2024
Employee related costs	422 563 849,00	432 773 919,00
Remuneration of councillors	16 301 401,00	17 935 498,00
Depreciation and amortisation	149 159 084,00	144 961 078,00
Impairment loss	9 046 525,00	7 348 419,00
Finance costs and interests on overc	32 785 697,00	18 964 288,00
Lease rentals on operating lease	52 092 341,00	45 782 700,00
Debt Impairment	99 298 034,00	83 509 317,00
Bulk purchases	165 686 135,00	231 345 755,00
Contracted services	360 322 935,00	313 097 579,00
Transfers and Subsidies	12 178 756,00	10 697 833,00
Inventory losses/write-downs	53 807 465,00	38 302 446,00
Actuarial losses	526 527,00	1 685 611,00
General Expenses	261 288 330,00	222 751 723,00
Repairs and maintenance	82 281 773,00	51 075 674,00
TOTAL EXPENDITURE	**1 717 338 852,00**	**1 620 231 840,00**



1.11. STATUTORY ANNUAL REPORT PROCES

NO.	ACTIVITY	TIMEFRAMES
1.	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3.	Finalise 4th quarter Report for previous financial year	
4.	Submit draft Annual Performance Report to Internal Audit	
5.	Municipal entities submit draft annual performance reports to MM	
6.	Audit/Performance committee considers draft Annual Performance Report of municipality and entities (where relevant)	August
7.	Mayor tables the unaudited Annual Performance Report	
8.	Municipality submits draft Annual Performance Report including consolidated annual financial statements and performance report to Auditor General.	

9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10.	Auditor General assesses draft Annual Performance Report including consolidated Annual Financial Statements and Performance data	
11.	Municipalities receive and start to address the Auditor General's comments	September – October
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	November – December
13.	Annual Report is made public, and representation is invited	January
14.	Oversight Committee assesses Annual Report	February
15.	Council adopts Oversight report	March
16.	Oversight report is made public	
17.	Oversight report is submitted to relevant provincial councils	March – April
18.	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	

CHAPTER 2:

GOVERNANCE

CHAPTER TWO: GOVERNANCE

2.1. INTRODUCTION TO GOVERNANCE

Section 2 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) defines a municipality as follows.

"a municipality is-an organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government Municipal Demarcation Act, 1998.

Consists of –The political structures and administration of the municipality; and

The community of the municipality"

Section 152 of the Constitution of the Republic of South Africa provides for the following as objectives of local government.

Section 152 (1) the objectives of local government are.

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment and.
- To encourage the involvement of communities and community organisations in the matters of local government

In terms of the Municipal Structures Act, the Council of the Municipality is the highest decision-making body. The council appoints Accounting Officer who runs the day-to-day operations of the municipality on behalf of the Council.

2.2. INTRODUCTION TO POLITICAL GOVERNANCE

In our resolve to enhance good governance and accountability, the Municipality adopted separation of powers model, marking a new dispensation in the history of Sekhukhune, which sees the legislative arm of council being separated from the executive arm. This is in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened, and that effective public service delivery takes place to benefit the communities of Sekhukhune.

2.3. POLITICAL GOVERNANCE

2.3.1. INTRODUCTION TO POLITICAL GOVERNANCE

The district municipality is a category C municipality with an executive system of mayoral committee. The municipality has 20 councillors which are proportional representative councillors.

2.3.2. POLITICAL STRUCTURES

2.3.2.1. The Executive Mayor: Cllr. Minah Bahula

Section 56 as per the Local Government :Municipal Structures Act, 1998 (ACT NO.117 OF 1998). Functions and powers of executive mayors

(1) An executive mayor is entitled to receive reports from committees of the municipal council and to forward these reports together with a recommendation to the council when the matter cannot be disposed of by the executive mayor in terms of the executive mayor's delegated powers.

(2) The executive mayor must-

(a) identify the needs of the municipality;

(b) review and evaluate those needs in order of priority;

(c) recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and

(d) recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

(3) The executive mayor in performing the duties of office, must-

(a) identify and develop criteria in terms of which progress in the implementation of the strategies, programmes and services referred to in subsection (2) (c) can be evaluated, including key performance indicators which are specific to the municipality and common to local government in general;

(b) evaluate progress against the key performance indicators;

(c) review the performance of the municipality in order to improve-

(i) the economy, efficiency and effectiveness of the municipality;

(ii) the efficiency of credit control and revenue and debt collection services; and

(iii) the implementation of the municipality's by-laws;

(d) monitor the management of the municipality's administration in accordance with the directions of the municipal council;

(e) oversee the provision of services to communities in the municipality in a sustainable manner;

(f) perform such duties and exercise such powers as the council may delegate to the executive mayor in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

(g) annually report on the involvement of communities and community organisations in the affairs of the municipality; and

(h) ensure that regard is given to public views and report on the effect of consultation on the decisions of the council.

2.3.2.2. The Speaker: Cllr. Kgwediebotse David Chego

Section 37 as per the Local Government :Municipal Structures Act, 1998 (ACT NO.117 OF 1998). Functions and powers of speaker

Section 37 The speaker of a municipal council-

(a) presides at meetings of the council;

(b) performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

(c) must ensure that the council meets at least quarterly;

(d) must maintain order during meetings;

(e) must ensure compliance in the council and council committees with the Code of Conduct set out in Schedule 1 to the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and

(f) must ensure that council meetings are conducted in accordance with the rules and orders of the council. Local Government Municipal Structures Act 117 of 1998 as amended

2.3.2.3. The Chief Whip Cllr. Machipa T. A

Duties of the Chief Whip

The Council may delegate the following functions to the Whip –

· Political management of council meetings and committee meetings

· Inform councillors of meetings called by the Speaker and the Mayor and ensuring that such meetings quorate

· Advises the Speaker and Mayor on the Council agenda

· Informs councillors on important matters on the relevant agenda

· Advise the Speaker on the amount of time to be allocated to speakers and the order of such speakers addressing the Council

· Ensures that councillors' motions are prepared and timeously tabled in terms of the procedural rules of Council

· Assisting the Speaker in the counting of votes

· Advising the Speaker and the Mayor of urgent motions

· Advising the Speaker and Mayor on how to deal with important items not disposed of at a Council meeting

2.3.2.4. The Mayoral Committee

The Executive Mayor is the political head of the Institution and is assisted by Mayoral Committee. The Executive accounts to Council on a regular basis on the work of the municipality.

1.The Table below illustrates the Members of the Mayoral Committee as at 01 July 2024 to 31 October 2024

NO.	SURNAME AND INITIALS	DESIGNATION
1.	Cllr. Maitula B.M	Executive Mayor
2.	Cllr. Sefala R.E	Member of the Mayoral Committee (MMC): Budget & Treasury
3.	Cllr. Kupa C.R	1st Member of the Mayoral Committee (MMC): Infrastructure & water Services
4.	Cllr. Mabatane M.C	2nd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
5.	Cllr. Mathipa M.P	3rd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
6.	Cllr. Mafefe O.H	Member of the Mayoral Committee (MMC): Corporate Services
7.	Cllr. Mashilo M.S	Member of the Mayoral Committee (MMC): Planning & Economic Developmenqt
8.	Cllr. Leshaba M.B	Member of the Mayoral Committee (MMC): Community Services

9.	Cllr. Leokana M.D	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)
10	Cllr. Nkosi S.B	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)

The Table below illustrates the Members of the Mayoral Committee as at 20 November 2024 to 30 June 2025

NO.	SURNAME AND INITIALS	DESIGNATION
1.	Cllr. Maitula B.M	Executive Mayor
2.	Cllr. Sefala R.E	1st Member of the Mayoral Committee (MMC): Infrasructure and Water Services (Leader of Executive Business)
3.	Cllr. Mabatane M.C	2nd Member of the Mayoral Committee (MMC): Infrastructure & water Services
4.	Cllr. Ngobeni C.P	3rd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
5.	Cllr. Mathipa M.P	4th Member of the Mayoral Committee (MMC): Infrastructure & Water Services
6.	Cllr. Mafefe O.H	Member of the Mayoral Committee (MMC): Community Services
7.	Cllr. Matlala M.A	Member of the Mayoral Committee (MMC): Planning & Economic Development
8.	Cllr. Leshaba M.B	Member of the Mayoral Committee (MMC): Budget and Treasury
9.	Cllr. Leokana M.D	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)
10	Cllr. Nkosi S.M	Member of the Mayoral Committee (MMC): Corporate Services

2.3.2.5. Directly Elected Councillors

DIRECTLY ELECTED COUNCILLORS			
Council Members	**Full Time / Part Time (FT/PT)**	**Position held**	**Party Represented**
CLLR. Maitula BM	FT	Executive Mayor	ANC
CLLR. Maile LP	FT	Chairperson	ANC
CLLR. Chego DK	FT	Speaker	ANC
CLLR. Leshaba MB	FT	MMC	ANC
CLLR. Ratau MF	F. T	N/A	ANC
CLLR.Mashoeshoe HRS	F. T	MPAC Chairperson	ANC
CLLR. Mohlala MJ	P. T	N/A	ANC
CLLR. Sefala K.R.E	F.T	MMC	ANC
CLLR. Mabatane MC	F. T	MMC	ANC
CLLR. Mafefe OH	F. T	MMC	ANC
CLLR Nkosi SM	F.T	MMC	ANC
CLLR Mokganyetji MJ	P.T	N/A	ANC
CLLR. Mathebe J .L	P. T	N/A	ANC
CLLR. Kgwedi JL	P. T	N/A	SADA
CLLR. Mogotji FM	P. T	N/A	BOLSHEVIKS
CLLR. Tshivhula MP	P. T	N/A	DA
CLLR. Matsetela ML	P. T	N/A	EFF
CLLR. Maloba A	P. T	N/A	EFF
CLLR. Tladi M.D	P. T	N/A	EFF
CLLR Mogofe A	P.T.	N/A	EFF

2.3.2.6. Traditional Leaders in Council

The district has 75 traditional leaders. In 2024/2025 financial year, there was no traditional leaders in the council.

2.3.2.7. Political Decision Making

The District municipality has adopted a separation of powers model wherein Council is vested with the legislative authority and plays an oversight role on the Executive. The Executive on the other hand led by the Executive Mayor is responsible for execution and accounts to Council on the implementation of council decisions.

2.3.3. SECTION - 79 STANDING COMMITTEES OF COUNCIL

Section 79 committees

Council established section 79 committees to play oversight role and monitor the work of the executive and administration. The established committees are aligned to administrative departments of the municipality and are chaired by non-executive councillors.

BUDGET AND TREASURY (BTO) MEMBERS	COMMUNITY SERVICES (CMS) MEMBERS
Cllr. Thokwane K.Z (chairperson)	Cllr.Magatla L.N (chairperson)
Cllr. Mohlala M.J	Cllr.Mathebe JL
Cllr.Ngwatle A.D	Cllr.Ratau M.F
Cllr.Makutu T.S	Cllr.Kgwedi JL
Cllr.Mokgotho K.	Cllr. Mohlala M.J
Cllr.Mokomane LM	Cllr.Mthimunye M.S
Cllr.Tladi M.D	Cllr.Matsomane S.T
Cllr.Thobejane M.E	Cllr. Maibelo L.S
Cllr. Tshivhula M.P	MMC O. Mafefe
MMC Leshaba M.B	
CORPORATE SERVICES (CPS) MEMBERS	**INFRASTRUCTURE AND WATER SERVICES (IWS) MEMBERS**
Cllr.Maile L.P (Chairperson) ANC	Cllr. Malau T.S (chairperson)
Cllr.Mathebe J L	CLLR Makobe A
Cllr.Ratau M.F	Cllr.Mathabe J.L
Cllr.Mokganyetji M.J	Cllr.Mgiba N.P
Cllr.Mokomane M.L	Cllr.Mohlala M.J
Cllr.Machaba M.G	Cllr. Mathabatha T.E
Cllr.Tshivhula M.P	Cllr.Matsetela ML
Cllr.Mathabatha T.E	Cll Maloba A
Cllr. Matsomane M.E	Cllr.Makofane IT
MMC S.M Nkosi	MMC Mabatane M.C & MMC Sefala K.R.E
MMC Mafefe O.H	Deputy MMC Mathipa M.P

PLANNING AND ECONOMIC DEVELOPMENT(PED) MEMBERS
Cllr. Tlape M.M (Chairperson)
Cllr.Mogotji F.M
Cllr.Mathabathe T.E
Cllr.Mokomane LM
Cllr.Mokgotho K.
Cllr.Makofane I.T
Cllr.Malepe K.P
Cllr.Mthimunye M.S
MMC Matlala M.A

2.3.4. SPECIAL COMMITTEES OF COUNCIL

COUNCIL WHIPPERY
1. Cllr Machipa T.A (Chairperson)
2. Cllr Makofane IT
3. Cllr.Maloba A
4. Cllr. Mogotji FM
5. Cllr. Kgwedi JL

2.3.5. MUNICIPAL PORTFOLIO COMMITTEES

MUNICIPAL COMMITTEES	PURPOSE OF COMMITTEE
Corporate Services	Committee plays oversight and ensures department implements Human resources development strategy/policy and other related policies and that staff establishment is in line with IDP objectives
Community Services	Committee plays oversight and ensures that the department functions properly and implement core

	mandate such as disaster management and emergency services
Planning and Economic Development	Committee plays oversight and ensures that department deliver on its mandate of economic growth, job creation, poverty, and proper spatial planning
Budget and Treasury	Committee plays ensures that financial resources of the municipality are managed in line with legislation and accounting of fiancés takes place
Infrastructure and Water Services	Committee plays oversight and ensures that department provides basic services to communities and capital budget is spend in line with council priorities
The Section 79 Committees are contributing effectively to the overall functioning of Council wherein they meet monthly. They receive reports from Members of the Mayoral Committee who make recommendations to Council for approval. Based on the Portfolio Committee recommendations Council is able to take decisions as the matter tabled by the Executive Mayor would have been reviewed by the Portfolio Committee to advice council appropriately.	

2.3.6. Municipal Public Account Committee (MPAC) (Oversight committee)

In line with legislation the district has established an oversight committee made up of non-executive councillors to provide an opinion on the Annual Report before tabling to council. The oversight report will be published separately as per the MFMA guidance. The following are members of MPAC:

Cllr. Nkosi SM (Chairperson)
Cllr. Lekoatsipa L.R
Cllr. Thobejane LM
Cllr. Makofane T
Cllr. Magabe MS
Cllr. Letsela NS
Cllr. Matsetela ML
Cllr. Mogofe A

2.3.7. Meetings held as per each committee.

NAME OF THE COMMITTEE	NO OF MEETINGS HELD	DATE OF MEETINGS
Infrastructure & water services	13	• 08 July 2024 • 19 July 2024 • 24July 2024 • 22 August 2024 • 23 September 2024 • 11 October 2024 • 22 October 2024 • 25 November 2024 • 16 January 2025 • 22 January 2025 • 19 February 2025 • 20 March 2025 • 22 April 2025
Corporate services	10	• 22 July 2024 • 19 August 2024 • 21 September 2024 • 21 October 2024 • 21 November 2024 • 13 December 2024 • 21 January 2025 • 18 February 2025 • 23 April 2025 • 24 July 2025
Planning & economic development	10	• 18 July 2024 Ordinary • 20 August 2024 Special • 19 September 2024 Special • 23 October 2024 Ordinary • 22 November 2024 Special • 23 January 2025 Ordinary • 18 February 2025 Special • 23 April 2025 Ordinary • 23 July 2025 Special • 22 August 2025 Special
Budget & treasury	10	• 24 July 2024 Ordinary • 22 August 2024 Special • 23 September 2024 Special • 22 October 2024 Ordinary • 21 November 2024 Special • 22 January 2025 Ordinary • 19 February 2025 Special • 25 March 2025 Special

		• 22 April 2025 Ordinary • 26 May 2025 Special
Community services	08	• 25 July 2024 Ordinary • 21 August 2024 Ordinary • 18 September 2024 Special • 24 October 2024 Ordinary • 22 November 2024 Special • 21 January 2025 Ordinary • 18 February 2025 Special • 23 April 2025
Council Meetings	15	• 09 July 2024 Ordinary • 16 July 2024 Special • 23 July 2024 Special • 30 July 2024 Special • 28 August 2024 Special • 05 September 2024 special • 27 September 2024 Special • 21 October 2024 Special • 30 October 2024 Ordinary • 18 November 2024 Special • 20 November 2024 Special • 18 December 2024 Special • 30 January 2024 Ordinary • 29 April 2025 Ordinary • 29 May 2025 Special

2.3.8 ATTENDANCE OF COUNCIL MEETINGS AND MPAC MEETINGS

ATTENDANCE REGISTER FOR COUNCIL MEETING 2024/2025																			
Note:																			
P=Present																			
A= Absent																			
N/A= Not applicable																			
	Q1							Q2							Q3			Q4-	
	July - September							October - December							January - March			April- June	
	09/07/2024	16/07/2024	23/07/2024	30/07/2024	28/08/2024	05/09/2024	27/09/2024	21/10/2024	25/10/2024	30/10/2024	18/11/2024	20/11/2024	18/12/2024	23/12/2024	30/01/2025	26/02/2025	2703/2025	29/04/2025	29/05/2025
Cllr. Bahula B.M	P	P	P	P	A	P	A	P	P	P	P	P	P	P	A	P	P	P	P
Cllr. Chego D.K	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	P	P
Cllr. Mafefe O.H	P	P	P	P	P	P	P	P	P	P	A	P	A	P	P	P	A	P	P
Cllr. Mabatane MC	P	P	P	P	P	P	A	P	A	P	P	P	A	P	P	P	P	P	A

Cllr. Mokganyetji M.J	P	P	A	A	P	P	P	P	P	P	P	P	A	A	P	A	P	A	A
Cllr. Leshaba M.B	P	A	P	P	P	P	P	A	P	P	P	P	A	P	P	A	A	P	P
Cllr. Sefala R.E	P	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	P	P	P
Cllr. Nkosi S.M	P	P	A	P	A	P	P	P	A	P	P	P	P	P	P	A	P	P	N/A
Cllr. Kupa C.R	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Cllr. Mathebe J.L	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Cllr. Ratau M.F	A	P	P	P	P	P	P	P	P	P	P	P	A	A	P	P	A	P	A
Cllr. Mohlala M.J	P	A	P	P	P	P	P	P	P	P	P	P	A	P	P	A	A	A	P
Cllr. Mathebe J.L	P	A	P	P	P	P	P	P	P	P	P	P	A	P	P	P	P	A	P
Cllr. Mogotji F.M	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	P	P
Cllr. Tshivhula M.P	P	A	P	P	P	A	P	P	P	P	P	P	A	A	P	A	P	P	P
Cllr. Matsetela M.L	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	N/A	N/A
Cllr. Mogofe A.	P	P	P	P	P	P	P	P	A	P	P	P	P	P	P	A	P	P	P
Cllr.Tladi M.D	P	P	P	A	P	P	P	P	P	A	P	A	A	A	P	P	A	P	A
Cllr. Maloba A.M	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P

Cllr. Kgwedi J.L	A	P	A	A	A	P	P	A	P	A	P	P	A	A	P	P	A	P	P
Cllr. Magabe M.S	P	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	A	P	A
Cllr. Makofane T	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Cllr. Makutu T.S	P	P	P	P	P	P	A	P	P	P	A	A	A	A	P	A	A	P	P
Cllr. Mathipa M.P	P	P	P	P	A	P	P	P	P	P	P	P	A	A	P	A	A	P	P
Cllr. Mgiba N.P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Cllr. Mokgotho K	P	P	P	P	P	P	P	P	P	P	P	P	A	P	P	A	P	P	A
Cllr. Thobejane L.M	P	P	P	P	P	P	P	P	A	P	P	P	A	A	P	P	A	P	A
Cllr. Tlape M.M	P	P	P	P	P	P	P	A	P	P	P	P	A	P	P	P	P	A	A
Cllr. Molapo W.S	A	A	A	A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr. Mabelane J.M	P	P	P	A	N/A	P	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr. Ngwatle A.D	A	P	P	P	P	P	P	P	P	P	P	P	A	A	P	P	P	P	A
Cllr. Makofane I.T	P	P	P	A	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P
Cllr. Leokana M.D	P	P	P	P	P	P	P	P	P	P	A	P	A	P	P	P	P	P	P
Cllr. Rankoe T.B	P	P	P	P	P	P	P	P	A	P	A	A	P	A	P	A	A	P	P

Cllr. Mosoane E.M	P	P	P	P	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr. Mokomane M.L	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	P
Cllr. Thokwane K.Z	P	P	P	A	A	P	P	P	A	P	P	A	P	A	P	P	P	P	A
Cllr. Machai M.J	P	P	P	A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr. Mashegoana M.C	P	P	P	A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr. Makobe P.A	A	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	P	A	P
Cllr. Malau T.S	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Cllr. Mashilo M.s	P	P	P	P	P	A	P	A	P	A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr. Mathabate T.S	P	A	P	P	P	P	P	A	P	P	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr. Nkosi S.B	P	P	P	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr. Maibelo L.S	P	A	P	P	A	A	P	P	P	P	P	A	P	P	P	A	A	P	A
Cllr. Sithole M.E	P	P	P	P	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr. Matjomane S.T	P	P	P	P	P	P	P	P	P	P	A	P	A	A	P	A	P	P	P

Cllr. Lekoatsipa L.R	P	A	P	P	P	P	A	P	P	A	P	P	P	A	A	A	P	P	P
Cllr. Magatla N.L	P	A	P	P	A	A	A	P	P	P	P	A	P	A	A	A	A	P	P
Cllr. Letsela N.S	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Cllr. Maelane K.M	P	P	P	P	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr. Machipa T.A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Cllr. Maile L.P	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	P	P	N/A
Cllr. Mashoeshoe RH	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	A	P	P	P	P	P	N/A
Cllr. Malepe K.P	N/A	N/A	N/A	N/A	N/A	N/A	P	P	A	A	P	A	A	P	P	P	P	P	A
Cllr. Thobejane M.E	N/A	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	A	P	P	P	P	A	P
Cllr. Matlala M.A	N/A	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	A	P	A	P	A
Cllr. Machaba M.G	N/A	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	A	A	P	P	P	P	P	N/A
Cllr. Matjomane M.S	N/A	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	N/A
Cllr. Mthimunye M.S	N/A	N/A	N/A	N/A	N/A	N/A	A	P	P	P	P	A	P	A	P	P	P	P	A

Cllr. Mashiane S.H	N/A	N/A	N/A	N/A	N/A	N/A	P	P	P	P	A	A	A	A	P	P	A	A	A
Cllr. Kgakgara T.P	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	A	P	A	P	P	P	P	P	P
Cllr. Ngobeni C.P	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P
Cllr. Makhudu L.P	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	P	A

2.4. ADMINISTRATIVE GOVERNANCE

2.4.1. Introduction

The Management of the institution is entrusted with role of advising Council as well as for the implementation of council resolutions. It is led by the Municipal Manager who is the overall Accounting Officer (AO). The Management is further complemented by line function Managers who are responsible for management of various municipal departments.

The Management functions as a collective through regular monthly management meetings and accounts to the Executive through Mayoral Committee meetings.

2.4.2. TOP ADMINISTRATIVE STRUCTURE

Position	Name	Comments
Municipal Manager	Mr MM Kgwale	Served from 01 July 2024 to 30 June 2025
Chief Operation Officer	Ms Rampedi N	Served from 01 July 2024 to 31 October 2024
Chief Operation Officer	Vacant	01 November 2024 to-date
Chief Financial Officer	Mr H. Nkadimeng	Served from 01 July 2024 to 30 June 2025
Director Corporate Services	Mr D. Matumane	Served from 01 July 2024 to 30 June 2025
Director Planning and Economic Development	Ms K Shongwe	Served from 01 July 2024 to 30 June 2025
Director Community Services	Ms K Robinson	Served from 01 July 2024 to 30 June 2025
Director Infrastructure & Water Services	Mr F Mashele	Served from 01 July 2024 to 30 June 2025
Acting Chief Audit Executive	Ms. J. Makgolane	Served from 01 August 2024 to 30 March 2025

Chief Audit Executive	Ms. J. Makgolane	Served from 01 April 2025 to 30 June 2025

2.5. COMPONENT B: INTERGOVERNMENTAL RELATIONS

The Intergovernmental Relations and Framework Act make provision for establishment of intergovernmental structures. Moreover, it makes provision for establishment of Intergovernmental Technical Support structures. Sekhukhune District Municipality has established Mayor's Forum as an Intergovernmental Relations Structure to deal with issues of common interest within the district. The Mayor's Forum is chaired by the Executive Mayor of the district and also attended by Mayors of the four local municipalities.

There are also two technical support structures that have also been established to support the Mayor's Forum namely the Municipal Managers' Forum and Technical Clusters. There are four technical clusters dealing with key Local Government Key Performance Indicators

ITEM	Cluster	Focus areas.	Chair
Resuscitation of clusters	Development planning	Development planning: Spatial /SPLUMA Economic Strategic planning Housing	Director Planning and Economic Development
	Corporate services	Job evaluation ICT Governance Framework LLF Functionality Legal services Policy and by-law bench marking Political administrative interface Minimum competencies	Director Corporate Services
	Internal audit/Risk	Risk assessment Performance auditing	Chief Audit Executive

	and performance	Internal audit	
	Financial Services	Revenue enhancement Free basic services Financial statements Grant performance	Chief Financial Officer
	Basic services	Capital grant performance. Disaster management Emergency services Refuse removal. Operations and maintenance Municipal health services Roads and storm water Electricity Public transport Environmental management	Director Infrastructure and Water Services
	Communicati on and public participation	Customer care Hotline issues Stakeholder engagement Council meetings calendar	Deputy Director Office of Executive Mayor

2.5.1. DISTRICT INTERGOVERNMENTAL STRUCTURE

Sekhukhune District Municipality as a custodian of inter-governmental relations structures in the district has facilitated the establishment of the following forums for better coordination with the four local municipalities.

Mayors Forums which are a strategic political forum for all the five (05) mayors in the district and meets on a regular basis to provide overall governance leadership.

Speakers Forum which is constituted by all speakers in the district to share information and knowledge on how to conduct council activities as well as develop common perspective around issues of governance.

Chief Whip's Forum is a forum chaired by the district chief whip and includes all chief whips from local municipalities which meets on a regular basis to share experiences

on developing common ground around issues of code of conduct for councillors and related issues.

Municipal Managers Forum which is a platform for all five municipal managers in the district to interact on a regular basis and provide administrative leadership to all municipalities in the district.

Inter-Governmental Relations Clusters which are inclusive of all the five municipalities in the district and meets on a regular basis to share experiences and strategies in various technical areas.

The district working together with the four local municipalities have been able to derive the following benefits from coordinated IGR efforts.

- Minimize duplication of resources
- Encouraged local horizontal learning.
- Sharing of scares resources
- Enhanced government cohesion

For 2024/2025 the following IGR meetings were convened;

IGR STRUCTURE	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	TOTAL NUMBER OF FORA HELD
Mayor's Forum	06/07/24	None	None	12/05/25	02
Speaker's Forum	06/08/24 26/08/24	25/10/24 15/11/24	25/03/25	06/05/25	04
Chief Whip's Forum	13/09/24	04/12/24	25/03/25	11/06/25	04
Municipal Manager's Forum	09/10/24	None	None	30/06/25	02
Technical Director's Forum	25/09/24	09/12/24	24/03/25	25/06/25	04

CFO's Forum	25/09/24	19/12/24	14/03/25	09/06/25	04
Community Services Social Cluster Forum	11/09/24	24/09/24	None	15/6/25	03
Planning & Economic Cluster Forum	25/09/24	09/12/24	24/03/25	25/06/25	04
Corporate Services Directors forum	17/09/24	07/12/24	14/03/25	25/06/25	04

2.5.2. PROVINCIAL INTERGOVERNMENTAL STRUCTURE

In the year under review, Sekhukhune District Municipality participated in the following provincial Inter-Governmental Relations Structures
Premier Inter-Governmental Forum attended by the Executive Mayors and Municipal Managers which provides strategic direction in aligning the work of government in the province.

Governance and Administration Cluster attended by the Municipal Manager which interfaces with the work of the Provincial Executive

Provincial Communicators Forum which focuses on enhancing communication between government, communities, and social partners

The Sekhukhune District Municipality has benefited a lot from attending provincial IGR structures as it gives the municipality an opportunity to plan in line with provincial priorities and objectives. Some of the interventions have resulted in tangible programmes and projects on the ground.

2.6. RELATIONSHIPS WITH MUNICIPAL ENTITIES

Sekhukhune Development Agency (SDA) is wholly owned by the Sekhukhune District Municipality as a municipal entity according to Section 86B of the Municipal Systems Act 32 of 2000 on the establishments of municipal entities. The core mandate of SDA as outlined in the provincial gazette is to serve as the vehicle to identify, initiate and implement high impact economic projects and create sustainable job opportunities.

Among its high its deliverables the SDA is leading the investment facilitation, business development and support services. SDA is also required to comply with the basic requirements of the Local Government Municipal Systems Act 32 of 2000 read together with the provision of the Local Government Municipal Finance Management Act of 2003. The SDA prepares its annual performance report in terms of the same guidelines and provisions of the legislative framework.
Sekhukhune Development Agency does not have its own Performance Management Unit and Risk/Audit Management Units as such a Service Level Agreement was signed with the parent municipality to utilise the Audit/Risk and Performance Management Units for performance monitoring, management, and audit services.

The current composition of the Board for 2024/2025 financial year is as follows:

	Names	Expertise	Portfolio
1.	Mr. Tshabedi Serote	• Internal Audit • Risk Audit • Project Management • Financial Management • Human Resource and Remuneration	• Board Chairperson (non-executive board director) • Member of the Finance (FINCOM) subcommittee
2.	Mr. Tladi Ditshego	• Strategic Planning • Project and Corporate Finance • Investment Management • Corporate Governance • Executive Leadership and Operational Management • Project Monitoring and Evaluation	• Non-executive board director • Chairperson of the Remuneration and Human Resource (REMCO) subcommittee • Member of the Economic Development (ECONDEV) subcommittee
3.	Mr. Kgopelo Phasha	• Local Government • Economic • Development • Intergovernmental • Relations • Public Policy • Governance • Finance Management	• Non-executive • board director • Member of the • Economic • Development • (ECONDEV) • subcommittee • Member of the • Finance • (FINCOM) • subcommittee
4.	Ms. Akani Baloyi	• Spatial Development Planning	• Non-executive • board director

		• Town and Regional Planning • Project Management • Data Analysis • Finance Management	• Chairperson of • Finance • (FINCOM) • subcommittee • Member of the • Remuneration • And Human • Resource • (REMCO) • subcommittee
5.	Ms. Mathabo Mosia	• Spatial Planning • Development Planning • Project Management • Strategic Research • Performance Management	• Non-executive board director • Chairperson of the Economic Development (ECONDEV) subcommittee • Member of the Remuneration and Human Resource (REMCO) subcommittee

NO. OF SPECIAL BOARD MEETINGS HELD	DATES OF MEETINGS
06	1. 28 November 2024 2. 23 December 2024 3. 19 February 2025 4. 28 February 2025 5. 25 March 2025 6. 27 May 2025
NO. OF ORDINARY BOARD MEETINGS HELD	**DATES OF MEETINGS**
04	1. 29 August 2024 2. 18 December 2024 3. 27 January 2025 4. 16 April 2025

	Names	Expertise	Portfolio
1.	Mr Tshabedi Serote	• Internal Audit • Risk Audit • Project management • Financial management • Human Resource and remuneration	Board Chairperson
2.	Mr Freddy Raseote	• Project management • Administration Legal Aid	• Chairperson of Remuneration and Human resource sub-committee

		• Supply Chain Management • Records Management • Internal Audit	• Member of Finance sub-committee
3.	Mr Geoffrey Mariri	• Statistic SA Management	• Member of Remuneration and Human resource sub-committee • Member of Finance sub-committee • Member of Economic Development sub-committee
4.	Mr Lethabo Pheeha	• Forensic and Audit • Internal Audit	• Chairperson of Finance sub-committee • Member of Economic Development sub-committee
5.	Mr David Chesir	• Property, Facilities and Assets management • Project Management • Architectural professional	• Chairperson of Economic Development sub-committee • Member of Remuneration and Human resource sub-committee

NO. OF BOARD SPECIAL MEETINGS HELD	DATES OF MEETINGS
3	1. 31 August 2023 2. 19 September 2023 3. 16 – 17 October 2023
NO. OF BOARD MEETINGS HELD	**DATES OF MEETINGS**
4	4. 08 December 2023 5. 17 January 2024 6. 22 March 2024 7. 27 June 2024

2.7. COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.7.1. INTRODUCTION

Municipalities are by law required to foster public participation and ensure its citizenry is engaged in matters of governance. Sekhukhune District Municipality places public participation and accountability at the centre of its work. The Municipality has adopted the following reviewed policies to ensure that public participation programmes are properly guided and effective;

- Communication strategy
- Public Participation Policy Framework
- Stakeholder Management Policy Framework
- Petitions Policy
- Incentive Policy Framework for Ward Committee Members

Communication channels that were used to engage communities include.

- Quarterly Mayoral Outreach Programs
- Council outreach – public consultation on 2024/2025 Draft Annual Report and 2025/2026 IDP/Budget public consultations
- Regular interactions and stake-holders engagement such as Mining communities, business formations and Non-Governmental Organisations
- Monthly Internal newsletters and quarterly external newsletters publications
- Radio-Interviews with Executive Mayor and Members of the Mayoral Committee.

2.7.2. PUBLIC PARTICIPATION MEETINGS HELD

In the 2024/2025 financial year, the Municipality managed to arrange fourteen 2023/2024 Draft Annual Report Public Participation meetings and eleven Draft 2025/2026 IDP/Budget Public Participation meetings. The following stakeholders were consulted, i.e. Magoshi, General Public, Special Groups, Rate Payers and SDM Staff. Public consultation programmes for Draft Annual Report and IDP/budget were conducted during the months of February/March 2025 and April/May 2025.

The public participation programmes are stated below:

JOINT 2023/2024 DRAFT ANNUAL REPORT PUBLIC PARTICIPATION PROGRAMME

MUNICIPALITY/ VENUE	DATE	TIME	STAKEHOLDER
Fetakgomo Tubatse Local Municipality, Thaba Moshate, Burgersfort	Tuesday, 04/02/2025	11h00	Magoshi
Makhuduthamaga Council Chamber, Jane Furse	Wednesday, 05/02/2025		
Elias Motsoaledi Council Chamber, Groblersdal	Thursday, 06/02/2025		
Ephraim Mogale Council Chamber, Marble Hall	Friday, 07/02/2025		
Sekhukhune District Makhuduthamaga Local Municipality, Kgaola Mafiri Municipal Hall	Wednesday, 12/02/2025	11h00	Special groups
Fetakgomo Tubatse Tjebeng Community Hall	Thursday, 20/02/2025	11h00	General public
Makhuduthamaga Patantshwane SASSA Hall, Patantshwane	Friday, 21/02/2025	11h00	General public
Ephraim Mogale Leratong Disability Centre, Elandskraal	Wednesday, 26/02/2025	11h00	General public
Elias Motsoaledi Motoaneng Sports Ground, next to Moratiwa Mall, Ward 18	Thursday, 27/02/2025	11h00	General public
Sekhukhune District • Ephraim Mogale Council Chamber, Marble Hall • Makhuduthamaga, Kgaola Mafiri, Jane Furse • Fetakgomo Tubatse Council Chamber, Burgersfort • Elias Motsoaledi Council Chamber, Groblersdal	Thursday, 27/02/2025 Thursday, 27/02/2025 Thursday, 27/02/2025 Tuesday, 04/03/2025	18h00 09h00 18h00 18h00	Rate payers
Sekhukhune District			

SDM Council Chamber, Bareki Mall, Groblersdal	Friday, 28/02/2025	10h00	Staff

JOINT DRAFT 2025/2026 IDP/BUDGET PUBLIC PARTICIPATION PROGRAMME

MUNICIPALITY/ VENUE	DATE	TIME	STAKEHOLDER
Rep Forum, SDM Council Chamber, Bareki Mall, Groblersdal	Wednesday, 02/04/2025	10h00	Sector Departments
Sekhukhune District SDM Council Chamber, Bareki Mall, Groblersdal	Thursday, 03/04/2025	09h00	Staff
Elias Motsoaledi LM, Council Chamber, Groblersdal	Tuesday, 08/04/2025	11h00	Magoshi
Ephraim Mogale LM, Council Chamber, Marble Hall	Wednesday, 09/04/2025		
Fetakgomo Tubatse LM, Council Chamber, Ga-Nkwana	Thursday, 08/05/2025		
Makhuduthamaga LM, Council Chamber, Jane Furse	Friday, 11/04/2025		
Sekhukhune District Fetakgomo Tubatse LM, Moses Mabotha Hall, Ga-Nkwana	Friday, 09/05/2025	11h00	Special groups
Ephraim Mogale Matlerekeng Thusong Centre, Ward 6, Matlerekeng Village	Tuesday, 15/04/2025	11h00	General public
Elias Motsoaledi Moutse Circuit Office, Jabulani D1, Phooko Village	Wednesday, 14/05/2025	11h00	General public
Fetakgomo Tubatse Sefateng Community Hall, Sefateng Village	Thursday, 22/05/2025	11h00	General public
Makhuduthamaga Phokwane Community Hall, Phokwane Village	Tuesday, 13/05/2025)	11h00	General public
Sekhukhune District Ephraim Mogale LM, Council Chamber, Marble Hall	19/05/2025	18h00	Rate payers

Fetakgomo Tubatse LM, Council Chamber, Burgersfort	26/05/2025		
Makhuduthamaga LM, Kgaola Mafiri Municipal Hall Elias Motsoaledi LM, Council Chamber, Groblersdal	12/05/2025	09h00 18h00	Rate payers

2.7.3. WARD COMMITTEES

In terms of the Municipal Structures Act 117 of 1998, Ward Committees are established to enhance participatory democracy in local government.

Working together with the district and local municipalities, 117 ward committees in the district are established and have been able to play a significant role in the following areas:

- Sensitising the municipality on developmental challenges and pressures within local communities.
- Communicated government messages to the communities.
- Participated in public participation programmes.
- Contributed inputs on shaping public participation policies.

2.7.4. LAUNCHING WARD COMMITTEE PERFORMANCE AWARDS

Speaker's outreach programme on the launching of Ward Committee Performance Awards was held from the 23 - 28/05/2025. The following stakeholders were consulted, i.e. Ward Clirs, Ward Committee members, and Community Development Workers.

LAUNCHING OF WARD COMMITTEE PERFORMANCE AWARDS PROGRAMME

DATE	LOCAL MUNICIPALITY/VENUE	STAKEHOLDERS
23/05/2025	Ephraim Mogale LM, Council Chamber	Ward Committees' chairpersons, 2 ward committee members, and CDW's
26/05/2025	Makhuduthamaga LM, Kgaola Mafiri Municipal Building	Ward Committees' chairpersons, 2 ward committee members, and CDW's

27/05/2025	Elias Motsoaledi LM, Council Chamber	Ward Committees' chairpersons, 2 ward committee members, and CDW's
28/05/2025	Fetakgomo Tubatse LM, Council Chambers (Burgersfort & Ga-Nkwana)	Ward Committees' chairpersons, 2 ward committee members, and CDW's

2.7.5 2025 DISTRICT WARD COMMITTEE PERFORMANCE AWARDS

The District Speaker hosted the 2025 Ward Committee Performance Awards ceremony, where the best performing ward committees were awarded trophies and certificates. The ceremony was hosted on the 25 June 2025.

2.8. COMPONENT D: CORPORATE GOVERNANCE

2.8.1. OVERVIEW OF CORPORATE GOVERNANCE

Section 165 and 166 of Municipal Finance Management Act no 56 of 2003 requires municipalities to establish Internal Audit unit and Audit Committee. The Internal Audit unit advises the accounting officer and reports to audit committee and prepares a risk -based audit plan and audit programme for each financial year.

The district municipality has appointed Audit Committee. Risk management committee was not in place for 3 quarters for the financial year under review. The reports of Risk were presented to Audit Committee.

2.8.2. AUDIT COMMITTEE

The Municipality has established an Audit Committee under the provision of **Municipal Finance Management Act No 56 of 2003** section 165 and **Municipal Planning and Performance Management Regulation of 2001** regulation 9. The Audit Committee of the municipality considers and makes recommendations on matters provided under section 165 and regulation 9 of the MFMA and MPPR respectively while among other matter advice Management and Council on matters pertaining to the Annual Financial Statements before submission to Auditor General of South Africa.

In terms of legislative prescripts, the Audit Committee members should meet at least 4 times per annum as per its approved charter. During the current financial year twelve

The Members of the Audit Committee that served for the period 1st July 2024 to 30 June 2025, and their attendance were as follows:

Name of member	Status	Number of Meeting Held	Number of meetings attended
Mr. S Mofokeng	Audit Committee Chairperson	9	9
Ms. T Mathabathe	Member	9	9
Ms. S Ngoetjana	Member	9	8
Adv. L Thubakgale	Member	9	9
Mr. V Manyisane	Member	9	9

PERFORMANCE AUDIT COMMITTEE

The Members of Performance Audit Committee that served for the period 01 July 2024 to 30 June 2025, and their attendance were as follows:

NAME OF MEMBER	STATUS	NUMBER OF MEETING HELD	NUMBER OF MEETINGS ATTENDED
Mr. T Mathabathe	Performance Audit Committee Chairperson	7	6
Mr. S Mofokeng	Member	7	7
Ms. S Ngoetjana	Member	7	7
Adv. L Thubakgale	Member	7	7
Mr. V Manyisane	Member	7	7

Section 62(1)(c)(i) of the Local Government Municipal Financial Management Act (No. 56 of 2003) stipulates that the Accounting Officer is responsible for managing the municipality financial administration and for this purpose the Accounting Officer must take all reasonable steps to ensure amongst others that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control. To give effect to the above the Accounting Officer (AO) in consultation with the Municipal Council has established the Risk Management Committee as an oversight structure to deal with the risk management responsibilities.

The Risk Management Committee (RMC) is an oversight committee responsible to the Accounting Officer (AO) for the monitoring of risk management which includes assisting in designing, implementing, and coordinating the institution's risk management initiatives. Its constitution is made up of both an independent member/chairperson appointed by the Municipal Manager as delegated by Council and members of Senior Management. It assists the AO in addressing its oversight requirements of managing, evaluating, and monitoring the organizational performance with regards to risk management.

2.8.3 RISK STEERING MANAGEMENT COMMITTEE

Section 62(1)(c)(i) of the Local Government Municipal Financial Management Act (No. 56 of 2003) stipulates that the Accounting Officer is responsible for managing the municipality financial administration and for this purpose the Accounting Officer must take all reasonable steps to ensure amongst others that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control. To give effect to the above the Accounting Officer (AO) in consultation with the Municipal Council has established the Risk Management Committee as an oversight structure to deal with the risk management responsibilities.

The Risk Management Committee (RMC) is an oversight committee responsible to the Accounting Officer (AO) for the monitoring of risk management which includes assisting in designing, implementing, and coordinating the institution's risk management initiatives. Its constitution is made up of both an independent member/chairperson appointed by the Municipal Manager as delegated by Council and members of Senior Management. It assists the AO in addressing its oversight requirements of managing, evaluating, and monitoring the organizational performance with regards to risk management.

The RMC was chaired by Mr Leon Langalibalele and independent member who was on a three (03) years office term which expired on 30 March 2025.

2.8.3.1 STRATEGIC VALUES OF RISK MANAGEMENT COMMITTEE (RMC)

The RMC must advise the municipal council, the political office-bearers, the accounting officer, and the management staff of the municipality on matters relating to-

- Risk management.
- Fraud and corruption
- Fraud Prevention and detection
- Effectiveness of proposed management interventions.
- Effectiveness of the internal control system relevant to risk identified.
- Any other issues referred to it by the municipality.

The role of the RMC is to formulate, promote and review the institution's Enterprise Risk Management (ERM)objective, strategy and policy and monitor the process at strategic, Management and operational levels.

The principles of King IV, customised to municipal environment advise that the audit committee should:

- Ensure that combined assurance model is applied to provide a coordinated approach to all assurance activities.
- Satisfy itself of the expertise, resources, and experience of the municipality's finance function.
- Be responsible for overseeing of risk management; and
- Be an integral component of the risk management process.

All risk management reports are being processed quarterly meetings. The reports were presented to the Audit Committee.

NB. The Committee planned four (04) sittings/meetings for the year of which all did take place as scheduled.

CURRENT STATUS

Strategic and Operational Risks

The above risks are monitored and reviewed monthly to track the municipality's performance in respect of implementation of mitigations. The resultant reports culminate in the compilation of quarterly reports that get tabled at the Risk

Management Committee and ultimately Audit Committee as the risk management oversight structures.

Set out in the below table is the municipality's Strategic Risks and the Top Ten Risks identified for the period 2024/2025 FY.

2.8.3.2. STRATEGIC RISKS

KPA	RISK DESCRIPTION
Local Economic Development (LED)	Inadequate capacity (Infrastructure/financial & human) to support LED Stalled Capital Projects
Basic Service Delivery	1.Inadequate water sources and infrastructure 2.Insufficient operations and maintenance of existing Infrastructure 3.Inadequate sanitation services
Spatial Rationale	1.Uncoordinated land use practices
Good Governance and Public Participation	1.Ineffective leadership and Management 2.Collusive practices and Fraud
Financial Viability	Inability to meet financial obligation (Weak Liquidity position)
Institutional Development and Organisational Transformation	Limited Organisational capacity to materialise institutional mandate
Basic Service Delivery	Possible litigation and class action due to non-provision of mandatory services

2.8.3.3 TOP TEN RISKS

TABLE – A – TOP RISKS – 2024 – 2025FY

These risks are a direct extract from the various departmental operational Risk Registers in existence.

Due to pressing need to consider other critical risks, the Top Ten incudes and additional one (01) risk to make a total of elven risks.

RISK DESCRIPTION	DEPARTMENT/UNIT	LEVEL OF INHERENCY
1. Unauthorised access to SDM equipment & buildings	Corporate Services (ICT)	Major
2. Inadequate environmental controls for data centres	Corporate Services (ICT)	Catastrophic
3. Lack of oversight mandate	Planning and Economic Development	Catastrophic
4. Uncontrolled Settlement growth/Unregulated development	Planning and Economic Development	Major
5. Ineffective Asset Management controls	Budget and Treasury Office	Major
6. Inability to grow revenue base	Budget and Treasury Office	Major
7. Poor planning Manipulation of SCM processes	Budget and Treasury Office	Major
8. Loss of allocated grants Loss of implementing agent status	Infrastructure and Water Services	Catastrophic
9. Loss of grants Lack of water provision and sanitation	Infrastructure and Water Services	Catastrophic
10. Health and Safety hazards	Corporate Services (OHS division)	Major
11. Loss, unavailability and theft of records	Corporate Services	Major

Conclusion

The listed Top Risks must get a special attention which should manifest through focus on the following:

Benefit – Risk analysis

- This get conducted given the unacceptability of the risks through the tying up with the Risk Tolerance and Appetite levels and measures for applicability.

Completeness of risk controls

- Further consideration gets given to specifically undertake further a deep-dive analysis exercise on the individual processes related to the areas that the said risks emanated/resides.

Evaluation of overall residual risk

- This is to assist in the establishment of any further polarisation that might be brought about by the said residual risks

Risk Tolerance measures.

- The control measures in place requires revisitation on continual basis to ensure thorough monitoring. The measures must be further tested through means such as self-assessment, surveys and obtaining of the feedback in the form of findings, review of errors and incidents, specialist review by Internal Audit and root -cause analysis to ensure full proof of the efficacy.

2.8.3.4 LIQUIDITY RISK MANAGEMENT

Liquidity in Sekhukhune District Municipality is managed by senior management and Councillors (Executive Authority) through the Budget Steering Committee and the Mayoral Committee at pre-determined intervals.

The primary intention of management is to always review the short-term cash flow forecast, mid-term, and long-term financial plans.

The current liquidity ratio of **0.67:1** as of the 30th June 2025 (2024/2025FY) signals a slight decrease in financial position that the municipality find itself in as compared with the previous financial year (2023/2024FY) of which stood at **1.01:1**

	2025	2024
	R	R
Current assets	607 655 568	804 314 535
Current liabilities	893 838 701	794 108 880
Current ratio	0,67	1,01

Council is steadfast in ensuring previous financial years improvements at all times to bring about an improvement.

2.8.3.5. FRAUD AND CORRUPTION STRATEGY

The municipality has a Council approved Anti-Fraud and Corruption, and Whistleblowing policies respectively which makes provision for strategies to counter fraud and corruption as well as providing platforms for reporting of allegations and protection of whistle blowers. The Fraud and Corruption Strategy has been developed because of the expressed commitment of government to fight corruption. It is also an important contribution to the National Anti-Corruption Strategy of the Republic of South Africa, and therefore supplements both the Public Service Anti-Corruption Strategy and the Local Government Anti-Corruption Strategy.

The administration has undertaken the following initiatives to raise awareness of fraud and corruption:

- Publicised an Anti-Fraud and Corruption article on the municipality's website.
- In conjunction with the Provincial Treasury, Coghsta, SALGA, Auditor General (AG) & the Directorate for Priority Crime Investigation (Hawks) conducted an institution -wide Anti-Fraud and Corruption workshop.

2.8.4 SUPPLY CHAIN MANAGEMENT

Section 112 of the MFMA states that the supply chain management policy must be fair, equitable, transparent competitive, cost effective and comply with all SCM regulations. The district municipality has developed a policy that complies with the Constitution and MFMA.

For the financial year 2024/2025 the municipality has incurred the following deviations, irregular, fruitless, and wasteful expenditure.

ANNEXURE A

Irregular expenditure

No	Name of Service Provider	Name of irregular assessment	Amount as at 30 June 2025
1	Tubatse Security Services	Evaluation criteria not aligned to SCM regulations for the appointment of the security company	74 804 159.00
2	NJ van Der Wal	Provision of water services in Burgersfort - NJ Van Der Wal	1 904 185.76
3	Winterbatch	Provision of water services in Ohristad - Winterbatch	3 853 778.68
4	Dikgole Malesolo Trading and Projets	Supply and Delivery of Items for IMSA Games for CPS, EAP and Sports personnel.	7 341 236.56
5	Fito and Sons Construction and Projects	DRILL2322 : SUPPLY OF THE FOLLOWING ITEMS FOR MAGUBUBJANE :SITE ESTABLISHMENT & CLEARENCE EXCAVATION BACKFILLING AND COMPACTING REMOVAL OF EXISTING110MM STEEL PIPE SUPPLY DELIVERY & INSTALL 100MMFLANGES SUPPLY DELIVERY & INSTALL M16 BOLTS NUTS &WASHERS GALVANISED PLANTHIRE DAY LABOURERS & SITEDE ESTABLISHMENT	8 514 374.77
6	LANGWORTH 2017/298874/07	WATER : BOTTLED WATER FOR FIREFIGHTERS(REFRESHMENT DURINGFIREFIGHTING OPERATION	71 135.00
7	MOGOSHADI HOLDINGS (2019/587814/07)	CATER : PROCUREMENT OF BREAKFAST AND LUNCH FOR SECTION79 COMMMITTEE WORKING SESSION.	23 000.00

8	NKORO KAMOGELO TRADING ENTERPRISE CC	CATER : PROCUREMENT OF BREAKFAST AND LUNCH FOR SECTION79 COMMMITTEE WORKING SESSION.	18 480.00
9	KGAMAGADI WAMUYAYA TRADING PTY LTD (2021/106737/07	CATERING : CATERING for Sekhukhune LED strategic review PSCMeeting.	38 484 .00
10	LL MAPHUPHA PROJECTS (PTY) LTD	LUNCH : CATERING FOR SPECIAL COUNCIL MEETING.	161 995.60
11	POYISANO MULITI PROJECTS PTY LTD	CATR01 : CATERING FOR 20 PEOPLE FOR THE BTO SKILLS AUDIT.18/07/2024	46 030.00
12	NTANTABELA TRADING AND PROJECTS(PTY)LTD	GIG10 : ALL IN ONE COULOR LASER JET PRO MULTIFUNCTIONALM479fdn PRINTER.	119 996.58
13	BAPHOKANE CONSTRUCTION (2021/149814/07)	08 : TOOLS FOR HIRING 2 DAYS CONCRETE JAG HAMMER 200W	57 180.00
14	MOTLATSOLEFA PTY LTD	CATERING : PROCUREMENT OF LUNCH FOR SDM FORUM MEETINGTO BE HELD ON THE 18 JULY 2024	19 200.00
15	HLASE HOLDING (PTY)LTD	CATERING : PROCUREMENT OF LUNCH FOR MORAL REGENERATIONMOVEMENT LAUNCH.	154 825.00
16	THE BLACK BROTHERS (PTY)LTD (2023/269587/07)	IMK63 : REFRESHMENTS FOR EXECUTIVE MAYORS OFFICE	53 435.00
17	AMC AFRICA (2004/026470/23)	FEES : SAPI REGISTRATION FOR REBOTILE MAKGATI ANDERIC MASINDI TO ATTEND CONFERENCE.	17 307.50

18	MONGWAI BUSINESS SOLUTIONS (2019/499111/07)	CAT55 : catering for councillors workshop.	24 260.00
19	MAROPENG AMATALA (2023/138682/07)	W000000746 : 16MM HAND PUMP SOCKETS	147 875.00
20	BOKANG DYNAMIQUE CONSULTANT	PW00000172 : 250350MM PIPE WRENCH	94 870.00
21	MOSHOPIADI GENERAL TRADING PTY LTD	CATERING : CATERING FOR ORDINARY IWS PORTFOLOI COMMITTEEMEETING AT GA-NKWANA.	24 260.00
22	URBAN GLOBAL SERVICES (2023/155518/07)	PS00000001 : A4 PAPER WHITE	119 989.15
23	TSEKO GROUP (PTY)LTD (2013/014665/07)	PS00000001 : .A4 PAPER WHITE	29 948.00
24	ZM JEAN HOLDINGS(2019/616652/07)	WEBSITE : HOSTING SDM WEBSITE FOR 3 MONTHS.	94 295.00
25	KGAMAGADI WAMUYAYA TRADING PTY LTD (2021/106737/07	WATER : PURCHASE OF WATER FOR COUNCIL ACTIVITIES.	38 484.00
26	DONCHAIRLY INVESTMENTS (PTY) LTD	CATER002 : PROCUREMENT OF CATERING FOR OVERSIGHT VISIT ATMATLAILANE (BURGERSFORT).	67 304.00
27	NTSHADIKWE CONSTRUCTION AND PROJECTS CC	BLA020 : supply and delivery of sound venue at matlalaaloe on the 06-07/07/2024 and 200 bottles of waterfor youth camp in makgitle village	33 000.00

29	PHOCKS TRADING AND PROJECTS PTY LTD	W000001264 : 90MM X 75MM PLASSON COUPLING	59 770.00
30	LEFA TRADING BUSINESS PTY LTD	TSH020 : PAP RICE CHICKEN BEEF STEW AND 1 VEG X 160.ASSORTED DRINKS X 160.	57 405.00
31	DITONKY TRADING PROJECTS PTY LTD (2022/669796/07)	BOTTLE : PROCURE OF BOTTLED WATER FOR FUN WALK ACTIVITIES.	63 220.00
32	PRECIOUS CUISINE	LUNCH : CATERING FOR SPECIAL COUNCIL MEETING.	6 350.00
33	LL CONFRONT ZONE ENTERPRISE (2023/623173/07)	INK655 : REFRESHMENTS FOR EM OFFICE	29 975.00
34	MODIPADI EMBROIDERY (2022/584364/07)	CATE01 : Procurement of catering for Council Whipperyat Ga-Nkwana on the 16 August 2024	33 650.00
35	MARAKENG M ENTERPRISE (2018/416460/07)	1INK561 : LUNCH DURING DISTRICT AIDS COUNCIL CIVIL SOCIETYSECTORS CONSULTIVE MEETING ON MDIP	121 366.00
36	MARUMO A TUBATSE SOLUTION AND CONSTRUCTION	TSH021 : ATTIRE FOR PARTICIPATION IN THE COMRADE MARATHONTO BE HELD ON 09 JUNE 2024 IN DURBAN.	86 410.00
37	POTSISO ALLEL (2020/467752/07)	INK333 : COMMUNICATORS FORUM LUNCH	16 000.00
38	POYISANO MULITI PROJECTS PTY LTD	PS00000001 : A4 PAPER WHITE	46 030.00

39	MIELE TRADING (2023/984142/07)	PS00000010 : HP 59A BLACK CARTRIDGE CF259A	29 960.00
40	THERI EVENTS AND PROJECTS (2017/103691/07)	CATER/04 : Catering for Study Group Session on 29-08-2024:Menu-(Pap/Rice Chicken/Beef veg salads & Softdrink Fetakgomo Tubatse Chamber-Ga-Nkwana	20 665.00
41	DINKWANYANE TRADING ENTERPRISE (2014/096923/07)	CATR01 : CATERING FOR 10 PEOLPE FOR WIRKING SESSION WITHAUDIT COMMITTEE CHAIRPERSON	40 000.00
42	EULENDA CONTRUCTION (2017/509114/07)	JIOP : LUNCH FOR BATHO PELE OUTREACH MATLEREKENG THUSONGCENTRE	40 000.00
43	SEKHUKHUNE TIMES (PTY) LTD	2022-59 : ADVERT FOR REVIEW FOR IDP ON SEKHUKHUNE TIMESNEWSPAPER	17 237.58
44	EBONY & IVORY ADVERTISING MARKETING PROMOTION PTY	006347 : ADVERT FOR SPECIFICATION OF CONSUMABLES ITEMSCARTRIDGES IN SOWETAN	82 589.08
45	LA MAHLAKO TRADING AND PROJECTS (2023/771612/07)	PW00000025 : 40MM X 100M HDPE PIPE CL 10	56 948.00
46	THUTSE PROJECTS (PTY) LTD (2019/435245/07)	CATR : LUNCH FOR SPLUMA APPEAL AUTHORITY TRAINING MEETING	8 010.00
47	TETELO CATERING SUPPLIER PTY LTD (2022/687185/07)	PINKP : LUNCH FOR ORDINARY COUNCIL	11 760.00
48	MASH ST HOLDINGS (2020/857269/07)	CATER02 : PROCUREMENT OF LUNCH FOR BATHO PELE OUTREACHAT DEPARTMENT OF TRANSPORT.	8 050.00

49	MARETELEGO HOLDING PTY LTD (2022/687261/07)	JIO6 : LUNCH FOR DISTRICT AIDS COUNCIL	29 800.00
50	NGWANA WA PHELADI(PTY)LTD (2018/384018/07)	PS00000415 : HP LASER JET CF226A	42 800.00
51	MARUMO A TUBATSE SOLUTION AND CONSTRUCTION	PS00000415 : HP LASER JET CF226A	86 410.00
52	MITSRAIM PROJECTS (2019/356214/07)	INKK : LUNCH & LOGISTICS FOR DISTRICT VELD FIRE AWARENESSCAMPAIGN	59 200.00
53	MASHELEBA PROJECT PTY LTD	PW00000047 : VBELTS 1210	57 050.00
54	RAMAATLA WOHLE SA TRADING (PTY)LTD 2023/207698/07	PW00000573 : 22MM TOP RODS	24 120.00
55	MARIZOT (PTY) LTD (2017/129482/07)	LUNCH03 : LUNCH FOR RABBIES CAMPAIGN AWARENESS AND VACINATION CAMPAIGN AT MALAENENG.	15 840.00
56	ZINHLE ZIMOMUSA PTY LTD	07 : SUPPLY AND DELIVERY OF (500MLX1000) BOTTLEDOF WATER .	12 500.00
57	AQUA RICH	W000000101 : HOE & HANDLE	12 000.00
58	MDLULI BHEKISWAYO (PTY) LTD	W000000432 : 20MM TAIL PIECES AND WASHERS	4 978.20

59	DIMATIGU TRAVEL AGENCY	PS00000140 : PENS BLACK BIC BOX	58 170.00
60	IMPSA	SA7 : REGISTRATION FEE FOR MATEBANE MM SEKUBA SS ANDMAILOLA R TO ATTEND ANUAL IMPSA	20 100.00
61	ARE LEBOGENG DIMPHO	0-0 : ANGLE IRON 50MM X 6M	29 979.08
62	HLAPIADI A NAPE (PTY) LTD	1INK01 : LUNCH FOR DEAF AWARENESS MONTH CELEBRATION	29 700.00
63	BAMPANANE GENERAL TRADING (2006/036172/23)	W000000172 : 50MM LEVER VALVE	29 499.99
64	NAPE WA MALETSIRI TRADING PTY LTD	INK251 : LUNCH FOR STAKEHOLDERS TO ATTEND SPEAKERS OUTREACHPROGRAMME IN GA NKWANA	55 300.00
65	BAMPHILE BOHLALE	PS00000436 : CARTRIDGE BLACK 415A	24 300.00
66	DANNEL WEB DESIGN	WEBSITE-03 : Hosting of Municipal Website for 3 Months	9 775.00
67	DIPOTATENG TRADING ENTERPRISE	2019-64 : lunch for study group session fetakgomo while doincost containment policy	8 800.00
68	MOSHOPIADI GENERAL TRADING PTY LTD	1-04 : CATERING FOR AUDIT COMMITTEE EVALUATION TASK TEAMWORKING SESSIONS FETAKGOMO FOR 2 DAYS	7 680.00
69	T TEBELE TRADING AND PROJECTS	CATR : LUNCH FOR IWS OVERSIGHT VISIT.	8 626.00

70	MAJANE HOLDINGS	SA3 : TABLES COOLER BOXES AND CAMPING CHAIR FORDISASTER MANAGEMENT OFFICERS	34 600.00
71	KWANO TRADING AND ENTERPRISE	036 : CATERING FOR RECYCLING SWARDS CEREMONY INMAKHUDUTHAMAGA	17 500.00
72	DETERMINANT INDUSTRIALISTS (2017/237998/07)	041 : CATERING FOR SEKHUKHUNE DISTRICT TOURISM INDABAPREP MEETING IN JANE FURSE.	9 900.00
73	BOROKO WOOD WORKS PTY LTD	W000000107 : 32MMX32MM PLASSON MALE ADAPTOR	29 800.00
74	LP INVESTMENT (2024/202782/07)	TRANSPORT : TRANSPORT FOR SALGA AGRI-SETA LEARNERSHIPGRADUATES.	21 889.00
75	KWAPENG HOLDING PTY LTD	B0012 : LUNCH FOR MILITARY VETERANS MEETINGS	13 500.00
76	MARAGANA CONSTRUCTION PTY LTD (2020/508332/07)	LUNCH : CATERING FOR IWS OVERSIGHT VISIT.	2 834.00
77	KGABO P HOLD60INGS	PS00000431 : SDM OCCURRENCE BOOK	24 300.00
78	BEST FOR EVER	CATERING : CATERING FOR 60 PEOPLE FOR EXTENDED DISTRICTFORUM.	60 400.00
79	KUTWADI TRADING ENTERPRISE (2017/093781/07)	JI090 : LUNCH FOR OFFICIALS TO ATTEND JOINT PLANNING DEVELOPMENT FORUM	8 900.00

80	GREAT FOCUS MEDIA (PTY) LTD	6033 : TROPHIES FOR SCHOOLS PARTICIPATION IN RECYCLINGPROGRAMME	28 980.00
81	MADEBELE A KOPA (2021/465388/07)	TSH051 : 500 ML BOTTLED WATER FOR COUNCIL ACTIVITIES.	21 200.00
82	WETCON GROUP TRADING AND PROJECTS PTY LTD	PW00000126 : 302-320MM CASCADE CLAMP	29 906.00
83	BLUE DICE (PTY) LTD (2016/024031/07)	HARD : 4T SEAGATE BARRACUDA 2.5INCH SFF 14MM 5400RPM SATAINTERNAL HARDDRIVES	25 500.00
84	LEFEY AND SONS TRADING & PROJECTS(2022/629566/07)	CATER : PROCUREMENT OF LUNCH WATER AND ASSORTED SOFTDRINKS FOR TOURISM EDUCATOR.	20 835.00
85	PITSANA BUSINESS ENTERPRISE	CATERING : PROCUREMENT FOR THE REFRESHMENT FOR THE OFFICEOF THE EXECUTIVE MAYORS AS PER ATTACHEDSPECIFICATION.	29 996.00
86	KEN AND SON BUSINESS ENERPRISE	2023-916 : replacement of paving bricks at west Offices	29 990.00
87	NAPJA ENTERPRISE PTY LTD	PW00000334 : 45KW RAW WATER PUMP	29 100.00
89	MAJANE HOLDINGS	SPAR : TABLE CLOTH 3.5M X 2.5M BRANDED WITH DEPARTMENT LOGO	5 000.00
			99 624 677.89

Opening balance - 1st July 2024 (Restated)	1 493 519 423,49
Add: Current Year Expenditure (Restated)	99 624 677,89
Less: Write-offs/Recoveries	(244 701 056.52)
Closing balance - 30 June 2025	**1 352 090 082,26**

UNAUTHORIZED EXPENDITURE CALCULATION - 30 JUNE 2025				
OPERATING REVENUE				
Operating Revenue		**Approved Annual Budget 2023/24**	**Budget Adjustments**	**Annual Adjusted Budget 2023/24**
Service Charges - Water Services		- 109 059 224,74	536 666,90	- 108 522 557,84
Interest income - Short-term Investments		- 26 991 908,00	- 42 000 000,00	- 68 991 908,00
Interest income - Outstanding debtors		- 16 027 930,00	- 2 100 000,00	- 18 127 930,00
Other revenue		- 2 795 678,00	- 845 409,70	- 3 641 087,70
Operational Grants		- 1 118 176 990,00	4 813 465,66	- 1 113 363 524,34
Total		**- 1 273 051 730,74**	**- 39 595 277,14**	**- 1 312 647 007,88**
CAPITAL REVENUE				
Captial Revenue		**Approved Annual Budget 2023/24**	**Budget Adjustments**	**Adjusted Budget 2023/24**
Municipal Infrastructure Grant		- 549 148 010,00	35 451 535,84	- 513 696 474,16
Rural Road Asset Management Systems		- 2 460 000,00	-	- 2 460 000,00
Regional Bulk Infrastructure Grant		-		-

Water Services Infrastructure Grant		-	-	-
Total		- 551 608 010,00	35 451 535,84	- 516 156 474,16

Total Annal Revenue Budget	**- 1 824 659 740,74**	**- 4 143 741,30**	**- 1 828 803 482,04**

Total Annual Approved Budget per the budget vote

Total Approved Annual Budget per the Vote	Vote	Approved Annual Budget 2024/25	Budget Adjustments	Adjusted Budget 2024/25	Annual Expenditure 2024/25	Consolidated Budget Vote	Total Expenditure per vote
Executive Council - Speaker's office		52 977 302,00	- 2 000 000,00	50 977 302,00	44 741 266,14	Executive Council - Speaker's office	6 236 035,86
Executive Mayor's office		61 383 729,00	-	61 383 729,00	56 860 451,64	Executive Mayor's office	4 523 277,36
Municipal Manager's office		108 103 504,00	3 700 000,00	111 803 504,00	121 957 631,26	Municipal Manager's office	- 10 154 127,26
Corporate Services		167 267 420,00	13 016 413,37	180 283 833,37	179 872 374,23	Corporate Services	411 459,14
Budget and Treasury Office - Operating Expenditure		198 859 850,00	- 3 700 000,00	195 159 850,00	366 439 127,26	Budget and Treasury Office - Opex	- 171 279 277,26
Budget and Treasury Office - Capital Expenditure		21 111 750,00	17 346 771,00	38 458 521,00		Budget and Treasury Office - Capex	38 458 521,00
Infrastructure and Water Services - Operating Expenditure		534 420 638,00	86 846 244,36	621 266 882,36	783 167 725,92	Infrastructure and Water Services	- 161 900 843,56
Infrastructure and Water Services - Capital Expenditure Budget on MIG		521 127 249,00	40 503 664,85	561 630 913,85	451 939 007,59	Infrastructure and Water Services	109 691 906,26
Infrastructure and Water Services - Capital Expenditure Budget on WSIG		43 963 000,00	-	43 963 000,00	43 963 000,00	Infrastructure and Water Services	-

Infrastructure and Water Services - Capital Expenditure Budget on RRAMS		2 571 000,00	-	2 571 000,00	2 571 000,00	Infrastructure and Water Services	-
Infrastructure and Water Services - Capital Expenditure on Equitable Share		100 190 396,00	- 34 523 662,00	65 666 734,00	-	Infrastructure and Water Services	65 666 734,00
Planning and Econonomic Development		32 264 880,00	2 300 000,00	34 564 880,00	22 940 524,70	Planning and Econonomic Development	11 624 355,30
Community services		82 252 770,00	- 1 054 373,00	81 198 397,00	74 235 036,87	Community services	6 963 360,13
Sekhukhune Development Agency		11 778 756,00	400 000,00	12 178 756,00	12 178 755,56	Sekhukhune Development Agency	0,44
Total		**1 938 272 244,00**	**122 835 058,58**	**2 061 107 302,58**	**2 160 865 901,17**		**- 99 758 598,59**

Opening balance - 01 July 2024	**432 323 261,00**
Add: current year additions	**142 974 883,52**
Less: Write-offs	-
Closing balance - 30 June 2025	**575 298 144,52**

FRUITLESS AND WASTEFUL EXPENDITURE

No	Name of service provider	Description	Amount as at 30 June 2025
1	BFW metering	Interest on Late payments for Water & Lights	38 155,48
2	BFW metering	Interest on Late payments for Water & Lights	2 562,55
3	BFW metering	Interest on Late payments for Water & Lights	7 771,46
4	BFW metering	Interest on Late payments for Water & Lights	1 183,61

5	BFW metering	Interest on Late payments for Water & Lights	1 281,89
6	BFW metering	Interest on Late payments for Water & Lights	41 529,02
7	BFW metering	Interest on Late payments for Water & Lights	2 731,03
8	BFW metering	Interest on Late payments for Water & Lights	8 262,87
9	BFW metering	Interest on Late payments for Water & Lights	38 155,48
10	BFW metering	Interest on Late payments for Water & Lights	602,40
11	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	584,76
12	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	95,47
13	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	14,09
14	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	67,66
15	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	55,63
16	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	14,49
17	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	2 125,17
18	Elias Motsoaledi Municipality	Traffic Fine -Enforcement order	11 590,00
19	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	3 839,10
20	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	4 088,50
21	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	214,93
22	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	5 086,83
23	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	172,15
24	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	87,26
25	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	22,79
26	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	110,11
27	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	33,94
28	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	21,93
29	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	8 862,46
30	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	59,10
31	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	22,20
32	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	95,28
33	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	159,96
34	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	68,22
35	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	73,88
36	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	15,58

37	Elias Motsoaledi Municipality	Penalties on licence for Municipal Vehicles	2 886,00
38	Elias Motsoaledi Municipality	Penalties on licence for Municipal Vehicles	1 202,50
39	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	22,30
40	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	141,92
41	Elias Motsoaledi Municipality	Interest on Late payments for Electricity	172,15
42	Ephraim Mogale Municipality	Interest on Late payments for Electricity	68,17
43	Ephraim Mogale Municipality	Interest on Late payments for Electricity	96,14
44	Ephraim Mogale Municipality	Interest on Late payments for Electricity	576,17
45	Ephraim Mogale Municipality	Interest on Late payments for Electricity	242,43
46	Ephraim Mogale Municipality	Interest on Late payments for Electricity	1 995,33
47	Ephraim Mogale Municipality	Interest on Late payments for Electricity	2,29
48	Ephraim Mogale Municipality	Interest on late payment for Electricity - Ephraim Mogale	13,70
49	Ephraim Mogale Municipality	Interest on late payment for Electricity - Ephraim Mogale	1 195,24
50	Ephraim Mogale Municipality	Interest on late payment for Electricity - Ephraim Mogale	306,29
51	Ephraim Mogale Municipality	Interest on late payment for Electricity - Ephraim Mogale	329,68
52	Ephraim Mogale Municipality	Interest on late payment for Electricity - Ephraim Mogale	947,80
53	Ephraim Mogale Municipality	Interest on late payment for Electricity - Ephraim Mogale	86,00
54	Ephraim Mogale Municipality	Interest on late payment for Electricity - Ephraim Mogale	69,40
55	Lebaka Constructions	Provision for attorney fees for Lebaka Construction	5 607 199,56
56	WESTERAND ENGINEERING SERVICES CONSOTIUM	Interest on Late payments	598,20
57	WESTERAND ENGINEERING SERVICES CONSOTIUM	Interest on Late payments	16 975,53
58	WESTERAND ENGINEERING SERVICES CONSOTIUM	Interest on Late payments	382,52
59	WESTERAND ENGINEERING SERVICES CONSOTIUM	Interest on Late payments	642,19
60	WESTERAND ENGINEERING SERVICES CONSOTIUM	Interest on Late payments	776,39
61	WESTERAND ENGINEERING SERVICES CONSOTIUM	Interest on Late payments	445,54
62	WESTERAND ENGINEERING SERVICES CONSOTIUM	Interest on Late payments	480,80
63	WESTERAND ENGINEERING SERVICES CONSOTIUM	Interest on Late payments	4 292,47
64	WESTERAND ENGINEERING SERVICES CONSOTIUM		33.841.81
65	Department of Water & Sanitation	Interest charges on DWS overdue bulk water account	1 337 147,12
66	Lepelle Northern Water	Interest charges on Lepelle overdue bulk water account	21 749 995,00

			28 909 106,11

Opening balance - 1st July 2024 (Restated)	**97 139 425,33**
Add: Current Year Expenditure (Restated)	**28 909 106,11**
Audited prior year expenditure	28 909 106,11
Adjustments to prior year expenditure	-
Less: Write-offs/Recoveries	-
Closing balance - 30 June 2025	**126 048 531,44**

ANNUAL DEVIATION REPORT JULY 2024-JUNE 2025

Impractical to follow SCM process.

DATE	SERVICES REQUIRED	SERVICE PROVIDER	DATE	AREAS OF DEVIATION /WASTEFUL	AMOUNT	REASONS FOR DEVIATION
2024/2025	Insurance Excess	SUPREME AUTOBODY BESIGHEIDSTRUST	20240705	Impractical to follow SCM processes	30 000.00	Excess on Insurance as it is the only service provider recommended by the insurer, who has been appointed through a competitive bidding process.
2024/2025	Insurance Excess	SUPREME AUTOBODY BESIGHEIDSTRUST	20240731	Impractical to follow SCM processes	35 000.00	Excess on Insurance as it is the only service provider recommended by the insurer, who has been appointed through a competitive bidding process.
2024/2025	Insurance Excess	SUPREME AUTOBODY BESIGHEIDSTRUST	20240731	Impractical to follow SCM processes	54 125.00	Excess on Insurance as it is the only service provider recommended by the insurer, who has been appointed through a competitive bidding process.
2024/2025	Insurance Excess	SUPREME AUTOBODY BESIGHEIDSTRUST	20240731	Impractical to follow SCM processes	35 000.00	Excess on Insurance as it is the only service provider recommended by the insurer, who has been appointed through a competitive bidding process.

2024/2025	Insurance Excess	SUPREME AUTOBODY BESIGHEIDSTRUST	20240920	Impractical to follow SCM processes	5 000.00	Excess on Insurance as it is the only service provider recommended by the insurer, who has been appointed through a competitive bidding process.
2024/2025	Insurance Excess	SUPREME AUTOBODY BESIGHEIDSTRUST	20241003	Impractical to follow SCM processes	5 000.00	Excess on Insurance as it is the only service provider recommended by the insurer, who has been appointed through a competitive bidding process.
2024/2025	Insurance Excess	SUPREME AUTOBODY BESIGHEIDSTRUST	20250528	Impractical to follow SCM processes	10 000.00	Excess on Insurance as it is the only service provider recommended by the insurer, who has been appointed through a competitive bidding process.
2024/2025	Insurance Excess	SUPREME AUTOBODY BESIGHEIDSTRUST	20250529	Impractical to follow SCM processes	5 000.00	Excess on Insurance as it is the only service provider recommended by the insurer, who has been appointed through a competitive bidding process.
2024/2025	Insurance Excess	SUPREME AUTOBODY BESIGHEIDSTRUST	20250612	Impractical to follow SCM processes	12 493.68	Excess on Insurance as it is the only service provider recommended by the insurer, who has been appointed through a competitive bidding process.
2024/2025	Caseware Training for 8 Interns	ADAPT IT	20241122	Impractical to follow SCM processes	278 644.94	It was impractical to obtain three quotation as it is the only service provider providing the required training.
2024/2025	Caseware Training for Interns	ADAPT IT	20241206	Impractical to follow SCM processes	111 457.98	It was impractical to obtain three quotation as it is the only service provider providing the required training.
2024/2025	Caseware Training and Licence Fees	ADAPT IT	20250213	Impractical to follow SCM processes	189 307.51	It was impractical to obtain three quotation as it is the only service provider providing the required training.
2024/2025	Caseware Training for Casuals	ADAPT IT	20250324	Impractical to follow SCM processes	57 648.75	It was impractical to obtain three quotation as it is the only service provider providing the required training.
2024/2025	Caseware Training and GRAP Training for Interns and Casual	ADAPT IT	20250514	Impractical to follow SCM processes	141 629.70	It was impractical to obtain three quotation as it is the only service provider providing the required training.

2024/2025	Caseware Training for Interns and Casual	ADAPT IT	20250522	Impractical to follow SCM processes	61 163.12	It was impractical to obtain three quotation as it is the only service provider providing the required training.
2024/2025	Registration Fee	CIGFARO	20240708	Impractical to follow SCM processes	15 798.00	It was impractical to obtain three quotation as it is the only service provider providing the required training.
2024/2025	Registration Fee	CIGFARO	20240920	Impractical to follow SCM processes	7 898.00	It was impractical to obtain three quotation as it is the only service provider providing the required training.
2024/2025	Registration Fee	CIGFARO	20241206	Impractical to follow SCM processes	12 900.00	It was impractical to obtain three quotation as it is the only service provider providing the required training.
2024/2025	Registration Fee	CIGFARO	20250327	Impractical to follow SCM processes	7 900.00	It was impractical to obtain three quotation as it is the only service provider providing the required training.
2024/2025	Registration Fee	CIGFARO	20250626	Impractical to follow SCM processes	3 850.00	It was impractical to obtain three quotation as it is the only service provider providing the required training.
2024/2025	Nkosi SP Attorneys	Default Judgement	20241024	Impractical to follow SCM processes	127 334.80	It was impractical to obtain three quotations due to the urgency of the matter and the required skill from the law firm.
2024/2025	Monyemoratho Attorneys	Sheriff	20250509	Impractical to follow SCM processes	76 043.46	It was impractical to obtain three quotations due to the urgency of the matter and the required skill from the law firm.
2024/2025	Sheriff of the High Court	Sheriff	20250623	Impractical to follow SCM processes	11 043.45	It was impractical to obtain three quotations due to the urgency of the matter and the required skill from the law firm.
2024/2025	Provision of water services in Burgersfort	NJ van Der Wal	20240806	Impractical to follow SCM processes	177 136.00	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.
2024/2025	Provision of water services in Burgersfort	NJ van Der Wal	20240906	Impractical to follow SCM processes	161 177.00	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.

2024/2025	Provision of water services in Burgersfort	NJ van Der Wal	20241006	Impractical to follow SCM processes	137 851.00	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.
2024/2025	Provision of water services in Burgersfort	NJ van Der Wal	20241107	Impractical to follow SCM processes	150 192.00	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.
2024/2025	Provision of water services in Burgersfort	NJ van Der Wal	20241207	Impractical to follow SCM processes	143 666.00	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.
2024/2025	Provision of water services in Burgersfort	NJ van Der Wal	20250107	Impractical to follow SCM processes	145 822.00	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.
2024/2025	Provision of water services in Burgersfort	NJ van Der Wal	20250207	Impractical to follow SCM processes	167 959.00	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.
2024/2025	Provision of water services in Burgersfort	NJ van Der Wal	20250307	Impractical to follow SCM processes	166 799.16	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.
2024/2025	Provision of water services in Burgersfort	NJ van Der Wal	20250407	Impractical to follow SCM processes	147 930.12	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.
2024/2025	Provision of water services in Burgersfort	NJ van Der Wal	20250610	Impractical to follow SCM processes	174 867.12	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.
2024/2025	Provision of water services in Burgersfort	NJ van Der Wal	20250707	Impractical to follow SCM processes	178 117.08	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.
2024/2025	Provision of water services in Ohristad	Winterbatch	20240707	Impractical to follow SCM processes	286 713.84	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.
2024/2025	Provision of water services in Ohristad	Winterbatch	20240806	Impractical to follow SCM processes	332 717.57	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.
2024/2025	Provision of water services in Ohristad	Winterbatch	20240906	Impractical to follow SCM processes	358 009.33	It is the only service provider around Tubatse area who is providing water to the communities through boreholes.

2024/2025	Provision of water services in Ohrstad	Winterbatch	20241006	Impractical to follow SCM processes	340 824.88	It is the only service provider around Tubatse area who is providing water to the communities through boreholes
2024/2025	Provision of water services in Ohrstad	Winterbatch	20241107	Impractical to follow SCM processes	326 051.84	It is the only service provider around Tubatse area who is providing water to the communities through boreholes
2024/2025	Provision of water services in Ohrstad	Winterbatch	20241207	Impractical to follow SCM processes	330 953.71	It is the only service provider around Tubatse area who is providing water to the communities through boreholes
2024/2025	Provision of water services in Ohrstad	Winterbatch	20250107	Impractical to follow SCM processes	358 015.19	It is the only service provider around Tubatse area who is providing water to the communities through boreholes
2024/2025	Provision of water services in Ohrstad	Winterbatch	20250207	Impractical to follow SCM processes	246 221.05	It is the only service provider around Tubatse area who is providing water to the communities through boreholes
2024/2025	Provision of water services in Ohrstad	Winterbatch	20250307	Impractical to follow SCM processes	298 351.60	It is the only service provider around Tubatse area who is providing water to the communities through boreholes
2024/2025	Provision of water services in Ohrstad	Winterbatch	20250407	Impractical to follow SCM processes	311 844.25	It is the only service provider around Tubatse area who is providing water to the communities through boreholes
2024/2025	Provision of water services in Ohrstad	Winterbatch	20250507	Impractical to follow SCM processes	305 767.43	It is the only service provider around Tubatse area who is providing water to the communities through boreholes
2024/2025	Provision of water services in Ohrstad	Winterbatch	20250707	Impractical to follow SCM processes	338 510.18	It is the only service provider around Tubatse area who is providing water to the communities through boreholes
					6 879 735.54	

Tenders Report as of 30 June 2025

No	Project No	Project Name	Date of Specification	Date of Advert	Closing Date	Evaluation Date	Adjudication Date	Awarded Date	Bid Amount	Awarded Bidder/Proposed Bidder	30% Sub-Contracted
01	SK8/3/1-49/2024/2025	Lebalelo central RWS:Supply Sub-scheme 1A- Contract A	22/05/2025	26/05/2025	04/07/2025	On advert	x	x	x	x	x
02	SK8/3/1-50/2024/2025	Lebalelo central RWS:Supply Sub-scheme 1A- Contract B	22/05/2025	26/05/2025	04/07/2025	On Advert	x	x	x	x	x
03	SK8/3/1-51/2024/2025	Lebalelo central RWS:Supply Sub-scheme 1A- Contract C	22/05/2025	26/05/2025	04/07/2025	On Advert	x	x	x	x	x
04	SK8/3/1-52/2024/2025	Mampuru bulk water supply Scheme phase 1A-Resevoirs (Re-Advert)	22/05/2025	26/05/2025	04/07/2025	On advert	x	x	x	x	x
05	SK8/3/1-53/2024/2025	Procurement of a vending system for prepared meters (smart meters) for three years	18/06/2025	24/06/2025	28/07/2025	On-Advert	x	x	x	x	x
06	SK8/3/1-54/2024/2025	Appointment of service provider for procurement of working tools/equipment for communication unit (once off)	24/06/2025	30/06/2025	17/07/2025	On-Advert	x	x	x	X	x
07	SK8/3/1-55/2024/2025	Appointment of service provider for procurement	24/06/2026	30/06/2025	04/08/2025	On-Advert	x	x	x	x	x

		of a performance management system for period of three years.									
08	SK8/3/1-56/2023/2024	Appointment of service provider for the supply and delivery of asset scanner mobile including the installation of Asset management and provider skills training (once off)	12&15/04/2024	26/04/2024	14/05/2024	14/05/2024	Re-advert	Not Appointed	Not appointed	Re-advert	x
09	SK8/3/1-59/2023/2024	Appointment of service provider to replace bay doors for Groblersdal and Tubatse fire station	13/05/2024	19/05/2024	10/06/2024	14/05/2024	x	Not Appointed	Not appointed	Re-Advert	x
10	SK8/3/1-13/2024/2025	Appointment of service providers for the provision of physical security service for a period of three (3) years.	20/09/2024	1st Advert 22/09/2024 **Withdrawal Advert** 17/11/2024	31/10/2024	31/10/2024	x	Withdrawal	Not Appointed	Withdrawn	x
11	SK8/3/1-33/2024/2025	Supply of computer hardware devices and consumables for a period of 3 years	03/12/2024	06/02/2025	10/03/2025	05/04/2025	x	Not Appointed	Not Appointed	Re-advert	x
12	SK8/3/1-34/2024/2026	Repair installation and maintenance of audio-visual system and computer equipment's for a period of 3 years	03/12/2024	06/02/2025	10/03/2025	05/04/2025	In-progress	Not Appointed	Not Appointed	Re-advert	x

13	SK8/3/1-35/2024/2025	Appointment of internet Service provider for period of three (3) years	30/01/2025	06/02/2025	10/03/2025	05/04/2025	In-progress	Not Appointed	Not Appointed	Re-advert	x
14	SK8/3/1-46/2024/2025	Appointment of a panel for gardening, debushing, and maintenance of Municipal facilities for Sekhukhune District Municipality for period of three years	08/05/2025	13/05/2025	20/06/2025	20/06/2025	In-progress	Not Appointed	Not Appointed	Re-advert	
15	SK8/3/1-47/2024/2025	Appointment of Service provider for the supply of Hardware Computer Equipment and Peripheral for three years.	13/05/2025	19/05/2025	20/06/2025	20/06/2025	In-process	Not Appointed	Not Appointed	In-process	x
16	SK8/3/1-48/2024/2025	Appointment of Internet services and domain hosting for a period of three years.	13/05/2025	19/05/2025	20/06/2025	20/06/2025	In-process	Not Appointed	Not Appointed	In-process	x
17	SK8/3/1-08/2024/2025	Appointment of service provider for supply and delivery and installation of analyzers for SDM Ambient Air monitoring station in Dilokong (once off)	07/08/2024	23/08/2024	10/09/2024	Re-advert	07/10/2024	Not appointed	Not Appointed	Re-advert	x
18	SK8/3/1-26/2024/2025	Appointment of service provider for the development of fully integrated Municipal	30/10/2024	08/11/2024	12/12/2024	19/12/2024	23/12/2024	Not appointed	Not Appointed	In-process	x

		Geographic Information system for period of three years.									
19	SK8/3/1-36/2024/2025	Appointment of panel of event management for period of three years	17/02/2025	**1st Advert** 28/02/2025 **Erratum** 26/03/2025	28/02/2025 12/05/2025	12/05/2025	29/05/2025	27/06/2025	Rates Rates Rates Rates Rates	1. Legobole Group 2. Black Sky 3. Pheladi Noko B1 4.Temotlaka (pty) ltd 5.Rapotoane Construction & Projects	x
20	SK8/3/1-37/2024/2025	Appointment of service provider for cash collection services for period of three (3) years	17/02/2025	28/02/2025	07/04/2025	12/06/2025	12/05/2025	Not appointed	Not Appointed	Re-advert	x
21	SK8/3/1-38/2024/2025	Olifontspoort South RWS Projects Phase 6 Completion	07/02/2025	12/03/2025	16/04/2025	09/06/2025	16/06/2025	13/06/2025	R39 635 429.34	FM Infrastructure	
22	SK8/3/1-39/2024/2025	Appointment of service provider for the supply and delivery of disaster relief materials (once off)	07/03/2025	26/03/2025	15/04/2025	27/05/2025	27/05/2025	13/06/2025	R255 852.00	Kulasisebenze Trading	x
23	SK8/3/1-40/2024/2025	Appointment of service provider for the supply and delivery of three analysers for SDM ambient air monitoring in Dilokong (once off)	07/03/2025	26/03/2025	15/04/2025	27/05/2025	27/05/2025	27/06/2025	R1 486 950.00	Great Focus Media	x
24	SK8/3/1-41/2024/2025	Appointment of service provider for the repair and maintenance of white vehicles for period of three years	07/03/2025	26/03/2025	30/04/2025	30/04/2025	29/05/2025	07/06/2025	Rates	Makgonatsohle Trading	x

25	SK8/3/1-42/2024/2025	Heavy duty steel racking and heavy storage pipe to be used at man storage (once off)	28/03/2025	14/04/2025	07/05/2025	27/05/2025	27/05/2025	27/06/2025	R1 148 750.00	Ben Structural Steel Erecting & Projects	x
26	SK8/3/1-43/2024/2025	Blankets, Heavy-duty wheelchairs, walking sticks /cares and sunscreens for people with disability and person	10/04/2025	14/04/2025	07/05/2025	27/05/2025	27/05/2025	27/06/2025	R2 247 000.00	Pokoloko (pty) ltd	x
27	SK8/3/1-44/2024/2025	Term contract for Auction services for period of three years	28/03/2025	14/04/2025	27/05/2025	12/06/2025	12/06/2025	Not Appointed	Not Appointed	In process	x
28	SK8/3/1-45/2024/2025	Lease of a new vehicle and full maintenance for period of 3 years	10/04/2025	14/04/2025	27/05/2025	12/06/2025	12/06/2025	Not Appointed	Not Appointed	In process	x
29	SDA8/3/1-03/2023/2024	Appointment of a service provider to Assist SDA AFS with the preparation of AFS and audit support (once off)	02/05/2024	10/10/2024	24/05/2024	25/06/2024	10/07/2024	10/07/2024	R739 938.75	TJ Rasimeni Chartered Accountants	x
30	SDA8/3/1/05/2023/2024	Appointment of a Professional service provider for cloud-based ERP System that is MSCOA	13/05/2024	19/05/2024	07/06/2024	25/06/2024	10/07/2024	11/07/2024	R1 186 935.00	Business Connection	x

31	SK8/3/1-61/2023/2024	(Re-advert) Appointment of service provider for qualified professional surveyor for land surveying and cadastral work for district office town establishment for a period of two (2) years	27&28/05/24	07/06/2024	16/07/2024	24/07/2024	19/08/2024	19/08/2024	R517 097.50	Matete & Associates Consultants	x
32	SK8/3/1-62/2023/2024	Appointment of a service provider for the asset insurance policy for a period of three (03) years	27&28/05/24	07/06/2024	16/07/2024	24/07/2024	19/08/2024	19/08/2024	R829 467.00	Kunene Makopo Risk Solutions Pty Ltd	x
33	SK8/3/1-60/2023/2024	Appointment of a service provider for the lease of photocopy machines for a period of three (03) years (Re-Advert)	13/05/2024	19/05/2024	21/06/2024	24/07/2024	19/08/2024	19/08/2024	R4 070 671.56	Anaka Group	x
34	SK8/3/1-58/2023/2024	Appointment of service provider of medical surveillance programme for three years.	02/05/2024	10/05/2024	13/06/2024	18/07/2024	19/08/2024	19/08/2024	R55 368.26	Dr. LG Nemukongwe	x
35	SK8/3/1-51/2023/2024	Internal bulk water supply reticulation to Makhuduthamaga Local Municipality-Marishane.	12/04/2024	17/04/2024	02/05/2024	25/07/2024	19/08/2024	19/08/2024		Manodoma Trading Enterprise	
36	SK8/3/1-10/2024/2025	Kgotlopong water supply (work package 1)	18/08/2024	25/08/2024	30/09/2024	01/11/2024	30/09/2024	15/11/2024	R33 159 911.94	Keewave Trading 334 Pty LTD	

37	SK8/3/1-11/2024/2025	Eanzaam water supply (work package 1)	07/08/2024	25/08/2024	30/09/2024	25/10/2024	30/09/2024	15/11/2024	R39 212 292.27	Manadoma Trading Enterprise	
38	SK8/3/1-01/2024/2025	Appointment of a service provider to supply and deliver office furniture	27&28/05/24	15/07/2024	01/08/2024	15/08/2024	16/08/2024	30/08/2024	R937 613.40	TE Technologies pty ltd	x
39	SK8/3/1-02/2024/2025	Appointment of a service provider to supply and deliver cleaning material for SDM offices for a period of 3 years	14/06/2024	15/07/2024	19/08/2024	16/09/2024	18/10/2024	15/11/2024	Rates	1. Madyabyivila Trading 2. Hot Stone Projects Developers 3. Segokgome Trading & Projects 4. Hlabirwa Boleke Trading pty Ltd	x
40	SK8/3/1-03/2024/2025	Appointment of services provider for supply and and delivery of fire service equipments (once off)	27/06/2024	21/07/2024	07/08/2024	16/09/2024	15/09/2024	24/10/2024	R4 307 385,95	Lete Trading Enterprise pfyLtd	x
41	SK8/3/1-04/2024/2025	Appointment of a service provider to provision of network maintenance, devices installation, connectivity, security and support to Municipal offices for a period of 3 years	12&17/07/24	21/07/2024	23/08/2024	08/10/2024	15/09/2024	24/10/2024	R14 947 170.07	Matupunuka ICT Pty Ltd	x
42	SK8/3/1-06/2024/2025	Appointment of a panel of Attorneys for Period of three (3) years	12 & 17/07/24	21/07/2024	23/08/2024	07/10/2024	15/09/2024	29/10/2024	Rates	1. Manala Attorneys 2. PK Legodi Incorporates Attorneys 3. TJ Machete 4. Rachidi Inc.	x

										5. Popela Maake Incorporated 6. Mohuba Attorneys 7. Marwashe Attorneys 8. Ligege and Associates Incorporated 9. Khumalo Masondo Attorneys Inc.	
43	SK8/3/1-09/2024/2025	Appointment of service provider to develop disaster recovery plan (once off)	07/08/2024	23/08/2024	10/09/2024	08/10/2024	15/09/2024	29/10/2024	R1 398 400.00	Mamphela Mamphela Holdings	x
44	SK8/3/1-07/2024/2025	Appointment of panel of audit firms for period of three years	23/07/2024	12/08/2024	13/09/2024	25/10/2024	19/09/2024	02/12/2024	Rates	1. Makanaka Risk & Advisory Srvices 2. GaapMaster (pty)ltd 3. Umnotho Business Consulting 4. TJ Rasimeni Chartered Accountant 5. Tladi & Associates Consulting	x
45	SK8/3/1-12/2024/2025	Appointment of service provider for the supply and delivery of consumable items cartridges (once off).	06/092024	19/09/2024	07/10/2024	22/11/2024	05/12/2024	05/12/2024	R1 554 095.19	KKKI Construction (pty) ltd	x
46	SK8/3/1-14/2024/2025	Panel of service providers for supply delivery of consumable items for a period of three (3) years as and when required.	20/09/2024	22/09/2024	31/10/2024	28/11/2024	09/01/2025	14/01/2025	Rates	1. Intriqued Business Solutions Pty Ltd. 2. Moon & Earth Trading & Projects 218 CC 3. Tau Lucid Pty Ltd 4. Enye Phez Kwenye Pty Ltd. 5. Rena Batswako Transport & Construction	x

47	SK8/3/1-25/2024/2025	Appointment of service provider for the supply and delivery of three portable mobile office containers for Mashilabela Fire Station, Praktiseer,Leboeng,IWS depots (once off)	30/10/2024	08/11/2024	26/11/2024	05/12/2024	09/01/2025	13/01/2025	R1 163 271.00	Ben Structure Steel Erecting & Projects	x
48	SK8/3/1-23/2024/2025	Appointment of service provider for the review of Geographic information system strategy (once off)	30/10/2024	08/11/2024	26/11/2024	05/12/2024	09/01/2025	13/01/2025	R440 214.21	TM Consortium Pty Ltd	x
49	SK8/3/1-16/2024/2025	Infrastructure rural household sanitation project Cluster 02-Construction of VIP sanitation toilets within Ephraim Mogale Local Municipalit	26/09/2024	29/09/2024	16/10/2024	10/12/2024	09/01/2025	14/01/2025	R4 995 944.06	Fito & Son Construction & Projects	
50	SK8/3/1-18/2024/2025	Infrastructure rural household sanitation project Cluster 04-Construction of VIP sanitation toilets within Makhuduthamaga Local Municipality	26/09/2024	29/09/2024	17/10/2024	10/12/2024	09/01/2025	14/01/2025	R6 588 823.22	Madula a Letile JV Lefatshe Minerals & Consulting	
51	SK8/3/1-17/2024/2025	Infrastructure rural household sanitation project Cluster 03-Construction of VIP sanitation toilets within	26/09/2024	29/09/2024	17/10/2024	10/12/2024	18/02/2025	14/01/2025	R8 240 053.59	Bo -Mamohlala Projects CC	

		Fetakgomo Tubatse Local Municipality									
52	SK8/3/1-19/2024/2025	Construction of Moutse East and West water reticulation Phase 2 Ga Matlala-Contract 2A	24/10/2024	27/10/2024	05/12/2024	31/01/2025	18/02/2025	28/02/2025	R18 448 578.73	Gaborena Construction and Projects	
53	SK8/3/1-20/2024/2025	Construction of Moutse East and West water reticulation Phase 2 Ga Matlala-Contract 2B	24/10/2024	27/10/2024	05/12/2024	31/01/2025	18/02/2025	28/02/2025		JEM Corporate	
54	SK8/3/1-21/2024/2025	Construction of Moutse East and West water reticulation Phase 2 Phuoukane Contract 2C	24/10/2024	27/10/2024	05/12/2024	31/01/2025	18/02/2025	28/02/2025	R40 426 354.43	Democratic Construction and Security Services	
55	SK8/3/1-22/2024/2025	Construction of Moutse East and West water reticulation Phase 2: Elokhishini Contract 2D	30/10/2024	03/11/2024	10/12/2024	31/01/2025	18/02/2025	28/02/2025	R48 099 245.01	Leseding Engineering Services	
56	SK8/3/1-27/2024/2025	Mampuru Bulk water scheme phase 1A Reservoirs	07/11/2024	10/11/2024	13/12/2024	13/02/2025	21/02/2025	28/02/2025	Withdrawal	Bothlabatsatsi Group 001	
57	SK8/3/1-28/2024/2025	Mampuru Bulk water scheme phase 1B Pumpstation	07/11/2024	10/11/2024	13/12/2024	13/02/2025	21/02/2025	28/02/2025	R24 777 279.77	Ngoato Le Nareadi Construction cc	
58	SK8/3/1-29/2024/2026	Mampuru Bulk water scheme phase 1C Pipeline	07/11/2024	10/11/2024	13/12/2024	13/02/2025	21/02/2025	28/02/2025	R129 263 425.82	Maunyatlala Shakwana (Pty) Ltd	
59	SK8/3/1-15/2024/2025	Infrastructure rural household sanitation	26/09/2024	29/09/2024	16/10/2024	10/12/2024	18/02/2025	28/02/2025	R8 000 000.00	Ngoato Le Nareadi Construction cc	

		project Cluster 01- Construction of VIP sanitation toilets within Elias Motsoaledi Local Municipality									
60	SK8/3/1-31/2024/2025	Appointment of Service Provider for Sucking, Emptying and Cleaning of 1066 VIP Toilets at Walter RDP (Ward 09) of Elias Motsoaledi Region	05/12/2024	15/12/2024	06/02/2024	07/03/2025	18/02/2025	10/03/2025	R1 331 434.00	IETs of Mach (Pty) Ltd	x
61	SK8/3/1-30/2024/2025	Appointment of Service Provider for Sucking, Emptying and Cleaning of 520 VIP Toilets at Ntwane (Ward 10) of Elias Motsoaledi Region	05/12/2024	15/12/2024	06/02/2024	07/03/2025	18/02/2025	10/03/2025	R980 000.00	Yatshama Vacuum & Septic Services	x
62	SK8/3/1-24/2024/2025	Appointment of service provider for the supply and delivery of production equipment's pressure sprayers (once off).	30/10/2024	08/11/2024	26/11/2024	05/12/2024	21/02/2025	24/02/2025	R227 240.00	Madijolane Holdings	x
63	SK8/3/1-32/2024/2025	Supply & Delivery of production equipment's-SMME (Once off).	30/01/2025	06/02/2025	20/02/2025	17/03/2025	23/03/2025	25/03/2025	R2 282 350.00	Mogaung Enterprise	x

2.8.5 BY-LAW

For the year under review the municipality did not gazette any by-law.

2.8.6 WEBSITE

The website of the Municipality is functional (www.sekhukhunedistrict.gov.za) and updated on a regular basis especially the component where compliance issues must be adhered to such as publishing of Annual Report, tenders and vacancies.

The website for the finanicial year 2024/2025 was functional with mandatory updates having been done, namely, IDP, Budget, SDBIP, Annual Report. From content management point of view for general information dessimination, We also updated the website through posting of official statements and speeches.

The follwing were published on the website:

- 2025/2026 SDBIP
- 2024/2025 Budget
- 2026/2027 Final IDP Framework / Process Plan
- Final IDP-Budget Review 2025/2026
- Draft IDP-Budget Review 2025/2026
- Performance agreements of senior managers.
- Quarterly SDBIP reports done every end of the quarter.
- 2023/2024 Annual Report
- 2024/2025 Policies
- Internal and external vacancies
- Public Notices of disruption of water supply to all communities

Research has been done on products that will offer the following to the communities:-

- Touch-screen kiosks that can be used for inter alia the following:
- Customer Complaints
- Customer Compliments
- Customer Comments
- General Survey Interaction
- Information Centre.

2.8.7 CUSTOMER CARE, BATHO PELE AND COMPLAINTS SERVICES

Customer means people who live, work and play in the Sekhukhune District Municipality jurisdiction as well as everyone the Municipality does business with. Customer Care refers to the SDM's commitment to make the customer's contact with the municipality convenient and positive.

A Sotho word meaning 'People First'. In government Batho Pele is an inclusive concept that refers to all government policies, strategies and programmes aimed at transforming public service delivery. Batho Pele especially targets public servants to be service-oriented, to strive for excellence in service delivery, and commit to continuous service delivery improvement.

The Sekhukhune District Municipality has revitalised Batho Pele and Customer Care in the institution through developing the following documents:

a) Customer Care Policy

- To ensure that customers are provided with relevant information and appropriate format.
- To provide quality service to all stakeholders interacting with the Municipality, the public, service providers, contractors, fellow staff members in every department and government agencies.
- To ensure customer complaints are addressed promptly, timeously and to the full satisfaction of the client.
- Reducing financial and time costs incurred arising from poor customer service due to repeat calls.
- To equip staff with knowledge and competencies to continuously enhance the service standards according to changing customer needs.

The purpose of this policy is to maintain an environment where:

- Both the public and staff members feel valued.
- Staff workloads are managed effectively resulting in efficient service delivery.
- Services can be tailored to the needs of customers, internal and external, based on customer feedback.

b) Service Charter

- Service Charter stipulates the level and quality of services to be provided, including the introduction of new services to previously marginalised service beneficiaries who were denied access to information and services.
- The main purpose of this Service Charter is to improve awareness of the availability and quality of the services offered by the municipality. The Charter also provides guidance to service beneficiaries to claim their existing rights.

c) Service standards

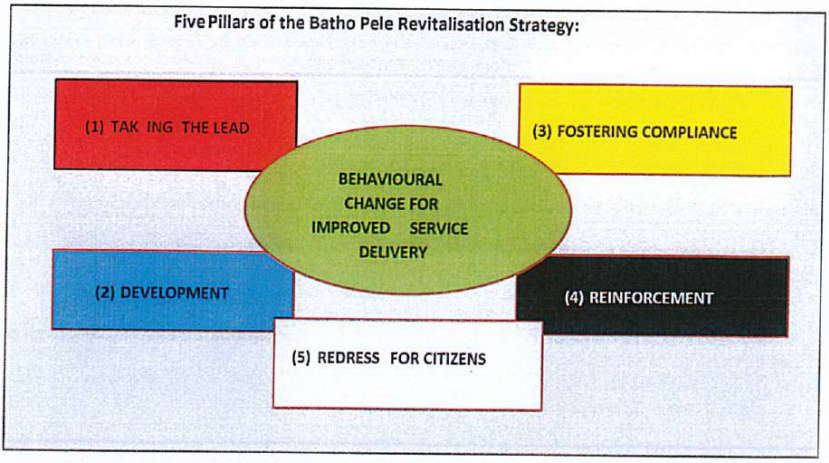
- Providing a standard that is simple and user friendly.
- Providing a documented framework and guidelines.
- Developing performance targets which are reviewed regularly and gather feedback from staff, Councillors, partners and the public.
- Ensuring standards are applied across the council and can be adopted by other stakeholders where services are delivered jointly.

d) Revitalisation Plan

The Batho Pele Revitalisation Strategy is anchored in five (5) inter-connected pillars that support the realisation of the aim and objectives of the Batho Pele policy.

These five pillars are:

- **Taking the Lead** – by building capacity and learning from past and current Batho Pele implementation practices;
- **Development** – of context-specific Batho Pele standards and communication approaches in consultation with a diversity of stakeholders;
- **Fostering Compliance** – with agreed to Batho Pele standards through appropriate monitoring of compliance tools;
- **Reinforcement** – of standards through appropriate measures where there is evidence of poor or non-compliance with Batho Pele standards;
- **Redress for Citizens** – who are the centre of the district constituency.



Each of the five pillars are implemented through programmes designed to generate positive service delivery experiences and outcomes.

BATHO PELE PRINCIPLES

We are committed to respect the rights of our service beneficiaries through implementation of Batho Pele principles as follows:

Principle	Service
Consultation	➢ At least twice a year we shall consult with all our stakeholders and communities through public participation meetings (Imbizos).
	➢ We shall at all times have questionnaires and suggestion boxes at our main office and satellite offices to enable our service beneficiaries to continuously evaluate our services.
	➢ Our consultation methods shall consider the geographical location of our citizens, language and living standards.

	➢ Results of our consultation shall be made public through our own publications and independent local publications and shall be extensively published within administration and Council for staff members and
Principle	**Service**
	Councillors to be aware of how our services are perceived by the public.
Service Standards	➢ We shall ensure that we maintain the high level and quality of services as enshrined in our service standards.
Access	➢ All people shall have equal access to the services to which they are entitled.
	➢ All our offices shall have clear signage, be clean and comfortable.
	➢ All our buildings shall be accessible to all including to people with physical challenges.
	➢ We will at all times wear our name tags.
	➢ We will be neatly dressed and well presented at all times.
Courtesy	➢ Citizens shall be treated with courtesy and consideration at all times.
Information	➢ We shall at all times give full and accurate information to our citizens through newsletters, Imbizos, media, website and annual reports.
	➢ We shall at all times, where possible use the language, the intended audience understand.
Openness and transparency	➢ We will be transparent at all times on how the municipality functions.
	➢ Our IDP, Budget processes and Council meetings shall be open to the public.
Redress	➢ Where we have committed mistakes, we will take responsibility, apologize and take corrective measures.

Value for Money	➢ We will provide the public services in a cost effective and efficient way.

Calls that are manually recorded during the period 2024/25 are as follows:

INCIDENT	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Motor Vehicle Accident	03	04	01	04	07	05	09	03	07	09	04	12
Structural fire	12	05	09	13	07	08	09	05	02	01	07	09
Special services	01	00	03	04	00	00	02	02	01	01	00	00
Veld fire	14	14	13	07	00	00	00	01	00	01	02	06
Water related	05	04	09	08	10	04	01	02	09	10	06	06
Total	**35**	**27**	**35**	**36**	**24**	**17**	**21**	**13**	**19**	**22**	**19**	**33**

PRESIDENT'S AND PREMIER'S HOTLINES

Below is an analysis report from OTP.

Sekhukhune District & Local Municipalities	No. of Open Calls	No. of Resolved Calls	Avg. Time to Resolve (Gov. bus. hours)	Total Calls	% Resolved 18 June 2025
Sekhukhune District Municipality	11	1254	1667	1265	99.13%
Elias Motsoaledi Local Municipality	6	148	1076	154	96.1%
Ephraim Mogale Local Municipality	0	59	1279	59	96,1%
Fetakgomo - Tubatse Local Municipality	1	443	1505	444	99,77%
Sekhukhune District Municipality	0	399	2221	399	100%

Makhudutamaga Local Municipality	0	163	1273	163	100%
Sekhukhune District Municipality	4	42	2268	46	91,30%

IGR Batho Pele District Forum

In terms of section 41 of the Constitution, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith by informing one another of and consulting one another on matters of common interest by assisting and supporting each other on service delivery challenges relating to Batho Pele complaints and Customer Care which affect the communities of Sekhukhune. The district municipality, local municipalities, sector departments and other organs of the state are expected to:

- Co-operate in good faith and mutual trust.
- Fostering friendly relations.
- Assisting and supporting one another.
- Informing one another of and consulting one another on matters of common interest

Challenges

- Lack of customer care automated system in all locals and the district.
- Strategy to shorten queues in our service points.
- Waiting times for service.
- Introduction of technology in rural areas.
- Availability of customer help desks at service points etc

CHAPTER 3:

SERVICE DELIVERY PERFORMANCE

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

3.1 INTRODUCTION

The district municipality as per section 152 (1) (b) of the Constitution of the Republic of South Africa mandates local government to ensure provision of services to communities in a sustainable manner. Municipalities are expected to strive within its financial and administrative capacity to achieve the objectives as set in the section 152 (2) of the Constitution of the Republic of South Africa. The district municipality is WSA (Water Service Authority) and WSP (Water Service Provider) as per the Water Service Act 108 of 1997.

COMPONENT A: BASIC SERVICES

3.2. WATER SERVICES PROVISION

The Department of Infrastructure and Water Services is responsible for delivery of Water and Sanitation services in the entire SDM area. The municipality has adopted the reviewed Water Services Development Plan (WSDP) and the 5-year Reliability plan in the Current financial year **(2024/2025)** and has requested assistance from DBSA to finalise the Water and Sanitation Master Plan. Both WSDP and WSMP are used as the guiding tool to ensure effective and efficient implementation of various water schemes and provide a blueprint of providing water sustainably in the district.

The Municipality is currently providing full water and sanitation services in the main towns such as Burgersfort (12 815 people), Marble Hall (4 025 people), Groblersdal (6 312 people), Steelpoort (3 374 people) and Orhigstad (1 520 people). These areas have access to other high-level services such as refuse removal and roads.

The most villages in the vast rural areas are being provided with ground water as alternative sources and water tankers where necessary. Most of the rural villages in the Flag Boshielo Water Scheme are receiving water services in a much more improved way than most rural in other villages.

Several villages are currently benefitting from water provided by a main pipe from De Hoop dam, namely: Mpelegane, Maepa, Ratau, Maphopha, Rantho, Masha,

Malekana and Maseven. This is a notable progress as De Hoop dam's provision is beginning to reach villages.

3.5.5 INVESTMENTS ON INFRASTRUCTURE DEVELOPMENT DURING 2024/25 FINANCIAL YEARS:

During 2024/2025 Financial Year, the following infrastructure grants were spent on water projects:

Municipal Infrastructure Grant (MIG): ***R 420,657,000.00***, **100%** of the total allocated budget of **R *420,657,000.00***.

- The SDM has implemented 14 water infrastructure project projects during 2024/25 financial year.
- Water Services Infrastructure Grant (WSIG): ***R 48,771,024.63***, **100%** of the total allocated budget of ***R 48,771,024.63***
- The SDM has implemented 09 intervention water projects during 2024/25 financial year.
- Regional Bulk Infrastructure Grant (RBIG): ***R 38,600,000.00***, **100%** of the total allocated budget of ***R 38,600,000.00***
- The SDM has implemented 06 bulk water projects during 2024/25 financial year.
- Rural Roads Assets Management System (RRAMS): ***R 2,571,000.00***, **100%** of the total allocated budget of ***R 2,571,000.00***
- Development of road asset management system, GIS centreline development, Road Visual assessment, Traffic counts, Bridge and culvert inspection and Data cleaning and submission lastly appointment of Student for training and data collection.

BACKLOG IN ACCESS WATER AND SANITATION IN 2024/25

The Sekhukhune District Municipality has the total population of 1 169 762 with 194 962 number of households.

The Sanitation-Ventilated improved double Pit-latrine (VIP) infrastructure backlog was reduced by 774 in 2022/23 financial year. In 2023/2024 440 (VDIP) sanitation units were constructed as well as in 2024/2025 VIP sanitation units completed 250 units in Ephraim Mogale LM.

KEY WATER INFRASTRUCTURE DEVELOPMENT SCHEMES IMPLEMENTED DURING 2022/23 TO DATE

- The SDM continued with the implementation of Malekana Regional Water Supply Scheme. On completion the scheme will supply villages adjacent to DeHoop Malekana WTW.

- The conditional assessment for commissioning and testing of Bulk pipeline from Malekana Water Treatment Works to Jane Furse command reservoir under (Nebo Plateau Bulk Water Scheme) will be done 2024/2025 and to be completed in the 2025/26 FY

- Moutse conditional assessment for commissioning and testing of Bulk pipeline from phase 2 to 4, has commenced and project to be completed during June 2026.

