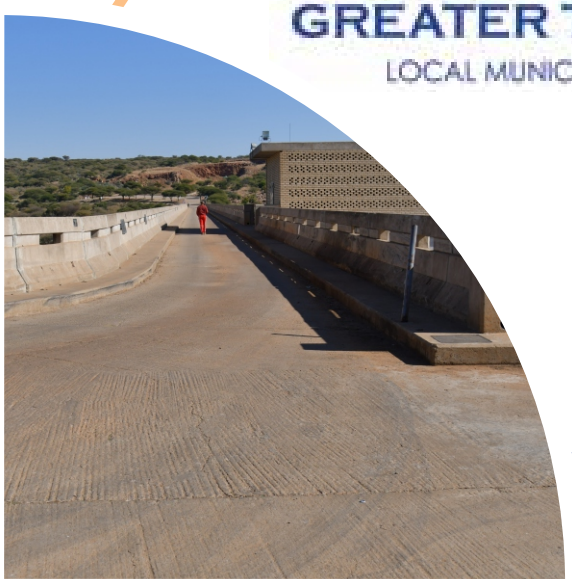
ANNUAL REPORT

2024 / 2025

GREATER TAUNG
LOCAL MUNICIPALITY



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ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act 32 of 2000, Section 46 with annual report data referred to in that Act and in the Municipal Financial Management Act 56 of 2003.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence are achieved by the use of interlocking processes and formats.

The revised template relates to the Medium-Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 and 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.



chapter 1

Mayor's foreword and Executive Summary

CHAPTER 1 - MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

It is my privilege to present the 2024/2025 Annual Report. This report reviews the Municipality's performance, progress, and challenges during the past financial year.

In terms of Section 46 of the Municipal Systems Act (32 of 2000), municipalities are required to prepare an annual performance report each financial year. This report incorporates a performance review of the Municipality and its service providers, allowing for comparisons against objectives and targets set in the previous financial year. It is presented in fulfilment of our legislative obligation to remain transparent, accountable, and people-centred.

The report also reflects compliance with key legislation, including Sections 121 and 127(2) of the Municipal Finance Management Act (56 of 2003). It provides an overview of achievements and progress made within the five key performance areas that guide local government:

1. Basic Service Delivery and Infrastructure Development
2. Municipal Transformation and Development
3. Local Economic Development
4. Municipal Financial Viability and Management
5. Good Governance and Public Participation

Guided by the 2024/2025 Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP), this report details both the successes achieved and the challenges faced in delivering services to our people.

Infrastructure development and maintenance remain a key priority for Council. During the reporting period, investments were made in new and critical infrastructure such as internal access roads, stormwater channels, high mast lights, and the maintenance of electrical lines in Reivilo and upgrading of sub station which is still underway—ensuring sustainable and reliable service delivery.

We also recognise the importance of applying efficient service delivery mechanisms underpinned by sound financial management principles. To sustain municipal services, the Municipality must remain financially viable and equitable, while strengthening partnerships with national and provincial government to secure the necessary resources to fulfil our constitutional mandate.

During the 2024/2025 financial year, the Municipality achieved the following:

- 684 households in Reivilo and Boipelo provided with basic access to water
- 2,442 households in the proclaimed areas provided with access to sanitation.
- Installation of 24 high mast lights,
- 800m of internal access road in Kgomotso,
- 500 meter of access road in Molelema
- 800 meter of access road in Extension 7(seven)
- 2, 628 households in proclaimed areas provided with access to weekly refuse removal.

I would like to take this opportunity to thank each and every resident of Greater Taung Local Municpality for their continued support

Ga Rona ka Rona – Kgato ka Kgato re tla tswella pele ka ditirelo mo Baaging ba rona



Cllr. Tumisang Gaoraelwe
Mayor

T 1.0.1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

Local government is the heartbeat of service delivery, located at the coalface of our communities. One of the critical objectives of local government, as enshrined in **Section 152(1)(e) of the Constitution of the Republic of South Africa, 1996**, is to encourage the involvement of communities and community organisations in the affairs of local government. This obligation is reinforced by **Section 121 of the Municipal Finance Management Act, No. 56 of 2003 (MFMA)**, which requires every municipality to prepare an Annual Report for the purpose of:

1. providing a record of the activities of the municipality;
2. reporting on performance against the approved budget; and
3. promoting accountability to the local community for decisions made.

It is against this background that I, as a public servant and Accounting Officer of this **municipality that strives for Excellence Through Cooperation**, present to the community, stakeholders, and all interested parties the **Greater Taung Local Municipality Annual Report for the financial year ended 30 June 2025**.

Good Governance

During the year under review, the **Section 79 and 80 Committees of Council** remained functional, with various reports tabled for consideration in line with legislative prescripts. Advisory structures on performance, audit, and risk were fully operational, providing valuable expertise to Council on governance matters.

Administrative Governance

By the end of the financial year, **83% of senior management posts were filled**, with only the position of **Director: Spatial Planning, LED and Human Settlements** vacant. This post is targeted for filling in the First Quarter of the 2025/2026 financial year.

Sound Financial Management

The municipality operated with a **funded budget**, where expenditure exceeded anticipated revenue.