- The Implementation Readiness' Study (IRS) has commenced with the feasibility study currently being investigated for supply of Bulk water from Jane Furse to Zaaiplaas and its surrounding villages.

- The implementation of phase 4 for Mooihoek-Tubatse Bulk Water Scheme is continuing in the current financial, which includes the bulk pipelines and concrete reservoirs. These projects will be completed in the next two financial years of 2022/23/24 to 2024/25 and commission in the 2025/26.

- The Groblersdal Luckau Bulk Water Supply Phase 2 commenced with construction in the financial year 2024/2025 and to be completed by June 2026.

- The Moutse East & West Reticulation Phase 2 commenced in 2024/25 financial year and to be completed by the 31st March 2026.

- Moutse East and West Bulk Water supply is currently under implementation and will be completed in 2025/2026.

The following projects were implemented in the 2024-2025 financial year.

MUNICIPAL INFRASTRUCTURE GRANT

NO.	PROJECT NAME	EXPENDITURE TO DATE	ACTUAL PROGRESS
1.	Groblersdal to Luckau BWS (Phase 1)	R165,335,048.46	**Contract A: Progress is at 90%.** The Contractor is currently busy with steel fixing for the roof slab in Motetema Pump station. The minisub and RMU installation in progress at Groblersdal Treatment works,
			Contract B: Progress is at 70%. The contractor has casted concrete for the abutments,currently busy with steel fixing for the column and blinding for the concrete tank at Motetema.
			Contract C: Progress is at 90%. Contractor has laid 3125m of 500mm DN Steel pipes out of 3280 and 4180m out of 4200m of 300mm DN steel pipes and currently busy with the chambers.
			Contract D: Progress is at 91% , Contractor has laid 6811m of 6900m of 500mm DN Steel pipes and currently busy with the chambers
			Contract E: Progress is at 59%. Contractor has laid 3819m of 500mm DN Steel pipes and currently busy with the chambers and blasting of hard rock.
2.	Groblersdal to Luckau BWS (Phase 2)	R81 476 840,31	**Contract 2A: Progress is at 39%.** Contractor is currently busy with the excavations and pipe laying. Excavation – 6115m Pipe laid – 3000m
			Contractor 2B: Progress is at 41%. Contractor is currently busy with the earthworks
			Contract 2C: Progress is at 47%. Pipes have been delivered, and the Contractor is currently busy with the excavations, bedding and pipe laying. Pipe laying – 2676m
			Contract 2D: Progress is at 50%. Pipes have been delivered, and the Contractor is currently busy with the excavations, bedding and laying of pipes. Pipe laid - 6429m.

3.	Moutse East and West Water Reticulation phase 1	R60 200 026,80	**Contract A: Progress is at 82%.** 140,25km reticulation pipeline and 2100 house connections constructed.
			Contract B: Progress is at 77%. 73,693km reticulation pipeline laid. 960 house connections constructed. 40% M&E Work done
			Contract C: Progress is at 40%. 42,118km of reticulation pipeline constructed.1122 house connections constructed. 32% of Rehabilitation of the internal bulk feeder line done
			Contract D: Progress is at 100%. 37,024km reticulation pipeline constructed. 812 house connections constructed.1* 25KL Steel tank installed. rehabilitation of internal bulk feeder lines done
			Contract E: Progress is at 100%. 46,847km reticulation pipeline laid. 802 house connections constructed; rehabilitation of internal bulk feeder line done, 1*25kl break pressure tank
4.	Moutse East and West Water Reticulation phase 2	R2,761,628,03	Service level agreement signed. Busy with detailed design.
5.	Upgrading of De Hoop WTW	R24,759,533.17	**Overall Progress percentage: 33%** The contractor is currently busy with carport and finishing on the new offices for Department of Agriculture, construction of slab panels on 2 sludge/settling dams, 294m Subfloor pipeline laid, formwork and casting concrete for foundation on chemical building and steel fixing for floor on filter building
6.	Mampuru Bulk Water Scheme	R36 563 815,25	**Overall progress 15%** **Phase 1A (Reservoirs)** The tender closed on 04 July 2025
			Phase 1B (Pump station) Site establishment 100% Construction progress at 5% No materials ordered
			Phase 1C (Pipelines) site establishment is 100%, materials ordered, Construction progress at 10%
7.	Lebalelo South connector pipes and reticulation	R0.00	**Bulk Pipelines** **The overall progress is at 95%.** System 1 – 84.39km of Bulk pipeline constructed. Contractor to Finalize the outstanding pipework,

			installation of Valve chambers and pipe testing – **Physical Progress = 99%**
			System 2 – 93.6km of Bulk pipeline constructed, one Steel tank erected, currently busy with the erection of Valve chambers –**Physical Progress = 96%** System 3 - 35km of Bulk pipeline constructed, Two Steel tanks erected and valve chambers completed. Project practically completed- **Physical Progress 99%.**
			Reticulation. **The overall progress is at 99%.** System 1 – 87km of reticulation constructed including water meters- **Physical Progress 100%.**
			System 2 – 118km of reticulation network constructed, currently busy with the installation of the watermeters and standpipes –**Physical Progress 97%.**
			System 3 - 15km of reticulation network constructed, contractor is currently busy with the erection of standpipes. –**Physical Progress 96%**
			Reservoirs **The overall progress is at 88%.** Package A All platforms completed. No reservoir erected
			Package B All the 5 steel tanks have been erected, only connections, pumps and fencing are still outstanding. **Physical progress is at 95%.**
			Package C All 6 steel tanks have been erected, and fencing is completed. Project is practically completed. **Physical progress is at 99%.**
8.	Olifantspoort South Regional Water Supply Phase 6	R0	**Overall Progress 0%** Eskom is busy with procuring material for installation of a three-phase line. Project was advertised and the tender closed on the 16 April 2025. Currently at appointment stage.
9.	Refurbishment of Leeufontein WWTW	R4 204 954,06	Detailed designs submitted to SDM for approval. Meeting for presentation of designs to be held on the 01st of July 2025. Consultant also finalising the draft tender document.
10.	Refurbishment of Dennilton WWTW	R3 585 318,63	Detailed designs and draft tender document submitted to SDM for approval. Meeting for presentation of designs to be held on the 01st of July 2025.
11.	Lebalelo Central RWS sub-scheme 1A	R25, 445, 619.46	Project was advertised on the 23 May 2025 and closing on the 04 July 2025.

12	PMU OVERHEADS	R16 632 203,49	Ongoing administration
	TOTAL	**R401, 536,858,89**	

R20 099 813,21 = (ACCRUALS)

WATER SERVICES INFRASTRUCTURE GRANT

NO	PROJECT NAME	EXPENDITURE	ACTUAL PROGRESS
1	Tukakgomo water Supply Phase V	**R3 963 462,19**	Site establishment at 100%, construction of rising main at 100%, Refurbishment of abstraction at 100%, Refurbishment Water source development at 100% and meter installation at 100%. **Overall progress at 100%**
2	Maebe Water Intervention Project-Phase V	**R2 483 439.23**	**Overall progress is 98%** Install submissible pumps 100% Galvanised steel pipe 100% Palisade fence 100%. Pump houses 100%. Installation of RO Plant 80%
3	Phokwane / Brooklyn Water Supply	**R3 605 827,53**	Site establishment at 100%. Drilling, testing and equipping at 100%, rising main at 96%, elevated steel tank at 100% and gravity main at 90% Overall progress at 96%
4	Nkosini Water Supply	**R5 695 976,42**	Site establishment is at 100%, Package plant at 100%, Reticulation network at 100%, Steel Tank works at 99% and Telemetric at 100%. Overall progress at 98%
5	Commissioning of Moutse bulk pipeline	**R5 748 089,91**	Overall progress = 11.1% Site established, and Pressure testing of the pipeline is underway Sub-contractor for pipe supply is appointed

6	Ga-Marishane Village Water Supply	**R3 014 563.43**	Overall progress = 99%. Snag list items were issued to the contractor
7	Laersdrift Water Supply	**R14 095 864,73**	Site establishment is 100%. Construction of 80kl elevated steel tank at 98%, refurbishing of boreholes 100%, constructing of 11.6km of reticulation pipeline at 100% and 810 house connections at 100%. Overall Progress at 100%
8	Eenzaam water supply (Work Package 1)	**R5,517,901.25**	Clear and grub complete Delivery of pipe material and installed. Only 1,7 km outstanding Steel tank delivered Steel tank concrete footing complete Reservoir repaired Pallaside fencing complete Pump house installed
9	Kgotlopong water supply (Work Package 1)	**R6 228 113,01**	Site establishment at 100%. Clear and grub complete at 100% Excavation for pipeline at 90%. Pipeline laying at 50%. Overall Progress is 35%
	TOTAL	**R48 771 024,63**	

REGIONAL BULK INFRASTRUCTURE GRANTS

NO	PROJECT NAME	EXPENDITURE TO DATE	PROGRESS TO DATE
1.	Mooihoek bulk water supply phase 4G1.1	**R11,232,895.00 + R9 767 095,82**	Overall Physical progress 100%. The contractor has achieved a practical completion stage. 3000m/3000m length of pipeline laid. (Overall Pressure testing 99%, bridge crossing 100% and Manholes 100%.) Fittings to manholes 100%

			Package Plant at Mooihoek WTW 100% Complete. Contractor busy with overall pipeline pressure testing. Training and additional work (installations of high-lift pumps 100% Complete).
2.	Nebo BWS Makgeru to Schoonoord BWS	**R2 362 143.71**	Overall project progress at 99%, project has reached practical completion stage 23,8km of bulk pipeline completed at 98% 10ML reservoir structure completed, only water tightness testing outstanding at 99% Contractor busy with rehabilitation of the site. Main work remaining is the pressure testing of pipeline which will be linked to Nebo Phase 1A commissioning.
3.	Development of IRS on the De Hoop, Nebo Plateau scheme up to Zaaiplaas	**R0,00**	Draft scoping report, need assessment, conditional assessment and draft Feasibility studies report completed, now awaiting approval from DWS and SDM before producing a final report.
4.	Nebo Commission Jane Furse Pipeline	**R0,00**	Conditional Assessment Inspection to survey the existing pipeline (internal lining and corrosion) Inception and concept report are 95% complete
5.	Moutse BWS Project 13 & 14	**R15 237 865.47**	Clarifier completed. Raw water pumps are in for repairs Clear water tank has been aligned Lining of filter literals, grouting of filter literal, levelling of nozzles Overall progress at 92%
6.	Moutse BWS Project (7 to 12)		Pipe installation and testing is complete Engineer to issue completion certificate for project 12 Overall progress 98%
	TOTAL	**R38 600 000.00**	

3.3. SANITATION SERVICES PROVISION

The Sanitation -Ventilated improved double Pit-latrine (VIP) infrastructure backlog was reduced by 440 in 2023/24 financial year. In 2024/2025 450 (VDIP) sanitation units were constructed.

3.4 MUNICIPAL HEALTH SERVICES 2024 / 2025 SUMMATIVE STATISTICS

Section 24 of the Constitution of RSA Act 108 of 1996 states that everyone has a right to an environment that is not harmful to their health or well-being. The Constitution allocates Municipal Health Services (MHS) as a Local Government function under section 156(1) (a) and Part B of Schedule 4. Section 237 provides that all Constitutional obligations must be performed diligently and without delay.

MHS functions are performed by professionals who register with the Health Professions Council of South Africa (HPCSA). The Health Professions Act, 1974 (Act no 56 of 1974) states that:

All health professionals required to register as provided for in section 17 of the Act, should register to be able to practice.
Only Environmental Health Practitioners registered with HPCSA and in good standing can be appointed to serve a Municipality in section 80 of the National Health Act of 2003.

ENVIRONMENTAL HEALTH

No	Component	Activities		Challenges	Remedial Action
1	Food safety control	2042 food premises were evaluated.	1752 premises complied while 290 were non-compliant.	Premises contravening legislation.	Issued fines and notices to deter non-compliance.
		1082 certificates were issued to complying premises.		None.	None.
		91 Food samples were collected for analysis.		None	None

		25.1474kg and 153 Liters of unsound foodstuffs condemned.		Fridge failure and improper storage conditions resulting in spoilage.	Food stuff condemned and properly disposed off.
2	Health Surveillance of Premises	1506 premises were evaluated for compliance with minimum health requirements.	1381 were complying and 125 were non-compliant.	Premises contravening legislation.	Issued fines and notices to non-compliant premises
		160 Health Certificate issued		None	None
3	Surveillance and prevention of contagious diseases.	123 Cases of suspected Food poisoning cases investigated. 133 Awareness campaigns for prevention of Communicable diseases conducted on Food Safety		Communities lack information to make informed decisions.	Continuous health education
4	Vector control	1539 Premises inspected for effective abatement and control of vectors.	1185 were complying and 354 were found non-compliant.	None	None
5	Disposal of the dead	111 Funeral undertakers' premises were evaluated.	108 premises complied while 3 were non-compliant. .	Premises contravening legislation.	Issued notices and fines.
		6 Certificates of Competency were issued			

6	Chemical Safety	313 Chemical handling facilities were inspected.	240 premises complied while 73 were non-compliant. .	Premises contravening legislation.	Issued notices and fines.

ENVIRONMENTAL MANAGEMENT

No	Activity	Progress	Challenges	Remedial actions
1	Atmospheric Emission Licence (AEL)	12 AELs applications on the system 2 AEL Draft 2 AEL Withdrawn 4 sent back (Duho drying, Modikwa,Glencore and Loge Asphalt)	AEL application withdrawn due to site Changes. Awaiting DFFE to comment on an AEL for Glencore.	Sent pre-compliance notice
2	Reporting	21 National Atmospheric Emission Inventory System (NAEIS) reports were received and Audited. 20 quarterly compliance reports were submitted by facilities.	None	None
3	Awareness Campaigns and community outreach	36 x Air Quality Awareness Campaigns were conducted focusing on Dust Management, Climate Change and Air Pollution.	None	Ongoing awareness campaign
		8 Waste Management Awareness Campaigns	Poor waste management	Educate communities about importance of

		were Held focusing of illegal waste dump.		waste Management
4	Ambient Air Quality Monitoring station	Analysers operational **41** station visits conducted. Back-up system for power outage installed	Analysers are old and due for Services requires replacement. Station is reporting Live to SAAQIS	Awaiting finalization of procurement process for new analyzers.
5	Monitoring of medical waste management	75 Health care premises generating risk waste were evaluated.	None	None
6	Compliance monitoring	**24 compliance monitoring** conducted on dust management (Limpopo mix, Tubatse Ready mix, Juscal metal, Mashegeng village and Tompi Seleka Agriculture, College Lannex Mine, Auruni Craft Tweefopntein mine, Spitskop river Magareng mine, Dwars rivier, Glencore Smelter, Eastern Chrome Mine, Florbush Store CC ,2xLimpopo readymix and Duho drying)	Poor dust management and illegal operations	Issued notices and fines.

7	Clean up campaign	1x Waste dumping at Leeuwfontein was cleaned in collaboration with Ephraim Mogale LM and 250 refuse bags utilised for collection. 1x clean-up campaign at Monsterlus. 1x Clean-up campaign and tree planting during Arbor celebrations was held at Ditwebeleng village. 68 refuse bags and 56 bags of recyclable waste were collected.	Extensive waste dumping	To engage community members to develop a park.
8	Landfill site inspection	12 Landfill sites visited	Ineffective waste compaction due to ponding of the waste cell. Lack of necessary equipment for waste compaction.	Advise LM to construct wet weather cell and to provide compactor track respectively
9	Waste recycling	1957 kg of recyclable waste (paper) was collected for processing by waste recyclers at SDM Offices. 18 schools taking part in the school recycling programme were given awards for their participation. 4 recycling facilities were visited and supplied with recycling bags	None Poor waste management at schools Waste dumping	None Reduce waste burning and littering at schools Support recycling facilities

		3 workshops on waste separation held at Lekhine High school, Eenkantaan		
10	Waste transport permits	90 x Waste transportation inspection conducted, and permit issued.	None	None

3.5 EMERGENCY MANAGEMENT SERVICES 2024/2025 SUMMATIVE STATISTICS

3.5.1. FIRE AND RESCUE OPERATIONS

Period	Incident		
	Fire Operations Response	**Rescue and Recovery Operations Response**	**Special Operations**
Quarter 1	83	35	13
Quarter 2	66	36	8
Quarter 3	28	37	12
Quarter 4	57	46	4

3.5.2. EMERGENCY MANAGEMENT SERVICES TRAINING ACADEMY 2023/2024 TRAININGS

Three trainings were provided during the 2024/2025 financial year.:

1. First course of First Aid Level3 was provided to personnel in the First quarter 2024/2025
2. Second course of Firefighter1 was provided to public students during the Second quarter 2024/2025.
3. Third course of Pump /Driver Operator was provided to personnel during the Third quarter 2024/2025.

3.5.3. FIRE SAFETY AND PREVENTION 2023 / 2024 SUMMATIVE STATISTICS

The annual fire safety and prevention unit summative stats on the table below cover all the twelve months proactive, preventative and mitigation approaches to ensure compliance prior construction, during construction and to existing constructions.

2024/2025 STATS

LAW ENFORCEMENT

PERIOD	FIRE SAFETY LAW ENFORCEMENT
	INSPECTION ACTIVITIES
Quarter 1	30
Quarter 2	35
Quarter 3	66
Quarter 4	29

CODE APPLICATION

Period	FIRE SAFETY CODE APPLICATION
	PLAN REVIEW ACTIVITIES
Quarter 1	54
Quarter 2	48
Quarter 3	34
Quarter 4	52

3.6 DISASTER MANAGEMENT SERVICES 2024 / 2025 SUMMATIVE STATISTICS

Disaster Management is an integrated and coordinated function, that focuses on preventing and reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters, and post disaster recovery and rehabilitation.

Disaster Management is further guided by the disaster management Act 57 of 2002 as amended, as well as the disaster management framework of 2005 under the four KPA`s and three enablers, namely:

KPA 1 : **Institutional Capacity**

The main objective is to establish integrated institutional capacity within the district to enable the effective implementation of disaster risk management policies and legislations.

KPA 2 : **Disaster Risk Assessment**

The objective is to establish a uniform approach to assessing and monitoring disaster risks that will inform disaster risk management planning and reduction undertaken by disaster management within the Sekhukhune district and other role players.

District disaster risk assessment is conducted as and when disaster incident is reported, and it is through these assessments that relief is provided to the assessed disaster victims.

KPA 3 : **Disaster Risk reduction**

Disaster Management plans for Sekhukhune District Municipality were reviewed and adopted by council structures and are implemented as per each local municipality to prevent and mitigate disaster risks. The plan is serving as the guiding and coordinating policy instrument for insuring an integrated and uniform approach to disaster risk management by all organs of state and other institutional role players.

KPA 4 : **Response and Recovery**

The key objective is to ensure effective and appropriate disaster response and recovery such as:

Implementing a uniform approach to the dissemination of early warnings and implementing immediate integrated and appropriate response and relief measures when disasters occur or threatening to occur.

Enabler 1 : **Information Management and communication**

Objective: to guide the development of a comprehensive information management, communication management and communication system as well as establishing integrated communication links with all disaster management role players.

Sekhukhune district disaster management centre currently does not have communication systems in place to provide an institutional resource database, facilitate information, and provide risk analysis for disaster risk assessments and mapping for the district.

Enabler 2 : **Education, Training, Public awareness and Research.**

Objective– to promote a culture of risk avoidance among stakeholders by capacitating role players through awareness campaigns.

Enabler 3 : **Funding Arrangements**

Objective– To establish mechanisms for the funding of disaster risk management.

3.6.1. AWARENESS CAMPAIGNS

NO	VENUE	MUNICIPALITY	PROGRAMME	DATE
1.	Leeuwfontein Junction	Ephraim Mogale	NDAZI Operation	12/07/2024
2.	Moganyaka community hall	Ephraim Mogale	Awareness campaign on Stray animals	22/07/2024
3.	Mohlwarekoma P.School	Makhuduthamaga	Disaster Risk Reduction Campaign on Fire Safety	08/08/2024
4.	Ephraim Mogale P. School	Ephraim Mogale	Disaster Risk reduction awareness campaign	29/08/2024
5.	Apel Cross	Makhuduthamaga	Road Safety campaign- September Moria Operations	21/09/2024
6.	Nkosini	Elias Motsoaledi	Veld- Fire awareness campaign	26/09/2024

7.	Moteti Primary School	Elias Motsoaledi	Awareness Campaign in disaster risk reduction	10/10 /2024
8.	Thabakhubedu Primary School	Elias Motsoaledi	Awareness Campaign in disaster risk reduction	16/10/2024
9.	Mapheto Primary School	Elias Motsoaledi	Fire Prevention and Emergency Evacuation Plan	17/10/2024
10.	Tsoatago Primary School	Makhuduthamaga	Awareness campaign on Stray animals	18/10/2024
11.	Rooseenekal community hall	Elias Motsoaledi	Capacity Building workshop for Cllr`s and ward committees	27/11/2024
12.	Philadelphia hospital	Elias Motsoaledi	Emergency evacuation Drill	28/11/2024
13.	Tsantsabela (Regae)	Ephraim Mogale	Disaster awareness campaign on the severe weather conditions (Rain)	11/12/2024
14.	Stoffburg Junction	Elias Motsoaledi	Road Safety campaign-Festive Season Arrive alive Operations	13/12/2024
15.	Marble hall	Ephraim Mogale	Sekhukhune Road Safety Awareness Campaign	24/01/2025
16.	UitVlught	Ephraim Mogale	Disaster awareness campaign on the severe weather conditions(Rain)	29/01/2025
17.	Nala Secondary School	Elias Motsoaledi	Disaster risk awareness campaign on Natural disasters, Cyber bullying and GBV.	14/02/2025
18.	Modipa School of Agriculture	Fetakgomo Tubatse	Disaster awareness campaign on the severe weather conditions(Rain), drowning, fire safety and Road Safety awareness	18/02/2025
19.	Dikgalaopeng Primary	Elias Motsoaledi	Disaster risk reduction awareness campaign	20/02/2025

20.	Diphale Secondary School	Makhuduthamaga	Disaster risk reduction awareness campaign	21/02/2025
21.	Rebone Secondary School	Makhuduthamaga	Disaster risk reduction awareness campaign (Evacuation Procedures and Fire Safety)	14/03/2025
22.	Lusaka Primary School	Elias Motsoaledi	Disaster risk reduction awareness campaign (Evacuation Procedures and Fire Safety)	19/03/2025
23.	Atok Points and Bopedi Crossing	Fetakgomo-Tubatse Local Municipality	Easter Road Safety Campaign	18/04/2025
24.	Apel Cross Junction	Makhuduthamaga Local Municipality	Easter Road Safety Campaign	19/04/2025
25.	Leeufontein	Ephraim Mogale Local Municipality	Disaster Awareness Campaign	23/04/2025
26.	Leboeng Primary School	Fetakgomo-Tubatse Local Municipality	Emergency evacuation procedures and fire safety	24/04/2025
27.	Kopano Ke Matla Sports Ground (Ga-Radingwana Village)	Fetakgomo-Tubatse Local Municipality	Disaster Awareness Campaign/ Career Expo	08/05/2025
28.	Thorometjane P. School (Phiring)	Fetakgomo-Tubatse Local Municipality	Emergency Evacuation Procedures/ Fire Prevention & Safety Procedure	15/05/2025
29.	TshabelangDinoko P. School (Leboeng)	Fetakgomo-Tubatse Local Municipality	Emergency Evacuation Procedures/ Fire Prevention & Safety Procedure	16/05/2025
30.	Apel Cross Junction/R579	Makhuduthamaga Local Municipality	District Joint Road Safety Awareness Campaign /Ndazi Operation	16/05/2025
31.	Mokutung Primary School	Fetakgomo-Tubatse Local Municipality	Emergency Evacuation Procedures/ Fire Prevention & Safety Procedure	20/05/2025

32.	Mannyetha Combined School	Makhuduthamaga Local Municipality	School Safety Awareness Campaign	22/05/2025
33.	Leboeng Primary School	Fetakgomo-Tubatse Local Municipality	Emergency evacuation procedures and fire safety	24/05/2025
34.	Ga-Mmela Tribal Authority Office	Fetakgomo-Tubatse Local Municipality	Community Outreach/Disaster Awareness Campaign	27/05/2025
35.	Morarela Community Hall	Ephraim Mogale Local Municipality	Lightening Safety	28/05/2025
36.	Apel/ Mankotsane Clinic/ Home base Care	Makhuduthamaga Local Municipality	Disaster Awareness Campaign	30/05/2025
37.	Makgalane Primary School	Fetakgomo-Tubatse Local Municipality	Emergency Evacuation Procedures/ Fire Prevention & Safety Procedure	13/06/2025
38.	Mareologe Primary School	Fetakgomo-Tubatse Local Municipality	Emergency Evacuation Procedures/ Fire Prevention & Safety Procedure	20/06/2025

DISASTER MANAGEMENT RELIEF MATERIAL PROVIDED 2024/2025

FETAKGOMO TUBATSE -LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
01.	Malatji Moses	03	Atok-Matshakaneng	Structural fire	Not yet legally determined	No relief was provided	No relief was provided	0798887246	02 roomed house completely burnt with no injuries Family recovered.
02.	Makgabutlane Tjie	03	Ga-Maroga village	Structural fire	Not yet legally determined	No relief was provided	No relief was provided	0798887246	01 room of a 6 roomed house caught fire. Family recovered.
03.	Aletah Mokgwadi	05 01	Ga- Mampuru New stands	Structural fire	Not yet legally determined	No relief was provided 02 blankets	No relief was provided	0798887246 0824774619	1 room shack caught fire. Family recovered

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
04.	Lazarus Mashaba		Ga-Phasha Village	Structural Fire	Not yet legally determined	01 sponge	Relief provided by local Municipality		1 room of a RDP house caught fire. Family recovered
05.	Phaswane Lekwadu	01	Ga- Thokoane	Structural fire	Not yet legally determined	Relief provided by district municipality	02 blankets 02 sponges	0798887246	2 roomed house caught fire
06.	Andile Matlala	05	Mahlakwena	Structural fire	Not yet legally determined	Relief provided by district municipality	05 blankets 05 sponges	0824474619	3 roomed shack caught fire
07.	Thabethe Ndokozo	04	Ga- Moraba	Structural fire	Not yet legally determined	Relief provided by district municipality	05 blankets 03 sponges	0798887246	RDP house caught fire

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
	Makofane Thupane Simon			Structural fire	Not yet legally determined	Relief provided by district municipality			01 room of a 5 roomed house caught fire
09.	Joyce Shai	05	Magobading	Structural fire	Not yet legally determined	Relief provided by district municipality	05 blankets 05 sponges	0798887246	5 roomed house caught fire
10.	Madelene Philisia	03	Madikane	Structural fire	Not yet legally determined	Relief provided by district municipality	06 blankets 03 sponges	0711604229	Andile Matlala
11.	Lazzy Johanna Nkosi	01	Phiring Malining	Structural fire	Not yet legally determined	Relief provided by district municipality	02 blankets 01 sponge	0824474619	02 rooms of a 06 roomed house caught fire
12.	Mabena Martha	03	Ga-Malekane village	Structural Fire	Not Yet legally determined	No relief provided	No relief provided	0798887246	Family used the affected house as a kitchen. Family recovered.

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
14.	Paul Masha	02	Maphopha village	Structural fire	Not yet legally determined	Relief provided by district municipality	04 blankets 02 sponges	0798887246	2 roomed house caught fire
15.	Mabelane Embros	01	Leboeng- Ga Moraba	Structural fire	Not yet legally determined	Relief provided by district municipality	03 blankets 01 sponge	0824474619	1 roomed shack caught fire
16.	Luuisa Mashilo	04	Driesden	Structural fire	Not yet legally determined	Relief provided by district municipality	08 blankets 04 sponges	0824474619	3 roomed shack caught fire
17.	Mavis Nkakana Maphori	03	Mankele Village	Structural fire	Not yet legally determined	Relief provided by district municipality	06 blankets 03 sponges	0798887246	2 roomed house caught fire

FETAKGOMO TUBATSE -LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
18.	Maabane Simon Manare	01	Ga-Rantho	Structural fire	Not yet legally determined	01 Sponge 02 Blankets	Relief provided by Local municipality	None	Two roomed house caught fire
19.	Maroga Florina	03	Mooihoek	Storm	Natural	06 blankets 03 sponge	Relief provided by Local municipality	None	One room shack blown away by a storm
20.	Mathe Macdonald	04	Bothashoek	Structural Fire	Not yet legally determined	02 Sponges 04 blankets	Relief provided by Local municipality	None	Three roomed house caught fire mysteriously

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
21.	Mnisi Lerato	06	Majaditshukudu	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by Local municipality	0673948224	Two roomed shack caught fire mysteriously
22.	Makwana Abram Sheer	05	Bothashoek B	Structural fire	Not yet legally determined	04 sponges 05 blankets	Relief provided by Local municipality	None	Three roomed house caught fire
23.	Maatjie W Philemon	01	Ribacross	Storm	Heavy rain	01 sponge 03 blankets	Relief provided by Local municipality	None	Three roomed house blown away
24.	Mojela Emely	03	Rostock	Storm	Heavy Rain	None	None	0646661364	RDP house collapsed
25.	Mafahla Irish	02	Ga-Mpethi	Structural fire	Not yet legally determined	None	None	None	One room of seven roomed house caught a fire
26.	Mokoena Elmon	02	Ga-Manoke	Storm	Heavy rain	None	None	None	One of three roomed muddy house collapsed

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
27.	Malepe Precious	06	Taung	Structural Fire	Not yet legally determine d	None	None	None	Three roomed house caught Fire
28.	Mahlatjie Patricia	06	Maandagshoek	storm	Heavy rain	10 blankets	Relief provided by Local municipality	None	Four room shack blown away
29.	Sekgala Lunkie	04	Mphanama Ga-Matebane	Storm	Heavy rain	None	None	0714353670	Only tiles of RDP house blown away
30.	Chehle Mogakabane Phegole	05	Mphanama Magagamatala	Storm	Heavy rain	None	None	0798205370/ 0763532466	Seven roomed house blown away
31.	Mmakaba Phogole	08	Mphanama Magagamatala	Storm	Heavy rain	None	None	0646268010	Two roomed house blown away
32.	Sekgala Lucy Matenane	07	Mphanama Magagamatala	Structural Fire	Not yet determine d	None	None	0724244561	Two of four roomed house blown away

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
33.	Mashiyanyane Martha Phogole	06	Mphanama Magagamatala	Storm	Heavy rain	None	None	0714673506	Three roomed house blown away
34.	Malapane Ngobeni Thabo	03	Mareseleng	Structural Fire	Not yet determined	06 blankets 03 sponges	Relief provided by Local Municipality	0796928577	One room shack caught fire
35.	Masuku Judas	02	Mokutung	Structural Fire	Lightning	None	None	0799922413	RDP house stricken by a lightning
36.	Elliot Matjie	03	Ga-Kgoete	Structural Fire	Not yet determined	None	none	None	Five roomed house blown away
37.	Samuel Kgoete	02	Modimole - Nyakela	Storm	Heavy rain	None	None	0792703445	Three room shack blown away
38.	Emmah Makaleng	05	Dithabaneng	Storm`	Heavy rain	None	None	0606516271	Two roomed shack blown away

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
39..	Mashego Joyce	05	Praktiseer Newstands	Structural fire	Not yet legally determined	Relief provided by district municipality	05 blankets	0798887246	5 roomed shack caught fire
40.	Moloto Tonto Phildah	08	Malukela	Storm	Natural	No relief provided	No relief provided	0767868615	02 rooms of an RDP house blown away, family recovered.
41.	Mokoena Agnes Siamang	06	Sehunyane	Storm	Natural	No relief provided	No relief provided	0798887246	01 roomed shack blown away by heavy storm, family recovered.
42.	Moloto Monnica	05	Sehunyane	Storm	Natural	No relief provided	No relief provided	0824474619	1 roomed shack blown away by storm, family recovered.

FETAKGOMO TUBATSE -LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
43.	Desney Maripane	06	Maandagshoek- Seewe	Storm	Natural	Relief provided by district municipality	05 blankets 02 sponges	0824474619	1 roomed shack blown away
44.	Mabuza Rasheal	09	Ga- Phasha	Storm	Natural	No relief provided	No relief provided	0721917447	06 roomed house partially collapsed, family recovered.
45.	Stanley Phasha	04	Modikolle-Ntakeleng Sec	Storm	Natural	No relief provided	No relief provided	0663227392	2 roomed shack blown away, family recovered.
46.	Pertunia Mabilu	07	Praktiseer-Mountain Square	Structural Fire	Not yet legally determined	No relief provided	No relief provided	0714187998	04 roomed house caught fire, Family recovered.
47.	Lebogang Lephoto	04	Makgemeng	Storm	Natural	No relief provided	No relief provided	0661899138	1 roomed shack blown away; family recovered

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
48.	Karabo Maleke Mabelane	02	Alberton	Structural Fire	Not yet legally determined	No relief provided	No relief provided	0636518752	04 roomed house caught fire, Family recovered.
49.	Zodwa Nolulamile Sawe	05	Riba – Cross	Storm	Natural	No relief provided	No relief provided	0828320764	2 roomed shack blown away

FETAKGOMO TUBATSE -LOCAL MUNICIPALITY

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
50.	05/04/2025	Phasha Lucky	01	Phashaskraal Village	Structural Fire	Not yet legally determined	No relief provided. Family recovered	No relief provided. Family recovered	N/A	01 room caught a fire
51.	05/04/2025	Dolly Mamosegare Lekoadu	08	Ga-Mampuru Mabilo	Structural Fire	Not yet legally determined	10 blankets	Relief provided by Local municipality	0827230433	04 roomed house caught a

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
										fire, only 2 rooms affected
52.	09/04/2025	Mohlala Sackie	01	Mohlaletse Village	Structural Fire	Not yet legally determined	No relief provided. Family recovered	No relief provided. Family recovered	0730014825	Three roomed house caught fire
53.	09/04/2025	Lesufi Phahlamohlaka	01	Mabulela Village	Structural Fire	Not yet legally determined	No relief provided. Family recovered	No relief provided. Family recovered	N/A	Only a Kitchen caught fire
54.	23/04/2025	Magdeline Tau	02	Ga-Radingwana	Structural Fire	Not yet legally determined	06 Blankets 04 Sponges	Relief provided by Local municipality	0794428423	3 roomed house destroyed by a structural fire
55.	26/04/2025	Thomas Kekana	04	Leshwaneng Mohlaletse	Storm	Natural	04 Blankets 03 Sponges	Relief provided by	0721917447	06 roomed house

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
								Local municipality		partially collapsed
56.	26/04/2025	Thato Mashabela	02	Mohlaletse	Storm	Natural	04 Blankets 02 Sponges	Relief provided by Local municipality	0842202891	02 roomed house collapsed
57.	26/04/2025	Mante Bokgobelo	07	Mohlaletse	Storm	Natural	06 Blankets 03 Sponges	Relief provided by Local municipality	0842202891	01 room of a 06 roomed house collapsed
58.	26/04/2025	Maleselane Mabogoane	03	Mohlaletse	Storm	Natural	03 Blankets 02 Sponges	Relief provided by Local municipality	0842202891	05 room house partially blown off, only one room affected
59.	26/04/2025	Brenda Mashego	04	Mohlaletse Leshwaneng	Storm	Natural	03 Blankets 02 Sponges	Relief provided by	0842202891	02 room house partially blown off,

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
								Local municipality		only one room affected
60.	26/04/2025	Makgetsepe Sekhukhune	03	Mohlaletse Mabotogale	Storm	Natural	05 Blankets 03 Sponges	Relief provided by Local municipality	0842202891	7 roomed house partially blown off, only one room affected.
61.	26/04/2025	Mmapule Mathabathe	04	Sekateng	Storm	Natural	04 Blankets 02 Sponges	Relief provided by Local municipality	0842202891	06 roomed house partially blown off, only two room affected.
62.	26/04/2025	Madinale Nchabeleng	06	Ga-Nchabeleng	Storm	Natural	03 Blankets 02 Sponges	Relief provided by Local municipality	0842202891	06 roomed house partially collapsed

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
										; family recovered.
63.	27/04/2025	Ramasedi Phasha	03	Mohlaletse Ga Debeila	Structural Fire	Not yet legally determined	02 Blankets 02 Sponges	Relief provided by Local municipality	0842202891	3 roomed house burned down, only 1 room affected.
64.	27/04/2025	Maselebalo Mampa	06	Mohlaletse Lerajana	Structural Fire	Not yet legally determined	03 Blankets 02 Sponges	Relief provided by Local municipality	0842202891	06 roomed house burned down, only 2 rooms affected.
65.	28/04/2025	Lindiwe Mashiane	02	Apel Mashung	Structural Fire	Not yet legally determined	2 Blankets 2 Sponges	Relief provided by Local municipality	0791699589	7 roomed house burned down

FETAKGOMO TUBATSE -LOCAL MUNICIPALITY

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
66.	03/05/2025	Sharon Magatsela	05	Maepa Village	Structural Fire	Not yet legally determined	06 Blankets 04 Sponges	Relief provided by Local municipality	0842202891	04 room Shack burned down
67.	03/05/2025	Makoto Maria	04	Praktiseer Shushumela	Structural Fire	Not yet legally determined	06 blankets 04 Sponges	Relief provided by Local municipality	0842202891	02 roomed Shack burned with its Content
68.	11/05/2025	Mkhokhedi Mkhondo	03	Mabocha Village	Structural Fire	Not yet legally determined	06 blankets 03 Sponges	Relief provided by Local municipality	0842202891	03 room of a 06 roomed house caught a fire
69.	11/05/2025	Makofane Isaac	01	Thokwane Village	Structural Fire	Not yet legally determined	02 Blankets 02 sponges	Relief provided by Local municipality	0842202891	An RDP house burnt with

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
										its content
70..	11/05/2025	Sebetha Dineo	05	Moroke- Ga Mathule	Structural Fire	Not yet legally determined	06 Blankets 04 Sponges	Relief provided by Local municipality	0664159900	3 roomed house caught a fire
71.	18/05/2025	Mumsy Sekgobela	05	Shushumela Mashemong	Structural Fire	Not yet legally determined	07 Blankets 04 Sponges	Relief provided by Local municipality	0842202891	Three roomed house caught a fire
72.	18/05/2025	Makofane Cecilia	05	Thokwane	Structural Fire	Not yet legally determined	08 Blankets 05 Sponges	Relief provided by Local municipality	0792186760	RDP house caught a fire
73.	21/05/2025	Vusi Matsilela	02	Ohrigstad	Structural Fire	Not yet legally determined	04 Blankets 02 Sponges	Relief provided by Local municipality	0842202891	08 roomed house caught a fire, only

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
										02 rooms affected
74.	23/05/2025	Maureen Lebambo	03	Moroke New Stand	Structural Fire	Not yet legally determined	04 Blankets 02 Sponges	Relief provided by Local municipality	0798410100	02 room shack caught a fire
75.	24/05/2025	Charlie Mnisi	05	Matokomane village	Structural Fire	Not yet legally determined	08 Blankets 05 Sponges	Relief provided by Local municipality	0842202891	03 room shack burned with its content
76.	25/05/2025	Richard Mokoale	06	Mareseleng Village	Structural Fire	Not yet legally determined	08 Blankets 05 Sponges	Relief provided by Local municipality	0842202891	4 room house caught a fire
77.	25/05/2025	Malepe Caisius	06	Mareseleng Village	Structural Fire	Not yet legally determined	08 Blankets 04 Sponges	Relief provided by Local municipality	0842202891	05 room house caught a fire

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
78.	27/05/2025	Bontle Morakane Magane	05	Mabocha	Structural Fire	Not yet legally determined	10 Blankets 05 Sponges	Relief provided by Local municipality	0842202891	03 room shack burnt with its content
79.	27/05/2025	Mpaketsane Gracia	01	Makgemeng Village	Structural Fire	Not yet legally determined	02 Blankets 01 Sponges	Relief provided by Local municipality	0842202891	1 room house caught a fire
80.	28/05/2025	Tshepo Mashiloane	03	Ga-Mampuru (Leboneng)	Structural Fire	Not yet legally determined	06 Blankets 03 Sponges	Relief provided by Local municipality	0842202891	05 room house caught a fire.

FETAKGOMO TUBATSE -LOCAL MUNICIPALITY

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
81.	01/06/2025	Mabelane Jacob	03	Ga- Masha	Structural Fire	Not yet legally determined	Relief provided by district municipality	06 Blankets 03 Sponges	0798887246	05 roomed house burnt
82.	05/06/2025	Mathebula Agnes	03	Phiring (Malaeneng)	Structural Fire	Not yet legally determined	06 blankets 03 Sponges	Relief provided by Local municipality	0824474619	03 rooms of a 5 roomed house burnt its Content
83.	05.06/2025	Phasha Jackson	01	Mohlaletse	Structural Fire	Not yet legally determined	No relief provided	No relief provided	0819032448	1 store room house caught fire, with no injuries.
84.	08/06/2025	Maadimele Flora	07	Mabocha	Structural Fire	Not yet legally determined	12 Blankets 06 sponges	Relief provided by	0824474619	5 roomed house

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
								Local municipality		burnt with its content
85.	10/06/2025	Phumzile Tsianyane Mohubedu	04	Ga- Phala	Structural Fire	Not yet legally determined	08 Blankets 04 Sponges	Relief provided by Local municipality	0824474619	1 room of a 3 roomed house caught fire
86.	11/06/2025	Manala Mogoshadi	01	Ga- Maisela Mahlaba phooko village	Landslides Hazard	Landslides	No relief was provided	No relief was provided	0798624875	Identified hazard: Cracked walls of a 5 roomed house.
87.	14/06/2025	Dorcas Mamphoke	03	Maseven	Structural Fire	Not yet legally determined	No relief was provided	No relief was provided	0798887246	3 roomed house caught fire
88.	15/06/2025	Phasha Victoria	03	Ga- Mokgotho	Structural Fire	Not yet legally determined	06 Blankets 03 Sponges	Relief provided by Local municipality	0734265627	04 roomed house caught a fire, only

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
										01 room affected
89.	16/06/2025	Dorcus Makhubedu	02	Leboeng-Malemeng Section	Structural Fire	Not yet legally determined	04 Blankets 02 Sponges	Relief provided by Local municipality	0824474619	02 room house caught fire

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
90.	Lerato Moepya	04	Ntwanw Village, Lesehleng A	Structural fire	Not yet legally determined	02 blankets 01 sponge Food Parcels	Relief provided by local municipality	0609436021 0818404442	1 roomed house caught fire.
91.	Mantsie Tjiane	02	Ga-Matsepe	Structural fire	Not yet legally determined.	04 blankets 01 sponge Food parcels	Relief provided by local municipality	0833705656 0677342559	2 roomed house caught fire.
92.	Doctor Tjiane	01	Ga-Matsepe	Structural fire	Not yet legally determined	Temporary Shelter	Relief provided by local municipality	0833705656	1 room shack caught fire
93.	Theli Mgwatle	01	Botlopunya	Structural fire	Not yet legally determined	No relief was provided	No relief was provided	0711777106	1 room of a 5 roomed house caught fire.
94.	Faith Moyo	04	Dennilton	Structural fire	Not yet legally determined	04 blankets 02 sponges Food Parcels	Relief provided by local municipality	0822123296 0729280312	2 rooms of a 4 roomed shack caught fire.
95.	Sibongile Nkomo	03	Elandsdoor in C	Structural fire	Not yet legally determined	No relief was provided	No relief was provided	0715366582	1 room (Kitchen) of a 5 roomed house caught fire. Family recovered

96.	Hlakudi Joseph	02	Masakanen g	Structural Fire	Not yet legally determined	03 blankets 01 sponge	Relief provided by local municipality	0833365183	1 roomed shack caught fire
97.	Ramaube Moruthane Derrick	01	Tafelkop	Structural fire	Not yet legally determined	No relief provided	No relief provided	0607158364	1 room thatched house caught fire, family recovered
98.	Nduli E.	05	Legolanen g	Structural fire	Not yet legally determined	08 blankets 04 sponges Food parcels Temporary shelter	Relief provided by local Municipality	0829522871	10 roomed house caught fire
99.	Makua S.	02	Masakanen g	Structural fire	Not yet legally determined	No relief provided	No relief provided	0725251839	1 roomed store room caught fire
100.	Mohlala Olga	06	Ntoane village	Storm	Natural	No relief provided	No relief provided	0713836789	2 rooms of a 9 roomed house blown away

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
101.	Joyce Magata	07	Walkraal	Storm	Heavy Rain	01 sponge 02 blankets	Relief provided by local Municipality	0685170940	Four roomed mud house blown away
102.	Sipho Matau	07	Waalkraal	Storm	Heavy Rain	1x food parcel 1 sponge 2 blankets	Relief provided by local Municipality	0792029037	1 roomed shack blown away by a storm
103.	Matsepe Jack	03	Ga-Kopa	Structural Fire	Not yet legally determined	04 blankets 2 sponges	Relief provided by local Municipality	0664668992	Three roomed house caught fire
104.	Lucky Magana	03	Sterkfontein	Storm	Natural	Food Parcels	Relief provided by local Municipality	0636646117 0664110316	02 rooms of a 5 roomed house blown away, family recovered.
105.	Banda Solly	06	Phumula	Storm	Natural	02 blankets 01 sponge	Relief provided by local municipalty	0793859435 0765317763	02 roomed store room caught fire
106.	Mohlala Grace	02	Mmotwaneng New stands	Storm	Natural	Food Parcels	Relief provided by Local Municipality	0796606379	2 roomed shack blown away.

107.	Shiang Mmatshengane	06	Masakanen g-Somaplani sec.	Structural Fire	Not yet legally determined	2 blankets 02 sponges Food parcels &clothing	Relief provided by local municipality	0762947242 0794054066	Eight roomed house caught fire
108.	Thabo Moela	07	Tafelkop Ga-Matsepe	Storm	Natural	Food parcels	Relief provided by local municipality	0723793223 0739369592	2 rooms of a 5 roomed house blown away
109.	Nomsa Nkosi	06	Walkraal	Storm	Natural	Food parcels	Relief provided by local municipality	0721121073 0769030903	4 roomed shack completely blown away. Temporary shelter recommended.
110.	Mahlatse Lekala	04	Kgaphama di-Kgobokwa ne	Storm	Natural	Food parcels	Relief provided by local municipality	0769874117	2 roomed shack blown away.
111.	Kate Magana	07	Walkraal	Storm	Natural	No relief provided	No relief provided	0766948130 0717476641	3 roomed shack blown away, family recovered
112.	Johannes Magakwe	10	Sterkfontei n	Storm	Natural	No relief provided	No relief provided	0729685835 0727182497	3 rooms of a 9 roomed house blown away.
113.	Dineo Magakwe	01	Sterkfontei n	Storm	Natural	Food parcels	Relief provided by local municipality	0824950548	1 room of a 2 roomed house blown away.

114.	Mathapelo Makgata	04	Stompo-Tubatse Sec	Storm	Natural	Food parcels	Relief provided by local municipality	0796277125 0648043026	1 roomed shack blown away
115.	Mampuru K.W	01	Magagama tala	Storm	Natural	Food parcels 2 blankets 1 sponge	Relief provided by local municipality	0647263101	2 roomed shack blown away
116.	Mohlala Ngwanatheko	01	Magagama tal	Storm	Natural	No relief provided	No relief provided	0655734327	3 roomed house blown away, family recovered.
117.	Mashabela R.M	01	Magagama tala	Storm	Natural	No relief provided	No relief provided	0716244374	6 roomed house blown away, family recovered.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
118.	Johanna Mokwana	02	Posa	Storm	Natural	Food Parcels	Relief provided by local Municipality	0760375546 0762581980	02 rooms of a 03 roomed house collapsed
119.	Seke Mokomane	01	Moteti Liberty	Storm	Natural	No relief provided	No relief provided	0607764522	1 roomed mud house collapsed
120.	Selina Ntuli	06	Zaaiplaas	Storm	Natural	Temporary shelter	Relief provided by local municipality	0761755381	4 roomed house collapsed.
121.	Mnisi Thandazo	02	Zaaiplaas	Structural fire	Not yet legally determined	Food Parcels	Relief provided by local municipality	0725875850	1 room (Kitchen) of a 7 roomed house caught fire.
122.	Mamotlatsi Madisa	09	Ntwane	Storm	Natural	No relief provided	No relief provided	0763112560 0713861097	02 rooms of a 07 roomed house blown away
123.	Seke Paulinah Mokomane	01	Moteti	Storm	Natural	02 blankets 01 sponge Food parcels Temporary shelter	Relief provided by local municipality	0794323281 0728469496	3 roomed mud house collapsed

124.	Kenneth Phahlane	06	Gika Mzibiri ward 21	Storm	Natural	Temporary shelter	Relief provided by local municipality	0760711702	2 roomed shacks blown away
125.	Mathapelo Thipe	04	Luckau Posa	Structural fire	Not yet legally determined	Relief provided by Local Municipality	Food parcels	0723497895	1 room of a four roomed house caught fire
126.	Willy Mosotho	04	Monsterlos	Structural fire	Not yet legally determined	Relief provided by Local Municipality	Food parcels	0763150886 0674611299	1 room of a 3 roomed house caught fire, with injuries of 1 person.
127.	Constance Ramatsetse	04	Oorlog	Storm	Natural	No relief provided	No relief provided	0762305613	Roof of a 3 roomed day care centre blown away. Family recovered.
128.	Morris Maila	05	Stompo	Storm	Natural	Relief provided by local Municipality	1 blanket 1 food parcel	0799237280 0650102395	1 roomed shack blown away.
129.	Seun Makubela	04	Rosenekal	Storm	Natural	Relief provided by Local municipality	Food parcels	0792786174 0725458694	1 room of a 7 roomed mud house collapsed with 1 fatality.
130.	Stephina Tsie	02	Kgobokwane	Structural fire	Not yet legally determined	Relief provided by local municipality	2 blankets 1 sponge	0794677065 0787916443	2 roomed shack caught fire.

131.	Kopang Mohlala	02	Tafelkop Nyakelang	Storm	Natural	Relief provided by local municipality	1 blanket	0724536307 0723465161	Roof of RDP house partially blown; family recovered.
132.	Matseleng Phahla	02	Masakanen g	Structural fire	Not yet legally determined	No relief provided	2 blankets 1 sponge Food parcels	0825952629 0825112675	3 roomed shack completely burnt.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
133.	16/04/2025	Khomotso Mashilo	02	Prodi Stand No 144	Storm	Natural	Blankets 02	Relief provided by local Municipality	0725489682	02 room house partially blown off, only one room affected
134.	17/04/2025	Nelly Mokgabodi	06	Tafelkop Dipakapakeng	Storm	Natural	No relief provided. Family recovered	No relief provided. Family recovered	0646320453	06 roomed house partially blown off, only three room affected
135.	17/04/2025	Betty Tau	05	Luckau Ward 24	Storm	Natural	Blankets 02 Sponge 01 Food parcel	Relief provided by local municipality	0826607324	1 room Shack blown away
136.	17/04/2025	Kopie Esther Mankge	03	Matshelapata Ward 25	Storm	Natural	No relief provided. Family recovered	No relief provided. Family recovered	0665513142	2 room house blown away, only one room affected

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
137.	01/06/2025	Gwebu Mandla	02	Tambo ward 09	Structural fire	Not yet legally determined	02 blankets 01 sponge Food parcels Temporary shelter	Relief provided by local municipality	0729253851	1 roomed house caught fire
138.	11/06/2025	Malinga Linah Thembi	01	Makaepea	Structural fire	Not yet legally determined	02 blankets 01 sponge Food parcels	Relief provided by local municipality	0631483687 0823330721	1 room of a 2 roomed house caught fire
139.	11/06/2025	Maria M. Ramoshaba	04	Newtown ward 09	Structural fire	Not yet legally determined	02 blankets 01 sponge Food parcels	Relief provided by local municipality	0664479759	2 roomed house partially caught fire
140.	23/06/2025	Rose Ranthoa	01	Jerusalem ward 21	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by local municipality	0797227338	1 roomed house partially caught fire
141.	23/06/2025	Juda Gilbert Mathabathe	08	Ntwane Mathabathe Sec ward 10	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by local municipality	0725009489 0649781507	3 rooms of 08 roomed house caught fire.

EPHRAIM MOGALE LOCAL MUNICIPALITY:

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
142.	Paile Irene	04	Mabitsi B			03 blankets 03 sponges	Relief provided by local municipality	0727315322 0715678197	Family member killed
143.	Japhta Tladi	05	Leeuwfontein	Structural fire	Not yet legally determined	04 blankets 04 sponges	Relief provided by Local Municipality	0674006507	3 rooms of a 5 roomed house caught fire.
144.	Matolo Simon Maila	01	Ngwalemong	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by Local Municipality	0715678197	Thatch roof of a 3 roomed house caught fire due to veld fire
145.	Zimane Tonderai	01	Dichoeung	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by Local Municipality	0760388070	1 room of a 3 roomed house caught fire.
146.	Kamogelo Mogoaneng	02	Leeuwfontein Corner house	Structural fire	Not yet legally determined	Relief provided by district municipality	05 blankets 05 sponges	0768457907	4 roomed house caught fire with no injuries

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
147.	Pookgwadi Sighner	05	Mbozini	Structural fire	Not yet legally determined	05 blankets 05 sponges	Relief provided by local municipal	0715678197	1 room of a 5 roomed house caught fire

EPHRAIM MOGALE LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
148.	Moropyane Elsie	04	Moganyaka	Structural fire	Not yet legally determined	02 blankets 02 sponges	Relief provided by local municipality	0769870334	1 roomed house caught fire
149.	Mashamaite Mmapoulo Dorah	04	Driefontein	Storm	Natural	No relief provided	No relief provided	0761829251	1 room of a 3 roomed mud house collapsed.
150.	Boshielo Maria Masekidi	04	Mathukuthela	Storm	Natural	No relief provided	No relief provided	0799291421	1 roomed house blown away, family recovered

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
151.	Boshielo P.	05	Mathukuthela	Storm	Natural	No relief provided	No relief provided	0660671372	1 room of a 2 roomed shack blown away with an injury, family recovered
152.	Boshielo Morufe	02	Mathukuthela	Storm	Natural	No relief provided	No relief provided	0607327087	2 rooms of a 3 roomed house blown away. Family recovered
153.	Mashifane MMabutuku	04	Mathukuthela	Storm	Natural	No relief provided	No relief provided	0820975750	Child struck by lightning and hospitalized.
154.	Mashifane Katlego	04	Mathukuthela	Storm	Natural	No relief provided	No relief provided	0715678197	2 roomed shack partially blown. Family recovered.
155.	Phooku Job Mashinamela	01	Mathukuthela	Storm	Natural	No relief provided	No relief provided	0726368020	2 roomed house blown away,

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
									family recovered.

EPHRAIM MOGALE LOCAL MUNICIPALITY

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
156.	10/04/2025	Setsepu Puka Piet	04	Malibitsa Ward 01	Structural Fire	Not yet legally determined	No relief provided. Family recovered	No relief provided. Family recovered	0671266144	07 room house burnt down, only 3 rooms affected
157.	10/04/2025	Christina Dikeledi Gobo	02	Malibitsa Ward 01	Structural Fire	Not yet legally determined	No relief provided. Family recovered	No relief provided. Family recovered	0867133257	06 room house caught fire, only

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
										01 room affected.
158.	10/04/2025	Raisibe Shai	03	Ditshweneng Ward 08	Structural Fire	Not yet legally determined	Blankets 03 Sponge 01	Relief provided by local municipality	0791515993	A 04 room house caught fire, only one room affected

MAKHUDUTHAMAGA LOCAL MUNICIPALITY:

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
159.	Makwana Aron	09	Dihlabaneng B	Structural fire	Not yet legally determined	Temporary shelter 02 blankets 01 sponge	Relief provided by local municipality	0728188282	1 room of a 5 roomed house caught fire.
160.	Lekobelele Mpho Makunyane	04	Ga- Moretsele	Structural fire	Not yet legally determined	04 blankets	Relief provided by local municipality	0818966300	1 room of a 2 roomed house caught fire.
161.	Baatseba Disoloane	10	Ga- Phaahla	Structural fire	Not yet legally determined	No relief provided	No relief provided	0799026720	1 room of a 5 roomed house caught fire, family recovered
162.	Mohube Mogashoa	02	Ga- Mogashoa	Structural fire	Not yet legally determined	04 blankets	Relief provided by local municipality	0646057618	I roomed house caught fire

No	Date	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
163.	05/06/2025	Sehlola Alferd	02	Kutupu	Structural fire	Unknown	04 blankets 02 sponges	Relief provided by local municipality	0711006653	2 bedrooms of RDP house burnt
164.	10/06/2025	Mmamatime Mokalapa	02	Thabampshe Ga- Masemola	Structural fire	Unknown	04 blankets 02 sponges	Relief provided by local municipality	0792020117	01 room of a 2 roomed house caught fire
165.	18/06/2025	Mokalapa Dineo	05	Ga-Masemola, Moraleng Sec.	Structural fire	Unknown	10 blankets 04 sponges	Relief provided by local municipality	0721235472	02 roomed house caught fire
166.	24/06/2025	Marutla Matlale Maureen	02	Thanbampshe Ga- Masemola	Structural fire	Unknown	04 blankets 02 sponges	Relief provided by local municipality	0829286493	01 room of a 4 roomed house caught fire
167.	25/06/2025	Mapea Annah	02	Ga-Mashabela	Mud-house collapsed	Unknown	Temporary shelter	Relief provided by local municipality	0721445093	1 roomed mud house collapsed

Below is a list of 709 storm and heavy rain affected households per village per local Municipality

Municipality and wards	Village	Date	Type of incident	Household affected	No Roads damaged	Schools affected
Ephraim Mogale Ward 16	- Letebejane = 292 - Ditholong Section= 105 - Marble Hall Town = 1	28 October 2024	Severe Storm (Hailstorm)	398 households with broken windows and affected roofs	None reported	None
FetakgomoTubatse Ward 03,04,10,31,35,36,37	- Mashung = 01 - Ga- maisela=03 - Mapodi =05 - Malogeng=05 - Modimolle= 07 - Riba Cross= 04 - Makgemeng= 05 - Tjibeng = 01 - Mooihoek = 01 - Tjate = 01 - Ga- Maroga = 01 - Makgemeng = 13 - Mphanama= 01 - Mohlaletse= 05 - Ga- Nchabeleng= 01 - Tswereng= 01 - Modimolle = 01 - India = 8	29 October 2024	Severe Storm (Hailstorm)	64 households with broken windows and affected roofs. Road infrastructure and signed boards destroyed.	None reported	4 schools affected
Makhuduthamaga 15,17, 22, 23,	- Maila Segolo 7 households - Mashupe – 5 households - Marulaneng - 9 households - Maila Mapitsane – 30 households - Dinotse – 23 households - Maseleseleng – 5 households - Mogaladi – 3 households	27,28 October 2024	Hailstorm	233 households with broken windows, affected roofs and 1 RDP	None reported	None

	- Leolo – 3 households - Madibaneng/Matolokwane/Malegale – 30 Households - Mashite – 64 households - Manganeng – 20 households - Mathibeng – 34 households			house destroyed.		
Elias Motsoaledi Ward 01, 09, 10, 11,31,28	- Lusaka- 03 households - Tambo & New Town- 2 households - Lesehleng and Ntwane, 01 household - Bloempoort – 2 households - Moletema- 1 household - Tafelkop Stadium View -2 households	27 October 2024	Hailstorm	14 household were affected. The hailstorm damaged several houses to an extent that families were left without roofs over their head, some family's food were destroyed, and electric poles damaged.	None reported	None
TOTAL				**709 Households affected**		

Local Municipalities

Affected Local	Incident description	No. Fatalities	No. of injuries	No. of missing persons	Interventions
Fetakgomo Tubatse	Heavy rains with strong winds and hailstorm affected number of households in different local municipalities Most of the affected households experienced broken window glasses.	01 at Driekop and 2 children at Mahlakwena	01	None	42 food parcels, 30 sponges and 100 blankets distributed to the affected disaster victims from 25/10/2024 to date.
Ephraim Mogale		None	None	None	None- most of the affected households are broken windows.
Makhuduthamaga		None	None	None	The Executive Mayor and the local Mayor visited wards around Maila a Mapitsane Relief provided where there was a need (13 temporary shelters provided to the affected victims out of all the reported incidents and fixing of some broken windows.
Elias Motsoaledi		None	None		Food parcels, temporary Shelter, and Salvage sheet

1. **Actions to date** (what has been done)

   a) Brief reporting of actions completed to date.

DOC activated (Yes/No)	List of Stakeholders responding	Current Interventions	Contact details
No	Disaster Management	Disaster Management	Khomotso Robinson 0823373729 District office

	Social development Local councilors and their ward committees	personnel responding to incident as and when reported	Maureen Mahlangu 0799746092 District Kupa Tebatso 0791699589 District Thomas Shai 079 8887246 District Lebogang Mphela 0828202261 (Makhuduthamaga) Eileen Ramushu 0715678197 (Ephraim Mogale) Selatole P.A 0799350607 (Fetakgomo Tubatse) Selahle H. 0824474619 (Fetakgomo Tubatse) Busi Mahlangu 0824950548 (Elias Motsoaledi)

COMPONENT B: PLANNING AND ECONOMIC DEVELOPMENT

3.7. LOCAL ECONOMIC DEVELOPMENT

3.7.1. INTRODUCTION

Sekhukhune District Municipality (SDM) is responsible for facilitation and coordination of Local Economic Development (LED) in the district as provided for in the legislation. Section 26 (c) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) provides core components of integrated development plans, it states that an Integrated Development Plan must reflect Council's development priorities and objectives for its elected term, including its local economic development aims and internal transformation needs. Council's LED priorities and objectives are packaged in the form of LED Strategy. SDM 2019 LED Strategy was reviewed and approved by Council on the 30th October 2024, the strategy is currently under implementation.

3.7.2. STATE OF THE DISTRICT ECONOMY

Economic growth is one of the main indicators of a progressing and developing district. The main sectors that contribute to the growth of the economy in Sekhukhune district are Mining and Community Services and Finance. Mining is the biggest contributor in the economy of the district. Tourism although it has not reached its full potential and needs to be fully developed is however identified together with Agriculture and Mining as the main pillars of the economy of Sekhukhune.

The economic state of Sekhukhune District Municipality is put in perspective by comparing it on a spatial level with its neighbouring district municipalities, Limpopo Province and South Africa. The sections below allude to the economic composition and contribution of the regions within Sekhukhune District Municipality and highlight how the district is ferrying both economically and developmentally.

GROSS DOMESTIC PRODUCT BY REGION (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

Gross domestic product (GDP) - Sekhukhune, Limpopo and National Total, 2013-2023 [R billions, Current prices]

	Sekhukhune	Limpopo	National Total	Sekhukhune as % of province	Sekhukhune as % of national
2013	31.5	281.7	3,868.6	*11.2%*	*0.82%*
2014	33.0	299.0	4,133.9	*11.0%*	*0.80%*
2015	34.7	319.8	4,420.8	*10.9%*	*0.79%*
2016	37.8	351.9	4,759.6	*10.7%*	*0.79%*
2017	39.8	371.3	5,078.2	*10.7%*	*0.78%*
2018	42.1	396.2	5,363.2	*10.6%*	*0.78%*
2019	44.2	418.7	5,625.2	*10.6%*	*0.79%*
2020	44.5	422.4	5,562.8	*10.5%*	*0.80%*
2021	52.3	488.2	6,220.2	*10.7%*	*0.84%*
2022	55.7	520.5	6,655.5	*10.7%*	*0.84%*
2023	56.4	535.6	7,024.0	*10.5%*	*0.80%*

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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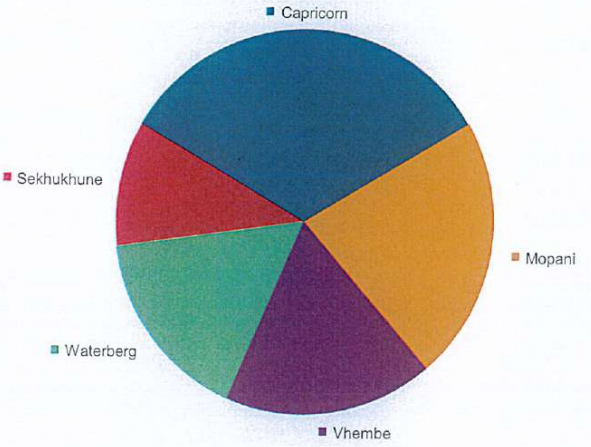
With a GDP of R 56.4 billion in 2023 (up from R 31.5 billion in 2013), the Sekhukhune District Municipality contributed 10.52% to the Limpopo Province GDP of R 536 billion in 2023 increasing in the share of the Limpopo from 11.20% in 2013. The Sekhukhune District Municipality contributes 0.80% to the GDP of South Africa which had a total GDP of R 7.02 trillion in 2023 (as measured in nominal or current prices).It's contribution to the national economy stayed similar in importance from 2013 when it contributed 0.82% to South Africa, but it is lower than the peak of 0.84% in 2021.

Gross domestic product (GDP) - Sekhukhune, Limpopo and National Total, 2013-2023 [Annual percentage change, Constant 2010 prices]

	Sekhukhune	Limpopo	National Total
2013	1.8%	2.5%	2.5%
2014	0.2%	1.1%	1.4%
2015	2.2%	1.9%	1.3%
2016	-1.6%	0.1%	0.7%
2017	1.1%	1.4%	1.2%
2018	-0.3%	1.1%	1.6%
2019	-0.9%	0.1%	0.3%
2020	-9.5%	-6.4%	-6.2%
2021	5.0%	5.6%	5.0%
2022	-0.5%	0.9%	1.9%
2023	2.2%	0.6%	0.7%
Average Annual growth 2013-2023	***-0.27%***	***0.61%***	***0.74%***

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023, the Sekhukhune District Municipality achieved an annual growth rate of 2.22% which is a significantly higher GDP growth than the Limpopo Province's 0.65%, and 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 Sekhukhune (-0.27%) is significantly lower than that of South Africa (0.74%). The economic growth in Sekhukhune peaked in 2021 at 5.04%.



Gross domestic product (GDP) - Sekhukhune District Municipality and the rest of Limpopo, 2023 [Percentage]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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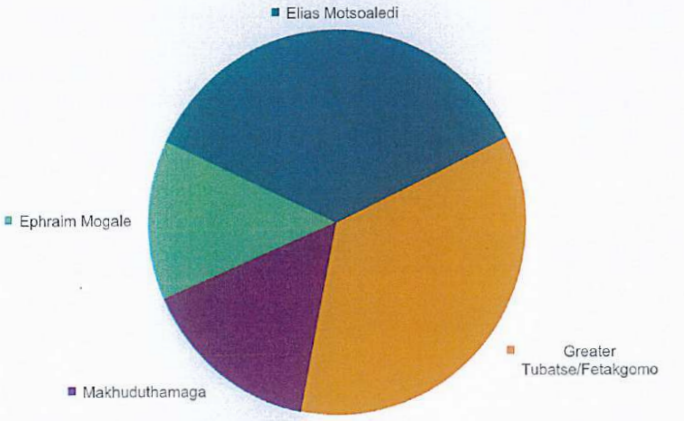
The Sekhukhune District Municipality had a total GDP of R 56.4 billion and in terms of total contribution towards Limpopo Province the Sekhukhune District Municipality ranked lowest relative to all the regional economies to total Limpopo Province GDP. This ranking in terms of size compared to other regions of Sekhukhune remained the same since 2013. In terms of its share, it was in 2023 (10.5%) slightly smaller compared to what it was in 2013 (11.2%). For the period 2013 to 2023, the average annual growth rate of -0.3% of Sekhukhune was the fourth relative to its peers in terms of growth in constant 2010 prices.

Gross domestic product (GDP) - local municipalities of Sekhukhune District Municipality, 2013 to 2023, share and growth

	2023 (Current prices)	Share of district municipality	2013 (Constant prices)	2023 (Constant prices)	Average Annual growth
Ephraim Mogale	7.54	*13.38%*	4.46	4.84	*0.83%*
Elias Motsoaledi	20.20	*35.84%*	11.51	12.75	*1.03%*
Makhuduthamaga	8.75	*15.52%*	5.46	5.23	*-0.43%*
Greater Tubatse/Fetakgomo	19.87	*35.26%*	12.60	10.30	*-1.99%*
Sekhukhune	56.36		34.02	33.12	

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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Elias Motsoaledi had the highest average annual economic growth, averaging 1.03% between 2013 and 2023, when compared to the rest of the regions within the Sekhukhune District Municipality. The Ephraim Mogale Local Municipality had the second highest average annual growth rate of 0.83%. Greater Tubatse/Fetakgomo Local Municipality had the lowest average annual growth rate of -1.99% between 2013 and 2023.



GDP contribution - local municipalities of Sekhukhune District Municipality, 2023 [Current prices, percentage]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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The greatest contributor to the Sekhukhune District Municipality economy is the Elias Motsoaledi Local Municipality with a share of 35.84% or R 20.2 billion, increasing from R 10.1 billion in 2013. The economy with the lowest contribution is the Ephraim Mogale Local Municipality with R 7.54 billion growing from R 3.91 billion in 2013.

Economic Growth Forecast

It is expected that Sekhukhune District Municipality will grow at an average annual rate of 2.54% from 2023 to 2028. The average annual growth rate of Limpopo Province and South Africa is expected to grow at 2.01% and 1.92% respectively.

Gross Value Added by Region (GVA-R)

The Sekhukhune District 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.

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.

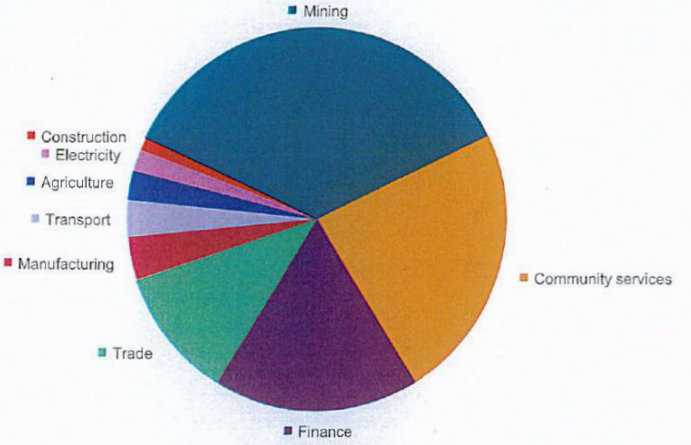
The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Sekhukhune District Municipality.

Gross value added (GVA) by broad economic sector - Sekhukhune District Municipality, 2023 [R billions, current prices]

	Sekhukhune	Limpopo	National Total	Sekhukhune as % of province	Sekhukhune as % of national
Agriculture	1.3	14.8	183.8	*8.6%*	*0.69%*
Mining	18.3	109.5	444.2	*16.7%*	*4.12%*
Manufacturing	1.9	18.7	910.5	*9.9%*	*0.20%*
Electricity	0.9	13.4	219.4	*6.6%*	*0.41%*
Construction	0.6	9.3	155.2	*6.3%*	*0.37%*
Trade	5.6	65.3	877.7	*8.6%*	*0.64%*
Transport	1.6	22.9	495.0	*6.9%*	*0.32%*
Finance	9.0	70.0	1,471.8	*12.9%*	*0.61%*
Community services	11.9	157.4	1,553.2	*7.6%*	*0.77%*
Total Industries	**51.0**	**481.2**	**6,310.8**	***10.6%***	***0.81%***

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023, the mining sector is the largest within Sekhukhune District Municipality accounting for R 18.3 billion or 35.9% of the total GVA in the district municipality's economy. The sector that contributes the second most to the GVA of the Sekhukhune District Municipality is the community services sector at 23.3%, followed by the finance sector with 17.7%. The sector that contributes the least to the economy of Sekhukhune District Municipality is the construction sector with a contribution of R 581 million or 1.14% of the total GVA.



Gross value added (GVA) by broad economic sector - Sekhukhune District Municipality, 2023 [percentage composition]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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The community sector, which includes the government services, is generally a large contributor towards GVA in smaller and more rural local municipalities. When looking at the regions within the district municipality, the Elias Motsoaledi Local Municipality made the largest contribution to the community services sector at 48.60% of the district municipality. As a whole, the Elias Motsoaledi Local Municipality contributed R 18 billion or 35.24% to the GVA of the Sekhukhune District Municipality. The region within Sekhukhune District Municipality that contributes the most to the GVA of the district municipality was the Greater Tubatse/Fetakgomo Local Municipality with a total of R 18.7 billion or 36.58%.

Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

Total employment - Sekhukhune, Limpopo and National Total, 2013-2023 [numbers]

	Sekhukhune	Limpopo	National Total
2013	116,000	992,000	14,700,000
2014	126,000	1,080,000	15,300,000
2015	135,000	1,160,000	15,800,000
2016	139,000	1,220,000	16,100,000
2017	143,000	1,270,000	16,400,000
2018	144,000	1,280,000	16,600,000
2019	142,000	1,280,000	16,600,000
2020	127,000	1,190,000	15,800,000
2021	115,000	1,130,000	15,100,000
2022	122,000	1,190,000	15,700,000
2023	135,000	1,300,000	16,700,000
Average Annual growth			
2013-2023	*1.55%*	*2.74%*	*1.30%*

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023, Sekhukhune employed 135 000 people which is 10.42% of the total employment in Limpopo Province (1.3 million), 0.81% of total employment in South Africa (16.7 million). Employment within Sekhukhune increased annually at an average rate of 1.55% from 2013 to 2023.

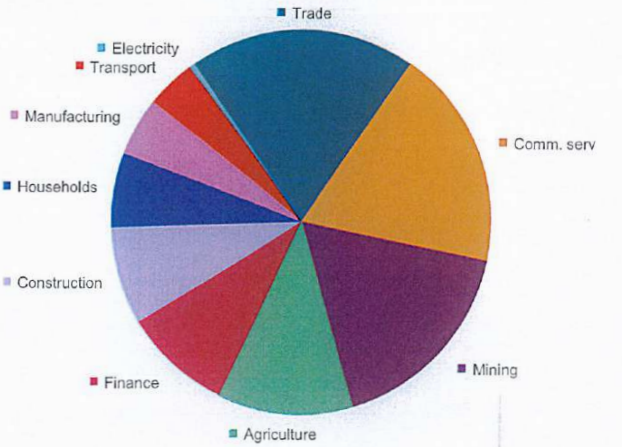
Total employment per broad economic sector - Sekhukhune and the rest of Limpopo, 2023 [Numbers]

	Sekhukhune	Mopani	Vhembe	Capricorn	Waterberg	Total Limpopo
Agriculture	15,900	30,300	36,500	24,400	23,500	130,575
Mining	23,300	27,200	3,780	7,280	28,500	89,972
Manufacturing	6,560	12,900	12,000	20,300	11,600	63,446
Electricity	749	1,320	1,880	2,340	2,630	8,916
Construction	11,200	23,800	29,800	32,100	24,400	121,238
Trade	26,300	61,000	73,300	83,200	44,600	288,404
Transport	5,560	8,730	13,300	16,000	7,070	50,687
Finance	12,300	26,300	29,600	46,700	20,000	135,007
Community services	25,100	63,600	94,700	102,000	41,600	326,963
Households	8,480	16,900	21,000	21,300	16,800	84,635
Total	**135,000**	**272,000**	**316,000**	**356,000**	**221,000**	**1,299,842**

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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Sekhukhune District Municipality employs a total number of 135 000 people within its district municipality. The district municipality that employs the highest number of people relative to the other regions within Limpopo Province is Capricorn district municipality with a total number of 356 000. Sekhukhune District Municipality also employed the lowest number of people within Limpopo Province.

In Sekhukhune District Municipality the economic sectors that recorded the largest number of employment in 2023 were the trade sector with a total of 26 300 employed people or 19.4% of total employment in the district municipality. The community services sector with a total of 25 100 (18.6%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 749 (0.6%) is the sector that employs the least number of people in Sekhukhune District Municipality, followed by the transport sector with 5 560 (4.1%) people employed.



Total employment per broad economic sector - Sekhukhune District Municipality, 2023 [percentage]

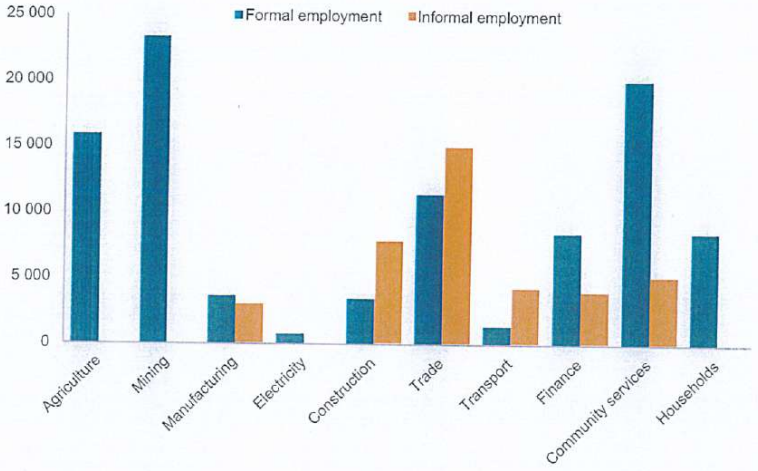
Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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Formal and Informal Employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Sekhukhune District Municipality counted 96 500 in 2023, which is about 71.29% of total employment, while the number of people employed in the informal sector counted 38 900 or 28.71% of the total employment. Informal employment in Sekhukhune increased from 33 800 in 2013 to an estimated 38 900 in 2023.



Formal and informal employment by broad economic sector - Sekhukhune District Municipality, 2023 [numbers]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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Some of the economic sectors have little or no informal employment:

Mining industry, due to well-regulated mining safety policies, and the strict registration of a mine, has little or no informal employment. The Electricity sector is also well regulated, making it difficult to get information on informal employment. Domestic Workers and employment in the Agriculture sector is typically counted under a separate heading.

In 2023 the Trade sector recorded the highest number of informally employed, with a total of 14 900 employees or 38.38% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest

informal employment with 2 960 and only contributes 7.62% to total informal employment.

Formal and informal employment by broad economic sector - Sekhukhune District Municipality, 2023 [numbers]

	Formal employment	Informal employment
Agriculture	15,900	N/A
Mining	23,300	N/A
Manufacturing	3,600	2,960
Electricity	749	N/A
Construction	3,400	7,760
Trade	11,400	14,900
Transport	1,350	4,210
Finance	8,410	3,920
Community services	20,000	5,100
Households	8,480	N/A

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

3.7.3 Unemployment

The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

"Without work", i.e. not in paid employment or self-employment;
"Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
"Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

Unemployment (official definition) - Sekhukhune, Limpopo and National Total, 2013-2023 [Number percentage]

	Sekhukhune	Limpopo	National Total	Sekhukhune as % of province	Sekhukhune as % of national
2013	61,600	246,000	4,940,000	25.0%	1.25%
2014	63,600	250,000	5,150,000	25.4%	1.23%
2015	70,900	275,000	5,410,000	25.7%	1.31%
2016	82,700	311,000	5,800,000	26.6%	1.43%
2017	88,800	329,000	6,130,000	27.0%	1.45%
2018	90,800	329,000	6,240,000	27.6%	1.45%
2019	101,000	362,000	6,600,000	28.0%	1.53%
2020	120,000	421,000	6,880,000	28.5%	1.75%
2021	152,000	526,000	7,660,000	28.9%	1.99%
2022	174,000	601,000	8,000,000	29.1%	2.18%
2023	187,000	635,000	8,130,000	29.5%	2.31%
Average Annual growth					
2013-2023	***11.76%***	***9.94%***	***5.11%***		

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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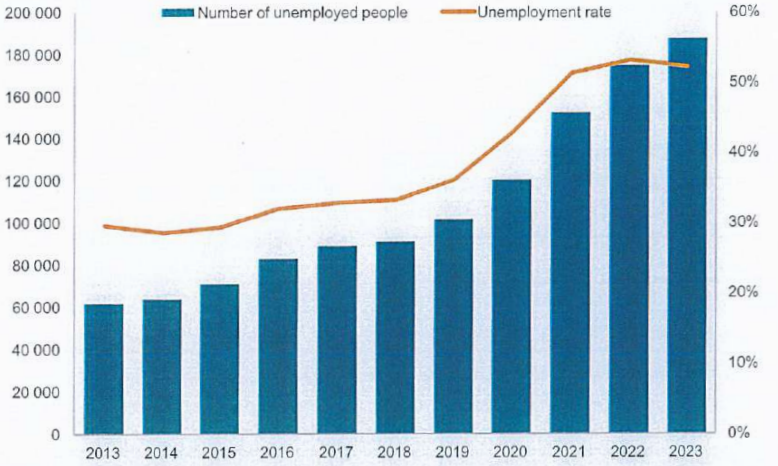
In 2023, there were a total number of 187 000 people unemployed in Sekhukhune, which is an increase of 126 000 from 61 600 in 2013. The total number of unemployed people within Sekhukhune constitutes 29.51% of the total number of unemployed people in Limpopo Province. The Sekhukhune District Municipality experienced an average annual increase of 11.76% in the number of unemployed people, which is worse than that of the Limpopo Province which had an average annual increase in unemployment of 9.94%.

Unemployment rate (official definition) - Sekhukhune, Limpopo and National Total, 2013-2023 [Percentage]

	Sekhukhune	Limpopo	National Total
2013	29.5%	19.3%	25.2%
2014	28.5%	18.2%	25.2%
2015	29.2%	18.6%	25.5%
2016	31.9%	19.7%	26.4%
2017	32.7%	20.0%	27.2%
2018	33.2%	19.8%	27.4%
2019	36.0%	21.4%	28.4%
2020	42.8%	25.4%	30.3%
2021	51.2%	30.9%	33.6%
2022	53.0%	32.7%	33.7%
2023	52.2%	32.0%	32.7%

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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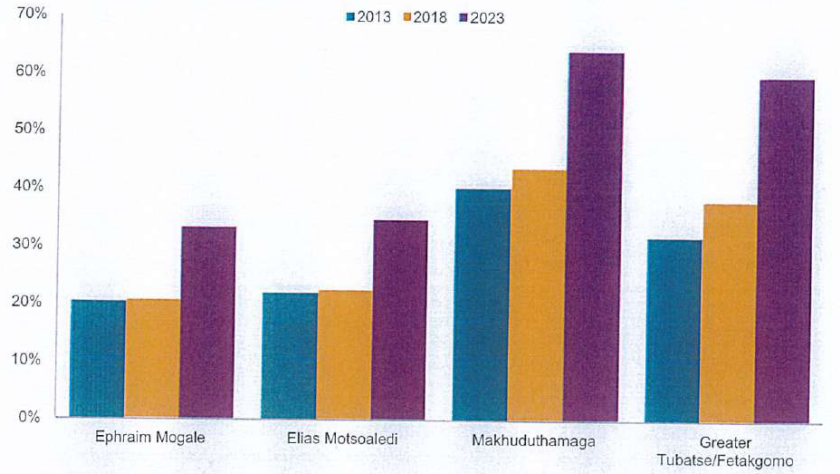
In 2023, the unemployment rate in Sekhukhune District Municipality (based on the official definition of unemployment) was 52.18%, which is an increase of 22.7 percentage points. The unemployment rate in Sekhukhune District Municipality is higher than that of Limpopo. The unemployment rate for South Africa was 32.71% in 2023, which is a increase of -7.56 percentage points from 25.15% in 2013.



Unemployment and unemployment rate (official definition) - Sekhukhune District Municipality, 2013-2023 [number percentage]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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When comparing unemployment rates among regions within Sekhukhune District Municipality, Makhuduthamaga Local Municipality has indicated the highest unemployment rate of 64.0%, which has increased from 40.2% in 2013. It can be seen that the Ephraim Mogale Local Municipality had the lowest unemployment rate of 33.1% in 2023, which increased from 20.3% in 2013.



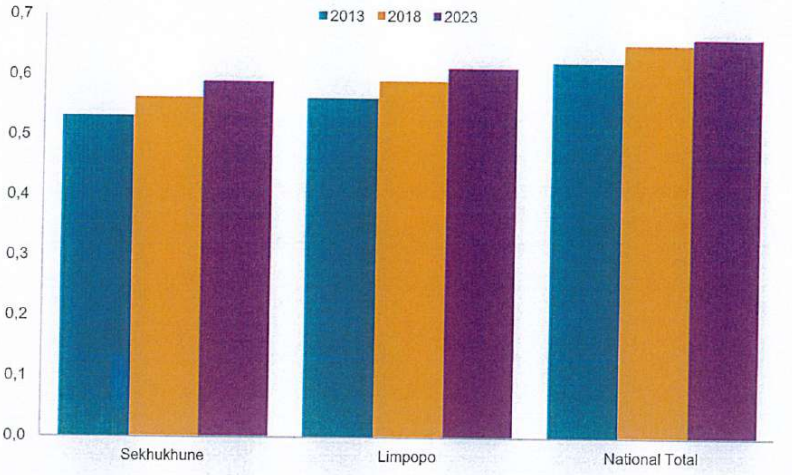
Unemployment rate - local municipalities and the rest of Sekhukhune District Municipality, 2013, 2018 and 2023 [percentage]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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Human Development Index (HDI)

The human development index (HDI) is a composite relative index used to compare human development across population groups or regions.

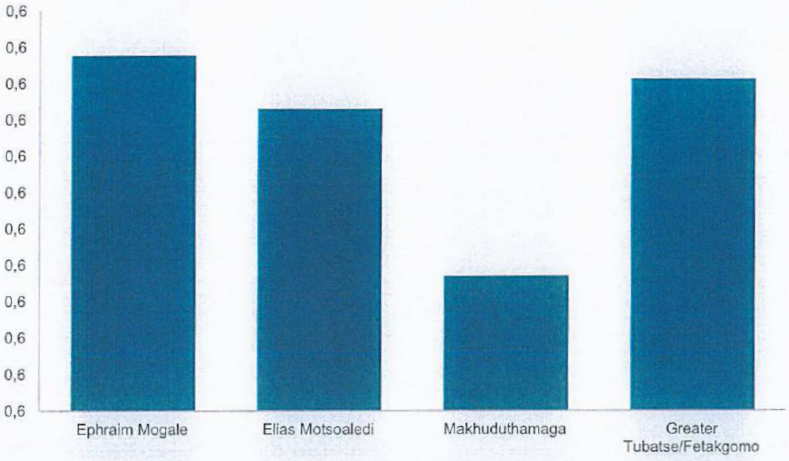
HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.



Human development index (HDI) - Sekhukhune, Limpopo and National Total, 2013, 2018, 2023 [Number]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023 Sekhukhune District Municipality had an HDI of 0.589 compared to the Limpopo with a HDI of 0.612 and 0.662 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2023 when compared to Sekhukhune District Municipality which translates to worse human development for Sekhukhune District Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 0.61% and this increase is lower than that of Sekhukhune District Municipality (1.03%).



Human development Index (HDI) - local municipalities and the rest of Sekhukhune District Municipality, 2023 [Number]

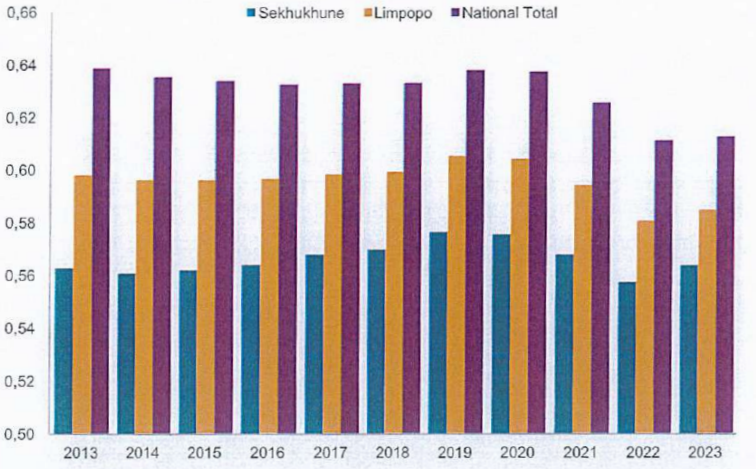
Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In terms of the HDI for each the regions within the Sekhukhune District Municipality, Ephraim Mogale Local Municipality has the highest HDI, with an index value of 0.599. The lowest can be observed in the Makhuduthamaga Local Municipality with an index value of 0.568.

Gini Coefficient

The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1.

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.



Gini coefficient - Sekhukhune, Limpopo and National Total, 2013-2023 [Number]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023, the Gini coefficient in Sekhukhune District Municipality was at 0.564, which reflects a marginal increase in the number over the ten-year period from 2013 to 2023. The Limpopo Province and South Africa, both had a more unequal spread of income amongst their residents (at 0.585 and 0.613 respectively) when compared to Sekhukhune District Municipality.

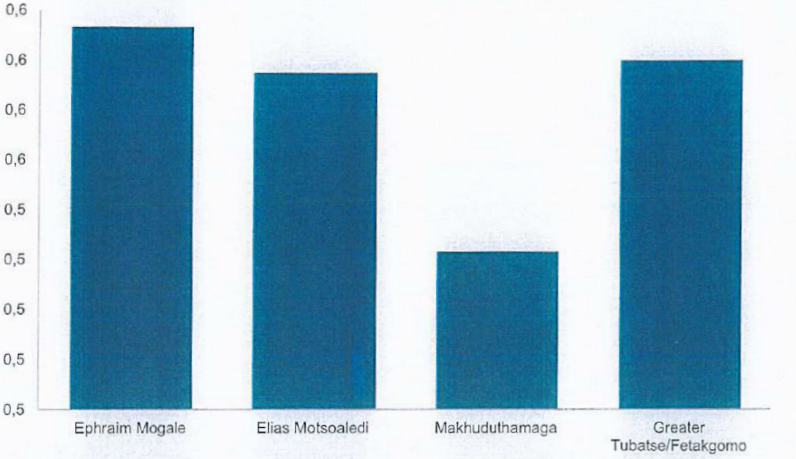
Gini coefficient by population group - Sekhukhune, 2013, 2023 [Number]

	African	White
2013	0.55	0.42
2023	0.55	0.43
Average Annual growth		
2013-2023	*0.11%*	*0.15%*

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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When segmenting the Sekhukhune District Municipality into population groups, it can be seen that the Gini coefficient for the White population group increased the most amongst the population groups with an average annual growth rate of 0.15%. The Gini

coefficient for the African population group increased the least with an average annual growth rate of 0.11%.



Gini coefficient - local municipalities and the rest of Sekhukhune District Municipality, 2023 [Number]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In terms of the Gini coefficient for each of the regions within the Sekhukhune District Municipality, Ephraim Mogale Local Municipality has the highest Gini coefficient, with an index value of 0.577. The lowest Gini coefficient can be observed in the Makhuduthamaga Local Municipality with an index value of 0.531.

3.8. LOCAL ECONOMIC DEVELOPMENT INITIATIVES

The following is progress made in terms of coordination and facilitation of local economic development projects from 01 July 2024 to 30 June 2025:

3.8.1. TOURISM DEVELOPMENT

3.8.1.1. Sekhukhune District Tourism Forum

Sekhukhune District Tourism Forum was one of the economic development fora planned to be held in the 2024/2025 financial as per the Department of Planning and Economic Development Service Delivery and Budget Implementation Plan (SDBIP). Sekhukhune District Tourism Forum meeting was held on the 21st October 2024 to amongst others review progress on tourism development in the district and plan the upcoming tourism activities such as Yellow Arum Lily Festival, Africa Travel Indaba and Inaugural Sekhukhune District Tourism Summit.

3.8.1.2. Installation of Tourism Signages

District Tourism Signage for Tourism Establishments and Products is one of the 2024/2025 Local Economic Development (LED) Service Delivery and Budget Implementation Plan (SDBIP) projects. The project was allocated R150 000,00 initially and was augmented with R200 000,00 during budget adjustment to accommodate Welcome to SDM and Thank you for visiting SDM boards at R25 (Denilton) and R555 (Strydom Tunnel) roads. The municipality planned to install 9 tourism signages and achieved the target. The following signages were installed during the period under review:

- Monet Guest House (2).
- Royal Bataung Gust House (2)
- Thaba Nkwe Lodge (1)
- Mohlaletse Guest House (1)
- Sir Paul Guest House (1)
- BKT Boutique Lodge (1)
- Welcome to SDM (Platinum Stream Tourism Route) (1)
- Wecome to SDM (Mafulo a Matala Tourism Route) (1)
- Thank you for visiting SDM (2)

3.8.1.3 Africa Travel Indaba

Africa Travel Indaba and Trade Show is an iconic African leisure trade show, owned by South African Tourism, with specific objective of creating market access for the country's vast array of African leisure tourism products. Limpopo Tourism Agency arranged and secured a space to accommodate Limpopo District Municipalities and

other Limpopo tourism stakeholders. This served to forge unity in the participation of Limpopo at the Trade Show. The event took place from the 13th to 15th May 2025 at Inkosi Albert Lethuli International Convention Centre, Durban. Sekhukhune District Municipality supported 10 SMMEs who were identified with the help of Sekhukhune District Tourism Association to participate in the event to expose their operations to the world market and below is the list of SMMEs:

Makhuduthamaga Local Municipality
- Boeketlong Guest House & Lodge
- African Treasure Travel Agency

Fetakgomo Tubatse Local Municipality
- BKT Boutique Lodge
- Sir Paul Guest House

Ephraim Mogale Local Municipality
- Monet Guest House
- Royal Bataung Guest House

Elias Motsoaledi Local Municipality
- Ashcor Travel Agency
- Esibayeni Guest House
- Thaba Nkwe Lodge
- Kingdoms Lodge

3.8.2. AGRICULTURE DEVELOPMENT

3.8.2.1. Farmers Support by SDM

SDM 2024 Local Economic Development Strategy has identified Agriculture and Agro-processing development as strategic intervention number 3. **The objective is to add value and support to agricultural activities through expansion of primary production, thereby establishing Agri-Park linkages. To expand the manufacturing sector and boost the economic development for employment creation.**

It is against this background that the municipality incorporated a project called Farmers Support in the 2024/2025 Local Economic Development (LED) Service Delivery and Budget Implementation Plan (SDBIP) to attain the above objective.

The Municipality identified Makhuduthamaga Tomato and Vegetables Growers Association farmers for support with Pressure Sprayers. This was after they were trained on pests, weeds and diseases control. A tender was advertised on the on the 8 November 2024 and closed on the 26 November 2024. Supply chain processes ensued and a Service Provider was appointed to supply and deliver 20 x MAC Afric 6.5 HP Sprayers. The goods were delivered on the 31 March 2025. Below is the list of the beneficiaries:

Beneficiary surname and name	Village
1. Paul Phaahla	Ga Phaahla
2. Disoloane Patrick	Thabampshe
3. Ratshoshi MC	Mamone
4. Mokgabudi Amos	Molebeledi
5. Manyaku Mokiri	Ga Phaahla
6. Disoloane Benjamin	Molebeledi
7. Boshielo Mphaga	Phokwane
8. Mmakola Tlaabe	Phokwane
9. Moela Thabang	Leolo
10. Leshalabe Jeffrey	Phokwane
11. Mogadime Moipone	Tsimanyane
12. Maila Suzan	Tjatane
13. Thobejane Mahlodi	Tjatane
14. Maelane Thomas	Tjatane
15. Thulare Dora	Tjatane
16. Mogaladi Phathage	Ga Phaahla Manoge
17. Maepa Sebine Hudson	Tjatane
18. Leseilane Katlego	Mohlaletse
19. Nkrumah Phala	Diphagane
20. Frans Masha	Diphagane

Secondly the Municipality trained 20 farmers/cooperatives on Poultry Production for 5 days with the aim of assisting farmers to effectively manage their businesses. The training started on the 03 March 2025 and ended on 07 March 2025 through Tompi Seleka College of Agriculture. To complete the package the LED Unit has planned to support the farmers with production equipment (Chicken Feather Pluggers and Chest freezers) for them to implement what they have learned and maximize production.

Below is the list of beneficiaries

- Mr Sam Letsoalo
- Sbongile Mabona
- Christinah Nchabeleng
- Shikwane Mohlahlo
- Makola Nong
- Makua Tsheloane.

3.8.3. MINING DEVELOPMENT

3.8.3.1. Facilitation of Fetakgomo Tubatse Special Economic Zone (FTSEZ)

Brief background

The President enacted the Special Economic Zones Act no. 16 of 2014 with the intention to support establishment and development of Special Economic Zones (SEZ's). The purpose of an SEZ is stated in section 4(1) of the Special Economic Zones Act, 2014 as follows "a special economic zone is an economic development tool to promote national economic growth and export by using support measures in order to attract targeted foreign and domestic investments and technology."

The Limpopo Department of Economic Development Environment and Tourism (LEDET) is mandated to facilitate establishment of Musina Makhado and Fetakgomo Tubatse SEZs in the province. LEDET has delegated the mandate to its entity Limpopo Economic Development Agency (LEDA). Below is the milestones achieved in the facilitation of FTSEZ.

Milestones achieved as at the end of 2024/2025 Financial Year:

- **SEZ Designation:**

✓ The application for the designation of the FTSEZ was submitted on the 24th of October 2023, outlining the readiness to operate as a Special Economic Zone, and the Limpopo government, including Provincial Treasury, has committed to support the development of the SEZ financially and otherwise.

- Following the submission to the Minister's Office in December 2024, the intention to licence the SEZ was then gazetted, leading to a successful public participation process on the 9th and 10th April 2025.

- There were a few minor objections in the month of May and June, which the dtic has fully responded to.

- The final submission to the Minister would be done in the month of July 2025, leading to the ultimate granting of the licence to operate as a SEZ.

- **Capacitation of the Project Management Unit:**

✓ It terms of Capacitation of F-TIP, 5 personnel have been appointed to-date and 4 interns have been allocated to the project.

- **Land Ownership:**

- Notarial Deed of Lease was approved by the FTIP Board, and the lease has been signed between FTSEZ and Dithamaga Trust. It is awaiting finalisation of registration of layout plan in preparation of registration with the Master of Supreme Court. The amended layout has been stamped by the Fetakgomo Tubatse Local Municipality and has been submitted to the Surveyor General's office final approval.

- **Township Establishment Progress:**
  - ✓ The Joint Tribunal sat on the 29th November 2023 to assess the application and approval was granted.
  - ✓ The following activities are currently underway.
  - ✓ After the Tribunal meeting (approval by Tribunal), all pre-proclamation conditions will be complied with (incl. General Plan) prior to the opening of the township register. This will cover the Surveyor General and deeds office. These conditions are;
    - Layout approval and registration at Deed Office
    - Subdivisions
    - Opening of a Township Register sub-section
    - In terms of section 16(4)(e) of the bylaw an application must be lodged with the registrar of deeds within 12 months from the date of approval of the general plan by the Surveyor-General (SG) or within a period of extension granted by the Municipality.
    - In terms of section 16(8)(b) the Registrar of Deeds shall not accept the application for the opening of a township register and registration of a general plan without a certificate by the Municipality that the applicant has complied with conditions imposed in terms of Section 16(7)(b).
    - **Proclamation is expected around September 2025.**

- **SMMEs and Skills Development Plan:**

The FTSEZ Skills Development Strategic Framework has been finalised and would guide the roll-out of the programme for skills development in the District.

Partnership between LEDA and Sekhukhune Artisan Academy
There is an agreement between Limpopo Economic Development Agency (LEDA) and Sekhukhune Artisan Academy (Pty) Ltd (SAA) signed for the purpose of jointly sourcing of discretionary grants from SETAs, writing of funding proposal documents for the training of learners on apprenticeships (electrician, diesel and motor mechanic, fitter and turner, welding, boilermaker etc), learnerships (new venture creation, project management, hair dressing etc), skills programmes (ARPL, solar energy etc) and SMMEs/cooperatives (capacity building etc), and submission of proposals to relevant SETAs on behalf of LEDA.

The purpose of this agreement is mainly to craft a common strategic pathway between the issue of training and development in the Limpopo province due to a dire need to address critical and scarce skills shortage in the province, that unfortunately perpetuates high level of youth unemployment.

Update on the progress made by SAA on the apprenticeship programme

- To date 120 learners are three (3) months into the contact theoretical learning sessions at SAA premises and supposed to have completed their first block modules by July, 2025 and ready to move to the workplaces for practical/experiential learning to give way to the 140 learners that we'll be starting the recruitment process for in the first week of May, 2025.
- ***80 out of 120 learners*** have secured employment from a few hospitals and one electrical construction company in the Sekhukhune district once they have completed the programme. This leaves 40 learners from the first 120 who will need to be absorbed into the other existing industry players and institutions.
- In the first week of May 2025, SAA embarked on the second phase of recruitment for 140 learners from the District (being the first preference) and the province. After 36 **months (3 Years)** the students would be awarded with the **National Electrician Trade Certificate.**

- **District-wide community stakeholder consultations on SEZ:**
  - ✓ A stakeholder engagement plan has been finalised
  - ✓ The stakeholders have been mapped and categorised accordingly.
  - ✓ Steelpoort/Ngwaabe Cluster will be the key focus area (target area 1) for the roll-out of the programme. The FTLM has delegated a team of 4 officials to work with the FTSEZ to roll-out the programme.
  - ✓ The community consultations were completed in the Steelpoort/Ngwaabe cluster.
  - ✓ There is planned District-wide Roadshows to disseminate more information on the SEZs starting from this month of July, led by the MMC for Department of Planning & Economic Development.
  - ✓ Radio media campaigns have been proposed to kick start in the month of August 2025. This campaign is meant to disseminate more information on the SEZ, touching on opportunities that are available and mainly to indicate the long-term benefits and spillovers that the SEZ would create in the District and the Province at large.

- **Investment commitment:**

  - ✓ 11 companies have been assessed as ready to locate in the SEZ and are mainly South African companies.
  - ✓ 11 Companies have signed investment assessment forms outlining their projects, project values and what they need to be assisted with.
  - ✓ Some have completed building design plans while others are in process of doing their designs
  - ✓ These 11 companies have a combined investment value of R10.01 billion with a potential to create 1250 jobs.
  - ✓ 7 new companies have shown an interest in locating in the SEZ, and processes are underway to formalize the engagements and conduct due diligence.

- **Construction of Perimeter Fence:**
- The contractor for the construction of the perimeter fence was appointed in April 2024.
- The project is at 50% completion stage with the perimeter fence at 92% completion stage.
- The activities that are currently underway on site are as follows:
  - Construction of the guardhouse
  - Installation of the electric fence
  - Electrical and fibre cables installation
- The estimated completion date for the perimeter fence and installation of security features is September 2025.
- To-date 8 SMMEs have been sub-contracted, and
- 20 local labourers have been contracted and trained.

3.8.4. ECONOMIC INFRASTRUCTURE DEVELOPMENT

Malekana Steel Bridge Replacement Project

Department of Mineral Resources and Energy (DMRE) facilitated an initiative to replace Malekana Steel Bridge. The initiative is a joint collaboration of DMRE, Mining Companies operating in Sekhukhune District, Sekhukhune District Municipality (SDM), Sekhukhune Development Agency (SDA), Fetakgomo Tubatse Local Municipality (FTLM), Limpopo Department of Public Works, Roads and Infrastructure (LDPWRI) and Road Agency Limpopo (RAL). The project includes construction of a new bridge and refurbishment of the old bridge as a pedestrian bridge and a monument. The project obtained financial assistance from mining companies. RAL and the following mining companies contributed towards the Steel Bridge Replacement Project fund:

- Dwarsrivier Chrome Mine (Pty) Ltd
- Rakhoma Mining Resources (Pty) Ltd

- Glencore South Africa (Pty) Ltd
- Rustenburg Platinum Mines (De Brochen) (Pty) Ltd
- Samancor Chrome (Pty) Ltd
- Booysendal Platinum (Pty) Ltd
- Tjate Platinum Corporation (Pty) Ltd
- Two Rivers Platinum

RAL was appointed as the implementing agent of the project starting from design, procurement of service providers to monitoring and evaluation of the construction process. The project commenced on the 1st March 2023 with the expected completion date as the 23rd September 2024 and was later extended by 5 months to 27 February 2025. **Contract amount is R117 461 631.92. The following is the progress made with construction of the bridge as at the 28th June 2025:**

- Physical progress: 91.7%
- Financial progress: 70.0% (Payment as at 28th June 2025 was R74 709 909.40)

3.8.5. SMMES AND COOPERATIVES DEVELOPMENT

Support to SMMEs and Cooperatives is one of the 2023/2024 Local Economic Development (LED) Service Delivery and Budget Implementation Plan projects. The council approved Sekhukhune District Municipality (SDM) Local Economic Development 2021/2022 Funding Policy on the 27th January 2022. R2 000 000 was budgeted for the implementation of the project in the 2024/2025 financial year. A call for applications was advertised on the 26th August 2024 and closed on the 30th September 2024, from which 70 applications were received.

SDM appointed SMMEs and Cooperatives Support Fund Projects Selection Committee which is constituted by officials from Local Municipalities and Development Agencies involved in economic development. The committee held its inception meeting on the 24th of October 2024, proceeded with evaluation of the applications from the 24th to 25th October 2024 and shortlisted 60 SMMEs and Cooperatives. The committee conducted viability assessment sessions visits on the 07,08,13 and 15 November 2024 and recommended 42 SMMEs and Cooperatives for support:

A service Provider was appointed on the 25th March 2025 to provide the equipment and inputs requested by the 42 selected SMMEs and Cooperatives. The service provider completed delivery of production equipment and inputs to the beneficiaries on the 18 June 2025.

3.9. FACILITATION OF ECONOMIC DEVELOPMENT FORUMS

Section 4 of the Intergovernmental Relations Framework Act 2005 (Act No.13 of 2005) read together with Chapter 3 of the Constitution of the Republic of South Africa provides for the establishment of Intergovernmental Relations (IGR) Forums. Departments of Planning and Economic Development quarterly hold IGR Forum meetings. The municipality successfully facilitated 4(Agriculture, Tourism, Mining and LED) Economic Development Forums as planned for the financial year under review.

3.10. JOB CREATION THROUGH VARIOUS PROJECTS AND EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The National Department of Public Works (NDPW) annually incentives EPWP implementing bodies with incentive grant allocation to augment job creation efforts. The municipality was allocated a total incentive grant amounting to R10 676 000.00 for 2024/2025 financial year. The municipality through its various projects and programmes including EPWP incentive grant managed to cumulatively create 2102 job opportunities as at the end of 2024/2025 financial year. Out of the 2102 jobs that were created, 1192 were males and 910 were females. Youth comprised 970 job opportunities and there were 4 persons living with disabilities that were employed as at the end of the financial year.

REFERENCE:

1. *South Africa Regional eXplorer v2540.*

3.11. SPATIAL RATIONALE

3.11.1 SPATIAL PLANNING AND LAND USE MANAGEMENT ACT (SPLUMA) IMPLEMENTATION

The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) has been developed to provide broad principles that regulate land use and planning. It therefore sets parameters for various economic development initiatives, ensuring that the development principles are adhered to. The district has further reestablished the Planning Tribunal during the financial year 2022 in terms of section 34 (1, 2 & 3) and 36 (1) (b) of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) read together with regulation 7 (1, 4 & 5) of the Spatial Planning and Land Use Management and General Matters, 2013 to ensure that all economic development initiatives comply with SPLUMA principles. The district's joint district planning tribunal

became effective in June 2022 and all four Local Municipalities within the District formed part of the re-established Joint District Municipal Planning Tribunal (JDMPT).

The JDMPT convened seven Tribunal sittings in the year 2024-2025 financial year to consider the land development applications in line with SPLUMA and reviewed SDF. The sittings adjudicated forty-three (43) land development applications, where twenty-eight (28) land development applications were approved, eleven (11) applications were deferred, while four (4) were postponed /withdrawn by applicants. Below is summary of applications received:

Description	**No. of Applications received**	**No. of Applications Approved**
Ephraim Mogale	2 applications received	1 application approved
Fetakgomo Tubatse	23 applications received	15 applications approved
Elias Motsoaledi	12 Applications received	8 applications approved
Makhuduthamaga	6 Applications received	4 applications approved
Total Sekhukhune	**43 Applications received**	**28 Applications approved**

During this financial year, the District Municipality facilitated a Spatial Planning and Land Use Management Act (SPLUMA) workshop for Portfolio members of both district and local municipalities, as well as Planners in the district, on appraisal matters relating to land development applications, as these applications are often resubmitted.

3.11.2 SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The Spatial Development Framework (SDF) forms a cornerstone of Sekhukhune District Municipality's long-term vision. It integrates the district's economic, sectoral, spatial, social, institutional, and environmental aspirations into a coherent development agenda. The vision underpinning the SDF is to unlock the full potential

of the district by fostering prosperity in a manner that is socially cohesive, environmentally sustainable, and peaceful. Achieving this vision requires participatory leadership that promotes excellence, nurtures an entrepreneurial spirit, and advances service delivery while creating opportunities for decent and inclusive employment.

To give effect to this vision, Sekhukhune District Municipality (SDM) appointed Matete and Associates Consultants to undertake the review of the district's SDF. This initiative complies with Section 26(e) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), which prescribes that every municipality must prepare an SDF as a core component of its Integrated Development Plan (IDP). It is further aligned with the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013), particularly Chapter 4, Section 20(2), which requires the preparation of a municipal SDF as part of the IDP. The review process therefore seeks to ensure that the district's SDF remains relevant, responsive, and capable of addressing current and emerging spatial development needs while promoting integrated, inclusive, and sustainable growth.

Despite these efforts, several challenges continue to constrain spatial development in Sekhukhune District. Chief among these are unresolved and competing land claims, which pose a risk to the stability and sustainability of future development initiatives. The rapid growth of informal settlements, coupled with a persistent housing backlog intensified by mining activities, has placed additional strain on both planning and service delivery capacity. Furthermore, competing land uses—particularly between mining, agriculture, and commercial development—create spatial, social, environmental, and economic pressures that limit balanced and coordinated growth. These challenges are further compounded by weak implementation of sector plans, including the SDF and Land Use Schemes (LUS), alongside poor enforcement of municipal policies.

The review of the 2018 Spatial Development Framework was therefore extended due to a combination of factors. The project scope was broadened to align with updated national and provincial SDF guidelines and to ensure full compliance with all regulatory requirements. Additional delays arose from the need to synchronize the district SDF with the provincial framework, which was also under review, and with the spatial frameworks of local municipalities. The extensive stakeholder engagement process,

while critical for inclusivity, added further activities and extended the timeline. It also became evident that the initial planning underestimated the time, capacity, and resources required to deliver a credible, comprehensive, and inclusive SDF.

To date, significant progress has been made. The review project has successfully completed the first three of six planned phases, and is currently in Phase 4, which focuses on developing spatial proposals and facilitating stakeholder engagement on draft outputs. The final two phases-covering the Monitoring and Implementation Framework, as well as the Finalization and Approval of the SDF-are still outstanding. These remaining phases are expected to take an additional six months to complete.

In light of the expanded content requirements, the alignment with updated SDF guidelines, and the need for continued consultation with stakeholders, the project timeline has been revised. Completion of the SDF is now projected for September 2025. This extension is not merely procedural; it is necessary to ensure that the final SDF is comprehensive, credible, and compliant with all applicable legislation. Most importantly, it will ensure that the framework reflects the development needs, aspirations, and opportunities of the Sekhukhune District in a manner that promotes sustainable and inclusive growth.

3.11.3 LAND FOR MUNICIPAL OFFICES

Background

In 2002, the Executive Council (EXCO) adopted a proposal to promote Jane Furse as the administrative and economic hub of the Sekhukhune District. The area earmarked for the relocation of Sekhukhune District offices was identified within the jurisdiction of the Pedi Mamone Traditional Authority. The relocation is intended to accommodate the offices of the Provincial District, National, Sekhukhune District, and Makhuduthamaga Local Municipality. In November 2021, the Inter-Ministerial Committee (IMC), comprising the MECs for DPWRI, CoGHSTA, and the Provincial Treasury, reached an agreement with the Pedi Mamone Traditional Authority for the release of land. The Authority agreed to release 53 hectares of land strictly for office development purposes, and the final community resolution confirming this agreement was signed on 5 February 2022.

Progress on Department of Agriculture Land Reform and Rural Development (DALRRD)- Land Release

In October 2023, the Department of Land Reform and Rural Development (DLRRD) made submissions to its Disposal Steering Screening Committee (DSSC) for recommendations to the Minister to release and transfer ownership of 53 hectares of land to the Limpopo Department of Public Works, Roads and Infrastructure (LDPWRI) and Makhuduthamaga Local Municipality. According to the proposal, LDPWRI was expected to receive 32 hectares, while Makhuduthamaga Local Municipality was to be allocated 21 hectares. From the 21 hectares, 15 hectares were designated for local municipal office space, and six hectares were earmarked for district municipal office space.

On 16 April 2024, the Minister of DLRRD approved the donation of 10 hectares of Portion 47 (a portion of Portion 3 of the farm Vergelegen 819 KS) for the establishment of government offices. This was part of the 32 hectares requested by LDPWRI. Subsequently, on 11 June 2024, the Minister approved a further 10 hectares from Portion 3 of the farm Vergelegen 819 KS to be donated to Makhuduthamaga Local Municipality for the same purpose, out of the 21 hectares initially requested.

Following these approvals, LDPWRI, Makhuduthamaga Municipality, and the Pedi Mamone Traditional Authority agreed to accept the 20 hectares made available, to allow the project to proceed with the first phase of development. It was further agreed that if additional land was required, the Minister would be approached for approval to release the remainder of Portions 47 and 49 for future human settlement purposes.