- **Revenue:** R334 2 MILLION
- **Expenditure:** R366, 9 MILLION
- **Deficit:** R32,7 MILLION
- **Collection Rate:** is at 69%
- **Debtors:** R57,1 MILLION increased to R57,5 which reflect increment of R400 000
- **Creditors:** R11,8 Million decreased to R5,9 Million – Declined by half
- **Debt Impairment** R1,1 Million

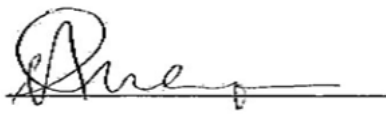
Service Delivery

Service delivery data was based on the **2022 Census** and **2025 mid-year projections**

Key highlights include:

- **Roads:** Remain a concern, as most have exceeded their design lifespan.
- **Municipal Infrastructure Grant (MIG):** 100% of the budget was spent, with total budget of R65 616 000,00

Re a leboga



Mr Andrew Makuapane
Municipal Manager

T1.1.1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

For the purpose of this report the Greater Taung Local Municipality wants to indicate from the on-set that it does not have any entities and is also not the Water and Sanitation Authority, this competency vests with the Dr Ruth S Mompati District Municipality, but it does not mean that the municipality did not play a facilitation role to ensure that these services are coordinated in the municipality.

The Greater Taung Local Municipality (NW 394) is situated in the western part of North West in the area of jurisdiction of Dr Ruth S Mompati District Municipality. The municipality is one of the five local municipalities in Dr Ruth S Mompati District Municipality. The municipality covers an area of 5,639 km², which accounts for 11,8 % of the total area of Dr Ruth S Mompati District Municipality. The main rural towns / townships in the municipal areas are Reivilo, Pudimoe and Taung Central. About 95% of the municipal area is predominantly rural. There are about 107 widely scattered villages in the municipal area. There are Northern Cape areas that one passes when going from one village to the other within the municipality, namely Pampierstad township and Northern Cape farms. These areas previously formed part of the municipality but were later moved to the Northern Cape during the last demarcation process. The municipality is divided into twenty-four (24) administration wards and has a total of forty-eight (48) councillors (both ward and PR councillors).

As the municipality is predominantly rural, villages have been divided under the three tribal authorities under three paramount chiefs, namely Mankuroane, Mothibi and Motlhabane. The agricultural sector, both commercial and subsistence, is the major employer and contributor to the municipal economy.

The municipal population stands at 202009 (the largest in the district), with a total of 53551 households. When compared to the 2011 population statistics, the population size has increased from a total of 177642 in 2022.The average population density stands at 31,5km².

Living conditions:
At least 48,3% of the population is not economically active, and among those who are, 50% are unemployed. Although about 88% of the dwelling units / structures are built from bricks / concrete blocks, and the average household size is only about four (4) people per household, the municipality is faced with challenges such as absence of mail delivery services.

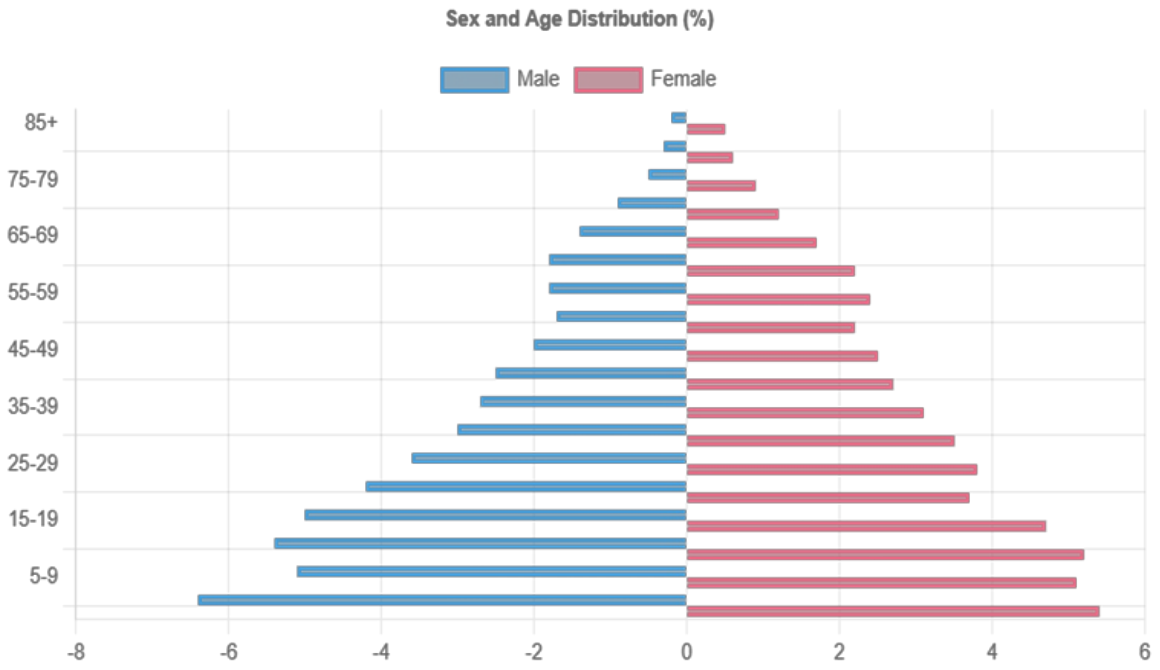
It should be noted that, even though the unemployment rate in 2022 stood at 50%, there has been a significant improvement when compared to 2011, when the municipal unemployment rate stood at 65%. As far as other major services are concerned, the municipality household access to electricity is 96.8%, compared to 88.5% in 2011. All of those with access to electricity use it for lighting, 40,3% use it for heating and about 73% for cooking. *T1.2.1*