In compliance with the Public Finance Management Act (PFMA), LDPWRI sought approval from Limpopo Provincial Treasury to accept the donation of 10 hectares, which was granted on 7 October 2024. Similarly, Makhuduthamaga Local Municipality council, in line with the Municipal Finance Management Act (MFMA), formally accepted its 10-hectare donation on 29 October 2024. At the national level, the National Treasury approved the donation of 10 hectares of Portion 69 of the farm Vergelegen 819 KS for transfer to LDPWRI. However, approvals are still pending for the donation of an additional six hectares from Portion 47 and four hectares from Portion 70, which are intended for transfer to the Makhuduthamaga Local Municipality.

Progress has also been made in the legal transfer process. DLRRD and LDPWRI have signed the deeds of donation, while Makhuduthamaga Municipality issued clearance certificates. LDPWRI has since drafted a letter to the State Attorney to facilitate the registration of the donated land in its name.

Progress on Township Establishment for Government Offices

The Makhuduthamaga Local Municipality and Sekhukhune District Municipality appointed service providers, including a Professional Town and Regional Planner as well as a Land Surveyor, to facilitate the establishment of a township in Jane Furse. As part of the process, the appointed consultant was formally introduced to the Pedi Mamone Traditional Authority.

The township establishment process has reached an advanced stage. By January 2025, significant progress had been made, including the preparation of a topographical map, the completion of most specialist studies, such as the Environmental Impact Assessment (EIA), geotechnical investigations, flood line determination, an engineering services report, and a traffic impact study. A draft layout plan was also completed and presented to the Pedi Mamone Traditional Authority for consideration. Following this, the application for township establishment was submitted to the municipality for public participation in March 2025. However, before the advert could be issued, several outstanding matters had to be resolved. The applicant subsequently addressed these issues and submitted the outstanding documents on 28 May 2025. As a result, the municipality issued a public notice on 30 May 2025, inviting public comment on the application for a period of 28 days, closing at the end of June 2025. Once the public participation process is concluded, the application will be referred to the Sekhukhune District Municipality Planning Tribunal (SDMPT) for approval.

CHAPTER 4:

ORGANISATIONAL DEVELOPMENT PERFORMANCE

CHAPTER FOUR: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality had planned to achieve a total of **192** targets for the 2024/2025 financial year. The Municipality managed to achieve **141** of the **192** set targets which is an equivalence of **73%** and **51** set targets were not achieved. This translates to 27% underachievement of the 2024/2025 financial year.

The municipality has improved performance with 3% compared with the previous financial year which was at 70% achievement against the planned targets. The Department of Infrastructure and Water Services as the key Department of the district with **44** targets and only achieved **16** targets which translate to **36% were achievement against 2024/2025 financial year targets.** This poses a challenge to the municipality to improve in providing basic services to communities. The issue of late appointments of service providers, lack of human capital within some units and the Contractor being behind schedule due to cashflow challenges, continue to affect the performance of the municipality. The municipality is devising plans to address the root causes of underachievement.

The following table outlines the performance as per key performance area for the 2024/2025 financial year.

TABLE 1:

KEY PERFORMANCE AREAS	2023/2024 ANNUAL PERFORMANCE	2024/2025 ANNUAL PERFORMANCE			
	% ACHIEVED	NUMBER OF SET TARGETS	NUMBER OF ACHIEVED TARGETS	NUMBER OF TARGETS NOT ACHIEVED	% ACHIEVED
BASIC SERVICE DELIVERY AND INFRASTRUCTURE					
Infrastructure & Water Services	44%	44	17	27	39%
Community Services	100%	16	16	0	100%
TOTAL	**58%**	**60**	**33**	**27**	**55%**
GOOD GOVERNANCE AND PUBLIC PARTICIPATION					

Office of the Speaker	66%	16	16	0	100%
Office of the Executive Mayor	78%	20	16	04	80%
Office of the Municipal Manager	77%	21	12	09	57%
TOTAL	**74%**	**57**	**44**	**13**	**77%**
INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL DEVELOPMENT					
Corporate Services	79%	27	25	02	93%
IDP, PMS & Legal Services	93%	15	15	0	100%
TOTAL	**83%**	**42**	**40**	**02**	**95%**
FINANCIAL MANAGEMENT AND VIABILITY					
TOTAL	**60%**	**11**	**07**	**04**	**64%**
SPATIAL RATIONALE					
TOTAL	**40%**	**10**	**06**	**04**	**60%**
LOCAL ECONOMIC DEVELOPMENT					
TOTAL	**70%**	**12**	**11**	**01**	**92%**
TOTAL Performance	**70%**	**192**	**141**	**51**	**73%**

SEKHUKHUNE DEVELOPMENT AGENCY	**56%**	**14**	**03**	**11**	**21%**

TABLE 2: 2024/2025 PERFORMANCE PER DEPARTMENTS

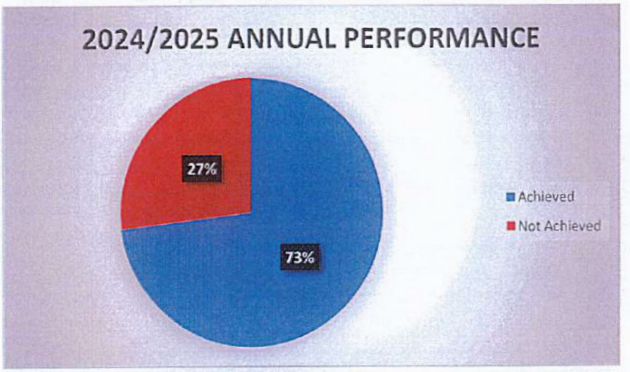
DEPARTMENT	NO. OF TARGETS	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	% ACHIEVED
Infrastructure & Water Services	44	17	27	39%
Community Services	16	16	0	100%
Corporate Services	27	25	02	93%
Planning & Economic Development	34	29	05	85%

Municipal Manager's Office	24	15	09	62%
Budget & Treasury Office	11	h07	04	64%
Office of the Executive Mayor	20	16	04	80%
Office of the Speaker	16	16	0	100%
Total	**192**	**141**	**51**	**73%**

Excel reports with full explanation of challenges and remedial actions for targets not achieved are attached as (**Annexure APR-1**)

Below is a graphical depiction of the overall performance of the Municipality in the financial year 2024/2025.

Figure 1.



Measures to improve performance.

Challenge	Measures to improve performance
The poor quality of technical reports due to lack of technical capacity within the Municipality	MISA has deployed two Engineers and a student Engineer to support the Municipality.
Inadequate application of Project Management Techniques in Planning & Implementation of projects	Continuous technical skills training & development through SAICE training programme. MISA is providing training combined with on-the-job training.
Disagreement between Traditional Leaders on land where projects are to be implemented. One village does not agree to share with neighbouring community.	Extensive consultation before the approval of the project by DWS. Obtain prior approval of Traditional Leaders for the projects to continue.

Lack of water source in some areas within the region. Sometimes the quality of water cannot be used for consumption which compels the Municipality to stall the projects. Additional funding will therefore be required to build a package plant. This funding acquisition process takes time.	At planning stage, the quality and quantity of underground water must be determined before the technical report to drill a borehole is submitted for funding.
Structuring of the RBIG to be paid to the Municipality via DWS whereas the DORA allocates it directly to the Municipality. DWS delays the payment of service providers funded from this grant.	Continuous engagement with the DWS to transfer the RBIG grant directly to the municipality. DWS is monitoring the municipality's performance to review the status of Schedule 6B to schedule 5B.

COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

4.1.1 INTRODUCTION

In terms of the White Paper on Human Resource Management in the Public Service, HR management will result in diverse competent and well-managed workforce; capable of and committed to delivering the high-quality services to the people of South Africa. It should be a model of excellence in which service to society stems from individual commitment instead of compulsion. The mission of the White Paper also emphasises that the management of people should be regarded as a significant task for those who have been charged with the responsibility and should be conducted in a professional manner. In the same breath, Section 57 of the Municipal Systems Act, 32 of 2000 requires the municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration. The above legislations direct Municipalities to put in place HR policies, procedures, practices and strategies that will enable the attainment of the organizational strategic objectives. Human Resource is an important role player and an enabler in this regard. In order to succeed the mission and vision of Human Resource unit should be aligned to those of SDM and the IDP.

4.1.2. Human Resource Vision and Mission

4.1.2.1. HR Vision

To be a unit that champions effective, efficient, and economic human resource support service.

4.1.2.2. HR Mission Statement

To provide human resource service through high impact, sustainable and strategic objectives to attain shared growth and productivity through:

- Provision of recruitment, selection and appointment of staff
- Provide staff retention and terminations.
- Provision of leave administration
- Provision of employees benefits administration.
- Provision of HR policies and procedures development
- Implementation of Employment equity Act
- Provision of training and development
- Provision of performance management system
- Provision of employee database

4.1.3. Legal Framework

Human resource derives its mandate from, inter-alia, the following legislative prescriptions:

- The Constitution of RSA (Act, 108 of 1996)
- The Basic Conditions of Employment Act, 75 of 1997
- Employment Equity Act, 55 of 1998
- Skills Development Act, 97 of 1998
- Labour Relations Act, 66 of 1995
- Municipal Systems Act, 32 of 2000
- The White Paper on Human Resource Management in the Public Service.

4.2. EMPLOYEES

4.2.1. TOTAL NUMBER OF EMPLOYEES, STAFF TURN- OVER AND VACANCIES

As per Organizational structure of the 2024/2025, 716 out of 1028 positions that were approved on the organisational structure, were filled. Forty-one (41) employees were terminated due to various reason ranging from retirement, resignation, death, dismissal, etc. A break-down of the posts in the organization is reflected in the table below:

4.2.2. Total Number of Employees

Name of Department	Number of Posts filled	Males	Females
Executive Mayor's Office	37	18	19
Office of the Speaker	18	10	8
Municipal Manager's Office	13	8	5
Corporate Services	53	20	33
Budget & Treasury	**57**	**21**	**36**
Planning	8	4	4
Community Services	99	60	39
Infrastructure/Water	411	279	132
MIG	18	8	10
Section 57	6	4	2
TOTAL	**720**	**432**	**288**

4.2.3 Senior management posts vacancy rate in comparison with the SDM local municipalities

Municipality	Number of Posts	Filled	Vacant	Vacancy rate
Fetakgomo Tubatse	**07**	**03**	**04**	**57%**
Makhuduthamaga	**06**	**04**	**0**	**0%**
Ephraim Mogale	**06**	**06**	**0**	**0%**
Elias Motsoaledi	**06**	**04**	**01**	**14%**
Sekhukhune	**07**	**06**	**01**	**14%**
Total	**32**	**23**	**06**	**19%**

4.3 HR ORGANISATIONAL POLICIES

A policy is defined as a system of principles to guide decision making and achieve rational outcomes. In order for human resource practices to be fair, transparent, effective, efficient, consistent and economic, the policies, guidelines and Standard Operating Procedures should be developed in line with the applicable legislations for attainment of the organizational imperatives as enshrined in the IDP. In compliance with the above, the following CPS policies were developed/reviewed:

- Individual Performance Management Policy
- Training and Development Policy
- Standby and Overtime Policy
- Substance Abuse Policy
- Sexual Harassment Policy
- Job Evaluation Policy
- Recruitment and Selection Policy
- Bursary Policy
- Local Labour Forum Policy
- Scarce Skills Policy
- Secondment Policy
- Acting Policy
- Cost Containment Policy
- Succession Planning Policy
- Employee Assistance Programme Policy
- ICT Firewall Policy
- ICT Disaster Recovery Policy
- ICT Data Backup and Recovery Policy
- Data Centre Access Control and Environment Policy
- Subsistence and Travelling Allowance

Human Resource Unit has identified policies that are necessary in the practice and are considered for development and also the Standard Operating Procedures for all the developed/reviewed:

- Official Working Hours
- Business Code of Ethics Policy
- Human Resource Development Strategy
- Personal Clothing and Equipment Policy
- Remuneration Policy
- Managing Underperformance Policy
- Fraud and Bribery Policy
- Equality and Diversity Policy
- Fleet Management Policy
- Facility Management Policy

- Personal File Access Policy
- Bereavement and Funeral Policy
- Gift Policy

NB Human Resource Unit has developed the HR Strategic Plan and it is on the consultation process.

4.4. INJURY ON DUTY REPORT

Injury On Duty Report

INJURY ON DUTY (IOD) ANNUAL REPORT (2023 – 2024 FINANCIAL YEAR)

The following is the Injury on duty report (accidents/ incidents) from July 2024 to June 2025. This is done in terms of Compensation for Occupational Injuries and Diseases Act 130 of 1993. The report is categorized as follows: (a) name of the employee, (b) claim number, (c) employee identity number, (d) date of the injury, and (e) case progress.

No	Name of the Employee	Claim		Date	Case Progress
01	Masoikananeng MA	Liability accepted	6905145380089	21.10.2024	Claim finalised with Permanent Disablement. Award given and paid
02.	Manaleng M. K.	Not yet accepted	8805126185085	25.09.2025	Undergoing treatment as outpatient
03.	Mashupye RM	Not yet accepted	8403210503080	10.09.2025	Undergoing treatment as outpatient
04.	Madiseng MS	Not yet accepted	8009096314080	07.09.2025	Undergoing treatment as outpatient

05	Tshehlo MS	Not yet accepted	9008116028089	01.09.2025	Undergoing treatment as outpatient
06	Shivambu CG	Not yet accepted	8604115669088	17.09.2025	Undergoing treatment as outpatient
07	Matebane MM	12094262	8403260584089	19.12.2024	Undergoing treatment as outpatient
08	Pitjo MP	12170436	8612040651089	06.06.2025	Undergoing treatment as outpatient
09	Tjebane MI	Not yet accepted	8110085866084	13.11.2024	Undergoing treatment as outpatient
10	Ledwaba LL	12170590	8103290542087	07.06.2025	Undergoing treatment as outpatient
11	Cossa MM	12165464	9803240977080	27.05.2025	Undergoing treatment as outpatient
12	Mthombeni MJ	12096003	7109215849086	18.01.2025	Finalised with Permanent Disablement
13	Tlamama MD	12166613	6901021400083	01.07.2025	Undergoing treatment as outpatient

14	Malepe MB	12173047	8912010753083	06.08.2025	Undergoing treatment as outpatient
15	Mahlangu SQ	12127967	7905130607081	07.03.2025	Undergoing treatment as outpatient
16	Mathibela CM	12127902	8902115592080	07.03.2025	Undergoing treatment as outpatient
17	Mahladisa NM	Not yet allocated	8807230507089	07.06.2025	Undergoing treatment as outpatient
18	Mosana RG	12112454	9101315888088	15.03.2025	Undergoing treatment as outpatient
19	Masanabo MP	12164352	8708275357085	21.05.2025	Undergoing treatment as outpatient
20	Mokolo TG	Liability not yet accepted	7001056077085	14.05.2025	Undergoing treatment as outpatient
21	Mohlahlo MP	Not yet allocated	7501195581087	23.08.2025	Undergoing treatment as outpatient

4.5 LABOUR RELATIONS CASES

In the year under review (2024-2025) we had to deal with the following cases affecting our employees.

Misconduct cases are dealt with in terms of s23 of the Constitution, Labour Relations Act, and Disciplinary Procedure Collective Agreement, Municipal Systems Act (code of conduct for municipal staff members), SDM policies, SDM Circulars and other labour legislations.

Six (06) misconduct cases were facilitated and all were finalized.

Warning/s issued.

There were no warnings issued in terms of Schedule 8 of the Labour Relations Act and Disciplinary procedure collective agreement.

Grievance cases

Grievance cases are dealt with in terms of s23 of the Constitution and Section C, Clause 13 of the SALGBC Main Collective Agreement.

There were Two (2) Grievances lodged and facilitated during the period under review.

Dispute resolution

Dispute resolutions are dealt with in terms of the Labour Relations Act, SALGBC Main Collective Agreement, Commission for Conciliation, Mediation & Arbitration (CCMA) rules and other labor legislations.

Three (03) labor disputes were received and facilitated

4.6. SKILLS DEVELOPMENT AND TRAINING

The following table indicates various programmes as well as budget commitments undertaken by the Municipality to address the skills of its employees as well as the general communities.

4.7. TRAINING SPEND IN 2024/2025

PROJECTS	BUDGET ALLOCATED	REVIEWED BUDGET
External bursaries	None	None
Staff bursaries	R1 000 000	None
WSP Implementation	R2 000 000	None
Experiential learning	None	None
Internship	None	None

4.8. BURSARIES

In the 2024/2025 financial year Sekhukhune District Municipality has been supporting students financially to study for various programmes at universities.

The municipality was providing financial assistance to needy employees who are attending various tertiary institutions. There were **thirty-three (33)** students that are currently in the programme through the internal bursary scheme that we provide. These employees study in the various fields.

CHAPTER 5:

FINANCIAL PERFORMANCE

CHAPTER FIVE: FINANCIAL PERFORMANCE

COMPONENT A

5.1. STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL PERFORMANCE

The total revenue realised by the SDM for the 2024/2025 financial year reported at R 1 886 963 036 compared to R1 758 919 190 for the 2023/2024 financial year. Revenue from exchange items is summarised as follows:
Service charges, which are the sale of water and sewer services, stood at R 116 424 838 as compared to R 71 551 840 in the 2023/2024 financial year.

Interest received by debtors is reported at R 39 224 920 as compared to R 34 069 586 in the 2023/2024 financial year. Other sources of revenue, such as the sale of tender documents contributed R 2 174 673 as compared to R 1 082 941 in the 2023/2024 financial year.

Interest on investments reported at R 57 242 593 as compared to R 81 206 793 in the 2023/2024 financial year. Actuarial gains stood at R 3 168 662, while previous year we had reported at R 3 763 226.

Revenue from non-exchange items reported at R1 671 896 012 for the 2024/2025 financial year as compared to R 1 571 008 030 in the 2023/2024 financial year. The revenue from non-exchange is the government subsidies and grants represent 88% of the total revenue as at 30 June 2025 and clearly that indicates dependency on grants.

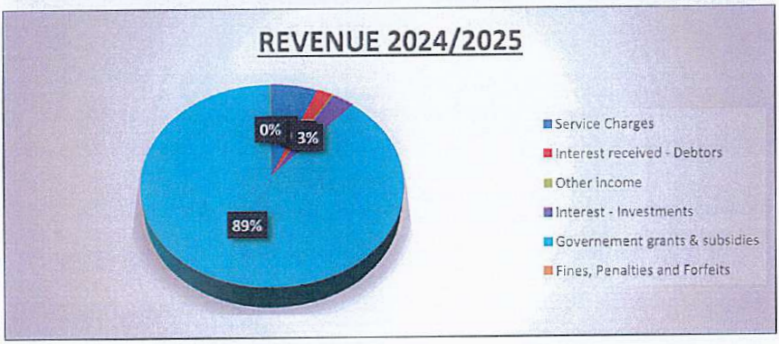
5.2. Revenue sources

The chart below shows the proportions of revenue for 2024/2025 amount to R 1 886 963 036. The chart indicates that the municipality is still receiving a large chunk of its revenue from government subsidies and grants at 88% R1 671 005 900. Service charges have increased by 62%, which represents R 116 424 838 compared to the R 71 551 840 of the previous financial year, and Interest received from debtors has increased by 15% amounting to R39 224 920 compared to R 34 069 586 of the previous financial year. Furthermore, investment interest has decreased by 30% which represent R 57 242 593 as compared to previous financial year at R 81 206 793.

TABLE 1: 2024/2025 REVENUE FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Revenue from exchange transac	2025	2024
Service Charges	116 424 838,00	71 551 840,00
Interest received - Debtors	39 224 920,00	34 069 586,00
Other income	2 174 673,00	1 082 941,00
Interest - Investments	57 242 593,00	81 206 793,00
Total	**215 067 024,00**	**187 911 160,00**

Revenue from non-exchange tra	2025	2024
Governement grants & subsidies	1 671 005 900,00	1 570 998 704,00
Fines, Penalties and Forfeits	890 112,00	9 326,00
Total	**1 671 896 012,00**	**1 571 008 030,00**



5.3. Expenditure

The total expenditure for the municipality in 2024/2025 was at R 1 717 338 755 as compared to R 1 620 231 840 in 2023/2024 financial year.

The contracted services is the highest contributor, amounting to R 360 322 935 for the 2024/2025 financial year as compared to R 313 097 579 in the 2023/2024 financial year.

Bulk purchases is the second contributor at R 165 686 135 in 2024/2025 compared to R 231 345 755 in 2023/2024 financial year.

Debt impairment is the third contributors at R 99 298 034 in 2024/2025 as compared to R 83 509 317 in 2023/2024 financial year.

Repairs and maintenance is the fourth highest contributors at R 82 281 773 compared to R 51 075 674 in the 2023/2024 financial year.

The General expenses are the fifth contributor at R 261 288 330 in 2024/2025 as compared to R 222 751 723 in the 2023/2024 financial year.

Transfer and subsidies are the sixth contributors at R 12 178 756 in 2024/2025, as compared to R 10 697 833 in the 2023/2024 financial year

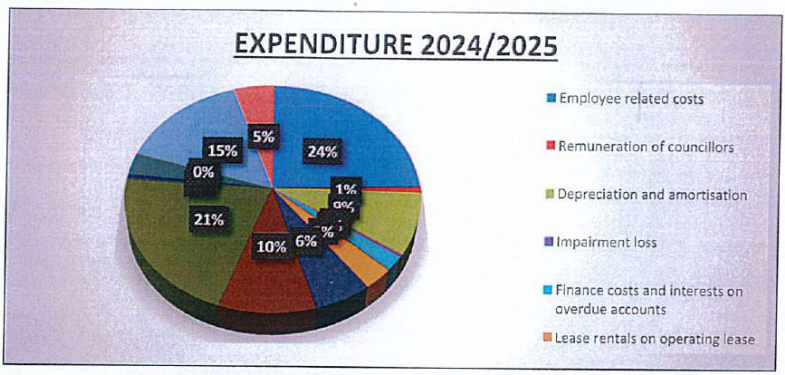
Employee-related cost is the seventh contributor, amounting to R 422 563 849 compared to R 432 773 919 in the 2023/2024 financial year.

While the depreciation and amortization are the eighth contributor at R 149 159 084, compared to R 144 961 078.

Lastly, is remuneration of councillors is reported at R 16 301 304 as compared to R 17 935 498 in the 2023/2024 financial year.

TABLE 2: 2024/2025 EXPENDITURE

EXPENDITURES	2025	2024
Employee related costs	422 563 849,00	432 773 919,00
Remuneration of councillors	16 301 401,00	17 935 498,00
Depreciation and amortisation	149 159 084,00	144 961 078,00
Impairment loss	9 046 525,00	7 348 419,00
Finance costs and interests on overc	32 785 697,00	18 964 288,00
Lease rentals on operating lease	52 092 341,00	45 782 700,00
Debt Impairment	99 298 034,00	83 509 317,00
Bulk purchases	165 686 135,00	231 345 755,00
Contracted services	360 322 935,00	313 097 579,00
Transfers and Subsidies	12 178 756,00	10 697 833,00
Inventory losses/write-downs	53 807 465,00	38 302 446,00
Actuarial losses	526 527,00	1 685 611,00
General Expenses	261 288 330,00	222 751 723,00
Repairs and maintenance	82 281 773,00	51 075 674,00
TOTAL EXPENDITURE	**1 717 338 852,00**	**1 620 231 840,00**



5.4. Asset management

The Municipality has during 2024/2025 financial year used the appointed service provider to deal with asset management matters over the 12 months. During 2024/2025 all the movable assets have been dealt with, 100% of immovable assets were verified and accounted for. The municipality is continuing the process to clean-up immovable assets during 2024/2025 and beyond. It must be emphasised that these immovable assets are mainly the water services infrastructure that were transferred to the district municipality during the establishment of water services authority and provider functions.

Thus, the municipality has several assets in the form of water and sanitation infrastructure (immovable assets) as well as those assets that are movable (office furniture and vehicles). In the 2024/2025 financial year, the total assets were at R6 198 911 245 as compared to the 2023/2024 financial year at R5 868 161 528. Thus, 5% overall increase in assets.

The total liabilities for the 2024/2025 financial year were at R 935 886 701 compared to the 2023/2024 financial year, which stood at R 794 108 880

5.5. Net asset position = Assets: Liabilities

The Municipality has during 2024/2025 financial year used the appointed service provider to deal with asset management matters on a three (3) years contract. During 2024/2025 all the movable assets have been dealt with, 100% of immovable assets were verified and accounted for.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

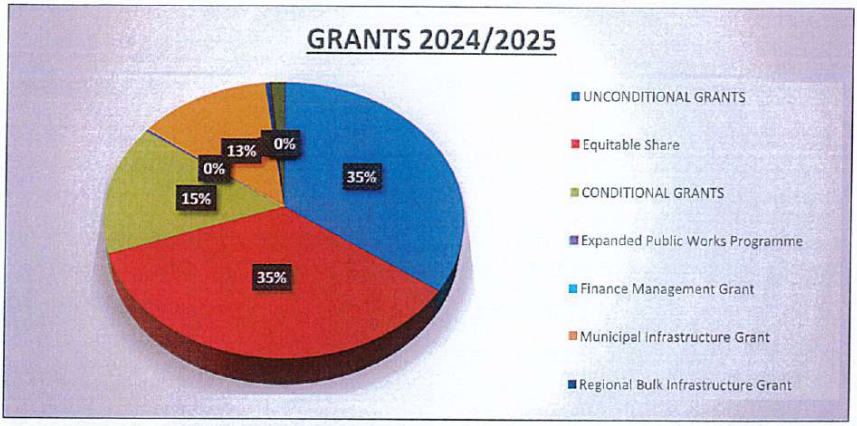
5.6. Grants received.

- Sekhukhune District Municipality received an amount of R1 671 005 900 for 2024/2025 financial year as compared to R1 570 998 704 for the 2023/2024 financial year. The grants were received as follows:
- Equitable share R1 139 344 000 (2024: 1 065 825 000)
- Municipal Infrastructure Grant R 451 939 007 (2024: R393 723 335)
- Expanded Public Works Program R 10 676 002 (2024: R15 355 000)
- Finance management Grant R 2 400 000 (2024 : R2 400 000)
- Water Services Infrastructure Grant R 44 464 612 (2024 : R36 013 680)
- Regional Bulk Infrastructure Grant R17 295 231 (2024: R51 952 541)
- National Department of Labour: SETA R2 316 048 (2024: R2 3 845 377)
- Rural Roads Assets Management System Grant R 2 571 000 (2024: R1 883 771)

5.7. Sources of finance for capital funding

TABLE 3

GRANT TYPE	2024/2025	OPENING BALANCE	UNSPENT PAID BACK	EXPENDITURE	UNSPENT TO DATE
UNCONDITIONAL GRANTS	1 139 433 000,00	-	-	- 1 139 433 000,00	-
Equitable Share	1 139 433 000,00	-	-	- 1 139 433 000,00	-
CONDITIONAL GRANTS	500 379 893,00	42 776 109,00	- 2 320 472,00	- 531 661 901,00	9 173 629,00
Expanded Public Works Programme	10 676 002,00	-	-	- 10 676 002,00	-
Finance Management Grant	2 400 000,00	-	-	- 2 400 000,00	-
Municipal Infrastructure Grant	420 657 000,00	40 403 645,00	-	- 451 939 008,00	9 121 637,00
Regional Bulk Infrastructure Grant	17 295 231,00	-	-	- 17 295 231,00	-
Rural Roads Assets Management Sy:	2 571 000,00	2 372 464,00	- 2 320 472,00	- 2 571 000,00	51 992,00
Water Services Infrastructure Grant	44 464 612,00	-	-	- 44 464 612,00	-
National Department of Labour: LGS	2 316 048,00	-	-	- 2 316 048,00	-



COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

5.8. Cash equivalents

By the end of the financial year 2024/2025, Sekhukhune District Municipality closed cash and cash equivalents of R 391 480 180 as compared to R 552 691 059 in the 2023/2024 financial year.

Cash flow from investing activities (purchase of plant and equipment) stood at R691 803 588 financial year 2024/2025, as compared to R480 577 896 financial year 2023/2024 financial year.

5.9. Borrowing and investments

By the end of the 2024/2025 financial year, the municipality had a short-term investment of R 375 333 648.09 compared to R 546 219 352 in 2023/2024 financial year.

COMPONENT D: OTHER FINANCIAL MATTERS

5.10. Supply Chain Management

Procurement of goods and services done during the year following supply chain management policy and regulations. All SCM issues reported under cooperative governance.

5.11. Bid Committees

It is the competency of the Municipal Manager to appoint bid committees in the municipality. All bid committees were established and functioned well. The following committees were established:

- Specification
- Quotation
- Evaluation
- Adjudication

5.12. Oversight role of Council

The municipality has the following committees to play oversight role to Council and its committees:

- Rules committee enforces council rules during council meetings.
- Petition committee attend to petitions submitted to the municipality and reports to council.
- Ethics committee investigates the conduct of councillors.
- Municipal Public Account Committee (MPAC) ensures accountability of administration to council and Audit committee which advice the municipal council, the political office bearers the accounting officer and the management staff of the municipality as reflected in section 166(2) of MFMA.

5.13. GRAP Compliance

The annual financial statements (AFS) have been prepared according to GRAP standards as required by the Municipal Finance Management Act, of 2003.

CHAPTER 6:

AUDITORS GENERAL FINDINGS AND OPINIONS

CHAPTER SIX: AUDITOR GENERAL FINDINGS AND OPINION

COMPONENT A: 2024/2025 AUDITOR GENERAL OPINION AND FINDING

6.1 2024/2025 financial year Auditor General South Africa (AGSA) Report and findings

During the 2024-2025 financial year the Auditor General of South Africa issued a Qualified Audit opinion. The municipality did not improve on the opinion as it is the same as the previous year.

Basis for opinion

1. Employee benefits
2. Irregular expenditure
3. Expenditure Contract Services
4. Net Cash from operating activities
5. Net cash flow from Investing activities

EMPHASIS OF MATTERS

1. Restatement of corresponding figures
2. Material water losses
3. Litigations and claims
4. Material impairment debtors

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

1. Annual Financial Statements, Performance and Annual Report
2. Expenditure Management
3. Procurement and Contract Management
4. Consequences Management
5. Strategic planning and budgeting

REPORT ON ANNUAL PERFORMANCE REPORT (APR)

1. Supporting evidence provided did not agree with the reported achievement (IWS)
2. Reported targets in the annual performance report were inconsistent with the commitments made
3. Various Indicators were not clearly defined during the planning process
4. Various primary mandated functions were not prioritised for delivery in the performance year (Water Quality Management and Water loss Management)
5. Targets not achieved (IWS and LED

COMPONENT B: 2023-2024 AUDITOR GENERAL OPINION AND FINDINGS

6.2 2023-2024 financial year Auditor General South Africa (AGSA) Report and findings

During the 2023-2024 financial year the Auditor General of South Africa issued a Qualified Audit opinion.

6.3 Progress on 2023/2024 financial year Auditor General South Africa findings

During the 2023-2024 financial year the Auditor General of South Africa issued a Qualified Audit opinion with 2 matters for the basis for the qualified opinion and 6 matters of emphasis.

In terms of audit of performance information only Basic Service Delivery key performance area was audited.

The municipality had 46 Audit Findings as at June 2024 39 Findings were addressed and 7 were in progress

CONCLUSIONS

The Annual Report for 2024/2025 financial year is hereby presented to reflect the performance of the municipality during the period under review. Many challenges remain to be resolved, and it requires the collaboration of all stakeholders to put their shoulders behind the wheel to ensure that service delivery is achieved whilst at the same time proper administrative systems and processes are also put in place to comply with best practices.

This Annual Report must not be read in isolation, the annexures to the Annual Report as stated below are also central towards overall understanding of the Annual Report namely:

Annexure A: Audited Annual Financial Statement 2024/2025

Annexure B: Audit Report SDM & SDA 2024/2025

Annexure C: SDBIP Cumulative Performance Report 2024/2025

: Performance of Service Providers Report 2024/2025

Annexure D: Sekhukhune Development Agency Annual Report 2024/2025

Annexure E: Audit Committee Report 2024/2025

Annexure F: Audit Action Plan 2024/2025

Annexure G: Community consultation Report 2024/2025

Annexure H: Oversight Report 2024/2025

ANNEXURE A:

Audited Annual Financial statement 2024/2025

SEKHUKHUNE
District Municipality

Sekhukhune District Municipality
Financial statements
for the year ended 30 June 2025
Auditor General (SA)

General Information

Legal form of entity	A district municipality in terms of section 1 of the Local Government Municipal Structures Act 11 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 (water and sanitation) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.
Mayoral committee	
Executive Mayor	Cllr Maitula B.M (Executive Mayor)
	MMC (Infrastructure and Water Services) Makgolane RE
	MMC (Community Services) Mafefe O
	MMC (Budget and Treasury) Leshaba B
	MMC (Maintenance and Operations) Mabatane MC
	MMC (Corporate Services) Nkosi SM
	MMC (Youth) Leokana MD
	Cllr Ngobeni
	Cllr Mathipa MP
Councillors	Cllr Chego KS (Speaker of council)
	Cllr Machipa (Chief Whip of council)
	Cllr Mogofe A
	Cllr Tladi MD
	Cllr Maloba A
	Cllr Machai MJ
	Cllr Mealane KM
	Cllr Letsela NS
	Cllr Magatla LN
	Cllr Mashegoana MC
	Cllr Thokoane KZ
	Cllr Mokomane ML
	Cllr Mosoane E
	Cllr Rankoe P
	Cllr Nkosi SB
	Cllr Matjomane SD
	Cllr Sithole ME
	Cllr Maebelo LS
	Cllr Mohlamonyane TE
	Cllr Mashilo MS
	Cllr Makofane IT
	Cllr Ngwatle AT
	Cllr Mabefane JM
	Cllr Tlape MM
	Cllr Mokgoto K
	Cllr Mgiba NP
	Cllr Makutu TS
	Cllr Makofane T
	Cllr Magabe MS
	Cllr Senong MR
	Cllr Mosotho MT
	Cllr Matsetela ML
	Cllr Komane LM
	Cllr Kgwedi JL

General Information

	Cllr Tshivhula MP Cllr Mogotji FM
Grading of local authority	Grade 4 Municipality
Accounting Officer	Mr. Kgwale MM
Chief Finance Officer (CFO)	Mr. Nkadimeng HL
Registered office	03 West Street Groblersdal 0470
Postal address	Private Bag X8611 Groblersdal 0470
Bankers	Standard Bank
Auditors	Auditor General (SA)

Index

The reports and statements set out below comprise the financial statements presented to the provincial legislature:

	Page
Accounting Officer's Responsibilities and Approval	4
Audit Committee Report	5
Accounting Officer's Report	6
Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	10
Statement of Comparison of Budget and Actual Amounts	10 - 16
Accounting Policies	17 - 39
Notes to the Financial Statements	40 - 91

Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
MIG	Municipal Infrastructure Grant
WSIG	Water Services Infrastructure Grant
SALGA	South African Local Government Association

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

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

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

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I have reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, I am satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is at most dependent on the government grants for continued funding of operations. The financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the I am is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's financial statements. The financial statements have been examined by the municipality's external auditors. 6.

The financial statements set out on page 8 to 83, which have been prepared on the going concern basis, were approved by the accounting officer on 30 June 2025 and were signed on its behalf by:

Accounting Officer
Mr. Kgwale MM

Audit Committee Report

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

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. The meetings held by the audit committee are listed here under:

Name of member	Number of meetings attended
Mr. Mofokeng LS (Chairperson)	16
Ms. Ngoetjana S	16
Adv. Thubakgale L	16
Mr. Manyisane V	16
Mr. Mathabatha M	15

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the Municipal Finance Management Act.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the municipality during the year under review..

Evaluation of financial statements

The audit committee has:

- reviewed and discussed the audited financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The audit committee concur with and accept the Auditor-General of South Africa's report the financial statements, and are of the opinion that the audited financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Chairperson of the Audit Committee

Date: _____

Accounting Officer's Report

The accounting officer submits her report for the year ended 30 June 2025.

1. Review of activities

Main business and operations

Net surplus of the 2024/2025 financial year was R 172 699 430.00 as at 30 June 2025 (30 June 2024 - R 142 672 774.00)

2. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of R 5 263 024 545.00

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the municipality to ensure that all matters of compliance are adhered to so as to ensure that all the conditional and unconditional grants allocated to the municipality are received in full as the municipality is currently grant dependent to fund its operations. The municipality is currently implementing the revenue strategy that is aimed as enhancing the its revenue base over time to ensure that there is financial sustainability without having to rely heavily on government grants and subsidies.

3. Subsequent events

Details of the subsequent events are disclosed under note 51 of the financial statements.

4. Accounting policies

The financial statements were prepared in accordance with the prescribed standards of Generally Accepted Accounting Practice (GRAP), including any interpretations of such Statements issued by the Accounting Standard Board as the prescribed by the Municipal Finance Management Act.

5. Bankers

The Standard Bank South Africa is the primary banker of the municipality for a period of five years.

6. Auditors

Auditor General (SA) will continue in office for the next financial period.

7. Provincial and National Treasury

The municipality is required, in terms of section 126(1)(a) of the MFMA, to submit its annual financial statements and those of the Sekhukhune Development Agency to the Auditor General South Africa within two months of the end of the annual financial year.

The financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the accounting officer on 30 June 2025 and were signed on its behalf by:

Accounting Officer
Mr. Kgwale MM

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	12	35 774 898	18 081 243
Other financial assets	5	1 000	1 000
Receivables from non-exchange transactions	13&16	15 393 239	10 342 929
VAT receivable		124 906 893	170 814 339
Prepayments	10	4 910 253	5 090 073
Receivables from exchange transactions	15	35 189 105	47 293 892
Cash and cash equivalents	17	391 480 180	552 691 059
		607 655 568	**804 314 535**
Non-Current Assets			
Property, plant and equipment	3	5 590 508 875	5 063 231 678
Heritage assets	4	746 802	615 315
		5 591 255 677	**5 063 846 993**
Total Assets		**6 198 911 245**	**5 868 161 528**
Liabilities			
Current Liabilities			
Operating lease liability	6	218 684	199 409
Payables from exchange transactions	7	795 858 257	656 196 358
Consumer deposits	9	5 920 219	5 508 777
Unspent conditional grants and receipts	18	9 173 647	42 776 109
Employee benefits	19	19 440 000	27 695 000
VAT payable	20	63 227 894	61 733 227
		893 838 701	**794 108 880**
Non-Current Liabilities			
Employee benefits	19	42 048 000	37 535 000
Total Liabilities		**935 886 701**	**831 643 880**
Net Assets		**5 263 024 544**	**5 036 517 648**
Accumulated surplus		5 263 024 545	5 036 517 648
Total Net Assets		**5 263 024 545**	**5 036 517 648**

* See Note 48 & 47

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	22	116 424 838	71 551 840
Interest received - Debtors		39 224 920	34 069 586
Other income		2 174 673	1 082 941
Interest - Investments	26	57 242 593	81 206 793
Total revenue from exchange transactions		**215 067 024**	**187 911 160**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	28	1 671 005 900	1 570 998 704
Fines, Penalties and Forfeits	23	890 112	9 326
Total revenue from non-exchange transactions		**1 671 896 012**	**1 571 008 030**
Total revenue	21	**1 886 963 036**	**1 758 919 190**
Expenditure			
Employee related costs	29	(422 563 849)	(432 773 919)
Remuneration of councillors	30	(16 301 304)	(17 935 498)
Depreciation and amortisation	31	(149 159 084)	(144 961 078)
Impairment loss	32	(9 046 525)	(7 348 419)
Finance costs and interests on overdue accounts	33	(32 785 697)	(18 964 288)
Lease rentals on operating lease	24	(52 092 341)	(45 782 700)
Debt Impairment	34	(99 298 034)	(83 509 317)
Bulk purchases	36	(165 686 135)	(231 345 755)
Contracted services	37	(360 322 935)	(313 097 579)
Transfers and Subsidies	27	(12 178 756)	(10 697 833)
Inventory losses/write-downs		(53 807 465)	(38 302 446)
Actuarial losses		(526 527)	(1 685 611)
General Expenses	35	(261 268 330)	(222 751 723)
Repairs and maintenance		(82 281 773)	(51 075 674)
Total expenditure		**(1 717 338 755)**	**(1 620 231 840)**
Fair value adjustments		131 487	63 198
Actuarial gains		2 943 662	3 922 226
Surplus for the year		**172 699 430**	**142 672 774**

* See Note 46 & 47

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance at 01 July 2023	**4 947 652 340**	**4 947 652 340**
Changes in net assets		
Prior period adjustments	(53 807 466)	(53 807 466)
	(53 807 466)	(53 807 466)
Surplus for the year	142 672 774	142 672 774
Total recognised income and expenses for the year	88 865 308	88 865 308
Total changes	88 865 308	88 865 308
Opening balance as previously reported	5 108 084 553	5 108 084 553
Adjustments		
Prior year adjustments 48	(17 759 438)	(17 759 438)
Restated* Balance at 01 July 2024 as restated*	**5 090 325 115**	**5 090 325 115**
Changes in net assets		
Surplus for the year	172 699 430	172 699 430
Total changes	172 699 430	172 699 430
Balance at 30 June 2025	**5 263 024 545**	**5 263 024 545**

Note(s)

* See Note 48 & 47

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		29 231 591	653 664
Grants		1 637 403 438	1 359 671 780
Interest income		96 467 513	115 115 539
Other receipts		3 064 785	1 082 941
		1 766 167 327	1 476 523 924
Payments			
Employee costs		(414 112 981)	(399 655 369)
Suppliers		(799 304 526)	(757 761 937)
Remuneration of council		(16 301 304)	(17 935 498)
Finance costs		(5 855 807)	(597 532)
		(1 235 574 618)	(1 175 950 336)
Net cash flows from operating activities	38	**530 592 709**	**300 573 588**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(691 803 588)	(480 577 896)
Net increase/(decrease) in cash and cash equivalents		**(161 210 879)**	**(180 004 308)**
Cash and cash equivalents at the beginning of the year		552 691 059	732 695 367
Cash and cash equivalents at the end of the year	17	**391 480 180**	**552 691 059**

The accounting policies on pages 17 to 39 and the notes on pages 40 to 91 form an integral part of the financial statements.

Statement of Comparison of Budget and Actual Amounts

Budget on Cash 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	113 840 164	242 000	**114 082 164**	116 424 838	**2 342 674**	
Interest received (Outstanding debtors)	19 016 199	6 199 129	**25 215 328**	39 224 920	**14 009 592**	
Gains on disposal of assets	675 000	-	**675 000**	-	**(675 000)**	
Other Income	2 366 536	65 290 264	**67 656 800**	2 174 673	**(65 482 127)**	
Interest received - investments	51 033 573	10 000 000	**61 033 573**	57 242 593	**(3 790 980)**	
Total revenue from exchange transactions	**186 931 472**	**81 731 393**	**268 662 865**	**215 067 024**	**(53 595 841)**	

* See Note 48 & 47

Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies - Operational	1 183 956 750	-	1 183 956 750	1 157 307 050	(26 649 700)
Fines, Penalties and Forfeits	777 965	600 000	1 377 965	890 112	(487 853)
Total revenue from non-exchange transactions	**1 184 734 715**	**600 000**	**1 185 334 715**	**1 158 197 162**	**(27 137 553)**
Total revenue	**1 371 666 187**	**82 331 393**	**1 453 997 580**	**1 373 264 186**	**(80 733 394)**
Expenditure					
Personnel	(476 765 322)	30 133 215	**(446 632 107)**	(422 563 849)	**24 068 258**
Remuneration of councillors	(18 319 544)	-	**(18 319 544)**	(16 301 304)	**2 018 240**
Depreciation	(94 920 919)	150 000	**(94 770 919)**	(149 159 084)	**(54 388 165)**
Impairment of assets	-	-	**-**	(9 046 525)	**(9 046 525)**
Finance costs	(110 460)	-	**(110 460)**	(32 785 697)	**(32 675 237)**
Lease rentals on operating lease	-	-	**-**	(52 092 341)	**(52 092 341)**
Debt Impairment	-	-	**-**	(99 298 034)	**(99 298 034)**
Inventory consumed - Bulk Water Supply	(167 382 621)	93 919 788	**(73 462 833)**	(165 686 135)	**(92 223 302)**
Contracted Services	(287 027 464)	(186 221 290)	**(473 248 754)**	(360 322 935)	**112 925 819**
Transfers and Subsidies	(20 900 000)	-	**(20 900 000)**	(12 178 756)	**8 721 244**
Actuarial losses	-	-	**-**	(526 527)	**(526 527)**
General expenses	(178 382 517)	(37 490 000)	**(215 872 517)**	(343 570 103)	**(127 697 586)**
Total expenditure	**(1 243 808 847)**	**(99 508 287)**	**(1 343 317 134)**	**(1 663 531 290)**	**(320 214 156)**
Operating deficit	**127 857 340**	**(17 176 894)**	**110 680 446**	**(290 267 104)**	**(400 947 550)**
Transfers and subsidies - Capital	567 661 250	40 503 664	**608 164 914**	513 698 850	**(94 466 064)**
Fair value adjustments	-	-	**-**	131 487	**131 487**
Actuarial gains	-	-	**-**	2 943 662	**2 943 662**
Inventories losses/write-downs	(5 500 000)	-	**(5 500 000)**	(53 807 465)	**(48 307 465)**
	562 161 250	**40 503 664**	**602 664 914**	**462 966 534**	**(139 698 380)**
Surplus before taxation	**690 018 590**	**23 326 770**	**713 345 360**	**172 699 430**	**(540 645 930)**
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**690 018 590**	**23 326 770**	**713 345 360**	**172 699 430**	**(540 645 930)**

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Revenue from exchange transactions
Service charges - No material charges on the revenue from service charges in the 2024/2025 financial year.

Interest Received (Outstanding Debtors) - The actual interest on outstanding debtors of R 39 224 920.00 was significantly higher than the annual budgeted amount by R 14 009 592 due to the non-payment of services by consumers on the historical water and sanitation debts.

Other Income - The actual annual revenue from other income sources of R 2 174 673.00 was materially less than the annual budgeted income by R 67 656 800.00 due to the misalignment of the other operational revenue votes in the budget data strings which could not be reallocated during the adjusted budget season, the error did not affect the total annual operational revenue budget as approved by council..

Interest Received - Investments - No material variance on the revenue earned from the short-term investments during the 2024/25 financial year.

Actuarial Gains - The was no budget provision on actuarial gains in the 2024/25 financial year, actuarial estimations require the expertise onf an actuary for reliable estimation and reporting, at the time of the budget preparation there was no reliable estimate on whether the municipality will realise a gain or incur a loss on the calculation of the employee benefits.

Revenue from non-exchange transactions
Government Grants & Subsidies - No material variances on the actual annual revenue from transfers and subsidies in the 2024/25 financial year.

Fines and Penalties - The actual revenue from fines and penalties amounts to R 890 112.00 in the 2024/2025 financial year, with about R 487 853.00 under collection as compared to the annual approved budget, less fines were issue than the budgeted number of fines planned for the 2024/25 financial year.

Expenditure
Employee related cost – No material variances on employee related cost as compared to its annual budget in the 2024/2025 financial year.

Remuneration of councillors – Annual expenditure on council remuneration was R 16 301 304.00 with a variance of R 2 018 240 in the 2024/2025 financial year, the budget provision did consider the late implementation of the upper limits for two financial year during the 2024/25 financial year.

Finance costs - The material variance of R 32 694 237.00 on finance costs was caused by the billing of interest on the overdue bulk water accounts for the Lepelle Northern Water and Department of Water and Sanitation during the 2024/2025 financial year.

Operating lease rentals - No material variances on the operating lease rentals reported for the 2024/2025 financial year.

Debt Impairment - R 99 098 034.00 material variance reported in the 2023/2024 financial year, no budget provision for the non-cash item expenditure on provision of doubtful debts in the 2023/2024 financial year as the municipality planned to collect more of the long overdue debts on service charges.

Inventory consumed - The bulk water purchases had a material variance of R 92 223 302 .00 in the 2024/2025 financial year, the municipality did process quite a significant number of invoice amounts relating to the prior years as per the payments arrangements which were agreed upon during the year, some of the processes invoices were not considered during the budgeting processes.

Contracted services - Contracted services reported a material variance of R 60 132 216.00 having considered the actual expenditure on operating leases budgeted for under contracted services, the requested services on water supply through the tankers was more than the budgeted number of programs during the financial year and as a result the expenditure was more than expected.

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Transfers and subsidies - No material variances on the transfers and subsidies in the 2024/2025 financial year.

Actuarial losses - There is was no budget provision on actuarial losses during the 2024/2025 financial year, due to the non-availability on reliable actuarial estimates at the time of budget preparations.

General expenses – The R 127 697 586.00 material variance on general expenses was reported on general expenses in the 2024/2025 due to the increases of the repairs and maintenance expenditure, and electricity expenses during the financial year.

Current Assets
Inventories - The R 235 279 877.00 material variance on inventory was due to the estimated closing stock in water inventory as at 30th June 2025, the municipality did not perform a water inventory count which confirmed the water levels which were lower than the closing estimations as at year end.

Other financial assets - No material variances on other financial assets in the 2024/2025 financial year.

Receivables from non-exchange transactions – A material variance of R 76 189 024.00 on the receivables from non-exchagnge transactions, the budgeted amount did consider the schedule 6B indirect grants which were not moving as expected from the prior year, the municipality did improve the spending on the schedule 6B grants, as a result the actual receivables as at yer end were far less than expected.

VAT receivable – R 13 553 327.00 material variance on VAT receivable was due to the reversal of the VAT output on the debts impaired during the 2024/2025 financial year.

Prepayments – The R 4 910 253.00 material variance was due to the non-provision of budget on the pre-payments in the 2024/25 financial year.

Receivables from exchange transactions – A material variance of R 85 895 929.00 on the receivables from exchange transactions was reported during the financial year, the variance was caused by the material impairment of the long outstanding amounts on consumer debtors.

Cash and cash equivalents - The R 233 850 885.00 material variance on the csh balances at year end was caused by the improved spending on conditional grants, as a result the municipality has less amounts on unspent grants at year end than anticipated.

Non-current assets
Property, plant & equipment - The R 741 660 961 material variance on the carrying value of the property, plant and equipment was due to the accelerated spending on the water insfrastructure projects during the 2024/2025 financial year, more capital projects were also capitalized than expected during the budgeting preparations.

Heritage assets
Mayoral chain – R 746 802.00 material variance was reported on the heritage assets as there was no budget provision on these type of assets during the 2024/25 financial year. The asset already exist and revalued on an annual basis.

Current liabilities
Operating lease liability - No material variances on the lease liabilities in the 2024/2025 financail year.

Payables from exchange transactions - The R 248 223 509 material variance on payables from exchange transactions was due to the conclusion of the reconciliation on the debts to the Lepelle Northern Water and the Department of Water and Sanitation. The reconciled amounts which were previously disputed were accounted for during the 2024/2025 financial year.

Consumer deposits - R 5 920 219.00 material variance on consumer deposits was due to the increase in the deposits related to the service charges not yet allocated as at the end of the 2024/2025 financial year with any budget provision for the year.

Unspent conditional grants and receipts - The R 9 173 647.00 material variance on the unspent conditional grants was as a result the non-provision of budgets on unspent conditional grants as the municipality did plan to spent all of its conditional

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

grants by the 30th of June 2025.

Employee benefits on long service awards and unused leave - The current portion of the provisions on long service awards and unused leave days had a material variance of R 14 239 820 due to the new actuarial estimations on both benefits as at end of the 2024/2025 financial year. The material variance of R 7 123 209.00 on the long-term portion of the employee benefits also due to the new actuarial estimations on both benefits as at end of the 2024/25 financial year.

Statement of Comparison of Budget and Actual Amounts

Budget on Cash 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	177 134 987	93 919 788	**271 054 775**	35 774 898	**(235 279 877)**	
Other financial assets	-	-	**-**	1 000	**1 000**	
Receivables from non-exchange transactions	91 582 263	-	**91 582 263**	15 393 239	**(76 189 024)**	
VAT receivable	50 850 653	-	**50 850 653**	124 906 893	**74 056 240**	
Prepayments	-	-	**-**	4 910 253	**4 910 253**	
Receivables from exchange transactions	121 085 034	-	**121 085 034**	35 189 105	**(85 895 929)**	
Cash and cash equivalents	580 331 065	45 000 000	**625 331 065**	391 480 180	**(233 850 885)**	
	1 020 984 002	**138 919 788**	**1 159 903 790**	**607 655 568**	**(552 248 222)**	
Non-Current Assets						
Property, plant and equipment	4 825 516 582	23 326 771	**4 848 843 353**	5 590 508 875	**741 665 522**	
Intangible assets	3 600 000	-	**3 600 000**	-	**(3 600 000)**	
Heritage assets	-	-	**-**	746 802	**746 802**	
	4 829 116 582	**23 326 771**	**4 852 443 353**	**5 591 255 677**	**738 812 324**	
Total Assets	**5 850 100 584**	**162 246 559**	**6 012 347 143**	**6 198 911 245**	**186 564 102**	
Liabilities						
Current Liabilities						
Operating lease liability	-	-	**-**	218 684	**218 684**	
Payables from exchange transactions	506 099 021	42 342 177	**548 441 198**	795 858 257	**247 417 059**	
Consumer deposits	-	-	**-**	5 920 219	**5 920 219**	
Unspent conditional grants and receipts	-	-	**-**	9 173 647	**9 173 647**	
Employee benefits	5 209 180	-	**5 209 180**	19 440 000	**14 230 820**	
VAT payable	-	-	**-**	63 227 894	**63 227 894**	
	511 308 201	**42 342 177**	**553 650 378**	**893 838 701**	**340 188 323**	
Non-Current Liabilities						
Employee benefits	49 155 209	-	**49 155 209**	42 048 000	**(7 107 209)**	
Total Liabilities	**560 463 410**	**42 342 177**	**602 805 587**	**935 886 701**	**333 081 114**	
Net Assets	**5 289 637 174**	**119 904 382**	**5 409 541 556**	**5 263 024 544**	**(146 517 012)**	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	5 289 637 174	119 904 382	**5 409 541 556**	5 263 024 544	**(146 517 012)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash 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						
Sale of goods and services	69 033 265	242 000	**69 275 265**	29 231 591	**(40 043 674)**	
Grants	1 749 818 000	40 503 665	**1 790 321 665**	1 637 403 438	**(152 918 227)**	
Interest income	51 033 573	-	**51 033 573**	96 467 514	**45 433 941**	
Other receipts	3 801 585	(242 000)	**3 559 585**	3 064 785	**(494 800)**	
	1 873 686 423	**40 503 665**	**1 914 190 088**	**1 766 167 328**	**(148 022 760)**	
Payments						
Suppliers and employee cost	(1 039 482 421)	(32 173 229)	**(1 071 655 650)**	(1 213 417 507)	**(141 761 857)**	
Remuneration of council	-	-	**-**	(16 301 304)	**(16 301 304)**	
Finance costs	-	-	**-**	(5 855 807)	**(5 855 807)**	
	(1 039 482 421)	**(32 173 229)**	**(1 071 655 650)**	**(1 235 574 618)**	**(163 918 968)**	
Net cash flows from operating activities	**834 204 002**	**8 330 436**	**842 534 438**	**530 592 710**	**(311 941 728)**	
Cash flows from investing activities						
Purchase of property, plant and equipment	(688 963 396)	(23 326 771)	**(712 290 167)**	(691 803 589)	**20 486 578**	
Proceeds from sale of property, plant and equipment	675 000	-	**675 000**	-	**(675 000)**	
Net cash flows from investing activities	**(688 288 396)**	**(23 326 771)**	**(711 615 167)**	**(691 803 589)**	**19 811 578**	
Net increase/(decrease) in cash and cash equivalents	145 915 606	(14 996 335)	**130 919 271**	(161 210 879)	**(292 130 150)**	
Cash and cash equivalents at the beginning of the year	411 569 616	82 842 177	**494 411 793**	552 691 059	**58 279 266**	
Cash and cash equivalents at the end of the year	**557 485 222**	**67 845 842**	**625 331 064**	**391 480 180**	**(233 850 884)**	

Accounting Policies

Figures in Rand	Note(s)	2025	2024

1. Presentation of Financial Statements

The 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 are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

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

1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

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

1.3 Significant judgements and sources of estimation uncertainty

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

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, held to maturity investments and loans and 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.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined the estimations through the assistance of a qualified professional actuarist. Additional disclosure of these estimates of provisions are included in note 19 - Provisions.

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) 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.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

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

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

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

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

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

Item	Depreciation method	Average useful life
Land	Straight-line	Indifinite lifespan

1.4 Property, plant and equipment (continued)

Community assets	Straight-line	15 to 30 years
Machinery and Equipment	Straight-line	2 to 19 years
Transport assets	Straight-line	5 to 15 years
Furniture and office equipment	Straight-line	3 to 10 years
IT equipment	Straight-line	2 to 17 years
Leasehold improvements	Straight-line	5 to 10 years
Infrastructure	Straight-line	5 to 80 years

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

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality 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 in terms of the Standard of GRAP on Accounting Policies, Changes in Estimates and Errors.

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

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

The 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. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

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

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

1.5 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

Accounting Policies

1.5 Heritage assets (continued)

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

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

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note).

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

Recognition

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

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its revalued amount as at end of the reporting period.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.6 Financial instruments

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

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

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

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

A financial asset is:

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

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

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

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

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

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.

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

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

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

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

Accounting Policies

1.6 Financial instruments (continued)

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

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument

Initial measurement of financial assets and financial liabilities

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

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

1.6 Financial Instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

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 entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

1.6 Financial instruments (continued)

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

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

1.7 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.

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.

Accounting Policies

1.7 Statutory receivables (continued)

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.

In estimating the future cash flows, an 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.

Accounting Policies

1.8 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 buildings elements, the entity assesses the classification of each element separately.

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 for leases is disclosed under revenue in statement of financial performance.

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.

1.9 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 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.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

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 of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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

1.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounting Policies

1.10 Cash and cash equivalents (continued)

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

1.11 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.

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.

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

1.11 Impairment of cash-generating assets (continued)

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.

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.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

After the recognition of an impairment loss, the depreciation (amortisation) charge for the 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.

Accounting Policies

1.11 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.

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

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the 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.

1.12 Impairment of non-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.

Non-cash-generating assets are assets other than cash-generating assets.

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.

A cash-generating unit is the smallest identifiable group of assets managed 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 service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Accounting Policies

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

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.

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

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the municipality designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service 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.

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Accounting Policies

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

Reversal of an impairment loss

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

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

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

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

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

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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 expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Accounting Policies

1.13 Employee benefits (continued)

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

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

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.14 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.

Accounting Policies

1.14 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 deficits.

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

A constructive obligation to restructure arises only when an entity:

- 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 43.

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.

Accounting Policies

1.15 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-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.

1.16 Revenue from exchange transactions

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

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

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

Measurement

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

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.

Accounting Policies

1.16 Revenue from exchange transactions (continued)

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.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by .

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised 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.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

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

1.17 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 arise 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.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Accounting Policies

1.17 Revenue from non-exchange transactions (continued)

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.

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.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Accounting Policies

1.18 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.19 Comparative figures

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

1.20 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.21 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.22 Irregular expenditure

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

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.23 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.24 Segment Information

A segment is an activity of an entity:

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

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

Accounting Policies

1.24 Segment information (continued)

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.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.25 Budget Information

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

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

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

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

The budget for the economic entity includes all the entities approved budgets under its control.

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

1.26 Related parties

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

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

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

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.

Accounting Policies

1.26 Related parties (continued)

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 financial statements.

1.27 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.

Notes to the Financial Statements

Figures in Rand	2025	2024

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

2.2 Standards and interpretations issued, but not yet effective

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

Notes to the Financial Statements

Figures in Rand

3. 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	14 460 000	-	14 460 000	14 460 000	-	14 460 000
Plant and machinery	11 435 232	(7 582 918)	3 852 314	10 187 806	(6 642 233)	3 545 573
Furniture and office equipment	11 377 506	(6 823 187)	4 554 319	10 097 390	(6 162 917)	3 934 473
Transport assets	65 545 992	(34 070 381)	31 475 611	60 347 141	(26 064 782)	34 282 359
IT equipment	27 398 908	(21 223 311)	6 175 597	26 405 170	(16 262 431)	10 142 739
Leasehold improvements	7 309 495	(7 309 495)	-	7 309 495	(7 087 077)	222 418
Roads Infrastructure	66 882 669	(46 147 913)	20 734 756	66 882 669	(44 770 856)	22 111 813
Community assets	26 142 910	(21 924 368)	4 218 542	26 142 910	(21 065 081)	5 077 829
Wastewater network	109 529 876	(52 665 060)	56 864 816	107 225 528	(50 075 731)	57 149 797
Water network	5 536 218 073	(1 386 647 615)	4 149 570 458	5 013 592 339	(1 248 390 104)	3 765 202 235
Assets under construction (WIP)	1 298 602 462	-	1 298 602 462	1 147 102 442	-	1 147 102 442
Total	**7 174 903 123**	**(1 584 394 248)**	**5 590 508 875**	**6 489 752 890**	**(1 426 521 212)**	**5 063 231 678**

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land	14 460 000	-	-	-	-	-	14 460 000
Plant and machinery	3 545 573	1 580 000	-	-	(1 030 102)	(243 157)	3 852 314
Furniture and office equipment	3 934 473	1 280 117	-	-	(619 157)	(41 114)	4 554 319
Transport assets	34 282 359	5 198 851	-	-	(7 170 470)	(835 129)	31 475 611
IT equipment	10 142 739	993 738	-	-	(4 447 946)	(512 934)	6 175 597
Leasehold improvements	222 418	-	-	-	(222 418)	-	-
Roads Infrastructure	22 111 813	-	-	-	(1 377 057)	-	20 734 756
Buildings	5 077 829	-	-	-	(500 771)	(358 516)	4 218 542
Wastewater network	57 149 797	-	2 304 348	-	(2 561 143)	(28 186)	56 864 816
Water network	3 765 202 235	192 337 508	330 292 787	-	(131 234 583)	(7 027 489)	4 149 570 458
Assets under construction (WIP)	1 147 102 442	483 433 501	-	(331 933 481)	-	-	1 298 602 462
	5 063 231 678	**684 823 715**	**332 597 135**	**(331 933 481)**	**(149 163 647)**	**(9 046 525)**	**5 590 508 875**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land	14 460 000	-	-	-	-	-	14 460 000
Plant and machinery	4 714 892	332 574	-	-	(1 484 543)	(17 350)	3 545 573
Furniture and office equipment	3 027 168	2 082 657	-	-	(1 103 505)	(71 847)	3 934 473
Transport assets	36 960 497	4 622 370	-	-	(7 300 508)	-	34 282 359
IT equipment	12 245 094	2 149 469	-	-	(4 241 589)	(10 235)	10 142 739
Leasehold improvements	2 512 584	-	-	-	(2 289 990)	(176)	222 418
Roads Infrastructure	22 341 101	-	1 178 642	-	(1 407 930)	-	22 111 813
Buildings	5 669 155	-	-	-	(512 183)	(79 143)	5 077 829
Wastewater network	59 955 204	-	-	-	(2 558 085)	(247 322)	57 149 797
Water network	3 618 778 525	57 661 905	219 746 894	-	(124 062 743)	(6 922 346)	3 765 202 235
Assets under construction (WIP)	931 853 867	436 174 110	-	(220 925 535)	-	-	1 147 102 442
	4 712 518 087	**503 023 085**	**220 925 536**	**(220 925 535)**	**(144 961 076)**	**(7 348 419)**	**5 063 231 678**

Notes to the Financial Statements

Figures in Rand	2025	2024

3. Property, plant and equipment (continued)

Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment		
Infrastructure - Water	1 298 602 462	1 147 102 442
Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected		
Water infrastructure - Projects were delayed by protests members of the community	318 262 894	166 304 665
	318 262 894	**166 304 665**

A conditional assessment was conducted on the entire list of projects taking a significantly longer period of time to complete than expected as at 30 June 2025 and there was no indicator of any impairment to any of the projects at year end.

Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)		
Water infrastruture - Projects were previously funded through conditional grants, funded was later withdrawn and the municipality had to source funding from the own revenue sources	77 685 355	177 768 416
	77 685 355	**177 768 416**

A conditional assessment was conducted on the entire list of projects where construction or development has been halted during the current or previous periods, as at 30 June 2025 there was no indicator of any impairment to any of the projects.

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		
Repairs and manitenance - Water Infrastrucutre	82 281 773	51 075 674

Notes to the Financial Statements

Figures in Rand

4. Heritage assets

	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Mayoral Chain	746 802	-	746 802	615 315	-	615 315

Reconciliation of heritage assets 2025

	Opening balance	Revaluation increase/(decrease)	Total
Mayoral chain	615 315	131 487	746 802

Reconciliation of heritage assets 2024

	Opening balance	Revaluation increase/(decrease)	Total
Mayoral chain	552 117	63 198	615 315

Revaluations

Mayoral Chains

Heritage assets held by the municipality have an unlimited lifespan. The materials utilised in the manufacturing process are the true value of these items and the municipality valued these materials on the following. The effective date of the revaluation was 2025/06/30. Revaluations were performed by independent valuer, Messer's Benjamin Jewellers of Groblersdal.

The valuations were performed utilising standards set by the Jewellery Council of South Africa of which the company is a member of.

5. Other financial assets

Notes to the Financial Statements

Figures in Rand	2025	2024
5. Other financial assets (continued)		
Residual Interest at cost		
Investment in Sekhukhune Development Agency	1 000	1 000
Current assets		
Residual interest at cost	1 000	1 000
Financial assets at cost		
Nominal value of financial assets at cost		
The municipality did contact an assessment as at the 30th of June 2025 on whether there is an objective evidence that the residual interest in the Sekhukhune Development Agency should be impaired or not, the results of the assessment were not indicative of any objective evidence that there is a need to impair the residual interest in the entity.	1 000	1 000
6. Operating lease asset (liability)		
Current liabilities	218 684	199 409
7. Payables from exchange transactions		
Trade payables	529 535 524	390 307 747
Other payables	24 773 206	22 509 827
Retention and Cessions	214 880 607	222 083 961
Deposits received	16 268 217	11 557 609
Bonus accrual	10 400 703	9 737 214
	795 858 257	**656 196 358**
VAT payables		
Output VAT accrual	109 711 958	99 249 475
Provision for doubtful debts	(46 484 064)	(37 516 248)
	63 227 894	**61 733 227**
8. Taxes and transfers payable (non-exchange)		
The amount of liabilities forgiven is - (2024: -).		
9. Consumer deposits		
Water	5 920 219	5 508 777
10. Prepayments		
The municipality is a member of the South African Local Government Association. An annual membership fee is payable in advance for each financial year at a rate of 1% of the total annual employee related cost budget.		
	-	-
Pre-payments	4 910 253	5 090 073
	4 910 253	**5 090 073**

Notes to the Financial Statements

Figures in Rand		2025	2024

11. Other asset 1

12. Inventories

Water inventory		1 704 490	1 522 163
Consumable stores		5 748 526	12 562 180
Maintenance mateirals		28 321 882	3 996 900
		35 774 898	**18 081 243**

Inventory reconciliation

Opening balance		18 081 243	18 154 154
Issues (Inventory recognized as expenditure during the year)		(35 347 884)	(24 003 170)
Purchases		52 783 425	24 173 531
Write-down to net realizable value (Fair value less cost to sell)	36	-	(182 087)
Inventory opening balance adjustments		258 114	(61 185)
Closing balance		**35 774 898**	**18 081 243**

13. Receivables from non-exchange transactions

Water Services Infrastructure Grant - Department of Water and Sanitation	7 046 564	5 747 825
VAT receivable - Makhuduthamaga Local Municipality	6 447 153	2 619 792
Sundry debtors	1 899 522	1 975 312
	15 393 239	**10 342 929**

Receivables from non-exchange transactions pledged as security

Receivables from non-exchange transactions were not pledged as security.

14. VAT receivable

Reconciliation

Balance at the beginning of the year	108 081 112	78 296 839
Add: Net refunds as per VAT receivable	17 919 916	67 234 196
Add: Current year VAT suspense account	134 376 370	52 299 752
Less: Prior year suspense account	(68 696 730)	(48 720 409)
Less: Payments received from SARS	(176 485 734)	(84 495 974)
Adjustments: Impairment of doubful debts	46 484 064	44 466 708
	61 678 998	**109 081 112**

15. Receivables from exchange transactions

Gross balances

Water	564 313 269	477 103 669
Waste water	44 524 955	38 093 970
Disconnections	5 873 303	3 775 948
Water consumption from the last readings	3 142 484	2 719 361
	617 854 011	**521 692 948**

Less: Allowance for Impairment

Water	(537 778 565)	(451 150 000)
Waste water	(39 581 891)	(22 176 901)
Other	(5 304 450)	(1 072 155)
	(582 664 906)	**(474 399 056)**

Notes to the Financial Statements

Figures in Rand	2025	2024
15. Receivables from exchange transactions (continued)		
Net balance		
Water	26 534 704	25 953 669
Waste water	4 943 064	15 917 069
Other	568 853	2 703 793
Water consumption from the last readings	3 142 484	2 719 361
	35 189 105	**47 293 892**
Water		
Current (0 -30 days)	16 776 114	13 244 526
31 - 60 days	10 779 326	16 209 543
61 - 90 days	10 564 594	11 089 770
91 - 120 days	9 738 254	12 929 207
121 - 365 days	516 454 981	423 630 623
Less: Allowance for impairment	(537 778 565)	(438 761 981)
	26 534 704	**38 341 688**
Waste water		
Current (0 -30 days)	1 502 750	1 460 925
31 - 60 days	1 264 345	1 237 645
61 - 90 days	1 093 016	1 160 957
91 - 120 days	1 094 853	1 104 416
121 - 365 days	39 569 991	33 130 027
Less: Allowance for impairment	(39 581 891)	(32 195 938)
	4 943 064	**5 898 032**
Other (Refuse)		
Current (0 -30 days)	87 819	31 638
31 - 60 days	116 152	170 036
61 - 90 days	126 622	101 477
91 - 120 days	424 979	133 500
121 - 365 days	5 117 731	3 339 297
Less: Allowance for impairment	(5 304 450)	(3 441 138)
	568 853	**334 810**
Other (Last 15 days of the billing cycle in June)		
Current (0 -30 days)	3 142 494	2 719 361
Reconciliation of allowance for impairment		
Balance at beginning of the year	(474 399 056)	(383 642 354)
Contributions to allowance	(99 298 034)	(83 509 317)
Debt impairment written off against allowance	(8 967 816)	(7 247 385)
	(582 664 906)	**(474 399 056)**

Notes to the Financial Statements

Figures in Rand	2025	2024

15. Receivables from exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

The municipality claims VAT on all taxable supplies in terms of the VAT Act 89 of 1991.

VAT input is claimed on the value goods and services from suppliers registered as VAT vendors. VAT receivable at the end of the financial year is based on the total VAT input charge on operational goods and services supplied to the municipality and VAT input charge on acquisition of capital goods and services.

The municipality is currently registered for VAT purposes on a payment basis, the applicable VAT rate is 15% on all taxable supplies.

Reconciliation of statutory receivables under the receivables from exchnage transactionsReconciliation of statutory receivables under the receivables from exchnage transactions

Input VAT accrual	106 986 977	103 580 143
VAT receivable from SARS	17 919 916	67 234 196
	124 906 893	**170 814 339**

16. Receivables from non-exchange transactions

Gross balances		
Other debtors	1 899 522	1 975 312
RBIG deposits	7 046 564	5 747 825
Makhuduthamaga Local Municipality	6 447 153	2 619 792
	15 393 239	**10 342 929**
Net balance		
Other debtors	1 899 522	1 975 312
RBIG deposits	7 046 564	5 747 825
Makhuduthamaga Local Municipality	6 447 153	2 619 792
	15 393 239	**10 342 929**

17. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	391 480 180	552 691 059

Figures in Rand	2025	2024

17. Cash and cash equivalents (continued)

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
Standard Bank Primary Cheque Account: 271149418	17 203 524	8 906 570	34 879 119	16 146 533	6 470 120	1 806 363
FNB Call Account: 62858613980	371 795 205	319 180 975	177 403 537	371 795 241	319 180 975	177 403 537
Standard Bank Call Account: 238890708008	882 980	3 612 147	151 855 260	882 980	3 613 734	151 855 260
ABSA Call Account: 9368456281	1 596 943	222 446 230	400 722 310	1 596 943	222 446 230	400 722 310
Nedbank Call Account: 03/7881071850/000019	1 058 483	980 000	907 897	1 058 483	980 000	907 897
Total	**392 537 135**	**555 125 922**	**765 768 123**	**391 480 180**	**552 691 059**	**732 695 367**

18. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal Infrastructure Grant (MIG)	9 121 638	40 403 645
Rural Roads Asset Management System Grant (RRAMS)	51 992	2 372 464
	9 173 630	**42 776 109**

The nature and extent of government grants recognised in the 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 for reconciliation of grants from National/Provincial Government

Notes to the Financial Statements

Figures in Rand	2025	2024

19. Employee benefits

Reconciliation of employee benefits - 2025

	Opening Balance	Current service cost	Interest cost	Benefits paid	Actuarial Loss/(Gain)	Total
Unused leave benefit	26 838 000	2 766 000	2 865 000	(2 884 338)	(2 943 662)	26 641 000
Long service award benefit	38 392 000	2 561 000	3 461 000	(10 093 527)	526 527	34 847 000
	65 230 000	**5 327 000**	**6 326 000**	**(12 977 865)**	**(2 417 135)**	**61 488 000**

Reconciliation of employee benefits - 2024

	Opening Balance	Past service cost	Current service cost	Interest cost	Benefits paid	Actuarial Loss/(Gain)	Total
Unused leave benefit	27 051 000	-	2 927 000	2 932 000	(2 149 774)	(3 922 226)	26 838 00
Long service award benefit	22 031 000	14 055 000	1 757 000	2 289 000	(3 425 611)	1 685 611	38 392 00
	49 082 000	**14 055 000**	**4 684 000**	**5 221 000**	**(5 575 385)**	**(2 236 615)**	**65 230 00**

Non-current liabilities	42 048 000	37 535 000
Current liabilities	19 440 000	27 695 000
	61 488 000	**65 230 000**

Figures in Rand	2025	2024

19. Employee benefits (continued)

Long service award benefit

This is the present value of the total LSA expected to become payable under the employer's current arrangements and based on the assumptions made. This may be regarded as the amount of money that should be set aside in present-day terms to cover all expected LSA for current employees.The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service.In the month that each "Completed Service" milestone is reached, the employee is granted an LSA. Working days awarded are valued at 1/261th of annual earnings per day.In the month that each "Completed Service" milestone is reached, the employee is granted an LSA. Working days awarded are valued at 1/261th of annual earnings per day.

In estimating the unfunded liability for LSA of the Municipality a number of actuarial assumptions are required.

1. Key Financial Assumptions

Assumption	Value p.a
Discount rate	9.5%
CPI Inflation rate	3.5%
General earnings inflation rate	4.5%

The next general earnings increase was assumed to take place on 1 July 2026.

2. Key Demographic assumptions

Assumption	Value p.a		
Average retirement age	62		
Mortality during employment	SA 85-90		
Withdrawal from service (sample annual rates)	Age	Female	Male
	20	9%	9%
	30	6%	6%
	40	5%	5%
	50	3%	3%
	55	0%	0%

Figures in Rand	2025	2024

19. Employee benefits (continued)

Unused leave benefit

This is the present value of the total Unused Leave benefit expected to become payable under the employer's current arrangements and based on the assumptions made. This may be regarded as the amount of money that should be set aside in present-day terms to cover all expected Unused Leave benefit for current employees.It is apparent that most employees accumulate a portion of their total annual leave allocation, in which case they become entitled to a benefit payable on withdrawal or retirement.

Employees are granted two days ordinary leave per month. This implies that a maximum of 24 days leave can be accumulated in any given year. Employees may accumulate Unused Leave up to a maximum of 48 days after which further leave is forfeited. All Unused Leave at the date of retirement or withdrawal is payable as a cash lump sum.The value of the Unused Leave (the benefit being valued) at the date of receipt is determined as follows:

- Estimated Unused Leave days at date of retirement or withdrawal; multiplied by
- Expected monthly salary at date of retirement or withdrawal; divided by
- 21.67

Employees' leave days are based on basic salary. The next general earnings increase was assumed to take place on 1 July 2026.

In estimating the unfunded liability for Unused Leave benefits of the Municipality a number of actuarial assumptions are required.

1. Key Financial Assumptions

Assumption	Value p.a
Discount rate	10.47%
General slalry inflation(long term)	5.57%
Net effective discount rate	4.65%

2. Key Demographic Assumptions

Assumption	Value
Average retirement age	62
Mortalitity during employment	SA 85-90
Rate of leave accumulation	Appendix A2.4
Withrawal from service (sample annual rates)	See Table A2.2 of the actuarial

There were no expecyted reimburments as at the 30th of June 2024.

20. Other liability 1

21. Revenue

Service charges	116 424 838	71 551 840
Interest received (trading)	39 224 920	34 069 586
Other income	2 174 673	1 082 941
Interest received - investment	57 242 593	81 206 793
Government grants & subsidies	1 671 005 900	1 570 998 704
Fines, Penalties and Forfeits	890 112	9 326
Actuarial gains	3 168 662	3 763 226
Fair value adjustments	131 487	63 198
	1 890 263 185	**1 762 745 614**

The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	116 424 838	71 551 840
Interest received (trading)	39 224 920	34 069 586
Other income	2 174 673	1 082 941
Interest received - investment	57 242 593	81 206 793
	215 067 024	**187 911 160**

Notes to the Financial Statements

Figures in Rand	2025	2024

21. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Transfer revenue		
Government grants & subsidies	1 671 005 900	1 570 998 704
Fines, Penalties and Forfeits	890 112	9 326
Actuarial gains	3 168 662	3 763 226
Fair value adjustments	131 486	63 198
	1 675 196 160	**1 574 834 454**

22. Service charges

Sale of water	99 675 640	55 379 163
Sewerage and sanitation charges	16 749 198	16 172 677
	116 424 838	**71 551 840**

23. Fines, Penalties and Forfeits

Building Fines	890 112	9 326

24. Lease rentals on operating lease

Premises		
Contractual amounts	39 183 558	32 638 944
Equipment		
Contractual amounts	12 908 783	13 143 756
	52 092 341	**45 782 700**

The municipality did not enter into any sublease contracts with another party, as a result there were no future minimum sublease payments expected to be received under non-cancellable sublease payments as at the 30th of June 2025.

Significant Leasing Arrangements

(i) The contingent rentals are based on the variable units of consumables as per the rental agreement.
(ii) The existence and terms of renewal or purchase options and escalations clauses.
- Opearting lease contracts exist for the duration of the lease term as per the lease agreement, unless otherwise terminated before expire date. Extentions on operating lease contracts are implemented within the provisions of the supply chain management regulations in applicable to local government. Escalations and purchase options on operating leases are implemented through the contract management of the municipality.

Future minimum payments		
Not later than one year	44 136 951	24 432 902
Later than one year but not later than five years	10 298 576	21 939 133
	54 435 527	**46 372 035**

Notes to the Financial Statements

Figures in Rand	2025	2024
25. Other revenue		
Other income	2 174 673	1 082 941
The amount included in other revenue arising from exchanges of goods or services are as follows:		
Health services	1 539 846	523 304
Fire services	251 746	217 538
Sale of tender documents	216 826	152 652
Other	166 255	189 447
	2 174 673	**1 082 941**
26. Investment revenue		
Interest revenue		
Short term investments	53 489 960	77 045 262
Primary bank account	3 752 633	4 161 531
	57 242 593	**81 206 793**
27. Transfer and subsidies		
Other subsidies		
Sekhukhune District Development Agency Grants	12 178 756	10 697 833

Notes to the Financial Statements

Figures in Rand	2025	2024

28. Government grants & subsidies

Operating grants		
Equitable share	1 139 344 000	1 065 825 000
Expanded Public Works Program	10 676 002	15 355 000
Finance Management Grant	2 400 000	2 400 000
RRAMS	2 571 000	1 883 771
LG SETA	2 316 048	3 845 377
	1 157 307 050	**1 089 309 148**
Capital grants		
Municipal Infrastructure Grant	451 939 007	393 723 335
Regional Bulk Infrastructure Grant	17 295 231	51 952 541
Water Services Infrastructure Grant	44 464 612	36 013 680
	513 698 850	**481 689 556**
	1 671 005 900	**1 570 998 704**

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	531 661 900	505 173 704
Unconditional grants received	1 139 344 000	1 065 825 000
	1 671 005 900	**1 570 998 704**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. R 1 139 344 000 was received by the municipality as the Equitable Share grant for the 2024/25 financial year.

Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	40 403 645	224 369 610
Current-year receipts	420 657 000	434 127 000
Conditions met - transferred to revenue	(451 939 008)	(393 723 335)
UNapproved rolled-over funds	-	(224 369 630)
	9 121 637	**40 403 645**

Conditions still to be met - remain liabilities (see note 18).

The Municipal Infrastructure Grant aims to eradicate municipal infrastructure backlogs in within the Sekhukhune District to ensure the provision of basic services such as water and sanitation. R 420 657 000 was received as a Municipal Infrastructure Grant in the 2024/2025 financial year, the municipality did receive approval of the 2023/24 unspent MIG funds rolled overr to the 2024/25 financial year, in total the R 461 060 645 was the total MIG allocation in the 2024/25 financial year. Total spending on the grant was 98% as at 30 June 2025.

Expanded Public Works Programme (EPWP)

Balance unspent at beginning of year	-	19
Current-year receipts	10 676 000	15 355 000
Conditions met - transferred to revenue	(10 676 000)	(15 355 000)
Unapproved roll-over funds	-	(19)
	-	-

Conditions still to be met - remain liabilities (see note 18).

Notes to the Financial Statements

Figures in Rand	2025	2024

28. Government grants & subsidies (continued)

The Expanded Public Works Programme is one of government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed residents of the Sekhukhune District. The programme provides an important avenue for labour absorption and income transfers to poor households, in the short to medium-term. R 10 676 000 was received as a grant for the Expanded Public Works Program grant in the 2024/2025 financial year, spending on the grant was 100% as at 30 June 2025.

Water Services Infrastrucuture Grant (WSIG)

Balance unspent at beginning of year	-	9 363 616
Current-year receipts	44 464 611	38 464 680
Conditions met - transferred to revenue	(44 464 611)	(36 013 680)
Unapproved roll-over funds	-	(11 814 616)
	-	-

Conditions still to be met - remain liabilities (see note 18).

The main goal of the Water Services Infrastructure Grant is to assist the municipality as the water authority to reduce the backlogs faced by the municipality in the provision of water and sanitation services within the district. The municipality did receive in total R 44 464 611 on WSIG funding during the 2024/2025 financial year. Total spending was 100% as at 30 June 2025.

Finance Management Grant (FMG)

Current-year receipts	2 400 000	2 400 000
Conditions met - transferred to revenue	(2 400 000)	(2 400 000)
	-	-

Conditions still to be met - remain liabilities (see note 18).

The main purpose of the finance management grant is to promote and support reforms to municipal financial management and the implementation of the Municipal Finance Management Act (MFMA).The Grant is meant specifically to capacitate the officials in the budget and treasury office of the municipality through various training programms in financial management and also to maintain the systems of financial management employed by the municipality in managing its finances. R 2 400 000.00 was received as a Finance Management Grant in the 2024/2025 financial year, spending on the grant was 100% as at 30 June 2025.

Rural Roads Assets Management System Grant (RRAMS)

Balance unspent at beginning of year	2 372 464	2 460 000
Current-year receipts	2 571 000	3 209 637
Conditions met - transferred to revenue	(2 571 000)	(1 881 420)
Unapproved roll-over funds	(2 320 472)	(1 415 753)
	51 992	**2 372 464**

Conditions still to be met - remain liabilities (see note 18).

The Rural Roads Asset Management System Grant seeks to assist the municipality to set up rural roads asset management systems, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa. R 2 571 000.00 was received during the 2024/2025 financial year, total expenditure was 100% as at 30 June 2025.

Regional Bulk Infrastructure Grant (RBIG)

Current-year receipts	17 295 230	51 952 541
Conditions met - transferred to revenue	(17 295 230)	(51 952 541)
	-	-

Notes to the Financial Statements

Figures in Rand	2025	2024

28. Government grants & subsidies (continued)

Conditions still to be met - remain liabilities (see note 18).

The main goal of the Regional Bulk Infrastructure Grant is to assist the municipality in facilitating the successful execution and implementation of bulk projects which are characterized by regional significance. The implementation of the grant is currently administered by the Department of Water and Sanitation on behalf on the municipality since the 2019/2020 financial year wherein the municipality will incur expenditure on projects funded through the grant and claim such expenditures from the department on a monthly basis.

National Department of Labour:SETA

Current-year receipts	2 316 048	3 845 377
Conditions met - transferred to revenue	(2 316 048)	(3 845 377)
	-	-

Conditions still to be met - remain liabilities (see note 18).

The main aim of this grant is to encourage the municipality to contribute to skills development, address critical and scarce skills shortages, and create jobs and employment opportunities for its employees. R 2 316 048 is the amount received as the LG:SETA grant for the 2024/25 financial year, R 2 316 048.00 is the total expenditure of the grant in the 2024/2025 financial year.

Notes to the Financial Statements

Figures in Rand	2025	2024
29. Employee related costs		
Basic	292 950 110	287 670 959
Medical aid - company contributions	15 997 068	15 031 178
UIF	1 707 655	1 856 393
SDL	3 425 533	3 267 845
Bargaining council	100 583	99 894
Group life insurance	1 582 422	1 338 611
Pension Fund	42 352 243	41 246 907
Travel, motor car, accommodation, subsistence and other allowances	31 526 523	32 979 085
Overtime payments	18 585 633	20 191 945
Current service cost: Long service awards and unpaid leave provision expense	5 327 000	18 739 000
Housing benefits and allowances	2 148 586	2 121 509
Cellphone allowance	2 368 477	2 288 781
Shift and standby allowance	4 477 016	5 911 812
Uniform allowance	15 000	30 000
	422 563 849	**432 773 919**
Remuneration of municipal manager		
Annual Remuneration	1 200 482	909 729
Car Allowance	151 701	113 776
Annual Bonuses	94 603	23 400
Contributions to UIF, Medical and Pension Funds	292 311	205 093
	1 739 097	**1 251 998**

The application by the municipality to have the annual remuneration of the current municipal manager upgraded to the last notch wasapproved during the current financial year, compensation of the prior periods was processed from date of appointment.

Remuneration of chief finance officer		
Annual Remuneration	1 065 106	1 013 261
Car Allowance	4 206	34 216
Annual Bonuses	-	23 988
Contributions to UIF, Medical and Pension Funds	72 503	67 262
	1 141 815	**1 138 727**
Director - Community Services		
Annual Remuneration	852 326	139 123
Car Allowance	35 232	7 056
Annual Bonuses	5 626	3 998
Contributions to UIF, Medical and Pension Funds	212 039	14 855
	1 105 223	**165 032**

The position of the senior manager for community services remained vacant for the most part of the prior financial year, the position was filled for the entire period of the current financial year.

Director Infrastructure and Water Services		
Annual Remuneration	1 052 390	998 202
Car Allowance	194 530	205 355
Annual Bonuses	-	23 988
Contributions to UIF, Medical and Pension Funds	13 372	13 212
	1 260 292	**1 240 757**

Notes to the Financial Statements

Figures in Rand	2025	2024

29. Employee related costs (continued)

Director Planning and Economic Development

Annual Remuneration	964 531	973 861
Car Allowance	13 005	23 988
Annual Bonuses	71 586	84 615
Contributions to UIF, Medical and Pension Funds	207 158	206 779
	1 256 280	**1 289 243**

Director Corporate Services

Annual Remuneration	1 269 964	1 059 451
Car Allowance	9 726	23 988
Annual Bonuses	-	9 726
Contributions to UIF, Medical and Pension Funds	14 379	13 038
	1 294 069	**1 106 203**

Chief Operating Officer

Annual Remuneration	381 227	817 507
Car Allowance	90 000	262 145
Annual Bonuses	-	23 988
Contributions to UIF, Medical and Pension Funds	6 408	12 345
Acting allowance	89 113	-
Cellphone allowance	9 995	-
	576 743	**1 115 985**

The position of the Chief Operations Officer became vacant for a period of six months in the current financial year, as at 30 June 2025 the position was yet to be filled.

30. Remuneration of councillors

Executive Mayor	1 046 621	1 128 346
Chief Whip of council	445 899	779 041
Mayoral Committee Members	4 959 394	6 214 628
Council Speaker	877 080	871 580
Other Councillors	8 972 310	8 941 903
	16 301 304	**17 935 498**

Notes to the Financial Statements

Figures in Rand	2025	2024

30. Remuneration of councillors (continued)

Additional information

The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

Executive Mayor: Cllr Mokganyetji MJ (1st July 2023 - 17th November 2023)		
Annual remuneration	-	536 832
Cellphone allowance	-	48 136
Contributions to UIF, Medical and Pension	-	86 348
	-	**671 316**
Executive Mayor: Cllr Maitula BM		
Annual remuneration	932 878	545 778
Cellphone allowance	47 000	31 336
Contributions to UIF, Medical and Pension	102 156	56 488
	1 082 034	**633 602**
Council Speaker: Cllr Chego DK		
Annual remuneration	775 232	738 166
Cellphone allowance	47 004	48 136
Contributions to UIF, Medical and Pension	62 518	62 577
	884 754	**848 879**
Chief Whip: Cllr Phokane MJ		
Annual remuneration	20 014	684 575
Cellphone allowance	-	45 484
Contributions to UIF, Medical and Pension	200	55 495
	20 214	**785 554**
Chief Whip: Cllr Machipa		
Annual remuneration	383 383	-
Cellphone allowance	19 800	-
Contributions to UIF, Medical and Pension	26 393	-
	429 576	**-**
Mayoral Committee Members		
Annual remuneration	3 856 494	4 347 994
Travel allowance	986 653	986 486
Cellphone allowance	329 959	352 583
Contributions to UIF, Medical and Pension	413 072	483 708
	5 586 178	**6 170 771**
Other councillors		
Annual remuneration	5 701 091	4 635 094
Travel allowance	1 847 231	2 752 139
Cellphone allowance	608 005	1 187 027
Contributions to UIF, Medical and Pension	400 416	178 456
	8 556 743	**8 752 716**

Notes to the Financial Statements

Figures in Rand	2025	2024
31. Depreciation and amortisation		
Property, plant and equipment	149 159 084	144 961 078
32. Impairment loss		
Impairments		
Property, plant and equipment During the physical verification of asset evidence of damage was noted which led to the change in the condition of the assets and assessment of impairment, this could also be evident by the verification report and the picture taken during verification. The recoverable amount of the asset could not be determined	9 046 525	7 348 419
33. Remuneration of council		
Interest on overdue accounts	26 459 697	13 752 288
Discounting on employee benefits	6 326 000	5 212 000
	32 785 697	**18 964 288**
34. Debt Impairment		
Debt impairment	99 298 034	83 509 317
35. General expenses		
Advertising	11 693 929	9 861 518
Auditors remuneration	9 243 565	8 407 049
Bank charges	1 455 312	2 229 548
Computer expenses	287 518	477 353
Audit committee expenses	1 652 981	1 603 263
IT support	1 873 672	2 477 871
Entertainment	563 569	372 437
Town planning expenses	89 872	-
Accommodation	6 578 214	6 040 451
Hire charges	7 207 321	6 522 447
Insurance	8 591 957	9 239 378
Worksman Compensation fund	2 732 453	20 072 097
Fuel and oil	23 241 529	24 462 168
Printing and stationery	5 217 350	3 474 051
Protective clothing	8 331 640	4 617 186
Software expenses	7 609 764	1 432 670
Staff welfare	4 826 444	1 253 265
Subscriptions and membership fees	5 090 073	5 105 341
Telephone and fax	4 319 026	4 186 888
Transport and freight	1 964 609	116 130
Training	748 689	2 780 791
Electricity	89 936 710	75 308 850
Other expenses	41 796 938	17 136 814
Catering services	6 075 988	5 593 257
Staff recruitment	358 210	280 562
Meter reading	9 401 967	9 274 070
Bursaries	399 030	426 268
	261 288 330	**222 751 723**
36. Bulk purchases		
Water	165 686 135	231 345 755

Notes to the Financial Statements

Figures in Rand	2025	2024
37. Contracted services		
Outsourced Services		
Security Services	65 184 787	65 167 316
Sewerage Services	14 987 164	1 022 924
Water Tankers	249 791 216	208 131 390
Consultants and Professional Services		
Business and Advisory	13 379 986	12 880 791
Legal Cost	16 979 800	25 895 158
	360 322 953	**313 097 579**
38. Cash generated from operations		
Surplus	172 699 430	142 672 774
Adjustments for:		
Depreciation and amortisation	149 159 084	144 961 078
Fair value adjustments	(131 487)	(63 198)
Impairment loss	9 046 525	7 348 419
Debt impairment	99 298 034	83 509 317
Movements in operating lease assets and accruals	19 275	(284 189)
Movements in employee benefits	(3 742 000)	(17 078 001)
Actuarial gains	-	(3 922 226)
Finance cost: Actuarial	6 326 000	5 212 000
Inventory losses or write-downs	(53 807 465)	(38 302 446)
Current year service cost	5 327 000	18 739 000
Accrued interest income	(83 512)	(159 252)
Loss on sale of assets and liabilities	-	79 143
Changes in working capital:		
Inventories	(17 693 655)	72 911
Receivables from exchange transactions	57 682 113	(105 128 642)
Receivables from non-exchange transactions	(5 050 310)	25 118 298
Statutory receivables	45 907 446	(11 608 833)
Prepayments	179 820	15 268
Payables from exchange transactions	98 647 431	260 423 892
Unspent conditional grants and receipts	(33 602 462)	(211 326 924)
Consumer deposits	411 442	295 199
	530 592 709	**300 573 588**
39. Operating leases		
Operating lease charges		
Premises		
• Contractual amounts	39 183 556	32 638 944
Equipment		
• Contractual amounts	12 908 783	13 143 756
	52 092 341	**45 782 700**
40. Fair value adjustments		
Investment property (Fair value model)	131 487	63 198
41. Financial instruments disclosure		
Categories of financial instruments		
2025		

Notes to the Financial Statements

Figures in Rand	2025	2024

41. Financial instruments disclosure (continued)

Financial assets

	At amortised cost	Total
Cash and cash equivalants	391 480 180	391 480 180
Receivables from exchange transactions	35 189 105	35 189 105
Receivables from non-exchange transactions	15 393 239	15 393 239
Other receivables	4 910 253	4 910 253
Residual value in the Sekhukhune Development Agency	1 000	1 000
	446 973 777	**446 973 777**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	(794 971 122)	(794 971 122)
Consumer deposits	(5 920 219)	(5 920 219)
	(800 891 341)	**(800 891 341)**

Notes to the Financial Statements

Figures in Rand	2025	2024

41. Financial instruments disclosure (continued)

2024

Financial assets

	At amortised cost	Total
Cash and cash equivalents	552 691 059	552 691 059
Receivables from exchange transactions	47 293 892	47 293 892
Receivables from non-exchange transactions	10 342 929	10 342 929
Other receivables	5 090 073	5 090 073
Residual value in Sekhukhune Development Agency	1 000	1 000
	615 418 953	**615 418 953**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	(656 196 358)	(656 196 358)
Consumer deposits	(5 508 777)	(5 508 777)
	(661 705 135)	**(661 705 135)**

42. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Property, plant and equipment	900 358 108	823 040 765
Total capital commitments		
Already contracted for but not provided for	900 358 108	823 040 765

Notes to the Financial Statements

Figures in Rand	2025	2024

43. Contingent Liabilities and assets

The following are the contingent liabilities of the municipality as at 30 June 2025. The municipality's management has individually assessed each liability and there was no indication of any probability on outflow of resources embodying economic benefits or service potential at year end.

Mfumelelo Business Enterprise vs Sekhukhune District Municipality Nature of the liability: dispute of a claim for retention amount by Mpfumelelo Business Enterprise , the claim is valued at R 5 299 607.50 as at 30 June 2025. The municipality has a strong case against the claimant.	5 299 608	2 789 267
Zutari (pty) ltd vs Sekhukhune District Municipality Nature of the liability: dispute over a claim by Zutari (pty) ltd for consulting services, the company alleges to have rendered to the municipality consulting engineering services amounting to R 875 570.73 for the De Hoop/Nebo Plateau/Mampuru bulk water project. Summons received on the 2nd of June 2023 and municipality did serve and file the intention to defend. Judgement was handed in favour of the applicant in October 2024, the matter was finalized.	-	875 570
• The claim was settled during the 2024/25 financial year after summons were issued to the municipality through the high court to settle the claim.	-	10 587 120
• Dynamic Integrated Geoydro Environmental Services vs Sekhukhune District Municipality Nature of the liability: claim by the supplier for works which the supplier claims to have done for the municipality. The financial effect of the claim as at 30 June 2025 could be estimated at about R 911 543.00. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely. The company is also claiming an amount of R 23 256 465.27 in services rendered to the municipality and the municipality has submitted the required discovery documents to defend the matter, as at 30 June 2025 it was uncertain as to when the ruling on the matter will be provided. The plaintiff served notices and the municipality has entered a defence. The date of finalization of the matter was uncertain as at 30 June 2025 as the municipality is to submit more discovery documents on the matter. As at the reporting date, there was no indication of any possibility of a reimbursement on this matter	24 168 008	24 168 008
• Dynamic Integrated Geoydro Environmental Services vs Sekhukhune District Municipality Nature of the liability: new claim by the supplier for works which the supplier claims to have done for the municipality. The financial effect of the claim as at 30 June 2025 could be estimated at about R 13 460 799.30. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely. The company is also claiming an amount of R 28 202 790.00 in services rendered to the municipality and the municipality has submitted the required discovery documents to defend the matter, as at 30 June 2025 it was uncertain as to when the ruling on the matter will be provided. The plaintiff served notices and the municipality has entered a defence. The date of finalization of the matter was uncertain as at 30 June 2025 as the municipality is to submit more discovery documents on the matter in a process of negotiation. As at the reporting date, there was no indication of any possibility of a reimbursement on this matter.	41 663 589	-
• LBM Consulting vs Sekhukhune District Municipality Nature of the liability: dispute of a claim by the consultant for works which the consultant claims to have done for the municipality. The financial effect of the claim as at 30 June 2025 could be estimated at about R 973 835.97. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The plaintiff served the municipality with summons and a notice to defend was served by the municipality. Opposing affidavit and counter claim are to be served by the municipality. The municipality has filed papers to have the matter set down, as at 30th June 2025 the municipality was awaiting a court ruling on the matter.	973 835	973 835

Notes to the Financial Statements

Figures in Rand	2025	2024
43. Contingent Liabilities and assets (continued)		
• Mr Tumelo Modisane vs Sekhukhune District Municipality Nature of the liability: a claim in delict by Mr Modisane to the municipality. The financial effect of the claim as at 30 June 2025 could be estimated at about R 1 000 000.00. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The plaintiff served summons to the municipality. The municipality entered defence and filed pleadings. The municipality approach the court with an application to have the matter struck off the roll, and a court ruling was yet to be made by the 30th of June 2025.	1 000 000	1 000 000
• Mothoa vs Sekhukhune District Municipality Nature of the liability: a claim in delict by Mr Mothoa to the municipality. The financial effect of the claim as at 30 June 2025 could be estimated at about R 1 648 133.70. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The plaintiff served summons to the municipality. The municipality entered defence and filed pleadings. The matter was set down for hearing on the 5th of May 2025, the hearing was postponed, as at 30th June 2025 the municipality was awaiting a new date for the hearing.	1 648 133	1 648 133
• Mr Solomon Phasha vs Sekhukhune District Municipality Nature of the liability: a claim in delict was submitted. The financial effect of the claim as at 30 June 2025 could be estimated at about R 2 000 000.00. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The plaintiff served summons to the municipality. The municipality entered defence and filed pleadings. The matter was settled during the 2024/2025 financial year.	-	2 000 000
• Ms Julia Dibilong vs Selkhukhune District Municipality Nature of the liability: claim in delict by Ms Julia Dibilong. The financial effect of the claim as at 30 June 2025 could be estimated at about R 1 500 000.00. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability. The plaintiff served summons to the municipality. The municipality entered defence and filed pleadings. The matter was settled during the 2024/25 financial year.	-	1 500 000
• Ethokga Consulting and Projects vs Sekhukhune District Municipality Nature of the liability: a claim for services the company claims to have rendered to the municipality. The financial effect of the claim as at 30 June 2025 could be estimated at about R 20 490 616.12. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The plaintiff transmitted a letter of demand and issued summons to the municipality. The matter is at a discovery level and an assessor has been appointed, the inspection in loco has been scheduled. The arbitration is set down for the 10th and 11th of August 2025.	20 490 616	20 490 616
• Mr Kgopane MM vs Sekhukhune District Municipality Nature of the liability: a claim in delict by Mr Kgopane to the municipality. The financial effect of the claim as at 30 June 2025 could be estimated at about R 3 717 183.00. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The paintiff served summons to the municipality. The municipality entered defence and filed pleadings. Plea was served as at 30th June 2025 and the is stayed awaiting the applicant to pursue.	3 717 183	3 717 183
• Mr Tladi SJ vs Sekhukhune District Municipality Nature of the liability: a claim in delict by Mr Tladi to the municipality. The matter was settled during the 2024/25 financial year.	-	10 345
• SGL Engineering Projects (pty) ltd vs Sekhukhune District Municipality Nature of the liability: a claim by SGL Engineering (pty) ltd for consulting services, the company alleges to have rendered to the municipality consulting engineering services amounting to R 2 304 545.94 for the design and management of the Zaaiplaas bulk water and reticulation project. The municipality was served with summons, Pleas was served to the plaintif and are awaiting a notice of set down 30th June 2025.	2 304 545	2 304 545

Notes to the Financial Statements

Figures in Rand	2025	2024
43. Contingent Liabilities and assets (continued)		
• Mzamo V Group vs Sekhukhune District Municipality, litigation is against the municipality for a claim on a performance tendered by Mzamo V Group where the municipality is currently disputing, the claim is valued at R 180 000, the municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success and the matter was settled during the 2024/2025 financial year.	-	180 000
• Dr JS Moroka Local Municipality vs Sekhukhune District Municipality Nature of the liability, a dispute between the Sekhukhune District Municipality and Dr JS Moroka Local Municipality on a claim by the local municipality on a supply of water which it is claimed to have been supplied on behalf of the district municipality at a tariff that was not approved by the council of the local municipality and without a service level agreement between the two municipalities. The financial effect of the claim was estimated at R 415 028 875 .00 as at 30th June 2025. The dispute is currently serving in a court of law and it was uncertain as at 30th June 2025 as to how court may rule on the matter. There was however a possibility of reimbursement by the district municipality should it be proven that indeed there was a supply of water by the municipality, the remibursement would only be effected within the limits of the approved tarrif structures of the local municipality.	415 028 875	203 085 127
• Lepelle Northern Water Board vs Sekhukhune District Municipality Nature of the dispute, the Sekhukhune District Municipality has entered into a service level agreement with the Lepelle Northern Water Board for the supply of bulk water and maintenance services, the water board has submitted a claim to the municipality on for an amount of R 103 201 429.49 for a manitenance project to a Waste Water Treatment Plant of the municipality in the area of Burgersfort, the municipality rejected the claim on the basis that the contractor appointed by the Lepelle Northern Water Board did not complete the maintenance works and the works onsite were of a poor quality, the water board board reported to the municipality that the contractor was terminated, the water board also reported that the matter was settled through a court of law, the municipality has since requested from the water board full details of the appointment on the said contractor and the details of the court ruling together with detailed invoices of the amount claimed, the water board has failed to submit the requested information leading into a dispute that is currently mediated by the provincial department of Coghsta, as at 30th June 2025 the requested information on the disputed amount was not submitted to the municipality and the R 103 201 429 remained disputed as a result.	103 201 429	97 079 691
• BCX vs Sekhukhune District Municipality Nature of the dispute, the Sekhukhune District Municipality has received a statement of account from Business Connexion pty ltd during the month of July 2025, a business consulting firm currently assisting the municipality with an implementation of an mSCOA compliant financial system, the company has been rendering the business consultation services for a period of more than five years as at 30 June 2025. The company claims that the municipality owes to them a combined figure of about R 4 838 761.70 as at 30 June 2025 for services which were rendered previously dating back to 2023/2024 financial year. The municipality has since requested full details of the individual invoices to investigate the nature of the services rendered, according to the municipality's financial records payments are made on a monthly basis to BCX and there are no outstanding invoices to the company's services rendered. The matter isn't serving in any court of law and both the municipality and BCX planned to conclude the investigations on the amounts claimed by end of September 2025.	4 838 762	367 039
	624 334 583	**372 776 479**

Figures in Rand	2025	2024

43. Contingent Liabilities and assets (continued)

The Following are contingent liabilities reported as at 30 June 2025 where it was impracticable for management to attach the estimated cost of each possible liability.

Afri-Forum NPC vs Sekhukhune District Municipality
Nature of the liability: A claim by Afri-Forum NPC against the municipality in the Polokwane High Court for non-compliance in terms of the maintenance of the waste water plant in Marble Hall. The matter is yet to be heard before the court though the municipality is currently refurbishing the waste water treatment plant and it was not practical for management to attach a reliable estimate to the claim as at 30 June 2025. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success, and the case should be resolved within the next twelve month of the reporting period, as at 30th June 2025 no hearing was held on the matter, it is anticipated that the matter will be heard and resolved in the next financial year.

Mabotwane Security Services vs Sekhukhune District Municipality
Nature of the liability: A claim against the municipality by Mabotwane Security Services, the security company claims that the municipality appointed irregularly one other security company in four different clusters instead of appointing four different companies in all four clusters, the matter is currently heard before the court of law. It was impractical for management to attach a reliable estimated cost of the claim as at 30 June 2025. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success, the high court ruled that the bid be cancelled and the defendant filled and appeal, as at 30th June 2025 no court ruling was made on the matter..

Concerned residents of Flag Boshielo vs Sekhukhune District Municipality
Nature of the liability: A claim was instituted by the concerns citizens of Flag Boshielo that the municipality must supply certain quantities of water to the Flag Boshielo community. The value of the claim could not be quantified as at 30th June 2025. The concerned residents obtained a structured mandamus and the municipality do report to the court via the representing attorney.

Department of Water and Sanitation vs Sekhukhune District Municipality
Nature of the liability: The Department of Water and Sanitation has instituted a claim against the municipality to enforce compliance with the water and waste standards as embodied in the National Water Act and NEMA.The value of the claim could not be quantified as at the 30th June 2025 and the municipality is currently defending the matter.

KP33 vs Sekhukhune District Municipality
Nature of the liability: The company has instituted a claim against the municipality on unpaid taxes and rates, the value of the claim could not be quantified as at the 30th June 2025 and the municipality has entered defence of the matter.

The following labour matters were also reported as at 30 June 2024

Mr Langa Kabini vs Sekhukhune District Municipality
The applicant brought an application to the high court asking the court to set aside a decision by the respondent to constitutee a disciplinary hearing under the collective bargaining council. Summons we received by the municipality and a notice to oppose was netered into and an answering affidavit was filled. The municipality has filled papers with the court to have the matter set down, as at 30th June 2025 a ruling was yet to be made on the matter.

Sekhukhune District Municipality vs SAMWU OBO Masha and Others
Nature of the liability: A litigation process is ongoing for a claim by SAMWU, OBO, Masha & Others on a claim for a vehicle allowance that is currently offered by the municipality at a rate of 15%, the complainants argue that the allowancee must be set at 25% not 15%. It was impractical for the municipality to make a realistic cost of the claim as at 30th June 2025.

The following are the contingent assets of the municipality as at 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
43. Contingent Liabilities and assets (continued)		
Sekhukhune District Municipality vs Maadima (pty) ltd Nature of the contingent asset: a claim by the municipality to Maadima (pty) ltd as an underwriter of a guarantee to a contractor, the contractor did fail to complete the construction works on behalf of the municipality as per its appointment and the guaranteed monies were due to complete the remaining works. The financial effect of the claim as at 30 June 2025 could be estimated at about R 4 714 054.73. The municipality's lawyers and management consider the likelihood of the action against the Maadima (pty) ltd with 80% chances of success for the municipality. The letter of demand already served. The matter was at discovery level as at 30th June 2025 awaiting a court ruling.	4 714 054	4 714 054
• Sekhukhune District Municipality vs Betrams & Standard Bank Nature of the contingent asset: a claim by the municipality to Betrams (pty) ltd and Standard Bank on guarantees issued by the Standard Bank SA on behalf of Betrams (pty) ltd. The financial effect of the claim as at 30 June 2025 could be estimated at about R 25 080 622.05. The municipality's lawyers and management consider the likelihood of the action against Betrams (pty) ltd and Standard Bank SA with 80% chances of success for the municipality, and the case should be resolved within the next twenty-four months. Summons served on defendants. Notice of exception received and plea amended. Defendant served Rule 35(12 & 14) and the municipality provided the required documentation. The plaintiff provided the documents short of the tender document for Betrams,	25 080 622	25 080 622
• Sekhukhune District Municipality vs Advocate Ngutshane Nature of the contingent asset: a claim by the municipality to Advocate Ngutshane on a payment erroneously paid into his bank account by the municipality. The matter was settled during the 2024/25 financial year.	-	239 131
• Sekhukhune District Municipality vs Ndamakho Trading (Mapondo Tanks) Nature of the contingent asset: a claim by the municipality to Ndamakho Trading (Mapondo Tanks) for an advance payment on the installation of water tanks which were never installed valued at around R 6 500 000.00. The municipality's lawyer's and management consider the likelihood of the action against Ndamakho Trading (Mapondo Tanks) with around 80% probability of success. Summons were issued to Ndamakho Trading (Mapondo Tanks). Notice of intention to defend was served by the defendant, a date of is yet to be determined for the matter to be set down.	6 500 000	6 500 000
• Hexagon Technologies and Projects vs Sekhukhune District Municipality Nature of the contingent asset: dispute on a claim of a consumer price index adjustment by Hexacon Technologies to the municipality.The financial effect of the claim as at 30th June 2025 could be estimated at about R 7 421 365.80. The plaintiff transmitted a letter of demand and issued summons to the municipality. The matter was settled and closed during the 2024/25 financial year.	-	7 421 365
• Sekhukhune District Municipality vs Officials Nature of the contingent asset: A claim by the municipality to a total of R 12 084 011 in invoices which were incorrectly and fraudulently paid into an incorrect bank account by officials of the municipality. The invoices were meant to pay the monthly instalments towards the cumulative debt on occupational health and safety membership with the department of labour. The matter in currently handled by the South African Police Service and it is expected to be concluded in the next twenty-four months. The municipality's lawyers and management consider the likelihood of the action against the officials with around 80% probability of success. As at the 30 June 2025 the municipality was awaiting a report from the South African Police Service on how the matter is to be concluded. The matter is set for trial in September 2025.	12 084 011	12 084 011
• Sekhukhune District Municipality vs Guardrisk Insurance Company and Indwe Insurance Services Nature of the contingent asset: The municipality lodged a claim with the insurance company after fulfilling its monthly insurance premiums, the company failed to honour the insurance payout on grounds which could not be justified and the municipality suffered R 1 180 322.39 in financial losses. As at 30th June 2025 the municipality has initiated processes of issuing summons to the insurance company.	1 180 322	1 180 322
	49 559 009	**57 219 505**

Notes to the Financial Statements

Figures in Rand	2025	2024

44. Principal-agent arrangements

The Sekhukhune District Municipality, herein referred to as the principal agent, has entered into a memorandum of understanding with Makhuduthamaga Local Municipality for the repairs and maintenance as well as the construction of the water infrastructure assets on behlaf of the district municipality, should the principal-agent arrangement be terminated, the district municipality shall assume and compensate the local municipality all expenses incurred to-date, and any other assets (either completed or under construction) shall be transferred to the district municipality.

Description of the arrangement: The local municipality maintains, repairs and construct the selected water infrastrucutre assets of district municipality.

Significant terms and conditions of the arrangement: The significant terms of the arrangements are that the local municipality shall, at their own expense and having agreed with the distrcit municipality, repairs, maintain and refurbish the selected water infrastrucutre assets and claim all the expenditure incurred from the district municipality. The local municipality shall upon completion of the assets under construction, if any, transfer such assets to the district municipality. There were no changes to the arrnagement during the 2024/2025 financial year.

There were no risks identified in association with the arrangement..