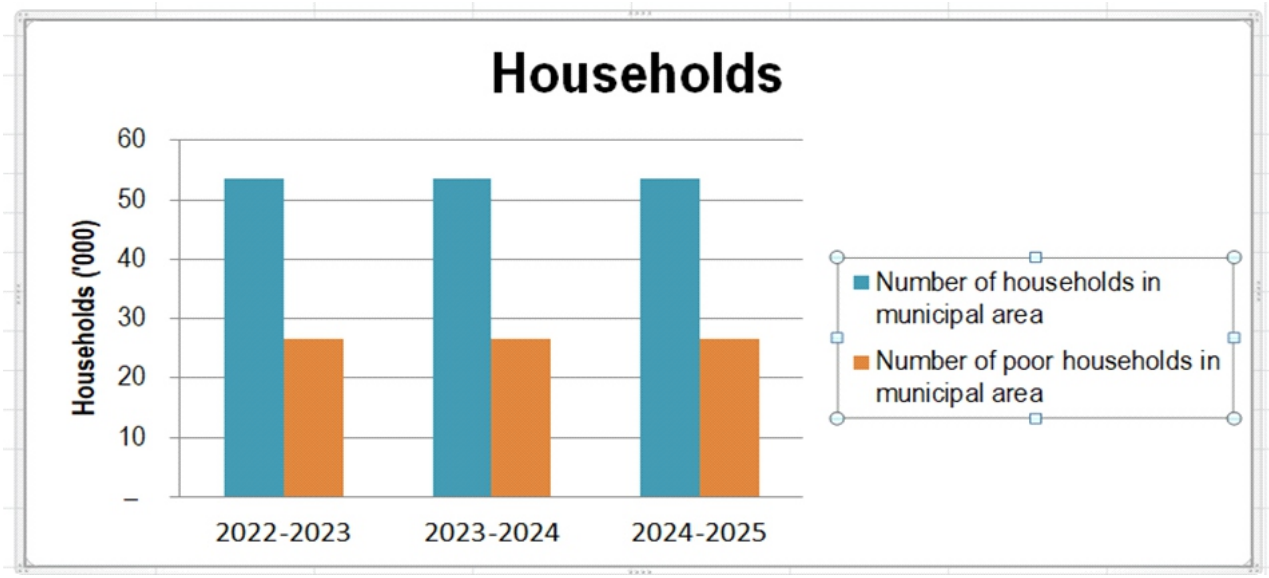
Population Details									
									Population '000
Age	2022/2023			2023/2024			2024/2025		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	12153	11968	25121	12153	11968	25121	12153	11968	25121
Age: 5 - 9	11432	11339	22771	11432	11339	22771	11432	11339	22771
Age: 10 - 14	10870	10042	20912	10870	10042	20912	10870	10042	20912
Age: 15 - 19	10931	10,321	21252	10931	10,321	21252	10931	10321	21252
Age: 20 - 24	7965	8353	16318	7965	8353	16318	7965	8353	16318
Age: 25 - 29	5858	7167	13025	5858	7167	13025	5858	7167	13025
Age: 30 - 34	4970	6154	11124	4970	6154	11124	4970	6154	11124
Age: 35 - 39	4397	5853	10250	4397	5853	10250	4397	5853	10250
Age: 40 - 44	4091	5197	9288	4091	5197	9288	4091	5197	9288
Age: 45 - 49	3978	5016	8994	3978	5016	8994	3978	5016	8994
Age: 50 - 54	3907	4593	8500	3907	4593	8500	3907	4593	8500
Age: 55 - 59	3442	4276	7718	3442	4276	7718	3442	4276	7718
Age: 60 - 64	3195	3871	7066	3195	3871	7066	3195	3871	7066
Age: 65 - 69	2752	3485	6237	2752	3485	6237	2752	3485	6237
Age: 70 - 74	2126	2841	4967	2126	2841	4967	2126	2841	4967
Age: 75 - 79	1644	2285	3929	1644	2285	3929	1644	2285	3929
Age: 80 - 84	1210	1655	2865	1210	1655	2865	1210	1655	2865
Age: 85+	1106	1656	2762	1106	1656	2762	1106	1656	2762
TOTAL	**95936**	**106074**	**202009**	**95936**	**106074**	**202009**	**95 936**	**106073**	**202009**

Source: Statistics SA September 2022

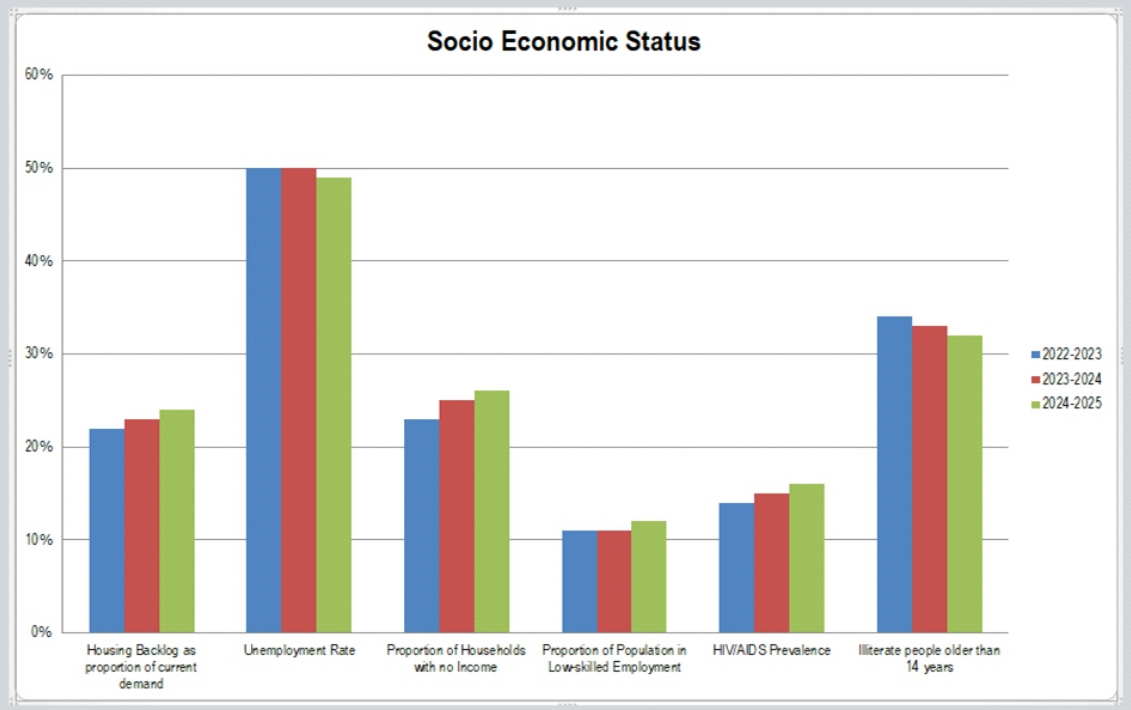
Statistics South Africa | Census Dissemination

T 1.2.2





Socio Economic Status						
Year	Housing Backlog (Informal Units %)	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV / AIDS Prevalence	Illiterate People Older than 19 Years
2022/2023	22%	50%	23%	11%	14%	34%
2023/2024	23%	50%	25%	11%	15%	33%
2024/2025	24%	49%	26%	12%	16%	32%
						T 1.2.4



Natural Resources	
Major Natural Resource	**Relevance to Community**
Taung Skull Heritage Site	Close to Buxton were the world famous Taung Child Skull was discovered
Small Heaven	Place of Spiritual Value
Taung Dam	The dam is in the Manthe area and falls within the catchment of the Dryharts River
Spitskop Dam	The dam is in the Kgomotso area and falls within the catchment of the Dryharts River
	T 1.2.7

BACKGROUND DATA

The latest Census Statistics shows that the total population of the Greater Taung Local Municipality stands at about total 202,009 people, which is the highest in the entire district. The municipality is rural in nature and was established in 2000 during the introduction of the new local government dispensation with dire socio-economic conditions that need to be addressed. The challenge derived from the data that was gathered through the Spatial Development Framework that was compiled in May 2005 which indicated that the municipality has 80,009 housing units. This figure is a variance of almost 100% to that of STATSSA who indicated that there are only 53,551 households according to the Statistics SA Data of September 2022.

Key Challenges and Opportunities arising from the demographic data:

The large difference between these two (2) figures always complicates the baseline and backlog data of the municipality. The challenge is to rely on the STATSSA demographic data to determine the baseline data which should be used for future planning and budgeting purposes. If one should consider the Housing Survey or Spatial Development Framework Data to be accurate it means that the backlog with regard to basic service delivery is greater than it appears. The lower STATSSA figures also impact negatively on the Equitable Share that is allocated to the municipality.

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The South African Constitution state that municipalities have the responsibility to ensure that all citizen residing within municipal area of jurisdiction are provided with service to satisfy their basic needs. These services have a direct and immediate effect on the quality of the lives of the people in that community.