Payments on maintenance and refurbishment programs that are under the custotianship of the agent	32 392 515	21 142 181
Amount due at year end	107 485	-
VAT receivables from the agent	(6 447 153)	(2 619 792)
	26 052 847	**18 522 389**

Notes to the Financial Statements

Figures in Rand	2025	2024

45. Related parties

Relationships

Members of key management	Note 26
Shareholding with significant influence	Sekhukhune Development Agency
Members of the municipal council	Listed hereunder

Related party balances

Transfers and subsidies		
Sekhukhune Development Agency	12 178 756	10 697 833
Members of key management		
Municipal Manager	1 739 097	1 251 997
Chief Financial Officer	1 141 815	1 138 727
Director: Corporate Services	1 294 069	1 106 203
Director: Infrastructure and Water Services	1 260 292	1 240 757
Director: Community Services	1 105 223	165 033
Director: Planning and Economic Development	1 256 280	1 289 243
Chief Operations Officer	576 743	1 115 985

Remuneration of councillors 2024/25	Annual remuneration	Travel allowance	Cellphone allowance	Pension, Medical, UIF & SDL	Sitting allowance & travel claims	Total
Cllr Maitula BM (Executive Mayor)	932 878	-	47 000	102 156	-	1 082 037
Cllr Chego DK (Council speaker)	775 232	-	47 000	62 518	-	884 754
Cllr Machipa TP	383 383	-	19 800	26 393	-	429 576
Cllr Phokane MJ (Chief Whip)	200 014	-	-	200	-	200 214
Cllr Nkosi SM	866 648	-	43 200	58 430	-	968 278
Cllr Mafefe OH	794 333	-	47 000	112 441	-	953 778
Cllr Leokana MD	169 280	-	21 600	1 293	-	192 173
Cllr Sefala KRE	725 224	-	47 000	119 909	-	892 137
Cllr Leshaba MB	866 985	-	47 000	59 139	-	973 128
Cllr Kupa MR	20 014	-	-	200	-	20 214
Cllr Malatji MN	2 999	-	-	200	-	3 199
Cllr Nkosi SB	8 118	-	1 800	99	-	10 017
Cllr Mashilo MS	70 792	-	7 200	478	-	78 470
Cllr Mabatane MC	812 796	-	47 000	58 674	-	918 475
Cllr Mogofe A	529 054	-	44 400	25 593	-	599 048
Cllr Tladi MD	319 510	-	44 400	24 989	-	388 899
Cllr Maloba AM	334 493	-	44 400	3 728	-	382 621
Cllr Mathebe JL	335 985	-	47 000	82 815	-	465 804
Cllr Ratau MF	368 196	-	47 000	25 141	-	440 341
Cllr Mohlala MJ	400 796	-	47 000	25 248	-	473 048
Cllr Mogotji FM	362 130	-	47 000	3 782	-	412 916
Cllr Tshivhula MP	323 952	-	47 000	25 015	-	395 971
Cllr Kgwedi JL	308 817	-	43 200	24 977	-	376 994
Cllr Matsetela ML	387 289	-	35 253	19 196	-	441 737
Cllr Magabe MS	228 386	-	21 600	1 326	-	251 312
Cllr Makofane T	166 615	-	21 600	610	-	188 825
Cllr Makutu TS	51 798	-	21 600	364	-	73 762
Cllr Mathipa MP	224 311	-	21 600	1 580	-	247 941
Cllr Mgiba NP	162 228	-	21 600	1 146	-	184 975
Cllr Mokgotho K	135 965	-	21 600	648	-	158 213
Cllr Thobejane LM	124 710	-	21 600	475	-	146 786
Cllr Tlape MM	51 540	-	21 600	1 165	-	140 383
Cllr Molapo WS	-	-	-	429	-	429
Cllr Mabelane MJ	39 505	-	1 800	115	-	41 422

Notes to the Financial Statements

Figures in Rand					2025	2024
45. Related parties (continued)						
Cllr Ngwatle AD	31 197	-	21 600	378	-	53 174
Cllr Makofane IT	169 005	-	21 600	896	-	191 501
Cllr Malau TS	133 561	-	21 600	1 154	-	156 314
Cllr Mathabathe TS	10 616	-	7 200	125	-	17 941
Cllr Maibelo LS	22 905	-	21 600	348	-	44 852
Cllr Sithole LL	14 713	-	1 800	61	-	16 574
Cllr Matsomane ST	43 269	-	21 600	371	-	65 241
Cllr Rankoe TP	83 954	-	21 600	463	-	105 997
Cllr Mosoane E	23 505	-	1 800	79	-	25 384
Cllr Mokomane ML	112 567	-	21 600	557	-	134 724
Cllr Thokwane KZ	58 803	-	21 600	354	-	80 757
Cllr Mashegoana MC	22 220	-	1 800	69	-	24 088
Cllr Makobe PA	31 847	-	21 600	375	-	53 822
Cllr Lekoatsipa LN	98 982	-	21 600	336	-	120 918
Cllr Magatla LN	142 561	-	21 600	1 301	-	165 462
Cllr Letsela NS	85 002	-	21 600	337	-	106 939
Cllr Maelane KN	15 962	-	1 800	66	-	17 829
Cllr Machai MJ	13 874	-	1 800	103	-	15 778
Cllr Ngobeni CP	105 278	-	38 533	722	-	144 532
Cllr Kgagara TP	9 835	-	1 800	85	-	11 720
Cllr Maile LP	349 769	-	43 087	27 517	-	420 373
Cllr Matlala MA	122 792	-	18 000	885	-	141 677
Cllr Malepe KP	34 496	-	18 000	317	-	52 812
Cllr Thobejane ME	32 860	-	18 000	296	-	51 156
Cllr Matsomane ME	37 039	-	18 000	303	-	55 343
Cllr Machaba MG	29 971	-	18 000	280	-	48 251
Cllr Mthimunye MS	17 478	-	18 000	265	-	35 743
Cllr Mashiane S	10 960	-	18 000	267	-	29 226
Cllr Mokganyetji MJ	286 778	-	47 000	66 464	-	400 246
Cllr Makhudu LP	80 302	-	7 834	916	-	95 053
	13 716 077	**-**	**1 536 507**	**976 162**	**-**	**16 301 304**

Remuneration of councillors 2023/24	Annual remuneration	Travel allowance	Cellphone allowance	Pension, Medical, UIF & SDL	Sitting allowance	Total
Cllr Maitula BM (Executive Mayor)	545 778	-	31 336	56 488	-	633 602
Cllr Mokganyetji MJ (Executive Mayor)	536 832	-	48 136	86 348	-	671 316
Cllr Chego DK (Council speaker)	738 166	-	48 136	62 577	-	848 879
Cllr Phokane MJ (Chief whip)	684 575	-	45 484	55 495	-	785 554
Cllr Nkosi SM	715 121	-	46 800	46 054	-	807 975
Cllr Mafefe O	774 565	-	48 136	118 206	-	940 907
Cllr Leokana MD	237 580	-	21 200	1 607	2 359	262 746
Cllr Makgolane RE	670 306	-	48 136	106 926	-	825 368
Cllr Leshaba MB	862 353	-	48 136	59 341	-	969 830
Cllr Kupa MR	824 668	-	45 484	56 022	-	926 174
Cllr Malatji MN	228 835	-	20 717	13 456	-	263 008
Cllr Nkosi SB	141 467	-	21 200	1 173	-	163 840
Cllr Mashilo MS	177 615	-	21 200	1 359	-	200 174
Cllr Mabatane MC	826 640	-	48 136	58 501	-	933 277
Cllr Mogofe A	457 029	-	45 200	25 219	-	527 448
Cllr Tladi MD	304 635	-	45 200	24 723	-	374 558
Cllr Maloba AM	308 795	-	45 200	3 476	-	357 471
Cllr Mathebe JL	339 720	-	48 136	83 892	-	471 748
Cllr Ratau MF	572 940	-	48 136	39 913	-	660 989
Cllr Mohlala MJ	563 657	-	48 136	40 898	-	652 691
Cllr Mogotji FM	319 735	-	48 136	3 619	-	371 490
Cllr Tshivhula MP	323 230	-	48 136	25 045	-	396 411

Notes to the Financial Statements

Figures in Rand					2025	2024
45. Related parties (continued)						
Cllr Kgwedi JL	291 550	-	45 600	25 020	-	362 170
Cllr Matsetela ML	452 989	-	48 136	25 641	-	526 766
Cllr Magabe MS	273 235	-	21 200	1 346	-	295 781
Cllr Makofane T	164 926	-	21 200	713	33 774	220 613
Cllr Makutu TS	54 496	-	21 200	504	23 245	99 445
Cllr Mathipa MP	245 949	-	21 200	1 453	25 474	294 076
Cllr Mgiba NP	157 075	-	21 200	1 108	-	179 383
Cllr Mokgotho K	137 053	-	21 200	725	32 680	191 658
Cllr Thobejane LM	118 372	-	21 200	563	25 646	165 781
Cllr Tlape MM	121 247	-	21 200	1 130	-	143 577
Cllr Molapo WS	23 082	-	19 981	322	18 856	62 022
Cllr Mabelane MJ	116 667	-	21 200	564	25 646	164 077
Cllr Ngwatle AD	2 291	-	21 200	305	14 067	37 863
Cllr Makofane IT	144 054	-	21 200	960	38 534	204 748
Cllr Malau TS	118 328	-	21 200	815	20 756	161 099
Cllr Mathabathe TS	2 334	-	21 200	329	18 742	42 605
Cllr Maibelo LS	17 843	-	21 200	289	10 442	49 774
Cllr Sithole LL	46 010	-	21 200	436	26 869	94 515
Cllr Matjomanae ST	25 214	-	21 200	353	22 194	68 960
Cllr Rankoe TP	91 965	-	21 200	844	20 052	134 061
Cllr Mosoane E	80 751	-	21 200	722	16 513	119 186
Cllr Mokomane ML	105 659	-	21 200	761	20 052	147 672
Cllr Thokwane KZ	82 750	-	21 200	613	15 333	119 896
Cllr Mashegoana MC	80 514	-	21 200	686	11 795	114 195
Cllr Makobe PA	16 830	-	21 200	416	7 077	45 523
Cllr Lekoatsipa LN	142 124	-	21 200	815	-	164 138
Cllr Magatla LN	98 967	-	21 200	854	-	121 021
Cllr Letsela NS	68 685	-	21 200	342	-	90 227
Cllr Maelane KN	59 380	-	21 200	409	-	80 989
Cllr Machai MJ	75 734	-	21 200	718	8 256	105 908
Council remuneration: operational cost	-	-	-	-	282 313	282 313
	14 570 296	**-**	**1 604 634**	**1 040 094**	**720 475**	**17 935 498**

46. Change in accounting estimate

Property, plant and equipment

The municipality has reviewed the useful life of the assets based on the physical inspection of the assets it resulted in increase of the useful of the asset.The below table shows the results of the change in the accounting estimate.

Description			**Before**	**Effect**	**After**
Transport	-	-	7 070 752	(329 485)	6 741 267
Machinery	-	-	1 164 287	(478 319)	685 968
Furniture and equipment	-	-	662 392	(390 842)	271 550
Water infrastructure	-	-	755 480	(304 538)	450 942
	-	**-**	**9 652 911**	**(1 503 184)**	**8 149 727**

47. Prior period errors

Figures in Rand	2025	2024

47. Prior period errors (continued)

MFMA Disclosures
The combined opening balance for the Pay As You Earn, Unemployment Insurance Fund & Skills Development Levy in the prior year was incorrectly disclosed as (R 302 253) , the error was corrected by correctly disclosing an opening balance of (R 328 124) in the prior year.

The combined opening balance for the Pension and Medical Aid contributions in the prior year was incorrectly disclosed as R 128 321, the error was corrected by correctly disclosing an opening balance of (R 4 070) in the prior year.

Councilor's arrear consumer accounts
The disclosure on the highest amounts of consumer accounts beloging to council members was ommitted in the prior year, the error was corrected by disclosing the following councilors with highest arrear amounts in the prior year:

- Cllr Ratau MF R 34 318
- Cllr Ratau MF R 32 216
- Cllr Matsetela ML R 3 100

Contingent Assets
There was an ommision on the disclosure on contingent assets in the 2023/24 prior year to an amount of R 1 180 322.39. The amount relates to a claim by the municipality to an insurance company which the company did not honour as per the insurance agreement with the municipality. The error was corrected by including the matter in the litigation register and correctly disclosing the matter in the prior year.

Contingent Liabilities
There was an ommision on the disclosure on contingent liabilities in the 2023/24 financial year regarding a claim by SAMWU, OBO, Masha & Others, the complainants claim that the municipality is currently paying 15% vehicle allowance instead of 25%. The error was corrected by correctly disclosing the matter under contingent liabilities in the prior year.

Contingent Liabilities
The disclosure on contingent liabilities did not include the an amount claimed by BCX, a business consulting firm currently rendering the mSCOA financial system services to the municipality. The amount was disputed by the municipality on the basis that all outstanding invoices where paid on a monthly basis and services claimed by the municipality are to be investigated, an amount of R 367 038.60 was disclosed as a contingent liability as at 30 June 2025.

Unspent Conditional Granclaiments - Municipal Infrastructure Grant
The total unspent municipal infrastruture grant was incorrectly disclosed in the 2023/24 prior year. The disclosed amount was incorrectly overstated by R 8 595 579.15 . The error has since been corrected by disclosing the correct amount of R 40 233 365 as the unspent MIG funds in the 2023/24 prior year.

Unspent Conditional Grants - Water Services Infrastructure Grant
The total unspent water services infrastructure grant was incorrectly disclosed in the 2023/24 financial year. The disclosed amount was incorrectly overstated by R 12 620 401.00 . The error was corrected by disclosing the correct amount of R 0.00 as the unspent WSIG funds in the 2023/24 financial year.

Unspent Conditional Grants - Rural Road Asset Management Systems
The unspent contitional grant on the rural road asset management systems was incorrectly disclosed and understated in the prior year, the error was corrected by disclosing correctly R 1 744 473.00 as the unspend grants for the programs implimented under the rural road asset management grant. The disclosure on unspent conditional grant on the rural asset management systems was incorrectly stated.

Irregular Expenditure
The disclosure note on the irregular expenditure incurred in the prior year did not include some of the expenditure amounts which were identified as irregular expenditure. The total expenditure disclosed as irregular expenditure incurred in the prior year was therefore understated. The error was corrected by including in total an amount of R 20 606 699.00 of irregular expenditure as a prior period adjustments in the 2023/2024 financial year.

Related Party Transactions - Transfers and Subsidies
The disclosure on transfers and subsidies under the related party transactions in the 2023/24 prior year was disclosed and understated, the error was corrected by disclosing the correct amount of R 10 697 833.63 as tranfers and subsidies to the Sekhukhune Development Agency in the 2023/24 prior year.

Notes to the Financial Statements

Figures in Rand	2025	2024

47. Prior period errors (continued)

Debt impairment - expenses

The disclosure on the debt impairment expenditure was incorrectly overstated by R 33 752 814.00 in the prirc year, the R 33 752 814.00 amount was in relation to the RBIG receivable incorrectly recognised into the books of the municipality in the prior year, the error was corrected by reducing the debt impairment expenditure by the same amount in the prior year.

Receivables from non-exchange transactions

The amount disclosed on receivables from non-transactions was understated by R 2 619 792.00 in the prior year, the amount was in relation to a debt by Makhuduthamaga Local Municipality on the VAT claims they've collected on behlaf of the district municipality in terms of the expenditure incurred as per the signed MOU between the two parties. The error was corrected by disclosing the R 2 619 792.00 as a receivable from non-exchnage transactions in the prior year.

VAT receivables

The amount disclosed on VAT receivable in the prior year was overstated by R 2 619 792.00, the amount was in relation to a debt by Makhuduthamaga Local Municipality on the VAT claims they've collected on behlaf of the district municipality in terms of the expenditure incurred as per the signed MOU between the two parties. The error was corrected by excluding the amount from the disclore on VAT receivable in the prior year.

Interest on overdue accounts and finance costs

The expenditure for the interest on overdue accounts and finance costs was incorrectly disclosed as R 5 765 833.00, the disclosed amount excluded the interest on the overdue accounts of the Lepelle Northern Water and Department of Water and Sanitation to an amount of R 13 210 454.78. The error was corrected by disclosing correctly R 18 964 288.78 interest on overdue accounts in the prior year.

Employee Benefits - Current Liability

The disclosure amount on employee benefits - current liability portion was incorrectly disclosed as R 34 201 000.00 in the prior year. The error was corrected by correctly disclosing the employee benefits - current liability portion as R 27 695 000.00 in the prior year. There was a recalculation of the employee benefits on the unused leave days based on the revised leave reports.

Employee Benefits - Non-current Liability

The disclosure amount on employee benefits - non-current liability portion was incorrectly disclosed as R 31 972 000.00 in the prior year. The error was corrected by correctly disclosing the employee benefits - current liability portion as R 37 535 000.00 in the prior year. There was a recalculation of the employee benefits on the unused leave days based on the revised leave reports.

Payables from Exchange Transactions -Trade payables

The amount on trade payables was incorrectly disclosed and understated by R 30 742 528 in the 2023/2024 financial year. Tne error was corrected and the R 30 742 528.00 amount of creditor invoices received and paid in the current was included as a disclosure on trade payables as restated.

Payables from Exchange Transactions -Trade payables

The amount on other payables was incorrectly disclosed and understated by R 5 127 521.00 in the 2023/2024 financial year. Tne error was corrected and the R 5 127 521.00 amount of creditor invoices received and paid in the current was included as a disclosure on trade payables as restated.

General Expenses

The following items of general expenditure were incorrectly disclosed in the 2023/24 financial year. The error was corrected by disclosing the general expenditure items with the restated individual expenditure amounts as deatiled below:

- Town planning R 0.00
- Accommodation R 6 040 451.00
- Hire charges R 6 522 447
- Telephone and fax R 4 186 888.00
- Training R 2 780 791.00
- Other expenses R 17 136 814.00
- Catering services R 5 593 257.00
- Meter reading R 9 274 070.00
- Advertising R 9 861 510.00
- Travel R 0.00

Other Income

The disclosed amount of R 1 082 941.00 on other income in the prior year did not disclosure a breakdown of the expenditure, the error was corrected by disclosing in the prior year the breakdown of the total disclosed amount as follows:

- Health services R 523 304.00

47. Prior period errors (continued)

- Fire services R 217 538.00
- Sale of tender documents R 152 652.00
- Other R 189 447.00

Contingent Liabilities
The total amount of contingent liabilities in the prior year was understated by R 97 079 691.49 in the prior year.The Sekhukhune District Municipality has entered into a service level agreement with the Lepelle Northern Water Board for the supply of bulk water and maintenance services, the water board has submitted a claim to the municipality on for an amount of R 97 079 691.49 for a manitenance project to a Waste Water Treatment Plant of the municipality in the area of Burgersfort, the municipality rejected the claim on the basis that the contractor appointed by the Lepelle Northern Water Board did not complete the maintenance works and the works onsite were of a poor quality, the water board reported to the municipality that the contractor was terminated, the water board also reported that the matter was settled through a court of law, the municipality has since requested from the water board full details of the appointment on the said contractor and the details of the court ruling together with detailed invoices of the amount claimed, the water board has failed to submit the requested information leading into a dispute that is currently mediated by the provincial department of Coghsta, as at 30th June 2024 the requested information on the disputed amount was not submitted to the municipality and the R 97 079 691.49 remained disputed as a result. The error was corrected by disclosing a contingent liability of the same amount in the 2023/2024 financial year.

Fruitless and wasteful expenditure
The opening balance for the fruitless and wasteful expenditure amount disclosed in the prior year was understated by R 10 518 688.00 in the prior year, the error was corrected by restating the opening balance to R 82 944 174.00 in the prior year. The fruitelss and wasteful expenditure incurred in the prior year was also understated by R 13 210 454.78, the eror was corrected by including the R 13 210 454.78 amount in the current year expenditure for the 2023/2024 financial year, both amounts relate to the disputed historical debts on both the two bulk water accounts for the Lepelle Northern Water and Department of Water and Sanitation.

Property, plant and equipment - Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)
The carrying value of the property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s) was undersated by R 29 294 812.00 in the prior year. The error was corrected by disclosing a corrected carrying value of R 172 708 470.61 in the prior year.

Contributions to organised local government
The annual financial statements of the municipality for the 2023/2024 prior year did not include a disclosure on contributions to organised local government, the error was corrected by disclosing, as part of the related parties disclosure, the following amounts under contributions to organised local government:

- Amounts paid to organised local government	R 21 142 180.75
- Amount due at year end	R 0.00

Statutory reclevables included in the recceivables from exchange transactions
The municipality's annual finanical statements in the 2023/2024 prior year did not include a disclosure on the statutory receivables of Value Added Tax. The error was corrected by disclosing the following staturtory receivables in the prior year:

VAT Input accrual	R 103 580 143.00
VAT receivable from SARS	R 67 234 196.00

VAT Payable
The municipality's annual finanical statements in the 2023/2024 prior year did not include a disclosure on the VAT payable from Value Added Tax. The error was corrected by disclosing the following staturtory receivables in the prior year:

Output VAT accrual	R 99 249 475.00
Provision for doubdful debt impairment	(R 37 516 248.00)

Contrated services
The amount disclosed for contracted services expenditure in the 2023/2024 prior year was incorrectly overderstated by R 2 560 941.00 in the statement of financial performance, the error was corrected by disclosing a corrected amouint of R 313 097 579.00 as contracted services in the prior year.

Employee related cost
The amount disclosed for the employee related cost in the 2023/2024 prior year was incorrectly overderstated by R 18 001.00 in the statement of financial performance, the error was corrected by disclosing a corrected amouint of R 432 773 919.00 as employee related cost in the prior year.

Figures in Rand	2025	2024

47. Prior period errors (continued)

Interest on overdue accounts
The amount disclosed as interest on oversue accounts in the prior year was undersdated by R 10 518 688.00. The amounts relates to the interest charges on the previously disputed invoices for the Lepelle Northern Water, the error was corrected by disclosing correctly the R 10 518 688.00 interest charges in the prior year.

Presentation - Statement of Financial Performance
The revenue from exchange transactions in the 2023/2024 prior year did incorrectly include an amount of R 63 198.00 for the fair adjustments on the mayoral chain and an amount of R 3 763 226.00 for the acturial gains on the employee benefits.The error was corrected by presenting correctly the amounts after the operating surplus of the municipality in the statement of financial performance.

Financial Instruments
The trade and payables amount of disclosed under financial liabilities in the prior year was incorrectly overstated by R 9 737 214.00 for the bonus provision, the error was corrected by disclosing separately the bonus provision amount in the prior year. The financial assets disclosure in the prior year did incorrectly include the VAT receivables amount of R 64 403 980.00, the error was corrected by excluding the VAT receivable amount under the financial assets.

Property, plant and equipment
The total amount disclosed under the property, plant and equipment (work in progress) was understated by R 887 135.18. The municipality did enter into a memorandum of understanding with the Makhuduthamaga Local Municipality on the repairs, maintenance and refurbishment of the water infrastructure assets, as at 30 June 2024 there was one projected which was implemented by the local municipality to a value of R 887 135.18, the project was not reported to the district municipality.The error was corrected by recognising the amount in the 2023/2024 work in progress register.

Water distribution losses - Statement of financial performance
The statement of financial performance in the 2023/2024 financial year did not include the disclosure on the water distribution losses to an amount of R 38 120 360.00. The total operational expenditure in the 2023/2024 financial year was understated by the same amount. The error was corrected by disclosing a water distribution loss of R 38 120 360.00 in the prior year.

Receivables from exchange transactions
The disclosure note on the receivables form exchange transactions in the prior year did not include the VAT Input Accrual and VAT Receivable from SARS, the error was corrected by disclosing separately the under the receivables from exchange transactions VAT Input Accrual to an amount of R 103 580 143.00 and VAT Receivable from SARS to an amount of R 67 234 196.00

Payables from exchange transactions
The disclosure on the payables from exchange transactions in the prior year did not include VAT Output Accrual and VAT on Doubful Debt Impairment, the error was corrected by disclosing separately under payables from exchange transactions VAT Output Accrual to an amount of R 99 249 475.00 and VAT on Doubtful Debt Impairment to an amount of (R 37 516 248.00)

Cash Flow State Statement
The statement of cash flow in the prior year disclosed amounts which were materially mistated, the cash from sale of goods and services was mistated, the cash paid to suppliers and employees was mistated. The mistatements were corrected by disclosing correcting the following amounts:

- Net cash flows from operating activities	R 300 573 588.00
- Purchase of property, plant and equipment	(R 480 577 896.00)

Property, plant and equipment - Halted projects
Carrying value of the property, plant and equipment where construction or development has been halted in the prior year was understated by an amount of R 5 050 944.83 for the WSIG project in Nebo phase 1. The error was corrected by including the project in the total carrying value of the halted projects in 2023/2024 financial year.

Notes to the Financial Statements

Figures in Rand	2025	2024

48. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2024

	Note	As previously reported	Correction of error	Restated
VAT receivable		111 700 905	(2 619 792)	109 081 113
Receivables from non-exchange transactions		7 723 137	2 619 792	10 342 929
Payables from exchange transactions		(619 439 174)	(35 870 049)	(656 196 358)
Unspent conditional grants		(62 247 616)	19 471 507	(42 776 109)
Employee benefits - current portion		(34 201 000)	(6 106 000)	(27 695 000)
Work in Progress		1 146 284 546	(817 896)	1 147 102 442
Employee benefits - non-current portion		(31 972 001)	5 563 000	37 535 000
Accumulated surplus/(deficit)		(5 056 737 878)	17 759 438	(5 038 978 442)
		(4 538 889 081)		**-(4 461 584 425)**

Notes to the Financial Statements

Figures in Rand	2025	2024

48. Prior-year adjustments (continued)

Statement of financial performance

2024

	Note	As previously reported	Correction of error	Restated
Employee related cost		(432 791 920)	18 001	(432 773 919)
Remuneration of councillors		(17 935 498)	-	(17 935 498)
Depreciation and amortisation		(144 961 078)	-	(144 961 078)
Impairment loss		(7 348 419)	-	(7 348 419)
Finance cost and inetrest on overdue accounts		(5 765 833)	(13 198 455)	(18 964 288)
Lease rentals on operating lease		(45 782 700)	-	(45 782 700)
Debt impairment		(117 262 131)	33 752 814	(83 509 317)
Bulk purchases		(231 345 755)	-	(231 345 755)
Contracted services		(315 658 520)	2 560 941	(313 097 579)
Transfers and subsidies		(10 663 989)	(33 844)	(10 697 833)
Inventory losses/write-downs		(182 086)	(38 120 360)	(38 302 446)
Actuarial losses		(1 685 611)	-	(1 685 611)
General expenses		(220 224 627)	(2 527 096)	(222 751 723)
Repairs and maintenance		(51 075 674)	-	(51 075 674)
Revenue from exchange transactions		187 974 358	-	187 974 358
Revenue from non-exchange transactions		1 571 008 030	-	1 571 008 030
Actuarial gains		3 009 226	913 000	3 763 226
Surplus for the year		**159 307 773**	**(16 634 999)**	**142 513 774**

Cash flow statement

2024

	Note	As previously reported	Correction of error	Restated
Cash flow from operating activities				
Sale of goods and services		71 551 840	(70 898 176)	653 664
Grants		1 376 929 598	(17 257 818)	1 359 671 780
Interest income		81 045 953	34 069 586	115 115 539
Other receipts		1 082 941	-	1 082 941
Employee costs		(412 724 645)	13 069 276	(399 655 369)
Suppliers		(777 718 547)	19 956 610	(757 761 937)
Remuneration of council		(17 935 498)	-	(17 935 498)
Finance costs		-	(597 532)	(597 532)
		322 231 642	**(21 658 054)**	**300 573 588**
Cash flow from investing activities				
Purchase of property, plant & equipment		(502 135 950)	21 558 054	(480 577 896)

49. Risk management

Financial risk management

Liquidity risk

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

Notes to the Financial Statements

Figures in Rand	2025	2024

49. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents 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.

Notes to the Financial Statements

Figures in Rand	2025	2024

49. Risk management (continued)

Market risk

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

Notes to the Financial Statements

Figures in Rand	2025	2024

50. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of R 5 263 024 545

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality and that the subordination agreement referred to in note of these financial statements will remain in force for so long as it takes to restore the solvency of the municipality.

The municipality did receive a letter from the National Treasury on the 12th of November 2025, the letter was communicitating the intention by the National Treasury to withhold the second instalment of the equitable share due to the municipality by first week of December 2025, the National Treasury has indicated in the letter that the municipality hasn't complied fully its instruction to municipalities on concluding the investigations on the reported historical expenditure in the form of unauthorized, irregular, fruitless and wasteful expenditure, in addition the National Treasury indicated the municipality did not have a financial misconduct board that is fully functional to deal with issues of consequence management. It was on the basis of the two previously issued instructions that the National Treasury did communite to the municipality the intention to withheld the equitable share due for payment to the municipality in December 2025.

The municipality did respond to the letter by the National Treasury with supporting evidence on the reduction of the reported historical unauthorised, irregular, fruitless and wasteful expenditure to the maximum of the required 75% as at 20th of November 2025, the municipality went further to provide evidence on how the municipality has done well in preventing the occurance of new unwanted expenditure in the past couple of years. The municipality has also provided proof on the establishment of the financial misconduct board and its functionally to-date. The municipality went further to provide evidence on the implementation of the consequence management recommendations by the misconduct board.

The municipality currently awaits the results of the National Treasury's assessment the submissions made in response to their letter. The municipality remains very confident that National Treasury will release the equitable share funds in December 2025 on the basis that the historical unwanted expenditure was addressed to a maximum of the required 75% and also on the basis of the functionality of the financial misconduct board and the implementation of its regulations.

The municipality did assess the followong factors to arrive at a conclusion that the municipality shall receive its equitable share in december 2025:

Trade and other payables – Projected to be paid within 30 days of receiving the invoice in the ordinary course of business. The bulk of the trade creditors relate to the bulk water account with the Lepelle Northern Water Board on a historical debt that was disputed for quite a number of years till a settlement agreement that was proposed on the reconciled and validated total debt in July 2025. The total debt amounts to R 390 million as at 30 June. The payment arrangements were that the municipality will pay in total R 30 million each quarter while maintaining the current account, the first R 30 million of the arrangement has already been paid during the 1st quarter of the 2025/2026 financial year, payments towards the current billing were also processed up to the recent month of October 2025, the municipality has projected to settle the debt in 36 months from the date of the settlement agreement dated July 2025, the total historical debt is projected to reduce by around 33.5% each year. The municipality is also planning not to renew the 10 year bulk water supply account with the LNW when it comes to an end in the next few years, alternative sources of water supply already are in being developed and implemented by the municipality to ensure there are no interruptions in water services, about R 130 million of the total R 530 million trade payables were the year end accruals relating to the 2025/2026 financial year, these amounts were settled during the first quarter of the 2025/2026 financial year. The Trade payables of the municipality has reduced quite significantly going into the second quarter of the 2025/2026 financial year. The municipality is currently ensuring that trade payables are settled as and when they are due for payments.

High Current Liabilities
The municipality's current liabilities has reduced quite significantly in the first and second quarter of the 2025/2026 financial year as indicated under the trade and other payables.

The municipality has entered into a settlement agreement with Dr JS Moroka during the second quarter of the 2025/2026 financial year, in terms of the new agreement the total debt agreed upon was around R 200 million of the claimed R 400 million after a validation process which was aimed at verifying the amounts claimed. The municipality has processed the first R 10 million payment towards the Dr JS Moroka debt in November 2025.11.23

Figures in Rand	2025	2024

50. Going concern (continued)

On the R 103 million amount claimed by the Lepelle Northern Water Board, the dispute resolution process lead by the Limpopo provincial Coghsta resolved in October 2025 that the amount could not be reported as a debt due to the lack of supporting evidence by the Lepelle Northern Water on how the amount came about.

The municipality has planned to settle the two bulk water accounts in the next thirty six months.

Liquidity Ratios
The current ratio is improving once again after the municipality reached a settlement agreement with Lepelle Northern Water Board in July 2025, the ratio was sitting at 0.9: 1 by end of September 2025 and it is projected to close at 1.1: 1 by end of the second quarter of the 2025/2026 financial year.

The Liquidity ratio has also improved to 0.87: 1 by end of the quarter, the ratio is expected to improve to 1.05: 1 by end of the second quarter in the 2025/2026 financial year. The municipality will continue with payments towards the historical debts on both the Lepelle Northern Water and Dr JS Moroka accounts so that the liquid ratios keep on improving going into the next financial year and beyond.

Revenue Collection
The municipality's collection on own revenue sources was recorded at 59% for the 2024/2025 financial year due the revenue collection processes which were introduced in the first two quarters of the 2024/2025 financial year. The municipality has entered a second phase of the collection processes by introducing a smart water metering project in July 2025, the first batch of the smart meters was installed in July 2025 around Burgersfort.

51. Events after the reporting date

The municipality did receive a letter from the National Treasury during the second quarter of the 2025/2026 financial year communicating an intention by the National Treasury to withheld the second instalment of the 2025/2026 Equitable Share allocation due to the following reasons:

- Failure to reduce the historical unauthorised, irregular, fruitless and wasteful expenditure by 75% as previously recommended by the National Treasury
- Failure to establish a financial misconduct board.

The municipality has responded to the National Treasury and outlined the following mitigating processes which already have been implemented and some are currently being implemented.

The financial misconduct board was established and is currently functional, the committee is due to report in council during the second quarter of the 2025/2026 financial year. The appointment letters of members of the committee together with the attendance registers of the recent meetings were share with the National Treasury as POE on the functionality of the committee.

The Municipal Public Accounts Committee was capacitated with the necessary supporting staff, the committee did report twice to council during the 2024/2025 financial year and a total of R 242 million was written off after several investigations were conducted. The committee concluded further investigation processes and assisted council to write off about R 393 million during the first quarter of the 2025/2026 financial year. The committee is due to conclude two more investigations before the end of November 2025 amounting, cumulatively after all two investigations the municipality would have addressed over 75% of the historical UIFW expenditure. The municipality has already shared with the National Treasury a portfolio of evidence on the historical expenditure above 75% already processed by council before end of November 2025. The Municipal Public Accounts Committee has outlined their annual activity plan in terms of how and when the investigations will be carried and completed, the committee is currently doing well in terms of concluding the current investigations on the unauthorized, irregular, fruitless and wasteful expenditure.

52. Unauthorised expenditure

Opening balance as previously reported	432 323 261	410 590 826
Add: Unauthorised expenditure - current	142 974 883	21 732 435
Closing balance	**575 298 144**	**432 323 261**

Notes to the Financial Statements

Figures in Rand	2025	2024

52. Unauthorised expenditure (continued)

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	132 820 756	-
Cash	10 154 127	21 732 435
	142 974 883	**21 732 435**

Analysed as follows: non-cash

Depreciation and amortisation	33 522 722	-
Debt impairment (Consumer Debtors)	99 298 034	-
	132 820 756	**-**

Analysed as follows: cash

Contracted services (Legal advisory services)	10 154 127	21 732 435

Unauthorised expenditure: Budget overspending – per municipal department:

Office of the Municipal Manager	10 154 127	21 732 435
Budget and Treasury Office	132 820 756	-
	142 974 883	**21 732 435**

Recoverability steps taken/criminal proceedings

No recoverability steps taken which resulted in possible crimial processdings during the 2024/2025 financail year..

Recoverability of unuathorised expenditure

The expenditure incurred was in related to the impairment of historical consumer debts and depreciation on non-current assets, the expenditre was also incured on legal advisory services.

53. Fruitless and wasteful expenditure

Opening balance as previously reported	97 139 426	82 944 175
Add: Fruitless and wasteful expenditure identified - current	28 909 106	797 517
Add: Fruitless and wasteful expenditure identified - prior period	-	13 397 734
Closing balance	**126 048 532**	**97 139 426**

Details of fruitless and wasteful expenditure

	Disciplinary steps taken/criminal proceedings
Interest on overdue accounts	Expenditure is yet to be reported in council
Interest on overdue accounts for Lepelle Northern Water and Department of Water and Sanitation	Expenditure is yet to be reported in council

Notes to the Financial Statements

Figures in Rand	2025	2024

53. Fruitless and wasteful expenditure (continued)

Amount recovered

No amounts of fruitless and wasteful expenditure were recovered during the 2024/2025 financial year, investigations by the Municipal Public Accounts Committee were not yet finalized while some desciplinary measures were implemented in other cases.

Amount written-off

No amounts of fruitless and wasteful expenditure were written-off during the 2024/2025 financial year.

54. Irregular expenditure

Opening balance as previously reported	1 493 519 422	1 398 008 600
Add: Irregular expenditure - current	99 624 678	74 904 123
Add: Irregular expenditure - prior period	-	20 606 699
Less: Amount written off - current	(242 054 019)	-
Closing balance	**1 351 090 081**	**1 493 519 422**

The municipality did report the following instances of irregular expenditure during the 2024/25 financial year, in comparisan to the 2022/23 financial year

Non-compliance with the provisions of the Municipal Finance Management Act	99 624 678	74 904 123
Non-compliance with the provisions of the Preferential Procurement Policy Framework Act and Municipal Finance Management Act	-	20 606 699
	99 624 678	**95 510 822**

Amounts recoverable

All amounts reported as irregular expenditure in both the current and prior periods were reported to council, council did refer all reported 30th June 2025, three investigation processes were concluded and no recommendations of recovery were made.

Amount written-off

The Municipal Public Accounts Committee has presented two reports in which two recommendations were presented two write off R 242 054 019.00 in total during the 2024/25 financial year.

Recoverability steps taken/criminal proceedings

The Municipal Public Accounts Committee Investigations were not concluded as at 30 June 2025, as a result no steps or criminal proceedings were taken as yet.

55. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	5 090 073	5 105 341
Amount paid - current year	(5 090 073)	(5 105 341)
	-	-

Notes to the Financial Statements

Figures in Rand	2025	2024

55. Additional disclosure in terms of Municipal Finance Management Act (continued)

Water losses

Water	53 807 465	38 120 360

The municipality is experiencing water distribution losses due to the high number of illegal water connections to the municipality's water infrastructure network. Management has implemented measures to monitor the water infrastructure constantly to detect and address any illegal water connections. Management is also in a process to procure a pre-paid water vending system that will assist in monitoring and detecting water leaks and any unsual water distributions within the municipality's water network.

Details of the water losses (2025)

Current		
Units produced	13 860 686	12 844 073
Units purchased	39 946 779	25 276 287
	53 807 465	**38 120 360**

Disciplinary steps taken/criminal proceedings

No disciplinary steps were taken against any official of the municipality. There were no criminal proceedings against any official of the municipality. The water distribution losses were incurred as reslut of the illegal water connections by members of the community.]

Amounts recoverable

No amounts of the water distributioon losses were deemed recoverable by council during the 2024/2025 financial year.

Audit fees

Current year subscription / fee	9 243 565	8 407 049
Amount paid - current year	(9 243 565)	(8 407 049)
	-	-

PAYE, UIF and SDL

Opening balance	(302 134)	(328 124)
Current year subscription / fee	77 926 159	71 089 188
Amount paid - current year	(77 925 669)	(71 063 198)
	(301 644)	**(302 134)**

Pension and Medical Aid Deductions

Opening balance	84 689	(4 070)
Current year subscription / fee	91 600 797	88 458 170
Amount paid - current year	(91 603 184)	(88 369 411)
	82 302	**84 689**

VAT

VAT receivable	1 339 852 780	-
VAT payable	(1 275 448 800)	(976 133 427)
	64 403 980	**(976 133 427)**

Figures in Rand	2025	2024

55. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2025:

30 June 2025	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr Ratau MF	386	5 435	5 821
Cllr Matsomane ST	2 424	16 752	19 176
	2 810	**22 187**	**24 997**

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr Ratau MF	359	4 318	4 677
Cllr Ratau MF	2 817	32 216	35 033
Cllr Matsetela ML	15 733	3 100	18 833
Cllr Matsetela M	447	-	447
Cllr Phokane MJ	665	-	665
	20 021	**39 634**	**59 655**

During the year the above listed councillors' had arrear accounts outstanding for more than 90 days.

30 June 2025	Highest outstanding amount	Aging (in days)
Cllr Matsomane ST	16 752	120
Cllr Ratau MF	5 435	120
	22 187	**240**

30 June 2024	Highest outstanding amount	Aging (in days)
Cllr Ratau MF	4 318	120
Cllr Ratau MF	32 216	120
Cllr Matsetela ML	3 100	120
	39 634	**360**

Supply chain management regulations

Section 36 of the Municipal Supply Chain Management Regulations states that the accounting officer may dispense with the official procurement processes established by the applicable supply chain policy and procure any required goods or services through any convenient process which may include direct negotiations, but only (i) In an emergency , (ii) If such goods or services are produced or available from a single service provider, (iii) for the acquisition of special works of art or historical objects where specifications are difficult to complete, (iv) acquisitions of animals for zoos or (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

Incident		
Deviations as per section 36(1)(v) of the municipal supply chain regulations	6 879 735	6 017 199

56. Segment information

General information

Notes to the Financial Statements

Figures in Rand	2025	2024

56. Segment information (continued)

Identification of segments

The municipality is organised and reports to management on the basis of three major functional areas: Water services, Waste Water Services & Other. The segments were organised around the type of service delivered. 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 Sekhukhune District of the Limpopo Province. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout the district 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
Water Management	Portable Water Supply
Waste Management	Sanitation Services
Sekhukhune Development Agency	Agency Services

56. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2025

	Other	Water	Waste Water Management	Total
Revenue				
Revenue from exchange transactions	-	99 675 640	16 749 198	116 424 838
Interest received - Debtors	39 224 920	-	-	39 224 920
Other Income	2 174 673	-	-	2 174 673
Interest - Investments	57 242 593	-	-	57 242 593
Government Grants and Subsidies	1 219 066 893	-	451 939 007	1 671 005 900
Fines, penalties & forfeits	890 112	-	-	890 112
Total segment revenue	**1 318 599 191**	**99 675 640**	**468 688 205**	**1 886 963 036**
Total revenue				**1 886 963 036**
Expenditure				
Employee related cost	371 802 727	50 761 122	-	422 563 849
Remuneration of councillors	16 301 304	-	-	16 301 304
Depreciation and amortisation	149 159 084	-	-	149 159 084
Impairment loss	9 046 525	-	-	9 046 525
Finance cost and interest on overdue accounts	32 785 697	-	-	32 785 697
Lease rentals on operating lease	52 092 341	-	-	52 092 341
Debt Impairment	99 298 034	-	-	99 298 034
Bulk Purchases	165 686 135	-	-	165 686 135
Contracted services	360 322 935	-	-	360 322 935
Transfers and subsidies	12 178 756	-	-	12 178 756
General expenses	261 288 330	-	-	261 288 330
Repairs and maintenance	82 281 773	-	-	82 281 773
Inventory losses/write downs	53 807 465	-	-	53 807 465
Actuarial losses	526 527	-	-	526 527
Total segment expenditure	**1 666 577 633**	**50 761 122**		**- 1 717 338 755**
Total segmental surplus/(deficit)				**169 624 281**

Notes to the Financial Statements

Figures in Rand

	Other	Water	Waste Water Management	Total
56. Segment information (continued)				
Fair value adjustments				131 487
Actuarial Gains				2 943 662
Total segmental suplus for the year				**172 699 430**
Assets				
Inventories	22 298 198	-	-	22 298 198
Other financial assets	1 000	-	-	1 000
Receivables from exchange transactions	35 189 105	-	-	35 189 105
Receivables from non-exchange transactions	15 393 239	-	-	15 393 239
VAT receivable	124 906 893	-	-	124 906 893
Cash and cash equivalents	391 480 180	-	-	391 480 180
Prepayments	4 910 253	-	-	4 910 253
Property, plant & equipment	85 471 139	5 448 172 920	56 864 816	5 590 508 875
Heritage assets	746 802	-	-	746 802
Total segment assets	**680 396 809**	**5 448 172 920**	**56 864 816**	**6 185 434 545**
Total assets as per Statement of financial Position				**6 185 434 545**
Liabilities				
Operating lease liability	218 684	-	-	218 684
Trade and other payables	795 858 257	-	-	795 858 257
Consumer deposits	5 920 219	-	-	5 920 219
Unspent conditional grants	9 173 647	-	-	9 173 647
Employee benefits	61 488 000	-	-	61 488 000
VAT payable	63 227 894	-	-	63 227 894
Total segment liabilities	**935 886 701**	**-**	**-**	**935 886 701**
Total liabilities as per Statement of financial Position				**935 886 701**

Information about geographical areas

The municipality's operations are in the Limpopo Province.

Notes to the Financial Statements

Figures in Rand	2025	2024

56. Segment information (continued)

:

ANNEXURE B:

Audit Report SDM 2024/2025

Report of the auditor-general to the Limpopo Provincial Legislature and council on Sekhukhune Development Agency

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Sekhukhune Development Agency 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, cashflow statement and statement of comparison between budget and actuals 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 Sekhukhune Development Agency as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA).

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 Municipal Entity 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 matters

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

7. As disclosed in note 22 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 16 to the financial statements, debt impairment of R17 298 016 (2023-2024: R0) was incurred.

9. As disclosed in note 27 to the financial statements, irregular expenditure of R2 027 252 that was incurred in the previous years was still under investigation/ was not investigated.

10. As disclosed in note 26 to the financial statements, fruitless and wasteful expenditure of R650 500 that was incurred in the previous years was still under investigation/ was not investigated.

Other matter

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

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

Responsibilities of the accounting officer for the financial statements

13. 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 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.

14. In preparing the financial statements, the accounting officer is responsible for assessing the entity'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 entity 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

15. 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.

16. 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 8, forms part of my auditor's report.

Report on the annual performance report

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected material performance indicators presented in the annual performance report. The Accounting Officer is responsible for the preparation of the annual performance report.

18. I selected the following material performance indicators related to Local economic development and job creation presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

    - Number of engagements with the Sekhukhune District Municipality on the implementation of the outdoor energy storage units facilitated

- Number of engagements facilitated between the entity and the Sekhukhune District Municipality to sign the Power Purchase Agreement
- Number of grant applications to Sector Education and Training Authority (SETA's) and National Student Fund (NSF) facilitated
- Number of engagements towards the establishment of Transport Planning and Management Function held
- Number of engagements facilitated with the Sekhukhune District Municipality for the approval of Integrated Transport Plan
- Number of De Hoop Resource Management Plan (RMP) activities identified for implementation and public participation facilitated
- Number of engagements on transfer of title deed for erf 488 to the entity from the Sekhukhune District Municipality facilitated
- Number of branding and marketing activities conducted
- Number of tourism awareness and marketing activities conducted

19. 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 entity's planning and delivery of its mandate and objectives.

20. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the Municipal Entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and 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 what was 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

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

22. I did not identify any material findings on the reported performance information for the selected indicators

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

25. The table that follows provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 5 to 6.

Local economic development and job creation

Targets achieved: 33% *Budget spent: 41%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of engagements with SDM on the implementation of the Outdoor Energy Storage Units facilitated	4 engagements with SDM on the implementation of the Outdoor Energy Storage Units facilitated	1 engagement with SDM on the implementation of the Outdoor Energy Storage Units facilitated
Number of engagements between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated	4 engagements between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated	1 engagement between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated
Number of engagements towards the establishment of Transport Planning and Management Function held	4 engagements towards the establishment of Transport Planning and Management Function held	1 engagement towards the establishment of Transport Planning and Management Function held
Number of engagements with SDM for the approval of ITP facilitated	4 engagements with SDM for the approval of ITP facilitated	3 engagements with SDM for the approval of ITP facilitated

Number of De Hoop Resource Management Plan (RMP) activities identified for implementation and public participation facilitated	1 De Hoop Resource Management Plan (RMP) activities identified for implementation and 3 public participation facilitated	1 De Hoop Resource Management Plan (RMP) activities identified for implementation and public 2 participation facilitated
Number of Tourism awareness and marketing activities Conducted	2 Tourism awareness and marketing activities Conducted	0 Tourism awareness and marketing activities Conducted

Report on compliance with legislation

26. 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 entity's compliance with legislation.

27. 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.

28. 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 Municipal Entity, 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.

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

Annual financial statements and annual report

30. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

    Material misstatements of liabilities and disclosure items identified by the auditors in the submitted annual financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

31. Money owed by the municipal entity was not always paid within 30 days, as required by section 99(2)(b) of the MFMA.

Procurement and contract management

32. The performance of a provider was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

Strategic planning and budgeting

33. A mid-year performance assessment was not performed by the accounting officer by 20 January, as required by section 88(1)(a) of MFMA.

Consequence management

34. Some of the irregular, fruitless and wasteful expenditure incurred by the entity were not properly investigated to determine if any person is liable for the expenditure, as required by municipal budget and reporting regulations 75(1).

Other information in the annual report

35. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected financial statements and the procedures performed on reported performance information for selected material performance indicators presented in the annual performance report that have been specifically reported on in this auditor's report.

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

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

38. 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

39. 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.

40. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

41. The accounting officer did not adequately review the financial statements prior to submission for audit resulting in material misstatements identified during the audit.

42. The accounting officer did not adequately review and monitor compliance with applicable laws and regulations.

43. The accounting officer did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

44. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls within the current financial year.

Other reports

45. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

46. The entity paid an amount of R460 000 in the previous financial year as a result of a court judgement. A preliminary investigation was conducted by the financial misconduct board to determine the factual correctness of the allegations into the unlawful and/or improper conduct. The preliminary investigation recommended council to approve a full investigation into the matter. An investigation is currently being conducted by the financial misconduct board to determine if there are any parties that can be held liable. The investigation was still in progress at the conclusion of the audit report.

Auditor - General
Polokwane

27 November 2025

AUDITOR GENERAL
SOUTH AFRICA

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 skepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional skepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the Municipal Entity'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 Municipal Entity'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 Municipal Entity 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 Municipal Entity 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, 87(5)(b), 87(5)(d), 87(5)(d)(i), 87(5)(d)(iii), 87(6)(c), 87(8), 88(1)(a),95(d), 97(e), 97(f), 97(h), 97(i), 99(2)(a), 99(2)(b), 99(2)(c), 102(1), 102(2)(a), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 122(1), 126(2)(b), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 172(3)(a), 172(3)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 73(1)(a), 73(1)(b), 73(2)(a), 73(2)(b), 73(2)(d), 75(1), 75(2)
MFMA: Municipal Investment Regulations, 2005	
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2005	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)
Companies Act 71 of 2008	Sections: 46(1)(a), 46(1)(b), 46(1)(c)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Municipal Systems Act 32 of 2000	Section: 93B(a), 93C(a)(iv)
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)

Audit Report SDA 2024/2025

Report of the auditor-general to Limpopo Provincial Legislature on Sekhukhune District Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of Sekhukhune District 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, statement of cash flows and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the matters described in the basis for qualified opinion section of this report, the financial statements present fairly, in all material respects, the financial position of the Sekhukhune District Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of the 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 qualified opinion

Employee benefits

3. During 2024, adequate internal controls were not in place as there were no sufficient and appropriate audit evidence for leave days taken. I was unable to confirm the leave days taken in the previous years by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the opening balance of unused leave benefit stated at R26 838 000 in note 19 to the financial statements.

Irregular expenditure

4. During 2024, not all irregular expenditure was included in note 54 to the financial statements, as required by section 125(2)(d) of the MFMA. Expenditure incurred in contravention of supply chain management requirements, which resulted in irregular expenditure of R137 549 269 was not included in note 54. In addition, I was unable to obtain sufficient appropriate audit evidence to confirm the irregular expenditure included in note 54 to the financial statements as sufficient appropriate audit evidence was not provided. I was unable to confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the prior year irregular expenditure stated at R95 510 822.

Expenditure contract services

5. I was unable to obtain sufficient appropriate audit evidence that expenditure had been properly accounted for, due to the status of the accounting records. I was unable to confirm whether all the expenditure were recorded by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to expenditure stated at R360 322 935 in the financial statement

Net cash flows from operating activities

6. The municipality did not correctly prepare and disclose the net cash flows from operating activities as required by Standards of GRAP 2, Cash flow statements. This was due to multiple errors identified in receipts, interest paid and suppliers paid in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities, stated at R530 592 709 and the comparative amount of R300 573 588 in the financial statements, were necessary

Net cash flows from investing activities

7. Net cash flows from investing activities were not correctly prepared and disclosed as required by the Standards of GRAP 2, Cash Flow Statements. This was due to the non-adjustment of the movement in retentions when determining cash flows from investing activities. I was not able to determine the full extent of the errors in the net cash flows from investing activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from investing activities, stated at R480 577 896 for the comparative amount in the financial statements, were necessary.

Context for opinion

8. 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.

9. 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.

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

Emphasis of matters

11. I draw attention to the matters below. My opinion is not modified in respect of these matters.

12. As disclosed in note 47 and 48 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 municipality at, and for the year ended, 30 June 2025

13. As disclosed in note 55 to the financial statements, material water losses of R53 807 465 (2014:R38 120 360) were incurred. The losses were due to illegal connections and pipe leakages.

14. As disclosed in note 43 to the financial statements, the municipality is the defendant in various lawsuits. The municipality opposes 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.

15. As disclosed in note 15 to the financial statements, a significant provision for impairments of receivables from exchange transactions of R582 664 906(2014: R474 399 056) was made due to defaulting customers on water, wastewater, and other accounts

Other matters

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

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

18. The supplementary information set out on page xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

19. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

20. 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

21. 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.

22. 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 of the annexure to the auditor's report, forms part of my auditor's report.

Report on the audit of the annual performance report

23. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected development priorities[2]presented in the annual performance report The accounting officer is responsible for the preparation of the annual performance report.

24. I selected the following development priorities presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected development priorities that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Development priority	Page numbers	Purpose
Basic service delivery and infrastructure	[XX]	Basic service delivery and infrastructure is the core mandate of the municipality. The development priorities were selected for audit because of significant importance to the public.
Local Economic Development	[XX]	Local economic development contributes to economic growth

25. I evaluated the reported performance information for the selected development priorities 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.

26. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included.

- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported measures taken to improve performance.

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

28. The material findings on the reported performance information for the selected development priorities are as follows:

Basic Service Delivery and Infrastructure

Percentage of water incidents registered resolved within 14 days

29. The achievement of 92% of percentage of registered water incidents resolved within 14 days was reported against a target of 80% percentage of incidents resolved within 14 days in the annual performance report. However, the audit evidence showed the actual achievement to be only 59%. Consequently, the achievement against the target was lower than reported.

Various indicators

30. The reported targets in the annual performance report were inconsistent with the commitments made in the approved planning documents These discrepancies highlight misalignment between approved plans and operations, while the incorrect reporting undermines transparency and accountability.

Approved indicator	Approved target	Reported target
Number of km of bulk water supply inspected, tested and commissioned. Command reservoir tested and commissioned	CCTV inspection 31 km of bulk water pipeline, identify components to be refurbished or replaced	31 KM of bulk water supply inspected, tested, and commissioned. 1 Command reservoir tested and commissioned
Number of concrete reservoirs and booster pump stations constructed	0 concrete reservoir 1 Booster pump station constructed	50% of concrete reservoir concrete reservoir 1 Booster pump station constructed

Number of mechanical and Electrical {M & E} components tested and commissioned for the extensions of the Groblersdal Water Treatment Works and pump station.	Refurbishment maintenance of 3 pump stations & motors at Project 14. Installation of 2 raw water pump & motor at Project 13. Complete installation of P&D network and systems procure and install Gauntry overhead crane clear view function	1. Refurbishment of 3 x pumps & motors at project 14 installation of 2 x raw water pumps and motor will undergo refurbishment. 2. 1 x raw water pump and motor will undergo refurbishment commissioning project 13 & 14 as well as 7-12 is depended on refurbishment work under WSIG for project 2-4

Various indicators

31. Various indicators and their targets were not clearly defined during the planning process. Consequently, the indicators and their targets are not useful for measuring and reporting on progress against the municipality's planned objectives.

Indicator	Target	Detail
Number of reticulation bulk pipeline and elevated steel tank constructed	348.44 km reticulation, 13.7 bulk pipeline and 6 elevated steel tanks constructed	The elevated steel tanks constructed indicator was not defined
Number of km of reticulation pipeline constructed and bulk pipeline constructed	50km of reticulation pipeline and 5km bulk pipeline constructed	The technical indicator suggests a physical construction of reticulation and, while the definition refers to planning and design activities. The definition above does not provide a explanation what is number of reticulation pipelines constructed and bulk pipeline construction.
Number of boreholes equipped and pipelines constructed	1 borehole equipped and 12km pipeline constructed	The short definition describes the indicator as the "Monitor appointed Consultant to do business plan for the proposed water project. Assess and recommend the submitted business plan for approval by DWS" There is inconsistency between what the indicator claims to measure (which refers to the construction of borehole and pipeline) and the definition of describes (which refers to the planning and administration activities process)

Primary mandated functions not prioritised

32. Various primary mandated functions were not prioritised for delivery in the performance year. Consequently, these functions were not adequately planned or accounted for, which is likely to result in them not being delivered and undermines transparency and accountability.

Primary mandated function	Reason provided by accounting policy for non-prioritisation
Water quality management	Reasons not provided
Water loss management	Reasons not provided

Local Economic Development

33. I did not identify any material findings on the reported performance information for the development priority.

Other matters

34. I draw attention to the matters below.

Achievement of planned targets

35. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

36. The tables that follow provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages [xx to xx].

Basic Service Delivery and Infrastructure

Targets achieved: 38% *Budget spent: 53%*		
Key indicators not achieved	**Planned target**	**Reported achievement**
BSD09-Number of WWTW's refurbished (Burgersfort, Penge, Phooko Booster pump station	3 WWTW's	0 WWT'S
BSD 17-Number of steel tank erected-Lebalelo South Connector Pipes and reticulation	3 steel tanks erected	0 steel tanks erected
BSD 18-Number of settling dams, km of external pipeline,	2 Settling dams	0 settling dam.

Targets achieved: 38% *Budget spent: 53%*		
Key indicators not achieved	**Planned target**	**Reported achievement**
construction of retaining wall and department of agriculture offices	1.5km of external pipeline constructed. 1 Retaining wall and department of agriculture.	0km of external pipeline constructed 0 retaining wall and department of agriculture
BSD 19- Number of km for bulk pipeline constructed –Upgrading of Groblersdal Lekau Water scheme phase 2	11km	3.178km
BSD 21-Number of concrete reservoir and booster pumps stations constructed	50% concrete reservoir. 1 Booster pump station constructed.	15 % of concrete reservoirs. 1 booster pump.
BSD 22-Number of reticulations, bulk pipeline and elevated steel tanks constructed-Moutse East and West water reticulation phase 1	348.44km reticulation. 13.7 bulk pipeline. 6 elevated steel tanks constructed	12.74km reticulation. 13.7 bulk pipeline 1 elevated steel tank constructed.
BSD 23- Number of reticulation pipeline constructed and bulk pipeline constructed-Moutse East and West water reticulation phase 1	50km of reticulation. 5km bulk pipeline constructed	1.96km of reticulation. 0 of bulk pipeline constructed.
BSD 24- Number of detailed designs completed, number of steel tanks installed, km of bulk pipeline constructed- Mampuru Bulk water scheme.	1 detailed design. 3 steel tanks installed. 3. 5kmof bulk pipeline constructed	1 detailed design. 0 steel tanks installed. 0km of bulk pipeline constructed
BSD 25-Number of boreholes refurbished, number of bulk water meter installed	2 boreholes refurbished. 12 bulk water meters installed	0 boreholes refurbished. 0 bulk water meter installed.
BSD 26- Number of manholes, cathodic protection, connections completed and reservoir tested and commissioned-Ga-Maphopha Command reservoir	1 manholes, cathodic protection, connections completed. 1 reservoir tested and commissioned	0 manhole cathodic connections completed. 0 reservoirs tested and commissioned.
BSD 09.2-Number of detailed designs completed and contractor appointed. Number of term contractor appointed. Number of bulk meters installed. Number of mechanical grinders installed. Km of fence installed-Refurbishment of Leeufontein WWTW	1 detailed design. 1 term contractor. 1 main contractor appointed. 1 bulk meter installed. 1 mechanical grinder installed. 6.1km of fence installed.	0 detailed design. 0 term contractor. 0 main contractor appointed. 0 bulk meter installed. 0 mechanical grinder installed. 6.0km of fence installed.

Targets achieved: 38% *Budget spent: 53%*		
Key indicators not achieved	**Planned target**	**Reported achievement**
BSD 09.3 -Number of detailed designs completed and contractor appointed. Number of term contractor appointed. Number of bulk meters installed. Number of mechanical grinders installed. Km of fence installed. Number of generators refurbished- Refurbishment of Dennilton WWTW	1 detailed design. 1 term contractor. 1 main contractor appointed. 1 bulk meter installed. 1 mechanical grinder installed. 1km of fence installed 1 generator refurbished.	0 detailed design. 0 term contractor. 0 main contractor appointed. 0 bulk meter installed. 0 mechanical grinder installed. 0km of fence installed. 0 generator refurbished.
SC03/03/24-KM of bulk pipeline constructed, and number of reservoirs constructed	Project registration for MIG funding, 100% of completion of detailed design, procurement process.	Project registration for MIG incomplete. 100% completion of detailed design, procurement process.
BSD 27 – Number of km of road assessed	3 800km of road assessed.	3 420km of roads assessed.
BSD 29- Number of km of bulk water supply inspected, tested and commissioned. Command reservoir tested and commissioned –Nebo BWS commission Malekana to Jane Furse.	31km of bulk water supply inspected. 1 command reservoir tested and commissioned	0km of bulk water supply inspected. 0 command reservoir tested and commissioned
BSD 30-Number of consultants appointed, scoping and needs assessment, feasibility study, preliminary design report and implementation readiness study.	1 consultant appointed, scoping and needs assessment, feasibility study, preliminary design report and implementation readiness study.	0 consultant appointed, scoping and needs assessment, feasibility study, preliminary design report and implementation readiness study.
BSD 32- Number of km of ducile pipeline commissioned- Moutse BWS Project (7 to 12)	77km of bulk water supply pipeline commissioned.	77km of bulk water supply pipeline commissioned-Waiting for completion certificate.
BSD 33- Number of mechanical and electrical (M & E) components tested and commissioned for the extensions of Groblersdal Water Treatment Works and pump stations-Moutse BWS Project 13 & 14	3 Pumps and motors refurbished and installed. 2 water pump and motor installed at project 13. 1 completion of installation of P & D network and systems procure and install Gauntry overhead crane clear view fencing and paving.	3 Pumps and motors refurbished and installed. 2 water pump and motor installed at project 13. 0 completion of installation of P & D network and systems procure and install Gauntry overhead crane clear view fencing and paving
BSD 34-Number of boreholes electrical transformers installed-	3 boreholes electrical transformers installed.	0 boreholes electrical transformers installed.

Targets achieved: 38% *Budget spent: 53%*		
Key indicators not achieved	**Planned target**	**Reported achievement**
Maebe Water Intervention Project –Phase V		
BSD 36- Number bulk pipeline commissioned- Commissioning of Moutse bulk pipeline	40km of bulk pipeline commissioned	0km of bulk pipeline commissioned.
BSD 38- Number of boreholes equipped, number of pump houses constructed, number of transformers installed and km pipeline constructed-Ga-Marishane village water supply	2 boreholes equipped. 2 pump houses constructed. 1 transformer installed. 1.24km pipeline	2 boreholes equipped. 2 pump houses constructed. 0 transformer installed. 0.78km pipeline
BSD 39- Number of km pipeline constructed, water meter installed and repairing of rising main.	3km pipeline constructed. 196 water meters installed and low lift pump station upgraded.	3km pipeline constructed. 196 water meters installed and low lift pump station upgraded.
BSD 41- Number of boreholes equipped and bulk pipeline constructed-Eezaam water supply (Works package)	1.2 boreholes equipped. 2.6km bulk pipeline constructed.	1.0 boreholes equipped. 2.0 bulk pipeline constructed.
BSD 42- Number of boreholes equipped and pipelines constructed- Kgotlopong water intervention (Work package 1)	1 borehole equipped 12km pipeline constructed.	0 borehole equipped 1.2km pipeline constructed.

Local Economic Development.

Targets achieved: 10% *Budget spent: 67%*		
Key indicators not achieved	**Planned target**	**Reported achievement**
Number of jobs opportunities created through EPWP	2788	2 102

Material misstatements

37. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure. Management did not correct some of the misstatements, and I reported material findings in this regard

Report on compliance with legislation

38. 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.

39. 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.

40. 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.

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

Annual financial statements, performance and annual report

42. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

43. Material misstatements of current liabilities, expenditure and disclosures identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

44. Reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 days, as required by section 65(2)(e) of the MFMA.

45. Reasonable steps were not taken to prevent irregular expenditure amounting to R99 624 678 as disclosed in note 51 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 with supply chain management regulations..

46. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R28 909 106, as disclosed in note 50 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest on overdue accounts.

47. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R142 974 883, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by the non-cash items; debt impairment and depreciation.

Procurement and contract management

48. The preference point system was not applied some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2000. Similar non-compliance was also reported in the prior year.

49. Some of the contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and 2017 Preferential Procurement Regulations 11 and 2022 Preferential Procurement Regulation 4(4) and 5(4). Similar non-compliance was also reported in the prior year.

50. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

51. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA. Similar non-compliance was also reported in the prior year.

Consequence management

52. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

53. Some of the irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA

54. Some of the fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

55. Losses resulting from fruitless and wasteful expenditure were not recovered from the liable person, as required by section 32(2)(b) of the MFMA.

56. Allegations of financial misconduct laid against officials of the municipality were not investigated, as required by section 171(4)(a) of the MFMA.

Strategic planning and budgeting

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

Other information in the annual report

58. The accounting officer is responsible for the other information included in the annual report.[3] The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.

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

60. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report[4] or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

61. 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

62. 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.

63. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and, the material findings on the annual

performance report and the material findings on compliance with legislation included in this report

64. Leadership did not adequately exercise effective monitoring over the implementation of the audit action plan resulting in recurring prior year findings.

65. Senior management did not adequately oversee the operations of the municipality, as the financial statements and annual performance report contained material misstatements not detected by the municipality's own system of internal control.

66. Internal controls for monitoring compliance with legislation were ineffective as it did not detect and prevent instances of non-compliance with legislation.

67. The municipality's reactive approach in addressing inadequate systems of internal control indicates that mitigating processes are not effective

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 development priorities and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the municipality to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2),

Legislation	Sections or regulations
	Sections: 54A(1)(a),56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1),96(b) **Parent municipality with ME:** Sections: 93B(a), 93B(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1),31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

ANNEXURE C:

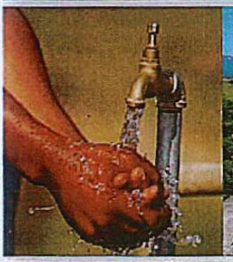
SDBIP Cumulative Performance Report 2024/2025

SEKHUKHUNE DISTRICT MUNICIPALITY

2024/2025 ANNUAL PERFORMANCE REPORT



Executive Mayor
Cllr Minah Bahula







G20 SOUTH AFRICA 2025

SEKHUKHUNE
District Municipality

2024/2025

ANNUAL PERFORMANCE REPORT

	CONTENTS	Page number
1.	Legislative mandate	3
2.	Summary of Municipal Performance financial year 2024/2025 per KPA	4-7
3.	Municipal Annual Performance report for 2023/2024 Financial Year	7-10
4.	Detailed challenges and remedial actions of non-performance targets 2024/2025	11-39
5.	Service Delivery and Budget Implementation Plan 2025/2026	40-41
6.	Performance of service providers 2024/2025 Financial Year	42-82
7.	Measures to improve performance	82-83
8.	Appendix A: Performance Rating for Service Providers	83-84
9.	Conclusion	84
10.	Approval	84
11.	Annexure APR1: Excel detailed annual performance report.	85

1. LEGISLATIVE MANDATE

Annual Performance Report preparation

The Annual Performance Report (APR) of Sekhukhune District Municipality (SDM) for the financial year 2024/2025 has been prepared in compliance with the provisions of the Local Government Municipal Finance Management Act 56 of 2003 which provides as follows:

Section 121 (3) (c) of the Local Government Municipal Finance Management Act, 2003 (Act no. 56 of 2003):

"the annual report of the municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the municipal Systems Act"

Section 46 (1) of the Local Government Municipal Systems Act, 2000

"a municipality must prepare for each financial year an annual report consisting of-

(a) a performance report reflecting-

- ***(i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year***
- ***(ii) the development of service delivery priorities and performance targets set by the municipality for the following financial year, and***
- ***(iii) measures that were or are to be taken to improve performance***

In preparing the APR for 2024/2025, Sekhukhune District Municipality (SDM) has taken into account all the provisions of the relevant local government legislation to ensure that the APR complies with the requirements as set out by the law. The APR will also form part of the Annual Report (AR) which shall be tabled before council in January 2026. The APR will form part of bundle of documents that will be submitted together with the Annual Financial Statements of the SDM for 2024/2025 financial year to the Auditor General South Africa.

2. SUMMARY OF MUNICIPAL PERFORMANCE FOR 2024/2025 AS PER KPA

The municipality had seven directorates

	Name of directorate	Status
1.	Municipal Manager's office	Filled
2.	Budget and Treasury	Filled
3.	Corporate services	Filled
4.	Infrastructure	Filled
5.	Community services	Filled
6.	Development planning	Filled
7.	Chief Operation Officer	Vacant

The Municipality had planned to achieve a total of **192** targets for the 2024/2025 financial year. The Municipality managed to achieve **141** of the **192** set targets which is an equivalence of **73%** and **51** set targets were not achieved. This translates to 27% underachievement of the 2024/2025 financial year.

The municipality has improved performance with 3% compared with the previous financial year which was at 70% achievement against the planned targets. The Department of Infrastructure and Water Services as the key Department of the district with **44** targets and only achieved **16** targets which translate to **36% were achievement against 2024/2025 financial year targets.** This poses a challenge to the municipality to improve in providing basic services to communities. The issue of late appointments of service providers, lack of human capital within some units and the Contractor being behind schedule due to cashflow challenges, continue to affect the performance of the municipality. The municipality is devising plans to address the root causes of underachievement.

The following table outlines the performance as per key performance area for the 2024/2025 financial year.

TABLE 1:

KEY PERFORMANCE AREAS	2023/2024 ANNUAL PERFORMANCE	2024/2025 ANNUAL PERFORMANCE			
	% ACHIEVED	NUMBER OF SET TARGETS	NUMBER OF ACHIEVED TARGETS	NUMBER OF TARGETS NOT ACHIEVED	% ACHIEVED
BASIC SERVICE DELIVERY AND INFRASTRUCTURE					
Infrastructure & Water Services	44%	44	17	27	39%
Community Services	100%	16	16	0	100%
TOTAL	**58%**	**60**	**33**	**27**	**55%**
GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
Office of the Speaker	66%	16	16	0	100%
Office of the Executive Mayor	78%	20	16	04	80%
Office of the Municipal Manager	77%	21	12	09	57%
TOTAL	**74%**	**57**	**44**	**13**	**77%**
INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL DEVELOPMENT					
Corporate Services	79%	27	25	02	93%
IDP, PMS & Legal Services	93%	15	15	0	100%
TOTAL	**83%**	**42**	**40**	**02**	**95%**
FINANCIAL MANAGEMENT AND VIABILITY					
TOTAL	**60%**	**11**	**07**	**04**	**64%**
SPATIAL RATIONALE					
TOTAL	**40%**	**10**	**06**	**04**	**60%**
LOCAL ECONOMIC DEVELOPMENT					
TOTAL	**70%**	**12**	**11**	**01**	**92%**

TOTAL Performance	**70%**	**192**	**14**	**51**	**73%**

SEKHUKHUNE DEVELOPMENT AGENCY	**56%**	**14**	**03**	**11**	**21%**

TABLE 2: 2024/2025 PERFORMANCE PER DEPARTMENTS

DEPARTMENT	NO. OF TARGETS	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	% ACHIEVED
Infrastructure & Water Services	44	17	27	39%
Community Services	16	16	0	100%
Corporate Services	27	25	02	93%
Planning & Economic Development	34	29	05	85%
Municipal Manager's Office	24	15	09	62%
Budget & Treasury Office	11	h07	04	64%
Office of the Executive Mayor	20	16	04	80%
Office of the Speaker	16	16	0	100%
Total	**192**	**141**	**51**	**73%**

Excel reports with full explanation of challenges and remedial actions for targets not achieved are attached as **(Annexure APR-1)**

Below is a graphical depiction of the overall performance of the Municipality in the financial year 2024/2025.

Figure 1.

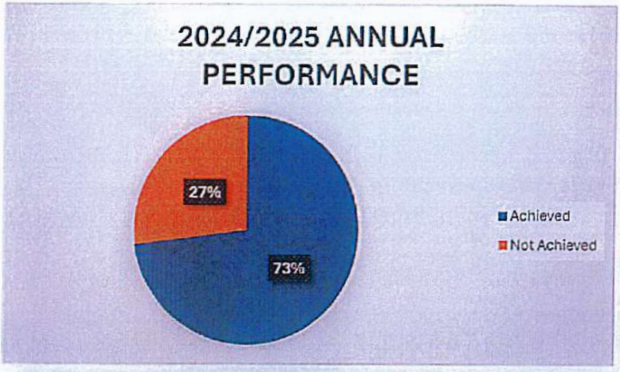


TABLE 3. 2024/2025 BUDGET AND EXPENDITURES PER DEPARTMENTS

DEPARTMENT	BUDGET	EXPENDITURE	BALANCE
Infrastructure & Water Services	R1 324 525 300,00	R705 013 247,77	R619 512 052,23
Community Services	R81 198 397,00	R75 500 418,19	R5 697 978,81
Corporate Services	R181 283 834,00	R178 835 095,51	R2 448 738,49
Municipal Manager's Office	R111 803 504,00	R121 249 333,29	-R9 445 829,29
Office of the Executive Mayor	R61 383 729,00	R56 197 514,21	R5 186 214,79
Office of the Speaker	R50 977 302,00	R44 290 615,85	R6 686 686,15
Budget & Treasury Office	R1 858 970 894,00	R1 766 455 809,28	R92 515 084,72
Planning & Economic Development	R34 564 880,00	R23 151 082,98	R11 413 797,02

3. MUNICIPAL ANNUAL PERFORMANCE REPORT FOR 2023/2024 FINANCIAL YEAR

The Municipality had planned to achieve a total of **197** targets for the 2023/2024 financial year. The Municipality managed to achieve **137** of the **197** set targets which is an equivalence of **70%** and **59** set targets were not achieved.

TABLE 4:

KEY PERFORMANCE AREAS	2022/2023 ANNUAL PERFORMANCE	2023/2024 ANNUAL PERFORMANCE			
	% ACHIEVED	NUMBER OF SET TARGETS	NUMBER OF ACHIEVED TARGETS	NUMBER OF TARGETS NOT ACHIEVED	% ACHIEVED
BASIC SERVICE DELIVERY AND INFRASTRUCTURE					
Infrastructure & Water Services	10%	50	22	28	44%
Community Services	100%	16	16	00	100%
TOTAL	**35%**	**66**	**38**	**28**	**58%**
GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
Office of the Speaker	80%	18	12	06	66%
Office of the Executive Mayor	80%	23	18	05	78%
Office of the Municipal Manager	80%	22	17	04	77%
TOTAL	**80%**	**62**	**42**	**19**	**74%**
INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL DEVELOPMENT					
Corporate Services	71%	28	22	06	79%
IDP, PMS & Legal Services	87%	14	13	01	93%
TOTAL	**80%**	**42**	**35**	**07**	**83%**
FINANCIAL MANAGEMENT AND VIABILITY					
TOTAL	**73%**	**10**	**06**	**04**	**60%**
SPATIAL RATIONALE					
TOTAL	**100%**	**06**	**04**	**02**	**40%**
LOCAL ECONOMIC DEVELOPMENT					

TOTAL	**36%**	**10**	**07**	**03**	**70%**
TOTAL Performance	**62%**	**197**	**137**	**59**	**70%**

SEKHUKHUNE DEVELOPMENT AGENCY	**55%**	**09**	**05**	**04**	**56%**

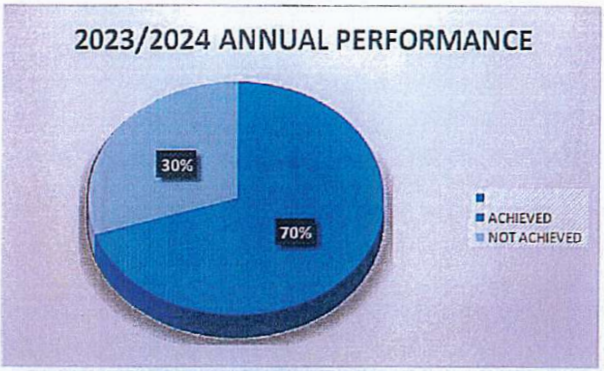
TABLE 5: 2023/2024 ANNUAL PERFORMANCE AS PER DEPARTMENTS

DEPARTMENT	NO. OF TARGETS	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	% ACHIEVED
Infrastructure & Water Services	50	22	28	**44%**
Community Services	16	16	00	**100%**
Corporate Services	28	22	06	79%
Municipal Manager's Office	25	20	04	80%
Office of the Executive Mayor	23	18	05	78%
Office of the Speaker	18	12	06	66%
Budget & Treasury Office	10	06	04	60%
Planning & Economic Development	27	21	06	78%
Total	**197**	**137**	**59**	**70%**

Excel reports with full explanation of challenges and remedial actions for targets not achieved are attached as (**Annexure APR-1**)

Below is a graphical depiction of the overall performance of the Municipality in the financial year 2023/2024.

Figure1:



4. DETAILED CHALLENGES AND REMEDIAL ACTIONS OF NON-PERFORMANCE FOR THE FINANCIAL YEAR 2024/2025

The table below outlines the challenges and remedial actions per Key Performance Area

PROJECT NAME	KPI	ANNUAL TARGET	ACTUAL PROGRESS	CHALLENGES	REMEDIAL ACTION
Water Use License	Number of Water Use Licenses applied	03 Water Use Licenses applied	03 Water Use Licenses applied not done (Appointment of PSP, 3 water use licenses application forms completed)	Late submission of application of water use licences	3 water use licenses application forms submitted
Refurbishment of WWTW's (Burgersfort, Penge WWTW's, Phooko Booster Pump Station)	Number of WWTW's refurbished (Burgersfort, Penge WWTW's, Phooko Booster Pump Station)	3 WWTW's refurbished (Burgersfort, Penge WWTW's, Phooko Booster Pump Station)	2 assessment of WWTW (Burgersfort, Penge WWTW's, Phooko Booster Pump Station	Insufficient budget.	3 WWTW will be refurbished under 10% of MIG in 2025/26 FY
Developing and reviewing water related policies	Number of policies to be reviewed and developed	01 policy reviewed and 02 developed	0 policy reviewed and 0 developed	Management recommended that the review of Water and Sanitation bylaws must be	Management recommended to strengthen internal capacity, and appointment of

				done internally while we do not have internal capacity,	more staff within the unit
Review Water and Sanitation By-Law	Number of Water and Sanitation By-law reviewed	01 Water and Sanitation By-law reviewed	0 Water and Sanitation By-law reviewed (Appointment of service provider)	Management recommended that the review of Water and Sanitation bylaws must be done internally while we do not have internal capacity and Lack of human capital within the Unit	Management recommended to strengthen internal capacity and appointment of more staff within the unit
Registrations of Servitudes	Number of Servitudes Registered	02 Servitudes Registered	0 Servitudes Registered (Appointment of PSP, Transfer and Registration of Servitude, Transfer and Registration of servitude)	*Awaiting Authorization of donation agreement from the accounting officer.	Accounting officer recommended to authorize the donation agreement and appointment of more staff within the unit

Lebalelo South connector pipes and reticulation	Number of steel tanks erected	3 Steel tanks erected	0 Steel tanks erected	Late submission of quotations and recommendation letter by the consultant	Quotations were submitted and recommendation letter sined. Cession signed on the 23 June 2025 for the erection of the tanks.
Upgrading of De Hoop WTW	Number of Settling dams, km of External pipeline, construction of Retaining wall, and Dep of Agriculture Offices.	2 Settling Dams,1.5km of External pipeline constructed, construction of 1 retaining wall and Dep of Agriculture offices.	0 Settling Dams, 0,248km of External pipeline constructed, construction of 0 retaining wall and Dep. of Agriculture offices.	The delivered specials and fittings for the sludge pipe were rejected by the Consultant. The Contractor is having cashflow challenges and has submitted the issue to the municipality for assistance.	The contractor has submitted a Cession agreement between him and the supplier for the specials and fittings, once it is approved the Material will be delivered and Contractor will be able the expedite the Works. 1. The Municipality had an intervention meeting on the 12 November 2024 with the contractor and consultant to

					resolve the issues at hand. Termination is imminent 1. The Contractor to expedite the works. And the consultant is closely monitoring the contractor. 1. The subcontractor has been appointed to assist the contractor with other activities. And the consultant is closely monitoring the contractor.
Upgrading of Groblersdal – Luckau Bulk Water Scheme Phase 1	Number of Km for bulk pipeline constructed	11 km of bulk pipeline constructed	3.178 km of bulk pipeline constructed	*The issue of servitude not yet finalized, Underground water and hard rock excavations, Servitude along the pipeline	Blasting of hard rock and Underground water – pumping out water from the trenches and the Installation of a bidim geotextile and a layer of

				route not yet finalized, *Acquisition of Servitude along the pipeline route was delayed and Slow progress due to Hard rock and Underground water.	crusher stones before laying the pipes., This process delays progress on site.
Upgrading of Groblersdal – Luckau Bulk Water Scheme Phase 2	Number of concrete reservoirs and booster pump stations constructed.	50% Concrete reservoirs and 1 booster pump station constructed.	15% of concrete reservoir and booster pump station constructed	delay on construction of concrete reservoir due to Hard rock experience during excavation	Blasting of hard rock required for proper excavation

Moutse East and West Water Reticulation phase 1	Number of reticulations, bulk pipeline and elevated steel tank constructed	348.44 km reticulation, 13.7 bulk pipeline and 6 elevated steel tanks constructed	*21,74 km reticulation, *13.7 bulk pipeline *1 elevated steel tank constructed,	Contract B is behind schedule due to hard rock experienced and Cashflow challenges - Contract C was out of site and behind schedule due to social issues. All 3 remaining contractors lack technical and financial capacity.	Contract B - Increased plant on site to expedite the Works. Contractor has started with M&E. - Contract C: The Contractor has returned to site on the 21st August 2024 and busy with saddles and house connection. Ward 9 issues are still being resolved by the engineer and SDM, SDM and the consultant have conducted an intervention meeting and the contractors are going to expedite the progress on site. Evaluation criteria and CIDB grading system reviewal.

Moutse East and West Water Reticulation phase 2	Number of km of reticulation pipeline constructed and bulk pipeline constructed	50km of reticulation pipeline and 5km bulk pipeline constructed	1,96km of reticulation pipeline and 0km bulk pipeline constructed1(detailed design completed, Procurement processes. Tender closed on the 10th December 2024, Appointment of contractors)	Delay in handing over the site to contractors due to bid amounts that are higher than the available approved funding.	*Municipality to assist with internal funding and the sites have been handed over. *4 Contractor have been appointed and intend to expedite the works
Mampuru Bulk Water Scheme	Number of Detailed Designs completed, number of steel tanks installed, km of bulk pipelines constructed.	1 Detailed Designs completed, 3 steel tanks installed, 5km of bulk pipeline constructed.	*1 Detailed designs completed *0 steel tanks installed, *0km of bulk pipe line constructed	Delayed appointment of three Contractors. One service provider has underpriced and later withdrew from the project	2 Contractors appointed. The tender was advertised for appointment of the remaining contractor. Tender closing on the 4th July 2025.
Olifantspoort South Regional Water Supply Phase 6	Number of boreholes refurbished, number of bulk water meters installed.	2 boreholes refurbished, 12 bulk water meters installed.	*0 boreholes refurbished, *0 bulk water meters installed(Eskom is busy with surveying for installation of a three phase line. Advertised the project and it will	Progress delayed by changing of scope from self-supportive borehole system to a three-phase power line.	Continuous engagement with Eskom to expedite installation of 3-phase line. According to Eskom their turn

			close on the 16 April 2025 and currently at appointment stage)		around time is 90 days.
Ga-Maphopha Command Reservoir	Number of manholes, cathodic protection, connections completed and reservoir tested	1 manholes, cathodic protection, connections completed and reservoir tested and commissioned	*0 manholes cathodic connections completed *0 reservoir tested and commissioned. (Site visits were conducted to verify the remaining scope against the consultants' submission.	Construction could not commence due to disputes on measurements and payment for the contractor on the work previously done.	Remeasurement and rescoping was done and the project will start on the 15 September 2025.
Refurbishment of Leeufontein WWTW	Number of Detailed Designs completed, and contractor appointed. Number of term contractor appointed. Number of bulk meters installed. Number of mechanical grinder installed. Km of fence installed.	1 detailed design completed. 1 term contractor and 1 main contractor appointed. 1 bulk meter installed. 1 mechanical grinder installed. 1,1 km of fence installed.	*0 detailed design completed. *0 term contractor and 0 main contractor appointed. *0 bulk meter installed. *0 mechanical grinder installed. *0 km of fence installed.(Detailed designs submitted to SDM for approval. Meeting for presentation of designs to be held on the 01st of July 2025.	Delay in finalizing detailed designs.	Detailed designs to be presented in the next financial year.

			Consultant also finalising the draft tender document)		
Refurbishment of Dennilton WWTW	Number of Detailed Designs completed and contractor appointed. Number of term contractor appointed. Number of bulk meters installed. Number of mechanical grinder installed. Km of fence installed. Number of generator refurbished.	1 detailed design completed. 1 term contractor and 1 main contractor appointed. 1 bulk meter installed. 1 mechanical grinder installed. 1,1 km fence installed. 1 generator refurbished.	*0 detailed design completed. *0 term contractor and 0 main contractor appointed. *0 bulk meter installed. *0 mechanical grinder installed. *0 km of fence installed. *0 generator refurbished(Detailed designs and draft tender document submitted to SDM for approval)	Delay in appointing contractors	Detailed designs to be presented in the next financial year.
Lebalelo Central RWS sub-scheme 1A	Km of bulk pipeline constructed and number of reservoirs constructed	Project registration for MIG funding, 100% completion of detailed design, procurement processes	*Project registration for MIG funding not done, *100% completion of detailed design, procurement processes	Delay in design approval	Project was advertised on the 23 May 2025 and closing on the 04 July 2025) Tender evaluation processes to be accelerated.

Development of Rural Roads Asset Management System	Number of km of Roads assessed.	3 800 km of Roads assessed	3420km of roads assessed	Awaiting ISD to submit a list of enumerators to be trained to conduct traffic count in all LM and Mobilizing local municipalities to be part and parcel of the RRAMS programme	ISD to expedite submission of list of enumerators to be trained and going forward dedicated one-on-one engagements with the municipalities shall be upheld over and above the Technical IGR Forum
Nebo BWS Commission Malekana to Jane Furse Pipeline	Number of km of bulk water supply inspected , tested and commissined. command reservoir tested and commissioned	31 km of bulk water supply inspected , tested and commissined. 1 command resirviour tested and commissioned	*0 km of bulk water supply inspected, tested and commissioned. *0 command reservoir tested and commissioned(Only Preliminary Conditional Assessment was done. *Inspection is ongoing *"CCTV inspection for internal pipe liningCorrosion inspection of the external pipe, Conditional	*Support required from Councillors of affected wards *No access to private/ community household over the entire pipework and to submit an extension of time and variation fees increase.	*Appointed the PSP to perform CCTV inspection for internal pipe liningCorrosion inspection of the external pipe" and "Project extension duration to lapses Variation fees of 15% required"

			Assessment Inspection to survey the existing pipeline (internal lining and corrosion)Inception and concept report are 95% complete)		
Development of IRS on the De Hoop, Nebo Plateau scheme up to Zaaiplaas	Number of consultant appointed, scoping and needs assessment, feasibility study, preliminary design report and implementation readiness study	1 consultant appointed for scoping and needs assessments. F easibility study, preliminary design report and implementation readiness study	*0 consultant appointed for scoping and needs assessments. *Draft Feasibility study, preliminary design report and implementation readiness study	Late appointment of consultant to develop IRS	DWS are currently reviewing the draft feasibility study for approval and Preliminary design report and implementation readiness study to be done upon approval of feasibility study
Moutse BWS Project (7 to 12)	Number of km of ductile pipeline commissioned	77km of ductile pipeline commissioned	77km of ductile pipeline commissioned (Pipe installation and testing is complete, Engineer to issue completion certificate for project 12 Overall progress 98%)	Commissioning Project 7 &12 is depended on refurbishment work under WSIG for project 2-4	Accelerate completion of both WSIG project 234 and pump refurbishment 13&14
Moutse BWS Project 13 & 14	Number of mechanical and Electrical (M & E)	Refurbishment maintenance of 3 x pumps & motors	* Refurbishment maintenance of 3 x pumps & motors at	*Commissioning is depended on the WSIG project	*Accelerate the program to implement project

	components tested and commissioned for the extensions of the Groblersdal Water Treatment Works and pump station.	at Project 14Installation of 2 x raw water pump & motor at project 13Complete installation of P&ID network and systemsProcure and instal Gauntry overhead craneClear view fencing & paving	Project 14Installation of 2 x raw water pump & motor at project 13 Complete installation of P&ID network and systems Procure and instal Gauntry overhead craneClear view fencing & paving not done (Refurbish the pumps and motor at project 14Install Raw water Pump with electric connectivity at Project 13 Clarifier completed.(Raw water pumps are in for repairs) *Clear water tank has been aligned and "Clarifier completed.Raw water pumps are in for repairsClear water tank has been alignedLining of filter literals, grouting of filter literal, levelling	234 and "2 x clear water Pumps and motors will undergo refurbishment.1 x raw water pump and motors will undergo refurbishment Commissioning Project 13&14 as well as 7-12 is depended on refurbishment work under WSIG for project 2-4"	234 and "Contractor appointed sub-contractor to refurbish pumps and motors. Contractor presently working on plant evaluation (processing audits),

			of nozzlesOverall progress at 92%"		
Maebe Water Intervention Project – Phase V	Number of boreholes electrical transformers installed.	3 boreholes electrical transformers installed.	*0 boreholes electrical transformers installed. *"Install submissible pumps 100% *Galvanised steel pipe 100% Palisade fence 100% Pump houses 100% Installation of RO Plant 100%"	*Delays due to Contractor's lack of cashflow to pay Eskom invoice for installation of electrical transformers. *Total Invoices amounts to R1 270 724-58, *Delay from Eskom to energise the project	*SDM to assist by paying the Eskom invoices and then recover (Claim) the amounts from DWS as the project is implemented under (Schedule 6b). Engage with CFO. *SDM to make continues follow up with Eskom for the installation of the Electrical transformers. *Further engagement with Eskom for urgent energising of the project are on-going. *The contractor is currently testing the project with generator.

Commissioning of Moutse bulk pipeline	20km bulk pipeline commissioned	40km bulk pipeline commissioned	*0 km bulk pipeline commissioned(Relay and test of 0km pipework from Groblersdal WTW to Groblersdal Pump Station - inception report completed, Application for construction permit is still in progress and the Contractor busy with Site Establishment and the progress is 11,1%, Pressure testing of 1km and failed)	*Delays in getting approval for Consultants SLA, DWS addendum Approval and delays in receiving construction permit and the Contractor (DWS) is experiencing delay with their SAP procurement systems	*SDM Is attending to the revision of the Engineers and Contractors SLA *Both SLA for Consultant have been approved and we are waiting for Construction permit. *DWS having team trying to resolve the SAP System or to Migrate to another system.
Ga-Marishane Village water supply	*Number of boreholes equipped, *Number of pump houses constructed, *Number of transformers installed and km of pipeline constructed	2 Boreholes equipped, 2 pump houses constructed, 1 transformer installed and 1,24km pipeline constructed	*2 Boreholes equipped, *2 pump houses constructed, *0 transformer installed, *0,78km pipeline constructed and 1" air valve and 1" scour valve constructed,	*Project is behind schedule due to cash flow challenges and delay by ESKOM to issue a quotation for electrification of the project	*Contractor to expedite the works and Solar panels have been installed as a temporary measure to enable testing of the project
Eenzaam water supply (works package 1)	Number of boreholes equipped	2 Boreholes equipped, 6km bulk pipeline	*0 Boreholes equipped, *200 km bulk pipeline constructed	*Contractor unable to perform	*A request for extension of time to finish the

	and bulk pipeline constructed	constructed		construction duties as per the approved program of works.	project *To motivate an entering into cession agreement between the contactor and material suppliers to accelerate the program
Kgotlopong water intervention (work package 1)	Number of boreholes equipped and pipelines constructed	1 borehole equipped and 12km pipelines constructed	*0 Boreholes equipped, *1,2km bulk pipeline constructed pipelines constructed)	*Slow progress on site due to delayed site handover	Constructor to expedite works on site
GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
INTERNAL AUDIT					
Three (3) Years rolling Plan	Number of (SDM & SDA) 3 years rolling plans developed and approved	4 (1 for SDM & 1 for SDA) 3 years rolling plans developed and approved	(SDM & SDA) 3 years rolling plans developed and approved	IA plans are developed but not approved due to late submission of risk registers for 25-26 FY	The Special AC meeting will be held in July 2025 to approve the plans.

Regularity Audit	Number of regularity audit conducted and issued	24 Regularity Audits conducted and issued (20 SDM & 4 SDA)	3 Regularity Audit conducted, reports signed and issued	Lack of capacity, CAE position vacant,1 x Manager and 1 x Internal Auditor posts vacant	Fastrack the Audit of Human Resource in the third quarter to finalise the appointment of the CAE in the third quarter and the audits will be finalised Mid July 2025.
ICT Audits	Number of ICT Audits conducted and issued	4 ICT Audit conducted and reports issued	1 ICT Audit conducted and reports issued	Lack of skill internally	Panel of audit firms was appointed. The ICT audit to be conducted in the 2025-2026 financial year.
Financial Misconduct Disciplinary Board	Number of Financial Disciplinary Board meetings coordinated	8 Financial Disciplinary Board meetings coordinated	2 Financial Disciplinary Board meetings coordinated	2 Financial Disciplinary Board meetings coordinated	Tight schedule of FMDB members due to other urgent work commitments e.g AG(SA) meetings
RISK MANAGEMENT					

Re-evaluation of Under-insured municipal Assets	Percentage of under- insurance municipal assets reevaluated	100% under-insured municipal assets reevaluated	90% under-insured municipal assets reevaluated.	Delayed due to late payment of annual insurance premiums and pro rata endorsements and Broker instructed but is experiencing delays.	To instruct brokers immediately on payment of annual premiums, Craft the request Memo for the MM to authorise the go-ahead before end of April 2025 ands Send a reminder to broker to expedite the process of revaluation.
Assets Insurance Claims and Excess payments	Percentage insurance claims processed, and payments of losses and excess facilitated	100% insurance claims processed, and payments of losses and excess facilitated	90% insurance claims processed, and payments of losses and excess facilitated.	the POE is not aligned to the means of verification (only insurance report is attached)	To be fully implemented in the next financial year
Business Continuity Management plan	Number of Business Continuity Management (BCM) plan viability phase developed	1 Business Continuity Management (BCM) plan viability phase developed	0 Business Continuity Management (BCM) plan viability phase developed	Terms of Reference are not developed yet due to capacity constraints and Part of the funds utilised in funding the annual insurance premiums which were more than the budget	Will Craft Terms of Reference for a tender to be advertised in the 1st Quarter of 2025/2026 F/Y

External Assessment Review	Number of external quality assessment performed	1 external quality assessment performed	0 external quality assessment performed	The checklist that was submitted required inclusion of the new global IIA standards	External Quality Assessment will be conducted in 2025-2026 Financial Year
Anti-Fraud & Corruption awareness and Disclosure Hotline	Number of Anti-fraud and corruption awareness workshop conducted	2 x Anti-fraud and corruption awareness workshop conducted.	1 x Anti-fraud and corruption awareness workshop conducted	Workshop not conducted due to capacity constraint	Schedule for workshop in Quater 1 of 2025/2026 f/y.
OFFICE OF THE MAYOR					
SODA	Number of SODA coordinated	1 SODA coordinated	0 SODA coordinated	SODA not organized due to congested programmes in the fourth quarter	SODA to be organized in the new financial year
Newsletter and Publications	Number of newsletters (external and internal) produced.	8 newsletters (4 external and 4 internal) produced.	4 newsletters (2 external and 2 internal) produced.	Late Production	Next Production next quarter.
Mayor's Forum	Number of Mayor's Forum activities coordinated	4 Mayor's Forum activities coordinated	2 Mayor's Forum activities coordinated	Due to hectic schedule of activities	It will be attended to during the next f/y
Aged care	Number of Aged Care campaigns facilitated	2 Aged Care campaigns facilitated	0 Aged Care campaigns facilitated	Not held due to conflicting programmes	Event to be held in the next quarter

INSTITUTIONAL DEVELOPMENT AND ORGANIZATIONAL TRANSFORMATION					
Procurement of ICT hardware devices	Percentage Hardware devices purchased	100 % Hardware devices purchased	50% of hardware devices purchased (5 laptops, 5 bags, 5 cordless mouse, 7 printers)	Lack of budget for computers	computers to be procured in the next quarter of 2025/2026 financial year
Procurement of mobile offices (IWS,EMS)	Number of mobile offices procured (IWS and EMS)	3 mobile offices procured (1 IWS and 2 EMS)	3 mobile offices procured (1 IWS and 2 EMS)	Delay in the procurement of Mobile offices	The target to be achieved next Quarter
FINANCIAL VIABILITY					
Unqualified Audit Opinion with no matters of emphasis	Percentage of finance related audit findings resolved	100% of Finance related Audit findings resolved	54% implementation of BTO audit action plan	Most matters will be addressed by the financial statements at the end of the financial year and cannot be addressed every quarter.	All Findings will be addressed by the financial statements
Revenue Enhancement Strategy	Percentage of revenue collected against the billing	50% revenue collected against the billing	47% revenue collected against the billing	Low rate of disconnections and unallocated receipts of customers on the suspense account.	fast tracking of disconnections for customers whose accounts are in arrears. trace customers to allocate the

					receipts in the suspense accounts.
Pre-paid meter installations with vending and customer query management system	Number service providers appointed for installation of pre-paid meters, Maintenance and vending system facilitated	Service providers appointed for installation of pre-paid meters, Maintenance and vending system facilitated	*The municipality has appointed the service provider through the RT29 for the Prepaid meter installation and the project is at its initial stage currently. *Vending system facilitated with Anglo American Platinum and customer awareness done.	List of meters installed, and maintenance and vending system facilitated not attached	To be fully implemented in the new financial year
Indigent Register	Percentage Indigents registered and verified	100% Indigents registered and verified	Verification of indigent register was done for Sekhukhune District,	Council resolution approval for the updated indigent register 24-25 FY is not attached.	To be corrected in the next f/y
SEKHUKHUNE DEVELOPMENT AGENCY					
Outdoor Energy Supply Units	Number of engagements with SDM on the implementation of the Outdoor Energy Storage Units facilitated	4 engagements with SDM on the implementation of the Outdoor Energy Storage Units facilitated	1 engagement with SDM on the implementation of the Outdoor Energy Storage Units facilitated	Engagement with the Sekhukhune District Municipality (SDM) on the implementation of the Outdoor Energy Storage Units could not	A Rescheduling of the engagement sessions with SDM will be prioritized in the first quarter of the new financial year

				be facilitated due to operational and leadership challenges. This limited the Agency's ability to deliver on the planned target and negatively affected overall year-end performance.	
Outdoor Energy Supply Units	Number of engagements between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated	4 engagement between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated	1 engagement between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated	Engagement between the Sekhukhune Development Agency (SDA) and the Sekhukhune District Municipality (SDM) to sign the Power Purchase Agreement (PPA) could not be facilitated due to operational and leadership challenges. This significantly affected the Agency's delivery capacity and	SDA will reinitiate the consultation process with SDM to ensure all concerns and legal requirements related to the PPA are adequately addressed.

				overall year-end performance.	
Establishment of Transport Planning and Management Function	Number of engagements towards the establishment of Transport Planning and Management Function held	4 Engagements towards the establishment of Transport Planning and Management Function held	*1 Engagement towards the establishment of Transport Planning and Management Function held *Meeting between SDA, DTCS AND STAKEHOLDERS IN SEKHUKHUNE DISTRICT MUNICIPALITY ON THE SEKHUKHUNE 1 NEGOTIATED BUS SUBSIDY CONTRACT facilitated	A meeting between the SDA, the Department of Transport and Community Safety (DTCS), and stakeholders in the Sekhukhune District Municipality on the Sekhukhune 1 Negotiated Bus Subsidy Contract was facilitated. However, the SDA could not report this target as achieved because the meeting minutes had not yet been signed by the Director of the Department of Transport at the time of reporting	The SDA will strengthen coordination and follow-up with the Department of Transport and Community Safety (DTCS) to secure timely approval and signing of meeting minutes. A structured tracking and escalation process will be introduced to ensure that all required documentation is finalized ahead of reporting deadlines
Sekhukhune District Integrated	Number of engagements with SDM for the	4 engagements with SDM for the	3 engagement with SDM for the approval of the Integrated	The planned engagement with the Sekhukhune District	The matter has been escalated to the National Department of

Transport Plan (ITP)	approval of ITP facilitated	approval of ITP facilitated	Transport Plan facilitated	Municipality (SDM) for the approval of the Integrated Transport Plan (ITP) could not be facilitated due to delays in the finalization of the ITP by the consultant appointed by the National Department of Transport (AMCE). The delays stemmed from unresolved bottlenecks and communication challenges between the consultant and the Department, which hindered progress on the ITP development and, consequently, the approval process.	Transport to urgently resolve the outstanding issues with the appointed consultant
Implementation De Hoop RMP	Number of De Hoop Resource Management Plan	1 De Hoop Resource Management Plan	1 De Hoop Resource Management Plan (RMP) activities	The implementation of De Hoop	Once a suitable acting or permanent CEO is

	(RMP) activities identified for implementation and public participation facilitated	(RMP) activities identified for implementation and 3 public participation facilitated	identified for implementation and 2 public participation facilitated	Resource Management Plan (RMP) activities and the facilitation of two public participation sessions could not be carried out due to operational and leadership challenges. This significantly affected the Agency's delivery capacity and overall year-end performance.	appointed or designated, a revised schedule for public participation activities will be developed and implemented to resume the De Hoop RMP processes. Stakeholders will be engaged to ensure alignment and minimize further delays.
Review Sekhukhune Development Agency Establishment and operating By-Law	Number of Sekhukhune Development Agency Establishment and operating By-Law reviewed	1 Sekhukhune Development Agency Establishment and operating By-Law reviewed.	0 Sekhukhune Development Agency Establishment and operating By-Law reviewed.	This was due to the board's resolution taken in the third quarter, which concluded that there was no urgent need to amend the by-law at this stage. As a result, no further engagements or actions were undertaken on	The SDA will monitor any future developments, policy shifts, or operational challenges that may necessitate a review of the by-law.

				this KPI during the reporting period.	
Branding and marketing	Number of branding and marketing activities conducted	4 x branding and marketing activities Conducted	3 x branding and marketing events conducted	Branding and marketing events could not be conducted due to operational and leadership challenges. This significantly affected the Agency's delivery capacity and overall year-end performance.	Once a permanent or formally delegated leadership structure is in place, the branding and marketing event schedule will be revisited and re-aligned with organizational priorities
MSCOA compliant Financial System	Number of Cloud Based Mscoa Financial System procured	1 Cloud Based Mscoa Financial System Procured	0 Cloud Based Mscoa Financial System Procured(Procurement of Mscoa Financial System facilitated)	The system is inactive as SDA awaits final cloud activation from the service provider, BCX. The delay has hindered the ability to generate financial and regulatory reports, as well as to utilize other core functionalities of the mSCOA system.	The SDA is maintaining close communication with BCX to ensure adherence to the activation timeline, which is expected to begin on 1st July 2025

Institutional Policy Development	Number of institutional policies developed	4 institutional policies developed	3 institutional policies developed	Institutional policiy could not be developed due operational and leadership challenges that significantly affected delivery capacity and over-all year end performance.	The SDA will engage with the parent municipality and board secretariat to explore alternative arrangements, such as appointing an Acting CEO or delegating interim authority, to enable the progression of urgent governance matters.
Facilitation of the annual SDA Strategic Planning Session	Number of SDA Strategic Planning Session facilitated	1x SDA Strategic Planning Session facilitated	0 x SDA Strategic Planning Session facilitated	The SDA Strategic Planning Session was successfully facilitated during the 3rd quarter. However, the Strategic Plan document could not be developed due to the unavailability of the CEO, whose input and approval were essential to finalizing the document.	The Strategic Plan will be finalized once the CEO becomes available or an acting authority is appointed to provide the necessary input and endorsement.

Tourism route marketing	Number of Tourism awareness and marketing activities Conducted	2 x Tourism awareness and marketing activities Conducted	0 x Tourism awareness and marketing activities Conducted	0 x Tourism awareness and marketing activities Conducted	Tourism awareness and marketing activities could not be conducted due to operational and leadership challenges that significantly affected delivery capacity and over-all year end performance.
SPATIAL RATIONALE					
Review of District Spatial Development Framework (SDF)	Number of District Spatial Development Framework (SDF) reviewed	1 District Spatial Development Framework (SDF) reviewed	0 District Spatial Development Framework (SDF) reviewed	Delays in the project's scope/ deliverables	Extension was requested and granted council
Integrated Municipal Geographic Information System	Number of Integration of Municipal Geographic Information System (GIS) - procured	1 Integrated Municipal Geographic Information System (GIS) - procured	0 Integrated Municipal Geographic Information System (GIS) - procured	Delay in procurement processes	Waiting for the adjudication committee to finalize the process
GIS Equipment	Number of procurement of GIS Equipment Facilitated	1 procurement of GIS Equipment facilitated	0 1 procurement of GIS Equipment facilitated (TOR for the appointment of service provider was prepared	Project, budget under Opex, and not rectified during the adjustment	To rovided the budget for the project in the new financial year

			and sent to BTO for further processing)		
Land Acquisition for satellite offices	Percentage of land acquired for satellite offices	100% of land acquired for satellite offices	*60% of land acquired for satellite offices (A site inspection was conducted, the owner (Bapedi Mamone Traditional Authority) is awaiting an offer to purchase.) Leboeng Depot (IWS)- Land is allocated to the District municipality through permission to occupy and is awaiting the district to fence the land) *The Schoonoord- District Council will accept the offer from the Traditional Authority and make the payment. The budget for purchasing land is available. *The intention to sell letters received by the district. Deed of sale agreements prepared	Incomplete PoE	To be completed in the new 2025/2026 f/y

			for signature *Two deeds of sale and a donation of land concluded		
LOCAL ECONOMIC DEVELOPEMENT					
Implementation of EPWP	Number of jobs opportunities created through EPWP	2788 jobs created through EPWP (Infrastructure 2564, Environment and Culture 36 and Social Sector 188)	2102 jobs created through EPWP	Job opportunities created through infrastructure projects could not manage to assist in the achievement Infrastructure sector target set	Facilitation of early appointment of contractors will assist. (Forward Planning)

5. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2024/2025

Section 53 (1) (ii) of the Local Government Municipal Systems Act, 2003 provides that the Mayor of the Municipality is charged with the responsibility to consider and approve the Service Delivery and Budget Implementation Plan for 2024/2025 financial year.

The preparation of the 2024/2025 SDBIP is against the backdrop of the findings of the Auditor General on Performance information. Measures were taken to ensure that issues raised by Auditor General are being addressed in preparation of the audit for 2024/2025 financial year. It must however be noted that as with all audit processes, the results can only be measured in 2024/2025 audit opinion.