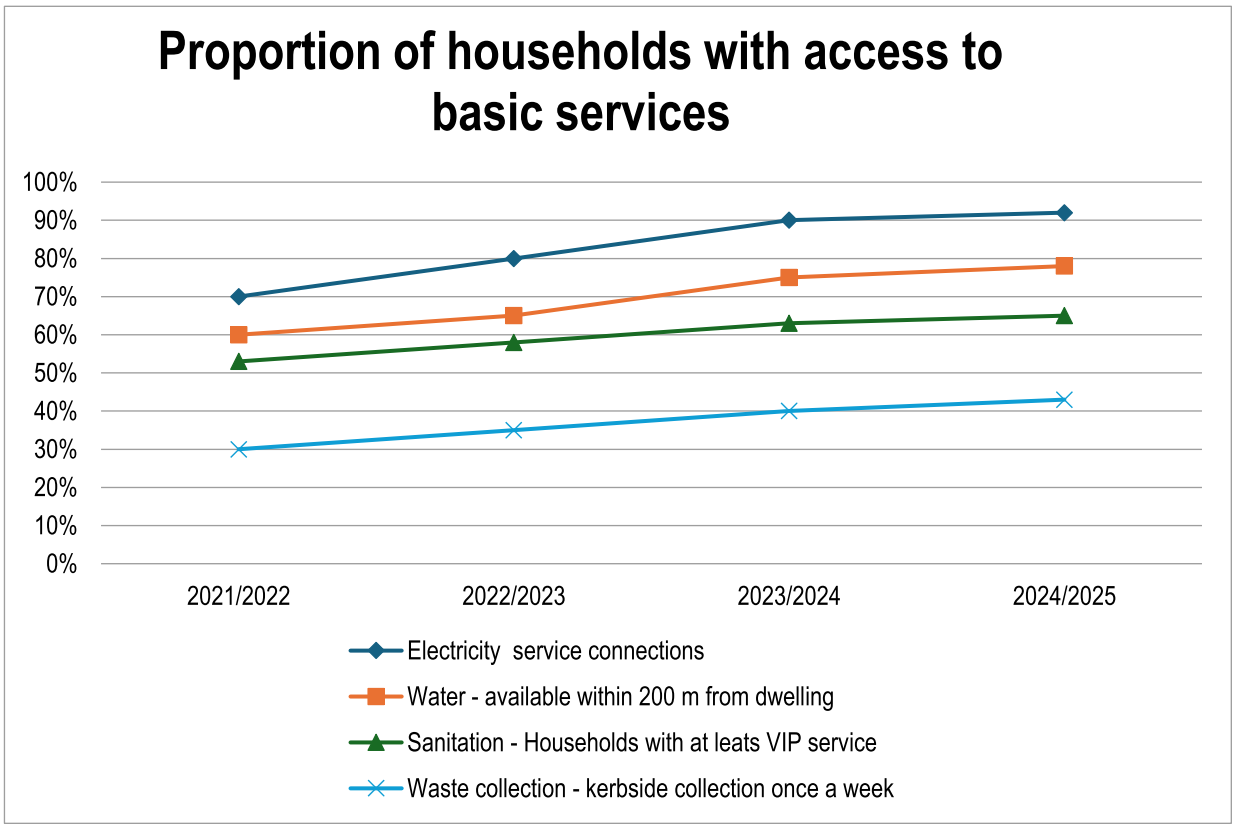
One of the sectors in which the Graeter Taung Local Municipality, Department of Minerals and Energy (DME) and Eskom did perform exceptionally well was in the sector of energy or electricity provision. More than 30,000 connections were made since December 2000 meaning that less than 10% of the residents do not have acceptable access to electricity. The sector which causes the biggest reason for concern is sanitation. If one should consider the impact that informal sanitation practices have on the environment, especially in the areas where dolomite formations are found, like the informal settlement in Boipelo where the lack of proper sanitation facilities can cause big health risks through contamination of underground water resources.

A sector which is a big challenge for the municipality is providing roads and storm water. An analysis of the Community Based Planning input clearly demonstrates that roads has now over-taken all basic services as the highest priority issue that need to be addressed because of the economic impact that this sector does have on the residents of the municipality. On the other hand, the lack of proper roads prevents residents to be mobile enough to transport their products economically additionally, bad roads causes damage to property, plant and equipment.

But water provision remains the biggest challenge as communities in the Greater Taung do not have access to adequate clean water. During the year under review, Taung townships and villages experienced serious water shortage as dry weeks became the new reality. It is our hope that the Dr Ruth S Mompati District Municipality and Magalies Water, in the year to come, improve in provision of this basic service. Waste collection is rendered in the formal towns and at businesses and the municipality is doing well with regard to household refuse collection, but it is recognized that we still have an enormous task facing us to try and keep our towns and CBDs clean. This can only be achieved if the municipality can educate residents and also convince them to become part of the solution on waste management and play their part to ensure refuse is dumped at the proclaimed dumping sites and littering is not socially acceptable. The following need to be considered to ensure a turn-around regarding cleaner towns:

- register all street traders and develop by-laws for street trading;
- effective and professionally managed Waste Transfer Stations and Recycling Methods; and
- licensed Solid Waste Management Sites.

Service delivery to indigent residents is rendered through a subsidy scheme that is funded from the Equitable Shares. District Integrated Plans were developed at Provincial level to ensure improvement of services in all sectors.



ACCESS TO BASIC SERVICES

Access to Electricity:

The Basic Services Policy adopted by government in 2001 addresses the right of all households, particularly those living in poor areas, to access a minimum amount of free basic electricity. This implies that distribution networks must be extended to ensure that all households are able to access the electricity grid.

Free Basic Electricity (FBE) is provided to all registered indigents at 50kWh per month. FBE is provided to approximately 3,213 consumers on a monthly basis (39 consumers supplied by the municipality and 3,174 consumers supplied by Eskom).

According to the information gathered from different sources there is a decline in the accessibility to basic services. This decline is a mathematical reflection of Stats SA data set also relevant to the explanation that was given with regard to the change in the data set as well as what is considered to be acceptable access. The sharp drop in sanitation and waste services is because of the interpretation of the data sets. Many households still have pit-latrines without ventilation improvement pipes (VIP) that is now considered not be an acceptable standard of sanitation access.

Access to Refuse Removal:

Solid Waste management in the Greater Taung Local Municipality is categorized according to the

following categories: households, illegal dumps, businesses refuse collection, CBD cleansing, and landfill sites operations and management. As the municipality is 95% rural, only 7,6% of the municipal households have their refuse disposal removed by the municipality, whereas over 82% use their own refuse dump.