The following is a summary of targets and budgets for implementation of programmes by Municipal Departments as per Departmental allocations:

The Executive Mayor has to approve the SDBIP for the six key performance areas as per the Local Government priorities with its entity with **218** targets: The table below outline the target as per key performance area together with the entity:

KEY PERFORMANCE AREA	NO OF TARGETS
Basic infrastructure and Service Delivery	
Infrastructure & Water Services	59
Community Services	21
TOTAL	80
Institutional Development and Organisational transformation	
Corporate Services	25
PMS, IDP and Legal Services	18
TOTAL	43
Good governance and public participation	
Office of the Municipal Manager	26
Office of the Executive Mayor	20
Office of the Speaker	16
TOTAL	62
Financial Viability	10
Spatial Rationale	11
Local Economic Development	12

TOTAL	218

Sekhukhune Development Agency	13

SDBIP TARGETS AS PER DEPARTMENTS

DEPARTMENT	NO. OF TARGETS
Infrastructure & Water Services	59
Community Services	21
Corporate Services	25
Office of the Speaker	16
Office of the Executive Mayor	20
Municipal Manager's Office	29
Planning & Economic Development	38
Budget & Treasury	10
TOTAL	218

The operational budget for the 2025/2026 financial year is **R 1 348 817 133, 73** and capital budget **R 712 290 167,73** In total budget for the 2024/2025 financial year is **R 2 061 107 300, 73.**

Performance of Service Providers Report 2024/2025

6. PERFORMANCE OF SERVICE PROVIDERS FOR 2024/2025 F/Y PER KPA

CONTRACT MANAGEMENT

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	RATING
CORPORATE SERVICES								
1.	TELKOM	Telephones and Internet	According to approve rates	30-Sept-2020	N/A	5 years	29-September-2025. Thereafter the term of the Agreement will automatically be renewed on month to month, subject to either party give the other party one month written notice of its intention to terminate the Agreement	3
2.	BCX	Financial System	According to approve rates	07-July-2023	N/A	Unknown	The commencement date and duration will be	3

							determined by the service schedules and order forms after the Municipality requested that services	
3.	SAGE 300 VIP	Payroll System		01-Jul-2024	N/A	12 Months. Extended on month-to-month basis	30-Jun-2025	3
4.	Matupunuka	Network Maintenance and Support	R14 947 170	24 October 2004	SK8/3/1-03/2024/2025	3 Years	24 October 2027	3
5.	Microsoft	Software Assurance	R490 893.92	05 January 2023	National Treasury Transversal	3 Years	10 October 2025	3
6.	JANE FURSE MEMORIAL HOSPITAL	Office lease	R70 738,43 p/m	01 January 2024	N/A	Month to Month	Month to Month	1
7.	DOUBLE BARREL	Office lease	R26 405,12 p/m	01 January 2024	N/A	Month to Month	Month to Month	2
8.	BUMAZI Properties	Lease of Office of Bareki Mall	R821, 956. 39 Per month	01-Aug-2024	N/A	1 year	31-Jul- 2025	3

9.	SF NDALA	Office lease	R14 624.00 per month	01-Aug-2024	N/A	Month to Month	Month to Month	2
10.	NMP	Vehicle lease	R135 293 320,13	08 December 2022	Sk-8/3/1-41/2024/2025	3 Years	08 December 2025	3
11.	Mminatlou	Tracking of Vehicles	R15 004 552.64	01 May 2024	Sk-8/3/1-34/2024/2025	3 years	30April 2027	3
12.	ANAKA Group	Printing Machines	R4 070 671. 56	01-Aug-2024	Sk8/3/1/60/2023/2024	3 years	02-Aug-2027	2
13.	Mahube	19 Apprentice	R1 627 549,00	05 July-2023	SK8/3/1-34/2022/2023	3 years	30- Apr-2026	3
14.	Job Afrik	Skills programme(National Certificate of MFM and LED) Local Government Councillors Practices	Be paid the fees in accordance with the rates provided by the Funding Agent	01-May-2023	SK8/3/1-34/2022/2023	3 years	30- Apr-2026	3
15.	OLRICH	WIL (9) Unemployed Learners. End User Computing	Be paid the fees in accordance with the rates provided by the Funding Agent	01June 2025	SK8/3/1-34/2022/2023	6 Months	30-Apr -2026	3

BUDGET								
16.	LIMCOUNTS PTY LTD	Asset Management (New contract)	R17 884 222. 93	27-Jun-2024	SK8/3/1-48/2023/2024	3 years	28-Jun-2027	4
17.	LK CENTRIX	Data Cleansing & updating of the Indigent Register	R9 700 000.00	08-Jan-2024	SK8/3/1-16/2023/2024	3 years	07-Jan-2027	3
18.	AMR	Meter-reading	R12 653 050. 75	18-Dec-2023	Sk08/3/1-17/2023/2024	24 months	17-Dec-2026	2
19.	Standard Bank	Banking Services	In accordance with the Service Provider's Proposal.	01-Jun-2023	SK8/3/1-27/2016/2017	5 years	31-May--2028	3
MUNICIPAL MANAGER'S OFFICE								
LEGAL SERVICES								
20.	PK LEGODI INC	Legal Services	Rate in accordance with three (3) years fixed Attorney fees as reflected in the signed contract document	28-Sep-2024	SK8/3/1-06/2024/2025	3 years	27-Sep-2027	3

21.	TJ MACHETE ATTORNEYS	Legal Services	Rate in accordance with three (3) years fixed Attorney fees as reflected in the signed contract document	28-Sep-2024	SK8/3/1-06/2024/2025	3 years	27-Sep-2027	3
22.	LIGEGE ATTORNEYS	Legal Services	Rate in accordance with three (3) years fixed Attorney fees as reflected in the signed contract document	28-Sep-2024	SK8/3/1-06/2024/2025	3 years	27-Sep-2027	3
23.	Mr Marweshe	Legal Services	Rate in accordance with three (3) years fixed Attorney fees as reflected in the signed contract document	Provision of legal services	Rate in accordance with three (3) years fixed Attorney fees as reflected in the signed contract document	28-Sep-2024	SK8/3/1-06/2024/2025	3

24.	Verveen Attorneys	Provision of legal services	Rate in accordance with three (3) years fixed Attorney fees as reflected in the signed contract document	28-Sep-2021	SK8/3/1-33/2020/2021	3 Years plus 1 year extension of the term of Agreement	27-Sep-2025	4
25.	Rachidi Eugene Inc Attorneys	Provision of legal services	Rate in accordance with three (3) years fixed Attorney fees as reflected in the signed contract document	28-Sep-2024	SK8/3/1-06/2024/2025	3 Years	27-Sep-2027	Not applicable because they haven't received any work yet
26.	Manala Attorneys Inc	Provision of legal services	Rate in accordance with three (3) years fixed Attorney fees as reflected in the signed contract document	28-Sep-2024	SK8/3/1-06/2024/2025	3 Years	27-Sep-2027	Not applicable because they haven't received any work yet

27.	Khumalo Masondo Attorneys Inc	Provision of legal services	Rate in accordance with three (3) years fixed Attorney fees as reflected in the signed contract document	28-Sep-2024	SK8/3/1-06/2024/2025	3 Years	27-Sep-2027	3
28.	Popela Maake Inc Attorneys	Provision of legal services	Rate in accordance with three (3) years fixed Attorney fees as reflected in the signed contract document	28-Sep-2024	SK8/3/1-06/2024/2025	3 Years	27-Sep-2027	Not applicable because they haven't received any work yet
29.	Mohuba Attorneys	Provision of legal services	Rate in accordance with three (3) years fixed Attorney fees as reflected in the signed contract document	28-Sep-2024	SK8/3/1-06/2024/2025	3 Years	27-Sep-2027	Not applicable because they haven't received any work yet

RISK MANAGEMENT

30.	KUNENE-MAKOPA RISK SOLUTIONS	Insurance Brokers	R829 467.00	2024/08/19	SK8/3/1-62/2023/2024	3 years	2027/08/18	3
31.	TUBATSE SECURITY SERVICES	Physical Security	R 77 949 006. 34 R46 282 222.51 R46 891 199.12 R53 589 9441.86	01-May-2023	Sk/8/3/1-51/2022/2023	3 years	30-Apr-2026	3
32.	Loskop Alarms	Armed response	R2685	01/02/2016	N/A	N/A	N/A	4
INTERNAL AUDIT								
33.	Chapu Chartered Accountants	AFS and Consolidation of AFS Reviews	Be paid the fees in accordance with the rates provided by the Funding Agent	2 AUGUST 2021	SK-8/3/1-05/2020/2021	3 YEARS	1 AUGUST 2024	3
34.	TJ RASIMENI CHARTERED ACCOUNTANTS	AUDIT SERVICES	STANDARD RATES	17 FEBRUARY 2025	SK-8/3/1-07/2024/2025	3 YEARS	16 FEBRUARY 2028	3
35.	TLADI AND ASSOCIATES CONSULTING INC	AUDIT SERVICES	STANDARD RATES	17 FEBRUARY 2025	SK-8/3/1-07/2024/2025	3 YEARS	16 FEBRUARY 2028	3

36.	GAAP MASTER (PTY) LTD	AUDIT SERVICES	STANDARD RATES	17 FEBRUARY 2025	SK-8/3/1-07/2024/2025	3 YEARS	16 FEBRUARY 2028	3
37.	UMNOTHO BUSINESS CONSULTING	AUDIT SERVICES	STANDARD RATES	17 FEBRUARY 2025	SK-8/3/1-07/2024/2025	3 YEARS	16 FEBRUARY 2028	3
38.	MAKANAKA RISK AND ADVISORY SERVICES	AUDIT SERVICES	STANDARD RATES	17 FEBRUARY 2025	SK-8/3/1-07/2024/2025	3 YEARS	16 FEBRUARY 2028	3
39.	KT MOGANO INVESTMENT	AUDIT SERVICES	STANDARD RATES	2 AUGUST 2021	SK-8/3/1-05/2020/2021	3 YEARS	1 AUGUST 2024	3
40.	MMB CONSULTING INC.	AUDIT SERVICES	STANDARD RATES	2 AUGUST 2021	SK-8/3/1-05/2020/2021	3 YEARS	1 AUGUST 2024	3
41.	MNB CHARTERED ACCOUNTANTS	AUDIT SERVICES	STANDARD RATES	2 AUGUST 2021	SK-8/3/1-05/2020/2021	3 YEARS	1 AUGUST 2024	3
42.	R. KALIDASS AND ASSOCIATES	AUDIT SERVICES	STANDARD RATES	2 AUGUST 2021	SK-8/3/1-05/2020/2021	3 YEARS	1 AUGUST 2024	3

43.	RELIABLE ACCOUNTANTS JV TM CONSORTIUM	AUDIT SERVICES	STANDARD RATES	2 AUGUST 2021	SK-8/3/1-05/2020/2021	3 YEARS	1 AUGUST 2024	3
44.	SB CONSULTING T/A CSC CHARTERED ACCOUNTANTS AND ADVISORS	AUDIT SERVICES	STANDARD RATES	2 AUGUST 2021	SK-8/3/1-05/2020/2021	3 YEARS	1 AUGUST 2024	3
45.	SHUMBA INC	AUDIT SERVICES	STANDARD RATES	2 AUGUST 2021	SK-8/3/1-05/2020/2021	3 YEARS	1 AUGUST 2024	3
46.	SID ADVISORY AND MANAGEMENT CONSULTING	AUDIT SERVICES	STANDARD RATES	2 AUGUST 2021	SK-8/3/1-05/2020/2021	3 YEARS	1 AUGUST 2024	3
47.	TKAM CHARTERED ACCOUNTANTS JV MATSEBA	AUDIT SERVICES	STANDARD RATES	2 AUGUST 2021	SK-8/3/1-05/2020/2021	3 YEARS	1 AUGUST 2024	3

	ACCOUNTATNTS INC							
				PLANNING AND ECONOMIC DEVELOPMENT				
48.	INTERGRATED GOVERNMENT SOLUTIONS	Automated Performance Management System	R4 968 000. 00	03-Jan-2023	SK-8/3/1-16/2022/2023	3 years	02-Jan-2026	3
49.	MOGAUNG ENTERPRISE	Supply and Delivery of Production Inputs and Equipments	N/A	N/A	N/A	Once off	Once off	4
50.	KULASISEBENZE TRADING AND PROJETS	Supply and Installation of District Welcome and Thank You Signage	N/A	N/A	RFQ	Once off	Once off	4
51.	THOMSON PROJECTS	Supply And Installation Of District Signage	N/A	N/A	RFQ	Once off	order	4
52.	ASHCOR TRAVELS	Facilitation of District Tourism Summit	Payment shall be in accordance with the Service Provider's approved rates	27-Sep-2022	SK8/3/1-14/202/2023	26-Sep-2025	Payment shall be in accordance with the Service Provider's approved rates	4

53.	NVOSO TRADING ENTERPRISE	Painting and Cementing of Steel & Palaside	R544 496.44	N/A	SK8/3/1-50/23/24	Once off	Once off	4
54.	MATETE AND ASSOCIATES	Review Of SDF	R1 174 322. 50	01 June-2024	SK8/3/1-38/2023/2024	Once off	31-Mar-2025 Ext from 01-Apri-2025 to 30-Sep-2025	3
55.	TM Consortium (Pty) Ltd	Review of GIS Strategy	R440 214. 21	07-Mar-2025	SK8/3/1-23/2024/2025	5 months	07-Mar-2025	3
56.	Re a Bona Trading (Pty) Ltd	Training on Entrepreneurship for 25 Entrepreneurs	Be paid the fees in accordance with the rates provided by the Funding Agent	01-May-2023	SK8/3/1-34/2022/2023	3 years	30-Apr-2026	3
57.	Madijolane Holding	Supply and Delivery of 20 High Pressure Sprayers	R2 227 240	Once off	SK8/3/1-24/24/25	Once off	Once off	3
58.	MASHIGWANA PROJECTS (PTY)LTD	Supply and Delivery of Palasade Fencing at Tjate Hertage Site	RFQ	RFQ	RFQ	Once off	Once off	4
SEKHUKHUNE DEVELOPMENT AGENCY								

59.	VERVEEN ATTORNEYS	Land Transfer	RFQ	RFQ	RFQ	Once off	Once off	4
60.	Adapt IT	CaseWare Training	RFQ	RFQ	RFQ	Once off	Once off	4
61.	Ashcor Travels	Accommodation	RFQ	RFQ	RFQ	Once off	Once off	4
62.	Vision Print	Printing Branding material	RFQ	RFQ	RFQ	Once off	Once off	4
63.	Kdm travels	Accommodation	RFQ	RFQ	RFQ	Once off	Once off	4
GOOD GOVERNANCE								
OFFICE OF THE EXECUTIVE MAYOR								
64.	TK. Sound and Visual Solutions (Pty)Ltd.	Events Management	Fees in accordance with the standard rates for Events Management Term Contracts 2022-2025	25-Mar-2022	Sk08/3/1-05/2021/2022	3 years	24-Mar-2025	4
65.	Unathi Catering and Cleaning Services	Events Management	Fees in accordance with the standard rates for Events Management Term Contracts 2022-2025	25-Mar-2022	Sk08/3/1-05/2021/2022	3 years	24-Mar-2025	4

66.	Black Sky Investments Holdings Event Management	Events Management	Fees in accordance with the standard rates for Events Management Term Contracts 2022-2025	25-Mar-2022	Sk08/3/1-05/2021/2022	3 years	24-Mar-2025	4
67.	Pheladi Noko B1 Funerals and Constructions	Events Management	Fees in accordance with the standard rates for Events Management Term Contracts 2022-2025	25-Mar-2022	Sk08/3/1-05/2021/2022	3 years	24-Mar-2025	4
68.	Tshepang Marketing Solutions cc	Events Management	Fees in accordance with the standard rates for Events Management Term Contracts 2022-2025	25-Mar-2022	Sk08/3/1-05/2021/2022	3 years	24-Mar-2025	2
				OFFICE OF THE SPEAKER				
69.	Batlokwa Travel	Accommodation	Payment shall be in accordance with the Service	27-Sep-2022	SK8/3/1-14/202/2023	3 years	26-Sep-2025	5

			Provider's approved rates					
70.	KDM Travel Express	Conference package and accommodation	Payment shall be in accordance with the Service Provider's approved rates	27-Sep-2022	SK8/3/1-14/202/2023	3 years	26-Sep-2025	5
71.	TK Sound and Visual Solutions	Sound	Fees in accordance with the standard rates for Evens Management Term Contracts 2022-2025	25-Mar-2022	Sk08/3/1-05/2021/2022	3 years	24-Mar-2025	5
72.	Aschor Travel	Accommodation	Payment shall be in accordance with the Service Provider's approved rates	27-Sep-2022	SK8/3/1-14/202/2023	3 years	26-Sep-2025	5
73.	Pheladi Noko B1 Funerals	Transport	Events Management	Fees in accordance with the standard rates for Events Management Term	25-Mar-2022	3 years	3 years	5

				Contracts 2022-2025				
BASIC SERVICE DELIVERY								
INFRASTRUCTURE & WATER SERVICES								
74.	HWA Engineers and Project Managers	Consultant (Malekana RWS)	Consultant (Malekana RWS)	R62 314 391.14	21-Feb-2029	SK8/3/1-30/2017/18	28-Nov-2026	3
75.	Mulalo Business Enterprise	Contractor (Malekana RWS)	Contractor (Malekana RWS)	R123 454 620.28	19-Nov-2019	SK8/1-35/2018/19	21-Oct-2021	3
76.	Zacks Business Enterprise	Contractor (Malekana RWS)	Contractor (Malekana RWS)	R15 169 762,04	SK8/3/1-03/2022/23	8 months	29-Feb-2024	3
77.	Kgwadi Ya Madiba	Contractor (Malekana RWS)	Contractor (Malekana RWS)	R26 843 017,20	SK8/3/1-01/2022/23	10 months	06-Jun-2024	3
78.	Maunyatlala Shakwana	Contractor (Malekana RWS)	Contractor (Malekana RWS)	R27 928 022,90	SK8/3/1-02/2022/23	10 months	29-Feb-2024	3
79.	Maletebogo	Contractor (Malekana RWS)	R17 107 443,94	01-Nov-2022	SK8/3/1-6/2022/2023	2 YEARS	01-Nov-2022	3
80.	Double Hot Spot JV	Contractor (Malekana RWS)	R40 235 340.95	25-May-2023	SK8/3/1-7/2022/2023	2 YEARS	28-Nov-2025	3

81.	Mwelase Thobs	Contractor (Malekana RWS)	R32 599 186.80	19-Aug-2024	SK8/3/1/1-44/2023/2024	1 YEAR	16-Sept-2025	3
82.	Madipadi Construction	Contractor (Malekana RWS)	R14 638 900.05	05-Mar-2023	SK8/3/1-5/2022/2023	18 MONTHS	17-Dec=2023	3
83.	Engineerex	Consultant: Maebe Water Intervention Phase IV	R1 901 490. 99	30-Aug-2021	N/A	50 Months, plus 12 months for defect liability	29-Oct-2026	2
84.	Ntshiana	Contractor: Maebe Water Intervention Phase IV	R21 942 146.63	22-May-2023	N/A	Agreement shall remain valid for a period up till the project is handed over to the Municipality (Upon issue of the Contractors Certificate of Completion), which is the next day after Contractor's twelve (12) months	Uncertain	4

85.	Phatsimo Management Consultants	Rural Roads Asset Management	R7 090 417.00	05-Jan-2023	Sk8/3/1-35/2022/2023	3 YEARS	05-Jan-2026	4
86.	Zutari Impact Engineers	Consultants: Maphopha Command Reservoir	R15 805 393.19	13-Apr-2016	SK8/3/1/1-12/2012/2013	6 months	19-Dec-2025	2
87.	Zutari Impact Engineers	Consultants: Mampuru Bulk Water Scheme	R63 550 874.00	23-Sep-2020	N/A	Remain valid until the Project is handed over to the Municipality by the Constructor	Uncertain	4
88.	MGM Bluhray Engineers	Consultant (Lebalelo Connector Pipes)	R72 179 310.26	16-Jan-2018	SK8/3/1-29/2016/2017		TBC	3
89.	Eternity Star and Zacks Business Enterprise	Contractor (Lebalelo Connector Pipes)	R107 214 971.12	16-Jan-2018	SK8/3/1-30/2016/2017	3 YEARS	15-Jan-2021	3
90.	Babinatlou	Contractor (Lebalelo Connector Pipes)	R66 569 849.73	23-Oct-2018	SK8/3/1-36/2016/2017	3 YEARS	20-Oct-2021	3

91.	Mulalo Business Enterprise	Contractor (Lebalelo Connector Pipes)	R56 461 763.43	23-Mar-2018	SK8/3/1-35/2017/2018	3 YEARS	05-Nov-2021	3
92.	MGM Bluhray Engineers	Consultant (Lebalelo South Phase 3)	R48 166 491.47	28-Feb-2019	SK8/3/1-20/2017/2018	3 YEARS	18-Mar-2023	3
93.	20 Elevation Construction and Landscaping	Contractor (Lebalelo South Phase 3)	R54 161 968.62	18-Sep-2019	SK8/3/1-31/2017/2019		21-Apr-2021	3
94.	Bo MaMohlala Projects	Contractor (Lebalelo South Phase 3)	R105 526 942.79	19-Aug-2021	SK8/3/1-30/2019/2020		19-Mar-2023	3
95.	Reandeals 4 Consulting	Consultant (Moutse Reticulation)	R14 007 152. 89	01-12-2023	N/A	3 years plus 12 months defect liability period	30-11-2027	3
96.	Loaded Life	Contractor (Moutse Reticulation Contract C)	R27 790 707.20	01-Feb-2024	N/A	3years plus 12 months defect liability period	30-Nov-2027	2
97.	Casnan	Contractor (Moutse Reticulation Contract D)	R146 611 858.28	14-Feb-2024	SK8/3/1-11/2023/2024	9 months 12 months defect liability period	15-Nov-2024	4

98.	Mangadi JV Modikeng	Contractor (Moutse Reticulation Contract E)	R26 039 474.84	14-Feb-2024	SK8/3/1-13/2023/2024	9 months 12 months defect liability period	14-Nov-2024	3
99.	Moepagauta JV Mafoko JJ	Contractor (Makgemeng)	R336 259.28	07-Sep-2021	SK8/	1 YEAR	07-Sep-2022	3
100.	Mont Consulting	Consultant (Makgemeng)	R336 259.28	23-Aug-2019	SK8/3/1-20/2017/2018	3 YEARS	07-Sep-2023	3
101.	SDVK	Contractor (Moutse Reticulation Contract A)	R42 272 898.17	14-Feb-2024	SK8/3/1-9/2023/2024	12months 12 months defect liability period	14-Feb-2025	3
102.	Pheladi Noko	Contractor (Moutse Reticulation Contract B)	R35 656 402.42	14-Feb-2024	SK8/3/1-10/2023/2024	12 MONTHS	30-Nov-2028	3
103.	Ntshiana & Maunyatlala JV	Contractor (De Hoop GaRatau,	R47 744 745,44	01-Aug-2021	SK8/3/1-21/2019/2020	3 YEARS	15-Sep-2022	3

		Makgeru, Matekane)						
104.	SDVK	Contractor (De Hoop GaRatau, Makgeru, Matekane)	R48 644 732.16	04-Feb-2021	SK8/3/1-21/2019/2020	1 YEAR	18-Sep-2022	2
105.	Tubatse Consulting	Consultant (Upgrading of De Hoop WTW)	R12 500 000.00	25-Sep-2020	N/A	Contract will be terminated upon issue of the Contractors Certificate of Completion), which will be the next day after Contractor's 12 months defects liability period lapse	Uncertain	4
106.	Bo MaMohlala Projects	Contractor (Upgrading of De Hoop WTW)	144 817 851. 24	05/Oct-2023	Sk08/3/1-01/2023/2024	24 Months plus 12 months defect liability	04-Octo-2026	3

107.	Aphane Consulting	Consultant (Makgeru-Schoonoord bulk water supply)	R62 465 264.71	26-Nov-2008	GSDM/07/08/2005B	18 months (planned)	18-Oct-2024	4
108.	DWS Construction West	Contractor (Makgeru-Schoonoord bulk water supply	R152 236 006.58	01-Dec-2014	GSDM07/08/2005B	18 months (planned)	18-Oct-2024	4
109.	HWA Engineers and Project Managers	Consultant (Moutse commissioning projects)	R6 932 200.00	01-Feb-2023	SK8/3/1-18/2022/2023	6 MONTHS	31-Aug-2023	3
110.	DWS Construction West	Contractor (Moutse Commissioning projects)	R59 416 949.47	09-May-2025	NONE	12months plus 12 months defect liability period	12-Jun-2026	3
111.	Manodoma Trading Enterprise	Contractor (Ga-Marishana water supply)	R4 850 211. 14	24-Sep-2024	SK8/3/1-51/2023/2024	3 months Plus 12 months defect liability	Not yet signed	3
112.	Tangos	Consultant (Ga-Marishane Water supply)	R915 699.93	09-Nov-2023	SK8/3/1-35/2015/2016	2 YEARS	08-Nov-2025	3

113.	Mamadi & Company	Consultant (Refurbishment of Nkosini Package Plant)	R1 393 66.76	31-Jul-2023	N/A	12 Months	30-Jul-2026	3
114	Pheladi Noko	Contractor (Refurbishment of Nkosini Package Plant)	R6 909 423.98	06-Jul-2023	SK8/3/1-46/2022/2023	6 MONTHS	15-Dec-2023	3
115.	Thoko Consulting	Consultant (Laersdrift Water Supply)	R2 076 289. 97	19-Mar-2024	N/A	27 months	18-Jun-2026	
116.	Casnan Civils	Contractor (Laersdrift Water Supply)	R12 770 399. 75	15-Apri-2024	N/A	8 months plus 12 months defect liability	17-Dec-2025	
117.	Dirane Trading	Contractor (Phokwane / Brooklyn Water Supply)	R5 503 471. 35	13-Sep-2024	SK8/3/1-46/2023/2024	12 months. Thereafter 12 defect liability period	12-Aug-2026	
118.	KeeWave Trading	Contractor (Tukakgomo water Supply Phase V)	R4 805 648. 92	25-Sep-2023	Sk08/3/1-14/2023/2024	Remain valid for a period up till the project is handed over to the Municipality	Uncertain	

						(Upon issue of the Contractor Certificate of Completion), which is the next day after Contractor's twelve (12) months defects liability period lapse of the last project phase		
119.	Zutari	Consultant (Tukakgomo water Supply Phase V)	R4 805 648,92	20-Oct-2023	SK8/3/1-14/2023/2024	12 MONTHS	13-Aug-2024	3
120.	Sedieletshe Contractor	Contractor (Legolaneng Water)	R3 128 864.16	05-Sep-2021	SK8/3/1-23/2029/2021	3 MONTHS	17-Dec-2021	2
121.	Marwa Moleke Contractors	Contractor (Malaeneng Water) (COVID19 Project)	R4 043 763.52	17 Aug 2021	SK8/3/1-18/2020/21	3months	25 Oct 2024	3

122.	Tlou Integrated Tech	COVID 19 (Malaeneng & Legolaneng)	2 535 750.00	08-May-2020	SK8/3/1-00/2022/2023	3months	25 Oct 2024	2
123.	Tlou Integrated Tech	Consultant (eENZAAN)	R6927525.61	08-May-2020	SK8/3/1-00/2022/2023	3 YEARS	25 Aug 2026	2
124.	Tlou Integrated Tech	Consultant (kGOTLOPONG)	R7179341	08-May-2020	SK8/3/1-00/2022/2023	3 YEARS	25 Aug 2026	2
125.	Reandals Four Consulting	Moutse east and West	R16 305 219.23	18-07-2022	N/A	Contract will be terminated upon issue of the Contractors Certificate of Completion), which will be the next day after Contractor's 12 months defects liability period lapse	Uncertain	3

126.	Tubatse Consulting Engineers	Consultants (Mooihoek Bulk Scheme)	R21 900 358.33	05-Jan-2018	SK8/3/1 – 36/2022/2023	3 YEARS	30-Apr-2022	4
127	DWS Construction	Contractor (Moutse east & West)	R59 416 949.47	09-May-2025	None	12months plus 12 months defect liability period	12-Jun-2026	3
				COMMUNITY SERVICES				
128.	MURATHO LAB SERVICES	FOOD SAMPLING SERVICES/ WATER SAMPLING SERVICES	R93 456. 38	07-Jul-2023	sk8/3/1-62/2022/2023	3 Years	06-Jul-2026	3
129.	DIKGOLE MALESO TRADING AND PROJECTS	PROCUREMENT OF PERSONAL PROTECTIVE CLOTHING FOR EHP'S	R459 354. 39	15-May-20223	Sk08/3/1-10/2022/2023	3 years	14-May-2026	3
130.	SAESI	ANNUAL LICENSE FEE FOR TRAINING ACADEMY	N/A	N/A	N/A	N/A	N/A	3
131.	GREAT FOCUS MEDIA	CONDUCTING FEASIBILITY	RFQ	RFQ	RFQ	RFQ	RFQ	3

		STUDY (ANIMAL POUND)						
132.	MAJANE HOLDINGS	SUPPLY AND DELIVERY OF DISASTER MANAGEMENT TABLECLOTHS	RFQ	RFQ	RFQ	RFQ	RFQ	3
133.	BOROKO WOODWORKS	SUPPLY AND DELIVERY OF BODY CAMERA	RFQ	RFQ	RFQ	RFQ	RFQ	1
134.	MATANE HOLDINGS	SUPPLY AND DELIVERY OF TABLECLOTH, COOLER BOX AND CAMPING CHAIR FOR DISASTER MANAGEMENT SERVICES	RFQ	RFQ	RFQ	RFQ	RFQ	3
135.	PHELADI NOKO	SUPPLY AND DELIVERY OF ARRIVE ALIVE LAUNCHING MATERIALS	Fees in accordance with the standard rates for Evens Management Term Contracts 2022-2025	25-Mar-2022	Sk08/3/1-05/2021/2022	3 years	24-Mar-2025	3

136.	GREAT FOCUS MEDIA	SUPPLY AND DELIVERY OF TROPHIES FOR SCHOOL RECYCLING PROGRAMME	N/A	N/A	N/A	N/A	N/A	3
137.	LL CONFRONT	SUPPLY AND DELIVERY OF BOTTLED WATER FOR FIRE-FIGHTERS REFRESHMENTS	RFQ	RFQ	RFQ	RFQ	RFQ	3
138.	LANGWORTH PTY LTD	SUPPLY AND DELIVERY OF BOTTLED WATER FOR FIRE-FIGHTERS REFRESHMENTS	RFQ	RFQ	RFQ	RFQ	RFQ	3
139.	MASHEGWANA PROJECTS	SUPPLY AND DELIVERY OF AIR QUALITY CONSUMABLES	RFQ	RFQ	RFQ	RFQ	RFQ	3
140.	MISTRAIM PROJECTS (PTY)LTD	CATERING SERVICES	RFQ	RFQ	RFQ	RFQ	RFQ	3

141.	IETS OF MACH	SUPPLY AND DELIVERY OF DISASTER RELIEVE MATERIALS	RFQ	RFQ	RFQ	RFQ	RFQ	3

PERFORMANCE OF THE SERVICE PROVIDERS IN 2024/2025			
BASIC SERVICE DELIVERY			
INFRASTRUCTURE & WATER SANITATION (IWS)			
NAME OF SERVICE PROVIDER	**SERVICE RENDERED**	**LEVEL OF PERFORMANCE**	**REMARKS**
HWA Engineers and Project Managers	Consultant (Malekana RWS)	4	Good contract administration and monitoring
Mulalo Business Enterprise	Contractor (Malekana RWS)	3	Average construction management
Zacks Business Enterprise	Contractor (Malekana RWS)	4	Good construction management
Kgwadi Ya Madiba	Contractor (Malekana RWS)	5	Very good construction management
Maunyatlala Shakwana	Contractor (Malekana RWS)	4	Good construction management
Maletebogo	Contractor (Malekana RWS)	2	Lack of commitment to project
Double Hot Spot JV	Contractor (Malekana RWS)	3	Poor cashflow and contract management
Mwelase Thobs	Contractor (Malekana RWS)	2	Poor cashflow and contract management
Madipadi Construction	Contractor (Malekana RWS)	5	Good construction management
Engineerex	Consultant: Maebe Water Intervention Phase IV	4	Good contract administration and monitoring
Ntshiana	Contractor: Maebe Water Intervention Phase IV	4	Good construction management

Phatsimo Management Consultants	Rural Roads Asset Management	4	Good technical proficiency
Zutari Impact Engineers	Consultants: Maphopha Command Reservoir	2	Poor supervision and cash flow management
Zutari Impact Engineers	Consultants: Mampuru Bulk Water Scheme	4	Good Technical Proficiency
MGM Bluhray Engineers	Consultant (Lebalelo Connector Pipes)	2	Poor performance Lack of commitment
Eternity Star and Zacks Business Enterprise	Contractor (Lebalelo Connector Pipes)	3	Average performance
Babinatlou	Contractor (Lebalelo Connector Pipes)	3	Average performance
Mulalo Business Enterprise	Contractor (Lebalelo Connector Pipes)	4	Good contract administration and monitoring
MGM Bluhray Engineers	Consultant (Lebalelo South Phase 3)	2	Poor performance Lack of commitment
20 Elevation Construction and Landscaping	Contractor (Lebalelo South Phase 3)	1	Extremely Poor performance
Bo MaMohlala Projects	Contractor (Lebalelo South Phase 3)	4	Good Contract Management
Reandeals 4 Consulting	Consultant (Moutse Reticulation)	3	Average performance
Loaded Life	Contractor (Moutse Reticulation Contract C)	3	Average performance
Casnan	Contractor (Moutse Reticulation Contract D)	4	Good contract administration and monitoring

MangadiJV Modikeng	Contractor (Moutse Reticulation Contract E)	3	Average performance
Moepagauta JV Mafoko JJ	Contractor (Makgemeng)	2	Poor performance
Mont Consulting	Consultant (Makgemeng)	3	Average performance
SDVK	Contractor (Moutse Reticulation Contract A)	2	Poor performance (Quality)
Pheladi Noko	Contractor (Moutse Reticulation Contract B)	3	Average performance
Aphane Consulting	Consultant (De Hoop Ga-Ratau, Makgeru, Matekane)	4	Poor contract administration
Ntshiana & Maunyatlala JV	Contractor (De Hoop GaRatau, Makgeru, Matekane)	3	Average performance
SDVK	Contractor (De Hoop GaRatau, Makgeru, Matekane)	3	Average Perfomance
Tubatse Consulting	Consultant (Upgrading of De Hoop WTW)	4	Good technical proficiency and monitoring
Bo MaMohlala Projects	Contractor (Upgrading of De Hoop WTW)	3	Average performance
COMMUNITY SERVICES			
MURATHO LAB SERVICES	Food Sampling Services/ Water Sampling Services	3	Good
LANGWORTH (PTY)LTD	Supply And Delivery	3	Good
DIKGOLE MALESO	Procurement Of Personal Protective Clothing For Ehp's	3	Good

TRADING AND PROJECTS			
SAESI	Annual License Fee For Training Academy	3	Good
GREAT FOCUS MEDIA	Conducting Feasibility Study (Animal Pound)	3	Good
MAJANE HOLDINGS	Supply And Delivery Of Disaster Management Tablecloths	3	Good
BOROKO WOODWORKS	Supply And Delivery Of Body Camera	1	Poor
MATANE HOLDINGS	Supply And Delivery Of Tablecloth, Cooler Box And Camping Chair For Disaster Management Services	3	Good
PHELADI NOKO	Supply And Delivery Of Arrive Alive Launching Materials	3	Good
GREAT FOCUS MEDIA	Supply And Delivery Of Trophies For School Recycling Programme	3	Good
LL CONFRONT	Supply And Delivery Of Bottled Water For Fire-Fighters Refreshments	3	Good
LANGWORTH PTY LTD	Supply And Delivery Of Bottled Water For Fire-Fighters Refreshments	3	Good

MASHEGWANA PROJECTS	Supply And Delivery Of Air Quality Consumables	3	Good
MISTRAIM PROJECTS (PTY)LTD	Catering Services	3	Good
IETS OF MACH	Supply And Delivery Of Disaster Relieve Materials	3	Good
BUDGET AND TREASURY			
NAME OF SERVICE PROVIDER	**SERVICE RENDERED**	**LEVEL OF PERFORMANCE**	**REMARKS**
LIMCOUNTS PTY LTD	Asset Management (New contract)	3	SP delivered as expected & in line with the SLA
LK CENTRIX	Data Cleansing & Updating Of The Indigent Register	3	SP delivered as expected & in line with the SLA
AMR	Meter Reading	2	SP did not deliver as per the SLA
STANDARD BANK	Banking Services	3	SP delivered as expected & in line with the SLA
CONLOG	Installation Of Smart Meter	4	Performs above expectation
MUNICIPAL MANAGER'S OFFICE			
LEGAL SERVICES			
NAME OF SERVICE PROVIDER	**SERVICE RENDERED**	**LEVEL OF PERFORMANCE**	**REMARKS**

JOSE ASSOCIATE	Legal Services	3	Performs as expected
MDHLULI ATTORNEYS	Legal Services	3	Performs as expected
VERVEEN ATTORNEYS	Legal Services	4	Performs above expectation
PK LEGODI Inc ATTORNEYS	Legal Services	4	Performs above expectation
MATEME ATTORNEYS	Legal Services	2	Poor performance
RISK MAMANGEMENT			
LOSKOP ALARMS	Armed Response	4	Performs Above Expectations
KUNENE-MAKOPA RISK SOLUTIONS	Insurance Brokers	3	Performs As Expected
TUBATSE SECURITY SERVICES	Physical Security	3	Performs As Expected
CHAPU CHARTERED ACCOUNTANTS	Review Of AFS And Consol AFS	3	Performed As Expected
PLANNING ECONOMIC DEVELOPMENT			
NAME OF SERVICE PROVIDER	**SERVICE RENDERED**	**LEVEL OF PERFORMANCE**	**REMARKS**
INTERGRATED GOVERNMENT SOLUTIONS	Automated Performance Management System	3	Performed As Expected
FITO AND SONS PROJECTS (PTY) LTD	Supply And Delivery Of Fencing Material	3	Performed As Expected

DIMPHO KHOMOTSO (PTY) LTD	Supply And Delivery Of Production Inputs And Equipments	3	Performed As Expected
ASHCOR TRAVELS	Smmes And Cooperatives Participation At Africa Travel Indaba	4	Performed Above Expectatio
ASHCOR TRAVELS	Smmes And Cooperatives Participation At Limpopo Holiday Fair	3	Performed As Expected
MATETE AND ASSOCIATES	Review Of SDF	3	Performs As Expected
RENA BA TSWAKO TRANSPORT AND CONSTRUCTION	Catering IDP	3	Performs As Expected
HLAPIADI A NAPE (PTY) LTD	Catering IDP	3	Performs As Expected
BAPHOKANE CONSTUCTION	Catering IDP	3	Performs As Expected
BYIVIRILE TRADING (PTY) LTD	Catering LED	3	Performs As Expected
THUTSE PROJECTS (PTY) LTD	Catering LED	3	Performs As Expected
PRECIOUS CUISINE	Catering LED	3	Performs As Expected
MITSRAIM PROJECTS	Catering LED	3	Performs As Expected
POYISANO MULITI PROJECTS PTY (LTD)	Catering LED	3	Performs As Expected

NTHOKOSENG	Catering LED	3	Performs As Expected
CORPORATE SERVICES			
NAME OF SERVICE PROVIDER	**SERVICE RENDERED**	**LEVEL OF PERFORMANCE**	**REMARKS**
TELKOM	Telephones and Internet	4	Performs above expectations
BCX	Financial System	4	Performs above expectations
Sekgokgome	Computers and hardware	5	Performance fully meets the standard expected for service
Jireh technology	Internet services	4	Performs above expectations
Open kingdom technology	Master system plan	5	Performance fully meets the standard expected for service
Microsoft	Software Assurance	4	Performs above expectations
JANE FURSE MEMORIAL HOSPITAL	Office lease *(IWS and EMS office)*	1	Performance does not meet the standard required for the service. The service provider does not meet more fundamental requirements and/or is achieving results that are well below the standard required in a number of significant areas. The failure is despite efforts to encourage improvement i.e., fails to do

			maintenance, dilapidated office
DOUBLE BARREL	Office lease *(IWS Ephraim Region)1*	2	Performance did not fully achieve adequate results in key required areas. Improvement in these areas is necessary to bring performance up to the standard expected i.e., maintenance work is unsatisfactory
BUMAZI Properties	Lease of Office of Bareki Mall	3	Performance fully meets the standard expected for service
SF NDALA	Office lease	2	Performance did not fully achieve adequate results in key required areas. Improvement in these areas is necessary to bring performance up to the standard expected i.e., maintenance work is unsatisfactory
Euro Trading	Supply of Cleaning Materials	3	Performance fully meets the standard expected for service

NMP	IWS and Executive vehicle lease *(Incoming)*	2	Performance did not fully achieve adequate results in key required areas. Improvement in these areas is necessary to bring performance up to the standard expected i.e., failure to do maintenance including vehicles licensing
Makgonatsohle	*Repairs and maintenance of municipal vehicles*	3	Performance fully meets the standard expected for service
Dikgole Malesolo Ntjana Trading	Provision of PPE to employees	2	Performance did not fully achieve adequate results in key required areas. Delay in Delivery of PPEs
Mogale Training Solutions	Implementing a New Venture Creation Programme for 18 Unemployed learners	4	Performs above expectation
Mahube Training and Development	*Apprenticeship Plumber (23 Unemployed learners) *Water and Waste Water treatment operation process (30 Unemployed learners) *RPL Plumber employed old (28 employees learners) *New RPL (30 employed learners)	4	Performs above expectation

OLRICH	WIL (9) Unemployed Learners.	4	Performs above expectation
GOOD GOVERNANCE			
OFFICE OF THE EXECUTIVE MAYOR			
NAME OF SERVICE PROVIDER	**SERVICE RENDERED**	**LEVEL OF PERFORMANCE**	**REMARKS**
TK. Sound and Visual Solutions (Pty)Ltd.	Events Management	4	Good
Unathi Catering and Cleaning Services	Events Management	4	Satisfactory
Black Sky Investments Holdings Event Management	Events Management	4	Satisfactory
Pheladi Noko B1 Funerals and Constructions	Events Management	4	Satisfactory
Tshepang Marketing Solutions cc	Events Management	2	Fair. Needs Logistical Improvement.
OFFICE OF THE SPEAKER			
NAME OF SERVICE PROVIDER	**SERVICE RENDERED**	**LEVEL OF PERFORMANCE**	**REMARKS**
Algamated Lebone.PTY(LTD)	Accomomdation	4	Above expectation
KMD Travel Express	Transport and Accommodation	4	Above expectation
Aschor Travel	Accommodation	5	Excellent

LL Maphupha Projects PTY(LTD)	Catering	3	As expected
Mongwai Business Solutions	Catering	4	Above expectation
Olrich Technology	Computer Training	5	Excellent
Masa M Projects PTY(LTD)	Transport and Accommodation	4	Above expectation
SEKHUKHUNE DEVELOPMENT AGENCY			
NAME OF SERVICE PROVIDER	**SERVICE RENDERED**	**LEVEL OF PERFORMANCE**	**REMARKS**
T J Rasimeni chattered Accountant	Annual Financial Statement preparation	4	Excellent
KDM Travel	Accommodation	4	Excellent
Amalgamated Lebone Travel Services	Accommodation	4	Excellent

7. MEASURES TO IMPROVE PERFORMANCE

Challenge	Measures to improve performance
The poor quality of technical reports due to lack of technical capacity within the Municipality	MISA has deployed two Engineers and a student Engineer to support the Municipality.
Inadequate application of Project Management Techniques in Planning & Implementation of projects	Continuous technical skills training & development through SAICE training programme. MISA is providing training combined with on-the-job training.

Disagreement between Traditional Leaders on land where projects are to be implemented. One village does not agree to share with neighbouring community.	Extensive consultation before the approval of the project by DWS. Obtain prior approval of Traditional Leaders for the projects to continue.
Lack of water source in some areas within the region. Sometimes the quality of water cannot be used for consumption which compels the Municipality to stall the projects. Additional funding will therefore be required to build a package plant. This funding acquisition process takes time.	At planning stage, the quality and quantity of underground water must be determined before the technical report to drill a borehole is submitted for funding.
Structuring of the RBIG to be paid to the Municipality via DWS whereas the DORA allocates it directly to the Municipality. DWS delays the payment of service providers funded from this grant.	Continuous engagement with the DWS to transfer the RBIG grant directly to the municipality. DWS is monitoring the municipality's performance to review the status of Schedule 6B to schedule 5B.

8. APPENDIX A: PERFORMANCE RATING FOR SERVICE PROVIDERS

Level	Description	Rating
Level 5 **Outstanding performance**	Performance far exceeds the standard expected for the job in all areas of the project. The company has achieved exceptional results against all performance criteria and indicators specified in the service level agreement/contract and maintained this in all areas of responsibility throughout the year.	5
Level 4 **Performance significantly above expectations**	Performance is significantly higher than the standard expected for the job in all areas. The service provider has achieved above fully effective results against more than half of the performance criteria and indicators specified in the service level agreement /contract and fully achieved all others throughout the year	4
Level 3 **Fully effective**	Performance fully meets the standard expected for the job in all areas. The service provider has achieved effective results against all significant performance criteria and indicators specified in the service level agreement/contract and may have achieved results significantly above expectations in one or two less significant areas throughout the year	3
Level 2	Performance is below the standard required for the job in key areas. The service provider has achieved	2

Performance not fully satisfactory	adequate results against many key performance areas and indicators specified in the service level agreement/contract but did not fully achieve adequate results against others during the course of the year. Improvement in these areas is necessary to bring performance up to the standard expected.	
Level 1 **Unacceptable performance**	Performance does not meet the standard required for the job. The service provider has not met one or more fundamental requirements and/or is achieving results that are well below the performance criteria and indicators in a number of significant areas of responsibility. The service provider has failed to demonstrate the commitment or ability to bring performance up to the level expected despite efforts to encourage improvement.	1

9. CONCLUSION

The Annual Performance Report (APR) reflects the performance of Sekhukhune District Municipality during 2024/2025 financial year. The APR also contrasts the performance of the year under review with the performance of the prior year which is 2023/2024. The APR also highlights the performance of service providers that were contracted by the municipality to provide services as part of fulfilling the municipal powers and functions.

10. APPROVAL

MR KGWALE M.M
MUNICIPAL MANAGER
DATE: 29/08/2025

ANNEXURE APR1: EXCEL DETAILED ANNUAL PERFORMANCE REPORT

Excel Detailed Annual Performance Report

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2024/2025 ANNUAL PERFORMANCE REPORT SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN (SDBIP)

BASIC SERVICE DELIVERY

Performance Report By KPA

Financial Year : 2024 - 2025
Quarter : Annual

SEKHUKHUNE
District Municipality

KPA	Basic Services Delivery
Department	Community Services

ID	KPI No	Project Name	KPI	Baseline	Target Description	Annual Target Description	Total Budget	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
639	BSD 43	Environmental Pollution Prevention	Number of awareness Campaigns on Air Quality conducted	13 Awareness Campaigns on Air Quality conducted	36 Awareness Campaigns on Air Quality conducted	36 Awareness Campaigns on Air Quality conducted	464373	36 Awareness Campaigns on Air Quality conducted	None	None	Report and Attendance register	Achieved	To conduct awareness campaigns on Environmental Pollution Prevention by June 2025
640	BSD 44	Environmental Pollution Prevention	Number of enforcement and compliance inspection conducted	New Project	24 enforcement and compliance inspection conducted	24 enforcement and compliance inspection conducted	377646.15	24 enforcement and compliance inspection conducted	None	None	Signed Assessment forms including the agent signature	Achieved	To conduct awareness campaigns on Environmental Pollution Prevention by June 2025
641	BSD 45	Food Safety control	Number of Food Premises evaluated	755 Food Premises evaluated	1500 Food Premises evaluated	1500 Food Premises evaluated	677890.05	2 043 Food Premises evaluated	None	None	Signed Assessment forms including the agent signature	Achieved	To conduct food premises evaluation by June 2025
642	BSD 46	Waste Management	Number of landfill sites inspections conducted	51 Health care risk waste monitored	24 landfill sites inspections conducted	24 landfill sites inspections conducted	239403.15	24 landfill sites inspections conducted	None	None	Signed Assessment forms including the agent signature	Achieved	To assess management of health care risk waste at health care facilities by June 2025
643	BSD 47	Health Surveillance of premises	Number of health surveillance at public premises evaluated	757 premises evaluated	1500 health surveillance at public premises evaluated	1500 health surveillance at public premises evaluated	0	1 502 health surveillance at public premises evaluated	None	None	Signed Assessment forms including the agent signature	Achieved	To conduct health surveillance at all public premises. By June 2025.
644	BSD 48	Surveillance and prevention of communicable diseases	Number of awareness campaigns on Communicable diseases conducted	Surveillance and prevention of communicable diseases	100 awareness campaigns on Communicable diseases conducted	100 awareness campaigns on Communicable diseases conducted	240460.05	122 awareness campaigns on Communicable diseases conducted	None	None	Report and attendance register	Achieved	To conduct awareness campaigns to prevent communicable diseases by June

645	BSD 49	Vector Control	Number of inspections on Vector Control on premises conducted	756 inspections on Vector Control on premises conducted	1500 inspections on Vector Control on premises conducted	1500 inspections on Vector Control on premises conducted	0	1 539 inspections on Vector Control on premises conducted	None	None	Signed Assessment forms including the agent signature	Achieved	To monitor vector control maintenance on premises by June 2025
646	BSD 50	Disposal of the dead	Number of inspections on Disposal of the Dead facilities conducted	50 evaluations on Disposal of the Dead facilities conducted	100 inspections on Disposal of the Dead facilities conducted	100 inspections on Disposal of the Dead facilities conducted	220919.4	110 inspections on Disposal of the Dead facilities conducted	None	None	Signed Assessment forms including the agent signature	Achieved	To evaluate disposal of the dead facilities by June 2025.
647	BSD 51	Chemical safety	Number evaluations on safety to chemical handling premises conducted	154 evaluations on safety to chemical handling premises conducted	300 evaluations on safety to chemical handling premises conducted	300 evaluations on safety to chemical handling premises conducted	0	309 evaluations on safety to chemical handling premises conducted	None	None	Signed Assessment forms including the agent signature	Achieved	To evaluate premises to assess chemical safety by June 2025
648	BSD 52	Fire and Rescue Operations	Percentage of reported emergency incidents attended	100% of (200) reported emergency incidents attended	100% reported emergency incidents attended	100% reported emergency incidents attended	243920.25	100% reported emergency incidents attended	None	None	Call Register and Report	Achieved	To respond to all reported emergency incidents by June 2025.
649	BSD 53	Emergency Management Services Training Academy	Number of firefighting courses facilitated	2 firefighting courses facilitated	3 firefighting course facilitated	3 firefighting course facilitated	207694.02	3 firefighting courses facilitated	None	None	Attendance Register and Report	Achieved	To provide firefighing training by June 2025.
650	BSD 54	Fire Safety and Prevention	Percentage of reported fire prevention and safety services provided	100% of (437) reported fire prevention and safety services provided	100% reported fire prevention and safety services provided	100% reported fire prevention and safety services provided	240460.05	100% reported fire prevention and safety services provided	None	None	Call Register and Report	Achieved	To evaluate plans and conducting inspections on all facilities by June 2025
651	BSD 55	Disaster risk assessment	Percentage of reported disaster risk Management incidents conducted	100% of (96) reported disaster risk management incident conducted	100% reported disaster risk Management incidents conducted	100% reported disaster risk Management incidents conducted	500000	100% reported disaster risk management incidents conducted	None	None	Register of disaster risks assesssments	Achieved	Toconduct disaster risk assessment by June 2025.
652	BSD 56	Disaster risk reduction	Number of Disaster risk reduction awareness campaigns conducted	26 disaster risk reduction awareness campaigns conducted	24 disaster risk reduction awareness campaigns conducted	24 disaster risk reduction awareness campaigns conducted	0	36 disaster risk reduction awareness campaigns conducted	None	None	Register of risk reduction awareness campaigns	Achieved	To conduct awareness campaigns to prevent disasters by June 2025.
653	BSD 57	Disaster response and recovery	Percentage of reported disaster relief materials provided to affected disaster victims	100% of (96) reported disaster relief materials provided to affected disaster victims	100% reported disaster relief materials provided to affected disaster victims	100% reported disaster relief materials provided to affected disaster victims	0	100% reported disaster relief materials provided to affected disaster victims	None	None	Register of relief materials provided and report	Achieved	To coordinate provision of relief material to affected disaster victims by June 2025.

654	BSD 56	Special Operations on High Density Day	Number of special high density days campaigns coordinated	2 special operations high density campaigns coordinated	2 special operations high density campaigns coordinated	2 special operations high density campaigns coordinated	131315.1	2 Special operation high density campaigns coordinated	None	None	Operational plan and attendance registers	Achieved	To coordinate campaigns during the special high density days by June 2025
Department			Infrastructure and Water Services										
610	BSD 14	Awareness Campaigns	Number of Awareness Campaigns conducted	Water & Sanitation By-Law	08 Awareness campaigns conducted	08 Awareness campaigns conducted	629924.5	08 Awareness campaigns conducted	None	None	Reports/Attendance Register	Achieved	
601	BSD 05	Provision of water through water tankers	Number of Kilolitres of water provided through water tankers	243 000 kl of water provided through water tankers	243 000 kl of water provided through water tankers	243 000 kl of water provided through water tankers	1049000	304 231 Kl of water provided through water tankers	None	None	Tankering report	Achieved	
611	BSD 15	Water Use License	Number of Water Use Licenses applied	05 Water Use Licences in place	03 Water Use Licenses applied	03 Water Use Licenses applied	2238556	0 Water Use Licenses applied	Late submission of application of water use licences	3 water use licenses application forms submitted	Copies of 3 Water Use Licenses	Not Achieved	To comply with regulations by June 2024
597	BSD 01	Sanitation incidents	Percentage of registered sanitation incidents resolved within 14 days	90% registered sanitation incidents resolved within 14 days	90% registered sanitation incidents resolved within 14 days	90% registered sanitation incidents resolved within 14 days	50457246.9	99.67% registered sanitation incidents resolved within 14 days	None	None	Incidents report	Achieved	To improve water service provisioning by June 2025
598	BSD 02	Water incidents	Percentage of registered water incidents resolved within 14 days	80% of registered water incidents resolved within 14 days	80% of registered water incidents resolved within 14 days	80% of registered water incidents resolved within 14 days	50457246.9	92% of registered water incidents resolved within 14 days	None	None	Incidents report	Achieved	To improve water service provisioning by June 2025
599	BSD 03	Bulk Water Purchases	Number of Mł of water purchased	2515,5Mł of water purchased	2515,5Mł of water purchased	2515,5Mł of water purchased	121062176.2	12525 Mł of water purchased	None	None	Summary meter readings report	Achieved	To improve water service provisioning by June 2025
600	BSD 04	Borehole Development	Number of boreholes developed	20 boreholes developed	60 boreholes developed	60 boreholes developed	45000000	70 boreholes developed	None	None	Drilling report	Achieved	To improve water service provisioning by June 2025
603	BSD 07	Refurbishment of Vergelegen water treatment works	Number of WTW (Vergelegen) refurbished	Dilapidated WTW	1 WTW (Vergelegen) refurbished	1 WTW (Vergelegen) refurbished	4000000	1 assessment report done,Memo written for request of appointment of contractor, Vergelegen WTW refurbished as per scope of work	None	None	Signed report	Achieved	To improve water service provisioning by June 2025
604	BSD 08	Refurbishment of Masemola water treatment works	Number of WTW (Masemola) refurbished	Dilapidated WTW	1 WTW (Masemola) refurbished	1 WTW (Masemola) refurbished	3000000	1 assessment report completed, Contractor appointed to execute the work,Piet Gouws(Masemola) WTW refurbished as per specification on the Memo	None	None	Signed report	Achieved	To improve water service provisioning by June 2025

605	BSD 09.1	Refurbishment of WWTW's (Burgersfort, Penge WWTW's, Phooko Booster Pump Station)	Number of WWTW's refurbished (Burgersfort, Penge WWTW's, Phooko Booster Pump Station)	Refurbishment of Groblersdal & Praktiseer WTW's	3 WWTW's refurbished (Burgersfort, Penge WWTW's, Phooko Booster Pump Station)	3 WWTW's refurbished (Burgersfort, Penge WWTW's, Phooko Booster Pump Station)	45000000	0 WWTW's refurbished (Burgersfort, Penge WWTW's, Phooko Booster Pump Station)2 assessment of WWTW (Burgersfort, Penge WWTW's, Phooko Booster Pump Station	Insuffient Budget	3 WWTW will be refurbished under 10% of MIG in 2025/26 FY	Signed report	Not Achieved	To improve water service provisioning by June 2025
606	BSD 10	Powered Borehole Installation Initiative	Number of boreholes Energised	New	20 boreholes Energised	20 boreholes Energised	30000000	27 Borehole Energised	None	None	Signed report	Achieved	To Improve Infrastructure Reliability and Sustainability by June 2025
607	BSD 11	Electricity Usage	Number of KWH electricity used.	261 399,312 KWH of electricity used	401 703,060 of KWH electricity used	401 703,060 of KWH electricity used	70000000	628 000,5 KWH of electricity used	None	None	Signed report	Achieved	To improve water service provisioning by June 2025
x	BSD 12	Developing and reviewing water related policies	Number of policies to be reviewed and developed	Water and Sanitation policy	01 policy reviewed and 02 developed	01 policy reviewed and 02 developed	2238566	0 policy reviewed and 0 developed	Management recommended that the review of Water and Sanitation bylaws must be done internally while we do not have internal capacity.	Management recommended to strengthen internal capacity, and appointment of more staff within the unit	3 promulgated policies	Not Achieved	To comply with regulations by June 2025
609	BSD 13	Review Water and Sanitation By-Law	Number of Water and Sanitation By-law reviewed	Outdated Water and Sanitation By-Law	01 Water and Sanitation By-law reviewed	01 Water and Sanitation By-law reviewed	2238566	0 Water and Sanitation By-law reviewed (Appointment of service provider)	Management recommended that the review of Water and Sanitation bylaws must be done internally while we do not have internal capacity and Lack of human capital within the Unit	Management recommended to strengthen internal capacity and appointment of more staff within the unit	Copy of promulgated Water and Sanitation By-Law	Not Achieved	To comply with regulations by June 2025
612	BSD 16	Registrations of Servitudes	Number of Servitudes Registered	Water and sanitation Infrastructure	02 Servitudes Registered	02 Servitudes Registered	3000000	0 Servitudes Registered (Appointment of PSP, Transfer and Registration of Servitude, Transfer and Registration of servitude)	*Awaiting Authorization of donation agreement from the accounting officer.	Accounting officer recommended to authorize the donation agreement and appointment of more staff within the unit	Title Deeds	Not Achieved	Registering water and sanitation infrastructure by 2025
613	BSD 17	Lebalelo South connector pipes and reticulation	Number of steel tanks erected	Moolnoek Water Treatment Works	3 Steel tanks erected	3 Steel tanks erected	5698635.7	0 Steel tanks erected	Late submission of quotations for procurement of steel tanks and recommendation letter by the consultant.	Quotations were submitted and recommendation letter sined. Cession signed on the 23 June 2025 for the erection of the tanks.	Progress report	Not Achieved	To reduce water services backlog with 90% by June 2025

614	BSD 18	Upgrading of De Hoop WTW	Number of Settling dams ,km of External pipeline ,construction of Retaining wall, and Dep of Agriculture Offices.	DeHoop 12ML Water Treatment Works.	2 Settling Dams,1.5km of External pipeline constructed , construction of 1 retaining wall and Dep of Agriculture offices.	2 Settling Dams,1.5km of External pipeline constructed , construction of 1 retaining wall and Dep of Agriculture offices.	30191524.49	0 Settling Dams, 0,248km of External pipeline constructed , construction of 0 retaining wall and Dep. of Agriculture offices.	The delivered specials and fittings for the sludge pipe were rejected by the Consultant. The Contractor is having cashflow challenges and has submitted the issue to the municipality for assistance.	The contractor has submitted a Cession agreement between him and the supplier for the specials and fittings, once it is approved the Material will be delivered and Contractor will be able the expedite the Works. 1. The Municipality had an intervention meeting on the 12 November 2024 with the contractor and consultant to resolve the issues at hand. Termination is imminent 1. The Contractor to expedite the works. And the consultant is closely monitoring the contractor. 1. The subcontractor has been appointed to assist the contractor with other activities. And the consultant is closely monitoring the contractor.	Monthly progress report	Not Achieved	To reduce water services backlog with 90% by June 2025
615	BSD 19	Upgrading of Groblersdal – Luckau Bulk Water Scheme Phase 1	Number of Km for bulk pipeline constructed.	Groblersdal 12Ml Water Treatment Works	11 Km of bulk pipeline constructed.	11 Km of bulk pipeline constructed.	150064320.1	3.178 km of bulk pipeline constructed	The issue of servitude not yet finalized, Underground water and hard rock excavations, Servitude along the pipeline route not yet finalized, Acquisition of Servitude along the pipeline route was delayed and Slow progress due to Hard rock and Underground water.	Blasting of hard rock and Underground water – pumping out water from the trenches and the Installation of a bidim geotextile and a layer of crusher stones before laying the pipes., This process delays progress on site.	Monthly progress report	Not Achieved	To reduce water services backlog with 90% by June 2025
616	BSD 20	Upgrading of Groblersdal – Luckau Bulk Water Scheme Phase 2	Number of Km for bulk pipeline constructed	Groblersdal 12Ml Water Treatment Works	10 km of bulk pipeline constructed	10 km of bulk pipeline constructed	100000000	10,369Km of bulk pipeline constructed.	None	None	Monthly progress report	Achieved	To reduce water services backlog with 90% by June 2025
617	BSD 21	Upgrading of Groblersdal – Luckau Bulk Water Scheme Phase 2	Number of concrete reservoirs and booster pump stations constructed.	Groblersdal 12Ml Water Treatment Works	50% Concrete reservoirs and 1 booster pump station constructed.	50% Concrete reservoirs and 1 booster pump station constructed.	100000000	15% of concrete reservoir and 1booster pump station constructed	delay on construction of concrete reservisor due to Hard rock experience during excavation	Blasting of hard rock required for proper excavation	Monthly progress report	Not Achieved	To reduce water services backlog with 90% by June 2025

618	BSD 22	Moutse East and West Water Reticulation phase 1	Number of reticulation, bulk pipeline and elevated steel tank constructed	1 WTW in Groblersdal upgraded and 1 pump station constructed , bulk pipeline constructed,21 Km of reticulation pipeline constructed	348.44 km reticulation, 13.7 bulk pipeline and 6 elevated steel tank constructed	348.44 km reticulation, 13.7 bulk pipeline and 6 elevated steel tank constructed	76989267.4	*21,74 km reticulation, *13.7 bulk pipeline *1 elevated steel tank constructed.	Contract B is behind schedule due to hard rock experienced and Cashflow challenges - Contract C was out of site and behind schedule due to social issues. All 3 remaining contractors lack technical and financial capacity .	Contract B -Increased plant on site to expedite the Works. Contractor has started with M&E. - Contract C: The Contractor has returned to site on the 21st August 2024 and busy with saddles and house connection.Ward 9 issues are still being resolved by the engineer and SDM, SDM and the consultant have conducted an intervention meeting and the contractors are going to expidite the progress on site. Evaluation criteria and CIDB grading system reviewal.	Monthly reports	Not Achieved	To reduce water services backlog with 90% by June 2025
619	BSD 23	Moutse East and West Water Reticulation phase 2	Number of km of reticulation pipeline constructed and bulk pipeline constructed	1 WTW in Groblersdal upgraded and 1 pump station constructed , bulk pipeline constructed	50km of reticulation pipeline and 5km bulk pipeline constructed	50km of reticulation pipeline and 5km bulk pipeline constructed	40000000	1,96km of reticulation pipeline and 0km bulk pipeline constructed1(detailed design completed, Procurement processes. Tender closed on the 10th Dacember 2024, Appointment of contractors)	Delay in handing over the site to contractors due to bid amounts that are higher than the available approved funding.	*Municipality to assist with internal funding and the sites have been handed over. *4 Contractor have been appointed and intend to expedite the works	Monthly reports	Not Achieved	To reduce water services backlog with 90% by June 2025
620	BSD 24	Mampuru Bulk Water Scheme	Number of Detailed Designs compleled, number of steel tanks installed, km of bulk pipe lines constructed.	Ga Malekana Water Treatment Works	1 Detailed Designs completed, 3 steel tanks installed, 5km of bulk pipe line constructed.	1 Detailed Designs completed, 3 steel tanks installed, 5km of bulk pipe line constructed.	43280717.18	*1 Detailed designs copleted *0 steel tanks installed, *0km of bulk pipe line constructed	Delayed appointment of three Contractors. One service provider has underpriced and later withdrew from the project	2 Contractors appointed. The tender was advertised for appointment of the remaining contractor. Tender closing on the 4th July 2025.	Approval of designs and appointment letters	Not Achieved	To reduce water services backlog with 90% by June 2025
621	BSD 25	Olifantspoort South Regional Water Supply Phase 6	Number of boreholes refurbished, number of bulk water meters installed.	Olifantspoort South Regional Water Treatment Works	2 boreholes refurbished, 12 bulk water meters installed.	2 boreholes refurbished, 12 bulk water meters installed.	19103121.73	*0 boreholes refurbished, *0 bulk water meters installed(Eskom is busy with surveying for installation of a three phase line. Advertised the project and it will close on the 16 April 2025 and currently at appointment stage)	Progress delayed by changing of scope from self-supportive borehole system to a three-phase power line.	Continuous engagement with Eskom to expedite installation of 3-phase line. According to Eskom their turn around time is 90 days.	Monthly progress report	Not Achieved	To reduce water services backlog with 90% by June 2025

662	BSD 26	Ga-Maphopha Command Reservoir	Number of manholes, cathodic protection, connections completed and reservoir tested and commissioned.	Ga Malekana Water Treatment Works	1 manholes, cathodic protection, connections completed and 1 reservoir tested and commissioned.	1 manholes cathodic protection, connections completed and 1 reservoir tested and commissioned.	7271300	*0 manholes cathodic connections completed *0 reservoir tested and commissioned.(Site visits were conducted to verify the remaining scope against the consultants' submission.	Construction could not commence due to disputes on measurements and payment for the contractor on the work previously done.	Remeasurement and rescoping was done and the project will start on the 15 September 2025.	Monthly progress report,close out report	Not Achieved	To reduce water services backlog with 90% by June 2025
663	BSD 09.2	Refurbishment of Leeufontein WWTW	Number of Detailed Designs completed and contractor appointed.Number of term contractor appointed. Number of bulk meters installed. Number of mechanical grinder installed. Km of fence installed.	Leeuwfontein WWTW	1 detailed design completed. 1 term contractor and 1 main contractor appointed. 1 bulk meter installed. 1 mechanical grinder installed. 1,1 km of fence installed.	1 detailed design completed. 1 term contractor and 1 main contractor appointed. 1 bulk meter installed. 1 mechanical grinder installed. 1,1 km of fence installed.	10572837.55	*0 detailed design completed. *0 term contractor and 0 main contractor appointed. *0 bulk meter installed. *0 mechanical grinder installed. *0 km of fence installed.(Detailed designs submitted to SDM for approval. Meeting for presentation of designs to be held on the 01st of July 2025. Consultant also finalising the draft tender document)	Delay in finalizing detailed designs.	Detailed designs to be presented in the next financial year.	Report	Not Achieved	To reduce water services backlog with 90% by June 2025
664	BSD 09.3	Refurbishment of Dennilton WWTW	Number of Detailed Designs completed and contractor appointed.Number of term contractor appointed. Number of bulk meters installed. Number of mechanical grinder installed. Km of fence installed. Number of generator refurbished.	Dennilton WWTW	1 detailed design completed. 1 term contractor and 1 main contractor appointed. 1 bulk meter installed. 1 mechanical grinder installed. 1,1 km of fence installed. 1 generator refurbished.	1 detailed design completed. 1 term contractor and 1 main contractor appointed. 1 bulk meter installed. 1 mechanical grinder installed. 1,1 km of fence installed. 1 generator refurbished.	10265972.6	*0 detailed design completed. *0 term contractor and 0 main contractor appointed. *0 bulk meter installed. *0 mechanical grinder installed. *0 km of fence installed. *0 generator refurbished(Detailed designs and draft tender document submitted to SDM for approval)	Delay in appointing contractors	Detailed designs to be presented in the next financial year.	Report	Not Achieved	To reduce water services backlog with 90% by June 2025
665	SC03/03 /24	Lebalelo Central RWS sub-scheme 1A	Km of bulk pipeline constructed and number of reservoirs constructed	Existing boreholes	Project registration for MIG funding, 100% completion of detailed design, procurement processes	Project registration for MIG funding, 100% completion of detailed design, procurement processes	20000000	*Project registration for MIG funding not done, *100% completion of detailed design, procurement processes	Delay in design approval	Project was advertised on the 23 May 2025 and closing on the 04 July 2025) Tender evaluation processes to be accelerated.	MIG registration letter, Detailed design report, tender document	Not Achieved	To reduce water services backlog with 90% by June 2025

623	BSD 27	Development of Rural Roads Asset Management System	Number of km of Roads assessed.	Desk top studies and the first rounds of Visual Conditions Assessments	3 600 km of Roads assessed	3 800 km of Roads assessed	2571000	3420km of roads assessed	Awaiting ISD to submit a list of enumerators to be trained to conduct traffic count in all LM and Mobilizing local municipalities to be part and parcel of the RRAMS programme	ISD to expedite submission of list of enumerators to be trained and going forward dedicated one-on-one engagements with the municipalities shall be upheld over and above the Technical IGR Forum	Monthly progress report	Not Achieved	Develop Road Asset Management Plan
624	BSD 28	Construction of Moonoek bulk water supply Phase G1.1	Number of km of bulk pipeline and package plant type clarifier constructed	1 X 5 Ml concrete reservoir completed Phase 4BA	0.1 Kilometres of bulk water supply pipeline and 1 package plant type clarifier constructed	0.1 Kilometres of bulk water supply pipeline and 1 package plant type clarifier constructed	25072000	0.1 Kilometres of bulk water supply pipeline and 1 package plant type clarifier constructed	none	none	Monthly progress report	Achieved	To reduce water services backlog with 90% by June 2027
625	BSD 29	Nebo BWS Commission Malekana to Jane Furse Pipeline	Number of km of bulk water supply inspected , tested and commissined. command reservoir tested and commissioned	Nebo Phase1A completed and not commissioned	31 km of bulk water supply inspected , tested and commissined. 1 command resirviour tested and commissioned	31 km of bulk water supply inspected , tested and commissined. 1 command resirviour tested and commissioned	32199000	*0 km of bulk water supply inspected, tested and commissioned. *0 command resivour tested and commissioned(Only Preliminary Conditional Assessment was done. *Inspection is ongoing **CCTV inspection for internal pipe liningCorrosion inspection of the external pipe. Conditional Assessment Inspection to survey the existing pipeline (internal lining and corrosion)Inception and concept report are 95% complete)	*Support required from Councillors of affected wards *No access to private/ community household over the entire pipework and to submit an extension of time and variation fees increase.	*Appointed the PSP to perform CCTV inspection for internal pipe liningCorrosion inspection of the external pipe" and "Project extension duration to lapses Variation fees of 15% required"	Monthly progress report	Not Achieved	To reduce water services backlog with 90% by June 2027
626	BSD 30	Development of IRS on the De Hoop, Nebo Plateau scheme up to Zaaiplaas	Number of consultant appointed, scoping and needs assessment, feasibility study, preliminary design report and implementation readiness study	Bulk Water Services Master Planning	1 consultant appointed for scoping and needs assessments. Feasibility study, preliminary design report and implementation readiness study	1 consultant appointed for scoping and needs assessments. Feasibility study, preliminary design report and implementation readiness study	0	*0 consultant appointed for scoping and needs assessments. *Draft Feasibility study, preliminary design report and implementation readiness study	Late appointment of consultant to develop IRS	DWS are currently reviewing the draft feasibility study for approval and Preliminary design report and implementation readiness study to be done upon approval of feasibility study	Monthly progress report	Not Achieved	To reduce water services backlog with 90% by June 2027

027	BSD 31	Nebo BWS Makgeru to Schoornoord BWS	Number of km of bulk pipeline constructed.	23 Km of Schoornoord bulk water supply pipeline in Makgeru. 10ML Command Concrete Reservoir in Schoornoord constructed	1km of bulk pipeline constructed.	1km of bulk pipeline constructed.	27080000	1,1km of bulk pipeline constructed.	None	None	Progress report	Achieved	To reduce water services backlog with 90% by June 2027
028	BSD 32	Moutse BWS Project (7 to 12)	Number of km of ductile pipeline commissioned	77 Kilometres of bulk water supply pipeline constructed and tested	77km of ductile pipeline commissioned	77km of ductile pipeline commissioned	23370000	77km of ductile pipeline commissioned (Pipe installation and testing is complete, Engineer to issue completion certificate for project 12 Overall progress 99%)	Commissioning Project 7 &12 is depended on refurbishment work under WSIG for project 2-4	Accelerate completion of both WSIG project 234 and pump refurbishment 13&14	Progress report	Not Achieved	To reduce water services backlog with 90% by June 2027
029	BSD 33	Moutse BWS Project 13 & 14	Number of mechanical and Electrical (M & E) components tested and commissioned for the extensions of the Groblersdal Water Treatment Works and pump station.	1 WTW in Groblersdal extended in Project 1 and 1 pump station constructed in Project 6	Refurbishment maintenance of 3 x pumps & motors at Project 14 Installation of 2 x raw water pump & motor at project 13Complete installation of P&ID network and systemsProcure and instal Gauntry overhead craneClear view fencing & paving	Refurbishment maintenance of 3 x pumps & motors at Project 14Installation of 2 x raw water pump & motor at project 13 Complete installation of P&ID network and systemsProcure and instal Gauntry overhead craneClear view fencing & paving	38309000	* Refurbishment maintenance of 3 x pumps & motors at Project 14Installation of 2 x raw water pump & motor at project 13 Complete installation of P&ID network and systemsProcure and instal Gauntry overhead craneClear view fencing & paving not done (Refurbish the pumps and motor at project 14Install Raw water Pump with electric connectivity at Project 13 Clarifier completed.(Raw water pumps are in for repairs) *Clear water tank has been aligned and *Clarifier completed.Raw water pumps are in for repairsClear water tank has been alignedLining of filter literals, grouting of filter literal, levelling of nozzlesOverall progress at 92%"	*Commissioning is depended on the WSIG project 234 and *2 x clear water Pumps and motors will undergo refurbishment.1 x raw water pump and motors will undergo refurbishment Commissioning Project 13&14 as well as 7-12 is depended on refurbishment work under WSIG for project 2-4"	*Accelerate the program to implement project 234 and *Contractor appointed sub-contractor to refurbish pumps and motors.Contractor presently working on plant evaluation (processing audits),	Progress report	Not Achieved	To reduce water services backlog with 90% by June 2027

630	BSD 34	Maeba Water Intervention Project – Phase V	Number of boreholes electrical transformers installed.	4 kilometres of water pipeline and 2 boreholes completed	3 boreholes electrical transformers installed.	3 boreholes electrical transformers installed.	5710250.12	* 0 boreholes electrical transformers installed, (Install submissible pumps 100% galvanised steel pipe, 100%Palisade fence 100% Pump houses 100% Installation of RO Plant)	*Delays due to Contractor's lack of cashflow to pay Eskom invoice for installation of electrical transformers.Total Invoices amounts to R1 270 724-58* and late payment to Eskom invoice for installation of electrical transformers due to Contractor's lack of cashflow, Delay from Eskom to energise the project	*SDM to make continues follow up with Eskom for the installation of the Electrical transformers, Further engagement with Eskom for urgent energising of the project are on-going. *The contractor is currently testing the project with generator.	Monthly progress report	Not Achieved	To reduce water services backlog with 90% by June 2025
631	BSD 35	Phokwane/Bro ekyln Water Supply	Number of boreholes, pipeline and elevated steel tank constructed	Business Plan	1 borehole, 2.4 km pipeline and 80kl elevated steel tank constructed	1 borehole, 2.4 km pipeline and 80kl elevated steel tank constructed	3971000	1 borehole developed, 2.4 km pipeline constructed and 80kl elevated steel tank constructed	None	None	Progress Report	Achieved	To reduce water services backlog with 90% by June 2025
632	BSD 36	Commissioning of Moutse bulk pipeline	20km bulk pipeline commissioned	Moutse bulk pipeline	40km bulk pipeline commissioned	40km bulk pipeline commissioned	14624003.37	*0 km bulk pipeline commissioned(Relay and test of 0km pipework from Groblersdal WTW to Groblersdal Pump Station - inception report completed, Application for construction permit is still in progress and the Contractor busy with Site Establishment and the progress is 11.1%, Pressure testing of 1km and failed)	*Delays in getting approval for Consultants SLA, DWS addendum Approval and delays in receiving construction permit and the Contractor (DWS) is experiencing delay with their SAP procurement systems	*SDM is attending to the revision of the Engineers and Contractors SLA *Both SLA for Consultant have been approved and we are waiting for Construction permit. *DWS having team trying to resolve the SAP System or to Migrate to another system.	Progress Report	Not Achieved	To reduce water services backlog with 90% by June 2025
633	BSD 37	Enkosini Water Supply Project	Number of km of reticulation network constructed and water sourcesupgraded	Refurbishment of 1 Package Plant	*5.9 km of reticulation network constructed, and 1 water sources upgraded"	*5.9 km of reticulation network constructed, and 1 water sources upgraded"	4623114.1	*5.9 km of reticulation network constructed, and 1 water sources constructed upgraded	None	None	Progress Report	Achieved	To reduce water services backlog with 90% by June 2025
0	BSD 38	Ga-Manishane Village water supply	Number of boreholes equipped,number of pump houses constructed, number of transformers installed and km of pipeline constructed	1.1ML Reservoir, Water Treatment Plant and 3.6-kilometre bulk pipeline	2 Boreholes equipped, 2 pump houses constructed, 1 transformer installed and 1,24km pipeline constructed	2 Boreholes equipped, 2 pump houses constructed, 1 transformer installed and 1,24km pipeline constructed	4736405.3	* 2 Boreholes equipped, *2 pump houses constructed, *0 transformer installed, *0,78km pipeline constructed and (1 air valve and 1" scour valve constructed)	*Project is behind schedule due to cash flow challenges and delay by ESKOM to issue a quotation for electrification of the project	*Contractor to expedite the works and Solar panels have been installed as a temporary measure to enable testing of the project	Monthly reports	Not Achieved	To reduce water services backlog with 90% by June 2025

635	BSD 39	Tukakgomo Water Intervention phase V	Number of km pipeline constructed, water metres installed and repairing of rising main	3.5 km of pipeline and water abstraction point	3km pipeline constructed, 196 water metres installed and lowlift pump station upgraded.	3km pipeline constructed, 196 water metres installed and lowlift pump station upgraded.	3340500	*3km pipeline constructed, 196 water metres not installed, *low lift pump station upgrated	None	None	Progress Report	Not Achieved	To reduce water services backlog with 90% by June 2025
636	BSD 40	Laersdrift Water Supply	Number of km of reticulation network, rising main and storage tank constructed	Feasibility Feasibility studies and Business Plan and Business Plan	4.5km of reticulation network, 2.6km of rising main constructed and 80kl ofstorage tank installed"	4.5km of reticulation network, 2.6km of rising main constructed and 80kl of storage tank installed"	11051768.75	*7km of reticulation network, 2.6km of rising main constructed and 80kl of storage tank installed(borehole refurbishment complete and 400 water meters installed)	None	None	Progress Report	Achieved	To reduce water services backlog with 90% by June 2025
637	BSD 41	Eenzaam water supply (works package 1)	Number of boreholes equipped and bulk pipeline constructed	Dilapidated water service infrastructure	2 Boreholes equipped, 6km bulk pipeline constructed	2 Boreholes equipped, 6km bulk pipeline constructed	17473958.36	*0 Boreholes equipped, *200 km bulk pipeline constructed	*Contractor unable to perform construction duties as per the approved program of works.	*A request for extension of time to finish the project *To motivate an entering into cession agreemenet between the contactor and material suppliers to accelarate the program	Progress Report	Not Achieved	To reduce water services backlog with 90% by June 2025
638	BSD 42	Kgotlopong water intervention (work package 1)	Number of boreholes equipped and pipelines constructed	Dilapidated water service infrastructure	1 borehole equipped and 12km pipelines constructed	1 borehole equipped and 12km pipelines constructed	43963000	*0 Boreholes equipped, *1,2km bulk pipeline constructed pipelines constructed)	*Slow progress on site due to delayed site handover	Contructor to expedite works on site	Progress Report	Not Achieved	To reduce water services backlog with 90% by June 2025

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Performance Report By KPA

Financial Year : 2024 - 2025

Quarter : Annual

SEKHUKHUNE
District Municipality

KPA: Good Governance And Public Participation

Department: Executive Mayor's Office

ID	KPI No	Project Name	KPI	Baseline	Target Description	Annual Target Description	Total Budget	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
552	GG 41	Mayoral Otreaches Sectoral Engagement	Number of stakeholder & sectorial engagements facilitated	12 Programmes facilitated	8 stakeholder & sectoral engagement facilitated	8 stakeholder & sectoral engagement facilitated	2000000	8 stakeholder & sectoral engagement facilitated (Extra mayoral outreaches held to support the sekhukhune communities. *Boreholes Contracts Hand Over - Borehole Handover - Kgoshi Kgwete 23/01/2025. Borehole Handover - Kgoshi Malepe 23/01/2025. Borehole Handover - Kgoshi Malokela 23/01/2025. Borehole Handover - Kgoshi Masato 23/01/2025 and Handover of water project contractor at Ga-Malekana Traditional Authority 16 April 2025 Handover of water project contractor at Ga-Mampuru) Traditional Authority- 16 April 2025	None	None	Attendace Register & Signed Exit report	Achieved	*To facilitate stakeholder & sectorial engagement by June 2025
553	GG 42	Executive Support to Mayoral Committees	Number of Mayoral Committee meetings supported	12 Mayoral Committee meetings supported	12 Mayoral Committee meetings supported	12 Mayoral Committee meetings supported	150000	12 Mayoral Committee meetings supported	None	None	Attendace Registers and Minutes	Achieved	*To provide support to Mayoral Committee by June 2025
554	GG 43	Newsletter and Publications	Number of newsletters (external and internal) produced.	16 Programmes produced.	8 newsletters (4 external and 4 internal) produced.	8 newsletters (4 external and 4 internal) produced.	3200000	2 external and 2 internal newsletters produced	Late Production	Next Production next quarter.	Newsletters	Not Achieved	*To produce newsletters by June 2025

555	GG 44	Media Relation and Marketing	Number of events Marketed and branded	12 Events Branded	12 events marketed and branded	12 events marketed and branded	6000000	12 Events Marketed and Branded (Arrive aliveChristmas to employees and childrenCommunity Reconciliation *Condom week *Road Safety Awareness. *TB Campaign. *Session with Chinese Delegation *Borehore Hand over *New Year Babies *Annual Report)	None	None	Pictures\publicatio ns	Achieved	*To market and brand events by June 2025
556	GG 45	Executive Support and Traditional Leadership Affairs	Number of Traditional Leadership meetings facilitated	4 Traditional leadership meetings supported	4 Traditional Leadership meetings facilitated	4 Traditional Leadership meetings facilitated	400000	4 Traditional Leadership meetings facilitated (Special meeting for Rakgoadi taditional council and water crisis committee held *Sitting of the House of Traditional and Khoisan Leaders Meeting *3 Traditional Meetings: 30 Jan 2025 and 21 Feb 2025 One traditional Leaders Food parcel drive held on 17 April 2025)	None	None	Attendance registers and exit reports	Achieved	*To facilitate meetings for Traditional Leaders by June 2025
557	GG 46	Special Mayoral strategic Events	Number of Strategic Events facilitated	5 strategic events Facilitated	3 strategic events facilitated	3 strategic events facilitated	3400000	3 strategic events facilitated (Heritage Celebration *1 king mampuru commemoration day and 1 king nyabela commemoration day events held)	None	None	Attendance registers and exit reports	Achieved	*To facilitate strategic events by June 2025
558	GG 47	Strengthening of Moral Regeneration Movement Committee	Number of programmes for MRM committee facilitated	MRM committee established	4 MRM committee programme facilitated	4 MRM committee programme facilitated	150000	6 MRM committee programme facilitated (at kgaola mafin boardroom *MRM Launch of Elias Motsoaledi MRM *MRM Jan Meeting 15/01/2025, MRM Launch Makhuduthamaga 17/02/2025, MRM Meeting 13/03/2025 *One Moral Regeneration Movement induction held on 18 June 2025	None	None	Attendance registers and exit reports	Achieved	*To facilitate Moral Regeneration Movement committee programmes by June 2025

559	GG 48	Customer Care Services	Number of reports generated	24 reports generated	24 queries/ complains reports on customer care generated	24 queries/ complains reports on customer care generated	0	24 queries/ complains reports on customer care generated	None	None	Reports	Achieved	*To generate Customer Care reports by June 2025
561	GG 50	Batho Pele	Number of Batho Pele Programmes conducted	6 Programmes conducted	4 Batho Pele Programmes conducted	4 Batho Pele Programmes conducted	300000	*4 Batho Pele programmes conducted.	None	None	Attendance register and exit reports	Achieved	*To conduct Batho Pele programmes by June 2025
562	GG 51	SODA	Number of SODA coordinated	2022/2023 SODA held	1 SODA coordinated	1 SODA coordinated	3000000	0 SODA coordinated	SODA not organized due to congested programmes in the fourth quarter	SODA to be organized in the new financial year	Attendance register and exit report	Not Achieved	*To co-ordinate SODA by June 2025
563	GG 52	Aged care	Number of Aged Care campaigns facilitated	2 aged programmes facilitated	2 Aged Care campaigns facilitated	2 Aged Care campaigns facilitated	2200000	0 Aged Care campaigns facilitated	Not held due to conflicting programmes	Event to be held in the next quarter	Attendance registers and signed exit reports	Not Achieved	*To facilitate campaigns for the elderly by June 2025
564	GG 53	Children's Care	Number of children's care campaigns facilitated	2 children's activities facilitated	2 children's care campaigns facilitated	2 children's care campaigns facilitated	600000	2 children's care campaigns facilitated .Children's Programme and One Take a girl child to work	None	None	Attendance registers and signed exit reports	Achieved	*To facilitate campaigns for the children by June 2025
565	GG 54	Woman Development Initiative	Number of woman development initiatives facilitated	4 Women Programmes facilitated	3-woman development initiatives facilitated	3-woman development initiatives facilitated	2500000	3-woman development initiatives facilitated(Women's Day GBVF FOR WOMEN WITH DISABILITY and one International Day Celebration)	None	None	Attendance registers and exit reports	Achieved	*To facilitate campaigns for women by June 2025
566	GG 55	People with disability	Number of awareness campaigns for people with disability facilitated	3 Programmes facilitated	3 awareness campaigns for people with disability facilitated	3 awareness campaigns for people with disability facilitated	500000	Disability awareness campaign facilitated, GBV FOR WOMEN WITH DISABILITIES and 31 March 2025 Human Rights Day Celebration	None	None	Attendance registers and exit reports	Achieved	*To facilitate Awareness campaigns for people with disability by June 2025
567	GG 56	Cultural Heritage Celebrations and Language Promotions	Number of Heritage and promotions of indigenous languages and theatre workshop facilitated	2 Programmes facilitated	1 Heritage Day and 2 promotions of indigenous languages and Theatre workshop facilitated	1 Heritage Day and 2 promotions of indigenous languages and Theatre workshop facilitated	1700000	1 Heritage Celebration and 1 Language Promotion and 1 Arts and Culture Facilitation Workshop Conducted	None	None	Attendance registers and exit reports	Achieved	*To facilitate art and culture programmes by June 2025

568	GG 57	Health calender days activities	Number of health calendar days activities coordinated	3 health calendar days activities conducted	3 Health calendar days activities coordinated	3 Health calendar days activities coordinated	500000	3 Health calendar days activities coordinated(World AIDS Day Commemoration, World TB Day Commemoration - 19 - 20 March 2025 Peter Nchabeleng Sports Complex (Makhuduthamaga Local Municipality) and One health calendar day coordinated)	None	None	Exit report with pictures	Achieved	*To coordinate health calendar days activities by June 2025
569	GG 58	Mayor's Forum	Number of Mayor's Forum activities coordinated	4 Mayor's Forum meetings coordinated	4 Mayor's Forum meeting coordinated	4 Mayor's Forum meeting coordinated	200000	2 Mayors Forum held on the 12th of May 2025	Due to hectic schedule of activities	It will be attended to during the next fy	Attendance registers and exit reports	Not Achieved	*To coordinate Mayor's Forum activities by June 2025
570	GG 59	Mayoral IMBIZO	Number of Mayoral IMBIZO activities coordinated	4 Mayoral IMBIZO activities coordinated	3 Mayoral IMBIZO activities coordinated	3 Mayoral IMBIZO activities coordinated	1700000	3 Mayoral IMBIZO activities coordinated(Engagements with Child Headed Families and War Veterans *Session with Chinese Delegation 19 March 2025	None	None	Exit reports and attendance registers	Achieved	*To coordinate Mayoral IMBIZO activities by June 2025
571	GG 60	Youth development programmes	Number of Youth development programmes facilitated	3 youth development Programmes facilitated	3 Youth development programme facilitated	3 Youth development programme facilitated	3000000	3 Youth development programme facilitated(Youth Exam Prayer October 2024, Top Achievers , 1 Youth development programme facilitated)	None	None	Attendance registers and exit reports	Achieved	*To facilitate Youth development programmes by June 2025
572	GG 61	Mayoral Sports activities	Number of Mayoral Sport activities facilitated	2 Mayoral Sport activities facilitated	2 Indigenous Games facilitated	2 Indigenous Games facilitated	0	1 Indigenous Games Facilitated and 1 Executive Mayor's Cup D, License Course	None	None	Attendance registers and exit reports	Achieved	*To facilitate Mayoral sports activities by June 2025
Department		**Office Of The Municipal Manager**											
519	GG 06	Internal Audit Implementation plan	Percentage monitoring of Internal Audit implementation plan	100% monitoring of Internal Audit Implementatio n plan	100% monitoring of Internal Audit Implementation plan (SDM,SDA & PAC)	100% monitoring of Internal Audit Implementation plan (SDM,SDA & PAC)	0	100% Monitoring of Internal Audit Implementation Plan (SDM, SDA & PAC)	None	None	Internal Audit Implementation Plan *Minutes of the Audit Steering Committee	Achieved	
512	GG 01	Three (3) Years rolling Plan	Number of (SDM & SDA) 3 years rolling plans developed and approved	2 (SDM & SDA) 3 years rolling plans developed and approved	4 (1 for SDM & 1 for SDA) 3 years rolling plans developed and approved	4 (1 for SDM & 1 for SDA) 3 years rolling plans developed and approved	0	0(SDM & SDA) 3 years rolling plans developed and approved	IA plans are developed but not approved due to late submission of risk registers for 25-26 FY	The Special AC meeting will be held in July 2025 to approve the plans.	2 (1 SDM & 1 SDA) three year rolling plans developed and signed off.Audit committee minutes for	Not Achieved	*To ensure improved internal controls and clean governance in the municipality by June 2025
513	GG 02	Regularity Audit	Number of regularity audit conducted and issued	20 Regularity audits conducted and issued	24 Regularity Audits conducted and issued (20 SDM & 4 SDA)	24 Regularity Audits conducted and issued (20 SDM & 4 SDA)	3000000	3 Regularity Audit conducted, reports signed and issued	Lack of capacity; CAE position vacant,1 x Manager and 1 x Internal Auditor posts vacant	*Fastrack the Audit of Human Resource in the the third quarter. *To finalise the appointment of the CAE in the third quarter and the audits will be finalised Mid July 2025.	24 Regularity Audit Reports signed and issued	Not Achieved	*To conduct quarterly regularity audits by June 2025

514	GG 03	Ad Hoc Audits	Percentage of Ad Hoc audits executed and issued	100% Ad hoc Audit executed, and reports issued	100% Ad hoc Audit executed and reports issued	100% Ad hoc Audit executed and reports issued	0	100% Ad Hoc Audit executed and reports issued	None	None	Signed Adhoc reports	Achieved	*To execute Ad hoc audits by June 2025
515	GG 04	ICT Audits	Number of ICT Audits conducted and issued	3 ICT Audit conducted, and reports issued	4 ICT Audit conducted and reports issued	4 ICT Audit conducted and reports issued	3000000	1 ICT Audit conducted and reports issued	Lack of skill internally	Panel of audit firms was appointed. The ICT audit to be conducted in the 2025-2026 financial year.	4 ICT signed Reports	Not Achieved	*To conduct information and technology (ICT) audits by June 2025
516	GG 05	Audits of Performance Information	Number of Audit of Performance Information conducted and issued	8 Audit of Performance information conducted and issued	8 Audit of Performance Information conducted, and reports Issued (4 SDM & 4 SDA)	8 Audit of Performance Information conducted, and reports Issued (4 SDM & 4 SDA)	3000000	8 Audit of performance Information conducted and reports issued and 1 IDP and 1 SDBIP conducted and reports issued	None	None	8 Audit of Perfomance Information Signed Reports	Achieved	*To conduct audit of performance management system by June 2025
517	GG 06	Financial Misconduct Disciplinary Board	Number of Financial Disciplinary Board meetings coordinated	8 Financial Disciplinary Board meetings coordinated	8 Financial Disciplinary Board meetings coordinated	8 Financial Disciplinary Board meetings coordinated	400000	2 Financial Disciplinary Board meetings coordinated	Tight schedule of FMDB members due to other urgent work commitments e.g AG(SA) meetings	FMDB meetings to be held during the fourth quarter	Attendance Register, Minutes of the meettings,and Agenda	Not Achieved	*To coordinate Financial Disciplinary Board meetings by June 2025
518	GG 07	Auditor General Activities	Percentage monitoring of implementation of AG activities	100% monitoring of implementation of AG activities	100% monitoring of implmentation of AG activities	100% monitoring of implmentation of AG activities	9000000	100% monitoring of implementation of AG activities	None	None	Proof of payments,RFI, COMAF	Achieved	*To review the auditor general activities by June 2025
520	GG 09	Audit Committee and Performance Audit Committee meetings	Number of meetings of audit and performance committees coordinated	9 (4 ordinary and 5 special) meetings of audit and performance committees coordinated	18 (12 ordinary and 6 special) meetings of audit and performance committees coordinated	18 (12 ordinary and 6 special) meetings of audit and performance committees coordinated	2000000	18 (12 ordinary and 6 special) meetings of audit and performance committees coordinated	None	None	Signed Minutes of the Ordinary, Minutes of the various AC Meetings and Special Audit Committee	Achieved	*To coordinate administrative activities for the audit and performance committees by June 2025
521	GG 10	External Assessment Review	Number of external quality assessment performed	None	1 external quality assessment performed	1 external quality assessment performed	133815	0 external quality assessment performed	The checklist that was submitted required inclusion of the new global IIA standards	External Quality Assessment will be conducted in 2025-2026 Financial Year	Signed External Assessment Report	Not Achieved	*To review the five-year audit work to ensure that are in line with International Internal Audit standard by June 2025
522	GG 11	Strategic Risk assessment and risk register review	Number of Strategic Risk Assessment conducted, and Strategic Risk Registers reviewed	Strategic Risk Register in /place	*1 Strategic Risk Assessment conducted * 4 Strategic Risk Registers reviewed	*1 Strategic Risk Assessment conducted * 4 Strategic Risk Registers reviewed	0	*1 Strategic Risk Assessment conducted *4 x Strategic Risk Register reviewed	None	None	Signed Strategic Risk Register	Achieved	*To assist Accounting Officer/ Authority inaddressing its oversight requirements of risk management and evaluating and monitoring the municipality's

523	GG 12	Operational Risk Assessment and risk register review	Number of Operational Risk Assessment Conducted and Operational Risk Registers reviewed	Operational Risk Registers in place	*1 Operational Risk Assessment Conducted *4 Operational Risk Registers reviewed	*1 Operational Risk Assessment Conducted *4 Operational Risk Registers reviewed	0	*1 Operational Risk Assessment Conducted *4 x Operational Risk Register reviewed	None	None	"Signed Operational Risk Register	Achieved	municipality's performance with regard to risk management by June 2025
525	GG 14	Insurance coverage for municipal assets	Percentage of insurance coverage for municipal assets facilitated	Assets Insurance Policy contract in place	100% insurance coverage for municipal assets facilitated	100% insurance coverage for municipal assets facilitated	910000	100% insurance coverage for municipal assets facilitated	None	None	"Signed Assets Insurance Policy contract and endorsements"	Achieved	
526	GG 15	Re-evaluation of Under-insured municipal Assets	Percentage of under- insurance municipal assets reevaluated	Strategic Assets Re-evaluation report in place	100% under-insured municipal assets reevaluated	100% under-insured municipal assets reevaluated	600000	90% under-insured municipal assets reevaluated (Authorisation obtained from MM and broker instructed to execute the exercise)	Delayed due to late payment of annual insurance premiums and pro rata endorsements and Broker instructed but is experiencing delays.	To instruct brokers immediately on payment of annual premiums, Craft the request Memo for the MM to authorise the go-ahead before end of April 2025 ands Send a reminder to broker to expedite the process of revaluation.	Under-insured re-evaluation report	Not Achieved	
527	GG 16	Assets Insurance Claims and Excess payments	Percentage insurance claims processed, and payments of losses and excess facilitated	Insurance claims report in place	100% insurance claims processed, and payments of losses and excess facilitated.	100% insurance claims processed, and payments of losses and excess facilitated.	100000	90% insurance claims processed, and payments of losses and excess facilitated.	the POE is not aligned to the means of verification (only insurance report is attached)	To be fully implemented in the next financial year	"Signed Insurance Claims report and Claim register"	Not Achieved	
528	GG 17	Security Management	Percentage Security incidents managed	Security incidents report in place	100% Security incidents managed	100% Security incidents managed	52000000	100% Security incidents managed	None	None	Signed Security Incidents Management report	Achieved	
530	GG 19	Security Operational Sites Assessments	Number of Security Operational sites assessments conducted	Security operational Sites assessments report in place	Forty (40) Security Operational sites assessed	Forty (40) Security Operational sites assessed	0	49 Security Operational sites assessments conducted	None	None	"Signed Security Operational sites assessment reports"	Achieved	

531	GG 20	Anti-Fraud & Corruption awareness and Disclosure Hotline	Number of Anti-fraud and corruption awareness workshop conducted	Approved Anti-Fraud and Corruption strategy in place	2 x Anti-fraud and corruption awareness workshop conducted.	2 x Anti-fraud and corruption awareness workshop conducted.	600000	One (01) x Anti-fraud and corruption awareness workshop conducted	Workshop not conducted due to capacity constraint	Schedule for workshop in Quater 1 of 2025/2026FY.	"Fraud and Corruption article & POP - Ups Fraud & Corruption awaress workshops Attendance Register SAPS Cases "	Not Achieved		
533	GG 22	Business Continuity Management plan	Number of Business Continuity Management (BCM) plan viability phase developed	Approved Business Continuity Management strategy	1 Business Continuity Management (BCM) plan viability phase developed	1 Business Continuity Management (BCM) plan viability phase developed	2000000	0 Business Continuity Management (BCM) plan viability phase developed	"Terms of Reference are not developed yet due to capacity constraints. "The allocated funds have been utilised as additional virement funds for the payment of Insurance Assets policy premiums and Part of the funds utilised in funding the annual insurance premiums which were more than the budget	Will Craft Terms of Reference for a tender to be advertised in the 1st Quarter of 2025/2026 F/Y	Signed BCM plan need-analysis report	Not Achieved		
534	GG 23	Compliance Management	Number of compliance management report compiled	Compliance Management report in place	Four (04) x Compliance management report compiled	Four (04) x Compliance management report compiled	0	Four (04) x Compliance management report compiled	None	None	Signed Compliance management report	Achieved		
521	GG10	External Assessment Review	Number of external quality assessment performed	external quality assessment performed	1 external quality assessment performed	1 external quality assessment performed	0	0 external quality assessment performed	External Quality Assessment will be conducted in 2025-2026 Financial Year	External Quality Assessment will be conducted in 2025-2026 Financial Year	Signed External Assessment Report	Not Achieved		
535	GG 24	Risk Management Committee (RMC)	Number of RMC meetings coordinated	RMC reports in place	04 (Four) RMC meetings coordinated	04 (Four) RMC meetings coordinated	184000	4 x Risk Management Committee meeting coordinated	None	None	Signed Risk Management report	Achieved		
Department		**Speakers Office**												
536	GG 25	FORA	Number of fora facilitated	16 Fora facilitated	14 Fora facilitated	14 Fora facilitated	40000	14 Fora facilitated	None	None	Attendance Registers and Signed Notices.	Achieved	"To facilitate forums by June 2025	
537	GG 26	Support to Ward Committees	Number of capacity building programmes for ward committees facilitated	2 ward committees support facilitated	2 capacity building programme for ward committees facilitated	2 capacity building programme for ward committees facilitated	500000	2 capacity building programme for ward committees facilitated	None	None	Attendance registers and signed notice.	Achieved	"To facilitate capacity building programmes by June 2025	
538	GG 27	Public participation session	Number of public consultation sessions facilitated	14 public participation sessions facilitated	14 public participation sessions facilitated	14 public participation sessions facilitated	1036500	17 public participation sessions/meetings facilitated.	None	None	Attendance registers and signed notices.	Achieved	"To facilitate public participation sessions by June 2025	

539	GG 28	Speakers' outreach programmes	Number of Speakers' outreach programmes facilitated	New	2 Speaker's outreach programmes facilitated	2 Speaker's outreach programmes facilitated	500000	2 Speaker's outreach programme facilitated	None	None	Attendance registers and signed notices.	Achieved	*To facilitate Speakers' outreach programmes by June 2025
540	GG 29	Budget Day	Number of Budget days facilitated	1 Budget Day facilitated	1 Budget Day facilitated	1 Budget Day facilitated	661500	1 Budget Day facilitated	None	None	Attendance Registers and Signed Notices.	Achieved	*To facilitate Budget Day by June 2025
541	GG 30	Council meetings	Number of council meetings facilitated	4 council meetings facilitated	4 Council Meeting facilitated.	4 Council Meeting facilitated.	400000	4 Council Meeting facilitated	None	None	Attendance Registers and Signed Notices.	Achieved	*To facilitate council meetings by June 2025
542	GG 31	Portfolio committee meetings	Number of portfolio committee meetings facilitated	20 portfolio committee meetings facilitated	20 Portfolio Committee Meetings facilitated.	20 Portfolio Committee Meetings facilitated.	400000	20 Portfolio Committee Meetings facilitated.	None	None	Attendance Registers and Signed Notices.	Achieved	*To facilitate portfolio committee meetings byJune 2025
543	GG 32	Oversight visits	Number of oversight visits facilitated	4 Oversight visits facilitated	4 Oversight visits facilitated	4 Oversight visits facilitated	400000	3 Oversight visit facilitated	None	None	Oversight reports	Achieved	*To facilitate Oversight visits by June 2025
544	GG 33	Council whippery meetings	Number of Council Whippery meeting facilitated.	4 meetings facilitated	4 Council Whippery meetings facilitated.	4 Council Whippery meetings facilitated.	30000	4 Council Whippery meeting facilitated.	None	None	Attendance Registers and Signed Notices.	Achieved	*To facilitate Council whippery meetings by June 2025
545	GG 34	Study group	Number of study groups facilitated	4 study groups facilitated	4 Study Groups Facilitated	4 Study Groups Facilitated.	0	4 Study Group Facilitated	None	None	Attendance Registers and Signed Notices.	Achieved	*To facilitate study groups by June 2025
546	GG 35	Public hearings	Number of public hearings facilitated	2 public hearings facilitated	2 public hearings facilitated	2 public hearings facilitated	700000	2 MPAC Public Hearing not facilitated	None	None	Attendance Registers and Signed Notices.	Achieved	*To facilitate public hearings by June 2025
547	GG 36	MPAC Working sessions	Number of MPAC working sessions facilitated	8 MPAC working sessions facilitated	8 MPAC working sessions facilitated.	8 MPAC working sessions facilitated.	0	8 MPAC working sessions facilitated	None	None	Attendance Registers and Signed Notices.	Achieved	*To facilitate MPAC working sessions by June 2025
548	GG 37	Strategic planning session for Section 79 Portfolio Committees & MPAC	Number of Strategic planning session for Section 79 Portfolio Committees & MPAC facilitated	2 strategic planning sessions facilitated	1 Strategic planning session for Section 79 Portfolio Committees & MPAC facilitated	1 Strategic planning session for Section 79 Portfolio Committees & MPAC facilitated	500000	1 Section 79 Portfolio Committees Strategic planning session facilitated.	None	None	Attendance Registers and Signed Notices.	Achieved	*To facilitate Strategic planning session for Section 79 Portfolio Committees & MPAC fby June 2025
549	GG 38	Capacity building workshops	2x Number of capacity building Workshop facilitated.	2x workshops facilitated	2 capacity building Workshop facilitated.	2 capacity building Workshop facilitated.	0	2 capacity building Workshop on Rules of order and Standing Orders of Council/ Code of Conduct facilitated	None	None	Exit Report.	Achieved	*To facilitate capacity building Workshop by June 2025
550	GG 39	Training and development of Cllrs	Number of councillors trained	2x councillors trained	4 Councillors trained	4 Councillors trained	1150000	4 Councillors trained	None	None	Exit Report.	Achieved	*To facilitate training of Councillors by June 2025

551	GG 40	Resolution action plan	Number of Council Resolutions action plan compiled and coordinated	4 Council Resolution action plan compiled and coordinated	4 Council Resolutions action plan compiled and coordinated	4 Council Resolutions action plan compiled and coordinated	0	4 council resolution register compiled and coordinated	None	None	Council Resolution Register.	Achieved	*To coordinate resolutions action plan by June 2025

INSTITUTIONAL TRANSFROMATION AND ORGANISATIONAL DEVELOPMENT

Performance Report By KPA

Financial Year : 2024 - 2025

Quarter : Annual

SEKHUKHUNE District Municipality

KPA	Institutional Development And Organizational Transformation
Department	Corporate Services

ID	KPI No	Project Name	KPI	Baseline	Target Description	Annual Target Description	Total Budget	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
467	IDOT 02	Employment Equity Plan	Number of Employment Equity Plans submitted and implemented	2023/2024 Employment Equity Plan Submitted	Implementation and monitoring	Implementation and monitoring	0	Implementation and monitoring done	None	None	Acknowledgement Letter	Achieved	*To implement employment equity imperatives by December 2025
468	IDOT 03	ICT Steering Committee Meetings	Number of ICT Steering Committee meetings held	4 meetings convened	4 ICT Steering Committee meetings held	4 ICT Steering Committee meetings held	0	4 ICT Steering Committee meeting held	None	None	Minutes and Attendance register	Achieved	*To convene ICT steering committee meetings by June 2025
469	IDOT 04	Contract Monitoring	Number of ICT Service Providers Performance Monitoring and Evaluation meetings held	New	4 ICT Service Providers Performance Monitoring and Evaluation meetings held	4 ICT Service Providers Performance Monitoring and Evaluation meetings held	0	4 ICT Service Providers Performance Monitoring and Evaluation meeting held	None	None	Minutes and Attendance register	Achieved	*To monitor Service Level Agreements by June 2025
470	IDOT 05	ICT incidents (ICT queries)	Percentage of reported ICT incidents resolved	New	100% of reported ICT incidents resolved	100% of reported ICT incidents resolved	0	100% of reported ICT incidents resolved (15286 total 100%)	None	None	Jobcard Reports	Achieved	*To report ICT incidents resolved by June 2025
472	IDOT 07	Procurement of ICT hardware devices	Percentage Hardware devices purchased	New	100 % Hardware devices purchased	100 % Hardware devices purchased	3000000	50% of hardware devices purchased (5 laptops, 5 bags, 5 cordless mouse, 7 printers)	Lack of budget for computers	A draft budget for 2025/2026 is approved by council	Purchase Order and Delivery Note	Not Achieved	*By improve efficiency and effectiveness of municipal administration by June 2025
473	IDOT 08	ICT Network Infrastructure	Number of sites connected with ICT network infrastructure	10 sites connected with ICT infrastructure	23 sites connected with ICT network infrastructure	23 sites connected with ICT network infrastructure	7000000	23 remote sites connected to the ICT network infrastructure (Mapodile Depot, Leboeng Depot, BB Kloof Depot, Masemola Plant and Matlerekeng Depot), (Schoonord Depot, Tubatse Fire Station, Elias Motsoaledi Regional, Mashilabele Fire Station, Moganyaka depot, Makhuduthamaga Fire Station, Moroke depot, Uitspanning)	None	None	ICT Network connected infrastructure report	Achieved	*By connecting ICT network infrastructure by June 2025

174	IDOT 09	Software Licenses renewal	Percentage IT software Licenses renewed	100% IT software Licenses renewed	100% Municipal Software licensed and renewed	100% Municipal Software licensed and renewed	5000000	100%Municipal software licensed and renewed (3/3)	None	None	Purchase Order and Delivery Note	Achieved	*To renew IT Software licenses by June 2025
175	IDOT 10	Disaster Recovery Plan	Percentage Disaster recovery plan developed	Outdated Disaster Recovery Plan	100% Disaster recovery plan developed	100% Disaster recovery plan developed	1500000	100% Disaster recovery plan developed	None	None	Disaster Recovery Plan document	Achieved	*To develop disaster recovery plan by June 2025
176	IDOT 11	SDM ICT Cyber Security	Number of Cyber Security threats reported	3 Fire wall security in place	4 Cyber Security threats reported	4 Cyber Security threats reported	4000000	4 Cyber Security threats reported	None.	None	Cyber security reports	Achieved	*To procure security systems and protection software by June 2025
178	IDOT 13	Labour relations publications	Number of Labour relations publications issued	4 Labour relations publications issued	4 Labour relations publications issued	4 Labour relations publications issued	55000	4 Labour relations publication issued.	None.	None.	Labour relations publications.	Achieved	*To facilitate Labour relations publications by June 2025
179	IDOT 14	Local Labour Forum (LLF)	Number of LLF meetings facilitated	5 Local Labour Forums Facilitated.	12 LLF meetings facilitated	12 LLF meetings facilitated	200000	12 LLF Meetings facilitated in the period under review.	None.	None.	Minutes and attendance registers.	Achieved	*To facilitate Local Labour Forum meetings by June 2025
180	IDOT 15	Labour related grievances	Percantage of labour related grievances facilitated	100% Labour related grievances facilitated	100% Labour related grievances facilitated	100% Labour related grievances facilitated	0	100%Grievance facilitated(3/3)	None.	None.	Grievances register.	Achieved	*To facilitate Labour related Grievances by June 2025
181	IDOT 16	Labour related disciplinary cases	Percantage of disciplinary cases facilitated	6 disciplinary cases facilitated	100% disciplinary cases facilitated	100% disciplinary cases facilitated	350000	100% disciplinary cases facilitated (0/0)	None.	None.	Attenance registers/Rulings/ reports/settlemen ts	Achieved	*To facilitate Labour related disciplinary cases by June 2025
183	IDOT 18	Substance Abuse Programme	Number of substance abuse programmes conducted	3 substance abuse programmes conducted	8 substance abuse programmes conducted)	8 substance abuse programmes conducted)	3500000	9 Substance Abuse programmes conducted (3 Group counselling substance abusers on the 23/04/2025 and 21/ 05/2025 for employees suffering from substance abuse problem)	None.	None.	Report, Attendance Registers.	Achieved	*To conduct substance abuse counselling programmes by June 2025
182	IDOT 17	Employee wellness and counselling programme	Number of wellness awareness programmes conducted	3 wellness and counselling programmes conducted	11 wellness programmes conducted	11 wellness programmes conducted	3500000	16 Wellness programmes conducted	None.	None.	Report, Attendance registers	Achieved	*To conduct employee wellness programmes by June 2025

484	IDOT 19	Occupational Health and Safety elements	Number of Occupational Health and Safety elements conducted	40 Occupational Health and Safety elements conducted	51 Occupational Health and Safety elements conducted (36 workplace inspections, 4 project audits, 4 safety awareness campaigns, 4 safety committee meetings, 2 medical surveillance programme	51 Occupational Health and Safety elements conducted (36 workplace inspections, 4 project audits, 4 safety awareness campaigns, 4 safety committee meetings, 2 medical surveillance programme	8300000	79 Occupational Health and Safety elements conducted (36 workplace inspections, 4 project audits, 4 safety awareness campaigns, 4 safety committee meetings, 2 medical surveillance programme	None.	None.	Reports, Attendance Registers	Achieved	*To conduct Occupational Health and Safety elements by June 2025
485	IDOT 20	Cascading of individual PMS	Number of IPMS awareness campaign held	Performance agreement/ commitments were developed and signed up to level 5	2 IPMS awareness campaign to be conducted	2 IPMS awareness campaign to be held	0	2 IPMS awareness campaign conducted	None	None	Attendance Registers	Achieved	*To cascade the Individual PMS to employees below senior managers by June 2025
487	IDOT 22	Development of WSP (Workplace Skills Plan)	Number of Workplace Skills Plan (WSP/ATR) reviewed and submitted to Labour department	Workplace Skills Plan in place	1 Workplace Skills Plan (WSP/ATR) reviewed and submitted to Labour department	1 Workplace Skills Plan (WSP/ATR) reviewed and submitted to Labour department	0	1 Workplace Skills Plan (WSP/ATR) reviewed and submitted to Labour department	None	None	Acknowledgement Letter	Achieved	*To facilitate training, development and learning through Workplace Skills Plan by June 2025
488	IDOT 23	Internal Bursary Award	Number of Internal Bursaries awarded	22 Internal Bursaries awarded	10 Internal Bursaries awarded	10 Internal Bursaries awarded	1000000	33 Bursaries awarded	None	None	Report	Achieved	*To facilitate training, development and learning through Workplace Skills Plan by June 2025
489	IDOT 24	Policy Development	Number of corporate services related policies developed:	Collective Agreements	3 corporate services related policies developed:	3 corporate services related policies developed:	55000	3 corporate services related draft policies developed,(namely: 1. Draft Incapacity due to operational requirements Policy Development, 2. Draft Danger Allowance Policy Development, and 3. Draft Staff Retention Policy Developoment, 4.Attendance and Punctuality policy, 5.Bereavement Policy *3 x corporate services related policies were developed)	None	None	Council resolution	Achieved	*To develop corporate services related policies by June 2025

490	IDOT 25	Policy review	Number of corporate services related policies reviewed:	Collective Agreements	5 corporate services related policies reviewed:	5 corporate services related policies reviewed:	0	5 Draft corporate services Policies review in place, (namely, 1. Employees Assistance Programme Policy,2. Relocation Policy,3. Occupational Health and Safety Policy,4. Secondment Policy, and 5. Personal Protective Equipment Policy has been sent to Management and LLF for Reviewal and 5 x council resolutions have been obtained for policy review purposes)	None	None	Council resolution	Achieved	*To review corporate services related policies by June 2025
491	IDOT 26	Records Management	Number of records management projects implemented	Approved File Plan	4 records management projects implemented. (File Plan awareness campaign conducted, records disposal reports compiled and submitted to Provincial Achieved, Review of policy and procedure manual)	4 records management projects implemented. (File Plan awareness campaign conducted, records disposal reports compiled and submitted to Provincial Achirved, Review of policy and procedure manual)	1900000	4 records management projects implemented. (File Plan awareness campaign conducted, records disposal reports compiled and submitted to Provincial Achirved, Review of policy and procedure manual)	None	None	List of listed files	Achieved	*To provide sound records management by June 2025
492	IDOT 27	Fleet management	Number of vehicles maintained and repaired	88 vehicles maintained and repaired.	88 vehicles maintained and repaired	88 vehicles maintained and repaired	15000000	37 vehicles maintained and repaired 42 Vehicles maintained and repaired 66 vehicles maintained and repaired 40 vehicles maintained and repaired	None	None	Job cards and Reports	Achieved	*To maintenance, repairs & licensing of vehicles by June 2025
493	IDOT 28	Fleet management	Number of vehicles licenced.	88 vehicles licenced	88 vehicles licenced	88 vehicles licenced	0	118 vehicles licenced	None	None	Licence Discs	Achieved	*To maintenance, repairs & licensing of vehicles by June 2025
494	IDOT 29	Procurement of IWS machinery (yellow vehicles)	Number of Vehicles and machinery acquired and delivered through RT57	16 Vehicles	3 Vehicles and machinery acquired and delivered through RT57	3 Vehicles and machinery acquired and delivered through RT57	6031750	3 Vehicles and machinery acquired and delivered through RT57	None	None	Delivery Note, Registration Certificate and pictures	Achieved	*To facilitate purchase of IWS machinery (yellow vehicles) by June 2025
495	IDOT 30	SDM Facility Management	Number of Facilities maintained	3 Facilities	6 Facilities maintained	6 Facilities maintained	2100000	11 Facilities maintained	None	None	Report and proof of payment	Achieved	*To facilitate maintenance and repairs of SDM facilities
496	IDOT 31	Procurement of mobile offices (IWS,EMS)	Number of mobile offices procured (IWS and EMS)	New	3 mobile offices procured (1 IWS and 2 EMS)	3 mobile offices procured (1 IWS and 2 EMS)	1000000	0 mobile offices procured (1 IWS and 2 EMS)	Delay in the procurement of Mobile offices	The target to be achieved next Quarter	Delivery Note, pictures	Not Achieved	*To facilitate purchase of mobile offices
Department			**Office Of The Municipal Manager**										