Access to Water:

The Greater Taung Local Municipality supplies potable water in Reivilo township in accordance with the National Water Act 36 of 1998, and Magalies Water for all other areas. The purpose of the Act is to ensure that South Africa's water resources are protected, used, developed, conserved, managed, and controlled in ways which consider factors such as:

- meeting the basic human needs of present and future generations;
- promoting equitable access to water;
- promoting the efficient, sustainable, and beneficial use of water in the public interest; and
- providing for growing demand for water use.

Access to Sanitation:

The Basic Service Policy of 2001 also guarantees access to a minimum level of sanitation, which is defined as households having access to, at minimum, a ventilated pit latrine also known as a VIP toilet. This standard of service delivery has seemed necessary to ensure human dignity and prevent the spread of disease.

There has been a dramatic improvement in the number of households with a flush toilet during the past decade, from 10.1% in 2011 of households to 27.9% in 2022. Only 20,1% of the households within the municipality have access to a flush toilet, of which 9% is a flush toilet connected to a sewage system and 1,7% is a flush toilet with a septic tank. A total of 65,6% of households use pit toilets, with 21% using a pit toilet with ventilation and 39% using a pit toilet without ventilation. This result is still evident 10 years later.

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

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.

Even though the municipality has a bit of cash coverage by having reserves, investments. On the financial health indicators, it shows that the municipality is in financial distress as we rely heavily on National and Provincial government transfers and without those grants the municipality will have inadequate cash available to meet its operating expenditure requirements.

Financial Viability highlights

Highlights	Description
Timeous Payment of Service Providers	Suppliers were paid well within 30 days after receipt of valid tax invoice
Production of Valuation Roll	Updated in 2020/21 with an extension from the MEC to be updated in 2027
Timeous submission of Annual Financial Statement and the improvement of audit opinion	The compliance of the submission of Annual Financial Statements together with the Draft Annual Report testifies the municipality 's vision to achieve clean audit status
Improved Cash and Cash equivalents management	The overall management of available cash and cash equivalents has improved

National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The table below indicates the municipality's performance in terms of the National Key Performance Indicators as required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the Municipal Systems Act 32 of 2000. These KPI is linked to National Key Performance Area: Municipal Financial Viability and Management.

National Key Performance Indicator	2023/2024	2024/2025
Debt Coverage ((Total operating revenue- operating grant received) debt service payment due within the year	0	27.05
Service Debtors to Revenue – (Total outstanding service debtors: revenue received for services)	0	1.16
Cost Coverage ((Available cash + Investment) : Monthly fixed operating expenditure	0	0.1

Financial Overview: 2024/2025			R' 000
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants	336,522	336,522	336,510
Taxes, Levies and tariffs	66,089	66,089	36,919
Other	26,653	26,653	19.453
Sub Total	429,264	429,264	392.882
***Less:* Expenditure**	**(355,757)**	**(389,931)**	**(365.928)**
Net Total* Surplus	73.507	39.333	26,954
			T 1.4.2

Operating Ratios	
Detail	**%**
Employee Cost	44%
Repairs & Maintenance	4%
Finance Charges & Impairment	1%
	T 1.4.3

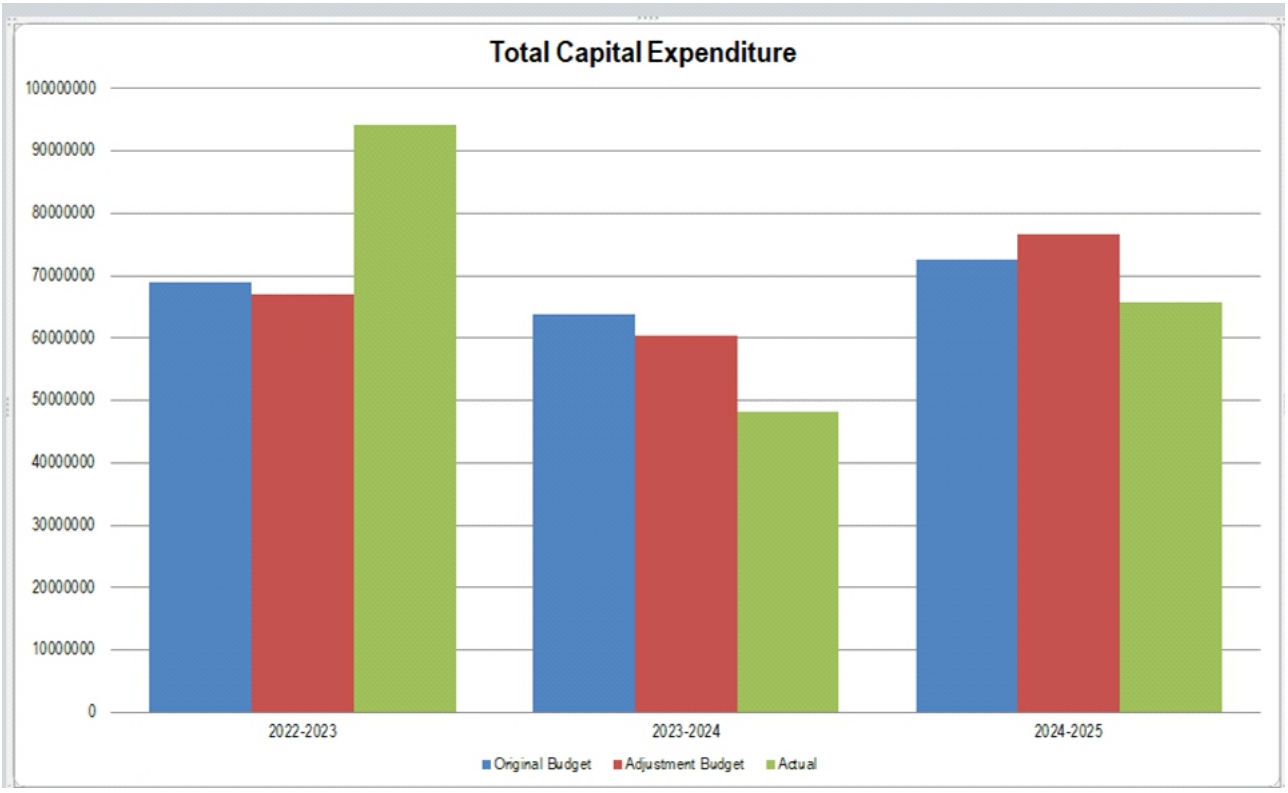
OPERATING RATIOS

Employee related cost is above the norm of 36 - 38% and Repairs and Maintenance are below the accepted norm of at least 8%. Finance charges and Impairment were below the norm as well; this is as a result of minimal interests on overdue accounts. Debt impairment is calculated at year end.

Employee Cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employees cost by the difference between total revenue and capital revenue. The ratio of personnel expenditure to operating expenditure is widely used as an indicator of the sustainability of municipal budget and expenditures. According to MFMA budget circular No. 59 there is no prescribed or recommended benchmark for the ratio personnel expenditure to operating expenditure.

Repairs and Maintenance – This represent the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance. National Treasury has recommended that repairs and maintenance expenditure budget should be 8 % of the total value of assets.

Total Capital Expenditure: 2022/2023 – 2024/2025			
			R'000
Detail	**2022/2023**	**2023/2024**	**2024/2025**
Original Budget	68,932,896	63,856,150	72 600 200
Adjustment Budget	67,084,701	60,376,149	76 550 200
Actual	94,216,563	48,264,917	65 716 367
			T 1.4.4



CAPITAL EXPENDITURE

No adjustments were made on capital expenditure funded from capital grants i.e. MIG; INEP; and DSAC. Capital expenditure funded from own income was upward adjusted by R3.9 million.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Every Municipality, in terms of the Constitution and the Municipal Systems Act 32 of 2000, has to have a staff establishment reflecting the organizational design of the Municipality. The Organizational Design needs to be in line with the IDP and an updated organizational development overview for the Greater Taung Local Municipality was conducted in May 2024 to align the structure with the IDP and to provide a structure to enable the Municipality to deliver in its mandate and service delivery.

The reviewed Organizational Structure was noted by Council at its meeting held in May 2024, consisting of 5 Directorates and the Office of the Municipal Manager on the Macro Structure, and was submitted to provincial CoGTA to assess and make inputs before final approval.

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2024/2025

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen the country's democracy by enabling oversight, accountability, and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This process is concluded by annually checking all government spending. In turn, this can be described as an audit.

The Auditor-General's annual audit examines 3 areas:

- fair presentation and absence of significant misstatements in financial statements;
- reliable and credible performance information for predetermined objectives; and
- compliance with all laws and regulations governing financial matters.

There can be 5 different outcomes to an audit, once the Municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follow:

- **A Clean Audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.
- **Unqualified Audit with Findings**: The financial statements contain material misstatements. Unless we express a clean audit come, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- **Qualified Audit Opinion:** The financial statements contain material misstatements in specific amounts, or these insufficient evidence for us to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse Audit Opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
- **Disclaimer of Audit Opinion:** The auditee provided insufficient evidence in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements.

T1.6.1

1.7 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget / IDP implementation period	July 2025
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting)	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2024/2025 Annual Report to Internal Audit	
5	Audit / Performance committee considers draft Annual Report of municipality	August 2025
6	Mayor tables the unaudited draft Annual Report	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – November 2025
10	Municipalities receive and start to address the Auditor General's comments	December 2025
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January 2025
12	Audited Annual Report is made public, and representation is invited	
13	Oversight Committee assesses Annual Report	February – March 2025
14	Council adopts Oversight report	
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	April 2025
17	Commencement of draft Budget / IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	

T 1.7.1

THE ANNUAL REPORT PROCESS

It is necessary that the municipality derive maximum benefit from its efforts in submitting reports. Such benefits are typically obtained in the form of being able to compare and benchmark against other municipalities and to learn from the feedback mechanisms.