505	IDOT 40	Litigations	Percentage of litigations attended to.	30 Litigations attended to	100% litigations attended to	100% litigations attended to	6883629	100% litigations attended to (00)	None	None	Copies of Court judgments, Copies of Summons and Copies of Deeds of settlement	Achieved	*To Manage litigations instituted by or against SDM by June 2025
506	IDOT 41	Service level agreements and other forms of Agreements.	Percentage of service level agreements and other forms of agreements drafted and or vetted.	200 service level agreements and other forms of agreements drafted and or Vetted,	100% service level agreements and other forms of agreements drafted and or vetted	100% service level agreements and other forms of agreements drafted and or vetted	6883629	100% service level agreements and other forms of agreements drafted and or vetted. (158 drafted and 05 vetted)	None	None	Copies of signed SLA's	Achieved	*To vet and or draft service level agreements and other forms of agreements by June 2025.
507	IDOT 42	Legal opinions	Percentage of legal opinions drafted.	10 legal opinions	100% legal opinions drafted	100% legal opinions drafted	6883629	100% legal opinions drafted	None	None	Copies of dafted legal opinions	Achieved	*To provide sound legal opinion to SDM by June 2025.
Department		**Planning and Economic Development**											
0	IDOT 32	Performance Makgotla	Number of Performance Makgotla Sessions facilitated	4 Performance Makgotla Sessions facilitated	04 Performance Lekgotla session facilitated	04 Performance Lekgotla session facilitated	250000	04 Performance Lekgotla session facilitated	None	None	Attendance Registers, Makgotla Resolutions	Achieved	*To facilitate Performance Makgotla Sessions by June 2025
498	IDOT 33	Institutional SDBIP	Number of Institutional SDBIP reviewed and developed	1 2024/2025 Institutional SDBIP in place	2 Institutional SDBIP reviewed and developed	2 Institutional SDBIP reviewed and developed	0	01 2024/2025 draft Institutional SDBIP reviewed. 01 2025/2026 final Institutional SDBIP developed	None	None	Signed 2024/2025 Institutional SDBIP	Achieved	*To develop Institutional SDBIP by June 2025
499	IDOT 34	2023/2024 Annual Report, Oversight report compiled	Number of Institutional Annual Report and Number of oversight report compiled	1 2023/2023 Institutional Annual Report in place and 01 oversight report compiled	1 2023/2024 Institutional Annual Report and 01 oversight report compiled	1 2023/2024 Institutional Annual Report and 01 oversight report compiled	0	01 2023/24 Institutional Annual Report and 1 oversight report complied	None	None	Final 2023/2024 Annual Report and Oversight Report.	Achieved	*To compile Institutional Annual Report and oversight report by January 2025
500	IDOT 35	2024/2025 Performance Agreements for Senior Managers	Number of 2024/25 Performance Agreements for Senior Managers developed	7 2024/25 Performance Agreements for Senior Managers developed	7 2024/25 Performance Agreements for Senior Managers developed	7 2024/25 Performance Agreements for Senior Managers developed	0	7 2024/25 Performance Agreements for Senior Managers developed	None	None	Signed Performance Agreements of Senior Managers	Achieved	*To develop 2024/2025 Performance Agreements for Senior Managers by June 2024

501	IDOT 36	Individual Performance assessments for Senior Managers	Number of Individual Performance assessments for Senior Managers (2023/2024 Annual and 2024/2025 Midterm) facilitated	6 Signed Performance agreement for senior managers in place	2 Individual Performance assessments for Senior Managers (2023/2024 Annual and 2024/2025 Midterm) facilitated	2 Individual Performance assessments for Senior Managers (2023/2024 Annual and 2024/2025 Midterm) facilitated	0	02 performance assessments for senior managers conducted (2023/24 Annual & 2024/25 Mid-term)	None	None	Signed Performance Agreements of Senior Managers	Achieved	*To facilitate Individual Performance assessments for Senior Managers (2023/2024 Annual and 2024/2025 Midterm) by June 2025
502	IDOT 37	PMS Policy and Framework	Number of PMS Policy and Framework reviewed	2023/2024 PMS Policy and Framework in place	1 2024/2025 PMS Policy and Framework reviewed	1 2024/2025 PMS Policy and Framework reviewed	0	1 2024/2025 PMS Policy and Framework reviewed	None	None	Reviewed PMS Policy and Framework	Achieved	*To review PMS Policy and Framework reviewed by June 2025
503	IDOT 38	Back to Basics (B2B) reports	Number of B2B quarterly reports coordinated	2023/2024 B2B reports in place	4 2024/2025 B2B Quarterly reports coordinated	4 2024/2025 B2B Quarterly reports coordinated	0	04 2024/2025 B2B Quarterly reports coordinated	None	None	4 2024/2025 B2B signed Quarterly reports	Achieved	*To coordinate Back to Basics (B2B) quarterly reports by June
504	IDOT 39	Implementation of Performance Management System	Percentage implementation of Performance Management System	Performance Management System in place	100% implementation of Performance Management System	100% implementation of Performance Management System	153031188	100% implementation of Performance Management System	None	None	PMS system in place and operational	Achieved	*To Implement Performance Management System by June 2025
508	IDOT 43	Develop 2024/2025 IDP Framework/ Process Plan	Number of IDP Frameworks/ Process Plans developed	2023/2024IDP Framework/ Process Plan in place	01 IDP Framework/ Process Plan developed for 2024/2025	01 IDP Framework/ Process Plan developed for 2024/2025	20000	01 IDP Framework/ Process Plan developed for 2024/2025	None	None	*IDP Framework/ Process Plan document for 2024/2025 *Council resolution	Achieved	*By developing IDP Framework/ Process Plan by August 2023
509	IDOT 44	Integrated Development Plan (IDP) Review	Number of Integrated Development Plan (IDP) 2025/2026 reviewed	2023/2024 Integrated Development Plan (IDP) developed	01 Integrated Development Plan (IDP) 2025/2026 reviewed	01 Integrated Development Plan (IDP) 2025/2026 reviewed	100000	1 2025/2026 Integrated Development Plan (IDP) has been reviewed and approved by the council	None	None	*Final IDP 2025/2026 *Council Resolution	Achieved	*Review Integrated Development Plan (IDP) by June 2024
510	IDOT 45	IDP Rep Forums	Number of IDP Rep Forums facilitated.	2 IDP Rep Forums Facilitated	02 IDP Rep Forum facilitated	02 IDP Rep Forum facilitated	100000	2 IDP Rep Forum facilitated on the 3rd December 2024 and 2nd April 2025	None	None	*Signed Minutes *attendance register	Achieved	*Facilitate the IDP Rep Forums by June 2024
511	IDOT 46	District Development Plan review	Number of District Development Plan in reviewed	District Development Plan in place	01 2025/2026 District Development Plan in reviewed	01 2025/2026 District Development Plan in reviewed	0	01 2025/2026 District Development Plan in reviewed	None	None	*Final DDP 2025/2026 *Council Resolution	Achieved	*By facilitating review District Development Plan by June 2025

FINANCIAL VIABILITY

Performance Report By KPA

Financial Year : 2024 - 2025

Quarter : Annual

SEKHUKHUNE District Municipality

KPA	Financial Viability
Department	Budget and Treasury

ID	KPI No	Project Name	KPI	Baseline	Target Description	Annual Target Description	Total Budget	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Achieved/Not Achieved	Strategic Objective
456	FV 01	Unqualified Audit Opinion with no matters of emphasis	Percentage of finance related audit findings resolved	Qualified Audit opinion	100% of Finance related Audit findings resolved	100% of Finance related Audit findings resolved	0	54% implementation of BTO audit action plan.	Most matters will be addressed by the financial statements at the end of the financial year and cannot be addressed every quarter.	All Findings will be addressed by the Financial statements	Web-based audit action plan	Not achieved	*To improve audit opinion by June 2025
457	FV 02	Submission of AFS and AR to the AG within the legislated time frame	Number of Submission of AFS and AR by 31st August and consolidated AFS by 30 September	Submitted AFS and AR to AG within legislated timeframe	02 Submissions of AFS's and AR by 31st August and consolidated AFS by 30 September	02 Submissions of AFS's and AR by 31st August and consolidated AFS by 30 September	0	02 Submissions of AFS's and AR by 31st August and consolidated AFS by 30 September	None	None	Signed AFS and AR/ Acknowledgement of receipt by AGSA	Achieved	*To ensure compliance with MFMA on annual financial and performance reporting by September 2024
458	FV 03	Funded annual and adjusted budget for the 2024/25	Number of Approved (Annual and adjusted) Budget prepared and implemented	1 Annual Budget and 1 Adjusted Budget	2 (Annual and Adjusted Budget) prepared,approved and implemented. 1 Draft Annual Budget prepared	2 (Annual and Adjusted Budget) prepared,approved and implemented. 1 Draft Annual Budget prepared	0	2 (Annual and Adjusted Budget) prepared,approved and implemented. 1 Draft Annual Budget prepared	None	None	Council Resolution	Achieved	*To ensure compliance with MFMA on annual budgets by June 2025
459	FV 04	Revenue Enhancement Strategy	Percentage of revenue collected against the billing	55% of collected own revenue	50% revenue collected against the billing	50% revenue collected against the billing	1600000	47% of revenue collected against the billing.	Low rate of disconnection and unallocated receipts of customers on the suspense account.	Trace customers to allocate the receipts, Fast tracking of disconnection for customers whose accounts are in arrears.	Billing reports	Not achieved	*To enhance revenue base and collection by June 2025
460	FV 05	Billing Data Cleansing	Percentage of Client Account cleansed	0% of Cleansed Client Accounts	100% of Client Accounts Cleansed	100% of Client Accounts Cleansed	4500000	100% of clients Account Cleansed	None	None	Data cleasing report/Master file	achieved	*To Maintain Credible Billing Data by June 2025

461	FV 06	Pre-paid meter installations with vending and customer query management system	Number service providers appointed for installation of pre-paid meters, Maintenance and vending system facilitated	292 meters installed	Service providers appointed for installation of pre-paid meters, Maintenance and vending system facilitated	Service providers appointed for installation of pre-paid meters, Maintenance and vending system facilitated	12000000	*The municipality has appointed the service provider through the RT29 for the Prepaid meter installation and the project is at its initial stage currently. * Vending system facilitated with Anglo American Platinum and customer awareness done.	List of meters installed, and maintenance and vending system facilitated not attached	To be fully implemented in the new financial year	Q1- Advert copy Q2- Copy of appointment letter Q3-List of meters installed Q4 - Attendance register	Not achieved	*To improve Collection on Own Revenue by June 2025
462	FV 07	Conventional Meter Reading	Percentage of water meters read	7500 meters read on average	42% (0f 13000 m)water meters read	42% (0f 13000 m)water meters read	4400000	76,65% of water meters were read.	None	None	Meter reading stats report	achieved	*To maintain meter book by June 2025
669	FV 08.2	Indigent Register	Number of Campaigns facilitated	None	4 Campaigns facilitated	4 Campaigns facilitated	0	4 Campaigns facilitated and uploaded on the municipality's website.	None	None	Indigent Register	Achieved	*To continuously maintain indigent register by June 2025
463	FV 08.1	Indigent Register	Percentage Indigents registered and verified	Outdated Indigent Register	100% Indigents registered and verified	100% Indigents registered and verified	5500000	Verification of indigent register was done for Sekhukhune District.	Council resolution approval for the updated indigent register 25-26 FY is not attached.	To be corrected in the next f/y	Indigent register	Not achieved	*To continuously maintain indigent register by June 2025
464	FV 09	Movable and Immovable Fixed Assed Registers	Percentage of Assets register updated (Movable Asset Register and Immovable Fixed Register)	Updated 2023/24 Fixed Asset Registers	100% Assets registers updated (Movable Asset Register and Immovable Fixed Register)	100% Assets registers updated (Movable Asset Register and Immovable Fixed Register)	6000000	100% Asset register updated (movable Asset Register and Immovable Fixed Register)	None	None	GRAP & mSCOA compliant Fixed Asset Registers (FAR)	achieved	*To continuously maintain Fixed Asset Registers by June 2025
465	FV 10	Procurement Plan	Percentage of procurement plan implemented	% of the 2023/24 completed SCM processes as per the plan	100% of procurement plan implemented	100% of procurement plan implemented	0	100% procurement plan implemented.	None	None	Procurement plan	achieved	*To adhere to procurement schedule by June 2025

SPATIAL RATIONALE

Performance Report By KPA

Financial Year : 2024 - 2025

Quarter : Annual

SEKHUKHUNE District Municipality

KPA	Spatial Rationale
Department	Planning and Economic Development

ID	KPI No	Project Name	KPI	Baseline	Target Description	Annual Target Description	Total Budget	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
586	SP 01	Joint District Municipal Planning Tribunal sittings	Number of JDMPT sittings facilitated	4 JDMPT sittings facilitated	4 JDMPT sittings facilitated.	4 JDMPT sittings facilitated.	600000	7 JDMPT sittings facilitated	None	None	*Signed Reports *Attendance registers	Achieved	*To facilitate Joint District Municipal Planning Tribunal (JDMPT) sittings by June 2025
587	SP 02	Township establishment process for district municipal offices	Number of engagements for land development of District Municipal Offices facilitated	Appointed Land Surveyor	4 engagement for land development of District Municipal Offices facilitated	4 engagement for land development of District Municipal Offices facilitated	562400	7 engagement for land development of District Municipal Offices facilitateds(for the Inter-ministerial Committee (Technical team)The technical inter-ministerial task team facilitated five engagements for the relocation of District Municipal Offices)	None	None	*Signed Reports	Achieved	*To facilitate township establishment process for district municipal offices by June 2025
588	SP 03	Participate in District wide land development and Building IGR forum.	Number of sessions with local municipalities facilitated.	6 meetings attended	4 sessions with local municipalities facilitated.	4 sessions with local municipalities facilitated.	100000	*Spluma and Development and building forum facilitated *1 sessions with local municipalities facilitated	None	None	*Attendance registers	Achieved	*To participate in the district wide Land Development and building IGR forums by June 2025
589	SP 04	Participate in the local municipalities' SPLUMA compliant spatial planning programmes.	Number of meetings to support to Local Municipalities on Land Development planning provided	12 meetings	10 meetings for support to Local Municipalities on Land Development planning provided	10 meetings for support to Local Municipalities on Land Development planning provided	0	10 meetings for support to Local Municipalities on Land Development planning provided	None	None	*Signed Reports *Attendance registers	Achieved	*To provide support to local municipalities on the implementation of SPLUMA compliant spatial planning programmes by June 2025

590	SP 05	Workshop for Municipal councillors	Number of Workshops for Municipal councillors on land use, land allocation and running of Tribunal in terms of SPLUMA facilitated	Two meeting facilitated	1 Workshop for Municipal councillors on land use, land allocation and running of Tribunal in terms of SPLUMA facilitated	1 Workshop for Municipal councillors on land use, land allocation and running of Tribunal in terms of SPLUMA facilitated	70000	Workshop for Municipal councilors on land use, land allocation, and running of Tribunal in terms of SPLUMA facilitated	None	None	*Attendance register	Achieved	*To facilitate workshop for Municipal councillors on land use, land allocation and running of tribunal in terms of SPLUMA by June 2025
591	SP 06	Review of District Spatial Development Framework (SDF)	Number of District Spatial Development Framework (SDF) reviewed	2018 District Spatial Development Framework (SDF)	1 District Spatial Development Framework (SDF) reviewed	1 District Spatial Development Framework (SDF) reviewed	1180000	0 District Spatial Development Framework (SDF) reviewed	Delays in the project's scope/ deliverables	Extension was requested and granted council	Attendance register, Status quo document, Invitation letters and inputs for institutional support District Spatial Development Framework and Council Resolution.	Not Achieved	*To review District Spatial Development Framework by June 2025
592	SP 07	Review of GIS Strategy	Number of GIS strategy reviewed	2009 GIS strategy in place	1 GIS strategy reviewed	1 GIS strategy reviewed	400000	ToR, the appointment letter of the service provider, SLA, PSC appointment letters and Inception report for review of GIS strategy have been prepared.	None	None	ToR, Appointment letter, SLA in place, Project Steering Committee appointment letters, Inception Report of GIS strategy	Achieved	*To review GIS strategy by June 2025
594	SP 09	Integrated Municipal Geographic Information System	Number of Integration of Municipal Geographic Information System (GIS) - procured	GIS Strategy in place	1 Integrated Municipal Geographic Information System (GIS) - procured	1 Integrated Municipal Geographic Information System (GIS) - procured	1000000	The project was at the adjudication stage with no progress	*The progress of the appointment of the service provider is at the adjudication stage of SCM processes. *Delay in procurement processes	Waiting for the adjudication committee to finalize the process and since the project was not budgeted for in the coming financial year.	ToR, Appointment letter, SLA in place, Project Steering Committee appointment letters, Inception Report on development of GIS system	Not Achieved	*To Procure Integrate Municipal Geographic Information System (GIS)June 2025

595	SP 10	GIS Equipment	Number of procurement of GIS Equipment Facilitated	Non-Functional GIS Equipment	1 procurement of GIS Equipment facilitated	1 procurement of GIS Equipment facilitated	360000	TOR for the appointment of service provider was prepared and sent to BTO for further processing	Misallocation of budget, Project, budget under opex, and not rectified during the adjustment	Provided the budget for the project in the new financial year	ToR, Delivery Note, order and invoice	Not Achieved	*Procure GIS Equipment by June 2025
596	SP 11	Land Acquisition for satilite offices	Percentage of land acquired for satellite offices	None	100% of land acquired for satellite offices	100% of land acquired for satellite offices	1800000	*60% of land acquired for satellite offices(A site inspection was conducted, the owner (Bapedi Mamone Traditional Authority) is awaiting an offer to purchase.) Leboeng Depot (IWS)- Land is allocated to the District municipality through permission to occupy and is awaiting the district to fence the land) *The Schoonoord-District Council will accept the offer from the Traditional Authority and make the payment. The budget for purchasing land is available. *The intention to sell letters received by the district. Deed of sale agreements prepared for signature *Two deeds of sale and a donation of land concluded	Incomplete PoE	To be completed in the new financial year	Request letters from SDM, Offer from Traditional Authorities, Signed Deed of Sale Agreement, and MOA, Proof of payment for deed of sale agreement.	Not Achieved	*To Acquire land for satellite offices by June 2025

LOCAL ECONOMIC DEVELOPMENT

Performance Report By KPA

Financial Year : 2024 - 2025

Quarter : Annual

SEKHUKHUNE District Municipality

KPA	Local Economic Development
Department	Planning and Economic Development

ID	KPI No	Project Name	KPI	Baseline	Target Description	Annual Target Description	Total Budget	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
446	LED 01	Implementation of EPWP	Number of jobs opportunities created through EPWP	2559 job opportunities created through EPWP	2788 jobs created through EPWP (Infrastructure 2564, Environment and Culture 36 and Social Sector 188)	2788 jobs created through EPWP (Infrastructure 2564, Environment and Culture 36 and Social Sector 188)	10462480	2102 jobs created through EPWP	Job opportunities created through infrastructure projects could not manage to assist in the achievement Infrastructure sector target set	Facilitation of early appointment of contractors will assist. (Forward Planning)	Quarterly reports to Council Structures	Not Achieved	To create 2 788 job Opportunities through EPWP
446	LED 02	Support to SMMEs and Co-operatives	Number of SMMEs / Co-operative support provided	41 SMMEs and Co-operatives supported	42 SMMEs / Co-operatives support provided	42 SMMEs / Co-operatives support provided	2000000	42 SMMEs and Cooperatives supported	None	None	Signed Close out report	Achieved	*To Provide support to SMMEs and co-operatives by 30 June 2025
447	LED 03	Skills Development for emerging SMME's and Cooperatives	Number of trainings conducted	None	4 trainings conducted	4 trainings conducted	600000	4 training conducted	None	None	*Signed Reports *Attendance Register	Achieved	To organise training programmes for emerging SMMEs and Cooperatives by June 2025
448	LED 04	Farmers support	Number of farmers supported with production equipment and inputs	3 Farmers supported	3 farmers supported with production equipment and inputs	3 farmers supported with production equipment and inputs	900000	4 Farmers supported with production e equipment and inputs	None	None	Signed Report	Achieved	*To facilitate support to farmers by 30 June 2025
449	LED 05	Support to Organised Business activities	Number of Organised Business activities supported	Sekhukhune District Tourism Association establishment facilitated	2 Organised Business activities supported	2 Organised Business activities supported	600000	2 Organized Business activity supported	None	None	Signed Reports	Achieved	*To facilitate support to Organised Business activities by June 2025

452	LED 08	Monitoring implementation of SLPs	Number of SLP projects implementation monitored	None	10 SLP projects implementation monitored	10 SLP projects implementation monitored	100000	10 SLP projects implementation monitored	None	None	*Signed Reports *Attendance Register	Achieved	*To monitor implementation of SLP projects by June 2025
453	LED 09	Economic Development Forums (Mining, Tourism, LED & Agric.)	Number of Economic Development Forums (Mining, Tourism, LED & Agric.) facilitated	4 Economic Development Forums (Mining, Tourism, LED & Agric.) facilitated	4 Economic Development Forums (Mining, Tourism, LED & Agric.) facilitated	4 Economic Development Forums (Mining, Tourism, LED & Agric.) facilitated	100000	4 Economic Development Forum facilitated	None	None	Signed reports and attendance register	Achieved	*To facilitate Economic Development Forums (Mining, Tourism, LED & Agric.) by 30 June 2025
454	LED 10	Tjate Heritage Site	Number of Tjate Heritage Site fenced	Tjate Heritage Site in place	1 Tjate Heritage Site fenced	1 Tjate Heritage Site fenced	900000	1 Tjate Heritage Site fenced,	None	None	Signed report	Not Achieved	*To facilitate Fencing of Tjate Heritage Site by 30 June 2025
455	LED 11	Installation of District Tourism signage for Tourism Establishments and Products	Number of District Tourism Signage for Tourism Establishments and Products installation facilitated	9 tourism signage installed.	9 District Tourism Signage for Tourism Establishments and Products installation facilitated	9 District Tourism Signage for Tourism Establishments and Products installation facilitated	350000	9 District Tourism Signage for Tourism Establishments and Products installation facilitated	None	None	Signed report	Achieved	*To facilitate Installation of District Tourism Signage for Tourism Establishments and Products by 30 June 2025
655	LED 01.2	Skills Development for EPWP participants	Number of trainings conducted	None	1 training conducted	1 training conducted	213520	1 training conducted	None	None	Training Report	Achieved	To organise training for EPWP participants by June 2025
657	LED 12	Participation of SMMEs and Cooperatives at Africa Travel Indaba exhibition	Number of SMMEs and Cooperative participating at Africa Travel Indaba	Participated in 2023/2024 Africa Travel Indaba version	10 SMMEs and Cooperative participating at Africa Travel Indaba	10 SMMEs and Cooperative participating at Africa Travel Indaba	700000	10 SMMEs and Cooperatives participated at Africa Travel Indaba	None	None	Signed Reports	Achieved	Facilitate participation of SMMEs and Cooperatives to Africa Travel Indaba
450	LED 06	Sekhukhune District Tourism Summit	Number of Sekhukhune District Tourism Summit facilitated	None	1 Sekhukhune District Tourism Summit facilitated	1 Sekhukhune District Tourism Summit facilitated	1000000	1 Sekhukhune District Tourism summit facilitated	None	None	Signed Reports	Achieved	To facilitate Sekhukhune District Tourism Summit by June 2025

SEKHUKHUNE DEVELOPMENT AGENCY

Performance Report By KPA

Financial Year : 2024 - 2025

Quarter : Annual

SEKHUKHUNE District Municipality

KPA	Sekhukhune Development Agency
Department	Sekhukhune Development Agency

ID	KPI No	Project Name	KPI	Baseline	Target Description	Annual Target Description	Total Budget	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Achieved/Not Achieved	Strategic Objective
573	SDA 01	Outdoor Energy Supply Units	Number of engagements with SDM on the implementation of the Outdoor Energy Storage Units facilitated	A signed MOU with a Green Energy Partner	4 engagement with SDM on the implementation of the Outdoor Energy Storage Units facilitated	4 engagement with SDM on the implementation of the Outdoor Energy Storage Units facilitated	0	1 engagement with SDM on the implementation of the Outdoor Energy Storage Units facilitated	Engagement with the Sekhukhune District Municipality (SDM) on the implementation of the Outdoor Energy Storage Units could not be facilitated due to operational and leadership challenges. This limited the Agency's ability to deliver on the planned target and negatively affected overall year-end performance.	A Rescheduling of the engagement sessions with SDM will be prioritized in the first quarter of the new financial year	Attendance Register and minutes	Not Achieved	*To facilitate the Appointment of SDA as the implementation partner of the Outdoor Energy Storage Units and signing of PPA by June 2025
574	SDA 02	Outdoor Energy Supply Units	Number of engagements between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated	A signed MOU with a Green Energy Partner	4 engagement between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated	4 engagement between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated	0	1 engagement between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated	Engagement between the Sekhukhune Development Agency (SDA) and the Sekhukhune District Municipality (SDM) to sign the Power Purchase Agreement (PPA) could not be facilitated due to operational and leadership challenges. This significantly affected the Agency's delivery capacity and overall year-end performance.	SDA will reinitiate the consultation process with SDM to ensure all concerns and legal requirements related to the PPA are adequately addressed.	*Council Resolution. *Power Purchase Agreement (PPA) agreement between SDA and SDM	Not Achieved	*To facilitate the Appointment of SDA as the implementation partner of the Outdoor Energy Storage Units and signing of PPA by June 2025
575	SDA 03	Support to SMMEs, Community and Youth	Number of grant applications to SETA's and NSF facilitated	Signed MOU with SETA accredited training providers	3x Grant Application to SETA's and NSF facilitated	3x Grant Application to SETA's and NSF facilitated	0	3x Grant Application to SETA's and NSF facilitated	None	None	Funding applications and approval letters	Achieved	*To facilitate approval of grant applications to SETA's and NSF by June 2025

576	SDA 04	Establishment of Transport Planning and Management Function	Number of engagements towards the establishment of Transport Planning and Management Function held	Intergovernmental Authorization Agreement with Limpopo Dept of Transport and Community Service (MOU signed)	4 Engagements towards the establishment of Transport Planning and Management Function held	4 Engagements towards the establishment of Transport Planning and Management Function held	0	*1 Engagement towards the establishment of Transport Planning and Management Function held(Meeting between SDA, DTCS AND STAKEHOLDERS IN SEKHUKHUNE DISTRICT MUNICIPALITY ON THE SEKHUKHUNE 1 NEGOTIATED BUS SUBSIDY CONTRACT facilitated)	A meeting between the SDA, the Department of Transport and Community Safety (DTCS), and stakeholders in the Sekhukhune District Municipality on the Sekhukhune 1 Negotiated Bus Subsidy Contract was facilitated. However, the SDA could not report this target as achieved because the meeting minutes had not yet been signed by the Director of the Department of Transport at the time of reporting	The SDA will strengthen coordination and follow-up with the Department of Transport and Community Safety (DTCS) to secure timely approval and signing of meeting minutes. A structured tracking and escalation process will be introduced to ensure that all required documentation is finalized ahead of reporting deadlines	Att Registers*Reports	Not Achieved	*To facilitate engagements towards the establishment of Transport Planning and Management by June 2025
577	SDA 05	Sekhukhune District Integrated Transport Plan (ITP)	Number of engagements with SDM for the approval of ITP facilitated	Intergovernmental Authorization Agreement with Limpopo Dept of Transport and Community Service (MOU signed)	4 engagements with SDM for the approval of ITP facilitated	4 engagements with SDM for the approval of ITP facilitated	0	3 engagement with SDM for the approval of the Integrated Transport Plan facilitated	The planned engagement with the Sekhukhune District Municipality (SDM) for the approval of the Integrated Transport Plan (ITP) could not be facilitated due to delays in the finalization of the ITP by the consultant appointed by the National Department of Transport (AMCE). The delays stemmed from unresolved bottlenecks and communication challenges between the consultant and the Department, which hindered progress on the ITP development and, consequently, the approval process.	The matter has been escalated to the National Department of Transport to urgently resolve the outstanding issues with the appointed consultant	*Reports	Not Achieved	*To facilitate the approval of Sekhukhune District Integrated Transport Plan (ITP) by June 2025

578	SDA 06	Implementation De Hoop RMP	Number of De Hoop Resource Management Plan (RMP) activities identified for implementation and public participation facilitated	Signed MOA between SDM and DWS	1 De Hoop Resource Management Plan (RMP) activities identified for implementation and 3 public participation facilitated	1 De Hoop Resource Management Plan (RMP) activities identified for implementation and 3 public participation facilitated	0	1 De Hoop Resource Management Plan (RMP) activities identified for implementation and 2 public participation facilitated	The implementation of De Hoop Resource Management Plan (RMP) activities and the facilitation of two public participation sessions could not be carried out due to operational and leadership challenges. This significantly affected the Agency's delivery capacity and overall year-end performance.	Once a suitable acting or permanent CEO is appointed or designated, a revised schedule for public participation activities will be developed and implemented to resume the De Hoop RMP processes. Stakeholders will be engaged to ensure alignment and minimize further delays.	Reports* Att Registers	Not Achieved	*To facilitate implementation of De Hoop Resource Management Plan (RMP) by 2025
579	SDA 07	Review Sekhukhune Development Agency Establishment and operating By-Law	Number of Sekhukhune Development Agency Establishment and operating By-Law reviewed	Sekhukhune Development Agency Establishment and operating By-Law (2010)	1 Sekhukhune Development Agency Establishment and operating By-Law reviewed.	1 Sekhukhune Development Agency Establishment and operating By-Law reviewed.	0	Stakeholder engagement on review of SDA Establishment and Operating By-Law facilitated and 0 Sekhukhune Development Agency Establishment and Operating By-Law reviewed	This was due to the board's resolution taken in the third quarter, which concluded that there was no urgent need to amend the by-law at this stage. As a result, no further engagements or actions were undertaken on this KPI during the reporting period.	The SDA will monitor any future developments, policy shifts, or operational challenges that may necessitate a review of the by-law.	Approved SDA Establishment and Operating By-Law	Not Achieved	*To review Sekhukhune Development Agency Establishment and operating By-Law by June 2025
580	SDA 08	Transfer of title deed to SDA ERF 488	Number of engagements on Transfer of title deed to SDA ERF 488 from SDM facilitated	Feasibility study, signed Deed of donation by SDM, Council Resolution for land donation to SDA by SDM Council.	3 engagements on Transfer of title deed to SDA ERF 488 from SDM facilitated	3 engagements on Transfer of title deed to SDA ERF 488 from SDM facilitated	0	3 engagements on Transfer of title deed to SDA ERF 488 from SDM facilitated	None	None	Title Deed	Achieved	*To facilitate Transfer of title deed to SDA ERF 488 by June 2025
581	SDA 09	Branding and marketing	Number of branding and marketing activities conducted	Communication Strategy and District tourism route documents in place	4 x branding and marketing activities Coducted	4 x branding and marketing activities Coducted	0	3 x branding and marketing events conducted	Branding and marketing events could not be conducted due to operational and leadership challenges. This significantly affected the Agency's delivery capacity and overall year-end performance.	Once a permanent or formally delegated leadership structure is in place, the branding and marketing event schedule will be revisited and re-aligned with organizational priorities.	*Attendance register and *Reports	Not Achieved	*To facilitate branding and marketing activities by June 2025

582	SDA 10	MSCOA compliant Financial System	Number of Cloud Based Mscoa Financial System procured	New	1 Cloud Based Mscoa Financial System Procured	1 Cloud Based Mscoa Financial System Procured	0	Procurement of Mscoa Financial System facilitated	The system is inactive as SDA awaits final cloud activation from the service provider, BCX. The delay has hindered the ability to generate financial and regulatory reports, as well as to utilize other core functionalities of the mSCOA system.	The SDA is maintaining close communication with BCX to ensure adherence to the activation timeline, which is expected to begin on 1st July 2025	Advert, appointment letetr of SP * Development and implementation reports for Cloud Based Mscoa Financial System Procured	Not Achieved	*To facilitate procurement of cloud Mscoa financial system by June 2025
583	SDA 11	Institutional Policy Development	Number of institutional policies developed	New	4 institutional policies developed	4 institutional policies developed	0	3 institutional policies developed	Institutional policy could not be developed due operational and leadership challenges that significantly affected delivery capacity and over-all year end performance.	The SDA will engage with the parent municipality and board secretariat to explore alternative arrangements, such as appointing an Acting CEO or delegating interim authority, to enable the progression of urgent governance matters	4x Approved institutional policies	Not Achieved	*To develop institutional policies by June 2025
584	SDA 12	Submission of AFS and APR to the AG within the legislated time frame	Number of Submission of SDA AFS and APR by 31st August and consolidated AFS by 30 September facilitated	Submitted 2022/23 audited AFS and APR	2x Submissions of SDA AFS's and APR by 31st August and consolidated AFS by 30 September facilitated	2x Submissions of SDA AFS's and APR by 31st August and consolidated AFS by 30 September facilitated	0	2x Submissions of SDA AFS's and APR by 31st August and consolidated AFS by 30 September facilitated	None	None	Annual Financial Statement and Annual Report	Achieved	*To facilitate Submissions of SDA AFS's and APR by 31st August and consolidated AFS by 30 September 2024
585	SDA 14	Facilitation of the annual SDA Strategic Planning Session	Number of SDA Strategic Planning Session facilitated	1 SDA Strategic Planning Session 2023/24	1x SDA Strategic Planning Session facilitated	1x SDA Strategic Planning Session facilitated	200000	0 x SDA Strategic Planning Session facilitated	The SDA Technical Strategic Planning Session was successfully facilitated during the 3rd quarter. However, the Entity's Strategic Plan document could not be finalised due to the unavailability of the CEO, whose input and approval were essential to finalizing the document.	The Strategic Plan will be finalized once the CEO becomes available or an acting authority is appointed to provide the necessary input and endorsement.	*Att Register *Strategic Planning Document	Not Achieved	*To facilitated SDA Strategic Planning Session by June 2025

667	SDA 13	Tourism route marketing	Number of Tourism awareness and marketing activities Conducted	Tourism Route document in place	2 x Tourism awareness and marketing activities Conducted	2 x Tourism awareness and marketing activities Conducted	50000	0 x Tourism awareness and marketing activities Conducted	Tourism awareness and marketing activities could not be conducted due to operational and leadership challenges that significantly affected delivery capacity and over-all year end performance.	The SDA will engage with the parent municipality to fast-track alternative delegations of authority or interim executive support to resume activities while awaiting the CEO's availability.	Attendance Register and Reports.	Not Achieved	To facilitate Tourism Promotion and Development by June 2022

ANNEXURE D:

Sekhukhune Development Agency Annual Report 2024/2025

ANNUAL REPORT

2024/2025

SEKHUKHUNE DEVELOPMENT AGENCY

The Sekhukhune Development Agency (SDA) is an economic development entity wholly owned by Sekhukhune District Municipality

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GENERAL INFORMATION

ADDRESS

Sekhukhune Development Agency

Bareki Mall, Cnr. Van Riebeek and West Streets

Groblersdal

0470

Tel: (013) 262 7300

ACRONYMS

NO.	ABBREVIATIONS	ABBREVIATION IN FULL
1.	AFS	Annual Financial Statements
2.	AGSA	Auditor General South Africa
3.	AC	Audit Committee
4.	APR	Annual Performance Report
5.	AR	Annual Report
6.	COGHSTA	Co-operative Governance, Human Settlement and Traditional Affairs
7.	DOE	Department of Energy
8.	DSAC	Department of Sport, Arts & Culture
9.	GRAP	Generally Recognised Accounting Practice
10.	IDP	Integrated Development Plan
11.	IGR	Intergovernmental Relations
12.	KPA	Key Performance Area
13.	KPI	Key Performance Indicator
14.	LED	Local Economic Development
15.	LEDET	Limpopo Economic Development Environment Tourism
16.	LGSETA	Local Governement Sector Education & Training Authority
17.	MEC	Member of Executive Council
18.	MFMA	Municipal Finance Management Act

19.	MM	Municipal Manager
20.	MPAC	Municipal Public Accounts Committee
21.	MSA	Municipal Systems Act
22.	MTREF	Medium Term Revenue & Expenditure Framework
23.	N/A	Not Applicable
24.	No.	Number
25.	PMS	Performance Management System
26.	PMU	Project Management Unit
27.	PPP	Public Privite Partnership
28.	PR	Proportional Representative
29.	OHS	Occupational Health & Safety
30.	R	Rand
31.	RSA	Republic of South Africa
32.	SCM	Supply Chain Management
33.	SDBIP	Service Delivery & Budget Implementation Plan.
34.	SDM	Sekhukhune District Municipality
35.	SETA	Sector Education & Training Authority
36.	SDA	Sekhukhune Development Agency
37.	STATSSA	Statistics South Africa
38.	PMS	Performance Management System

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION AND OVERVIEW 5
CEO'S OVERVIEW & PERFORMANCE SUMMARY 7
STRATEGIC OVERVIEW 9
MANDATE OF THE AGENCY 10
POLITICAL GOVERNANCE AND ACCOUNTABILITY 11
SDA LEGISLATIVE CONTEXT AND FRAMEWORK 12
DEMOGRAPHIC OVERVIEW 19
Location and Jurisdiction 19
ECONOMIC LANDSCAPE 26
Sekhukhune Economic Overview 26
Economic Sectors 27
Mining 27
Agriculture 27
Tourism 28
INVESTMENT OPPORTUNITIES WITHIN THE SEKHUKHUNE DISTRICT THROUGH SDA. 29
Agricultural Development 29
Mining Development 30
Fetakgomo Tubatse Special Economic Zone 30
Tourism 31
Tšate Heritage Site 31
De Hoop Dam 31
Service Delivery Overview 32
TABLE 1: COMPARISON OF PERFORMANCE FOR 2023/2024 AND 2024/2025 .. 34
PERFORMANCE OF SERVICE PROVIDERS FOR FINANCIAL YEAR 2024/2025 . 35
ANNUAL GENERAL MEETING 37
STRATEGIC PLANNING 37

CHAPTER 3: HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT STRUCTURES 38

SDA ORGANISATIONAL STRUCTURE 38

SDA'S NON-EXECUTIVE DIRECTORS 45

Purpose and role of the Board 46

Responsibilities and Duties of the Board 46

ADMINISTRATIVE GOVERNANCE 48

AUDIT COMMITTEE 53

Risk Management Committee 54

STRATEGIC VALUES OF RISK MANAGEMENT COMMITTEE 55

PERFORMANCE AUDIT COMMITTEE 56

CHAPTER 4: AUDITED FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION 38

FINANCIAL HEALTH 58

Financial Overview 58

CONCLUSION 58

REMARKS BY THE CHAIRPERSON OF THE BOARD

It is with great honour that I present a report on the performance and activities of the Sekhukhune Development Agency (SDA) for the 2024/2025 financial year. This period represents an important milestone for the Agency, marked by notable governance achievements and a renewed focus on laying a sustainable foundation for future growth.

Foremost among these achievements is the attainment of an unqualified audit opinion for the financial year under review. This achievement affirms the Agency's strengthened commitment to sound governance, regulatory compliance, and prudent financial management. I extend my sincere appreciation to the Board, management, and staff whose collective dedication and diligence made this outcome possible.

While acknowledging this progress, the Agency remains focused on advancing strategic initiatives that are critical to the socio-economic development of the Sekhukhune District. Key priority projects include:

1. Alternative Energy Initiatives, aimed at supporting the transition to sustainable and reliable energy solutions in alignment with national energy priorities;
2. District-Wide Skills Development Programmes, designed to equip communities with relevant and market-aligned skills to enhance economic participation and promote inclusive growth; and
3. The De Hoop Dam Resource Management Plan, implemented in terms of the Memorandum of Agreement with the Department of Water and Sanitation and the Sekhukhune District Municipality. This strategic framework provides for the regulated access, management, and sustainable utilisation of the De Hoop Dam, while promoting community participation, local beneficiation, and long-term resource sustainability.

Through purposeful collaboration and strategic partnerships, the SDA has continued to strengthen its role within the district's economic development ecosystem. Active participation in multilateral platforms, including the Fetakgomo Tubatse Special Economic Zone and the Local Economic Development Forum, has enhanced coordination and alignment among key economic stakeholders.

Despite the challenges experienced during the financial year, the period was characterised by institutional learning, resilience, and strategic reflection. Notable highlights included successful tourism activation initiatives and the notable progress made on the De Hoop RMP project.

As the Agency moves forward, the Board remains committed to fulfilling its oversight responsibilities, with a continued focus on strengthening governance, compliance, and

performance management. While the unqualified audit opinion represents a significant milestone, the Board remains resolute in its pursuit of a clean audit outcome.

In closing, I extend my profound appreciation to the Council of the Sekhukhune District Municipality, as the sole shareholder of the Agency, and to the political principals charged with advancing the economic development mandate. Their strategic leadership, guidance, and oversight have been instrumental in steering the Agency toward the achievement of its objectives and in positioning it for sustained impact.



.....

Mr. Tshabedi Richard Serote
Chairperson of the Board of Directors

30/01/2026
.....
Date

CEO'S OVERVIEW & PERFORMANCE SUMMARY

It is with deep honour and privilege that I present, on behalf of the Sekhukhune Development Agency (SDA) management and staff, the 2024/2025 Annual Report. This report reflects a year defined by resilience, introspection, and renewed resolve, as the Agency continued to recalibrate its strategic direction while steadfastly advancing its mandate. A defining achievement of the financial year under review is the attainment of an unqualified audit opinion. This milestone underscores the Agency's unwavering commitment to sound governance, accountability, and financial discipline.

Notwithstanding this notable governance achievement, the year under review was characterised by a regression in overall performance outcomes. This reality has necessitated a period of critical reflection and strategic reassessment. The prevailing operating environment demands a decisive shift in approach to ensure that the Agency remains relevant, responsive, and resilient within an increasingly complex and competitive development landscape. The repositioning of the SDA is therefore imperative not as a procedural exercise, but as a strategic renewal aimed at restoring confidence and reinforcing our developmental impact within the Sekhukhune District.

The implementation of the District Development Model has generated heightened interest in infrastructure-led development opportunities. While this presents significant potential for economic stimulation, it also requires deliberate coordination, proactive stakeholder engagement, and institutional agility to translate opportunity into sustainable outcomes.

Against a backdrop of persistent socio-economic challenges marked by job losses, constrained economic activity, and the vulnerability of SMMEs, the Agency's mandate has never been more critical. The SDA remains entrusted with spearheading initiatives that promote job creation, skills development, industrialisation, and inclusive economic participation. These interventions are essential building blocks for long-term economic recovery and shared prosperity within the district.

While quantitative performance indicators remained aligned with previous-year outputs, the qualitative value of key interventions continued to demonstrate impact. Guided by the five-year strategic framework and aligned with the service delivery priorities of the parent municipality, the Agency advanced initiatives in alternative energy, skills development, and the implementation of the De Hoop Resource Management Plan. Enabled through the Memorandum of Agreement with the Department of Water and Sanitation, this initiative integrates sustainable resource management with community empowerment, positioning the De Hoop Dam as both a bulk water supply asset and a catalyst for local economic development.

Looking ahead, the Agency's strategic priorities are focused on:

- Sustaining and advancing towards a clean audit outcome;
- Strengthening system integration to enhance operational effectiveness;

- Improving performance outcomes against the Service Delivery and Budget Implementation Plan (SDBIP);
- Contributing meaningfully to the reduction of poverty, unemployment, and inequality;
- Building strong partnerships with the private sector and local communities;
- Advancing skills development and trade readiness;
- Promoting tourism growth through strategic research and market intelligence; and
- Embedding innovation and evidence-based planning as drivers of development impact.

Flagship initiatives, including the Yellow Arum Lily Festival, continued to affirm the Agency's role as a catalyst for tourism-led economic growth. Strategic collaboration with the Limpopo Tourism Agency has further elevated the profile of Sekhukhune as a destination of choice for tourism and investment.

In closing, I extend my sincere appreciation to:

- The Executive Mayor, Honourable Cllr Minah Bahula Maitula, for her visionary leadership and continued support;
- The MMC for Planning and Economic Development, Cllr Alfred Matlala, for his unwavering commitment;
- The SDA Board for their governance and strategic guidance;
- The Agency's management and staff, whose dedication and resilience remain the backbone of our work;
- The Accounting Officer of the Parent Municipality for support and guidance;
- The Planning and Economic Development Directorate and local municipal directors for their collaborative efforts;
- The media for amplifying Sekhukhune's developmental narrative; and
- Our partners across mining, agriculture, and tourism for their invaluable collaboration.

I further express my deepest gratitude to the Audit Committee, the Chairperson of the Performance Audit Committee and the Risk Committee. Their diligence, expertise, and oversight have been instrumental in strengthening governance systems, enhancing accountability, and guiding the Agency through a period of institutional consolidation and improvement.

As we move forward, the Sekhukhune Development Agency remains resolute in its commitment to restoring performance momentum, deepening impact, and building a resilient institution that inspires confidence, ignites opportunity, and invests purposefully in a brighter future for the district.

Thank You

.....
Dr. Rosa Mdluli
Acting Chief Executive Officer

30/01/2026
.....
Date

EXECUTIVE SUMMARY AND ROLE OF THE MUNICIPAL ENTITY

The Sekhukhune Development Agency (SDA) present the 2024/2025 Annual Report, a statutory obligation for all municipal entities and municipalities in South Africa, as mandated by the relevant legislative frameworks. This report serves as a comprehensive account of the Agency's performance, achievements, and challenges during the financial year under review.

The organisational structure of the SDA comprises five operational units, in addition to the Office of the Chief Executive Officer, with each department overseen by a dedicated manager. Notably, during the reporting period, the positions of Finance Manager and CEO remained vacant.

For the 2024/2025 financial year, the SDA achieved an Unqualified Audit Opinion with findings on compliance, reflecting a commendable improvement from the preceding year's audit outcome. This milestone highlights the Agency's commitment to enhancing governance, accountability, and operational excellence.

To address the issues highlighted by the Auditor-General, the Agency has formulated an audit action plan aimed at remedying the identified shortcomings and ensuring sustained improvements in compliance and performance.

This report not only documents the Agency's progress but also serves as a testament to its unwavering dedication to fulfilling its mandate and contributing meaningfully to the socio-economic development of Sekhukhune District.

STRATEGIC OVERVIEW

Vision

"To elevate Sekhukhune as a premier economic hub in South Africa, characterised by its commitment to sustainable development, thriving tourism, and robust local entrepreneurship."

Mission

"To spearhead and implement transformative economic development initiatives, ensuring sustainable employment and a resilient investment climate."

SDA DELIVERS OPERATIONS THAT ARE UNDERPINNED BY THE FOLLOWING CORE VALUES:



MANDATE OF THE AGENCY

The mandate of the SDA is captured in the 'By-law for establishing and operating Sekhukhune Development Agency' which was published in the Provincial Gazette Extraordinary no. 1863 dated 4 November 2010. The By-law empowers the Agency to the following:

- Contract with public, private institutions and Corporations to perform appropriate services to its mission. The Agency is authorised to receive money from the public and private sources to accomplish the purpose of the Agency.
- Place any unused portion of the money received into short-term investments and to retain the interest income for use in conducting its regular business.

Strategic Objectives of the Agency

In terms of the By-law, the following are the **five strategic objectives** of SDA:

- To act as an engine for economic growth by diversifying and expanding the SDM economic base.
- To secure a stable and sustainable financial base for the future development of the Agency.
- To initiate, identify and implement high impact economic development projects.
- To develop businesses that create sustainable job opportunities.
- To source funds for economic development concepts and convert these into projects aimed at transforming the district into the first economy

It is thus crucial that the SDA ensures that projects and programmes initiated, identified and implemented annually are aligned to these strategic objectives. The governance and operation of SDA must also be informed in the same vein. More importantly, the strategic objectives must inform the planning, implementation, monitoring as well as review of the SDA Programmes.

The annual performance agreement between SDA Chairperson and Executive Mayor should also mirror the same strategic objectives.

The SDA performance is assessed by the parent municipality on a quarterly basis as part of Performance Lekgotla reporting framework. The SDA reporting pathways begin from management to sub-committees of the board, board of directors, and the Parent Municipality.

POLITICAL GOVERNANCE AND ACCOUNTABILITY

SDA is accountable to its shareholder, the Sekhukhune District Municipality. Political oversight is exercised through the MMC for Planning and Economic Development. In addition, the Shareholder representative of the Sekhukhune District Municipality provides corporate governance, compliance reporting and review.

SDA is governed by an independent board of non-executive in terms of the Companies Act, 2008 (as amended) and related legislation, such as the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA), and the Treasury Regulations. The entity has a board of five non-

executive directors and two executive directors (the Chief Executives and the Finance Manager.

SDA LEGISLATIVE CONTEXT AND FRAMEWORK

SDA was established as a municipal entity through the SDA By-Law, a power entrusted with Municipalities in terms of Section 156 of the Constitution of the Republic of South Africa, 108 of 1996 in conjunction with section 13 of the Municipal Systems Act 32 of 2000.

A municipal entity is an operational arm through which a municipality provides function or services to its community. The SDA is accountable to its parent municipality, the Sekhukhune District Municipality (SDM) that established it and is required to adhere to a service delivery agreement consistent with the parent municipality's strategic plans and performance objectives. The establishment of a municipal entity follows a due process as per section 84 of the Municipal Finance Management Act, 56 of 2003, by the parent municipality that encompasses a robust consideration of the objectives of the entity, the purpose for its establishment, the efficiency and effectiveness that should be achieved through its establishment; that it will provide value for money; be able to generate its own funding; and be self-sustainable.

Municipal Agencies function within an extensive legislative and policy framework that provides prescripts and guidelines for municipalities and their entities/agencies actions according to constitutional obligations. In this regard, all municipalities and their agencies must align their budget and programmes with national developmental and institutional policy directives that are mainly being guided by the constitution. A myriad of legislation and policies are guiding the strategic planning processes of agencies and their mother municipalities; however, the overarching legislation and policies that guide Strategic Planning principles are the Constitution, Municipal Systems Act and the White Paper on Local Government.
The Agency is governed collectively by three (3) legislative prescripts namely Municipal Systems Act 32 of 2000 (as amended), Municipal Finance Management Act 56 of 2003 and the Companies Act 71 of 2008 which all find their establishment in the Constitution, Act 108 of 1996.

The South African Constitution, Act 108 of 1996

Chapter 7 of the Constitution of South Africa focuses on the Local Government Sphere including the establishment thereof, the executive and legislative authority, as well as the right of local government to govern on its own initiative, which should be in line with national and provincial legislation. The right of the municipality to exercise its own powers in order to perform its functions is the basis on which this IDP 2024/2025 is drawn up. It is meant to give strategic guidance to SDA at large, by giving structure to the administrative, budgeting and planning processes. The SDA must strive, within its financial and administrative capacity, to achieve its key objectives and developmental duties.

Section 152 of the Constitution sets out the following as key objectives for the municipality

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in the matters of local government.

Section 153 of the Constitution sets out the following as the key developmental duties of the municipality.

- Structure and manage its administration and 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; and
- participate in national and provincial development programs.

Municipal Systems Act, No 32 of 2000 (MSA) and the Integrated Development Plan (IDP) Framework:

The Local Government: Municipal Systems Act (MSA), specifically Section 25(1), mandates that each municipal council must adopt a single, inclusive, and strategic plan for the development of the municipality.

The IDP serves several functions:

- Links, integrates, and coordinates development plans.

- Aligns resources and capacity with plan implementation.
- Forms the policy basis for annual budgets.
- Complies with legal provisions.
- Aligns with national and provincial development plans.
- The IDP review process follows prescribed procedures and institutional arrangements.

For district municipalities like Sekhukhune, a Framework Plan is adopted for the entire area. This plan binds both the district municipality and local municipalities, ensuring alignment and coordination in the IDP and Planning processed of the Municipality and its Agency.

Section 26 of the Municipal System Act 32 of 2000 indicates that IDP must reflect-

- The municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- The council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- Aspatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- The council's operational strategies;
- Applicable disaster management plans;
- A financial plan, which must include a budget projection for at least the next three years; and
- The key performance indicators and performance targets determined in terms of section 41.

Section 76 of the Act provides for a municipality to engage a third party by way of a service level agreement, to provide municipal services on its behalf. This does exist between the SDM and SDA and the signatories are the accounting officers.

Section 82 (1) states that if a municipality intends to provide a municipal service in the municipality through a service delivery agreement with a municipal entity, it may amongst others: — alone or together with another municipality, establish in terms of applicable national or provincial legislation a company, co-operative, trust, fund or other corporate entity to provide that municipal service as a municipal entity under the ownership control of that municipality or those municipalities. Such entities that are owned by municipalities are included in the definition of State-Owned Companies (SOCs) in terms of the Companies Act and are thus regulated by the Companies Act.

The Municipal Systems Act 32 of 2000's Municipal Planning and Performance Management Regulations (2001)

These regulations play a crucial role in guiding municipalities and their agencies in their planning, monitoring, measurement, review, reporting, and performance improvement processes. These regulations provide a framework for municipalities and their entities to effectively manage their performance. They outline the processes and responsibilities related to planning, budgeting, and performance reporting.

Performance Management System

Municipalities and their entities are required to establish a PMS that encompasses the entire performance management cycle including such PMS components as strategic planning, performance measurement, monitoring, and evaluation. Performance Reporting:

Performance Reporting

Municipalities and their agencies/entities must produce regular performance reports. These reports communicate progress toward achieving strategic objectives to foster transparency and accountability.

PMS Review and Improvement

Regular performance review ensures the effectiveness of the PMS. Adjustments must always be made based on lessons learned and changing circumstances.

Municipal Finance Management Act, No 56 of 2003 (MFMA):

Sound financial management practices are essential to the long-term sustainability of municipalities. They underpin the process of democratic accountability. Weak or opaque

financial management results in the misdirection of resources and increases the risk of corruption. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernise municipal financial management
in South Africa so as to lay a sound financial base for the sustainable delivery of services. Chapter 4 and Section 21(1) of the Municipal Finance Management Act, No. 56 of 2003 (MFMA) stipulates that the Mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act 32 of 2000. The elected Council is the ultimate IDP decision-making authority.

We have seen that Section 153 of the Constitution requires that 'a municipality must structure and manage its administration and 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 MFMA, together with the Municipal Systems Act (2000), aims to facilitate compliance with this constitutional duty by ensuring that municipalities' priorities, plans, budgets, implementation actions and reports are properly aligned.

The main components of the financial management and accountability cycle and how they ought to be aligned in line with the MFMA and its regulations are as follows:

- ***Integrated development plan (IDP):*** This sets out the municipality's goals and development plans, which need to be aligned with the municipality's available resources. Council adopts the IDP and undertakes an annual review and assessment of performance based on the annual report.

- ***Budget:*** The three-year budget sets out the revenue raising and expenditure plan of the municipality for approval by council. The allocation of funds needs to be aligned with the priorities in the IDP.

- ***Service Delivery and Budget Implementation Plan (SDBIP):*** The SDBIP sets out monthly or quarterly service delivery and financial targets aligned with the annual targets set in the IDP and budget. As the municipality's 'implementation plan', it lays the basis for the performance agreements of the municipal manager and senior management.

- ***In-year reports:*** The administration reports to council on the implementation of the budget and SDBIP through monthly (Section 71 of the MFMA), quarterly (Section 52 of the MFMA), mid-year reports (Section 72 of the MFMA) and ultimately the Annual Report (Section 121 of the MFMA). Council uses these reports to monitor both the financial and service delivery performance of the municipality's implementation actions.

- ***Annual financial statements:*** These report on the implementation of the budget and reflect the financial position of the municipality. They are submitted to the Auditor-General, who issues an audit report indicating the reliance council can place on the statements in exercising oversight.

With the SDA receiving most of its funding from the Sekhukhune District Municipality, the Agency is therefore largely impacted by the MFMA's Financial Management Framework' impact on the mother Municipality.

Each municipal entity is an "organ of state" and must adhere to the legislative framework of Chapter 10 in the MFMA, that ensures accountability and transparency in all aspects of financial management. Section 56 (1) of the Act stipulates that the Mayor of a municipality which has sole or shared control over a municipal entity, must guide the municipality in exercising its rights and powers over the municipal entity in a way-

a) That would reasonably ensure that the municipal entity complies with this Act; and
b) That would not impede the entity from performing its operational responsibilities.

In terms of the MFMA, its provisions would prevail in the event of any inconsistencies with the provisions of the Companies Act, unless in terms of the Companies Act (section 5), these provisions can be applied concurrently

Companies Act 71 of 2008

The SDA is classified as a profit company in terms of Section 2 (a) of the Act. A profit company is defined in section of the Act as a company incorporated for the purpose of financial gain for its shareholders. The shareholder in SDA's instance is the parent municipality duly represented by the Executive Mayor. The Provisions of the Companies Act applies to SDA in so far as they are not inconsistent with any provisions of the following legislations, in accordance with section 5(4) of the Companies Act:

a) Auditing Profession Act;

b) Labour Relations Act, 1995 (Act No. 66 of 1995);

c) Promotion of Access to Information Act, 2000 (Act No. 2 of 2000);

d) Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000);

e) Securities Services Act, 2004 (Act No. 36 of 2004); or

f) Banks Act,

This would include the MFMA which applies in contrast to the Public Finance Management Act1 of 1999 applicable to state departments as opposed to the MFMA which applies to municipalities. The Company Act 71 of 2008 further provides for the governance of the Agency in accordance with Company laws and regulations such as compliance with the Companies Intellectual and Property Commission.

Governance Code

SDA is governed by a King IV Report and Code on Governance. The **King IV Report** is a significant document in the realm of corporate governance in South Africa. This is not a legislative prescript but best practice in corporate governance which is fully recognised by the law. King IV was published in 2016. The code follows a principle-and- outcomes based approach.

It recognises amongst others, the importance of government as stakeholder in SOCs. Principle 16 of the Code recommends that the shareholder compact should be used to clarify the roles of the board of the SOC and the executive authority of the parent municipality. It provides that the executive authority should provide policy direction to the SDA, while the board should oversee implementation thereof. The Key Areas Covered by King IV include

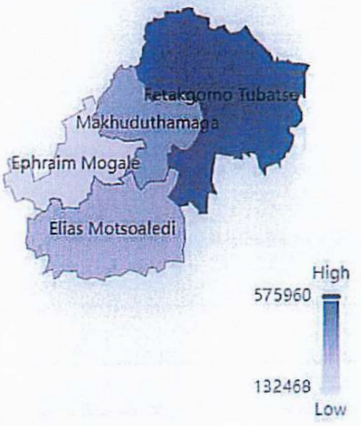
- Leadership, Ethics, and Corporate Citizenship
- Strategy, Performance, and Reporting
- Governing Structures and Delegation
- Governance Functional Areas
- Stakeholder Relationships

The King Committee on Corporate Governance in South Africa was established in 1992 to address corporate governance issues. The key objectives include shaping the corporate

governance agenda, issuing reports and codes, providing guidance through practice notes, and staying informed about relevant developments.

DEMOGRAPHIC OVERVIEW

Location and Jurisdiction



Sekhukhune Development Agency is a State owned entity operating within the jurisdiction of the Sekhukhune District Municipality. The Sekhukhune District Municipality is located in the south-eastern part of Limpopo, which is South Africa's most northern province. The district shares boundaries with the Capricorn and Mopani Districts in the north, Mpumalanga in the south and east, and the Waterberg District in the west. The District is largely rural in nature and is made up of four Local Municipalities, namely; Elias Motsoaledi, Ephraim Mogale, Makhuduthamaga and Fetakgomo Tubatse. The District is made up of 117 wards with a total of 764 villages. STATSSA indicated during the 2022 Community Survey that the total population of Sekhukhune district is 1 336 850.

The District is made up of 117 wards with a total of 764 villages. The main towns in the district

are: Burgersfort, Steelpoort, Groblersdal, Marble Hall, Apel, June Furse, Mohlaletsi, Driekop, Penge Mine, Praktiseer, Motetema, and Monsterlus.

Zooming into Local Municipalities

The Elias Motsoaledi Local Municipality (previously Greater Groblersdal Local Municipality) is located in the southern part of Sekhukhune District of the Limpopo Province. The municipality is named in honour of the late Elias Motsoaledi, who was born on 26 July 1924 in Nebo, Sekhukhuneland.

He played an active role in the establishment of the South African Congress of trade unions. A lifelong member of the ANC, and the SACP, he also played a central role in many campaigns, including the Defiance Campaign of 1952, the year in which he was banned. He was detained in terms of the 1960 State of Emergency and imprisoned for four months. On his release, he went underground and served on the Johannesburg Regional Umkhonto we Sizwe.

Arrested in 1963, Motsoaledi was one of the Rivonia Trialists and was sentenced to life imprisonment on Robben Island, a sentence he served until his release in 1989 – 26 years later. Upon his release, he was elected to the National Executive Committee of the ANC.

He passed away on the day of the inauguration of the first democratic president of South Africa, his fellow Rivonia Trialist and Robben Island prisoner, Dr. Nelson Mandela. The seat of the municipality is in Groblersdal and the other town of significance is Roossenekal. Key economic activities are community services, agriculture, tourism, and land development.

The Ephraim Mogale Local is named in honour of Ephraim Mogale, a freedom fighter. Previously known as the Greater Marble Hall Local Municipality, marble deposits were discovered here in 1920 by Christoffel Visagie and family while on a hunting trip from Pretoria. Soon, The Marble Lime Company was developed to work the beautiful deposit in 1929.

Marble Hall developed in 1942 and was originally known as Marmerhol, meaning Marble Hole. Yet, this name was soon changed during the Anglo-Boer War to Marble Hall. The Ephraim Mogale Local Municipality is situated on the western side of the Sekhukhune District. It is the smallest of the four municipalities in the district. It was established after the 2000 local election, with the amalgamation of Marble Hall, part of Moutse (West) Transitional Local Council (TLC),

Leeuwfontein, a portion of Hlogotlou/Lepelle Transitional Rural Council (TRC), Greater Nebo North TRC, a portion of Naboomspruit/Roedtan Thusang TLC, and Springbokvlakte TLC.

Fetakgomo Tubatse Local Municipality was established by the amalgamation of the Fetakgomo and Greater Tubatse Local Municipalities in August 2016. Fetakgomo refers to a Sepedi proverb used by the people living in the rural areas to emphasise compassion and cooperation toward helping others, hence 'Fetakgomo o Sware Motho' and Tubatse refers to the platinum stream that cut across the municipal area – a tributary of the Olifants river.

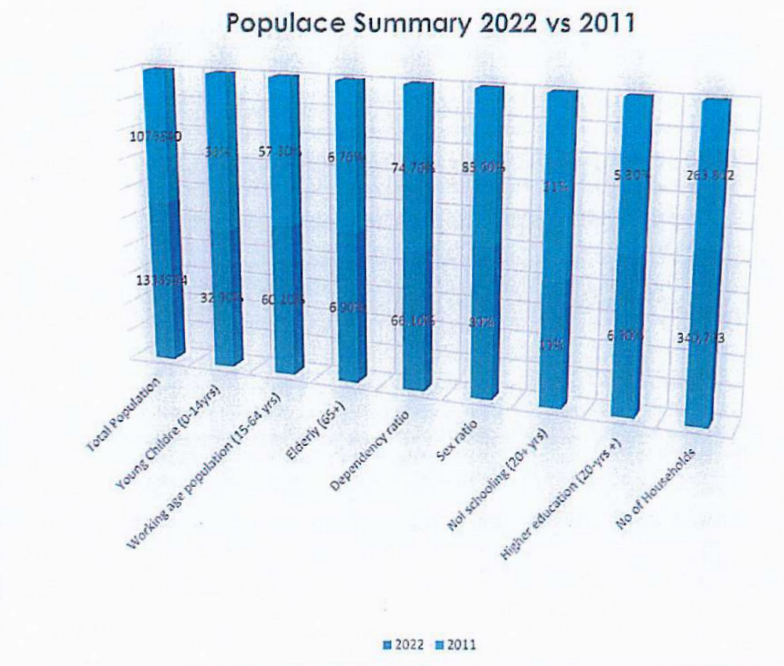
At 5,693 km² it is the largest of the four municipalities of the district, accounting for 42% of the geographical area. The area is known as the Middelveld as it is located between the Highveld and Lowveld regions. The vast majority of the area is made up of villages that are scattered throughout, particularly, the northern part of the municipality. Key towns include Burgersfort, Ohrigstad, and Steelpoort. Key economic activities are agriculture; mining and quarrying; trade; tourism; manufacturing; general government; community, social and personal services; catering and accommodation.

The Makhuduthamaga Local Municipality (plotting of local municipality map) derives its name from the liberation name given to those who supported the anti-apartheid struggle in Sekhukhuneland in the 1950s. Literally translated it means "those who resisted white domination".

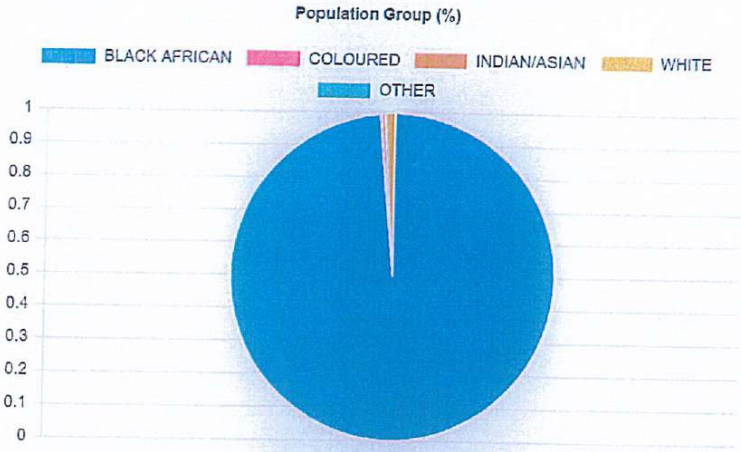
Makhuduthamaga raged a war against the white commissioner and his assailants (Marentsara) with the blessings of King Sekhukhune II. The organisation was banned in 1958 and transformed itself and changed its name to Fetakgomo. The municipality is located in the north-western parts of the district and shares boundaries with the Capricorn District in the north, Elias Motsoaledi in the south, Fetakgomo Tubatse Local Municipality in the east, and Ephraim Mogale in the west. It is one of the four municipalities that make up the district, accounting for 16% of its geographical area. The significant node of Ga Masemola is leading in agriculture.

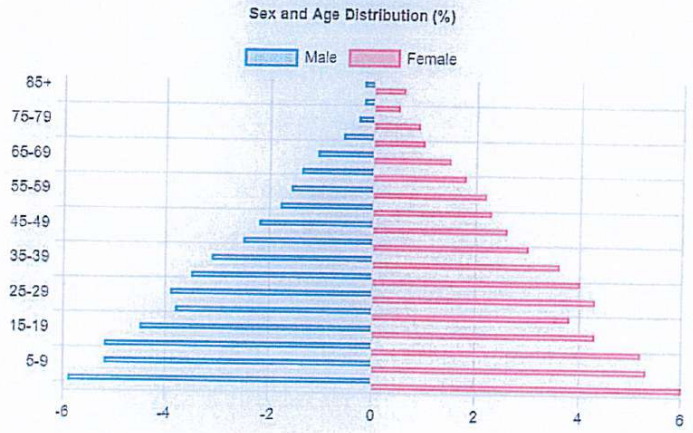
Sekhukhune is also a place of majestic beauty with regal mountains, lush valleys, and meandering rivers. Under the soil lie vast deposits of precious metals - so vast that they today contain the largest reserves of platinum group metals in the world. Above its soil sprout more than 2200 indigenous species of vascular plants, making Sekhukhune an area of exceptionally high biodiversity that is globally recognized. It is a land blessed with natural beauty, unusual

resource endowments, and a compelling history dating back to the 16th century.

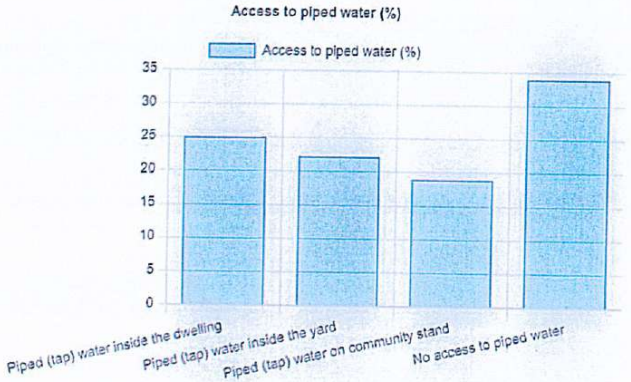


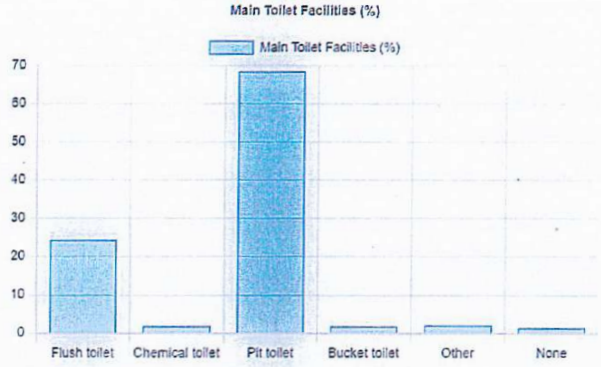
Population Group Percentage

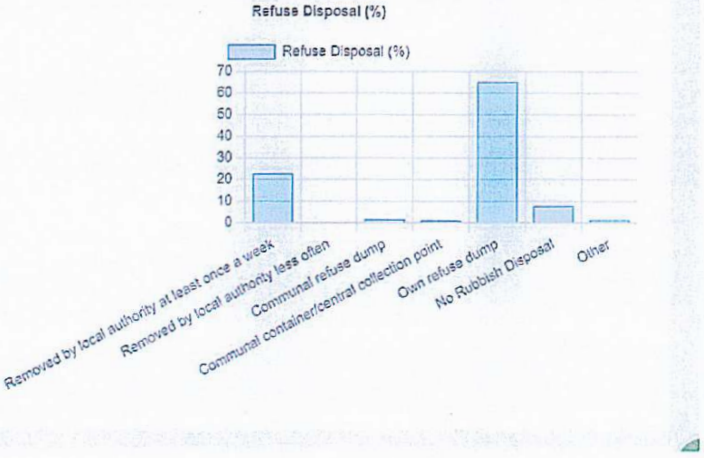

Population Group (%)
BLACK AFRICAN
COLOURED
INDIAN/ASIAN
WHITE
OTHER
1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0


Sex and Age Distribution (%)
Male
Female
85+
75-79
65-69
55-59
45-49
35-39
25-29
15-19
5-9
-6
-4
-2
0
2
4
6

Name	Frequency	%
Formal dwelling	325 101	95,4%
Traditional dwelling	5 215	1,5%
Informal dwelling	8 947	2,6%
Other	1 491	0,4%




Main Toilet Facilities (%)
Main Toilet Facilities (%)
70
60
50
40
30
20
10
0
Flush toilet
Chemical toilet
Pit toilet
Bucket toilet
Other
None


Refuse Disposal (%)
Refuse Disposal (%)
70
60
50
40
30
20
10
0
Removed by local authority at least once a week
Removed by local authority less often
Communal refuse dump
Communal container/central collection point
Own refuse dump
No Rubbish Disposal
Other

The annual average growth rates of 1.7% for the Sekhukhune population and 2% for households indicate an ongoing rise in the demand for services, employment opportunities, and skills intervention programs in the future. This is particularly noteworthy in the realms of educational-based skills development, basic services, and infrastructure development, given the substantial growth rate among the youth demographic.

The Agency must align its planning processes to accommodate the increasing demands, necessitating a proportional escalation in investments in the aforementioned activities.

As of the latest available data from Stats SA, the number of households in the Sekhukhune District is projected to reach 313,509 by 2023.

ECONOMIC LANDSCAPE

Sekhukhune Economic Overview

Key remarks about the Sekhukhune district

The overview of the Sekhukhune district highlights the following development challenges:

- The dispersed settlement pattern makes infrastructure provision and service delivery costly.
- The weak skills base is a major constraint to economic growth.
- A critical capability gap is the lack of people employed in economic development with the appropriate skills and background to interact with the private sector.
- The district faces challenges in implementing projects, due to shortages of people with the required skills (engineering, project management, etc).
- There is a need for improved co-operation between the district municipality , The Agency and the Local municipalities in terms of identifying and monitoring projects, as well as between local government and national departments

Economic Sectors

Mining

The district is abundantly endowed with a variety of lucrative minerals, including vanadium, chrome and the world's largest deposits of platinum group metals (PGMs). Strong global demand for these minerals has ensured the Sekhukhune District mining sector is booming, despite volatility in prices, with extensive number of mines currently operating in the district, operated by large, multinational PGM mining companies. The node accounts for 58%, 50% and 36% of global production of vanadium, platinum group metals and chrome, respectively.

Currently, the broader population in the district has yet to substantially benefit from the sector. While the node has a ready supply of unskilled labour, there is a deficiency in local workers qualified to assume technical and managerial positions, forcing mining companies to recruit workers from outside the node for these positions. Little to no local value adding processing of extracted resources is taking place, with raw materials mostly exported to processing facilities elsewhere.

The challenge for the district is to ensure that the greatest possible proportion of the local population shares in the spoils of this growth, which will require equipping people with the necessary skills to capture employment opportunities, as well as developing supporting business around the mining industry, such as beneficiation, construction, mining and artisan academy, and so on.

The outlook for resources mined in Sekhukhune is positive. Constraints to faster growth are the lack of water and electricity for the mines, lack of housing for mineworkers, shortage of local skilled workers, shortage of local support industries and services for the mining sector.

Agriculture

Agriculture is a critical source of employment in Sekhukhune (contributing over 22% of all jobs in the district), despite its relatively small contribution to nodal GDP (only 4,4% in 2020) and weak growth in the past few years. This resulted in its share of GDP falling over the past several years and the number of people employed in agriculture dropping. Sekhukhune has substantial availability of arable land, but the hot and dry climate limits the extent of agricultural production in the area. The scarcity of water in the area makes costly irrigation infrastructure a necessity for high quality, high output farming.

Agriculture in Sekhukhune consists of two clusters: the large-scale, commercial agriculture cluster around Groblersdal and Marble Hall that has access to costly inputs and mass produces goods for local, national and international markets and the small-scale subsistence and emerging farming operations dispersed throughout the district.

The latter are characterised by low levels of production and informal sale of goods to the local population. About 70% of farmers in Sekhukhune are subsistence farmers, with many of them lacking the skills required to reach their potential.

The challenge for the district is to raise the potential of emerging farmers in line with that of the established commercial farmers. This will require support for training and access to inputs and markets, as well as addressing water shortages. Constraints to growth in the agricultural sector include the high input costs, low commodity prices and increasing labour costs, as well as the lack of technical and managerial skills among subsistence/emerging farmers that are necessary for commercial farming.

The sector's potential rests on inciting growth in the commercial sector through diversification into high-demand, high-margin products, coupled with the establishment of local agro-processing industries; and developing subsistence and emerging farmers into larger-scale producers for commercial markets

Tourism

Travel and tourism added nearly 13.2 billion U.S. dollars to the Gross Domestic Product (GDP) of South Africa in 2021. The sector's contribution to the country's economy declined almost by half compared to 2019 as a result of the coronavirus (COVID-19) pandemic. In 2019, the value added by tourism to the South African GDP reached around 27.4 billion U.S. dollars. Additionally, the sector provides employment for over thousands of individuals. Despite these current figures, Sekhukhune possesses several attributes that suggest the potential for significant growth in tourism.

Geographically, Sekhukhune is strategically located within a two-and-a-half-hour drive from Gauteng, enabling targeted outreach to the lucrative Gauteng business and weekend holiday markets. The upsurge in business travel, attributed to the mining boom in Tubatse and the expansive agri-business sector in Groblersdal and Marble Hall, along with the presence of large dams (such as Loskop, Flag Boshielo, and De Hoop), creates opportunities for the development of holiday properties and leisure estates.

The district has a number of quality lodges but lacks a major attraction to firmly place Sekhukhune on established tourist routes such as Blyde River Canyon and the Kruger Park. The development of the Tourism routes package through the Sekhukhune Development Agency is a great step in ensuring tourism awareness within the district.

INVESTMENT OPPORTUNITIES WITHIN THE SEKHUKHUNE DISTRICT THROUGH SDA.

Agricultural Development

In the 2015 State of the Nation Address, the President of the Republic of South Africa announced the initiation of Agri Parks as part of the government's commitment to transforming rural economies. The Agri-Parks concept aims to bolster support for farmers and stimulate growth in rural economies, with a focus on job creation, revenue generation, and empowerment of women and youth across the country. Initially, 27 districts, including the Sekhukhune District Municipality, were identified to benefit from this multi-year program. Subsequently, a decision was made by Cabinet to expand the establishment of Agri-Parks to encompass all 44 district municipalities.

Agri-Parks operate through three key components to fulfill their mandate of rural economic transformation. These components include:

- Farmer Production Support Unit (FPSU): This component primarily focuses on supporting production by farmers. It involves providing inputs, ploughing units, capacity building, skills development, marketing services, and other resources to enhance agricultural productivity.

- Agri-Hub: The second component, the Agri-Hub, is centered around processing, packaging, logistics, and training. It aims to create a comprehensive infrastructure for the processing of agricultural products, facilitating their packaging and logistics, and providing training opportunities within the agricultural value chain. The vegetable-processing plant would cut, wash and package vegetables produced by local emerging farmers, and would secure contracts to sell packaged produce in local and national retailers.

- The investment is envisioned as a partnership between the Agency, Private Sector and the local farmers, with the farmers having an equity stake in the plant, ensuring they benefit directly from the project. The plant would bind small emerging farmers together to achieve the scale they need to access markets and purchase inputs, given that there are good margins on vegetable production and processing.

- Rural Urban Market Centre (RUMC): The third component, RUMC, concentrates on establishing market linkages and facilitating information feedback to both the Agri-Hub and FPSU. It plays a crucial role in connecting agricultural produce with markets, ensuring efficient distribution, and providing valuable market-related information to the other components.

Mining Development

Fetakgomo Tubatse Special Economic Zone

The mining boom has created demand for several associated inputs and services, and this demand is likely to increase with future mining development and the recent development of the Fetakgomo Tubatse Special Economic Zone.

The Sekhukhune Development Agency has signed an MOU with the Fetakgomo Tubatse Industrial Park (subsidiary of LEDA). Several number of investment opportunities have been identified but not limited to:

- Green and Renewable Energy
- Training and Education
- Export oriented business
- Financial and Business services
- Technology and Innovation
- Manufacturing
- Reak Estate development
- Infrastructure development
- Tax incentives

Tourism

Tšate Heritage Site

Tšate Heritage Site, the original home of the Bapedi people and the royal residence King Sekhukhune, is the most important historical site in the district. The Sekhukhune Tourism Development Strategy suggests that this site should be developed into the primary attraction in the district, with plans to include a dry-stone reception centre, a military museum, a royal kgoro and village and many more.

De Hoop Dam

The collaboration between the Department of Water and Sanitation and the Sekhukhune District Municipality, as outlined in the Memorandum of Understanding (MOU), designates the Sekhukhune Development Agency as the implementing agent for the De Hoop Resource Management Plan. This agreement signifies a strategic partnership aimed at efficiently managing and overseeing the De Hoop resources, emphasizing the role of the Sekhukhune Development Agency in executing the plan's various components and initiatives.

De Hoop Dam is a gravity type dam, which impounds the Steelpoort River. It falls under Ward 18 within the jurisdiction of Elias Motsoaledi Local Municipality (EMLM) adjacent to Ward 31 of Fetakgomo Tubatse Local Municipality (FTLM), which forms part of the Sekhukhune District Municipality.

The primary objective of the Resource Management Plan (RMP) is to transform the designated asset into a multifaceted entertainment hub, recreational area, and tourist destination within the Sekhukhune Region. This transformation aims to enhance the area's appeal without compromising the water quality. The dam, surrounded by pristine bushveld, offers scenic beauty, complemented by a warm climate throughout the year. Apart from the entertainment-focused investments highlighted in the RMP, numerous other opportunities exist.

- Golf Estate: There is potential for developing a golf estate, capitalizing on the scenic surroundings to create a premier golfing destination. This could attract both local and international enthusiasts, contributing to tourism and recreational activities.
- Resort Development: Establishing a resort within the area could cater to the demand for holiday destinations. This might include accommodation, restaurants, and various recreational facilities, further promoting tourism and providing a diverse range of

experiences for visitors.

- Luxury Housing: The development of luxury housing, whether through time-share arrangements or full ownership options, can cater to those seeking upscale residences with waterfront accessibility. This could attract investors and individuals looking for exclusive living spaces.
- Time-Share Properties: Developing time-share properties allows multiple individuals to invest in and enjoy ownership of vacation accommodations. This approach could enhance the attractiveness of the area for those seeking periodic access to the scenic surroundings.
- Full Ownership Housing: Creating luxury housing options available for full ownership provides an opportunity for individuals seeking permanent or long-term residences in a picturesque and warm climate.

These investment opportunities align with the broader vision of the RMP, fostering economic development, tourism, and recreational activities in the Sekhukhune Region. It's essential for investors to collaborate with the Agency in conducting thorough feasibility studies and engage with local authorities to ensure alignment with regulations and community interests.

Service Delivery Overview

The Sekhukhune Development Agency (SDA) derives its mandate for service delivery from Provincial By-law Gazette Number 1863, which provides the legal framework guiding its strategic role within the Sekhukhune District Municipality (SDM). This by-law encapsulates the Agency's comprehensive and multifaceted mandate, aligning its objectives with the broader strategic intent of the SDM to advance economic growth, social equity, and sustainable development across the region.

At the core of its mandate, the SDA functions as a critical catalyst for economic diversification, seeking to broaden and fortify the economic base of the Sekhukhune District. This diversification is essential to creating a resilient, inclusive, and dynamic regional economy. The Agency is also committed to establishing a robust and sustainable financial foundation to support its future growth and operational excellence.

Furthermore, the SDA is tasked with identifying, conceptualizing, and executing high-impact economic projects that address the socio-economic challenges of poverty, unemployment,

and inequality. By fostering and supporting businesses that generate sustainable job opportunities, the Agency plays a pivotal role in driving socio-economic transformation.

Additionally, the Agency prioritizes proactive resource mobilization by actively engaging with potential funders, stakeholders, and partners to secure investments for developmental initiatives. These efforts are geared toward transforming the Sekhukhune District into a thriving economic hub that not only supports local prosperity but also enhances its competitiveness on national and global platforms.

Through its alignment with the SDM's strategic objectives, the SDA remains resolute in its mission to "Ignite, Inspire, and Invest" in the district's future, ensuring that its endeavors yield lasting economic and social benefits for all its communities.

CHAPTER 2: PERFORMANCE HIGHLIGHTS

Business Plan

Section 53(1)(ii) of the Local Government Municipal Systems Act, 2003 provides that the mayor of the municipality is charged with the responsibility to consider and approve the Service Delivery and Budget Implementation Plan. For the 2024/2025 financial year, Sekhukhune Development Agency has set 14 targets to deal with issues of economic development.

The Agency successfully achieved 4 targets out of the total planned, resulting in a 28% achievement rate for the 2024/2025 financial year, with 10 targets not met. Comparatively, in the 2023/2024 financial year, the Agency also achieved 5 out of 9 planned targets, yielding the same 55% success rate, while 4 targets remained unachieved. This indicates a regression in the Agency's overall performance between the two financial years.

The Audited Annual Performance Report is attached hereto marked **Annexure A**.

TABLE 1: COMPARISON OF PERFORMANCE FOR 2023/2024 AND 2024/2025

SEKHUKHUNE DEVELOPMENT AGENCY	NUMBER OF SET TARGETS	NUMBER OF ACHIEVED TARGETS	NUMBER OF TARGETS NOT ACHIEVED	PERCENTAGE ACHIEVED
2023/2024 ANNUAL PERFORMANCE	9	5	4	55%
2024/2025 ANNUAL PERFORMANCE	14	4	10	28%

PERFORMANCE OF SERVICE PROVIDERS FOR FINANCIAL YEAR 2024/2025

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	REMARKS
Verveen Attorneys	Land Transfer	4	Performs significantly above expectations
Adapt IT	CaseWare Training	4	Performs significantly above expectations
KDM Travels	Accommodation	4	Performs significantly above expectations
Vision Print	Printing Branding Material	4	Performs significantly above expectations
ASHCOR Travels	Accommodation	4	Performs significantly above expectations

MEASURES TO IMPROVE PERFORMANCE

Risks	Mitigation Strategies
Non- Development of SDA's Own Policies	Establish a framework of policies tailored to the unique needs and goals of the SDA to ensure consistent and effective operations.
Not having own financial system	Implement a robust financial management system to enhance financial operations, reporting, and accountability.
Funding enhancement	Secure additional funding sources to support the agency's projects and initiatives.
Reviewing the Service Level Agreement (SLA) between SDM and SDA	Ensure the SLA between the SDM and SDA is aligned with current goals, expectations, and performance standards. Implementing these measures will help the Sekhukhune Development Agency improve its performance through better policy development, financial management, funding enhancement, and a well-defined SLA with its shareholder.

STAKEHOLDER ENGAGEMENT

As part of its mandate, the agency holds regular meetings and engagements with stakeholders to exchange ideas on how to take the Agency forward. The following sectors and departments were engaged.

LIMPOPO DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM (LEDET) AND FETAKGOMO-TUBATSE INDUSTRIAL PARK (FTIP)

The process of engaging an SDA inclusion in a Special Economic Zones (SEZ) project and signing a Memorandum of Understanding (MoU) with FTIP aims to facilitate cooperation and

promote investment opportunities for the benefit of the SEZ's development and the overall economy.

ANNUAL GENERAL MEETING

The AGM was not held for the annual financial year 2024/2025, however management will ensure that it is held in the following year.

STRATEGIC PLANNING

The Strategic Planning Session was not convened during the 2024/2025 financial year due to leadership-related challenges. However, the Board is committed to ensuring that this session is duly conducted in the subsequent financial year. The objective of this session is to engage in comprehensive discussions, evaluations, assessments, and measurements pertaining to the effectiveness and impact of the Agency's existing programs, projects, and strategic trajectory.

This strategic planning session embodies the spirit of foresight and dedication to SDA's mission. By reviewing the ongoing initiatives and the broader direction of the Agency, the Board demonstrates its commitment to optimising outcomes and responding adeptly to the ever-evolving landscape of development.

The participation of key stakeholders, Board members, and experts during the strategic planning session will amplify the potential for innovative solutions and the refinement strategies. It is a platform for collective wisdom, a space to deliberate on challenges and opportunities, and a catalyst for informed actions that align with the aspirations of the community and the region.

CHAPTER 3: HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT STRUCTURES

SDA ORGANISATIONAL STRUCTURE

The SDA comprises of four functional divisions which offer support to the CEO in the execution of selected projects of high strategic importance to the Agency and plays very significant role to the delivery of the Agency's Mandate.

The four functional divisions are namely:

- Finance Management.
- Marketing and Brand Management;
- Legal and Secretariat; and
- Project Propeller Unit.

Finance Management Division

The Agency was seconded an Acting Finance Manager in May 2025, upon the resignation of the Finance Manager. The Finance Division's responsibilities encompass various financial aspects, such as budgeting, Expenditure, accounting, financial analysis, reporting, cash management, and creditors and debt management.

Finance Manager's Role:

The Finance Manager plays a critical role within the SDA. Reporting directly to the Chief Executive Officer (CEO), the Finance Manager leads strategically across all functional areas within the Finance Unit.

Compliance and Legislation

The Finance Manager and team ensure compliance with financial legislation, including the Municipal Finance Management Act (MFMA) and the Companies Act. Their responsibilities

encompass various financial aspects, such as budgeting, accounting, financial analysis, reporting, cash management, and debt management.

Strategic Financial Guidance:

The Finance Manager and team provide strategic financial guidance to the SDA. They oversee financial operations, including administration, revenue, expenditure, assets, and supply chain management.

Asset Register and GRAP Compliance:

The Finance Manager and team develop and maintain an asset register following regulatory frameworks. They ensure that the SDA's financial statements are GRAP-compliant (Generally Recognised Accounting Practice).

Budget Preparation and Monitoring:

The Finance Manager and team is responsible for budget preparation and closely monitors spending patterns of the SDA. They align financial decisions with the SDA's strategic goals.

Risk Management and Anti-Fraud Strategies:

The Finance Manager actively monitors financial risks and supports anti-fraud strategies. Their role contributes to the agency's overall financial stability.

Supply Chain Management (SCM):

The Finance Manager ensures compliance with SCM regulations. They manage the SCM process and unit within the SDA.

Statutory Audit and Assurance:

The Finance Manager and their team facilitate the statutory audit process by providing necessary documentation and assistance to the external auditors.

Financial Reports and Transformation:

The Finance Manager submits financial reports as required by the MFMA. They drive the process of transformation in line with developmental finance principles.

Marketing and Branding Management

The Unit is currently led by the Communications and Liaison Officer. We envisage the recruitment of a Communications Manager in the near future. The Marketing and Branding Management division of the Sekhukhune Development Agency (SDA) plays a crucial role in promoting the Agency's vision and mission and enhancing its visibility. The key responsibilities and functions of this division are as follows:

Strategic Branding:

The division develops and implements a strategic branding plan of action for the SDA.

It ensures that the agency's brand identity is consistent, impactful, and aligned with its goals.

Stakeholder Engagement:

The division engages with various stakeholders, including local communities, investors, businesses, and government entities. It communicates the SDA's initiatives, achievements, and impact to build positive relationships.

Destination Marketing:

The division drives destination marketing for the Sekhukhune District. It promotes the district as an attractive investment destination, emphasizing its unique features and opportunities.

Public Relations (PR):

Managing PR activities, the division handles media relations, press releases, and events. It ensures that the SDA's image is well-represented in the public domain.

Content Creation and Communication:

The division produces relevant and engaging content.

This includes brochures, newsletters, social media posts, and website updates.

Event Management:

Organising events, workshops, and conferences falls under the division's purview. It facilitates networking opportunities and knowledge sharing.

Collaboration with Other Units:

The Marketing and Brand Management division collaborates closely with other SDA units. It integrates branding efforts into project launches, community engagements, and investor meetings.

Monitoring and Evaluation:

The division assesses the effectiveness of branding and marketing initiatives. It adjusts strategies based on feedback and performance metrics.

Budget Management:

Ensuring efficient use of resources, the division manages its budget. It allocates funds for advertising, promotional materials, and campaigns.

Reporting and Analytics:

Regular reporting on branding and marketing activities is essential. The division analyses data to measure impact and inform decision-making.

Project Propeller Unit

The Unit is currently led by the Project Manager. The Project Management Unit (PMU) within the Sekhukhune Development Agency (SDA) is a critical component responsible for overseeing and executing various projects.

Project Planning and Execution:

The PMU develops detailed project plans, including timelines, milestones, and resource allocation. It ensures that projects align with the SDA's strategic goals and contribute to economic development.

Project Portfolio Management:

The PMU manages a portfolio of projects. It prioritizes initiatives based on impact, feasibility, and available resources.

Risk Assessment and Mitigation:

Identifying potential risks, the PMU develops strategies to mitigate them. It ensures that projects proceed smoothly and minimise disruptions.

Resource Allocation:

The PMU allocates human, financial, and material resources to projects. It optimises resource utilisation for efficient project execution.

Monitoring and Reporting:

The PMU monitors project progress, tracking key performance indicators. Regular reporting ensures transparency and accountability.

Stakeholder Coordination:

The PMU collaborates with stakeholders, including government bodies, investors, and local communities. Effective communication ensures project buy-in and support.

Quality Assurance:

The PMU ensures that projects meet quality standards. It conducts regular assessments and quality checks.

Change Management:

When project scope or requirements change, the PMU adapts accordingly. It manages change requests and maintains project alignment.

Project Closure and Evaluation:

Upon project completion, the PMU ensures proper closure.

It evaluates outcomes, lessons learned, and areas for improvement.

Capacity Building:

The PMU enhances project management skills within the SDA. It provides training and mentorship to project teams.

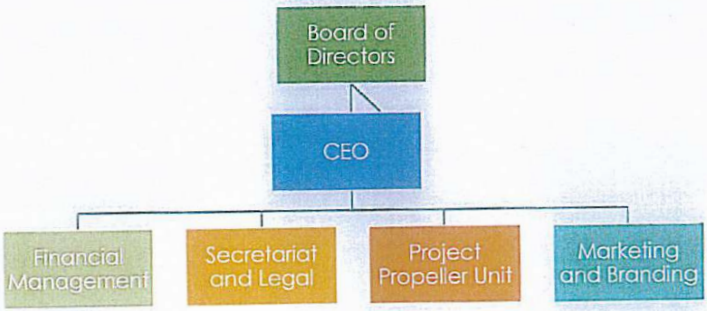
Legal and Company Secretariat Unit

The Unit is currently led by The Company Secretary. The unit is responsible for corporate governance and serve as legal advisory to both the Agency and the Board of Directors as a collective.

- Providing the directors of the SDA collectively and individually with guidance as to their duties, responsibilities and powers
- Making the directors aware of any law relevant to or affecting the SDA
- Reporting to the Agency's board any failure on the part of the company or a director to comply with the Memorandum of Incorporation or rules of the company or the Act.
- Ensuring that minutes of all shareholders' meetings, board meetings and the meetings of any committees of the directors are properly recorded and archived.
- Certifying in the Agency's annual financial statements whether the company has filed required returns and notice in terms of the Act, and whether all such returns and notices appear to be true, correct and up to date
- Ensuring that a copy of the Agency's annual financial statements is sent, in accordance with the Act, to every person which is entitled to it
- Carrying out the functions of a person designated in terms of Section 33(3) of the Act
- Assist the nomination committee and ensure that the procedure for the appointment of directors is properly carried out.

- Assist in the proper induction, orientation, ongoing training and education of directors, including assessing the specific training needs of directors and executive management in their fiduciary and other governance responsibilities.
- Have a direct channel of communication to the chairman and should be available to provide comprehensive practical support and guidance to directors, with particular emphasis on supporting the non-executive directors,
- Ensure that the board and board committee charters and terms of reference are kept up to date
- Responsible for ensuring the proper compilation and timely circulation of board papers and for assisting the chairman of the board and committees with drafting of yearly work plans.

Macro Structure of the Organogram



GOVERNANCE ARRANGEMENTS

SDA is accountable to its shareholder, the Sekhukhune District Municipality. Political oversight is exercised through the MMC for Planning and Economic Development. As the controlling shareholder, the SDM through a signed Service Level Agreement provides support related to corporate governance, such as Supply Chain Management, Human resource Management, Information and Communications Technology.

The SDA board retains complete control over the entity, its plans and its strategy. It acknowledges its responsibilities regarding the strategy, compliance with internal policies, external laws and regulations.

It ensures effective risk management and performance measurement, transparency, and effective communication, both internal and external. The board is a unitary structure that consists of non-executive directors, who are all independent as defined in King IV. The management of SDA is responsible for operational aspects in line with its strategic planning and mandate documents.

SDA'S NON-EXECUTIVE DIRECTORS

In accordance with the Municipal Systems Act, the Council of the Sekhukhune District Municipality is mandated to appoint the Board of Directors for the Sekhukhune Development Agency (SDA). This underscores the legal and procedural framework by which the governance structure of the SDA is established. The Act provides the necessary guidelines and authority for the Council to make such appointments, ensuring transparency and adherence to regulatory standards in the appointment process

Mr. Tshabedi Richard Serote (Chairperson)
Mr. Tladi Ditshego
Mr. Kgopelo Phasha
Ms. Mathabo Mosia
Ms. Akani Baloyi

Purpose and role of the Board

- The Board is ultimately responsible for ensuring that the business remains a going concern and that it thrives. The Board's role is to retain full and effective control over SDA and, therefore, it must ensure that it effectively controls it, directs and controls the management and is involved in all material decisions affecting the SDA.

- The Board is committed to ensuring good corporate governance throughout SDA in line with the requirements of the King II report and the principles of good corporate practice.

Responsibilities and Duties of the Board

The responsibilities of the Board are very wide and are detailed in the South African Companies Act, 1973, as amended. The Board should define levels of materiality and reserve specific powers to itself. The general functions of the Board are as follows, to: -

Corporate Governance

- Oversee the establishment and administration of the SDA's system of corporate governance.

- To exercise leadership, enterprise, integrity and judgement based on fairness, accountability, responsibility and transparency.

- Determine the SDA's purpose, values and stakeholders and to develop strategies to achieve its purpose, implement its values and satisfy its shareholders.

- Evaluate the performance of the Board and CEO

- Oversee SDA's compliance with all the relevant laws, regulations, and codes of best business practice;

- Promote SDA to operate ethically by adopting and regularly reviewing and updating the code of ethics and by approving mechanisms implemented aimed at fraud prevention, detection and response;

- Direct succession planning of directors and senior management;

- Oversee and monitor a Group-wide delegation of authority framework;

- Ensure that an adequate budgeting and business planning process exists that is aligned with SDA's strategic imperative and that performance is monitored against budgets and plans.

    - Ensure accountability by providing open, prompt and meaningful reporting to shareholders and other stakeholders on financial and non-financial matters and by encouraging attendance at general meetings;

    - Addressing the adequacy of employee retirement and health care benefits and funding; and

    - Ensuring that SDA has an effective empowerment plan that contributes to its strategy and business performance.

Matters reserved for decision making by the Board

- approval of the strategic plan and structure of SDA;
- appointment, suspension and dismissal of the CEO;
- approval of the operating and capital budget;
- approval of brokers;
- transferring of funds exceeding R500 000.00
- writing off of bad debts
- registration of servitude; and
- Issuing of guarantees.

BOARD MEETINGS CALENDAR AND ATTENDANCE

The following Board Meetings were held for the 2024/2025 financial year:

Names of Board Members.	Title.	Status.	Appointed date.	Total Number of Meetings held in 2024/2025 FY.	Number of Meetings Attended.
Mr. Tshabedi Serote	Chairperson (Non-executive)	Active	15/08/2023	10	10
Mr. Tladi Ditshego	Non-Executive	Active	15/08/2023	10	10
Mr. Kgopelo Phasha	Non-Executive	Active	15/08/2023	10	06
Ms Mathabo Mosia	Non-Executive	Active	15/08/2023	10	10
Ms. Akani Baloyi	Non-Executive	Active	15/08/2023	10	09

ADMINISTRATIVE GOVERNANCE

The Management of the institution is entrusted with role of advising the Board as well as for the implementation of Board resolutions. It is led by the Chief Executive Officer who is the overall Accounting Officer (AO).

POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Sekhukhune Development Agency (SDA) is entirely owned by the Sekhukhune District Municipality, and it's noteworthy to emphasise that the establishment of this entity is governed by the Municipal Systems Act 32 of 2000 and the Companies Act 71 of 2008.

According to the Municipal Systems Act, the Council of the Municipality stands as the supreme decision-making body. Within this framework, the Council assumes the responsibility of appointing the Board of Directors for the SDA. Subsequently, the Board of Directors, as appointed by the Council, holds the authority to designate the Accounting Officer, also known as the Chief Executive Officer (CEO). The CEO is entrusted with overseeing and managing the day-to-day operations of the municipal entity.

This hierarchical structure underscores the Council's pivotal role in shaping the leadership and governance of the Sekhukhune Development Agency, ensuring alignment with the municipality's objectives and policies. The appointment of the Board of Directors and, in turn, the CEO, reflects a structured approach to decision-making and operational management within the municipal entity.

SDM POLITICAL STRUCTURES

The Executive Mayor: Cllr. Minah Bahula Maitula

Duties of the Executive Mayor as per section 56 of the Municipal Structures Act No 117 of 1998.

- Identify the needs of the municipality.
- Review and evaluate those need in order of priority.
- Recommend to the municipal Council strategies, programmes, and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans and,

- Recommend or determine the best way, including partnership and approaches, to deliver those strategies, programmes, and services to the maximum benefit of the community.
- Evaluate progress against the key performance indicators.
- Review the performance of the municipality in order to improve.
- The economy, efficiency, and effectiveness of the municipality
- The efficiency of credit control and revenue and debt collection services and
- The implementation of the municipality's by-laws
- Monitor the management of the municipality's administration in accordance with the directions of the municipal council.
- Oversee the provision of services to the communities in sustainable manner.
- Perform such duties and exercise such powers as the council may delegate to the executive mayor in terms of section 59 of Local Government: Municipal Systems Act, 2000(Act 32 of 2000)
- Annually report on the involvement of communities and community organisations in the affairs of the municipality; and
- Ensure that regard is given to public views and report on the effect of consultation on the decisions of council.

The Speaker: Cllr. Kgwediebotse David Chego

Duties of the Speaker as per section 56 of the Municipal Structures Act No 117 of 1998.

- Presides at meetings of the council.
- Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

- Must ensure that council meets at least quarterly.
- Must maintain order during meetings.
- Must ensure compliance in the council and council committees with the code of Conduct set out in Schedule 1 to the Local Government: Municipal Systems Act, 2000(Act 32 of 2000)
- Must ensure that council meetings are conducted in accordance with the rules and orders of the council.

The Chief Whip Cllr. Aron Machipa

As of August 2024, the Chief Whip of the Sekhukhune District Municipality is Councillor Aron Machipa. He succeeded Councillor Johannes Phokane, who transitioned to the Limpopo Legislature following the 2024 general elections.

Duties of the Chief Whip

- Informs councillors of Council and Mayoral Committee of meetings called by the Speaker and Executive Mayor respectively.
- Ensures that the meetings of the Council and committees quorate.
- Inform councillors of the Council and Mayoral Committee of the important items on the relevant agenda
- Advise the Speaker on the amount of time allocated to speakers and the order of such the speaker's in addressing Council.
- Ensures that councillors' motions are prepared and timeously tabled in council in terms of Rules of Order
- Advises the Speaker and the Mayor on how to deal with important items not disposed of at a Council meeting pending its resolution.
- Advises the Speaker and the Executive Mayor of agenda of Council.

- Advises the Speaker and the Executive Mayor of urgent motions in writing prior the commencement of the meeting.
- Assists the Speaker with counting of votes, and
- Prepare for special debates on the state of the municipality.

The Mayoral Committee

The Executive Mayor is the political head of the Institution and is assisted by Mayoral Committee. The Executive accounts to Council on a regular basis on the work of the municipality.

Traditional Leaders in Council

The district has 75 traditional leaders. In 2024/2025 financial year, there were no traditional leaders in council.

Political Decision Making

The district municipality has adopted a separation of powers model wherein Council is vested with the legislative authority and plays an oversight role on the Executive. The Executive on the other hand led by the Executive Mayor is responsible for execution and accounts to Council on the implementation of council decisions.

SECTION - 79 STANDING COMMITTEES OF COUNCIL

Section 79 committees

Council established section 79 committees to play oversight role and monitor the work of the executive and administration. The established committees are aligned to administrative departments of the municipality and are chaired by non-executive councillors.

Municipal Public Account Committee (MPAC) (Oversight committee)

In line with legislation the district has established an oversight committee made up of non-executive councillors to provide an opinion on the Annual Report before tabling to council. The oversight report will be published separately as per the MFMA guidance.

AUDIT COMMITTEE

SDA has a standing arrangement with the parent municipality to share services of Audit and Risk Committees. The Audit Committee considers and makes recommendations on matters provided under Section 165 and Regulation 9 of the MFMA and Municipal Planning and Performance Management Regulations, 2001 (MPPR) respectively. The committee further advises management and the Board on matters pertaining to the annual financial statements before submission to the Auditor General of South Africa.

It is also for the above reasons that the Municipality has established an Audit Committee under the provision of Municipal Finance Management Act No 56 of 2003 section 165 and Municipal Planning and Performance Management Regulation of 2001 regulation 9. The Audit Committee of the municipality considers and makes recommendations on matters provided under section 165 and regulation 9 of the MFMA and MPPR respectively while among other matter advice Management and Council on matters pertaining to the Annual Financial Statements before submission to Auditor General of South Africa.

In terms of legislative prescripts, the Audit Committee members should meet at least 4 times per annum as per its approved charter. During the current financial year twelve meetings (AC and PAC) were held

The Members of the Audit Committee that served for the period 01 July 2024 to 30 June 2025, and their attendance were as follows:

Names of Audit Committee Members.	Tittle.	Status.	Total Number of Meetings held in 2024/2025 FY.	Number of Meetings Attended.
Mr. M Mathabatha	Member/PAC Chairperson	Active	12	11
Adv L Thubakgale	Member	Active	12	12
Mr. LS Mofokeng	AC Chairperson	Active	12	12
Mr. V Manyisane	Member	Active	12	12
Ms. S Ngoetjana	Member	Active	12	12

Risk Management Committee

The Risk Management Committee forms part of the shared services with the parent municipality. The Risk Management Committee (RMC) is an oversight committee responsible to the Accounting Officer (AO) for the monitoring of risk management which includes assisting in designing, implementing, and coordinating the institution's risk management initiatives. As at the end of the 2024/2025 financial year, the Risk Committee is chaired by Ms. Salome Ngoetjana in an acting capacity.

The Risk Management Committee (RMC) is an oversight committee responsible to the Accounting Officer (AO) for the monitoring of risk management which includes assisting in designing, implementing, and coordinating the institution's risk management initiatives. Its constitution is made up of both an independent member/chairperson appointed by the Municipal Manager as delegated by Council and members of Senior Management. It assists the AO in addressing its oversight requirements of managing, evaluating, and

monitoring the organizational performance with regards to risk management.

Section 62(1)(c)(i) of the Local Government Municipal Financial Management Act (No. 56 of 2003) stipulates that the Accounting Officer is responsible for managing the municipal entity's financial administration and for this purpose the Accounting Officer must take all reasonable steps to ensure amongst others that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

To give effect to the above the parent municipality has established the Risk Management Committee which provides services to the municipal entity, as an oversight structure to deal with the risk management responsibilities.

STRATEGIC VALUES OF RISK MANAGEMENT COMMITTEE

The RMC must advise the board, the accounting officer, and the management staff of the municipal entity on matters relating to-

- Risk management.
- Fraud and corruption
- Fraud Prevention and detection
- Effectiveness of proposed management interventions.
- Effectiveness of the internal control system relevant to risk identified.
- Any other issues referred to it by the municipality.

The role of the RMC is to formulate, promote and review the institution's Enterprise Risk Management (ERM)objective, strategy and policy and monitor the process at strategic, Management and operational levels.

The principles of King IV, customised to municipal environment advise that the audit

committee should:

- Ensure that combined assurance model is applied to provide a coordinated approach to all assurance activities.
- Satisfy itself of the expertise, resources, and experience of the municipality's finance function.
- Be responsible for overseeing of risk management; and
- Be an integral component of the risk management process.

All risk management reports are being processed in quarterly meetings. The reports were presented to the Audit Committee.

PERFORMANCE AUDIT COMMITTEE

The Members of Performance Audit Committee that served for the period 01 July 2024 to 30 June 2025, and their attendance were as follows:

NAME OF MEMBER	TITLE	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
Mr. T. Mathabathe	Performance Audit Committee Chairperson	5	5
Mr. S. Mofokeng	Member	5	5
Ms. S. Ngoetjana	Member	5	5
Adv. L. Thubakgale	Member	5	5

Mr. V. Manyisane	Member	5	5

CHAPTER 4: AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION

FINANCIAL HEALTH

Financial Overview

The audited AFS 2024/2025 are attached hereto marked **Annexure B**.

Assets

In the 2024/2025 financial year, the total assets for Sekhukhune Development Agency stood at R1 891 235 (2023/2024: R14 479 441.00) and net assets at R169 699.00 (2023/2024: R13 380 276.00).

Revenue

The total revenue for Sekhukhune Development Agency in the 2024/2025 financial year stood at R12 178 756.00 (2023/2024: R10 815 885.00). The Agency has cash in ABSA bank to an amount of R848 107.00.

Liabilities

SDA incurred liabilities amounting to R1 721 536 in the 2024/2025 financial year as compared to liabilities of R1 488 969.00 in the 2023/2024 financial year. The liabilities relate to payables from exchange transactions.

Expenditure

The total expenditure incurred by SDA in the 2024/2025 financial year stands at R7 954 838.56 as compared to R6 411 410.00 in the 2023/2024 financial year.

Employee costs that were incurred in the 2024/2025 financial year contributed to R4 913 547.00 as compared to R3 511 733.00 in the 2023/2024 financial year.

Payment for members of the SDA Board that were incurred in 2024/2025 amounted to R517 520.00 as compared to expenditure of R441 061.00 in the 2023/2024 financial year.

Remuneration costs of Senior Management incurred in the 2024/2025 R875 433 financial year contributed to R1 454 241.00 as compared to R875 433.00 for 2023/2024 financial year.

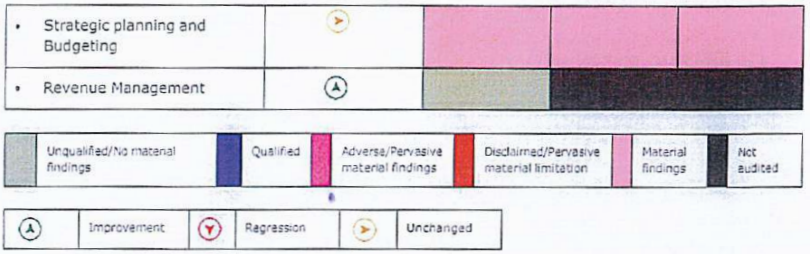
The following is the comparative analysis of Audit Outcomes from Auditor-General South Africa (AGSA): See the full Audit Report attached hereto marked **Annexure C.**

Description	2022/2023	2023/2024	2024/2025
Audit opinion	Qualified	Unqualified	Unqualified

The Agency received an unqualified opinion with matters of emphasis.

The following table depicts the audit outcome of the 2024/2025 audit. The Auditor-General recommended that management must ensure that adequate systems and processes are in place to maintain records in relation to the reported achievement of performance indicators. Management has since begun with remedial actions to address the findings. The Audit Action Plan is attached hereto marked **Annexure D.**

Outcome area	Movement	2024-25	2023-24	2022-23
Financial statements				
Annual performance report				
• Local Economic Development				
Compliance with legislation				
• Annual Financial Statements and Performance				
• Expenditure Management				
• Consequence management				
• Procurement and Contract Management				


Strategic planning and Budgeting
Revenue Management
Unqualified/No material findings
Qualified
Adverse/Pervasive material findings
Disclaimed/Pervasive material limitation
Material findings
Not audited
Improvement
Regression
Unchanged

CONCLUSION

In conclusion, the year under review reflects a period of performance regression for the Sekhukhune Development Agency, underscoring the need for continued effort to secure the Agency's long-term sustainability and effectiveness in delivering on its mandate. With the support and guidance of the appointed Board of Directors, we remain confident that the Agency will build on the foundations laid, strengthen its performance, and ultimately realise its vision of driving inclusive and impactful economic development across the district.

ANNEX A: AUDITED ANNUAL PERFORMANCE REPORT

ANNEX B: AUDITED ANNUAL FINANCIAL STATEMENTS

ANNEX C: AUDITOR GENERAL AUDIT REPORT

ANNEX D: AUDIT ACTION PLAN

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2025

AUDIT COMMITTEE REPORT

The Audit Committee (the Committee) is pleased to present the report for the financial year ended 30 June 2025. The Audit Committee has been established as an independent committee in terms of section 166 of the Municipal Finance Management Act No.56 of 2003. The Committee adopted formal terms of references which are regularly updated and approved by Council.

Audit Committee members and attendance

The Committee consist of members listed hereunder and should meet aleast four times per annum as per its terms of references although special meetings maybe called as the need arises.

The attendance was as follows:

NAME OF MEMBERS	STATUS	TOTAL NO.OF MEETINGS	NO. OF MEETINGS ATTENDED
Mr. S Mofokeng	Chairperson	4	12
Ms. S Ngoetjane	Member	4	12
Adv. L. Thubakgale	Member	4	12
Mr. V Manyisane	Member	4	12
Ms. M Mathabathe	Member	4	11

The Committee reports that it has considered its charter which was ultimately approved by Council which is the parent of the Sekhukhune Development Agency and charter regulates its affairs and detailed the responsibilities and expectations of the Committee.

The Effectiveness of the Internal Control

The Committee noted the work of the assurance service providers, both internal and external auditors through reports that were submitted. The reports were noted with concern by the Committee regarding the number of significant internal control deficiencies.

Management has given assurance that effective corrective action will be implemented in respect of all internal control weakness. The Audit committee will monitor these going forward.

Risk Management

The Committee fulfils an oversight role regarding the financial reporting risk, internal financial controls, fraud risk and information and technology as it relates to financial reporting. The Chairperson of the risk management committee or the Chief Risk Officer report progress on the risk management process to the Committee on a quarterly basis.

The Quality of Reporting

The Committee is of the view that the contents of the quarterly reports of the agency that has been made privy to have regressed due to vacant position of the CEO and for sometime there was no acting and therefore the quality of reporting did not improve

Human Resource Management

The Audit Committee has raised a concern on the Chief Executive Officer position which remain vacant for prolonged period although there is an interim measures of acting appointments to bridge the gap and recommend that the board must adhere to established policies such as the board charter to manage resignation and fill positions

Audit Process

The Committee is satisfied with how the audit process were handled by the Auditor General South Africa (AGSA) as there were constant interaction with the Auditor General South Africa during the course of the audit.The Audit Committee is further satisfied that the Audit report for 2024-2025 was issued as per the audit strategy as agreed between the Committee and the AGSA.

The Committee applauded management of the agency that they submit the credible Annual Financial Statements and the Chairperson of the Board and his team for by obtaining unqualified audit opinion . The Committee recommend that management should implement an action plan to address all the findings as raised by the AGSA in order to strengthen the efficiency and effectiveness of the system of internal controls over financial reporting.

Evaluation of the Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statement..
- Reviewed the AGSA management letter and responses thereto
- Reviewed compliance with legal and regulatory provisions
- Reviewed significant adjustment resulting from the audit process;
- Reviewed the audit report

The committee concurs with and accept the AGSA report on the annual financial statements, and are of the opinion that the audited annual financial statement be accepted and read together with the report of the Auditor General South Africa.

Annual Report for the 2024-2025 Financial Year

The Committee has considered the annual report for 2024-2025 Financial year and recommend that management and governance structures should review the annual report so that the report is credible.

Appreciation

The Committee wishes to thank the Municipal Council, AGSA, Board, Management and the staff for continued commitment to improve effective control environment and good governance and for their support. .



Chairperson of the Audit Committee

Mr. S Mofokeng

Date:

SEKHUKHUNE DEVELOPMENT AGENCY

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Annual Performance Report

2024/2025 Financial Year

INDEX

1. Legislative Mandate
2. SDA non-executive board members
3. 2024/20245 Summary Service Delivery and Budget Implementation Plan (SDBIP) Performance
4. 2023/2024 SDBIP Performance
5. Performance of Service Providers for 2024/2025
6. Measures to improve performance.
7. Revenue Generating Project
8. Conclusion
9. Approval

1. LEGISLATIVE MANDATE

The Annual Performance Report (APR) for Sekhukhune Development Agency for the financial year 2024/2025 has been prepared in compliance with the provisions of the Local Government Municipal Finance Management Act which provides as follows:

Section 121 (3) (c) of the Local Government Municipal Finance Management Act, 2003 (Act no. 56 of 2003)

"The annual report of the municipality must include the annual performance report prepared by the municipality/municipal entity in terms of section 46 of the municipal Systems Act"

Section 46 (1) of the Local Government Municipal Systems Act, 2000

"a municipality/municipal entity must prepare for each financial year an annual report consisting of-

(a) a performance report reflecting-

(i) the municipality/municipal entity's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year

(ii) the development of service delivery priorities and performance targets set by the municipality/municipal entity for the following financial year, and

(iii) measures that were or are to be taken to improve performance.

Sekhukhune Development Agency (SDA) is 100% owned by the Sekhukhune District Municipality and as a municipal entity, it is also required to comply with the basic requirements of the Local Government Municipal Systems Act 32 of 2000 read together with the provision of the Local Government Municipal Finance Management Act of 2003. The SDA has therefore also prepared its annual performance report in terms of the same guidelines and law provided for by the two above mentioned legislative provisions.

It should be noted that Sekhukhune Development Agency does not have its own Performance Management Unit and has an agreement with the parent municipality to utilise the performance management unit of the parent municipality for planning, monitoring and evaluation of its performance alongside code of good practices provided for in the King IV Report on Good Corporate Governance.

2. **SDA NON-EXECUTIVE BOARD MEMBERS**

- Mr Tshabedi Serote (Chairperson)
- Mr Tladi Ditshego
- Mr Kgopelo Phasha
- Ms Akani Baloyi
- Ms Mathabo Mosia

3. Summary of 2024/2025 Service Delivery and Budget Implementation Plan (SDBIP) Performance

The Sekhukhune Development Agency (SDA) had a total of **14** performance targets set for the 2024/2025 financial year. Of these, only **4** targets were achieved, reflecting a performance achievement rate of **28%**, while **10** targets remained unmet.

The Agency was allocated an overall budget of **R12,178,756.00**, of which **R7 954 838.56** was spent by year-end. This resulted in a budget variance of **R4 223 917.44**, inclusive of employee costs, translating to an expenditure performance of **65%**.

The underperformance during the reporting period was largely attributed to leadership instability. As a result, annual performance reflects a decline, primarily driven by leadership gaps. This regression underscores operational and leadership challenges that substantially impacted the Agency's delivery capacity and overall annual performance.

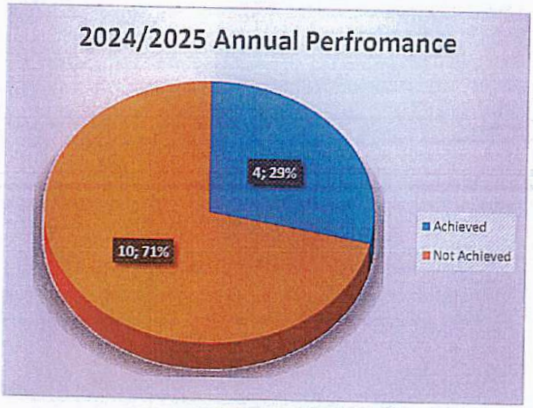
Going forward, the Agency has prioritised the stabilisation of leadership, the strengthening of governance oversight, and the resumption of suspended

strategic activities to improve service delivery performance in the 2025/2026 financial year.

In comparison, for the 2023/2024 financial year, the agency had planned **9** targets, achieving **5** and not achieving **4**, resulting in a **55%** success rate.

TABLE 1: Comparison of performance for 2023\2024 and 2024\2025

SEKHUKHUNE DEVELOPMENT AGENCY	NUMBER OF SET TARGETS	NUMBER OF ACHIEVED TARGETS	NUMBER OF TARGETS NOT ACHIEVED	% ACHIEVED
2023/2024 ANNUAL PERFORMANCE	9	5	4	55%
2024/2025 ANNUAL PERFORMANCE	14	04	10	28%



Outlined in the table below are 4 targets Not Achieved with challenges and remedial actions for 2024/2025 Financial Year.

TARGET NOT ACHIEVED	CHALLENGES	REMEDIAL ACTION
Engagements with SDM on the implementation of the Outdoor Energy Storage Units	Engagement between the Sekhukhune Development Agency (SDA) and the Sekhukhune District Municipality (SDM) to sign the Power Purchase Agreement (PPA) could not be facilitated due to operational and leadership challenges. This significantly affected the Agency's delivery capacity and overall year-end performance	SDA will reinitiate the consultation process with SDM to ensure all concerns and legal requirements related to the PPA are adequately addressed.
Outdoor Energy Supply Units Power Purchase Agreement	Engagement between the Sekhukhune Development Agency (SDA) and the Sekhukhune District Municipality (SDM) to sign the Power Purchase Agreement (PPA) could not be facilitated due to operational and leadership challenges. This significantly affected the Agency's delivery capacity and overall year-end performance	SDA will reinitiate the consultation process with SDM to ensure all concerns and legal requirements related to the PPA are adequately addressed.
Sekhukhune District Integrated Transport Plan (ITP)	The planned engagement with the Sekhukhune District Municipality (SDM) for the approval of the Integrated Transport Plan (ITP) could not be facilitated due to delays in the finalization of the ITP by the consultant appointed by the National Department of Transport (AMCE). The delays stemmed from unresolved	The matter has been escalated to the National Department of Transport to urgently resolve the outstanding issues with the appointed consultant

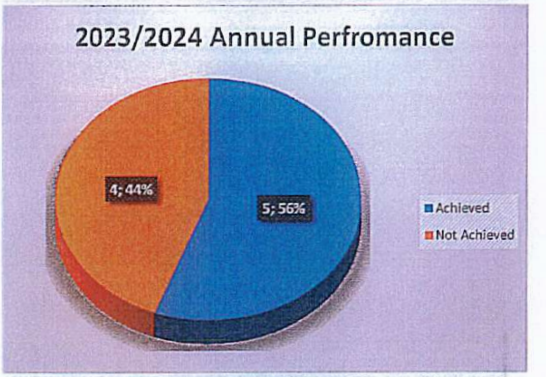
	bottlenecks and communication challenges between the consultant and the Department, which hindered progress on the ITP development and, consequently, the approval process.	
Implementation De Hoop RMP	The planned public participation in the implementation of the De Hoop Resource Management Plan (RMP) was not facilitated due to the unavailability of the Acting CEO. According to organizational directives, all related events and engagements were put on hold pending the establishment of appropriate leadership arrangements.	Interim leadership arrangements will be expedited to ensure continuity of operations. Once a suitable acting or permanent CEO is appointed or designated, a revised schedule for public participation activities will be developed and implemented to resume the De Hoop RMP processes. Stakeholders will be engaged to ensure alignment and minimize further delays.
Review Sekhukhune Development Agency Establishment and operating By-Law	The adoption and approval of the SDA Establishment and Operating By-Law was not reviewed during the fourth quarter. This was due to the board's resolution taken in the third quarter, which concluded that there was no urgent need to amend the by-law at this stage. As a result, no further engagements or actions were undertaken on this KPI during the reporting period.	The SDA will monitor any future developments, policy shifts, or operational challenges that may necessitate a review of the by-law.
MSCOA compliant Financial System	The system is inactive as SDA awaits final cloud activation from the service provider, BCX. The delay has hindered the ability to generate financial and	The SDA is maintaining close communication with BCX to ensure adherence to the activation timeline, which is expected to begin on 1st July

	regulatory reports, as well as to utilize other core functionalities of the mSCOA system.	2025
Institutional Policy Development	Institutional policy could not be developed due operational and leadership challenges, and this has impacted the organization's ability to formalize governance, compliance, and operational frameworks, potentially affecting overall institutional efficiency and accountability.	The SDA will engage with the parent municipality and board secretariat to explore alternative arrangements, such as appointing an Acting CEO or delegating interim authority, to enable the progression of urgent governance matters.
Facilitation of the annual SDA Strategic Planning Session	The SDA Technical Strategic Planning Session was successfully facilitated during the 3rd quarter. However, the Entity's Strategic Plan document could not be finalised due to the unavailability of the CEO, whose input and approval were essential to finalizing the document.	The Strategic Plan will be finalized once the CEO becomes available or an acting authority is appointed to provide the necessary input and endorsement.
Tourism route marketing	Tourism awareness and marketing activities could not be conducted due to operational and leadership challenges that significantly affected delivery capacity and annual year end performance	The SDA will engage with the parent municipality to fast-track alternative delegations of authority or interim executive support to resume activities while awaiting the CEO's availability.

2023/2024 SERVICE DELIVERY AND BUDGET IMPLMENTATION PLAN (SDBIP) PERFORMANCE.

In the 2023/2024 financial year, Sekhukhune Development Agency had a total of 09 planned targets. Out of 09 targets, 05 were achieved and 04 were not achieved which represents 56% overall performance.

The figure below further illustrates the same scenario as depicted above:



4. **PERFORMANCE OF SERVICE PROVIDERS FOR 2024/2025**

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	REMARKS
VERVEEN ATTORNEYS	Land Transfer	4	Performance significantly above expectations
Adapt IT	CaseWare Training	4	Performance significantly above expectations
Ashcor Travels	Accommodation	4	Performance significantly above expectations
Vision Print	Printing Branding material	4	Performance significantly above expectations

Kdm travels	Accommodation	4	Performance significantly above expectations

5. MEASURES TO IMPROVE PERFORMANCE.

Measures to improve the performance of the Sekhukhune Development Agency (SDA) by developing its own policies, acquiring its own financial system, enhancing funding, and reviewing the Service Level Agreement (SLA) between the shareholder (Sekhukhune District Municipality, SDM) and the SDA

5.1 Developing SDA's Own Policies

Establish a framework of policies tailored to the unique needs and goals of the SDA to ensure consistent and effective operations.

5.2 Acquiring SDA's Own Financial System

Implement a robust financial management system to enhance financial operations, reporting, and accountability.

5.3. Enhancing Funding

Secure additional funding sources to support the agency's projects and initiatives.

5.4 Reviewing the Service Level Agreement (SLA) between SDM and SDA

Ensure the SLA between the SDM and SDA is aligned with current goals, expectations, and performance standards.

Implementing these measures will help the Sekhukhune Development Agency improve its performance through better policy development, financial management, funding enhancement, and a well-defined SLA with its shareholder.

6. REVENUE GENERATING PROJECT

6.1 Implementation of the De Hoop Resource Management Plan

The Sekhukhune Development Agency (SDA) has identified the De Hoop Dam and its surrounding land as a strategic asset with significant economic potential. Despite its size and importance, the resource remains largely underutilized.

The proposed implementation of the De Hoop Resource Management Plan aims to unlock this potential by developing sustainable revenue streams for the Agency while promoting local economic development. The project will focus on:

- Tourism and recreation opportunities, including eco-tourism, boating, fishing, cultural events, and hospitality.
- Land use and leasing for lodges, conferencing facilities, and recreational developments.
- Conservation and compliance measures to ensure long-term sustainability.

This initiative is expected to create jobs, empower local SMMEs and cooperatives, and position Sekhukhune as a competitive investment destination. Importantly, it will generate sustainable income for SDA beyond municipal transfers and grants

6.2 TO FACILITATE ENGAGEMENTS TOWARDS THE ESTABLISHMENT OF TRANSPORT PLANNING AND MANAGEMENT

To facilitate strategic engagements and collaborative efforts aimed at the establishment of a comprehensive Transport Planning and Management Unit within the Sekhukhune Development Agency (SDA) , through an Intergovernmental Authorization Agreement with the Limpopo Department of Transport and Community Service, as formalized in the signed Memorandum of Understanding (MOU).

7. CONCLUSION

The 2024/2025 financial year was characterized by severe operational disruptions within the Sekhukhune Development Agency (SDA). The Agency's performance was negatively affected by a prolonged leadership vacuum following the resignation of the CEO. Acting CEO, and Finance Manager within a short period. This instability created uncertainty in governance, delayed decision-making processes, disrupted financial oversight, and weakened strategic direction. The absence of consistent executive leadership further constrained the Agency's ability to implement projects, secure stakeholder confidence, and achieve set performance targets in line with its Service Delivery and Budget Implementation Plan(SDBIP).

To address these challenges, the following remedial measures will be implemented:

- **Stabilisation of Leadership:** Urgent prioritisation of permanent appointments in key executive positions (CEO and FM) to restore governance, accountability, and strategic continuity.
- **Interim Support Measures:** Deployment of acting capacity with clear delegations of authority and accountability mechanisms to prevent operational paralysis.
- **Capacity Building & Staff Support:** Investment in management development and financial management capacity to strengthen institutional resilience against leadership disruptions.
- **Stakeholder Re-engagement:** Implementation of a structured stakeholder engagement and communication plan to rebuild confidence in the Agency's operations and project delivery capability.

In conclusion, the SDA is well-positioned to leverage these foundational changes to achieve its strategic objectives and continue making a meaningful impact on the community it serves.

APPROVAL

Dr V Rosa Mdluli **DATE** 20/11/2025

ACTING CHIEF EXECUTIVE OFFICER

Appendix A: Performance Rating for Service Providers

Level	Description	Rating
Level 5 **Outstanding performance**	Performance far exceeds the standard expected for the job in all areas of the project. The company has achieved exceptional results against all performance criteria and indicators specified in the service level agreement/contract and maintained this in all areas of responsibility throughout the year.	**5**
Level 4 **Performance significantly above expectations**	Performance is significantly higher than the standard expected for the job in all areas. The service provider has achieved above fully effective results against more than half of the performance criteria and indicators specified in the service level agreement /contract and fully achieved all others throughout the year	**4**
Level 3 **Fully effective**	Performance fully meets the standard expected for the job in all areas. The service provider has achieved effective results against all significant performance criteria and indicators specified in the service level agreement/contract and may have achieved results significantly above expectations in one or two less significant areas throughout the year	**3**
Level 2 **Performance not fully**	Performance is below the standard required for the job	**2**

satisfactory	in key areas. The service provider has achieved adequate results against many key performance areas and indicators specified in the service level agreement/contract but did not fully achieve adequate results against others during the course of the year. Improvement in these areas is necessary to bring performance up to the standard expected.	
Level 1 **Unacceptable performance**	Performance does not meet the standard required for the job. The service provider has not met one or more fundamental requirements and/or is achieving results that are well below the performance criteria and indicators in a number of significant areas of responsibility. The service provider has failed to demonstrate the commitment or ability to bring performance up to the level expected despite efforts to encourage improvement.	1

SEKHUKHUNE DEVELOPMENT AGENCY

The Sekhukhune Development Agency (SDA) is an economic development entity wholly owned by Sekhukhune District Municipality

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Sekhukhune Development Agency
Annual Financial Statements
for the year ended 30 June 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Municipal entity to implement high impact economic projects
Directors	Dr Rosa Mdluli (Acting CEO) Mr Tshabedi Serote (Chairperson of Board) Mr Kgopelo Phasha Ms Mathabo Mosia Mr Tladi Ditshego Ms Promise Akani Baloyi
Registered office	Bareki Mall Groblersdal 0470
Auditors	Auditor General South Africa
Secretary	Ms Maseilane Kgaogelo Mahlatji

Sekhukhune Development Agency
Annual Financial Statements for the year ended 30 June 2025

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

	Page
Accounting Officer's Responsibilities and Approval	3
Audit Committee Report	4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Statement of Comparison of Budget and Actual Amounts	9
Accounting Policies	10 - 20
Notes to the Annual Financial Statements	21 - 32

Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts

Accounting Officer's Responsibilities and Approval

The Directors are required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

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

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

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Directors have reviewed the entity's cash flow forecast for the year to 30 June 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Sekhukhune District Municipality for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the Accounting Officer is primarily responsible for the financial affairs of the entity, she is supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements.

The annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2025 and were signed on its behalf by:

Dr Rosa Maluti (Acting CEO)

Audit Committee Report

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

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year 12 number of meetings were held.

Name of member	Number of meetings attended
Mr Mofokeng LS (Chairperson)	12
Ms Ngoetjana S	12
Adv .Thubakgale L	12
Mr Manyisane V	12
Mr Mathabatha M	11

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The quality of in year management and monthly/quarterly reports submitted in terms of the MFMA and the Division of Revenue Act.

Evaluation of annual financial statements

The audit committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices (delete if not applicable);
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The audit committee concur with and accept the Auditor-General of South Africa's report the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



Chairperson of the Audit Committee

Date: 20 November 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Non-Current Assets			
Property, plant and equipment	3	962 236	835 261
Current Assets			
Receivables from non-exchange transactions	4	80 892	13 064 106
Cash and cash equivalents	5	848 107	850 074
		928 999	**13 914 180**
Total Assets		**1 891 235**	**14 749 441**
Liabilities			
Current Liabilities			
Payables from exchange transactions	6	1 721 536	1 488 969
Total Liabilities		**1 721 536**	**1 488 969**
Net Assets		**169 699**	**13 260 472**
Share capital / contributed capital	7	1 000	1 000
Accumulated surplus		168 699	13 259 472
Total Net Assets		**169 699**	**13 260 472**

* See Note 22

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Other income		-	950
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	10	12 178 756	10 814 935
Total revenue	8	**12 178 756**	**10 815 885**
Expenditure			
Employee related costs	11	(4 913 547)	(3 543 803)
Administration	12	(517 520)	(441 062)
Depreciation and amortisation	13	(40 663)	(29 461)
Impairment loss	14	(3 030)	-
Debt Impairment	16	(17 298 016)	-
General Expenses	17	(2 496 751)	(2 501 889)
Total expenditure		**(25 269 527)**	**(6 516 215)**
(Deficit) surplus for the year		**(13 090 771)**	**4 299 670**

* See Note 22

Statement of Changes in Net Assets

Figures in Rand	Share capital / contributed capital	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	1 000	8 974 800	8 975 800
Adjustments			
Prior year adjustments 22	-	(15 000)	(15 000)
Balance at 01 July 2023 as restated*	**1 000**	**8 959 800**	**8 960 800**
Changes in net assets			
Surplus for the year as restated*	-	4 299 670	4 299 670
Total changes	-	4 299 670	4 299 670
Restated* Balance at 01 July 2024	1 000	**13 259 470**	**13 260 470**
Changes in net assets			
Surplus for the year	-	(13 090 771)	(13 090 771)
Total changes	-	(13 090 771)	(13 090 771)
Balance at 30 June 2025	**1 000**	**168 699**	**169 699**
Note(s)	7		

* See Note 22

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Grants		7 841 413	5 632 121
Other receipts		-	950
		7 841 413	5 633 071
Payments			
Employee costs		(4 834 574)	(3 295 588)
Suppliers		(3 008 806)	(2 294 592)
		(7 843 380)	(5 590 180)
Net cash flows from operating activities	18	**(1 967)**	**42 891**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	-	(43 566)
Net increase/(decrease) in cash and cash equivalents		**(1 967)**	**(675)**
Cash and cash equivalents at the beginning of the year		850 074	850 749
Cash and cash equivalents at the end of the year	5	**848 107**	**850 074**

The accounting policies on pages 10 to 21 and the notes on pages 22 to 33 form an integral part of the annual financial statements.

* See Note 22

Statement of Comparison of Budget and Actual Amounts

Budget on Cash 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 non-exchange transactions						
Transfer revenue						
Government grants & subsidies	11 778 756	400 000	**12 178 756**	12 178 756	-	
Expenditure						
Personnel	(5 217 377)	(157 305)	**(5 374 682)**	(4 913 547)	**461 135**	30.1
Administration	(500 000)	-	**(500 000)**	(517 520)	**(17 520)**	30.2
Depreciation and amortisation	(220 919)	150 000	**(70 919)**	(40 663)	**30 256**	30.3
Impairment loss/ Reversal of impairments	-	-	-	(3 030)	**(3 030)**	30.4
Debt Impairment	-	-	-	(17 298 016)	**(17 298 016)**	30.5
General Expenses	(5 040 460)	7 305	**(5 033 155)**	(2 496 751)	**2 536 404**	30.6
Total expenditure	**(10 978 756)**	-	**(10 978 756)**	**(25 269 527)**	**(14 290 771)**	
Deficit before taxation	**800 000**	**400 000**	**1 200 000**	**(13 090 771)**	**(14 290 771)**	
Deficit for the year from continuing operations	**800 000**	**400 000**	**1 200 000**	**(13 090 771)**	**(14 290 771)**	
Capex	-	-	-	(170 668)	**(170 668)**	30.7
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**800 000**	**400 000**	**1 200 000**	**(13 261 439)**	**(14 461 439)**	

Accounting Policies

Figures in Rand	Note(s)	2025	2024

1. Significant account policies

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

1.1 Basis of preparations

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

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

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.3 Going concern assumption

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

1.4 Significant judgements and sources of estimation uncertainty

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

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

1.5 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) 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.

Accounting Policies

1.5 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

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

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

All items of Property, plant and equipment is carried at cost less accumulated depreciation and any impairment .

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
Buildings	Straight-line	5 to 30
Furniture and fixtures	Straight-line	2 to 10
Office equipment	Straight-line	2 to 5
IT equipment	Straight-line	3 to 5
Communication equipment	Straight-line	12 to 15

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

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity 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 entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

The 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. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Accounting Policies

1.5 Property, plant and equipment (continued)

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

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

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

1.6 Financial instruments

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

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

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

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

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

A financial asset is:

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

A financial 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.

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

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

Accounting Policies

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

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

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

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

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

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

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

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

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

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

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

Accounting Policies

1.6 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises a financial asset only when:

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

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

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

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

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

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

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

Financial liabilities

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

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

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

Accounting Policies

1.7 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.

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 entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity 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.

1.8 Impairment of non-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.

Non-cash-generating assets are assets other than cash-generating assets.

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.

A cash-generating unit is the smallest identifiable group of assets managed 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.

Accounting Policies

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

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 service amount is the higher of a non-cash-generating asset's 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 entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service 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.

1.9 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.10 Employee benefits

Short-term employee benefits

Accrual leave
Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end and is shown as an accrual in the Statement of Financial Position.

Bonus Provisions
The Municipality recognises the expected cost of bonuses as a provision only when the Municipal Entity has a present legal or constructive obligation to make such payment and a reliable estimate can be made at reporting date.

1.11 Provisions and contingencies

Provisions are recognised when:

- the entity 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 entity 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.

Accounting Policies

1.11 Provisions and contingencies (continued)

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.

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

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

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

A constructive obligation to restructure arises only when an entity:

- 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 entity

No obligation arises as a consequence of the sale or transfer of an operation until the entity 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 20.

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 entity 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.

Accounting Policies

1.11 Provisions and contingencies (continued)

Where a fee is received by the entity 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 entity considers that an outflow of economic resources is probable, an entity 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.

1.12 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 entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

Measurement

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

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).

Accounting Policies

1.13 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, 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 arise when the entity 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.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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

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

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 entity 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 entity.

When, as a result of a non-exchange transaction, the entity 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.

Accounting Policies

1.13 Revenue from non-exchange transactions (continued)

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.

1.14 Comparative figures

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

1.15 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.16 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.17 Irregular expenditure

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

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable)

1.18 Related parties

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

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

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

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.

Accounting Policies

1.18 Related parties (continued)

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity 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 entity.

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

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

The entity 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.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

There are no standards and interpretations that are effective for the current financial year.

2.2 Standards and interpretations issued, but not yet effective

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 1: Presentation of financial statements	Future date	Likely there will be a material impact
• GRAP 24: Presentation of budget information in financial statements	Future date	Likely there will be a material impact

Notes to the Annual Financial Statements

Figures in Rand

3. 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	600 000	-	600 000	600 000	-	600 000
Buildings	470 668	(239 456)	231 212	300 000	(234 304)	65 696
Furniture and fixtures	59 428	(56 646)	2 782	59 428	(55 299)	4 129
Office equipment	32 911	(32 342)	569	32 911	(32 199)	712
IT equipment	204 817	(120 877)	83 940	204 817	(87 802)	117 015
Communication equipment	161 404	(117 671)	43 733	161 404	(113 695)	47 709
Total	**1 529 228**	**(566 992)**	**962 236**	**1 358 560**	**(523 299)**	**835 261**

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Impairment loss	Total
Land	600 000	-	-	-	600 000
Buildings	65 696	170 668	(5 152)	-	231 212
Furniture and fixtures	4 129	-	(590)	(757)	2 782
Office equipment	712	-	(143)	-	569
IT equipment	117 015	-	(30 802)	(2 273)	83 940
Communication equipment	47 709	-	(3 976)	-	43 733
	835 261	**170 668**	**(40 663)**	**(3 030)**	**962 236**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Total
Land	600 000	-	-	600 000
Buildings	68 049	-	(2 353)	65 696
Furniture and fixtures	4 722	-	(593)	4 129
Office equipment	950	-	(238)	712
IT equipment	95 739	43 566	(22 290)	117 015
Communication equipment	51 696	-	(3 987)	47 709
	821 156	**43 566**	**(29 461)**	**835 261**

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 entity. An appropriate estimate of the useful lives, residual values and depreciation method of an asset based on the information available at the previous reporting dates was made, however the entity continues to measure the assets at R1, these assets are still in use and the entity derives economic benefits and the service potential.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

4. Receivables from non-exchange transactions

Receivables from non-exchange transactions

A grant is awarded to SDA by SDM on an annual basis to fund the operational and capital expenditure of the Agency , the grant represents an unconditional as the are no conditions attached neccessiating the return of the donated asset, and therefore no liability will be recognised and an asset should be recognized for the amount receivable.

Grant
We aged our debt receivables as 365 days and above as at the financial year-end because the amount is payable at the beginning of the financial year when the budgets are approved.

Government grants and subsidies	17 298 016	12 960 673
VAT receivable	80 774	103 433
Less: Impairment loss	(17 298 016)	-
	80 774	**13 064 106**

An amount of R17 298 016 represents a receivable from the parent Municipality and we could not confirm the collectibility of the amount however SDA got confirmation from the parent Municipality that this amount is not budgeted for at the parent Municipality. therefore should be impaired as this raise significant doubt on the collectibility thereoff.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	848 107	850 074

The entity 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 - Cheque - 40 7480 3357	848 107	850 074	850 748	848 107	850 074	850 748

6. Payables from exchange transactions

Trade payables	1 028 937	964 386
Other payables	-	47 070
Accrued leave pay	633 814	452 029
Accrued bonus	58 785	25 484
	1 721 536	**1 488 969**

7. Share capital / contributed capital

Issued		
Ordinary	1 000	1 000

8. Revenue

Sale of tender documents	-	950
Government grants & subsidies	12 178 756	10 814 935
	12 178 756	**10 815 885**

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

Other income	-	950

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

8. Revenue (continued)

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

Taxation revenue		
Transfer revenue		
Government grants & subsidies	12 178 756	10 814 935

9. Other revenue

Sale of tender documents	-	950

10. Government grants & subsidies

Operating grants		
Government grants & subsidies	12 178 756	10 814 935

Conditional and Unconditional

Conditional grants are only utilised to fund programmes approved by the funders. Operation grant from SDM is used to fund day to day operations of the agency.

The grant is received from the Municipality as per the approved budget by the council for the particular year ,the total budget represents a receivable to SDA however the Municipality SDM does not transfer the funds in SDA accounts but however pay expenses directly to suppliers providing any goods or services to SDA.The amount not paid on behalf of SDA by SDM represents a receivable payable to SDA by SDM.

Invoices for services rendered to SDA by third parties is addressed to SDM (Municipality) and paid for by SDM (Municipality).

11. Employee related costs

Basic	3 396 173	2 477 356
Bonus	140 785	88 891
Medical aid - company contributions	139 662	123 023
UIF	8 906	7 262
Telephone allowance	9 995	-
SDL	36 340	25 397
Long-term service award	109 027	-
Travel, motor car, accommodation, subsistence and other allowances	437 903	219 702
SALGBC levy	287	273
Pension fund	442 818	372 187
Acting allowance	9 966	-
Accrued leave	181 785	229 712
	4 913 547	**3 543 803**

12. Administrative expenditure

Board fees	517 520	441 062

13. Depreciation and amortisation

Property, plant and equipment	40 663	29 461

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
14. Impairment loss		
Property, plant and equipment	3 030	-
15. Auditors' remuneration		
Fees	562 071	510 398
16. Debt impairment		
Debt impairment	17 298 016	-
17. General expenses		
Advertising	365 693	146 099
Auditors remuneration	562 071	510 398
Bank charges	1 967	1 625
Consulting and professional fees	715 262	784 846
Travel - local	1 918	34 232
Accommodation	161 698	556 805
Property rates	1 648	-
Repairs and maintenance	365 620	-
Catering	320 674	467 884
	2 496 751	**2 501 889**
18. Cash (used in) generated from operations		
(Deficit) surplus	(13 090 771)	4 372 405
Adjustments for:		
Depreciation and amortisation	40 663	29 461
Impairment deficit	3 030	-
Debt impairment	17 298 016	-
Changes in working capital:		
Other receivables from non-exchange transactions	(4 314 685)	(5 498 840)
Payables from exchange transactions	61 780	1 139 865
	(1 967)	**42 891**

19. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At amortised cost	Total
Vat receivable	80 774	80 774
Cash and cash equivalents	848 107	848 107
	928 881	**928 881**

2024

Financial assets

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

19. Financial instruments disclosure (continued)

	At amortised cost	Total
Government grant and subsidies receivable	12 960 674	12 960 674
Vat receivable	103 432	103 432
Cash and cash equivalents	850 074	850 074
	13 914 180	**13 914 180**

20. Contingencies

Civil proceedings have commenced against the entity's previous employees concerned to recover an amount of R341 981 as a result of material losses incurred in the previous year. SDA has opened a criminal case with SAPS commercial crime unit Polokwane with an endeavor to recover the monies from the previous employee. The agency will continue to pursue the matter with SAPS. According to the entity's legal advisors, it is probable that the proceedings will result in the recovery of the full amount. There are investigations under way for this matter and as at year end it had not been concluded.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

21. Related parties

Relationships	
Controlling entity	Sekhukhune District Municipality
Members of key management	Ms Mantwa Makanyane (Resigned on 28 February 2025) Mrs Nancy Rampedi (appointed 06 March 2025 and ressigned on 30 April 2025)
Members of Board	Tshabedi Serote (Chairperson of Board) Tladi Ditshego (Appointment date 26 August 2023) Kgopelo Phasha (Appointment date 26 August 2023) Mathabo Mosia (Appointment date 26 August 2023) Akani Baloyi (Appointment date 26 August 2023)

Related party balances

Grants received from related parties		
Sekhukhune District Municipality	12 178 756	10 814 935
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Sekhukhune District Municipality	-	12 960 673
Debt impairment related to outstanding balances with related parties		
Sekhukhune District Municipality	17 298 016	-

Services in kind

The Agency has received the following services from the parent municipality
Payroll services
SCM services
Office space including the use of Municipal furniture
IT services
Audit committee services
HR services and Internal audit and Risk management services

SDA does not pay for these services and these services are are significant to its operations and/or service delivery objectives.

Due to the uncertainties surrounding these services in-kind, including the ability to exercise control over the service, and measuring the fair value of the services, SDA not required to recognise services in-kind

The parent Municipality is invoiced for expenses relating to SDA and settles the invoice using the allocated grant to SDA.

Key management information

Notes to the Annual Financial Statements

Figures in Rand

21. Related parties (continued)

Remuneration of management

Management class: Board members

2025

Name	Basic salary	SDL and UIF	Pension	Medical	Total
Ms Mantwa Makanyane (Resigned on 28 February 2025)	855 557	8 876	89 782	32 668	986 883
Mrs Nancy Rampedi (appointed 06 March 2025 and ressigned on 30 April 2025)	462 032	5 326	-	-	467 358
	1 317 589	**14 202**	**89 782**	**32 668**	**1 454 241**

2024

Name	Basic salary	SDL and UIF	Pension	Medical	Total
Ms Mantwa Makanyane (Appointment 19 October 2023)	762 174	8 474	80 294	24 491	875 433

Board of directors

2025

Name	Sitting fees	Allowances	Total
Tshabedi Serote	126 262	-	126 262
Tladi Ditshego	125 677	2 088	127 765
Mathabo Mosia	115 612	-	115 612
Akani Baloyi	147 881	-	147 881
	515 432	**2 088**	**517 520**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

21. Related parties (continued)

2024

Name	Sitting fees	Allowances	Total
Tshabedi Serote	114 073	1 300	115 373
Tladi Ditshego	111 184	1 908	113 092
Malhabo Mosia	110 797	-	110 797
Akani Baloyi	94 910	2 273	97 183
Geoffrey Mariri	4 616	-	4 616
	435 580	**5 481**	**441 061**

22. 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

2024

	Note	As previously reported	Correction of error	Restated
Other payables	1,2	-	(47 070)	(47 070)
Trade payables	3	(891 651)	(72 735)	(964 386)
Accumulated surplus	2	(8 974 801)	15 000	(8 959 801)
		(9 866 452)	**(104 805)**	**(9 971 257)**

Statement of financial performance

2024

	Note	As previously reported	Correction of error	Restated
General expenses - Advertising	3	73 364	72 735	146 099
Employee related costs - travel, motor car, accomodation, subsistence and other allowances	1	187 632	32 070	219 702
Surplus for the year		**260 996**	**104 805**	**365 801**

Notes

The following prior period errors adjustments occurred:

Prior period error note 1

Travel allowance for June 2024 was not accounted for as an accrual and an expense for the 2023/24 financial year, employee related costs were therefore understated by an amount of R32 070 and Other payables were understated by the same amount.

Prior period error note 2

Covid allowances relates to allwances for work performed during covid and the allowances were not accounted for in the prior period erraneosuly. Accumulated surplus was therefore overstated by R15 000 and other payables was understated by the same amount.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

22. Prior-year adjustments (continued)

Prior period error note 3

Advertising expenses relating to prior year were incorrectly omitted from the advertising expense item.We resolved the prior period error by restating the prior year expense amount and adjusting the trade payables as the amount was not paid as at the year end.

23. Risk management

Liquidity risk

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

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, 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.

24. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality.

25. Events after the reporting date

Dr Rosa was appointed as the CEO of SDA as from 1 August 2025

26. Fruitless and wasteful expenditure

Opening balance as previously reported	460 000	460 000
Add: Fruitless and wasteful expenditure identified - current	190 500	-
Closing balance	**650 500**	**460 000**

An allegation was raised in the media in regards to a payment of R460 000 which came as a result of a court judgement which had compelled the municipal entity to pay the amount to a complainant on the 20th of August 2020. The matter is still under investigation by the Financial Misconduct Board and hadn't been finalised as at the date of these financial statements.

27. Irregular expenditure

Opening balance as restated	2 027 252	1 268 232
Add: Irregular expenditure - current		759 020
Add: Irregular expenditure - prior period		
Closing balance	**2 027 252**	**2 027 252**

Cases under Investigation

This matter is still being investigated by the Financial Misconduct Board and hasn't been finalised as at the date of these financial statements.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

28. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Amount paid - current year	562 071	510 398

Pension and Medical Aid Deductions

Amount paid - current year	582 480	495 210

29. Segment information

General information

Identification of segments

Management assessed the requirements of Segment reporting GRAP 18 and concluded the following: SDA does not have an activity 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.

30. Budget differences

Material differences between budget and actual amounts

30.1 In the current year SDA had two resignations The CEO and the Finance Manager resigned resulting in the reduction of costs compared to what was budgeted for.

30.2 More meetings than initially planned were held to determine the suitability of the CEO to hold the position of the CEO and if the actions/conduct of the CEO were proper.

30.3 More assets were written off in the current year due to damage hence impaired rather than depreciated.

30.4 Assets were impaired in the current year and this was a result of damage of the assets.

30.5 Debt owed by the SDM (Parent Municipality) has significant doubts in regards to the collectibility thereoff.

30.6 Less activities for the Agency were performed as compared to what was initially budgted for.

30.7 There was no budget in the current year however SDA spent funds to improve the fixed assets in preparation of IMSSA games held on the 6th and 7th of June 2025.

Report of the auditor-general to the Limpopo Provincial Legislature and council on Sekhukhune Development Agency

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Sekhukhune Development Agency 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, cashflow statement and statement of comparison between budget and actuals 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 Sekhukhune Development Agency as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA).

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 Municipal Entity 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 matters

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

7. As disclosed in note 22 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 16 to the financial statements, debt impairment of R17 298 016 (2023-2024: R0) was incurred.

9. As disclosed in note 27 to the financial statements, irregular expenditure of R2 027 252 that was incurred in the previous years was still under investigation/ was not investigated.

10. As disclosed in note 26 to the financial statements, fruitless and wasteful expenditure of R650 500 that was incurred in the previous years was still under investigation/ was not investigated.

Other matter

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

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

Responsibilities of the accounting officer for the financial statements

13. 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 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.

14. In preparing the financial statements, the accounting officer is responsible for assessing the entity'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 entity 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

15. 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.

16. 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 8, forms part of my auditor's report.

Report on the annual performance report

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected material performance indicators presented in the annual performance report. The Accounting Officer is responsible for the preparation of the annual performance report.

18. I selected the following material performance indicators related to Local economic development and job creation presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of engagements with the Sekhukhune District Municipality on the implementation of the outdoor energy storage units facilitated

- Number of engagements facilitated between the entity and the Sekhukhune District Municipality to sign the Power Purchase Agreement
- Number of grant applications to Sector Education and Training Authority (SETA's) and National Student Fund (NSF) facilitated
- Number of engagements towards the establishment of Transport Planning and Management Function held
- Number of engagements facilitated with the Sekhukhune District Municipality for the approval of Integrated Transport Plan
- Number of De Hoop Resource Management Plan (RMP) activities identified for implementation and public participation facilitated
- Number of engagements on transfer of title deed for erf 488 to the entity from the Sekhukhune District Municipality facilitated
- Number of branding and marketing activities conducted
- Number of tourism awareness and marketing activities conducted

19. 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 entity's planning and delivery of its mandate and objectives.

20. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the Municipal Entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and 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 what was 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

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

22. I did not identify any material findings on the reported performance information for the selected indicators

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

25. The table that follows provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 5 to 6.

Local economic development and job creation

Targets achieved: 33% *Budget spent: 41%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of engagements with SDM on the implementation of the Outdoor Energy Storage Units facilitated	4 engagements with SDM on the implementation of the Outdoor Energy Storage Units facilitated	1 engagement with SDM on the implementation of the Outdoor Energy Storage Units facilitated
Number of engagements between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated	4 engagements between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated	1 engagement between SDA and SDM to sign PPA (Power Purchase Agreement) facilitated
Number of engagements towards the establishment of Transport Planning and Management Function held	4 engagements towards the establishment of Transport Planning and Management Function held	1 engagement towards the establishment of Transport Planning and Management Function held
Number of engagements with SDM for the approval of ITP facilitated	4 engagements with SDM for the approval of ITP facilitated	3 engagements with SDM for the approval of ITP facilitated

Number of De Hoop Resource Management Plan (RMP) activities identified for implementation and public participation facilitated	1 De Hoop Resource Management Plan (RMP) activities identified for implementation and 3 public participation facilitated	1 De Hoop Resource Management Plan (RMP) activities identified for implementation and public 2 participation facilitated
Number of Tourism awareness and marketing activities Conducted	2 Tourism awareness and marketing activities Conducted	0 Tourism awareness and marketing activities Conducted

Report on compliance with legislation

26. 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 entity's compliance with legislation.

27. 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.

28. 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 Municipal Entity, 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.

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

Annual financial statements and annual report

30. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

    Material misstatements of liabilities and disclosure items identified by the auditors in the submitted annual financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

31. Money owed by the municipal entity was not always paid within 30 days, as required by section 99(2)(b) of the MFMA.

Procurement and contract management

32. The performance of a provider was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

Strategic planning and budgeting

33. A mid-year performance assessment was not performed by the accounting officer by 20 January, as required by section 88(1)(a) of MFMA.

Consequence management

34. Some of the irregular, fruitless and wasteful expenditure incurred by the entity were not properly investigated to determine if any person is liable for the expenditure, as required by municipal budget and reporting regulations 75(1).

Other information in the annual report

35. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected financial statements and the procedures performed on reported performance information for selected material performance indicators presented in the annual performance report that have been specifically reported on in this auditor's report.

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

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

38. 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

39. 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.

40. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

41. The accounting officer did not adequately review the financial statements prior to submission for audit resulting in material misstatements identified during the audit.

42. The accounting officer did not adequately review and monitor compliance with applicable laws and regulations.

43. The accounting officer did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

44. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls within the current financial year.

Other reports

45. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

46. The entity paid an amount of R460 000 in the previous financial year as a result of a court judgement. A preliminary investigation was conducted by the financial misconduct board to determine the factual correctness of the allegations into the unlawful and/or improper conduct. The preliminary investigation recommended council to approve a full investigation into the matter. An investigation is currently being conducted by the financial misconduct board to determine if there are any parties that can be held liable. The investigation was still in progress at the conclusion of the audit report.

Auditor - General
Polokwane

27 November 2025

AUDITOR-GENERAL
SOUTH AFRICA

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 skepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional skepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the Municipal Entity'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 Municipal Entity'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 Municipal Entity 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 Municipal Entity 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:

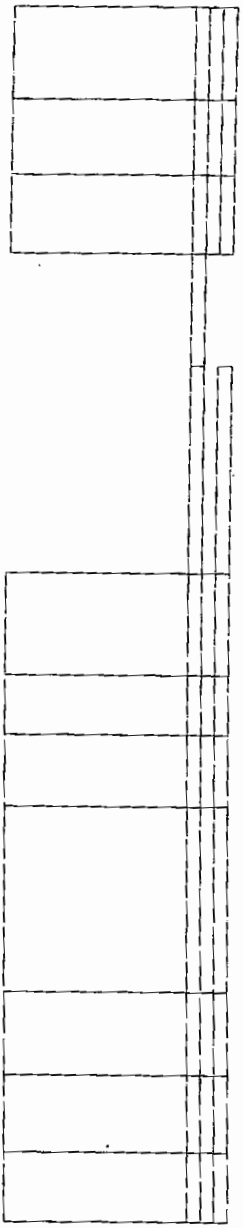
Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 87(5)(b), 87(5)(d), 87(5)(d)(i), 87(5)(d)(iii), 87(6)(c), 87(8), 88(1)(a),95(d), 97(e), 97(f), 97(h), 97(i), 99(2)(a), 99(2)(b), 99(2)(c), 102(1), 102(2)(a), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 122(1), 126(2)(b), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 172(3)(a), 172(3)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 73(1)(a), 73(1)(b), 73(2)(a), 73(2)(b), 73(2)(d), 75(1), 75(2)
MFMA: Municipal Investment Regulations, 2005	
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2005	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)
Companies Act 71 of 2008	Sections: 46(1)(a), 46(1)(b), 46(1)(c)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Municipal Systems Act 32 of 2000	Section: 93B(a), 93C(a)(iv)
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)

No COMAF	COMAF No:	CATEGORY/ KEY AREA	Component	Audit finding	Impact on MR	Impact on AR	Status	Action to address the audit	Root cause	Responsible person	Target period	Progress
1	1	Non-compliance and internal control deficiency	Non-compliance with the Municipal Finance Management Act (MFMA)	We identified that the entity did not submit the mid-year assessment report by the 20th of January to board and the parent municipality.	Yes	Yes	Resolved	Accounting Officer should regularly review and monitor compliance with applicable laws and regulations and ensure that the mid year assessment report is submitted to the board and parent municipality by the 20th of January each year	Accounting Officer did not review and monitor compliance with applicable laws and regulations to ensure that the mid year assessment report is submitted to the board and parent municipality by	Company Secretary	31 January 2026	The mid -year assessment reports were submitted to the parent municipality and the board member before the 20th of January
2	2	Non-compliance with MFMA	Reporting and Compliance	We identified that the accounting officer of a municipal entity did not submit to the accounting officer of the parent municipality a statement in the prescribed format on the state of the entity's budget reflecting the particulars for that month and for the financial year up to the end of that month within than seven working days after the end of each month.	Yes	Yes	Resolved	Accounting Officer should regularly review and monitor compliance with applicable laws and regulations and ensure that a statement in the prescribed format on the state of the entity's budget reflecting the required particulars for that month and for the financial year up to the end of that month is submitted to the accounting officer of the parent municipality by no later than seven working days after the end of each month.	Accounting Officer did not review and monitor compliance with applicable laws and regulations to ensure that a statement in the prescribed format on the state of the entity's budget reflecting the	Acting Finance Manager	31 December 2025	Monthly reports are being prepared in the prescribed format and submitted to the parent municipality in line with the MFMA section 87
3	3	Non-compliance with MFMA	Reporting and Compliance	We identified that the accounting officer of a municipal entity did not submit to the accounting officer of the parent municipality a statement in the prescribed format on the state of the entity's budget reflecting an explanation of any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the entity's approved budget for that month and for the financial year up to the end of that month by no later than seven working days after the end of each month. We farther identified that the entity utilized operational budget for capital expenditure.	Yes	No	Resolved	Accounting Officer should regularly review and monitor compliance with applicable laws and regulations and ensure that a statement in the prescribed format on the state of the entity's budget reflecting an explanation of any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the entity's approved budget for that month and for the financial year up to the end of that month is submitted to the accounting officer of the parent municipality by no later than seven working days after the end of each month.	Accounting Officer did not review and monitor compliance with applicable laws and regulations to ensure that a statement in the prescribed format on the state of the entity's budget reflecting an explanation of any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the entity's approved budget for that month and for the financial year up to the end of that month is submitted to the accounting officer of	Acting Finance Manager	31 December 2025	Monthly reports are being prepared in the prescribed format and submitted to the parent municipality in line with the MFMA section 87

4	4	Non-compliance with MFMA	Reporting and Compliance	Municipal Budget & reporting reg 76 states that: (1) The board of directors of a municipal entity must on discovery of any irregular or fruitless and wasteful expenditure incurred by the entity investigate the recoverability of such expenditure.	Yes		Not Resolved	The board should exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls by ensuring that on the discovery of any irregular or fruitless and wasteful expenditure incurred by the entity it investigates the recoverability of such expenditure.	The board did not exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls by ensuring that on the discovery of any irregular or fruitless and wasteful expenditure incurred by the entity it	Acting Finance Manager , Company Secretary and Acting CEO	30 June 2026	In progress is pending to serve to council.
6	6	Non-compliance with MFMA	Expenditure	Suppliers were not paid within 30days of receiving invoices.	Yes	Yes	Not Resolved	Accounting Officer should regularly review and monitor compliance with applicable laws and regulations and ensure that payments to suppliers are made within 30 days of receipt of invoice	Accounting Officer did not review and monitor compliance with applicable laws and regulations to ensure that payments to suppliers are made within 30 days of receipt of invoice.	Acting Finance Manager and Acting CEO	30 June 2026	In progress, Currently all invoices are monitored and followed up until the payment process.
7	7	Non-compliance with MFMA	Supply Chain Management	We identified that the winning supplier documents indicated the specific points of 20 points with regards to BBBEE while the evaluation reported evaluated the suppliers using specific point of 20 relating to HDI not BBEEE. Furthermore, the evaluation report did not have the approval date, therefore it was not confirmed whether the final decision on which quotation to accept was made by an appropriately delegated official or committee.	Yes	Yes	Not Resolved	Accounting Officer should regularly review and monitor compliance with applicable laws and regulations and ensure that irregular expenditure is prevented.	Accounting Officer did not review and monitor compliance with applicable laws and regulations to ensure that that irregular expenditure is prevented	Acting Finance Manager	30 June 2026	In progress
8	8	Non-compliance with MFMA	Reporting and Compliance	We identified that the contract entered with TJ Rasimeni Chartered Accountants was not monitored on monthly basis.	Yes	Yes	Not Resolved	All service providers rendering a service are to be monitored	Accounting Officer did not review and monitor compliance with applicable laws and regulations in monitor monthly the performance of the contractor under the agreement.	Acting Finance Manager	31 January 2026	In progress,developed an assessment tool and ready for implementation

10	10	Non-compliance with MFMA	APR	The municipal entity did not achieve majority of the performance targets set out in the approved Service Delivery and Budget Implementation Plan (SDBIP) for the financial year under review. The actual performance reported for key indicators was below the planned annual and quarterly targets, indicating that the entity did not fully meet its service delivery and operational objectives. We identified that only 3 out of 14 targets were achieved, this equates to 21% achievement of target. We further noted there were no performance agreements in place with management	Yes	Yes	Not Resolved	The Board should ensure that: - Performance monitoring is strengthened through regular tracking of SDBIP targets and quarterly variance analysis. - Corrective action plans are developed and implemented promptly when performance deviates from targets. - Resource allocation and project planning are improved to align with service delivery requirements. - Critical vacancies affecting service delivery are filled urgently. - Performance accountability mechanisms are enforced in accordance with MFMA, performance agreements, and PMS policies.	The board did not exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls and ensure the SDBIP targets are met within the stipulated timeframe. - Inadequate monitoring of performance and failure to implement corrective measures in a timely manner. - Insufficient operational	Project Manager	30 June 2026	In progress. Currently for Q1 is 83% and Q2 is 100% overall mid-term is 92% targets achieved.
14	14	Non-compliance with MFMA	Supply Chain Management	Municipal Supply Chain Management Regulations 2005 36(2).The accounting officer must record the reasons for any deviations in terms of sub regulation (1)(a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements. We identified that the deviation below was not disclosed in the financial statements and we further noted that it was not reported to the board.	Yes	Yes	Not Resolved	Accounting officer should prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Accounting officer did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Acting CEO	30 June 2026	In progress
15	15	Non-compliance with MFMA	Non-compliance with MFMA	In terms of Municipal Finance Management Act (MFMA) section 95 states that, The accounting officer of a municipal entity is responsible for managing the financial administration of the entity, and must for this purpose take all reasonable steps to ensure (b) that full and proper records of the financial affairs of the entity are kept . We identified discrepancies in the recalculation of board fees. Additionally, we noted that the entity applied commission rates for board and committee rates for other board-	Yes	Yes	Not Resolved	Accounting officer should prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Accounting officer did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Company Secretary	30 June 2026	We have engaged with National Treasury on the rates and currenly developing a policy in line with the National Treasury guideline.
18	18	Non compliance with MFMA	Internal controls deficiency	We identified that the bank reconciliations were not performed by the entity on monthly basis.	Yes	Yes	Resolved	The Entities bank recon to be preformed monthly	The accounting officer did not implement controls over daily and monthly processing and reconciling of transactions	Acting Finance Manager	31 January 2026	The monthly Bank reconciliations are being preformed

19	TB	Non-compliance with MFMA	Non-compliance with MFMA	The accounting policy for property, plant and equipment includes references to the revaluation model and revalued amounts. However, during the audit it was noted that no PPE assets are carried at revalued amounts, and the entity applies the cost model for all classes of PPE.	Yes	Yes	Not Resolved	Accounting officer should implement adequate controls to ensure that accounting policies are reviewed, updated, and aligned with the entity's actual financial reporting practices.	Accounting officer did not implement adequate controls to ensure that accounting policies are reviewed, updated, and aligned with the entity's actual financial reporting practices. The inclusion of references to the revaluation model in the PPE accounting policy, despite the entity not applying this model, indicates a lack of effective controls over the preparation and review of financial statement disclosures.	Acting Finance Manager	30 June 2026	It will be addressed by the AFS



SEKHUKHUNE DEVELOPMENT AGENCY

Ignite • Inspire • Invest

Annual Performance Report

2024/2025 Financial Year

INDEX

1. Legislative Mandate
2. SDA non-executive board members
3. 2024/20245 Summary Service Delivery and Budget Implementation Plan (SDBIP) Performance
4. 2023/2024 SDBIP Performance
5. Performance of Service Providers for 2024/2025
6. Measures to improve performance.
7. Revenue Generating Project
8. Conclusion
9. Approval

1. LEGISLATIVE MANDATE

The Annual Performance Report (APR) for Sekhukhune Development Agency for the financial year 2024/2025 has been prepared in compliance with the provisions of the Local Government Municipal Finance Management Act which provides as follows:

Section 121 (3) (c) of the Local Government Municipal Finance Management Act, 2003 (Act no. 56 of 2003)

"The annual report of the municipality must include the annual performance report prepared by the municipality/municipal entity in terms of section 46 of the municipal Systems Act"

Section 46 (1) of the Local Government Municipal Systems Act, 2000

"a municipality/municipal entity must prepare for each financial year an annual report consisting of-

(a) a performance report reflecting-

(i) the municipality/municipal entity's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year

(ii) the development of service delivery priorities and performance targets set by the municipality/municipal entity for the following financial year, and

(iii) measures that were or are to be taken to improve performance.

Sekhukhune Development Agency (SDA) is 100% owned by the Sekhukhune District Municipality and as a municipal entity, it is also required to comply with the basic requirements of the Local Government Municipal Systems Act 32 of 2000 read together with the provision of the Local Government Municipal Finance Management Act of 2003. The SDA has therefore also prepared its annual performance report in terms of the same guidelines and law provided for by the two above mentioned legislative provisions.

It should be noted that Sekhukhune Development Agency does not have its own Performance Management Unit and has an agreement with the parent municipality to utilise the performance management unit of the parent municipality for planning, monitoring and evaluation of its performance alongside code of good practices provided for in the King IV Report on Good Corporate Governance.

2. **SDA NON-EXECUTIVE BOARD MEMBERS**

- Mr Tshabedi Serote (Chairperson)
- Mr Tladi Ditshego
- Mr Kgopelo Phasha
- Ms Akani Baloyi
- Ms Mathabo Mosia

3. Summary of 2024/2025 Service Delivery and Budget Implementation Plan (SDBIP) Performance

The Sekhukhune Development Agency (SDA) had a total of **14** performance targets set for the 2024/2025 financial year. Of these, only **3** targets were achieved, reflecting a performance achievement rate of **21%**, while **11** targets remained unmet.

The Agency was allocated an overall budget of **R12,178,756.00**, of which **R7 954 838.56** was spent by year-end. This resulted in a budget variance of **R4 223 917.44**, inclusive of employee costs, translating to an expenditure performance of **65%**.

The underperformance during the reporting period was largely attributed to leadership instability. As a result, annual performance reflects a decline, primarily driven by leadership gaps. This regression underscores operational and leadership challenges that substantially impacted the Agency's delivery capacity and overall annual performance.

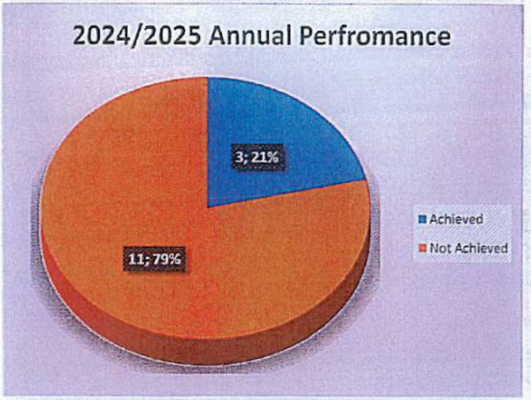
Going forward, the Agency has prioritised the stabilisation of leadership, the strengthening of governance oversight, and the resumption of suspended

strategic activities to improve service delivery performance in the 2025/2026 financial year.

In comparison, for the 2023/2024 financial year, the agency had planned **9** targets, achieving **5** and not achieving **4**, resulting in a **55%** success rate.

TABLE 1: Comparison of performance for 2023\2024 and 2024\2025

SEKHUKHUNE DEVELOPMENT AGENCY	NUMBER OF SET TARGETS	NUMBER OF ACHIEVED TARGETS	NUMBER OF TARGETS NOT ACHIEVED	% ACHIEVED
2023/2024 ANNUAL PERFORMANCE	9	5	4	55%
2024/2025 ANNUAL PERFORMANCE	14	03	11	21%



Outlined in the table below are 4 targets Not Achieved with challenges and remedial actions for 2024/2025 Financial Year.

TARGET NOT ACHIEVED	CHALLENGES	REMEDIAL ACTION
Engagements with SDM on the implementation of the Outdoor Energy Storage Units	Engagement between the Sekhukhune Development Agency (SDA) and the Sekhukhune District Municipality (SDM) to sign the Power Purchase Agreement (PPA) could not be facilitated due to operational and leadership challenges. This significantly affected the Agency's delivery capacity and overall year-end performance	SDA will reinitiate the consultation process with SDM to ensure all concerns and legal requirements related to the PPA are adequately addressed.
Outdoor Energy Supply Units Power Purchase Agreement	Engagement between the Sekhukhune Development Agency (SDA) and the Sekhukhune District Municipality (SDM) to sign the Power Purchase Agreement (PPA) could not be facilitated due to operational and leadership challenges. This significantly affected the Agency's delivery capacity and overall year-end performance	SDA will reinitiate the consultation process with SDM to ensure all concerns and legal requirements related to the PPA are adequately addressed.
Sekhukhune District Integrated Transport Plan (ITP)	The planned engagement with the Sekhukhune District Municipality (SDM) for the approval of the Integrated Transport Plan (ITP) could not be facilitated due to delays in the finalization of the ITP by the consultant appointed by the National Department of Transport (AMCE). The delays stemmed from unresolved	The matter has been escalated to the National Department of Transport to urgently resolve the outstanding issues with the appointed consultant

	bottlenecks and communication challenges between the consultant and the Department, which hindered progress on the ITP development and, consequently, the approval process.	
Implementation De Hoop RMP	The planned public participation in the implementation of the De Hoop Resource Management Plan (RMP) was not facilitated due to the unavailability of the Acting CEO. According to organizational directives, all related events and engagements were put on hold pending the establishment of appropriate leadership arrangements.	Interim leadership arrangements will be expedited to ensure continuity of operations. Once a suitable acting or permanent CEO is appointed or designated, a revised schedule for public participation activities will be developed and implemented to resume the De Hoop RMP processes. Stakeholders will be engaged to ensure alignment and minimize further delays.
Review Sekhukhune Development Agency Establishment and operating By-Law	The adoption and approval of the SDA Establishment and Operating By-Law was not reviewed during the fourth quarter. This was due to the board's resolution taken in the third quarter, which concluded that there was no urgent need to amend the by-law at this stage. As a result, no further engagements or actions were undertaken on this KPI during the reporting period.	The SDA will monitor any future developments, policy shifts, or operational challenges that may necessitate a review of the by-law.
Branding and marketing	Branding and marketing events could not be conducted due to operational and leadership challenges. This significantly affected the Agency's	Once a permanent or formally delegated leadership structure is in place, the branding and marketing event schedule will be revisited

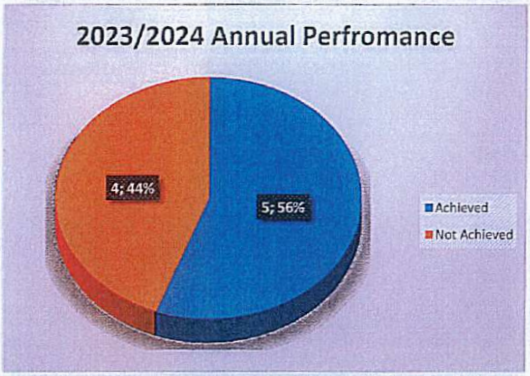
	delivery capacity and overall year-end performance	and re-aligned with organizational priorities
MSCOA compliant Financial System	The system is inactive as SDA awaits final cloud activation from the service provider, BCX. The delay has hindered the ability to generate financial and regulatory reports, as well as to utilize other core functionalities of the mSCOA system.	The SDA is maintaining close communication with BCX to ensure adherence to the activation timeline, which is expected to begin on 1st July 2025
Institutional Policy Development	Institutional policy could not be developed due operational and leadership challenges, and this has impacted the organization's ability to formalize governance, compliance, and operational frameworks, potentially affecting overall institutional efficiency and accountability.	The SDA will engage with the parent municipality and board secretariat to explore alternative arrangements, such as appointing an Acting CEO or delegating interim authority, to enable the progression of urgent governance matters.
Facilitation of the annual SDA Strategic Planning Session	The SDA Technical Strategic Planning Session was successfully facilitated during the 3rd quarter. However, the Entity's Strategic Plan document could not be finalised due to the unavailability of the CEO, whose input and approval were essential to finalizing the document.	The Strategic Plan will be finalized once the CEO becomes available or an acting authority is appointed to provide the necessary input and endorsement.
Tourism route marketing	Tourism awareness and marketing activities could not be conducted due to operational and leadership challenges that significantly affected delivery capacity	The SDA will engage with the parent municipality to fast-track alternative delegations of authority or interim executive support to

	and annual year end performance	resume activities while awaiting the CEO's availability.

2023/2024 SERVICE DELIVERY AND BUDGET IMPLMENTATION PLAN (SDBIP) PERFORMANCE.

In the 2023/2024 financial year, Sekhukhune Development Agency had a total of 09 planned targets. Out of 09 targets, 05 were achieved and 04 were not achieved which represents 56% overall performance.

The figure below further illustrates the same scenario as depicted above:



4. **PERFORMANCE OF SERVICE PROVIDERS FOR 2024/2025**

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	REMARKS
VERVEEN ATTORNEYS	Land Transfer	4	Performance significantly above expectations
Adapt IT	CaseWare Training	4	Performance significantly above expectations
Ashcor Travels	Accommodation	4	Performance significantly above expectations
Vision Print	Printing Branding material	4	Performance significantly above expectations

Kdm travels	Accommodation	4	Performance significantly above expectations

5. MEASURES TO IMPROVE PERFORMANCE.

Measures to improve the performance of the Sekhukhune Development Agency (SDA) by developing its own policies, acquiring its own financial system, enhancing funding, and reviewing the Service Level Agreement (SLA) between the shareholder (Sekhukhune District Municipality, SDM) and the SDA

5.1 Developing SDA's Own Policies

Establish a framework of policies tailored to the unique needs and goals of the SDA to ensure consistent and effective operations.

5.2 Acquiring SDA's Own Financial System

Implement a robust financial management system to enhance financial operations, reporting, and accountability.

5.3. Enhancing Funding

Secure additional funding sources to support the agency's projects and initiatives.

5.4 Reviewing the Service Level Agreement (SLA) between SDM and SDA

Ensure the SLA between the SDM and SDA is aligned with current goals, expectations, and performance standards.

Implementing these measures will help the Sekhukhune Development Agency improve its performance through better policy development, financial management, funding enhancement, and a well-defined SLA with its shareholder.

6. REVENUE GENERATING PROJECT

6.1 Implementation of the De Hoop Resource Management Plan

The Sekhukhune Development Agency (SDA) has identified the De Hoop Dam and its surrounding land as a strategic asset with significant economic potential. Despite its size and importance, the resource remains largely underutilized.

The proposed implementation of the De Hoop Resource Management Plan aims to unlock this potential by developing sustainable revenue streams for the Agency while promoting local economic development. The project will focus on:

- Tourism and recreation opportunities, including eco-tourism, boating, fishing, cultural events, and hospitality.
- Land use and leasing for lodges, conferencing facilities, and recreational developments.
- Conservation and compliance measures to ensure long-term sustainability.

This initiative is expected to create jobs, empower local SMMEs and cooperatives, and position Sekhukhune as a competitive investment destination. Importantly, it will generate sustainable income for SDA beyond municipal transfers and grants

6.2 TO FACILITATE ENGAGEMENTS TOWARDS THE ESTABLISHMENT OF TRANSPORT PLANNING AND MANAGEMENT

To facilitate strategic engagements and collaborative efforts aimed at the establishment of a comprehensive Transport Planning and Management Unit within the Sekhukhune Development Agency (SDA) , through an Intergovernmental Authorization Agreement with the Limpopo Department of Transport and Community Service, as formalized in the signed Memorandum of Understanding (MOU).

7. CONCLUSION

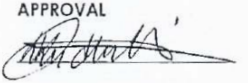
The 2024/2025 financial year was characterized by severe operational disruptions within the Sekhukhune Development Agency (SDA). The Agency's performance was negatively affected by a prolonged leadership vacuum following the resignation of the CEO, Acting CEO, and Finance Manager within a short period. This instability created uncertainty in governance, delayed decision-making processes, disrupted financial oversight, and weakened strategic direction. The absence of consistent executive leadership further constrained the Agency's ability to implement projects, secure stakeholder confidence, and achieve set performance targets in line with its Service Delivery and Budget Implementation Plan(SDBIP).

To address these challenges, the following remedial measures will be implemented:

- **Stabilisation of Leadership:** Urgent prioritisation of permanent appointments in key executive positions (CEO and FM) to restore governance, accountability, and strategic continuity.
- **Interim Support Measures:** Deployment of acting capacity with clear delegations of authority and accountability mechanisms to prevent operational paralysis.
- **Capacity Building & Staff Support:** Investment in management development and financial management capacity to strengthen institutional resilience against leadership disruptions.
- **Stakeholder Re-engagement:** Implementation of a structured stakeholder engagement and communication plan to rebuild confidence in the Agency's operations and project delivery capability.

In conclusion, the SDA is well-positioned to leverage these foundational changes to achieve its strategic objectives and continue making a meaningful impact on the community it serves.

APPROVAL



29/08/2025

Dr V Rosa Mdluli **DATE**

ACTING CHIEF EXECUTIVE OFFICER

Appendix A: Performance Rating for Service Providers

Level	Description	Rating
Level 5 **Outstanding performance**	Performance far exceeds the standard expected for the job in all areas of the project. The company has achieved exceptional results against all performance criteria and indicators specified in the service level agreement/contract and maintained this in all areas of responsibility throughout the year.	**5**
Level 4 **Performance significantly above expectations**	Performance is significantly higher than the standard expected for the job in all areas. The service provider has achieved above fully effective results against more than half of the performance criteria and indicators specified in the service level agreement /contract and fully achieved all others throughout the year	**4**
Level 3 **Fully effective**	Performance fully meets the standard expected for the job in all areas. The service provider has achieved effective results against all significant performance criteria and indicators specified in the service level agreement/contract and may have achieved results significantly above expectations in one or two less significant areas throughout the year	**3**
Level 2 **Performance not fully**	Performance is below the standard required for the job	**2**

satisfactory	in key areas. The service provider has achieved adequate results against many key performance areas and indicators specified in the service level agreement/contract but did not fully achieve adequate results against others during the course of the year. Improvement in these areas is necessary to bring performance up to the standard expected.	
Level 1 **Unacceptable performance**	Performance does not meet the standard required for the job. The service provider has not met one or more fundamental requirements and/or is achieving results that are well below the performance criteria and indicators in a number of significant areas of responsibility. The service provider has failed to demonstrate the commitment or ability to bring performance up to the level expected despite efforts to encourage improvement.	1

ANNEXURE E:

Audit Committee Report 2024/2025

REPORT OF THE AUDIT AND PERFOMANCE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2025

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

The purpose of this report is to communicate to the council the Audit and Perfomance Audit Committee's progress to date in carrying out its oversight responsibilities in terms of section 166 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003, as amended) (MFMA), read with circular 65 published and circular 127 of National Treasury for the year ended 30 June 2025.

The MFMA obligates each municipality to establish an independent Audit Committee, which must advise the Council of the Municipality , the political office bearers, accounting officer and management staff of the municipality as well as the accounting officer and the management staff of the municipal entity, on matters relating to internal financial controls and internal audits, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation, and any other issues referred to it by the municipality.

The Audit Committee mandated is also derived from its formal terms of reference, namely the audit committee charter which are annually reviewed and approved by the Council.

PERFORMANCE AUDIT COMMITTEE

The Sekhukhune District established a performance audit committee which comprises the members of the audit committee and has assigned the responsibilities of for the review and of the strategy (IDP), SDBIP and Individual performance to the performance audit as a subset of the audit committee, chaired by the one member of the audit committee

The mandate of the performance audit committee is derived from its terms of reference namely the performance audit committee charter, reviewed annually and approved by council, in compliance with section 14 of municipal systems act performance regulation of 2001 and the systems act regulations 805 of the performance of senior managers.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee was established in accordance with section 166 of the MFMA read with MFMA Circular 65 and Circular127 issued by the National Treasury. The Audit Committee charter requires that the Audit Committee to be constituted by a minimum of three members, of whom the majority must not be in the employ of the municipality.

The Audit Committee comprises five members in terms of section 166(4)(b) of the MFMA, which stipulates that the Audit Committee must meet at least four times a year.

During the financial year ended 30 June 2025, the Audit Committee met on 16 occasions for 8 (AC and PAC) Ordinary and 8 Special Meetings. The table below shows the attendance of these meetings:

NAME OF MEMBERS	STATUS	TOTAL NO.OF MEETINGS SCHEDULED	NO. OF MEETINGS ATTENDED
Mr. S Mofokeng	Audit Committee Chairperson	16	16
Ms. S Ngoetjana	Member	16	16
Adv. L Thubakgale	Member	16	16
Mr. V Manyisane	Member	16	16
Mr. M Mathabathe	Member	16	15

AUDIT COMMITTEE'S RESPONSIBILITY

The Audit Committee extended responsibilities which extends to the performance audit committee has complied with its responsibilities arising from section 166 of the MFMA read with MFMA Circular 65,127 and in compliance with section 14 of municipal systems act performance regulation of 2001 and the systems act regulations 805 of the performance of senior managers, reports that it operated in terms of the Audit Committee charter read in conjunction with the Internal Audit Charter.

RISK MANAGEMENT

The Audit Committee is responsible for the oversight and assurance of the risk management function. The Risk Management committee reports to the audit committee on the municipality's management of risk and the internal controls and the effectiveness thereof.

To ensure that the Risk Management committee understands the requirements of the Audit Committee, a member of the Audit Committee currently serves as the acting Risk Management committee Chairperson.

During the year under review the audit committee raised concerns with the risk function being understaffed, which may compromise functionality and effectiveness of the function the if the capacity issues are not addressed. The committee has reviewed the risk register and the reports from the risk committee and is generally satisfied with the maturity of the risk management process.

INTERNAL AUDIT

The Audit committee:

- Reviewed and approved the annual Internal Audit plans and evaluated the independence, effectiveness and performance of the internal audit function.
- Considered the reports of the Internal Auditors on the municipality's systems of internal control.
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto.

The audit committee has recommended that Internal Audit should assess its readiness conduct external quality assessments, by conducting a peer review owing to the

introduction of the new IIA Global standards on internal Audit, which came into effect in January 2025.

The Committee further recommend that management must enhance the capacity of Internal Audit.

COMBINED ASSURANCE

The Audit committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that these were adequate to address all significant risks facing the municipality.

EFFECTIVENESS OF INTERNAL CONTROL

The Audit Committee acknowledges management's efforts to strengthen internal controls in the municipality. The Audit Committee is concerned that in certain instances the matters reported by the external auditors and the internal audit function in prior years have not been fully and satisfactorily addressed. Management has given assurance that effective corrective action will be implemented in respect of all internal control weaknesses, and the Audit Committee will monitor these going forward.

Vacancies in Budget and Treasury Office and Infrastructure and Water Services undermine the effective functioning of the system of internal control and it is imperative that management reviews its recruitment procedures and processes to ensure that vacancies are filled expeditiously with properly qualified, skilled and experienced personnel.

The municipality has adopted anti-corruption measures to curb the magnitude of fraud and corruption. The Audit Committee is not completely satisfied with the prevention of fraud, and these concerns have been raised with management. The Audit Committee has requested that a detailed fraud prevention plan and progress reports on the action plans for addressing the fraud risks be tabled at each quarterly meeting of the Audit Committee.

INFORMATION COMMUNICATION TECHNOLOGY (ICT)

Due to the strategic importance of, and investment in, the modernisation of information and communication technology (ICT) in the municipality, the audit committee has monitored the risk register and progress reports on the respective action plans during the year under review. although the audit committee noticed significant improvements with management of the ICT risk, the committee however remains concerned that not all municipal budget reporting regulations. ICT risks are being addressed or mitigated adequately.

THE QUALITY OF MONTHLY AND QUARTERLY REPORTS SUBMITTED IN TERMS OF THE MFMA AND DORA

The Audit Committee is satisfied with the efforts of the accounting officer and the CFO with the preparation, content and quality of monthly and quarterly reports prepared and issued during the year under review in compliance with the municipal budget reporting regulations.

The Audit Committee has recommended that the municipality prepare interim financial statements that comply with Standards of Generally Recognised Accounting Practice (GRAP), which could assist in performing reconciliations timeously as well as in eliminating year-end adjustments. Additional they have requested AG(SA) and other stakeholders to review the interim AFS.

EVALUATION OF THE FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements.
- Reviewed the AGSA management letter and responses thereto
- Reviewed compliance with legal and regulatory provisions
- Reviewed significant adjustment resulting from the audit process;
- Reviewed the Audit report

Except for the matters identified by the external auditors in the auditor's report, the Audit Committee is comfortable that the Annual Financial Statements have been prepared in terms of GRAP and the MFMA.

We concur with and accept the Auditor General South Africa report on the annual financial statements and are of the opinion that the audited annual financial statement be accepted and read together with the report of the Auditor General South Africa.

EVALUATION OF THE FINANCE FUNCTION

The Audit Committee applauded Management in preparing the Annual Financial Statements in house and further recommend that management provide with Finance capacity assessment report.

PERFORMANCE MANAGEMENT

Part of the responsibilities of the Audit Committee includes the review of performance management.

The Audit Committee has in terms of the performance of the municipality performed the following functions:

- Review and comment on compliance with statutory requirements and performance management best practices and standards.
- Review and comment on the alignment of the integrated development plan, budget, service delivery and budget implementation plan and performance agreements.
- Review and comment on the relevance of indicators to ensure that they are measurable and relate to services performed by the municipality and its entities.

- Review of compliance with in-year reporting requirements.
- Review of the quarterly performance reports submitted by the internal audit function. • Review and comment on the municipality's performance management system and making recommendations for its improvement.

The Audit Committee is satisfied that the performance report has been prepared in terms of the MFMA, MSA and the related Regulations.

The Audit Committee has engaged with management to remedy shortcomings, especially relating to the reports on performance against predetermined objectives. The committee has recommended that specific process be implemented to ensure that the information reported is both useful and reliable in terms of the applicable reporting framework.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Audit Committee considered reports provided by management, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements and concluded that the municipality did not fully comply with the enabling laws and regulations as well as its municipality policies and standard operating procedures, especially in the areas of addressing the expenditure management, Procurement and Contract Management, Consequences management, strategic planning and budgeting quality of annual financial statement ,Perfomance and annual report.

AUDITOR GENERAL OF SOUTH AFRICA

The Audit Committee concurs with and accepts the conclusion and audit opinion of the external auditors on the annual financial statements. The committee is of the view that the audited financial statements be accepted and read together with the report of the external auditors.

The Audit Committee confirms that it has been actively involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

The Audit Committee also concurs with the material findings on the reported performance information and compliance with legislations. The committee is comfortable that given the implementation of effective and efficient controls, these matters should be adequately dealt with in future periods.

The external audit function, performed by the Auditor General South Africa is independent of the entity.

The Audit Committee has met with the external auditors to ensure that there are no unresolved issues and acknowledges the diligence and cooperation of the external audit team.

EVALUATION OF ANNUAL PERFORMANCE REPORT

Following the review by the Audit Committee of the annual performance report for the year ended 30 June 2025 and after the audit, the committee is of the view that, draft annual performance report fairly presents the non-financial performance of the municipality for the year under review and can be incorporated into the annual report, with exception of areas raised by AGSA.

AUDIT COMMITTEE RECOMMENDATIONS.

Management has accepted the recommendation of the audit committee including recommendations on the in-year, midyear and annual reviews on reports tabled by management, performance management and finance, including the reviews of internal audit from its risk audit plan.

Management has also committed to develop a key commitment framework for the outer year, which will be reviewed quarterly by the audit committee as part of the OPCA process and reported to council.

REPORTING TO COUNCIL

The Audit and Performance Audit Committee provide quarterly reports to the Municipal Council regarding matters specified in Section 166 (2) of the Municipal Finance Management Act. Additionally, the quarterly reports are presented to the Municipal Public Accounts Committee (MPAC)

APPRECIATION

The Committee wishes to thank the Municipal Council, AGSA, Management, Stakeholders and the staff for continued commitment to improve effective control environment and good governance and for their support. .



Chairperson of the Audit Committee

Mr. S Mofokeng

Date:

ANNEXURE F:

Audit Action Plan

2024/2025

Financial Year: 2024/2025
Annexure: Matters Affecting Audit Report
Audit Action Plan Status: All
Implementation Status: Not Yet

Finding	Finding Details	Recommendation	Action Plan	Management Approval Comments
Contrary to the above listed requirements, while executing the quotations we have noted non-compliance with regards to the qualifying score for functionality relating to RFQ (SKB/2/1-011/2024/2025)	Award to disqualified supplierContrary to the above listed requirements, while executing the quotations we have noted non-compliance with regards to the qualifying score for functionality relating to RFQ (SKB/2/1-022/2024/2025). The approved specification for this RFQ stated the following requirements for technical evaluation: List the functionality criteria per RFQ Score per criteria	Ø Management should ensure that the procurement process is monitored from inception to completion, to ensure adherence to relevant legislation throughout.Ø The evaluation of contracts should be done in accordance with the advertised specification, and the evaluation criteria should be consistently applied to the respective bidders during the evaluation process.Ø Management must ensure that the SCM officials apply proper due diligence when examining/adjudicating the results of the evaluation to ensure that scoring has been fair, consistent and correctly calculated and applied.Ø The irregular expenditure must be investigated and reported	Management will ensure that the procurement process is monitored from inception to completion, to ensure adherence to relevant legislation throughout.	Approved
The accounting policy indicates that the municipality shall subsequently measure the heritage (Mayoral chain) assets using both the cost model and revaluation model. The accounting policy indicates that an increase in the carrying amount of heritage assets because of the revaluation shall be increased and credited directly to a revaluation surplus in the statement of changes in net assets. However, the municipality recognized the revaluation surplus as a fair value gain of R131 486,5 in the statement of financial performance. This is in contravention with GRAP 103:54.	Fair Value Gain 1. Fair Value Adjustment on Heritage AssetRequirementIn terms of GRAP 103:54, If a heritage asset's carrying amount is increased because of a revaluation, the increase shall be credited directly to a revaluation surplus. However, the increase shall be recognized in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognized in surplus or deficit.Audit FindingThe accounting policy indicates that the municipality shall subsequently measure the heritage (Mayoral chain) assets using both the cost model and revaluation model. The accounting policy indicates that an increase in the carrying amount of heritage assets because of the revaluation shall be increased and credited directly to a revaluation	The accounting officer should ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted.The accounting officer should ensure that the adequate review controls within finance unit is intensified to identify all the errors noted. The increase in heritage assets carrying amount due to a revaluation, should be credited directly to a revaluation surplus in terms of GRAP 103:54.	Management will ensure that an increase in the carrying amount of heritage assets because of the revaluation will be increased and credited directly to a revaluation surplus in the statement of changes in net asset	The audit action plan is approved

incorrect interest rates configured in the billing system for certain services, resulting in an understatement of interest on overdue accounts. Interest used in the system vs. interest recalculated in line with the policy	DETAILED AUDIT FINDING1. Revenue from exchange transactions- Interest on overdue accountsRequirementSection 122(1)(a) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.GRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and	To address the above deficiencies, management should:Implement formal IT controls to ensure system reliability and data integrity, including:· Regular updates of interest rates in line with SARB's prime rate changes.Strengthen financial reporting controls by:· Introducing robust review processes to detect and correct system errors promptly.· Performing periodic reconciliations and validations of interest calculations to ensure accuracy.Enhance monitoring and governance by:· Assigning responsibility for system updates and interest calculations to designated personnel.	management will implement formal IT controls to ensure system reliability and data integrity, including:· Regular updates of interest rates in line with SARB's prime rate changes.Strengthen financial reporting controls by:· Introducing robust review processes to detect and correct system errors promptly.· Performing periodic reconciliations and validations of interest calculations to ensure accuracy.	management will implement formal IT controls to ensure system reliability and data integrity, including: · Regular updates of interest rates in line with SARB's prime rate changes. Strengthen financial reporting controls by: · Introducing robust review processes to detect and correct system errors promptly. · Performing periodic reconciliations and validations of interest calculations to ensure accuracy
It was noted that management applied a simple interest method. Paragraph 19 of the Credit Control and Debt Collection Policy addresses interest on arrears and other penalty charges. Paragraph 19.2 of the policy states that, for the purpose of determining arrear amounts, all unpaid amounts—including previously raised interest and penalty charges, but excluding value-added tax—shall be taken into account. Based on these provisions, interest should be calculated using the compound method	1. Revenue from exchange transactions- Interest on overdue accounts Requirement Section 122(1)(a) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year. GRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial	To address the above deficiencies, management should:Implement formal IT controls to ensure system reliability and data integrity, including:· Correct configuration of the system to apply the compound interest method as per policy.Strengthen financial reporting controls by:· Introducing robust review processes to detect and correct system errors promptly.· Performing periodic reconciliations and validations of interest calculations to ensure accuracy.Enhance monitoring and governance by:· Assigning responsibility for system updates and interest calculations to designated personnel.	Management will review Credit Control and Debt Management policy to clearly stipulate that municipality is using the straight-line method to calculate interest on overdue on debts. Periodic reconciliations and validations of interest calculations to ensure accuracy will be performed, an understatement of R6 995 154.33 (projected) found in 2024/2025 will be address as prior year adjustment.	Management will review Credit Control and Debt Management policy to clearly stipulate that municipality is using the straight-line method to calculate interest on overdue on debts. Periodic reconciliations and validations of interest calculations to ensure accuracy will be performed, an understatement of R6 995 154.33 (projected) found in 2024/2025 will be address as prior year adjustment.

During the audit of repairs and maintenance, we inspected the description of service provided by Fleet Africa a Deviation of Super Group the invoice that the amount paid relates to monthly leases, therefore the service is incorrectly classified as repairs and maintenance instead of leases rental Lease rental on operating lease.	Expenditure- Incorrect classification 1. Repairs and maintenance /xsl:if /tm:group tm:format font-override= true xsl:value-of select= TITLE / /tm:format Requirementin terms of Municipal Finance Management Act (MFMA) section 62(1)(c)(i): 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 the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.Furthermore, MFMA section 122(1) states that every municipality must for each financial year prepare annual financial statements which:(a) fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management	The accounting officer should ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted. The CFO should ensure that the adequate review controls within finance unit is intensified to identify all the material errors noted	Management will ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted. The CFO will ensure that the adequate review controls within finance unit is intensified to identify all the material errors noted	Approved
During the audit of Receivables from Exchange Transactions (Completeness), specifically post-year-end payment testing, we noted that certain payments received after year-end related to outstanding balances as at 30 June 2025 were not included as receivables at year-end	1. Receivables from Exchange Transactions-Completeness of debtors RequirementGRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation.Section 122(1)(a) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance	Management should:Review and adjust the receivables balance to ensure all amounts outstanding as at 30 June 2025 are correctly included, and amounts received after year-end are excluded.Implement robust month-end and year-end review controls to verify the completeness and accuracy of receivables in line with GRAP 1 and MFMA section 122(1)(a).Perform reconciliations between post-year-end receipts and the receivables listing to identify and correct any omissions before finalizing the financial statements.	The four stated customer receipts and have since revisited the receipts population after year and found that the receipts were correctly allocated to customers with balances in the age analysis as at 30 June 2025 except the four identified in this finding.Furthermore, we have rechecked the completeness of the receivables as at 30 June and found that all customers are part of the receivables including those with payments after year end.Management will continue to perform reconciliations between post-year-end receipts and the receivables listing to identify and correct any omissions before finalizing the financial statements.	The four stated customer receipts and have since revisited the receipts population after year and found that the receipts were correctly allocated to customers with balances in the age analysis as at 30 June 2025 except the four identified in this finding. Furthermore, we have rechecked the completeness of the receivables as at 30 June and found that all customers are part of the receivables including those with payments after year end. Management will continue to perform reconciliations between post-year-end receipts and the receivables listing to identify and correct any omissions

During the audit of water distribution losses, it was noted that the municipality has incurred significant losses of water inventory that is above the acceptable range which is between 15% - 30% as per MFMA circular no. 71. The municipality incurred total loss of 38,98%, thereby incurring an excessive abnormal loss of 8,98%. This abnormal loss translates to R6 950 028,83 in monetary terms.	1. Abnormal material water losses RequirementSection 62(1)(a) of the MFMA 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 the resources of the municipality are used effectively, efficiently and economicallySection 62(1)(d) of the MFMA 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 unauthorised, irregular or fruitless and wasteful expenditure and other losses are preventedSection 8 of MFMA circular no.71 states that the following: Water Distribution Losses (Percentage) Purpose/ Use of the Ratio The purpose of this ratio is to determine the percentage loss of	Implement controls to prevent water losses. These controls can include the following:· Keeping water pressure to optimal levels (i.e water pressure should not be to high) in the pipes can significantly decrease the frequency and severity of leaks.· Regularly conduct searches for water leaks and immediately repair and maintain leaking pipes · Consider having a water leakage hotline where communities can report leaking pipes to the municipality	SDM has developed a water loss reduction strategy (draft) and has already implemented some of the strategies, i.e., removal of illegal connections in some affected areas.	SDM has developed a water loss reduction strategy (draft) and has already implemented some of the strategies, i.e., removal of illegal connections in some affected areas.
SKB/3/1-14/2024/2025 Panel of service providers for the supply and delivery of consumable items for a period of three (3) years as and when required We noted that one of the supplier appointed to the panel did not meet the functionality requirement of minimum of 80 points out of 100 points. Based on the supporting references and orders submitted by the supplier, Rean Batswako Transport ad Construction, for company experience, only one order related to the consumable inventory related items with other refences relating to the construction materials. Below is the auditors recalculation of the	1. Supply Chain Management (Competitive Bids) – PPR 2022 Tenderer did not meet minimum functionalityRequirement tm:format font-override= true xsl:value-of select= FINDING / /tm:format Section 217(1) of the constitution states that "when an organs of state in the national, provincial or local sphere of government or any other institution identified in national legislation, contract for goods or service, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effectiveSection 112 (1) of the MFMA states that the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following:el open and	Management should ensure that the procurement process is monitored from inception to completion, to ensure adherence to relevant legislation throughout.The evaluation of bids should be done in accordance with the advertised specification and conditions of tender and the evaluation criteria should be consistently applied to the respective bidders during the evaluation process. Management must ensure that the BAC officials apply proper due diligence when examining/adjudicating the results of the BEC for compliance with relevant laws and regulations and that the BAC ensure that scoring has been fair, consistent and correctly calculated and applied.As the procurement process did not comply with the provisions of section 1 of the PPPFA and PPR 2022, it should be regarded as irregular. The irregular contract awards should be investigated, and the irregular	Management will ensure that the procurement process is monitored from inception to completion, to ensure adherence to relevant legislation throughout. A first level reviewer will be added to the process to be able to review and assist with identifying any non-compliance. A compliance checklists will also be developed to assist	Approved

Comaf 59: Contrary to the above we noted that the contracts below do not have an expiry date and are open-ended (evergreen) NAME OF THE SERVICE PROVIDER DESCRIPTION OF GOODS / SERVICE START DATE	1. Internal Control deficiency - Supply Chain Management (Contract Management] – Open-ended (Evergreen) Contracts Requirements tm:format font-override= true xsl:value-of select= FINDING / /tm:format Section 217(1) of the constitution states that "when an organ of state in the national, provincial or local sphere of government or any other institution identified in national legislation, contract for goods or service, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effectiveEvergreen — is a contract provision that automatically renews the length of the agreement after a predetermined period, unless notice for termination is given. Evergreens are often used for long term agreements such as memberships or maintenance contracts.Audit findingContrary to the above we noted that the contracts below do	Contracts should include fixed terms and explicit renewal conditions aligned with MFMA requirements.Management should review the contracts on a regular basis, and renew the contracts subject to the performance review and council approval	The contract register will be reviewed and ensure that all details of contracts are accurate and reflect the current status quo of those contracts.	Approved
During the audit of Property, plant and equipment (PPE), we identified that the municipality performed assessment of useful lives and during the following gaps were identified within the process undertaken by management:1. Management did not disclose the effect of the change in estimates (useful lives) for assets whose useful lives were revised, on the current period financial statements and the subsequent periods as outlined by paragraph 91 of GRAP 17.2. Useful lives and residual values assessment review not approved by the CFO. As per paragraph 25.1 of the asset management policy, only the CFO may amend the useful life of an asset, however upon review of management's work related to review of useful life, no audit trail exist confirming CFO's involvement in respect of this area.3.	Incomplete and inaccurate assessment of useful lives and residual values /xsl:if /tm:group tm:format font-override= true xsl:value-of select= TITLE / /tm:format RequirementsGRAP 17 paragraph 56 states; "An entity shall assess at each reporting date whether there is any indication that the entity'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 entity shall revise the expected useful life and/or residual value accordingly. The change(s) shall be accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors (GRAP 3)"GRAP 17 paragraph 56 (c), (f), and (g) states; In assessing whether there is any indication that the expected useful life of an asset has changed, an entity considers the	Management should ensure;· They perform an assessment of useful lives and residual values that adheres to GRAP 17 requirements, its internal methodology and Policies. · Completeness of disclosures in respect of Depreciation and its adhering to the requirements of GRAP 17.	Management will submit a review of useful for 2024/25 to council for approval	A report with workings on review of useful lives is being developed

We issued the RFI 106 – UIFW expenditure we had requested for the investigation reports from MPAC committee on Unauthorised, Irregular, Fruitless and wasteful expenditure (UIFW) incurred in the prior financial year(s) and current year, including cases submitted to council for approved. From the request we did not receive the investigation reports on the UIFW resulting in limitation of scope	1. Consequence management – Limitation of scopeRequirement Section 171 (4) of the MFMA states a municipality must-(a) investigate allegations of financial misconduct against the accounting officer, the chief financial officer, a senior manager or other official of the municipality unless those allegations are frivolous, vexatious, speculative or obviously unfounded: and if the investigation warrants such a step, institute disciplinary proceedings against the accounting officer, chief financial officer or that senior manager orother official in accordance with systems and procedures referred to in section 67 of the Municipal Systems Act, read with Schedule 2 of that Act.Financial Misconduct Regulation 4.1.1 states that if an official is alleged to have committed financial misconduct, the accounting officer of the institution must ensure	• Management should ensure that detailed investigation reports are prepared and maintained for all reported cases. These reports should clearly outline the status, findings, and outcomes of each investigation, including actions taken and supporting evidence. • Furthermore, management should strengthen monitoring controls to ensure that future MPAC submissions include comprehensive documentation to facilitate proper review and accountability.	Management will ensure that detailed investigation reports are prepared and maintained for all reported cases.	Approved
During the audit of property, plant and equipment (movable assets) we were unable to obtain reasonable assurance regarding the existence PPE items listed in Table A. This limitation arose due to the absence of asset unique identifier in the Fixed assets register, additionally some assets the fixed asset register contained the same serial number which did not match the one of the assets. This hindered the auditor's ability to reasonably conclude that the PPE items exist.This is directly attributable to the fixed assets register not recording all the required details per the requirements of the Asset management policy.Additions:	Existence Issues – Movable assets /xsl:if /tm:group tm:format font-override= true xsl:value-of select= TITLE / /tm:format RequirementsIn terms of paragraph 5 of Local Government Capital Asset Management Guideline an asset register is a complete and accurate database of the assets that is under the control of a municipality and that is regularly updated and validated. An adequate asset register is integral to effective asset management. It is the basis of an asset management information system and should contain relevant data beyond that required for financial reporting. Further paragraph 7.1 of the fixed asset management policy, the fixed asset register shall be maintained in the format determined by the Chief Financial Officer, which format shall comply with the requirements of the Generally Recognized Accounting Practice (GRAP) and Generally Accepted Municipal Accounting Practice	Management should:- Ensure all moveable assets are tagged/marked with a unique identifier that would be easily traceable between the fixed assets register and assets on the floor. • Ensure during the internal physical verification process that all the assets are easily identifiable and are verifiable.	Monthly Assets Register will be reviewed to ensure that all assets acquired are barcoded.Assets Management Unit will ensure that the asset is barcoded as soon as it's received and allocated, and updated in the FAR, will also ensure that all assets in the FAR are barcoded.	Management will monitor the action plan to ensure that it's implemented and the FAF is updated will the relevant information.

During the audit of moveable assets, we identified several assets as listed below, with indicators of impairment, however we noted that the assets were not impaired.During the audit, we identified assets whose carrying amount in the fixed assets register are recorded at R0, however during our physical verification process, we identified that the assets are still in use and management are deriving economic benefits from the assets.In addition to the matters noted above, the issue communicated in COMAF 60—relating to assets for which management did not perform conditional assessments—also contributes to the incompleteness of the impairment assessment. Because management primarily relies on asset condition to determine whether an asset is impaired, the absence of conditional assessments for a number of assets, as highlighted in COMAF 60, further demonstrates the incompleteness of the process followed by management.Furthermore, during our PPE (movables) completeness test we identified	Incomplete Impairment – Movable assets /xsl:if /tm:group tm:format font-override= true xsl:value-of select= TITLE / /tm:format RequirementsGRAP 21 paragraph 19 states; An asset is impaired when the carrying amount of the asset exceeds its recoverable service amount. Paragraph .23 identifies key indications that an impairment loss may have occurred. If any of those indications are present, an entity is required to make a formal estimate of recoverable service amount. If no indication of a potential impairment loss is present, this Standard does not require an entity to make a formal estimate of recoverable service amount.GRAP 21 paragraph 23 (c) states; In assessing whether there is any indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications.(c) Evidence is available of obsolescence or physical damage of an asset.Audit findingDuring	Management should:- Ensure they perform a complete assessment of impairment indicators at the reporting date to ensure that all indicators of impairment are considered. Ensure completeness of the fixed assets register by incorporating completeness test in their internal physical verification process.	Management will conduct a complete impairment assessment of assets, and prior period error by reversing impairment on identified assets.	Management will ensure the proposed action is implemented
1. Contrary to the above, while the interest revenue figures are clearly presented, the basis of measurements such as whether the effective interest method or nominal rate was used is not explicitly stated in the segment disclosure, which limits full compliance with GRAP 18 requirements.2. Segment note does not specify the basis of measurement used for these interest expenses such as whether they were calculated using actuarial valuations, contractual rates, or another method. As a result, the municipality has not complied with GRAP 18.21(d), which requires disclosure of the measurement basis for each segment's revenue and expenditure. This limits the transparency and comparability of the segment of information.3. While the total assets per segment are disclosed, the amounts of additions to non-current assets are not broken down by	. Non-Compliance with GRAP 18 - Segment Reporting RequirementsRequirementIn terms of section 62(1)(c) of the Municipal Finance Management Act (MFMA), 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 the municipality has and maintains effective, efficient, and transparent systems of (i) financial and risk management and internal control, and (ii) internal audit, operating in accordance with any prescribed norms and standardsIn terms of GRAP 18.21 an entity shall report a measure of surplus or deficit for each reportablesegment. An entity shall report a measure of assets and liabilities for each reportable segment if such an amount is regularly provided to management. An entity shall also disclose the following about each	The municipality should enhance its internal controls over financial and performance reporting by ensuring full compliance with GRAP 18. This includes disclosing the basis of measurement for segment revenue, expenditure, and additions to non-current assets, as well as any changes in measurement methods and their impact. Management should also confirm and disclose whether asymmetrical allocations exist, maintain complete supporting documentation for all segment balances, and implement a review process before finalizing financial statements. Additionally, finance staff should receive training on GRAP 18 requirements to improve accuracy, transparency, and comparability of segment information.	Management will enhance its internal controls over financial and performance reporting by ensuring full compliance with GRAP 18. This includes disclosing the basis of measurement for segment revenue, expenditure, and additions to non-current assets, as well as any changes in measurement methods and their impact. We will also confirm and disclose whether asymmetrical allocations exist, maintain complete supporting documentation for all segment balances, and implement a review process before finalizing financial statements. Additionally, finance staff will receive training on GRAP 18 requirements to improve accuracy, transparency, and comparability of segment information.	Approved

During the audit of work in progress (WIP) we identified that the amount in the work in progress (WIP) register were not agreeing to the supporting documents we reviewed. Please see the details below:Annexure A: Additions Annexure B: Transfers	Accuracy Issues of WIP /xsl:if /tm:group tm:format font-override= true xsl:value-of select= TITLE / /tm:format RequirementsSection 122(1)(a) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.GRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and	Management should:· Prepare a reconciliation of the GOQ and unbundling report to ensure that all the cost are accounted for and are accounted for accurately. · Review the work performed to ensure accuracy	WIP Register will be updated on a monthly basis, and agreed to the supporting documents	Management will ensure the proposed action plan is implemented
COMAF 25 : Predetermined objectives : Inconsistency of indicators. basic service delivery	1. Reported targets as per APR are inconsistent with planned targets as per SDBIP Ref. Planned target per SDBIP Planned target as per APR BSD29 CCTV Inspection 31 km of bulk water pipeline, identify	The accounting officer should oversee the performance and compliance to ensure that the Annual Performance Report (APR) aligns with the Service Delivery and Budget Implementation Plan (SDBIP). We recommend that the accounting officer align the planned indicators with the planned targets by either revising the indicators or the targets to ensure consistency.The accounting officer should ensure that.· Reported achievement are strictly aligned with the planned target· Any changes in the scope are formally documented and approved through the appropriate governance structure of the municipality.	Management will ensure that performance reports indicators will clearly outline planned deliverables in the SDBIP to ensure completeness and accuracy. Additionally, SBDIP will be revised during IDP and Budget adjustment for completeness and consistency.	management will ensure that the reports are reviewed before submission to ensure completeness and accuracy.

COMAF 28: Predetermined objectives: Accuracy Validity (Incidents falling outside the current financial year]	The achievement of 92% of percentage of registered water incidents resolved within 14 days was reported against target of 80% percentage of incidents resolved within 14 days in the annual performance report. However, the supporting evidence provided did not agree to the reported achievement as it was noted that included in the supporting document (operation and maintenance monthly operation register and Job cards) were water incidents reported and resolved in the 2023/24 financial year. The table below serves as an example of the discrepancies identified on the numerator of the reported performance achievement:	Accounting officer should ensure that management adequately review evidence accumulated to support the reported actual achievement of predetermined objectives to ensure that it's accurate. Accounting officer should exercise oversight responsibility regarding performance reporting related internal controls to ensure that the performance reported actual achievement is accurate.	The O M reports are reviewed by the Director IWS for accuracy reporting	The O&M reports are reviewed by the Director IWS for accuracy reporting
COMAF 30: Predetermined objectives: Number of job opportunities created through EPWP	1 Duplicates EPWP beneficiaries in the listing it was noted that duplicate items were included in the reported performance measure, resulting in an overachievement of the indicator. No IDs SURNAME FULL NAMES Start date	Management should strengthen internal controls over performance data collection and reporting by ensuring that. Implementing automated or manual checks to detect duplicate entries. Establishing a formal review process to validate performance data before submission. Ensuring that performance information is independently reviewed and signed off by a responsible official prior to final reporting	Management will address the matter during Budget-SDBIP adjustment period 2025/26 FY. The targeted KPI will be adjusted accordingly.	Management will address the matter during Budget-SDBIP adjustment period 2025/26 FY. The targeted KPI will be adjusted accordingly.

COMAF 26: . Predetermined objectives: basic service delivery and infrastructure development	the indicator definitions that are unclear, unambiguous, and not concise to which the stakeholders and the users of the annual reports may not understand the meaning of the indicator. 1. Project 44: Upgrading of Moutse East and West Water Reticulation phase 1 Indicator title Number of reticulation bulk pipeline and elevated steel tank constructed Short definition	Introduce a quality assurance process to review and approve all technical indicators and their definitions. Ensure that the short definition clearly explains what the indicator measures and is consistent with the indicator title. Provide training to planning and reporting officials on how to formulate and align indicators and definitions.	The indicators have been corrected through the adjusted SDBIP	The indicators have been corrected through the adjusted SDBIP
COMAF 52: AoPO non compliance with MFMA circular 129 and completeness of indicator	1. Adjustments made in the SDBIP not reflected in the APR we have identified that the 2024/25 Annual Performance Report (APR) does not reflect the adjustment of the changes and reasons for changes of technical indicators made in the Service Delivery and Budget Implementation Plan (SDBIP) to the APR.2. Completeness of Indicators in the APR. During the performance of the audit of the basic service delivery and infrastructure it has been observed that Sekhukhune District Municipality do not have Key Performance Indicators (KPIs) in the APR to assess water quality	Accounting officer should ensure that management adequately review SDBIP and the APR to ensure that changes and adjustments made in the SDBIP are reflected in the APR.The accounting officer should implement controls to ensure the municipality as a water service authority has established and implemented the Key Performance Indicators for monitoring quality of water to ensure compliance with regulations such as Water Service Act and MFMA.	Management will ensure the adequate review of the SDBIP and APR changes and adjustments made in the SDBIP are reflected in the APR during adjustment for completeness and consistency. Management will include the key performance indicators for monitoring of water quality in the SDBIP during budget adjustment to ensure blue drop and green drop compliance with regulations of the Water Services Act.	Management to implement action plan during SDBIP adjustment process

COMAF 24- Provisions – Inaccurate and incomplete information	we identified that the leave register submitted for audit was inaccurate and incomplete, therefore we were unable to confirm whether the leave balance days as at 30 June 2024 submitted to the expert for calculation of leave provision were accurate. Please refer below for various issues identified with leave administration: 1. We identified that the below employees have taken leave as per the approved leave forms from the files, however these were not included in the leave register. # Employee Name Employee code	Management should ensure that that the leave register is complete and accurate, manual leave forms are captured and approved timeously. Furthermore, management should ensure that a proper	Management will ensure that that the leave register is complete and accurate, manual leave forms are captured and approved timeously.	
COMAF 34 -During the audit of work in progress (WIP), we were unable to obtain reasonable assurance regarding the existence of several projects listed in Table A. This limitation arose due to the absence of location coordinates in the WIP register and the lack of construction boards at the respective sites, which hindered the auditor's ability to reasonably conclude that the projects exist.Our audit procedures identified location coordinates as the primary means of confirming the existence of capital projects recorded in the WIP register. However, upon discovering that not all projects had coordinates documented in the WIP register, we sought alternative audit evidence. As a result, alternative was the presence of construction boards at the project sites.Despite this, site visits revealed that some projects did not have construction boards installed.	Opening balance: Details per the WIP register Sample no: PROJECT NAME Project Manager Project Location (Local Authority)	Management should develop and implement a standardized project identification process and ensure consistent application. This will reduce ambiguity, especially in areas with multiple ongoing projects.	All projects in the WIP Register will be updated with the corresponding coordinate matching its location	Management will ensure that the proposed action plan is implemented

During the audit of the statement of comparison of budget and actual amounts there were various issues noted as per the below.Issue 2: Irrecoverable debt written offAn amount of R5 500 000, relating to irrecoverable debt written off, is included in Table B4: Adjustment Budget Financial Performance (Revenue and Expenditure) of the DC47 2024/25 budget. However, this amount is not included in the financial statements under the Statement of Comparison of Budget and Actual Amounts.This omission results in an inconsistency between the approved adjustment budget and the financial statements, impacting the accuracy and completeness of the reported financial information.Issue 3: Consumer depositThe consumer deposits reflected in Table B4: Adjustment Budget Financial Performance (Revenue and Expenditure) of the DC47	DETAILED AUDIT FINDING1. Statement of comparison of budget and actual amountsRequirementSection 122(1)(a) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.GRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and	· Reconcile budget schedules to the statement of comparison of budget and actual amounts before submission of financial statements to ensure all figures are consistent and correctly classified. · Perform a detailed review of narrations and variance explanations to ensure they accurately reflect the underlying financial data.	Reconcile budget schedules to the statement of comparison of budget and actual amounts before submission of financial statements to ensure all figures are consistent and correctly classified.Perform a detailed review of narrations and variance explanations to ensure they accurately reflect the underlying financial data.	Approved
A. The statement of cashflowsDuring the audit of the Cash Flow Statement, the following misstatements were identified. These also apply to the restated figures, as management followed the same approach in preparing the statement.1. Cash Flows from Operating Activities1.1 Sale of Goods and Services Management did not provide details explaining how the amount of R68.5 million was derived. A recalculation revealed a difference of -R86 669 685.41 between the recalculated amount (-R18 213 174.41) and the amount disclosed (R68 456 511). Recalculation Summary: Item.	1. Misstatements noted on Cash Flow Statement RequirementSection 122(1)(a) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial yearGRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for	Management should:· Implement robust internal controls to ensure that cash flow disclosures comply with GRAP 1 and GRAP 2, and accurately reflect the municipality's actual cash movements.· Ensure all adjustments from accrual to cash basis are supported by reliable source documentation and reviewed by senior finance officials prior to submission. · Separate non-cash items and reclassify misallocated amounts to their appropriate categories in line with GRAP 2 requirements.	Implement robust internal controls to ensure that cash flow disclosures comply with GRAP 1 and GRAP 2, and accurately reflect the municipality's actual cash movements.Ensure all adjustments from accrual to cash basis are supported by reliable source documentation and reviewed by senior finance officials prior to submission.Separate non-cash items and reclassify misallocated amounts to their appropriate categories in line with GRAP 2 requirements.	Approved

COMAF 64:Completeness of indicators in the APR: Water Loss	It has been noted that Sekhukhune District Municipality does not currently have Key Performance Indicators (KPIs) for monitoring and evaluating water loss performance. The absence of KPIs limits the municipality's ability to measure progress and effectiveness in reducing water losses, which is critical for efficient water service delivery. Establishing the KPIs is important to ensure the municipality is taking steps to ensure its efforts with reduction of water losses within its	The accounting officer should implement controls to ensure the municipality as a water service authority has established and implemented the Key Peformance Indicators for monitoring its water losses to ensure compliance with regulations such as Water Service Act, MFMA and Department of Water and Sanitation guidelines. The municipality should develop and implement KPIs for water loss management as a mandatory step to ensure systematic monitoring	Recruitment forms for WCWDM Officers have been processed to Human Resources Unit	Recruitment forms for WCWDM Officers have been processed to Human Resources Unit
COMAF 29: Inconsistencies between the reasons for variances and corrective measures to correct the variances	1.Number of KM of bulk water supply inspected, tested and commissioned. Command reservoirs tested and commissioned. ID KPI No. Variance Reason Corrective measure 625	The Accounting Officer should ensure that management conducts a thorough review of the reasons provided for non-achievement of performance indicators and the corresponding corrective measures. This review should confirm that the corrective actions are directly aligned with the identified causes of underperformance to ensure consistency and effectiveness in resolving the variance. The Accounting Officer should exercise oversight responsibility over internal controls related to performance reporting. This includes verifying that the reasons for non-achievement and the corrective measures are coherent and appropriately address the root causes, thereby	Management will ensure that performance indicators reasons for non-achievement are thoroughly reviewed, and corrective measures are consistent to the identified root causes of underperformance to ensure consistency and effectiveness in resolving the variances.	The action plan will be implemented

Comaf 18: Expenditure- Repairs and Maintenance money owing by the municipality not paid within 30 days	during the testing of repairs and maintenance we have noted that there following payment were made 30 days after receipt of the invoice date, therefore this constitutes non-compliance with MFMA. The extrapolated misstatement amount to R13 210 115,74 for the below payment made after 30 days. Details as per general ledger 30 Days compliance	The CFO should ensure that the adequate review controls within finance unit is intensified to identify any non-compliance.	Perform a detailed review of all delayed repairs and maintenance invoices to confirm service delivery and validity. Identify bottlenecks in invoice processing and regularise outstanding invoices. Record reasons for late payments and retain supporting documentation for audit purposes.	The Expenditure Unit performs monthly monitoring of 30-day payment compliance by reviewing invoice receipt dates against payment dates to ensure adherence to Section 65(2)(e) of the MFMA.
Audit Finding 1 Prior year Irregular Expenditure Qualification not fully addressedContrary to the above listed requirements, while doing the follow up on the prior year qualification relating to irregular expenditure, we noted that the qualification was not fully addressed as some findings that resulted in the qualifications were not attended to. We could not confirm whether the transactions listed below were addressed by the management.Kindly refer to the table below for details of the 2023/24 findings that were not attended to COMAF Description Impact	Irregular Expenditure Completeness prior year qualificationRequirementIn terms of section 122(1) (a) of the Municipal Finance Management Act, 2003 (Act no. 56 of 2003) (MFMA), every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial yearIn terms of paragraph 17 of GRAP 1 Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the	Ø The management should ensure that the prior year findings are fully addressed in order to prevent occurrence of the same findings raised.	Management will ensure that the prior year findings are fully addressed in order to prevent occurrence of the same findings raised by quarterly reviewing the completeness of the UIFW register	Management will ensure that the prior year findings are fully addressed in order to prevent occurrence of the same findings raised.

During the audit of the allowance for impairment of receivables from exchange transactions, we identified misstatements resulting from the possible misapplication of the municipality's policy and the GRAP 104 impairment assessment requirements.Certain accounts, as outlined below, were either impaired despite lacking objective evidence of impairment or were not impaired despite meeting the criteria for impairment based on the municipality's approved scoring methodology. This indicates inconsistencies in the application of the impairment policy and GRAP 104. Account Number Totaling	1. Receivables from exchange- Allowances for Impairment RequirementSection 122(1)(a) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.GRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and	Management should strengthen the financial reporting process by implementing robust review controls over the impairment calculation. This includes:· Establishing a formalised review procedure to ensure that impairment assessments are consistently aligned with the municipality's approved policy.· Ensuring that impairment evaluations are conducted in full compliance with the requirements of GRAP 104. · Management Response	Management will strengthen the financial reporting process by implementing robust review controls over the impairment calculation. This includes:· Establishing a formalised review procedure to ensure that impairment assessments are consistently aligned with the municipality's approved policy.· Ensuring that impairment evaluations are conducted in full compliance with the requirements of GRAP 104.	Management will strengthen the financial reporting process by implementing robust review controls over the impairment calculation. This includes: - Establishing a formalised review procedure to ensure that impairment assessments are consistently aligned with the municipality's approved policy. - Ensuring that impairment evaluations are conducted in full compliance with the requirements of GRAP 104.
2. Inconsistency Between Note 44 and Note 45A discrepancy was noted between the amounts disclosed in Note 44 and Note 45, as shown below: Note Amount Note 44 R(31 133 022) (calculated as R2 619 792 - R33 752 814) Note 45	1. Receivables from non-exchange- Presentation RequirementGRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation.	Implement formal controls and review procedures to ensure that financial statement notes are accurate, complete, and aligned with supporting documentation. Perform reconciliations between related notes before finalising the financial statements.	Implement formal controls and review procedures to ensure that financial statement notes are accurate, complete, and aligned with supporting documentation.Perform reconciliations between related notes before finalising the financial statements.	Approved

During the audit of the projects that management have classified as halted, we noted that the following projects do not meet the requirements to be classified as halted as per the requirements of GRAP 21.27 and should rather be considered as work in progress. This incorrect classification has led to an overstatement of the amount disclosed for halted project in disclosure note 3. Project name Scope 2023/24 Carrying amount 2024/25 Carrying amount	3. Capital projects incorrectly classified as halted. /xsl:if /tm:group tm:format font-override= true xsl:value-of select= TITLE / /tm:format Requirements GRAP 21 paragraph 27 states; In assessing whether a halt in construction would trigger an impairment test, the entity would consider whether construction has simply been delayed or postponed, whether there is an intention to resume	Management should ensure accurate classification of projects as halted to ensure adherence to GRAP 21.27.	Management will ensure that all projects that incurred expenditure in the current year are not classified as halted.	Management will ensure that the proposed action plan is implemented
During the audit of commitments, we identified that the for the contractual commitments listed in "Annexure A – Commitments" attached, the amount recorded in the commitments' register does not agree to the supporting information	Commitments – Amount not agreeing to supporting information /xsl:if /tm:group tm:format font-override= true xsl:value-of select= TITLE / /tm:format RequirementsSection 122(1)(a) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.GRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of	Management should:- Management should reconcile the disclosed commitments to supporting information (Appointment letter, Variation order, and expenditure) to ensure accuracy before finalizing the financial statements. Implement a review control process where finance verifies accuracy of the amounts included in the commitments' register.	The amount disclosed as commitment in the AFS will be agreed to relevant supporting documents.	Management will ensure that the proposed action plan is implemented

Comaf 15: Revenue from non-exchange transactions	During the audit of revenue from non-exchange EPWP, the following issues were noted. Issue 1: Contract Documentation Deficiencies The employee contracts of the following employees had the following discrepancies: Surname Initials Issues identified Mokgabudi F	Management should: Strengthen review controls over EPWP revenue recognition and derecognition. Ensure employee contracts are complete, signed, and valid for the roporting period. Perform monthly reconciliations between payroll and general ledger, investigating and correcting variances promptly. Review prior period corrections to ensure proper treatment in the general ledger and financial statements.	The contracts will be checked and verified accordingly for the current year 2025/26, however for the prior year 2024/25 the beneficiaries' contracts have since lapsed as duration was only 1 year.	
Comaf 57: 2. Employee benefit – Opening balance	2. We identified the difference between the prior year audited financial year 2023/24 and the current year 2024/25 opening/comparative balance and the amount of R2 927 000. The amount was not included in the prior AFS 2023/24 as closing balance; however, it was included in the current year as opening balance in the current year 2024/25, which overstates the opening balance. Furthermore, the amount is not included in general ledger. Please refer to the difference noted on the table below.	Management should ensure that that the information extracted from leave register is accurate, to ensure accurate inputs in the calculations of provision. Furthermore, management should ensure t that a proper record keeping is kept	Management will ensure that the information extracted from leave register is accurate, to ensure accurate inputs in the calculations of provision	Approved

Expenditure- Various Occurrence Issues identified	During the audit of contract service for Water Tankers we inspected the water delivery schedule submitted by the service provider as the support of the invoice to confirm that the delivery of water was actually received by the recipient intended to receive the service either Clinics, Hospitals or Communities under Sekhukhune district and we have identified the following issues. 1. We noted that the delivery schedule has been signed by an employee of SDM on behalf of the recipient, as a result we could not confirm the occurrence of the	Issue no1:The accounting officer should ensure that the set of the levels of review is Intensified to prevent occurrence of invalid payment claims made for service not delivered. The accounting officer should ensure that the adequate review controls within the Infrastructure department unit is intensified to identify inflated water schedule submitted for payment. The accounting officer should ensure that he promotes water distribution to the affected communities using water pipes infrastructure channels which will cater for the communities at large. Provision of water through the pipe system will result in communities of Sekhukhune District area receiving water, ultimately the rural Clinics and Hospitals also receiving water.issue no 2:The accounting officer did not take all reasonable steps to ensure that the municipality has and maintains effective, efficient and		

Financial Year: 2024/2025
Annexure: Matters Management Audit
Audit Action Plan Status: All
Implementation Status: Not Yet

Finding	Finding Details	Recommendation	Management Response	Action Plan
External quality assurance review for internal audit	There was no external assessment that has been conducted by a qualified Independent assessor or an assessment team from outside the municipality for the Internal Audit function in the year under review. An external quality assessment ensures that the work of the internal audit functions is in line with the requirement of IIA and in compliance with the requirement set by the institution	The accounting officer must ensure that a qualified, Independent assessor or assessment team from outside the organization conducts an external assessment of the internal audit unit at least once every five and thus comply with the IIA quality control requirements.	Management comment on audit finding: Agree with the audit finding Management comment on internal control deficiencies (If the entity disagrees, please provide the correct root cause for the finding):Management agree with the Internal Control deficiency Management comment on recommendation: Management agree with the Auditor recommendation Management action for the audit improvement plan: External Quality Assurance Review will be conducted in the fourth quarter of 20205-2026 Financial Year	The CAE will conduct pre- quality assurance assessment in preparation for the External Quality Assurance Review which is planned fourth quarter of 2025-2026 Financial Year.
Comaf 4: Contrary to the requirements of section 62(1)(b) of the MFMA and paragraphs 352(b) and 353(2) of the SCM policy, we noted the following issues regarding the contract register: Contracts that were or are active in the 2024/25 financial year have not been recorded in the contract register, contract which had variation order approval, but were not recorded in the contract register and the submitted contract register had missing contract numbers.	1. Contracts that were or are active in the 2024/25 financial year have not been recorded in the contract register. Details as per the contracts and Agreements Submitted for Audit Purposes: Name of the service provider Description of the Goods/service Contract	The Accounting Officer should implement proper record keeping controls of the contract register, which includes regular updates and review of the contract register to ensure that it is reliable, accurate and complete.Review the contract register with all relevant stakeholders for inputs and ensure that the register is updated accordingly not only with the contracts identified above. Submit the updated register to the AGSA.	Management agrees with the finding. Management disagrees with the control deficiency proper record keeping of the contract register is implemented, however continuous review and update of the register is still lacking	Management will implement proper record keeping controls of the contract register, which includes regular updates and review of the contract register to ensure that it is reliable, accurate and complete.Review the contract register with all relevant stakeholders for inputs and ensure that the register is updated accordingly not only with the contracts identified above.

During the audit of lease rentals on operating lease, we identified that the lease rental for July 2025 was recognised as expenditure in the financial year ending 30 June 2025 instead of being recognised as expenditure in the financial year ending 30 June 2026.	During the audit of lease rentals on operating lease, we identified that the lease rental for July 2025 was recognised as expenditure in the financial year ending 30 June 2025 instead of being recognised as expenditure in the financial year ending 30 June 2026.The lease rental for July 2025 was recognised as follows: Details as per General ledger Votenumber Vote Description	The accounting officer should ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted.The accounting officer should ensure that the adequate review controls within finance unit is intensified to identify all the errors noted.The accounting officer should recognise expenditure in the period that it is incurred. As of 30 June 2025, the expenditure relating to lease rental for July 2025 was not incurred.	Management agrees with the finding for the July expenditure recognised as expenditure for June 2025 for R701 261,27	Management will the July expenditure recognized as expenditure for June 2025 for R701 261,27. A prior period error journal will be passed to debt the receivables and credit the expense account.
During the audit of operating Lease Rental, We identified that the following transactions were paid before invoice date:	2.Payments Processed Prior to Receipt of Invoices /xslif /tm:group tm:format font-overrides= true xslvalue-of select= TITLE / /tm:format Requirementin terms of Municipal Finance Management Act (MFMA) section 62(1)(c)(i): 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 the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.Audit findingDuring the audit of operating Lease Rental, We identified that the following transactions were paid before invoice date: Details Per General Ledger	The Accounting Officer should ensure that the municipality maintains effective, efficient, and transparent systems of financial and risk management as well as internal control, in line with the requirements of the MFMA. Furthermore, the Accounting Officer must ensure that payments are only processed after valid invoices have been received, verified, and approved to enhance compliance and strengthen financial governance.	Management agrees with this findingManagement disagrees with the control deficiency for the below reason: The lease agreement between the municipality and landlord states that invoices are expected to be paid on the 1st of each month but before the 7th of each month. Therefore, invoices are sent to the municipality dated the 1st of each month as per the lease agreement, however, the municipality saw it fit to pay rental early to avoid incurring interest due to our payment processes which tend to take longer.	The Municipality will implement strengthened system, procedural, and oversight controls to ensure that no invoice is paid before the invoice date
During the performance of the bank reconciliation, differences between balance as per bank reconciliation for June 2025 on the Standard Bank primary account and Cash book balances as disclosed in the annual financial statements' amounts were noted	During the performance of the bank reconciliation, differences between balance as per bank reconciliation for June 2025 on the Standard Bank primary account and Cash book balances as disclosed in the annual financial statements' amounts were noted. Refer to the table below: Account Number/Description Balance as per bank recon	Management should perform a comprehensive reconciliation between the bank reconciliation and the cash book balances reported in the Annual Financial Statements (AFS) to identify and resolve the noted discrepancies. Any necessary adjustments should be processed to ensure the financial statements accurately reflect Cash book balances	Management comment on audit finding: 1. Management disagrees with this finding The difference between the Bank recon for June 2025 and Note 16 on the AFS is R17.80.	Management will perform a comprehensive reconciliation between the bank reconciliation and the cash book balances reported in the Annual Financial Statements (AFS) to identify and resolve the noted discrepancies. Any necessary adjustments will be processed to ensure the financial statements accurately reflect Cash book balances

During the audit of employee cost terminations, it was noted that the municipality did not raise or recognise a payable relating to a settlement agreement amounting to R387,703.36 (calculated as R193,851.68 × 2) entered between Sekhukhune District Municipality and employees Molefe A.T. and Mohlomonyane M.C. The settlement agreement was signed on 25 June 2025, prior to the financial year-end of 30 June 2025. However, the related liability was not recognised in the AFS as at year-end.	DETAILED AUDIT FINDING1. Unrecorded Payable for Employee Cost Terminations SettlementRequirementIn terms of section 62(1)(c) of the Municipal Finance Management Act (MFMA), the accounting officer of a municipality is responsible for managing the financial administration of the municipality. To fulfil this responsibility, the accounting officer must take all reasonable steps to ensure that the municipality has and maintains effective, efficient, and transparent systems that enable full and proper records of its financial affairs to be kept in accordance with any prescribed norms and standards. Furthermore, in terms of section 122(1) of the MFMA, every municipality and municipal entity must, for each financial year, prepare annual financial statements that fairly present the state of affairs of the municipality or entity, including its performance against its budget, its financial position at the end of the	Management should process the necessary adjustments to the Annual Financial Statements to correct the omission and ensure that the payable of R387,707.36 is accurately recognised. Furthermore, management should strengthen review controls over year-end financial reporting to prevent similar errors in future reporting periods.	Management agrees with the finding.	A prior period error journal will be passed to raise or recognise a payable relating to a settlement agreement amounting to R387,703.36 (calculated as R193,851.68 × 2) entered between Sekhukhune District Municipality and employees Molefe A.T. and Mohlomonyane M.C.
Contrary to the above, differences were identified between the amounts per the General Ledger and the VAT201 returns. Management indicated that the differences are due to invoices not claimed from SARS, as they did not meet the VAT requirements in terms of the VAT Act. However, the input VAT should be corrected or reclassified to the VAT suspense account until the issue is resolved. Refer to the table below: Month	DETAILED AUDIT FINDING1.VAT Receivables: Difference between the General ledger and VAT201 returns Requirement In terms of section 62(1)(c) of the Municipal Finance Management Act (MFMA), the accounting officer of a municipality is responsible for managing the financial administration of the municipality. To fulfil this responsibility, the accounting officer must take all reasonable steps to ensure that the municipality has and maintains effective, efficient, and transparent systems that enable full and proper records of its financial affairs to be kept in accordance with any prescribed norms and standards. Furthermore, in terms of section 122(1) of the MFMA, every municipality and municipal entity must, for each financial year, prepare annual financial statements that fairly present the state of affairs of the municipality or entity, including its performance against its budget, its financial position at the end of the financial year, and its	Management should ensure that VAT receivable is correctly recorded. In case where SARS rejects an invoice as invalid, the input VAT previously claimed must be reversed in the general ledger. The amount should be moved from the VAT control account to a VAT suspense or accrual account to reflect the correction. Once the invoice is rectified and meets SARS's requirements, the VAT can be reclaimed in a future tax period, provided it's within the five-year claim window.	Management agrees with the finding as detailed. The VAT receivables in the annual financial statements is not misstated as it is reconciling with the VAT 201 and reconciliations as at 30 June 2025. The invalid invoices were not correctly accounted for and resulted in a differences between the GL and VAT 201 accounts.	In case where SARS rejects an invoice as invalid, the input VAT previously claimed will be reversed in the general ledger. The amount will be moved from the VAT control account to a VAT accrual account to reflect the correction.
Internal Audit did not execute all the audits as per the plan in line with par 165 of MFMA	the internal audit did not fully execute the internal audit plan as approved by the audit committee. The internal audit did not perform audit relating to the following: Information and Communication Technology- General Controls- Audit of Material Irregularities- Follow up on Information and Communication Technology- Assets Management- Immovable- Information and Communication Technology- Application Controls	The Accounting Officer should monitor controls to ensure that the municipality's internal audit complies with MFMA circular 65 by communicating all the reports to Audit Committee as required by MFMA 165 (2)(b).	Management comment on audit finding: Agree with the Audit findings Management comment on internal control deficiencies (if the entity disagrees, please provide the correct root cause for the finding): Vacancies in the Internal Audit unit , Risk Management report was presented to Audit Committee and compliance reports are presented quarterly by Risk Management unit	Management will fast track filling of vacant positions in the Internal Audit Unit and furthermore outsource projects where there is no skill internally in order to fully execute the internal audit plan as approved by the audit committee.

Feasibility and Cost-effectiveness of outsourcing the Internal Audit Services was not conducted.	No feasibility or cost-effective assessment was performed by the council on outsourcing internal audits	The Accounting Officer should implement and monitor controls to ensure that cost-effectiveness and/or feasibility assessment is performed before work can be outsourced to consultants to ensure compliance with MFMA.	Management comment on audit finding: Management agree with the Audit Findings Management comment on internal control deficiencies (if the entity disagrees, please provide the correct root cause for the finding): Agree with the Internal Control deficiency Management comment on recommendation Agree with the auditors	Skill gap analysis / Feasibility and cost effectiveness will be developed and furthermore the memo for outsourcing will indicate reasons for outsourcing , e.g Skills, Capacity etc
During the audit of general expenses, we identified that the following transactions were paid before invoice date. General Ledger 30 Days compliance Cheque Payee Invoice date (BTO invoice receipt date)	DETAILED AUDIT FINDING1. General expensesRequirementin terms of Municipal Finance Management Act (MFMA) section 62(1)(c)(i): 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 the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. Audit findingsDuring the audit of general expenses, we identified that the following transactions were paid before invoice date. General Ledger 30 Days compliance	The accounting officer must take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial, risk management and internal control.	Management agrees with the finding.	The Municipality will implement strengthened system, procedural, and oversight controls to ensure that no invoice is paid before the invoice date.
During the review of overtime payments, it was noted that the overtime amounts recorded in the payroll system do not match the amounts calculated from employees' approved overtime claim forms	1. Employee Cost- Discrepancies in Overtime PaymentsRequirementSection 122(1) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which: (a) fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.(b) disclose the information required in terms of sections 123, 124 and 125.Section 62(1)(c)(i) of the MFMA 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 the municipality has and maintains effective, efficient and transparent systems of financial and risk	Implement a verification process to ensure overtime entered in the payroll system matches approved claim forms before payroll processing. Management should review the entire population of overtime payments to ensure that all amounts paid were accurate. Any discrepancies identified should be corrected, and the appropriate adjustment should be made in the Annual Financial Statements (AFS) to reflect the correct amount.	Management acknowledges the finding regarding discrepancies between overtime claim forms and the amounts processed in the payroll system. The variance was primarily caused by manual data capturing errors and inadequate reconciliation procedures between the HR unit (responsible for verifying overtime claim forms) and the Payroll section (responsible for capturing and approving payments). It is further noted that, during peak operational periods, overtime forms were submitted late, resulting in backdated processing that was not properly cross-checked. Management accepts that these weaknesses contributed to the identified discrepancies.	Management will strengthen controls over overtime processing by implementing mandatory reconciliation procedures, enforcing supervisory verification, correcting identified discrepancies, and enhancing payroll system controls to ensure overtime payments agree with approved claim forms and applicable rates.

During the audit of consumers deposits, we identified that the deposits for these new water service registrations were not included in the consumer deposits listing which resulted in consumer deposits not being complete.	Completeness of Consumer Deposits1. Consumer DepositsRequirementIn terms of Municipal Finance Management Act (MFMA) section 62(1)(c)(i): 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 the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.Furthermore, MFMA section 122(1) states that every municipality must for each financial year prepare annual financial statements which:(a) fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its	The accounting officer should ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted. The accounting officer should ensure that the adequate review controls within finance unit is intensified to identify all the errors noted.	Management agrees with the finding.	Management will ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted, and that all new accounts have deposit charged to their accounts.
During the audit of provision of free services to indigents, we noted the following: The municipality did not budget for provision of free services to indigents Indigent registers are not updated on a yearly basis	Provision of free basic services to Indigent customers /xsl:if /tmtgroup tmtformat font-override= true xslvalus-of select= TITLE / /tmtformat Requirementsin terms of section 227 of the Constitution, local government is entitled to an equitable share of nationally raised revenue to enable it to provide basic services and perform its allocated functions. The local government equitable share is an unconditional transfer that supplements the revenue that municipalities can raise themselves (including revenue raised through property rates and service charges). The equitable share provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities with the least potential to cover these costs from their own revenues.The portion of national revenue allocated to local government through the	The accounting officer should implement control to ensure that the indigent register is updated on an annual basis and that the municipality budget for provision of free services to Indigents	Indigent register updateManagement agrees with the finding and will ensure that indigent register is updated on an annual basis. Municipality were still busy vetting the indigent applicants as at year end.Budget for provision of free services to indigents Management disagrees with this finding. The municipality has budgeted for the provision of Free Basic Services to indigents, and the amount is compounded in the Bulk Water supply. The amount budgeted for is inclusive of a 6kl free basic provision to communities, of which any excess of this 6kl has to be paid for	Indigent register updateManagement agrees will ensure that indigent register is updated on an annual basis. Municipality were still busy vetting the indigent applicants as at year end.Budget for provision of free services to indigentsManagement will ensure that municipality has budgeted for the provision of free Basic Services to indigents, and the amount is compounded in the Bulk Water supply. The amount budgeted for is inclusive of a 6kl free basic provision to communities, of which any excess of this 6kl has to be paid for
Contrary to the above, the municipality does not have consultancy reduction plan to reduce the reliance on consultants.We have identified the following contracts of consultants current effective in the table below: NAME OF THE SERVICE PROVIDER	Use of Consultants1. MFMA use of consultantsRequirementMFMA section 116(2)(c) states that "The accounting officer of a municipality or municipal entity must establish capacity in the administration of the municipality or municipal 45entity-(i) to assist the accounting officer in carrying out the duties set out in(ii) to oversee the day-to-day management of the contract or agreement; andparagraphs 2(a) and 2(b)"In terms of Munkipal Cost Containment Regulations, 2019 Regulation 5(5) on use of consultants stats that " When consultants are appointed, an accounting officer must -(a) appoint consultants on a time and cost basis with specific start and end dates;(b) where practical, appoint consultants on an output- specified basis, subject to specificoneasurable objectives and associated remuneration;(c) ensure that contracts with consultants include overall cost ceilings by	The accounting officer must develop a consultancy reduction plan and must be adopted by council.	Management comment on audit finding: Management agrees with the finding	Management will develop a consultancy reduction plan and must be adopted by council for the 2025/26 financial year

During the audit of Receivables from Non-Exchange Transactions, we noted that two balances were incorrectly included under RBIG receivables, even though the amounts were received by 30 June 2025: Reference Transaction Date Amount	1. Receivables from Non-Exchange Transactions Overstated Due to Amounts Received Requirement GRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation. Section 122(1)(a) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its	Management should: Amend the RBIG receivable balance to exclude amounts received by 30 June 2025. Implement review controls to ensure that only valid outstanding amounts are disclosed as receivables in compliance with GRAP 1.	Management agrees with the finding.	Management will process a prior year journal to amend the RBIG receivable balance to exclude amounts received by 30 June 2025 to correct AJK 5111 and AJK5112 Management will implement controls to ensure that only valid outstanding amounts are disclosed as receivables in compliance with GRAP 1
Comaf 39: Contrary to the above, we noted that the Municipality did not monitor the performance of the suppliers on monthly basis and/or the contract performance measures were not in place to ensure effective contract management:	2. Supply Chain Management (Contract Management) – Contract monitoring not performed. Requirement In terms of the MFMA section 116 - Contracts and contract management. — (2) The accounting officer of a municipality or municipal entity must—b) Monitor on a monthly basis the performance of the contractor under the contract or agreement;c) Establish capacity in the administration of the municipality or municipal entity— II) To oversee the day-to-day management of the contract or agreement; and regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor. In terms of section 62(1)(b) of the Municipal Finance Management Act (MFMA), the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must, for this purpose, take all	Management should establish and implement a formal contract performance management framework to ensure that all contracts are monitored and evaluated on a monthly basis. Contract performance indicators should be clearly defined, documented, and aligned with service level agreements.	Finding 1Management agrees with the auditor on this findingFinding 2 Management agrees with this finding	Management will establish and implement a formal contract performance management framework to ensure that all contracts are monitored and evaluated on a monthly basis. Contract performance indicators will be clearly defined, documented, and aligned with service level agreements.
During the audit of property, plant, and equipment, we identified assets whose useful lives exceed those prescribed by the accounting policy, thereby contradicting the policy established by management as disclosed in the 2024/25 annual financial statements. Asset type	Useful lives not within the accounting policy cycle /ns1if /tngroup tm:format font-override= true xslvalue-of select= TITLE / /tm:format RequirementsSection 122(1)(a) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year. GRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and	Management should ensure that: That allocated useful lives to each asset adheres to the prescribed useful life cycles per the accounting policy - Where audit evidence exists that management's previous estimate of asset class' useful life cycle has changed, the accounting policy is revised to reflect such changes.	Management agrees to the audit finding. However, the asset policy is reviewed before the start of the financial year and the review is done during the financial year. The management will amend the useful life range. The exception was due to the review of useful.	Management will submit a policy on review of useful lives for 2024/25 to council for approval

The Subsistence and Travelling Allowance Policy of Sekhukhune District Municipality was last approved on 13 June 2021. Although the policy stipulates that it must be reviewed at least once a year, there is no evidence of any subsequent review or update. Furthermore, the policy continues to reference outdated tariffs and legislative frameworks, including the SARS travel allowance rates from 2022, which have since been revised as per the recent SARS tax tables. During the audit of travel, motor car, accommodation, subsistence, and other allowances, it was noted that management applied incorrect allowance rates when calculating employees' allowances.	Employee cost travel claims :Incorrect Application of Allowance RatesRequirementSection 127(1) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which: (a) fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.(b) disclose the information required in terms of sections 123, 124 and 125.Section 62(1)(c)(i) of the MFMA 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 the municipality has and maintains effective, efficient and transparent systems of financial and risk	Management should ensure that the Subsistence and Travelling Allowance Policy is reviewed and updated annually to reflect current SARS travel allowance rates and any changes to applicable legislation. The updated policy should be approved by Council and communicated to all relevant officials. Management should review the entire population of allowance transactions to ensure that all allowances have been calculated using the correct and approved rates. Any discrepancies identified should be adjusted accordingly and the necessary corrections should be reflected in the Annual Financial	Management acknowledges the finding regarding the outdated Subsistence and Travelling Allowance Policy and the incorrect application of allowance rates. The discrepancy arose because the municipality continued using the 2022 SARS rates as the updated 2023/2024SARS circular was not yet incorporated into the policy at the time of processing certain claims. This oversight has been noted.	Management will review, update, and formally approve the Subsistence and Travelling Allowance Policy to ensure alignment with the latest SARS tax tables and applicable legislative frameworks. In addition, controls over the calculation and payment of allowances will be strengthened to ensure that correct rates are applied consistently and accurately. Historical discrepancies will be investigated and corrected to prevent recurrence of the finding.
Absence of a formally adopted Internal Audit Methodology for the 2024/25 financial year	The municipality did not have an approved internal audit methodology for the 2024/25 financial year.	The municipality should develop, approve, and implement formal internal audit methodology. This methodology should align with section 62(1)[c] of the MFMA and prescribed norms and standards, including risk-based planning, audit execution, reporting, and follow-up procedures, to ensure that the internal audit function operates effectively, efficiently, and in accordance with recognized governance and auditing standards.	Management comment on audit finding: Agree with the Audit Findings Management comment on internal control deficiencies (if the entity disagrees, please provide the correct root cause for the finding): Agree with the Internal Control deficiency	Internal Audit Methodology was developed however not reviewed during 2024-2025 Financial Year furthermore the methodology was reviewed in line with Global Internal Audit Standard for the 2025-2026 Financial Year and was approved by the Audit Committee on the 17th of July 2025 and been implemented by the Internal Audit
Comat 05: Employees acted for more than three months without evidence that their Performance agreements were reviewed	the following employees acted in positions for periods exceeding three months without evidence of reviewed KPAs and KPIs being incorporated into amended performance agreements: Ms. Nkele Virginia Marais acted in a position for a total of nine (9) consecutive months without evidence of amended performance agreements reflecting reviewed KPAs and KPIs. Her acting periods were from 01 June 2024 to 31 August 2024, 01 September 2024 to 30 November 2024, and 01 December 2024 to 28 February 2025. Similarly, Mr. Phake Moses Sekgobela acted in a position for a total of six (6) months (non-consecutive) without evidence of amended performance agreements incorporating reviewed KPAs and KPIs. His acting periods were from 01 June 2024 to 31 August 2024 and again from 01 February 2025 to 30 April 2025. Total acting period: 6 months (non-consecutive	Management should establish and enforce adequate internal controls to ensure compliance with Regulation 43 of the Municipal Staff Regulations. This should include implementing a system to monitor the duration of all acting appointments and trigger a timely review of Key Performance Areas (KPAs) and Key Performance Indicators (KPIs) when an acting period exceeds three months. The reviewed KPAs and KPIs must be incorporated into the acting staff member's amended performance agreement, in consultation with the individual. Additionally, the management should provide training to Human Resources personnel and line managers to ensure they are aware of the regulatory requirements and the necessary	Management comment on audit finding: Management agrees with the Auditor's finding. Management comment on internal control deficiencies (if the entity disagrees, please provide the correct root cause for the finding): Management comment on recommendation: Management agrees	Management shall monitor the duration of all acting appointments and trigger a timely review of Key Performance Areas (KPAs) and Key Performance Indicators (KPIs) when an acting period exceeds three months.

During the audit of receivables from exchange transactions, the following issues were identified:1. Overstatement of Customer Account BalanceA payment made on 17 June 2025 was not accounted for in the age analysis, resulting in an overstated balance: Account Number Balance per Statement Balance per Age Analysis	1. Receivables from exchange- Receivable accounts misstated Requirement:GRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation.GRAP 104.57 states that "An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the entity shall apply paragraphs 61 to 63 (for	Implement a formal impairment assessment process that includes documented criteria for identifying objective evidence of impairment in line with GRAP 104. Ensure that customer payments are accurately and timely recorded in the age analysis and reconciled to the general ledger. Establish review controls over receivables and impairment schedules to detect and correct errors before financial statements are finalised.	1. Overstatement of Customer Account BalanceManagement disagrees with this finding.The municipality's billing cycle ends on the 15th of each month which includes the month in question (June 2025). The payment received from this debtor was received on the 17th June 2025, which will explain why the payment is not reflected on the age analysis.2. Impairment Recorded Without Objective Evidence	Management will: ensure that customers unallocated receipts in suspense are reconciled and cleared Implement a formal impairment assessment process that includes documented criteria for identifying objective evidence of impairment in line with GRAP 104.Ensure that customer payments are accurately and timely recorded in the age analysis and reconciled to the general ledger.Establish review controls over receivables and impairment schedules to detect and correct errors before financial statements are finalised.
Issue 2: Financial Reconciliation Differences Differences were noted between the general ledger and the payroll company reconciliation report:GL DetailsGL amountsPayroll DetailsDifferenceEPWP04 (Nov 2024)R1 495 260R1 494 499.89R760.11EPWP05 (Dec 2024)R1 101 576R1 110 156.78(R8 580.78)EPWP07 (Feb 2025)R1 149 199R849 338.83R299 860.17EPWP12 (Jun 2025)R301 063R877 260.58R576 197.58	1. Revenue from non-exchange transactionsRequirementSection 122(1)(a) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.GRAP 1 paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation	Management should:3. Strengthen review controls over EPWP revenue recognition and derecognition.2. Ensure employee contracts are complete, signed, and valid for the reporting period.3. Perform monthly reconciliations between payroll and general ledger, investigating and correcting variances promptly.4. Review prior period corrections to ensure proper treatment in the general ledger and financial statements	Issue 2: Financial Reconciliation Differences Management disagrees with the audit finding The company reconciliations submitted for February and June 2025 were incorrect. The corrected reconciliations are provided and have also been attached to the corresponding journals.The differences in June and November resulted from a misallocation, which was subsequently corrected through journal entry AJEPWP01. The auditor reconciled only the revenue recognition portion on the general ledger, omitting the corresponding expenditure component.The difference in December was the result of a typing error, which has not yet been corrected.	Management should provide the complete reconciliation documents for both the months to enable thorough review. Additionally, management should state the difference between the company reconciliation initially provided and the current one as they both relate to the same months and the same thing.

ANNEXURE F:

Audit Action Plan 2024/2025 SDA

Financial Year 2024/2026

Annexure on Matters affecting Audit Report

Audit Action PlanStatus:All

CATEGORY/ KEY AREA	Component	Audit finding	Impact on MR	Impact on AR	Status	Action to address the audit	Root cause	Responsible person	Target period	Progress
Non complaince and internal control deficiency	Expenditure and trade payables	Completeness of expenditure 1.Upon inspection of the invoice register provided, we noted that the following invoices, which were accounted for in the annual financial statements, were not included in the invoice register. 2.Furthermore, we noted that the invoice from PD Consulting, amounting to R599,035, was not processed in the general ledger. This invoice was only included in the AFS.	Yes	Yes	Resolved	1.Update invoice register daily when invoices are received, and track progress on payments. 2.Review general ledger monthly to ensures that all invoices are captured and paid and address the dispute on PD Consulting invoice between AO and CEO	1.Internal control defeiciency 2.Non compliance with laws and regulations	1.AFM/CFO 2.CEO/AO	1.Monthly 2. 30 June 2025	1.Invoice register updated up to 30 June 2025 2.Invoice not paid yet as at 30 June 2025
Internal Contro	General expenses	Invoices were receive and stamped to acknowledge receipt of goods and services after year end, the expenditure was recognised in the 2023/2024 financial year	Yes	Yes	Resolved	1.Update invoice register daily when invoices are received. 2.Review invoices and delivery notes daily when are received to ensures that all invoices are captured, paid and accounted for in the correct financial year period. 3. Review creditors age analysis monthly and perform creditors reconciliation.	1.Internal control defeiciency 2.Non compliance with laws and regulations	1.AFM 2 AFM 3. AFM	1. Monthly 2.Ongoing 3.Monthly	1.Update invoice register daily when invoices are received. 2.Review general ledger monthly to ensures that all invoices are captured and paid.

Compliance with applicable laws and internal controls	Trade payables Accounting policies	6.1Differences between the supporting documentation and the annual financial statement submitted for audit for Consulting and professional fees of R14 593.73 6.4 Irrelevant accounting policy-Financial instrument accounting policys: -The entity included a policy on concession loan, whereas it does not have a concession loan in its financial statement. The accounting policy should removed . - Included a currency risk, whereas it does not have a foreign transaction. Included a financial guarantee, whereas the entity do not have a financial guarantee. The entity included	Yes	Yes	Not Resolved	6.1.Reconcile the difference on the trade payable expenditure for consulting and prpfessional fees of R14 593.73. 6.4.Review accounting policies and correct the disclosure during the preparation on 2024/2025 AFS	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by management and IA	1.AFM and CEO. 2.AFM and CEO.	Jan 2025 2.June 2025.	1.Not started 2.Not started
Non complaince and internal control deficiency	Property, plant and	During the audit of Property, Plant, and Equipment additions, we identified that the following assets were added to the fixed asset register. However, no barcodes/ Serial numbers were allocated to them in the asset register; therefore, we could not confirm if the assets presented for verification were the correct assets. CEO laptop,bag and cordless mouse	Yes		Partially Resolved	1.Update asset register daily when invoices, delivery note and the asset are received. 2.Review PPE notes in AFS	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by management and IA	1. AFM 2.CEO& IA	1.End April 2025 2.April 2025.	1.Work in progress 2.Not started.
Non complaince and internal control deficiency	Related parties	Management did not disclose the following information: •Receivables from non-exchange transactions: Amounting to R12,826,214 •Service in kind: As per the service level agreement signed by the accounting officers of the two institutions, areas of support include payroll, procurement, HR, audit & risk, and performance management. This information was disclosed in the prior year's annual financial statements; therefore, management should maintain consistent disclosure.	Yes	Yes	Partially Resolved	1.Prepare interim AFS on time and update disclosure note. 2. To perform Quality review process of interim AFS by Management and IA	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by management and IA	1.AFM 2.CEO &IA	1.End of April 2025 2. May 2025	1.Not started 2. Not started

Non complaince and internal control deficiency	financial instruments	During the audit, we noted that management did not disclose the Financial Instruments note as required by GRAP. Furthermore, it should be noted that this information was disclosed in the prior year's annual financial statements under Note 15, Financial Instruments Disclosure. Therefore, management should maintain consistent disclosure	Yes	Yes	Partially Resolved	1.Prepare interim AFS on time and update disclosure note. 2. To perform Quality review process of interim AFS by Management and IA	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by management and IA	1.AFM 2 CEO &IA	1.End of April 2025 2. May 2025	1.Not started 2. Not started
Non complaince and internal control deficiency	Trade payables	During the audit of trade payables, the following unpaid invoices as of 30 June 2024 were recognised as trade payables, excluding VAT	Yes	Yes	Partially Resolved	1.Reconcile the difference on the trade payable expenditure inclusive of VAT and process journal. 2.Correct the disclosure during the preparation on 2024/2025 AFS	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by management and IA	1.AFM 2.CEO &IA	1.End of Apri 2025 2. May 2025	1.Not started 2. Not started
Non complaince and internal control deficiency	Statement of Comparison of Budget and Actual Amounts	During the audit of the Statement of Comparison of Budget and Actual Amounts, we identified the following differences between the auditors' recalculation and the amounts disclosed.(R43 566 and R2956 434)	Yes	Yes	Partially Resolved	1. Disclosed accurate statement of comparison of Budget and actual and reconcile it with approved budget. 2. Review the annual financial statements and supporting schedules to ensure that the information is accurate	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by Management and IA	1.AFM 2. Management and AI	1.End of April 2025 2. May 2025	1.Not started 2. Not started
Non complaince and internal control deficiency	contingent asset	During the audit, we noted that management did not disclose contingent asset in the annual financial statements related to case number Groblersdal CAS 153/05/2016, while the case is still in progress with the Hawks as per the progress report email from the Hawks. Furthermore, this contingent asset was disclosed in the prior year's financial statements.	Yes	Yes	Partially Resolved	1. Disclose contingent asset in the notes to the financial statements, to comply with GRAP 19 requirements. 2. Review the annual financial statements and supporting schedules to ensure that the information is accurate and free of errors.	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by Management and IA	1.AFM 2. Management and AI	1.End of April 2025 2. May 2025	1.Not started 2. Not started

Non complaince and internal control deficiency	General expenses	During the audit of consulting and professional fees, we noted that the amount disclosed in the annual financial statements exceeds the amount in the general ledger as per the reconciliation below: Description Amount GL expenditure 263 945.16 Amount in AFS 770,252.00 Difference -506,305.84	Yes	Yes	Partially Resolved	1. Prepare all the schedules of general expenditure to support the financial statements and ensures that the information is supported by reliable and complete records(Vouchers). 2.Review all expenditure transactions to ensure that only expenses belonging to the entity are accounted fo rand only expenditure incurred during the 2023/24 financial year is recorded.	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by Management and IA	1. AFM 2.Management and IA	1.End of April 2025 2. May 2025	1.Not started 2. Not started
Non complaince and internal control deficiency	Non-compliance with the Municipal Finance Management Act (MFMA).	Sekhukhune Development Agency does not have its own policies and instead uses the policies of the parent municipality.	Yes	No	Partially resolved	1. Develo and communicate policies and procedures that encompass all sections within the entity. 2. Designated individual to monitor, track updates to these policies, and ensure effective communication to all staff	Non-compliance with the Municipal Finance Management Act (MFMA).	1.CEO 2. Company Secretary	1.End of March 2025 2. March 2025	1.2 Policies approved 2.Staff assineg to monitor compliance
Non complaince and internal control deficiency	Internal control deficiency	Sekhukhune Development Agency has a high vacancy rate of 50%	Yes	No	Partially resolved	Appoinment of FM and the two Finance Clerks	1. Internal control deficiency . 2 Inadequate a skilled and resources to perform finance function of the entity	1.CEO	1. April 2025	1.Appointment of FM done in December and Finance Clerks will be appointed in 3rd quarter and assume duty I April

Non complaince and internal control deficiency	Procurement and contract management	1.Contrary to the above, when testing quotations below R30,000, we noted that the entity's procurement practices is accepting the lowest-priced quotation. The specifications or requests for quotations do not include specific goals, and no evaluation of received bids is conducted according to the requirements of the Preferential Procurement Regulations (PPR) 2022. These regulations mandate that the acquisition of goods or services with a Rand value of R50 million or less should be evaluated based on both price and specific goals, with the tender awarded to the bidder scoring the highest points. 2.Furthermore, the non-compliance with PPR 2022 was identified on the SCM policy, paragraph 64(3) states the following: Goods and services, including construction works and consultant services shall be	Yes	Yes	Partially Resolved		1.Develop SCM policy for the entity and aligned it with the requirements of PPR 2022, 2.Investigate and report all procurement below R30 000 between the period of 13 January 2023 to date and report as irregular expenditure	Non-compliance with PPR 2022	1.AFM 2. SDM SCM Unit	1.End of February 2025	1.Draft SCM policy in place presented to Board for adoption in March 2025, awaiting approval in April 2025 2. Investigation done until 31 December 2024
Non complaince and internal control deficiency	Compliance	1. Non-compliance with Annual Financial Statements (AFS) preparation requirements was identified. Affected components:Property plant and equipment, Statement of Comparison of Budget and Actual Amounts, Trade and Payables, Financial Instrument, General Expenditure, Contigent assets and Related parties	Yes	Yes	Not Resolved	1. Prepare accurate and compliant AFS with supporting schedule in time to allow other stakeholders to review and monitor compliance. 2. To prepare interim AFS to address all opening balane errors by April 2025.	Internal control deficiency and material non-compliance with the MFMA Section 99 2.Lack of review of AFS by Management and IA	1. AFM 2.Management and IA	1.End of April 2025 2. May 2025	1.Review of Irregular and fruitless expenditureconducted till June 2025. .1.2 Contract register updated till June 2025 1.3 Invoice register updated until 30 June 2025 2. Not started
Non complaince and internal control deficiency	Compliance	Non-compliance with Expenditure management requirement, material misstatements were identifies in general expenditure and trade payable .	Yes	Yes	Partially Resolved	1.Implement adequate controls for daily and monthly processing of transactions to prevent material misstatements. 2.Finance management team keep full and proper records supporting the annual financial statement, cross-cast balances and review the annual financial statements to ensure that they are in accordance with the prescribed norms and standards 3.Process payments within	Internal control deficiency and material non-compliance with the MFMA Section 99 2.Lack of review of AFS by Management and IA	1. AFM 2.Management and IA	1.End May 2025 2. May 2025	1.Not started 2. Review of invoice register done until March 2025

Non compliance and internal control deficiency	Non-compliance wil	1. No supporting evidence to confirm SDA's compliance with the VAT Act in . However, no information was provided. Additionally, we noted that SDA did not submit VAT201's and VAT returns to SARS as required by Section 28 of the Value-Added Tax (VAT) Act No. 89 of 1991 as the entity is a registered VAT vendor.	Yes		Resolved	1. Prepare VAT 201's and VAT returns and submit to SARS	1.Internal control deficiency and material non-compliance with the Section 28 of the Value-Added Tax (VAT) Act No. 89 of 1991	1.AFM	February 2025	1. VAT returns submitted till January 2025 for SDA by Parent Municipality as per signed SLA.
Non compliance and internal control deficiency	Compliance	A multi-year business plan was not developed for inclusion in the budget,. Such a plan should outline key financial and non-financial performance objectives and measurement criteria, as agreed upon with the parent municipality. Additionally, the multi-year business plan should align with any existing service delivery agreement between the entity and the parent municipality.	Yes	Yes	Resolved	1.Develop multi year business plan and include it during budget adjustment and align it with service delivery agreement between entity and the parent	Non compliance with applicable section in MFMA	CEO	February 2025	Business plan for 2024/2025 approved by Board in March 2025.
Non compliance and internal control deficiency	Compliance	UIF&W – No investigation for Unauthorized, Irregular and Fruitless and Wasteful expenditure.Contrary to the above, we noted the following issue: irregular expenditures amounting to R360,002, discovered in prior years, was not investigated .Furthermore, we noted that the entity takes an excessive amount of time to finalize investigations into unauthorized, irregular, and fruitless and wasteful expenditures.	Yes	Yes	Partially Resolved	1. Implement and monitor controls to prevent recurrence of the irregular and fruitless and wasteful expenditures by perfoming due diligence before an order or appointment letter is issued out to a service providers. 2. Board to investigates the prior year irregular, fruitless and wasteful expenditure timeously to ensure proper consequence management takes place by acquiring the service of external firm for expenditure above R30 000	Internal control deficiency and material non-compliance with the MFMA and Budget regulations	1. CEO and The Board	May 2025	1 Financial Misconduct Board finalised report on irregular Expenditure on appointment of SDA official and Board resolved to recover the portion of irregular expenditure. Submission to reverse overstated amount on irregular appointment of SDA Official will be presented in April. 2. Report ready to be submitted to MPAC to investigate expenditure below R30 000 in April 2025 as per Board resolutions

Non complaince and internal control deficiency	Internal control deficiency	1. No Contract management processes.the entity does not maintain a contract register. As a result, we could not confirm the total number of contracts the entity has.2. The following issues were identified during the testing of Contract Management: 2.1.The contract validity period between PD Consulting and the SDA has expired. Clause 4.2 of the signed Service Level Agreement (SLA) specifies that the agreement shall remain valid for a period of four (4) months from the Effective Date, up to October 3, 2022. 2.2.There is no evidence that the contract is being monitored on a monthly basis, nor that penalties have been invoked for non-performance by the supplier. 2.3.Furthermore, it was noted that expenditure was incurred during the 2023/24 financial year, despite the expiration of the contract.	Yes	No	Partially Resolved	I.Develop contract register 2. Classify expenditure for PD Consulting as irregular expenditure 3. Monitor contract performance monthly and ensures that meeasures are in place for effective contract management. 4.Resolve dispute on payment of the contract and evoke termination	1.Inadequate review and monitoring compliance with the applicable sections of the MFMA	1. Project Manager 2.CEO& AO	March 2025	1. Contract register updated till March 2025 2. Expenditure of PD Consulting is added on irregular expenditure 3. Monthly conducted for current contract of ERP system. 4. Dispute resolution on progress on PD Consulting.

ANNEXURE G:

Community Consultation Report 2024/2025

SEKHUKHUNE
District Municipality

EXIT REPORT

2024/2025 DRAFT ANNUAL REPORT PUBLIC PARTICIPATION

31 MARCH 2026

INDEX

ITEM	PAGE NUMBER
1. Purpose of taking the 2024/2025 Draft Annual Report to The Public	03
2. Public participation meetings held	03
3. Public participation programme	04 - 05
4. Attendance statistics	06 - 07
5. Issues raised by stakeholders	08 – 36
5.1 Magoshi	**08 - 15**
Magoshi : Ephraim Mogale Local Municipality	08
Magoshi : Makhuduthamaga Local Municipality	09 - 10
Magoshi : Elias Motsoaledi Local Municipality	11 - 14
Magoshi : Fetakgomo Tubatse Local Municipality	15 - 17
5.2 Special Groups	**18 - 19**
5.3 General Public	**20 - 24**
Ephraim Mogale Local Municipality	20
Makhuduthamaga Local Municipality	21
Elias Motsoaledi Local Municipality	22
Fetakgomo Tubatse Local Municipality	23 - 24
5.4 Rate Payers	**25 - 29**
Ephraim Mogale Local Municipality	25 - 26
Elias Motsoaledi Local Municipality	27
Makhuduthamaga Local Municipality	28
Fetakgomo Tubatse Local Municipality	29
5.5 SDM Staff	**30 - 32**

1. PURPOSE OF TAKING THE 2024/2025 DRAFT ANNUAL REPORT TO THE PUBLIC

1. Chapter 12 Section 121 (1) & (2) of the Municipal Finance Management Act Number 56 of 2003 direct municipalities to take their draft annual reports to the local communities.
2. Section 121 (1) reads" Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with chapter 12 of the MFMA. The Council of a municipality must within nine months after the end of the financial year deal with the annual report of a municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

   Section 121, subsection (2) paragraphs (a), (b) & (c) read thus" The purpose of an annual report is-----

   (a) To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;

   (b) To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and

   (c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

2. PUBLIC PARTICIPATION MEETINGS HELD

This was a Joint public participation programme with local municipalities. SDM only had a session with the staff and Elias Motsoaledi Local Municipality rate payers.

The public participation meetings were held in all the local municipalities in the district from 10/02/2026 until 25/03/2026.

The following stakeholders were consulted.

a. Magoshi
b. Special groups
c. General public
d. Rate Payers

3. PUBLIC PARTICIPATION PROGRAMME

JOINT 2024/2025 DRAFT ANNUAL REPORT PUBLIC PARTICIPATION PROGRAMME

(PUBLIC PARTICIPATION MEETINGS HELD)

MUNICIPALITY/ VENUE	DATE	TIME	STAKEHOLDER
Ephraim Mogale Council Chamber, Marble Hall	Tuesday, 10/02/2026	11h00	**Magoshi**
Makhuduthamaga Council Chamber, Jane Furse	Wednesday, 11/02/2026		
Elias Motsoaledi Council Chamber, Groblersdal	Thursday, 12/02/2026		
Fetakgomo Tubatse Local Municipality, Thabamoshate Cassino, Burgersfort	Friday, 10/03/2026		
Sekhukhune District Lehlaba Disability Centre, Riba Cross, Fetakgomo Tubatse Local Municipality	Wednesday, 25/03/2026	11h00	**Special groups**
Ephraim Mogale Local Municipality Thusong Centre/Pink Hall, Matlerekeng Village	Tuesday, 17/02/2026	11h00	**General public**
Makhuduthamaga Local Municipality			

Phokoane Community Hall, Phokoane Village	Thursday, 19/02/2026	11h00	**General public**
Elias Motsoaledi Local Municipality Rebone Sports Ground, Ramaphosa Village	Tuesday, 24/02/2026	11h00	**General public**
Fetakgomo Tubatse Local Municipality Ga-Mongatana Community Hall, Ward 10	Tuesday, 24/03/2026	11h00	**General public**
Sekhukhune District Ephraim Mogale Council Chamber, Marble Hall Elias Motsoaledi Council Chamber, Groblersdal Makhuduthamaga, Kgaula Mafiri, Jane Furse Fetakgomo Tubatse Council Chamber, Burgersfort	Wednesday, 11/03/2026 Thursday, 12/03/2026 **Wednesday, 04/03/2026** **Thursday, 05/03/2026**	18h00 18h00 **11h00** **18h00**	**Rate payers** **Rate payers** **(Postponed)** **(Postponed)**
Sekhukhune District SDM Council Chamber, Bareki Mall, Groblersdal	Friday, 06/03/2026	09h00	**Staff**

4. ATTENDANCE STATISTICS

Date	Venue	Stakeholder	Target Number	Actual attendance
Tuesday, 10/02/2026	Ephraim Mogale Council Chamber, Marble Hall	**Magoshi**	40	41
Wednesday, 11/02/2026	Makhuduthamaga Council Chamber, Jane Furse		100	75
Thursday, 12/02/2026	Elias Motsoaledi Council Chamber, Groblersdal		50	33
Friday, 10/03/2026	Fetakgomo Tubatse Local Municipality, Thabamoshate Cassino, Burgersfort		100	48
Wednesday, 25/03/2026	Lehlaba Disability Centre, Riba Cross, Fetakgomo Tubatse Local Municipality	**Special Groups**	150	185
Tuesday, 17/02/2026	**Ephraim Mogale Local Municipality** Thusong Centre/Pink Hall, Matlerekeng Village	**General Public**	400	Postponed
Thursday, 19/02/2026	**Makhuduthamaga Local Municipality** Phokoane Community Hall, Phokoane Village		400	281
Tuesday, 24/02/2026	**Elias Motsoaledi Local Municipality** Rebone Sports Ground, Ramaphosa Village		400	351
Tuesday, 24/03/2026	**Fetakgomo Tubatse Local Municipality** Ga-Mongatana Community Hall, Ward 10		500	160

Wednesday, 11/03/2026	Elias Motsoaledi Council Chamber, Groblersdal	**Rate Payers**	150	27
Thursday, 12/03/2026	Makhuduthamaga, Kgaula Mafiri, Jane Furse		150	Postponed
Wednesday, 04/03/2026	Fetakgomo Tubatse Council Chamber, Burgersfort		150	Postponed
Thursday, 05/03/2026	Ephraim Mogale Council Chamber, Marble Hall		150	115
Friday, 06/03/2026	**Sekhukhune District** SDM Council Chamber, Bareki Mall, Groblersdal	**Staff**	500	128
		TOTAL	**3 240**	**1 444**

5. ISSUES RAISED

5.1 Magoshi

MAGOSHI : EPHRAIM MOGALE LOCAL MUNICIPALITY, 10/02/2026					
NO.	**NAME**	**WARD/ VILLAGE**	**CHALLENGES**	**Relevant Department**	**Intervention**
1.		Matlala Ramoshebo	A borehole has been drilled in the area, but it still needs to be properly equipped so that the community can access water.	SDM	
			The community currently has no reliable access to water.	SDM	
			Water tankers supplied by the municipality are not sufficient to serve the entire community.	SDM	
2.		Moutse West	The community has experienced a prolonged period without access to water.	SDM	
			Health inspectors are not visible in local shops.	SDM	
			There is a lack of road maintenance, and the quality of some tarred roads is not satisfactory.	EMLM	
3.	Thoriso		Gravel roads are rarely maintained and are sometimes only graded during funeral preparations.	EMLM	

MAGOSHI : MAKHUDUTHAMAGA LOCAL MUNICIPALITY, 11/02/2026

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
1	Thobejane	Leolo	No refuse removal. Long outstanding vacant post of Community services director. Unavailability of Social welfare desk. Lack of traditional leaders' office within the municipalities. No recognition awarded to Magoshi.	IWS Corporate Services EM's office EM's office EM'S office	 CoGHSTA to be contacted CoGHSTA to be contacted
2.	Kwena Madihlaba	GaKgoshi Madihlaba	Budget allocated for the road from GaMoloi to Phushula village in 2022 but no progress. Outstanding bridge. No connection of electricity at gaMoloi extension. Poor communication with Eskom.	EM's office/IWS	Dept. of Public works Limpopo province to be contacted. Eskom to be contacted.
3.	Semang Masemola	Mataosane Glencowie	No title deeds. Demarcation process to be outlined. Non registration of Manduna. Insufficient payment of Councillors.	Makhudutham aga Local Municipality	
4.	Masehla	Dichuenung	No road to clinic and to school. No road to graveside.	IWS MLM	
5.	Tselane	gaMalaka	Poor Communication of bursaries. Poor road condition.	Corporate dept. IWS	
6.	Rose Kgwete	Ngwaritsi Ga Nduna N.S Madihlaba	Poor Communication of advertisement of posts. Process of bore holing for Magoshi be outlined.	Corporate EM's Office IWS	Publication of posts be transparent

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
			Road to Ngwaritsi and Vleishboom in a bad condition. Budget of clinic not accountable. No water in Ngwaritsi clinic. Unemployment.	EM's office	Dept of Public works Limpopo province to be contacted Dept. of Health Limpopo province to be contacted
7.	Billy Moganedi	Thoto (Pedi Mamone Authority)	Only 20 hectares allocated not the expected 50 hectors	PED	

MAGOSHI : ELIAS MOTSOALEDI LOCAL MUNICIPALITY, 12/02/2026					
NO.	**NAME**	**WARD/ VILLAGE**	**CHALLENGES**	**Relevant Department**	**Intervention**
			TRADITIONAL LEADER		
1.	Mike Mathebe	Ntwane	A concern was raised that invitations to meetings often indicate the presence of the Mayor or Executive Mayor, however the meetings are frequently attended by an Acting Mayor. Community members noted that this has happened repeatedly and requested improved leadership presence at public meetings.	SDM/EMLM	
			Since 2017, approximately 2 000 households have not yet been electrified. Community members requested clarity on the criteria used to prioritise electrification projects.	EMLM	
			There is insufficient maintenance of roads in many areas and communities requested urgent attention.	EMLM	
			The Local Economic Development (LED) Department is not creating enough employment opportunities in rural areas, particularly for Small, Medium and Micro Enterprises (SMMEs).	SDM/EMLM	
			The municipality was encouraged to improve its audit outcome from an unqualified audit opinion to a clean audit.	EMLM	
			The municipal budget should be more detailed and transparent, particularly	EMLM	

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
			with regard to allocations and expenditure.		
			Water service delivery needs to improve, as communities continue to experience water shortages.	SDM	
			The municipality should address issues that previously resulted in qualified audit opinions.	SDM	
			Community members emphasised the need for sustainable job creation initiatives.	SDM/EMLM	
			There should be greater transparency regarding the municipal budget, expenditure and financial allocations.	SDM	
			The establishment of Eskom offices within the municipal area was suggested to improve accessibility for residents.	EMLM	
2.	Maipushi	Tafelkop Ward 27 and 28	Concerns were raised regarding Eskom service demarcations, with allegations that electricity connections are sometimes prioritised unfairly.	EMLM	
			The road leading to the stadium is located next to a water pipeline, and this should be considered during infrastructure planning and maintenance to prevent damage to the pipeline.	EMLM	
			VIP toilets require regular service using honey sucker trucks, as sanitation services are a municipal responsibility.	SDM	

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
			The road from Groblersdal to Monsterlus no longer appears in the municipal budget and the community requested feedback on the project.	EMLM	
			The water pipeline from Groblersdal to Tafelkop is no longer functioning effectively, and some sections of the system have been disconnected.	SDM	
			A water project initiated in 2008 appears to have been abandoned, while a new system is being developed. The community expressed concern that this may result in continued water shortages.	SDM	
			The land in Jane Furse requires urgent intervention to prevent illegal occupation.	SDM	
3.	Mahlangu (Sibanyoni)	Sehlakwane	Community members requested that at least one Mayor attend public consultation meetings.	SDM/EMLM	
			Regravelling of roads in Mathulastand requires urgent attention.	EMLM	
			Concerns were raised regarding water rights for traditional leaders, particularly where community members or stakeholders wish to assist with water provision.	SDM	
			A contingency plan is required for the Monsterlus graveyard due to increasing demand for burial space.	EMLM	
			There is a borehole located outside the tribal authority yard, and traditional	SDM	

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
			leadership requested that a pipeline be installed to connect the borehole to the yard to avoid purchasing water.		
4.	Kgoshigadi Matsepe	Ga Matsepe	There are no proper access roads in Ga Matsepe, Mashemong and Makaepea.	EMLM	
			Load shedding continues to negatively affect communities.	EMLM	
			The Magosa road is not accessible, creating difficulties for residents.	EMLM	
			There is no reliable access to water in some communities, and allegations were made that certain individuals are selling water to residents and tampering with municipal water systems.	SDM	

MAGOSHI : FETAKGOMO TUBATSE LOCAL MUNICIPALITY, 10/03/2026

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
			TRADITIONAL LEADER		
1.	Bapedi Kingdoms	Ward 16	Concerns were raised that the overall performance of the municipality is not satisfactory. Clarity was requested on the steps being taken by the municipality to improve service delivery and performance.	SDM	
			It was further recommended that surrounding villages be included during the planning and budgeting process for water supply projects.	SDM	
2.			Concerns were raised regarding outstanding boreholes at the residences of some traditional leaders which have not yet been installed. Clarity was requested on when these boreholes will be implemented.	SDM	
			Request for fencing of graveyards in various communities.	FTM	
			Concerns were raised about access roads to traditional leaders' residences. It was suggested that guidance be provided on whether formal applications are required for such requests.	FTM	
3.	Zenyembezi Ngwanya	Ga Manoke	Concerns were raised regarding streetlights that appear to be connected to two power sources and are currently not functioning.	FTM	

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
			The road leading to the traditional leaders' residence is reportedly incomplete, although the report indicates that the project has been completed.	FTM	
4.	Komane	Alverton	Inquiry was made on how indigent households can access electricity services.	FTM	
			Concerns were raised regarding overgrown trees within the villages that require cutting or maintenance.	FTM	
5.	Tswaledi	Ga Motodi	The community indicated that there is currently no access to street lighting within the village.	FTM	
			The village lacks internal access roads which affects mobility within the community.	FTM	
			Concerns were raised about the lack of development projects and clarity was requested on how new areas are prioritised for development.	FTM	
			Boreholes for tribal houses have not yet been installed, and clarity was requested regarding the expected timeline.	SDM	
			There is no access to the two bridges leading to the graveyards.	FTM	
6.	Mabelane TD	SALGA	It was suggested that municipalities should adopt a common format when drafting public participation annual report presentation to ensure consistency.	FTM/SDM	

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
			It was recommended that the total municipal budget be included in the report for transparency purposes.	FTM/SDM	
			It was further suggested that the total number of municipal staff be included in the report, rather than focusing only on senior management.	FTM/SDM	

5.2 Special Groups

SPECIAL GROUPS, 25/03/2026, LEHLABA DISABILITY CENTRE, RIBA CROSS, FETAKGOMO TUBATSE LOCAL MUNICIPALITY

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
1	Tubatse		Allocation of funds not sufficient. No clarity in responding to issues raised by disabilities. Poor recruitment of disabled people.	Corporate EM's office	EM'S office
2	Mokgwadi		Issues of disabilities not responded to. No intervention in water issues. Officials not responding to the queries. Requested to ask for a TLB and the owner not paid. Capacity of electricity very weak.	EM's office	At least 2 ward committees be appointed for the disabilities per ward
			No road access and bridges.		
3	Kgorosi		No allocation of projects to disabilities. No recognition of disabilities when there are projects. No recruitment of disabilities. No allocation of houses to disabilities.	IWS ESKOM	EM'S Office Department of Public works department Limpopo province
4			No water. Offices far from Sekhukhune communities. Poor allocation of stands.	IWS EM's office	EM'S office COGHTA
5	Makua Virginia	GaMoretsele Jane Furse	No recruitment of disabilities. Fire burnt the house in ward 20.	Corporate EM's office	EM'S office Department of housing

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
			Only one disability person recruited in Makhuduthamaga local municipality.		Limpopo province
6	Weekend Sekoje	Mamone	No pathway in the road to Jane Furse Plaza. No RDP allocation for disabilities. Other RDP's incomplete. No permanent jobs for disabilities.	EM's office Corporate	EM'S office Department of housing Limpopo province
7	Lekamu	Mogalatsane	Electricity capacity increment. No water. No recognition in recruitment. No recruitment in business opportunities. Grants withdrawn for disabilities.	EM's office LED Corporate	EM'S office
8	Ramphisa	Kgobokwane Kwelobohloko Old age centre	No water.	IWS	EM's office
9		Mamone Special school	No security. No classrooms / 100 learners in one class. Disabled people are impregnating each other in Jane Furse disability centre. No recruitment of disabilities. NPO's of disabilities be funded. No intervention to disabilities centre. Disability centres to be visited. NPO's of disabilities be funded.	Corporate EM,s office LED	EM'S office Department of housing Limpopo province.

5.3 General Public

GENERAL PUBLIC, 17/02/2026, EPHRAIM MOGALE LOCAL MUNICIPALITY, THUSONG CENTRE/PINK HALL, MATLEREKENG VILLAGE

Postponed.

GENERAL PUBLIC, 19/02/2026, MAKHUDUTHAMAGA LOCAL MUNICIPALITY, PHOKOANE COMMUNITY HALL, PHOKOANE VILLAGE

ISSUES RAISED

1. **Water Infrastructure**
   Address borehole challenges, including regular maintenance and ensure that allocation is fair and equal to citizens. Also, provide clarification on whether continuous plans exist to improve borehole functionality.

2. **Annual Report Presentation**
   A standardised format for presenting the Annual Report should be developed to ensure clarity and consistency.

3. **Budget Alignment**
   Ensure that the budget allocation reflects the needs identified in the IDP/BUDGET, further such be reflected in the Annual Report i.e. provide performance report versus the target plans.

4. **Performance Management**
   Improve performance monitoring across all municipal departments and portfolios.

5. **Staffing**
   Review the staff component structure within the municipality.

GENERAL PUBLIC, 24/02/2026, ELIAS MOTSOALEDI LOCAL MUNICIPALITY, REBONE SPORTS GROUND, RAMAPHOSA VILLAGE

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
1.		Bantwane	Unemployment is serious problem in the community. Maintenance of Roads. Electricity is the big problem in the village. We want a clear Audit.	IWS ESKOM LED	Budget is available for funding of small businesses.
2.		Tefelkop	Electricity, the office of ESKOM is not working in Groblersdal and Monsterlus. Road has potholers. VIP toilet is overflowing. Water is the big issue in the community.	ESKOM IWS	
3.	Mahlangu		The Executive Mayor and Local Mayor must face Magoshi face to face, they must stop to deploy when it's time to meet Magoshi. Poor service delivery. Gravel Road is the issue, is a serious challenge.	OEM	

GENERAL PUBLIC, 24/03/2025, FETAKGOMO TUBATSE LOCAL MUNICIPALITY, GA-MONGATANA COMMUNITY HALL, WARD 10

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
General Public: FETAKHOMO-TUBATSE LOCAL MUNICIPALITY					
1	Jaco		No road. Scarcity of water. Road not completed since 2027. Old electricity system. No recruitment of EPWP.	IWS Corporate department EM'S office	EM'S office ESKOM
2	Mokati	Mongatane	No intervention in water issues. Officials not responding to the queries. Requested to ask for a TLB and the owner not paid. Capacity of electricity very weak.	IWS EM's office	EMS office ESKOMs
			No road access and bridges.		
3	Mohlala	Sekopung	No water. No access roads. Communication for bursaries of orphans not clear. Transformer need upgrading but ignored for a long time.	IWS ESKOM	EM'S Office
4	Kgaugelo	Makgemeng Ward 31	No allocation of electricity. No water. No clear allocation of bursaries. No toilets.	IWS Corporate	EM'S office ESKOM
5	Dipolelo Phasha	Kgabeng	No electricity	EM's office	ESKOM
6	Welly Phala	Kgabeng	No electricity	EM's office	ESKOM

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
7	Pride	Kgabeng	No electricity	EM's office	ESKOM

5.4 Rate Payers

RATE PAYERS, 11/03/2026, EPHRAIM MOGALE COUNCIL CHAMBER, MARBLE HALL

ISSUES RAISED

1. **Local Economic Development**
   Provide incentives for local businesses within the municipality.

2. **Billing System**
   The municipal billing system needs improvement to ensure accurate billing and better service to residents.

3. **Water Services**
   Water source systems should be regulated, and accounting systems improved to ensure better water management.

4. **Emergency Services**
   Improve Emergency Medical Services (EMS) to enhance response times and service delivery.

5. **Municipal Debt**
   Consider measures to write off certain municipal debts, where appropriate.

6. **Infrastructure Maintenance**
   Ensure continuous maintenance of infrastructure, including Bulk Water Systems (BWS).

7. **Private Sector Development**
   Encourage political support for developers and private sector investment in the municipality.

8. **Information Technology Systems**
   Improve municipal ICT systems to strengthen administration and coordination.

9. **Political–Administrative Coordination**

Improve coordination of public-private partnerships within political offices and municipal administration to enhance local economic development.

10. Water Services Management

The operations and maintenance of water services should be strengthened to improve the quality of household water reticulation.

11. Municipal Revenue

The municipality should enhance revenue collection through improved infrastructure provision.

RATE PAYERS, 12/03/2026, ELIAS MOTSOALEDI LOCAL MUNICIPALITY, SDM CHAMBER, BAREKI MALL, GROBLERSDAL

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
RATE PAYERS: ELIAS MOTSOALEDI LOCAL MUNICIPALITY					
1.	Agrrey Khoza	Grolersdal Ward 13	Local suppliers not considered. Rates very high. Local residents not considered for employment.	Corporate department ESKOM	EM'S office
2.	Jermina Mokoena	Groblersdal Ward 13	No intervention in water issues. Poor communication. Public works houses not maintained.	IWS EM's office	Public works department Limpopo Province

RATE PAYERS, 04/03/2026, MAKHUDUTHAMAGA LOCAL MUNICIPALITY, KGAULA MAFIRI MUNICIPAL HALL, JANE FURSE

Meeting postponed.

RATE PAYERS, 05/03/2026, FETAKGOMO TUBATSE LOCAL MUNICIPALITY, COUNCIL CHAMBER, BURGERSFORT

Meeting postponed.

5.5 SDM STAFF : SEKHUKHUNE DISTRICT MUNICIPALITY, 06/03/2026

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
			The following question were raised:		
1.	Isaac Mahlakwane		That municipal health system be improved. The department is not fully capacitated in terms of compliance (e.g.) spaza shops. That a pilot structure to deal with the relocation of employees to Jane Furse be established.		That all the questions were irrelevant to the meeting but can be raised in the next IDP/Budget Consultation
2.	Elvis Mahlong		That LLF is not functional.		That all the questions were irrelevant to the meeting but can be raised in the next IDP/Budget Consultation
			That submissions are not taken serious by the employer representatives. That the EPWP who are working at the fire stations be taken seriously and be paid accordingly, as they are the ones running those stations without the permanent staff. Proper PPE be provided. The 15% car allowance should be reconsidered because it's not enough.		That all the questions were irrelevant to the meeting but can be raised in the next

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
			1500km was also mentioned. Permanent meter readers be employed to avoid contracts with service providers.		IDP/Budget Consultation
3.	Ntobeng		Fire stations be capacitated.		That all the questions were irrelevant to the meeting but can be raised in the next IDP/Budget Consultation
4.	Karabo Ramatjie		MIG figures be corrected as they were wrongly captured.		That all the questions were irrelevant to the meeting but can be raised in the next IDP/Budget Consultation
5.	Maroga Titus		WSIG spending be corrected to 100%.		That all the questions were irrelevant to the meeting but can be raised in the next

NO.	NAME	WARD/ VILLAGE	CHALLENGES	Relevant Department	Intervention
					IDP/Budget Consultation
6.	Steve Nkabinde		Crime awareness report be corrected.		That all the questions were irrelevant to the meeting but can be raised in the next IDP/Budget Consultation
7.	Maboshego		That the employer should always give support to Employees in order to improve performance at the work place.		That all the questions were irrelevant to the meeting but can be raised in the next IDP/Budget Consultation

ANNEXURE H:

Oversight Report

2024/2025

SEKHUKHUNE
District Municipality

Private Bag X8611
Groblersdal
0470
3 West Street
Groblersdal 0470
Tel: (013) 262 7300
Fax: (013) 262 3688
E-Mail: sekinfo@sekhukhune.co.za

CERTIFIED COUNCIL RESOLUTION

The Council at its special Meeting held on the 30 March 2026 under:

SC 06/03/26: MPAC OVERSIGHT REPORT ON THE 2024/2025 DRAFT ANNUAL REPORT

RESOLVED AS FOLLOWS:

1. Council approved the Municipal Public Accounts Committee Oversight report on the 2024/2025 Draft Annual report with all its recommendations.

CERTIFIED AS TRUE RESOLUTION
MUNICIPAL MANAGER
KGWALE MM

01/04/2026
DATE

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

SEKHUKHUNE
District Municipality

SEKHUKHUNE DISTRICT MUNICIPALITY

MPAC OVERSIGHT REPORT ON 2024/2025 FINANCIAL YEAR ANNUAL REPORT

CONTENT

PAGE

1. Officials; Committees and Stakeholder.....3-4

2. Purpose 5

3. Introduction.....5

4. Background.....6

5. Terms of Reference of the MPAC/Oversight Committee (Appendix A) 7-8

6. Process Plan and Time Frames (Annexure B) 9-10

7. Annual Report Checklist (Appendix C) 10-15

8. Public hearing (Appendix D) 15-29

9. Project Oversight.....30-31

10. Joint 2024/24 draft report public participation.....32-32

11. Comments by the Public, Business and Stakeholders.....33-36

12. MPAC findings.....36

13. Recommendation/s of the Municipal Public Accounts Committee.....37

SEKHUKHUNE DISTRICT MUNICIPALITY MPAC OVERSIGHT REPORT ON THE DRAFT ANNUAL REPORT

Officials:

MM Kgwale	Municipal Manager
HL Nkadimeng	Chief Financial Officer
D Matumane	Director: Corporate Services
K Shongwe	Director: PED
K Robinson	Director: Community Services
F Mashele	Director: Technical Services
B Mashigoana	PMS Officer
M Tiisho /T Maroga	Manager: PMU
J Makgolane	Chief Audit Executive

Audit and Performance Audit Committee Members:

S Mofokeng	Chairperson
T Mathabathe	Member
S Ngoetjane	Member
Adv. L Thubakgale	Member
V Manyisane	Member

Other: Stakeholders:

Auditor-General's Office
Provincial COGTA Limpopo
SALGA
Limpopo Provincial Treasury
Local Municipalities

MPAC Support staff :

Adv R Maunatlala	Manager MPAC
TG Madiega	MPAC Researcher
M Mailula	MPAC Coordinator
ML Malatji	MPAC Support
C Diale	Intern
L Masemola	In-service trainee

MPAC members: Current:

Cllr RHS Mashoeshoe	Chairperson
Cllr NS Letsela	Member
Cllr FM Mogotji	Member
Cllr LR Lekoatsipa	Member
Cllr MS Magabe	Member
Cllr M Thobejane	Member
Cllr A Mogofe	Member
Cllr AM Maloba	Member
Cllr AD Ngwatle	Member
Cllr K Mmamahlako	Member

2. PURPOSE OF THE REPORT

The purpose of this submission is to table the oversight report on the 2024/2025 draft annual report as tabled to council on the 29th of January 2026 with council resolution number OC14/01/2026 for adoption and referred to MPAC for consideration and further scrutiny as per section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

3. INTRODUCTION

The Municipal Finance Management Act No.56 of 2003 (MFMA) assigns specific oversight responsibilities to Council with regards to the Annual Report and the preparation of an Oversight Report.

Given the processes required by Council to effectively undertake its oversight role, the establishment of an Oversight Committee of Council would provide the appropriate mechanism in which Council could fulfil its oversight responsibilities.

The Oversight Committee's primary role will be to consider the Annual Report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council.

In accordance with the provisions of Section 79A of Municipal structures Act 1998 as amended in June 2021, a municipality must establish a Municipal public accounts Committee.

The municipal council must determine the functions of the committee, which must include the following:

A. review the Auditor-General reports and comments of the Management and the Audit Committee and make recommendations to the municipal council;

B. review internal audit reports together with comments from the Management and Audit Committee and make recommendations to the municipal council;

C. **initiate and develop the oversight report contemplated in section 129 of the annual report as required in terms of section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);**

D. attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a councillor and the municipal manager; and

E. on its own initiative but subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.

4. BACKGROUND

The oversight role of Council is an important component of the financial reforms and it is achieved through the separation of roles and responsibilities between Council, the Executive (Mayoral committee and Executive Mayor) and Administration. Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.

Non-executive Councilors are required to maintain oversight on the performance of specific responsibilities and delegated powers that they have given to the Executive (Mayor/Executive Committee). In other words, in exchange for the powers in which Council have delegated to the *Executive, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or nonperformance of the municipality.

The Municipal Finance Management Act, No.56 of 2003 (MFMA) vests in Council specific powers of approval and oversight

- Approval of budgets;
- Approval of Budget related Policies; and
- Review of the Annual Report and adoption of the Oversight Report

APPENDIX A

5. TERMS OF REFERENCE: OVERSIGHT COMMITTEE

ANC, EFF, SADA, BPSA and DA parties are represented on the Municipal Public Accounts Committee (MPAC/Oversight Committee), and the Performance and Audit Committees members act as advisory members of the committee.

The following Ten non-executive council members were elected to serve on the MPAC/Oversight Committee to develop a program to address queries raised in the Auditor- General's report and exercise oversight on Municipal Affairs:

1. ANC: Cllr RHS Mashoeshoe
   Cllr L Lekoatsipa
   Cllr MS Magabe
   Cllr M Thobejane
   Cllr K Mmamahlako

2. EFF: Cllr A Mogofe
   Cllr A Maloba

3. DA: Cllr NS Letsela
4. BPSA: Cllr FM Mogotji
5. SADA: Cllr AD Ngwatle

6. That the elected MPAC/Oversight Committee will submit a report addressing the queries raised by the Auditor General, Public and stakeholders to Council for deliberations.

7. That the Committee will take the Oversight report to the Council as per the following programme:

The functions of the MPAC/Oversight Committee are to:

- Undertake a review and analysis of the Draft Annual Report going forward
- Interrogate the Annual Report
- Invite, receive and consider input from Councilors and Portfolio Committee, on the Draft Annual Report
- Conduct Public Hearing(s) to allow the community or any organs of the state to make representations on the Draft Annual Report
- Receive and consider Councils' Audit Committee views and comments on the annual financial statements and performance report.
- Prepare the Oversight Report taking into consideration, the views and inputs of the public, representative(s) of the Auditor General, Organs of State, Councils audit committee and Councilors

The Oversight report is the final major step in the annual reporting process of the municipality. Section 129 of the MFMA requires the council to consider the annual report of its municipality and municipal entities and to adopt an oversight report

containing the council's comments on the annual report, which must include a statement whether the council-

(a) Has approved the annual report with or without reservations.

(b) Has rejected the annual report; or

(c) Has referred the annual report back for revision of those components that can be revised

The MPAC/Oversight Committee may use the attached checklist to organize its Report and to manage request for additional information. The questions suggested may be used by all councilors to gain clarification on contents of reports and also verify compliance with MFMA and MSA. Responses of many of these questions should be provided by the Accounting Officer of the municipality.

APPENDIX B

6. PROCESS PLAN AND TIMEFRAME FOR THE ADOPTION OF THE OVERISGHT REPORT AND THE ANNUAL REPORT.

DATE	REASON	RESPONSIBLE PEOPLE	STRUCTURE
Done Previous 2021/22 Date: 24 November 2021(SC4/01/2021) Amendment: Date: 28 January 2022 Resolution Number: OC4/02/2022 Date: 31st July 2024	Council establishes the MPAC/Oversight Committee	Council	Council
29 January 2026 Resolution Number: OC14/01/2026	Council resolution to adopt annual Report	PMS Officer /Municipal Manager/Director PED and Manager Council Support	Council
29 January 2026	Handover of Annual Report to MPAC and internal audit	PMS Officer /Municipal Manager/Director PED and Manager Council Support to Cllr RHS Mashoeshoe and CAE	Management

29 January 2026 Resolution Number: OC14/01/2026	Draft Annual report copies given to AG and COGTA after consideration of comments from council	PMS Officer /Municipal Manager and Director PED	None
09 March 2026	Draft advert prepared for submission to MM for public and stakeholder hearing	M Mailula _MPAC Coordinator TG Madiega _MPAC Researcher	None
11 March 2026	Actual advertisement in Local Notice Board, Social Media and Municipal Website	M Mailula _MPAC Coordinator TG Madiega _MPAC Researcher Chairperson for Overseeing	None
05 March 2026	First meeting of MPAC on Draft annual Report 08 am, Hanna Game Lodge to recognize the report and interrogation.	M Mailula _MPAC Coordinator TG Madiega _MPAC Researcher	MPAC meeting
05 March 2026-06 March 2026	Interrogation of Annual Report and drafting of public hearing questions	MPAC Committee, SALGA, Treasury,AGSA and CoGHSTA	Special MPAC meeting
9 March 2026	Finalising public hearing questions	M Mailula _MPAC Coordinator TG Madiega _MPAC Researcher	Special MPAC meeting

10 February- 06 March 2026 - Staff and Special groups - Magoshi - Local Municipalities (General Public) - Rate payers	Local Municipalities Meeting on the presentation of Draft Annual report to the public ((3 Feb 2026 Stakeholder participation office of the speaker-advert date)	Manager Mayor	Public meeting for Annual report
Upon receipt	Incorporation of AGSA and CoGHSTA comments of Annual Report into Oversight report	PMS Officer /Municipal Manager	None
23 March 2026	MPAC Public hearing at Motetema	MPAC members, Researcher, Coordinator, Manager MPAC, Chief Audit Executive	Special MPAC to finalize oversight Report
Special meeting to be requested not later than 31 March 2026 (Preferred date 30 March 2026)	Tabling of oversight report to Council	Manager Council Support	Council Meeting
31 March 2026	Submit Oversight report to AGSA,COGTA and Limpopo Provincial Treasury	TG Madiega to amend the Oversight Report and J Makgolane and Chairperson _Cllr RHS Mashoeshoe to ensure delivery	None
31 March 2026	Posting of the report on the municipal website and printed copies to municipal offices	MPAC Researcher TG Madiega and J Makgolane and Chairperson _Cllr RHS Mashoeshoe to ensure posting	None
After Adoption of the minutes in a Council formal Meeting	Submit Minutes of Council Meeting Adopting Oversight report to AG.COGTA and Limpopo Provincial Treasury	TG Madiega to amend the Oversight Report and J Makgolane and Chairperson _Cllr RHS Mashoeshoe to ensure delivery	None

7. COMPLIANCE CHECKLIST

The committee developed a checklist and utilized it to test the compliance with section 121 of the Municipal Finance Management Act on 2024/25 financial year draft Annual report.

Findings were raised as follows on the 6th of March 2026 With the municipal manager and subsequently corrected.

APPENDIX C

SECTION 121 OF THE MUNICIPAL FINANCE MANAGEMENT ACT				
Preparation and adoption of annual reports				
Question (including legislation if necessary)	**Question emanating from the legislation(column A)**	**Compliance Status ✓/X**	**Portfolio of evidence or reference to annual report**	**Recommendation /Action(To be included in the MPAC public hearing questions**
121. (1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter (121 of the MFMA). The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared Control in accordance with section 129.	**Timing** 1. Was the Annual Report tabled by 31 January, as per legislative Requirements? (29 January 2026) 2. Has a schedule for consideration of the Report been adopted?		Council resolution OC14/01/2026	None The schedule for public participation on Draft Annual Report was formally adopted with the Draft annual report (Public participation was scheduled to take place from the 10th February to 6th March 2026 as per the proposed schedule of dates however on the implementation other dates were postponed to further notice due to poor attendance of stakeholders) **Recommendation** To have a better relationship with Magoshi and encourage attendance and participation

121. (2) The purpose of an annual report is— *(a)* to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates; *(b)* to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and *(c)* To promote accountability to the local community for the decisions made	(a)Does the draft annual report provide the correct records of activities of the municipality? (b) Does the draft annual report provide the performance against the budget? (c) Does the draft annual report promote accountability?	x x x	Draft Annual Report Draft Annual Report Draft Annual Report	(a) Corrections to the report (See Detailed findings section) (b) Correction be made to include the report on performance against the budget of the municipality or municipal entity for that financial year as per Section 121 (b) (c) Corrections to the report (See Detailed findings section)

Throughout the year by the municipality or municipal entity.				
Compulsory inclusions as per the section 121 (3) The annual report of a municipality must include—				
(a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the AuditorGeneral for audit in terms of section 126(1);	Does the Draft annual report include the audited financial statements?		Attached as part of the Draft Annual Report after Annual Performance report ,the attachment was provided after the request from the committee.	**Comment** For future reference when the annual report is submitted to council it must be accompanied by the necessary attachments.
(b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;	(b) Does the Draft annual report include the audit Report on Financial Statements		Attached as part of the Draft Annual Report after Annual Performance report, the attachment was provided after the request from the committee.	**Comment** For future reference when the annual report is submitted to council it must be accompanied by the necessary attachments.

(c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;	(c) Does the Draft annual report include the annual performance report?		Attached as part of the Draft Annual Report after Annual Performance report, the attachment was provided after the request from the committee.	**Comment** For future reference when the annual report is submitted to council it must be accompanied by the necessary attachments.
(d) the Auditor-General's audit report in terms of section 45*(b)* of the Municipal Systems Act;	(d) Does the draft annual report include the Auditor General's report?		Attached as part of the Draft Annual Report after Annual Performance report, the attachment was provided after the request from the committee.	**Comment** For future reference when the annual report is submitted to council it must be accompanied by the necessary attachments.
(e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and **service charges;**	**(e)** Does the draft annual report include an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges	x	Arrears not provided only the collection /revenue received on page 224	**Comment/recommendation** Comply with section121(2) (e)for any arrears on municipal taxes and service charges
(f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)*(b)* for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;	**(f)** Does the draft annual report include an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)*(b)*	x	Page 223 The revenue collection from each source is provided however the approved budget for each source is not provided therefore comparing the actual vs budget is impractical	**Comment/recommendation** Comply with section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year

(g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs *(b)* and *(d)*	**(g)** Does the draft annual report include particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs *(b)* and *(d)(Audit Action plan)*		Attached as part of the Draft Annual Report after Annual Performance report, the attachment was provided after the request from the committee.	**Comment** For future reference when the annual report is submitted to council it must be accompanied by the necessary attachments.
(h) any explanations that may be necessary to clarify issues in connection with the financial statements;	**(h)** Does the draft annual report include any explanations that may be necessary to clarify issues in connection with the financial statements;		Draft Annual Report, page 224	None
(i) any information as determined by the municipality;	**(i)** Does the draft annual report include any information as determined by the municipality;		Draft Annual Report	None
(j) any recommendations of the municipality's audit committee; and	**(j)** Does the draft annual report include any recommendations of the municipality's audit committee; and		Audit Committee report as attachment of the Draft annual report	The report attached has no recommendations related to the Annual Report in question, for future refence the committee request assurance from the audit committee on the
				correctness of the draft annual report
(k) Any other information as may be prescribed.	**(k)** Does the draft annual report include Any other information as may be prescribed?		All prescribed reports are part of annextures	None

Corrections /Findings with comment

Reference	Mistake/finding	Recommendation	Corrected or not
Contents Reference to pages 37	Establishment of the office of the speaker on page 37 is not section 56 of the municipal structures act No 117(Correct to section 37)	Correct to section 37	

Acronyms	Acronyms excludes SADA(Socialist Agenda of Dispossessed Africans)	Add SADA (Socialist Agenda of Dispossessed Africans)	
Page 92-94	Page 92-94 on the reasons for deviations from normal SCM processes, the same reasons are provided "Goods get referred to the service provider by insurer, who has been appointed through a competitive bidding process" These reasons are provided even for CIGFARO Registration and other unrelated deviations to the reason.	Fix the reasons for deviations	
General Information	Page Numbering to start on general information.	Fix numbering of the report	
General Information	The general information has a cooling period between 31 October 2024 to 20 November 2024(correct to close the GAP)	correct to close the GAP	
Page 2&3	Mayors Foreword(proofread the foreword and fix areas that need to be corrected) e.g. page 2 on audit opinion and page 3 on allocated Grant spending	proofread the foreword and fix areas that need to be corrected	
Page 9&10	Page 9-10,recent census 2022 not 2016(update)	Update to 2022	
Page 12	Page 12 corrects the financial year on VIP toilets ,2024/2025 appears	corrects the financial year on VIP toilets	
Page 16	Page 16 indicate source of data for the 90% indigent rate	Indicate the source of data	
Page 30	Page 30,financial health ,confirm and provide correct figure	confirm and provide correct figure	
Page 123	Page 123 fix financial years or include the year in question	fix financial years or include the year in question	
Draft Annual Report	Provide the performance against the budget	Provide the performance against the budget	
Draft Annual Report	Provide an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges	Provide an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges	

Draft Annual Report	Provide an assessment by the municipality's accounting officer of the municipality's	Provide an assessment by the municipality's accounting officer of the municipality's	
Draft Annual Report	performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;	performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;	
Page 37	Subsection of any provision of legislation must not be expressed with bullet form(Section 56 and 37 of the municipal structures Act on 117 of 1998 as amended on duties of executive Mayor and the Speaker)		

8. MPAC Public Hearing

These were the set of questions developed and asked by MPAC in preparation of the Oversight Report in an open platform where the Exco(Executive Committee) answered the questions, the questions prepared in accordance to the MFMA section 124 on Annual Report and the questions emanate from the Annual Report received on the 29 January 2026,MPAC Had two meetings/engagements and interrogation session to understand and make reference to legislation in considering the annual report for the financial year ended 30 June 2025.

MPAC embarked on a project oversight visits on projects listed on the draft annual report.

Upon interrogation of the Annual Report on 5th to 6th March 2026, the following matters were raised in terms of compliance as per the checklist developed by MPAC

APPENDIX D

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) WRITTEN QUESTIONS ON THE 2024/25 ANNUAL REPORT PUBLIC HEARING: MOTETEMA, ELIAS MOTSOALEDI

The Municipal Public Accounts Committee would like to congratulate Sekhukhune District Municipality on its achievement of 100% spending on RBIC Conditional grand, this achievement shows commitment to deliver services to the people of Sekhukhune.

The committee commends the accounting officer on the commitment made to prepare the financial statement in house, which is a cut on spending on consultant, the committee would like to encourage the municipality to deal with all matters raised by AGSA and we believe this will yell better outcome in the 2025/26 audit.

No	Question	Source/Reference	Relevant Authority	Response	Challenge	Remedial Action
1.	1.1. In terms of section 2 of MFMA 56, 2003, municipalities are obliged to secure sound and sustainable management of its fiscal and financial affairs by establishing norms and standards for the management of their revenues, expenditures, assets and liabilities. Subsequently, according to 2024/25 SDM Annual Financial Statements, the municipality is currently collecting below the 95% norm established by Circular 71 issued by National Treasury in January 2014. To that effect, what is the action plan currently implemented which entails corrective measures taken or to be taken, strategy to collect 100% of billed revenue and timeframes to achieve set targets? 1.2. The municipality launched a pre-paid water metering (smart metering) and billing system to improve on own revenue collection, what are the tangible collection improvements from this initiative and the effectiveness of this system?	2024/25 Annual Financial statements	Executive Mayor	Collection rate is currently at 35% average. Only smart meters are piloted, and the project is still in progress.	Culture of non-payment by residential. None	1.Installation of smart pre-paid meters will be a solution to ensure 100% collection. 2.Implementation of credit control and debt collection policy on residential areas by effecting disconnection of services. The smart meters are in progress, and it is tested. Installation of smart pre-paid meters is ready to kickstart soon. There is an improvement of revenue collection on piloted areas and reduction in leakages is being discovered.

2.	In terms of section 65(2)(e) of MFMA 56, 2003, as amended, the accounting officer must take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice. Subsequently, the 2024/25 AGSA Report on expenditure management reveals, under paragraph 44, that reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 days as envisaged by the Act. Considering such noncompliance, what steps did the Executive Mayor took to hold the accounting officer accountable and what corrective measures have been taken to avoid future recurrence?	2024/25 AGSA report 3	Executive Mayor	Yes, We acknowledge that some of the monies o wed by the municipality are not paid within 30 days as prescribed by the MFMA due to invoice disputes taki ng long to be resolved	Unresolved i nvoice disputes on inaccurate bil ling, resulted in Historical debts caused by outstandin g invoices on bulk water su pply from Lepelle Northern Wat er, Department of Water Affairs and Sanitati on (DWS) an d Dr.JS Morok a Municipality.	SDM was granted a municipality debt relief programme (MDR) by DWS and we now maintaining the current bulk water accounts, and we are complying with the conditions of the programme and the outstanding balances of monies owed have been reduced. Payments are made monthly and within the prescribed time frames

3	MPAC, as a standing committee of council, made several recommendations to council, guided by its terms of reference for recovery and consequence management on transgressions as envisaged in Sec32(2) of MFMA 56, 2003. As a result items were referred to the Financial Misconduct Board for consideration and, thereafter, develop and submit a comprehensive report to both Accounting Officer and Executive Mayor, who shall eventually submit the reports to Council for consideration. In that context, did the Accounting Officer and Executive Mayor receive those reports after referrals have been made to the Financial Misconduct Board and, if so, was such reports submitted to Council for consideration? And if not, why are such reports not submitted to Council?	2024/25 AFS, paragraph 3 & page 8	Executive Mayor	Financial Misconduct Board preliminary reports were presented to the Accounting officer and awaiting to be presented to the Executive Mayor and council respectively	-Conflicting schedules. -The term of office for the FMDB is coming to an end at the end of March 2026.	1.Appointment of New FMDM from April 2026 2. Induction of the new members and handover of the preliminary reports 3.FMDB to re-present the report to the accounting officer and present to the Executive Mayor 4. Executive Mayor submit the report to council for consideration.

4	According to section 131 of the MFMA 56, 2003, a municipality must address issues raised by the AGSA in an audit report and the mayor must ensure that a municipality comply with this section. In that context, indicate the turnaround time for addressing issues raised by the AGSA in relation to the SDM audit report? Additionally, do management fully comply with the provisions of this section and, if not, what measures are in place to prevent non-compliance with this section?	General Statement	Executive Mayor	30 June 2026. Management has developed Web based Audit Action Plan with action to address the finding as well as timeline to comply with section 131	Slow implementation of Audit Action Plan.	1.Technical Audit Steering Committee and Political Audit Steering will be convened biweekly to provide progress on the Audit Action Plan
5.	5.1 Section 161(1) of the MFMA 56, 2003, stipulates that a contract or agreement procured through the supply chain management process must be in writing and provides for the terms and conditions of such contract which must include provisions providing for the termination clause in case of non- or underperformance, dispute resolution mechanisms and a periodic review of the contract. Subsequently, the 2024/25 AG Report indicate, on paragraphs	2024/25 Management report page 42-70.	Executive Mayor	1. Management has horizontally moved a manager from BTO to IWS (PMU) to do contracts management . All project managers are attending their respective technical meetings and document	5.1. The policy on travel subjecting project managers to not claim within the district.	5.1 Revise the Transport Policy to accommodate the travelling cost for the Project Managers 5.2 Project Managers have been reprimanded and coached by the Senior Management of SDM

	5051, that the performance of some contractors or service providers was not monitored monthly and, similarly, non-compliance was also not reported. Furthermore, the report indicate that contract performance and monitoring measures were not in place to ensure effective contract management in the municipality. Considering the fact that this conduct equates to noncompliance with provisions of legislation, what steps have been taken and measures that are in place to prevent future recurrence? 5.2 Secondly, were consequence management measures taken against responsible officials? 5.3 Secondly, were consequence management measures taken against responsible officials?			them with proof. 5.2 Yes, verbal warnings were issued to the individual Project Managers and other managers		
6	In terms of Section 63(2) of the MFMA, the Accounting Officer must ensure that a management and accounting system is in place for the municipality's assets and liabilities. Has such a system been implemented electronically? If not, what are the reasons for noncompliance, and how does the municipality plan to resolve this going forward?	2024/25 Annual Report Page 42-70	Executive Mayor	The municipality is accounting liabilities and assets through its finaricial system which is electronically . The municipality time to time strives to improve internal controls to ensure the compliance with prescribed legislations	The municipality had introduced Standard operating procedures (SoP) to ensure correct accounting of the assets and liabilities.	The municipality on daily basis ensures that assets and liabilities are transacted correctly on the financial system

7.	The Committee noted that the municipality initiated a	General Statement	Executive Mayor	Yes, more than 120	Challenge is theft and	Community awareness is being
	Special Mayoral Project of drilling boreholes in all Traditional Authorities. Have the municipality been able to achieve the objectives of this initiative? If no why? If yes, please provide tangible evidence.			Boreholes drilled, equipped and functional in 99 Villages	vandalism of solar panels and transformers.	conducted where boreholes are drilled for the community to take ownership and guard the properties.

8	As disclosed in note 55 of the financial statements, material water losses were incurred. The losses were due to illegal connections, pipe leakages and lack of proper monitoring on tankering system. Are there any internal controls in place to deal with illegal connections, monitoring of tankering? What is the turnaround time in dealing with reported water leakages?	Note 55 of AFS, page 87	Executive Mayor	Yes, there are controls that management has implemented. The formation of Water Conservation and Water Demand Management (WCWDM) team has been formed. At least two officials have been seconded to the unit (one permanent and one intern). The unit has already started engaging LNW and O&M to investigate all the problematic infrastructure and respond to leaks and damages promptly. A WCWDM plan is currently being revised. Boreholes are being drilled in areas where illegal connections	There is a shortage of human capital in the WCWDM team. Theft and vandalism are not reported timeously	Employ more personnel to assist the WCWDM unit. Increase awareness in the communities about using water sparingly and report any theft to the authorities. Revise the Water and Sanitation By-laws

				are prevalent so that the municipality can cut the illegal connections without tempering with the water supply. The turnaround time in dealing with water leakages is 2 days.		
9	The municipality has adopted a voluntary financial recovery plan with the assistance of the national treasury; the plan is aiming at improving the financial position of the municipality by enhancing its revenue base while also unlocking service delivery backlogs. Implementation of the plan is to be monitored by the provincial treasury monthly. 9.1 What is the progress to date in terms of implementing the financial recovery plan? 9.2 Does the plan assisted the municipaiity in improving its revenue collection?	Page7 of 2024/25 AFS	Executive Mayor	The Financial Recovery Plan (FRP) is implemented and monitored by the municipality. The municipality is reporting every month to Provincial Treasury (PT) and on a monthly basis the PT assess and give progress to the municipality to improve. Quarterly the municipality is convened by the PT to discuss progress. The plan is assisting the municipality on strategies to improve revenue collection.	Revenue collection not picking up as expected due to illegal connection and nonpayment by the legible rate payers.	1.Installation of smart pre-paid meters will be a solution to ensure 100% collection. 2.Implementation of credit control and debt collection policy on residential areas by effecting disconnection of services. The FRP as a guiding tool does play a critical role in making sure that all measures to improve collection are adhered to.

10	In terms of sec.216(1) of the Constitution, the National Treasury may stop the transfer of funds to an organ of the state if	Page7 of 2024/25 AFS	Executive Mayor	The municipality has developed a plan to	Lack of monitoring of the plants serviced by LNW	The municipality has appointed official that work together with LNW to monitor their
	that organ of the state commits a serious or persistent material breach of those measures, subsequent to that the National Treasury has written a letter to SDM intending to withhold the equitable share. Is there any plan to prevent this from happening?			address all the challenges by Lepelle Northern Water (LNW)to National Treasury. Currently the municipality has agreed with LNW to service the current debt while the previous debts are to be resolved by making sure that proper invoices that are supported are produced		plants and doing the reading together
11.	AGSA's report state that the municipality did not correctly prepare and disclose the net cash flows from operating activities as required by standard of GRAP 2, cash flow statement. This was due to multiple errors identified in receipts, interest paid and supplies paid in determining cash flows from operating activities. Why the municipality fail to comply with GRAP 2 standards	Paragraph 6 and 7 of AGSA report	Executive Mayor	The municipality had prepared the Audit Action Plan to address all audit findings raised by the AGSA for the period 2024/25 financial year	None	None

12	AGSA's report state that the financial statement submitted for auditing were not prepared in all material respects in accordance with the requirements of sec.122(1) of the MFMA. Why the municipality fail to comply with requirements of MFMA, Sec.122(1)	Paragraph 42 of AGSA	Executive Mayor	The municipality has developed audit action plan that has all findings by the AGSA. The municipality is implementing the action plan and further reporting to management and Provincial Treasury.	None	None

13.	Sekhukhune Development Agency was developed to serve a special purpose of economic vehicle as stated in the AFS. Has the SDA attracted investment and created jobs rather relying on traditional municipal structures 13.1 Has the agency fulfilled its mandate?	Page 14 of AFS	Executive Mayor	SDA, established as a special purpose vehicle for economic development, has made measurable progress in attracting investment and creating skills-based opportunities within the District. By Securing Discretionary Grants: SDA successfully obtained a discretionary grant from MERSETA, enabling the training of students in artisan skills. This initiative directly contributes to job readiness and strengthens the local skills base. 2.Renewable energy: In collaboration with Hulisani Education Resource Centre and Sekhukhune TVET College, SDA launched a programme to train aspiring electricians in PV Solar assemble, installation & maintenance. The	The full-scale mobilisation of investment has been constrained by the absence of the Dam Management Committee (DMC), which is required in terms of the RMP to serve as the approving authority for operations and investment projects. This has delayed the implementation of projects and, consequently, job creation	The Sekhukhune District Municipality (SDM), through the Office of the Municipal Manager, has intervened by issuing a circular calling for the nomination of DMC members, representing affected and interested stakeholders as prescribed by the RMP. Previous attempts to establish the DMC were unsuccessful; however, this renewed process is intended to finalise the establishment of the DMC, thereby unlocking investment approvals and accelerating job creation

				programme prepares students for Green Card certification, providing them with accredited qualifications that enhance employability and creating Entrepreneurs in the renewable energy sector. These initiatives demonstrate SDA's commitment to leveraging partnerships and funding opportunities to develop human capital, attract investment into skills development, and create pathways for employment in emerging sectors Yes, the Sekhukhune Development Agency (SDA) has made progress in attracting investment, although large-scale job creation is still at an early stage. SDA has secured a **30-year Memorandum of Agreement (MOA)**, granting it		

				exclusive rights to control and manage access to the De Hoop Dam and surrounding state-owned land for recreational, tourism, and eco-tourism development. This agreement constitutes a significant investment pipeline, underpinned by the approved Resource Management Plan (RMP) and a business plan aimed at facilitating PublicPrivate Partnerships (PPP), local beneficiation, and sustainable job creation.		

14.	AGSA's report state that the municipal leadership did not adequately exercise effective monitoring over the implementation of the Audit action plan resulting in recurring prior year findings 14.1 What are the mechanism in place to ensure that there is monitoring for Audit action plan implementation? 14.2 Are there control measures in place to prevent the recurrence of these findings? If yes,	Paragraph 64 of AGSA	Executive Mayor	Progress on remedial actions is monitored on weekly basis by Internal Audit. The audit action plan implementation is implemented and monitored, however there were recurring issues that were not addressed previously	Slow implementation of Audit Action plan	Technical Audit Steering Committee Meeting to be convened weekly The municipality continues to monitor the audit action plan as during the 2024/2025 finding in terms of UIFW and leaves there were no findings. Audit Action Plan serves in management meetings to monitor progress. Leaves are applied on the systems only not manually. Continuous training of staff members is done
	please motivate and if no what are the reasons? 14.3 Is there any plan for the training of staff on the importance and processes related to Audit action implementation plan?			like the UIFW and leave imbalances.		on issues of SCM and staff development in general through various training programmes implemented.

15	According to AGSA's report, material misstatements were reported in the performance of the basic service delivery and infrastructure. The committee noted the recurrence of these material findings. 15.1 Please explain to this committee why is this continuously recurring and what is the root cause? 15.2 Is there any plan / mechanism in place to root out this problem?	Paragraph 37 of AGSA	Executive Mayor	**15.1 The root cause:** AGSA indicated that no oversight responsibility regarding the performance reporting and compliance and related internal controls to ensure that the actual achievement is consistent with the planned targets in the APR and SDBIP (as additional information/work was reported not initially included in the planning documents)	This will result in inconsistency and stakeholders may be unable to assess the service delivery expectations	**15.2** IWS and PEDPMS Unit will ensure and initiate a formal review process of all performance reports prior to uploading on to the reporting system to be used during in year reporting and introduce a control mechanism and quality assurance processes for reconciliation of SDBIP and APR.
16	16.1. where the inputs of AGSA and audit committee taken into consideration before submitting the report to council? 16.2. What were the comments of the public regarding the draft Annual report?	Draft Annual Report	Executive Mayor	**16.1 YES,** AGSA comments were received in on the draft AR and audit committee comments **16.2 NO,** currently PPP is still underway will be concluded by 25/03/26 then PPP will reports/comments will be considered and into the AR	If comments are not considered it will affect the completeness and accuracy of the document.	Ensure that all comments are considered into the AR to ensure completeness and accuracy of the document.

17	Page 71 of the draft Annual Report on Top Ten The top ten risks mentioned including the additional risk identified. 17.1 What are the measures in place to mitigate the risks. 17.2. what is the progress to date relating the risks identified?	Page 71-72 of the Draft Annual Report	Executive Mayor	The municipality has developed action plan especially in Corporate Services where major risks are identified. The department has categorised the risks into long and short term and they continuously reporting to Dept of Labour as most of the risks were findings by the Labour Dept and management	Uncoordinated programmes that affected the municipalities 'performance	The municipality has strengthened the controls and coordinated programmes implemented. .
18	18.1 On Contingent liabilities, Sekhukhune District Municipality is a litigant in most of the litigation matters which might have potential of risk for service delivery if those cases will be lost as vexatious and frivolous. Does the municipality have an alternative mechanism to mitigate the potential risks in cases where municipality loses? or the municipality can guarantee if there are prospects of success in all cases where it is a Litigant?	AFS note 43	**Executive Mayor**	All the contracts entered into have a clause for alternative dispute resolution to mitigate litigation. further all litigation cases and the value of the claim are included in the Contingent Liability register and	Budget provision	Budget provisions should be made available for cases where settlement can be reached outside court

	18.2 in terms of section 41(3) of the Constitution, organ of state is precluded to resolve their disputes through courts. However, according to note 43 of the notes of the AFS, there are organ of state such as Dr JS Moroka and Lepelle Northern Water that have instituted legal court proceedings against the Sekhukhune District Municipality. Did the litigants exhaust all internal remedies to settle these disputes as envisaged by section 41(3) of the Constitution before approaching the courts? and if not, why IGR processes were not applied or adhered to?			should be budgeted should the municipality lose a case. In litigation there is no guarantee of success. Legal disputes naturally involve uncertainties due to factors such as complexity of the law, the quality of evidence and the judicial discretion In the case of Lepelle Northern Water there was a dispute but there were no action proceedings against the municipality. both the municipality and entity are in the process of settling the matter. In Dr JS Moroka matter, internal remedies were implemented and parties failed to reach an agreement due to dispute	Budget provisions	Budget should be made available to settle the amounts

				regarding the amount		

				claimed and JS Moroka referred the matter to court. The matters were before the Judge, and we were advised to go back and try to resolve and come back with a settlement agreement. To date the settlement agreement is in place and signed but not yet implemented		

9. PROJECT OVERSIGHT ON PROJECTS REPORTED ON THE DRAFT ANNUAL REPORT

The following projects were visited for verification of information recorded on the draft Annual Report:

Phokwane / Brooklyn water storage



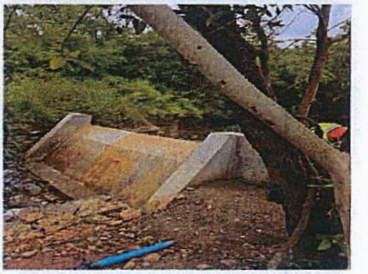
Nkosini Electrical works



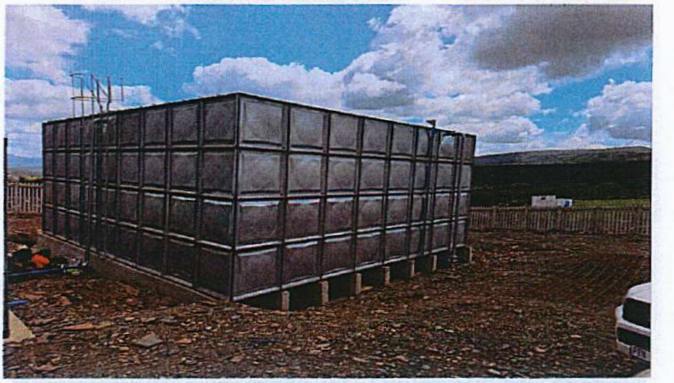
Laersdrift steel tank



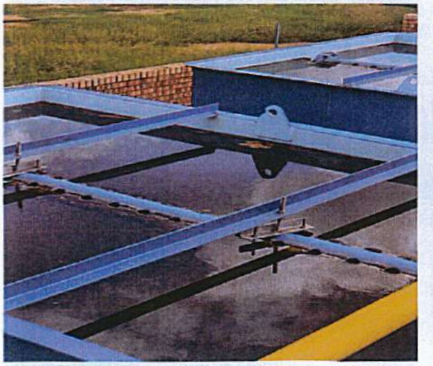
Kgotlopong



Kgotlopong Steel tank



Mooihoek Water Works





Municipal Public accounts committee observations and recommendations

Phokoane/Brooklyn water pump project

MPAC note that the project is 90% complete

Project is not energised

People started vandalising the project

Recommendation

Security needed to guard the pump station

The must be engagement between SDM & Eskom to assist in energising the project.

Nkosini Water Supply project

Observations

The project is complete and running, but currently the electrical switch is not working & water supply has stopped

Recommendation

Speed up supply chain process to resolve switch issue

Laersdrift

Observations

The project is complete & supplying water

Security challenge & the gate is not locked and Jojo tanks stands not erected posing a security risk one could enter the premises & temper with the supply or poison water

The project is not supplying the whole community

Recommendations

Prioritise security issue

Erect Jojo stands

Extend the project to supply the whole community

Kgotlopong project

Observations

Project is near the completion

Project needs to be energised

Finalising pipe installations

Recommendations

Engagements with Eskom to ernegise the project

Security needed

Mooihoek Water Treatment Works

Project complete & running supplying 7Ml to the community which doesn't cover the whole community

One transformer not working

Recommendations

Upgrading of water treatment works so tha it will cover the whole community

Fastrack the purchasing of a new transformer

10. The public/stakeholder consultative meetings were held through physical clustered interactions by the office of the speaker (presentations by the honorable Mayor) and MPAC Members and support staff attended the sessions as observer, it was held on from the 10th of February 2026 to 25th March 2026 as follows:

JOINT 2024/2025 DRAFT ANNUAL REPORT PUBLIC PARTICIPATION PROGRAMME

MUNICIPALITY/ VENUE	DATE	TIME	STAKEHOLDER
Ephraim Mogale Council Chamber, Marble Hall	Tuesday, 10/02/2026	11h00	**Magoshi**
Makhuduthamaga Council Chamber, Jane Furse	Wednesday, 11/02/2026		
Elias Motsoaledi Council Chamber, Groblersdal	Thursday, 12/02/2026		
Fetakgomo Tubatse Local Municipality, Thabamoshate Cassino, Burgersfort	Friday, 10/03/2026		

Sekhukhune District Lehlaba Disability Centre, Riba Cross, Fetakgomo Tubatse Local Municipality	Wednesday, 25/03/2026	11h00	**Special groups**
Ephraim Mogale Local Municipality Thusong Centre/Pink Hall, Matlerekeng Village	Tuesday, 17/02/2026	11h00	**General public**
Makhuduthamaga Local Municipality Phokoane Community Hall, Phokoane Village	Thursday, 19/02/2026	11h00	**General public**
Elias Motsoaledi Local Municipality Rebone Sports Ground, Ramaphosa Village	Tuesday, 24/02/2026	11h00	**General public**
Fetakgomo Tubatse Local Municipality Ga-Mongatana Community Hall, Ward 10	Tuesday, 24/03/2026	11h00	**General public**
Sekhukhune District			
Ephraim Mogale Council Chamber, Marble Hall	Wednesday, 11/03/2026	18h00	**Rate payers**
Elias Motsoaledi Council Chamber, Groblersdal	Thursday, 12/03/2026	18h00	**Rate payers**
Makhuduthamaga, Kgaula Mafiri, Jane Furse	**Wednesday, 04/03/2026**	**11h00**	**(Postponed)**
Fetakgomo Tubatse Council Chamber, Burgersfort	**Thursday, 05/03/2026**	**18h00**	**(Postponed)**
Sekhukhune District SDM Council Chamber, Bareki Mall, Groblersdal	Friday, 06/03/2026	09h00	**Staff**

MPAC OVERSIGHT REPORT ON DRAFT ANNUAL REPORT 2024/25

Public Participation Meeting (Magoši)
Date: 10 February 2026
Venue: Ephraim Mogale Chamber
Comments/Questions/Findings

The following were raised:

- At Matlala Ramošebo, the reservoir is currently not in use.
- There is a shortage of water, with reliance solely on water tankers.
- The use of water tankers is incurring high costs.
- In Moutse West, there is no water supply, and water tankers are also unavailable.

- A request was made for health inspectors to conduct inspections of spaza shops in Moutse West.
- The maintenance of roads was acknowledged and appreciated.
- Concerns were raised that the practice of grading roads during funerals should be discontinued.
- Management and leadership were able to address and resolve the concerns raised.

Public Participation Meeting (Magoši)
Date: 11 February 2026
Venue: Makhuduthamaga Chamber

The following were raised:

- Municipalities should engage and consult with Magosi when entering or planning developments in growing settlements.
- Magosi were urged to refrain from allocating property to undocumented foreign nationals.
- Concerns were expressed regarding the failure to fill vacant community service posts.
- A request was made for the establishment of a call centre, as some councillors reportedly do not show respect towards Magosi.
- It was proposed that offices for Magosi be established within municipalities, where designated officials can support them.
- COGHSTA was encouraged to recognise and reward Magosi for outstanding performance.
- Roads leading to cemeteries should be attended to promptly.
- Moloi Extension was reported to be without electricity.
- The municipality was requested to assist Magosi in obtaining title deeds, and COGHSTA was urged to formalise the registration of mantona(elders).
- Roads to Dichoeung were reported to be in poor condition.
- A request was made for the regravelling of the road to Malaka Moshate.
- Clarity was requested regarding the criteria and process for the allocation of bursaries.

Public Participation Meeting (Magoši)
Date: 12 February 2026
Venue: Elias Motsoaledi Chamber

The following were raised:

- The community raised a concern regarding the absence of Mayors from both municipalities.
- Participants felt undermined, as they had extended the invitation but were not taken seriously.
- The meeting recommended that the budget for road maintenance be increased.

- Concerns were raised that the two municipalities have not created sufficient employment opportunities, which was linked to the Sekhukhune District Municipality (SDM) receiving qualified audit opinions in previous years.
- A call was made for the creation of more job opportunities.
- Eskom was criticised for load reduction, which is negatively affecting communities.
- Councillors from Wards 27 and 28 in Tafelkop, near the stadium, were reported to be unclear about their demarcation boundaries.
- It was highlighted that the road to Tafelkop Stadium has been constructed over a water pipeline.
- The Monsterlus cemetery was reported to be full, and clarity was requested on future plans.
- The Mayor of Elias Motsoaledi was criticised for making unfulfilled promises.
- It was alleged that water tankers are damaging water infrastructure for personal gain.
- All questions raised were addressed satisfactorily.

Public Participation Meeting
Date: 10 March 2026
Venue: Phokwane Community Hall
Stakeholders: Public

The following were raised:

- Borehole-related challenges need to be addressed.
- Regular maintenance was requested, along with fair and transparent allocation.
- Clarity was sought on whether there are ongoing plans to improve borehole functionality.
- A standardised format for presenting the Annual Report should be developed to enhance clarity and consistency.
- Sekhukhune District Municipality (SDM) was urged to employ competent and capable personnel.
- Concerns were raised regarding the lack of water and poor access roads.

Public Participation Meeting
Date: 11 March 2026
Venue: Marble Hall Town Hall (Rate payers)

The following were raised:

- The municipal billing system requires improvement to ensure accurate billing and enhanced service delivery to residents.
- A request was made for the scrapping of all outstanding debts.
- Water source systems should be properly regulated.
- Accounting systems need to be strengthened to support effective water management.
- Emergency Medical Services (EMS) were reported to have delayed response times due to long distances.

- Consideration was requested for the write-off of certain municipal debts.
- Management indicated that a follow-up meeting will be convened for further engagement.

Public Participation Meeting
Date: 12 March 2026
Venue: SDM Council Chamber(Rate payers)

The following were raised:

- Ratepayers expressed dissatisfaction with the Sekhukhune District Municipality (SDM) billing system.
- It was reported that bills are being estimated by officials without conducting on-site visits to the respective households.
- A request was made for consideration of writing off certain municipal debts.

Public Participation Meeting
Date: 24 March 2026
Venue: Ga-Mongatane, FetakgomoTubatse

- The meeting commenced with conflict, as some community members and youth indicated that they had not been informed about the event and were not given opportunities to participate in tender processes.
- The meeting held at Mongatane Sports Ground, was further disrupted by demands for payment of R2,000.00.
- However, the leadership deployed on the day successfully resolved the issues, allowing the meeting to proceed.

Comments/Questions

- They requested that, in future, both municipalities improve communication with them.
- Concerns were raised that the annual report reflects expenditure in most areas, yet service delivery is lacking.
- It was highlighted that there is no water supply across all villages.
- Haveng Village has reportedly been without electricity for the past twelve years.
- Clarification was requested regarding the criteria used for awarding bursaries.
- Most of the questions raised were addressed and resolved by the leadership.

Public Participation Meeting
Date: 25 March 2026
Venue: Riba-cross Disability Centre, FetakgomoTubatse

The following were raised:

- There is a general lack of service delivery in most areas, particularly regarding roads suitable for local conditions.
- Many areas experience load reduction, along with inadequate access roads and bridges.

- Concerns were expressed that persons living with disabilities are not adequately employed; where employment exists, it is mostly through EPWP and not permanently.
- It was noted that SDM employed only two individuals instead of the expected fifteen.
- A request was made for community members to be included as ward committee members in the upcoming elections.
- The community asked to be given opportunities to provide catering services during events.
- There is a shortage of water at the Disability Centre in Kgobokwane Village, and a request was made for the provision of water tankers.

CONCLUSION

The following dates were postponed due to poor attendance the sessions scheduled for the 02nd March 2026 at Ephraim Mogale Local Municipality and the 03rd March 2026 for Elias Motsoaledi Local Municipality. These were subsequently re-scheduled to the 11th March and 12 March 2026 respectively and recorded good attendance. Overall the Joint draft 2024/25 annual report engagements proceeded successfully

12. MPAC FINDINGS

1. Review of the audit of the Audit Action Plan (Actions to improve on the audit action plan won't address the findings and if not reviewed and corrected, same findings will recurred next audit)
2. Monitoring of Municipal projects must be a priority as there are many defects (poor project management and maintenance)
3. Capacity building to SDM personnel e.g. SCM
4. The performance of contractors or service providers be monitored monthly, in line with required by section 116(2)(b) of the MFMA
5. Phokwane, Brooklyn water supply is incomplete due to electricity issues and vandalism

11. COMMENTS BY THE PUBLIC BUSINESS AND STAKEHOLDER

The Oversight Committee has the pleasure in presenting the Oversight Report to Council to consider and approve the following resolution.

RESOLVED TO RECOMMEND

1. That Council having fully considered the Annual Report of Sekhukhune

District Municipality for the *2024/2025* Financial Year, adopts the Oversight Report for the 2025/26 Financial Year, noting that all comments on the Annual Report has been adequately addressed and dealt with by management (as set out under chapter 6 oversight report)

And

2. That council approves the 2024/2025 annual report without reservations in line with MFMA 129(1)(A)

And

3. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.

And

4. That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003

As well as

5. That the oversight report together with the signed resolution of adoption be submitted to Auditor General and CoGHSTA

CLLR RSH MASHOESHOE 30/03/2026 **DATE**

MUNICIPAL PUBLIC ACCOUNTS COMMITTEEE

CHAIRPERSON