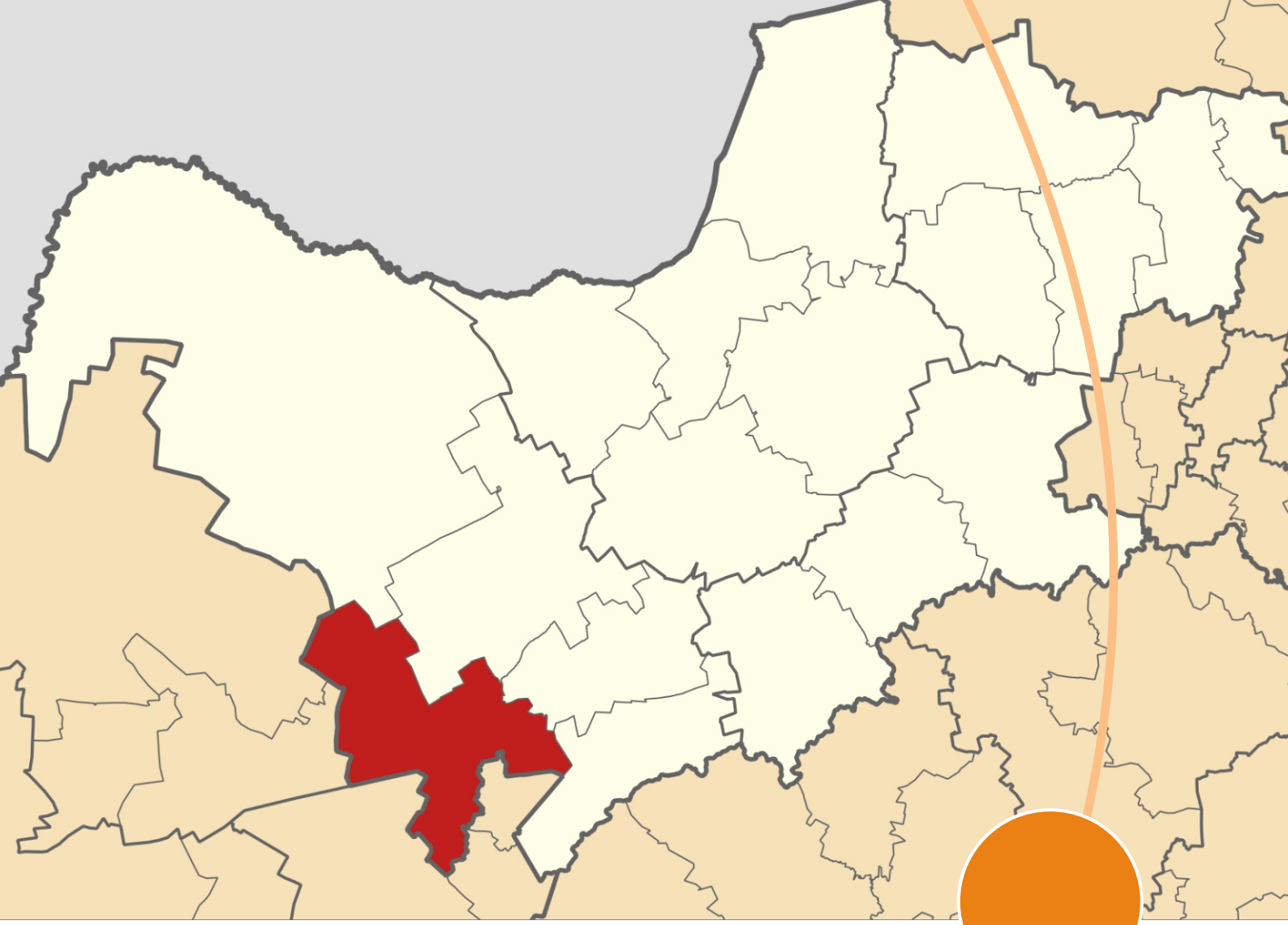
The annual report process flow provides a framework for the municipality to follow in completing various reports within each financial year cycle. It is recommended that municipal manager study this process flow and ensure that reports are submitted timeously. If the process flow is followed, the municipality should be able to provide an unaudited annual performance report in August of each year, which is consistent with the Municipal Financial Management Act 56 of 2003.

The annual report of a municipality and every municipal entity must be tabled in the municipal council on or before 31 January each year according to Section 127 of the Municipal Financial Management Act 56 of 2003. In order to enhance oversight functions of the council, this must be interpreted as an outer deadline; hence the municipality must submit the annual report as soon as possible after year end. The annual report must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, SDBIP, in-year reports, annual performance report and annual report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

The above can only occur if the municipality set appropriate key performance indicators and performance targets with regards to the development of priorities and objectives in its IDP and outcomes (MSA S41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (MFMA, S24).

The annual report content will assist municipal councillors, municipalities, residents, oversight institutions and other users of annual reports with information and progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in-year reports. The contents will also assist with the annual audits. Another key aspect of the reform in combining the relevant information into the new annual report format will assist the municipality to streamline operations and processes through combined committees, reduce costs, time, and effort.

There will be a limited need for the municipality to have different committees to deal with financial and non-financial related matters. *T1.7.1.1*



chapter 2

Governance

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Local government function in a highly sophisticated environment. To be successful in its endeavours to render quality, affordable and sustainable municipal services, it needs to be structured in the best possible way to facilitate effective governance as well as to ensure proper oversight and to measure performance.

To govern is to exercise political, economic, and administrative authority to manage the nation's affairs. Governance is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences.

Good governance has eight (8) major characteristics. It is participatory; consensus oriented; accountable and transparent; responsive; effective and efficient; equitable; inclusive; and follows the rule of law. It assures that corruption is minimized, the views of minorities are considered and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

The political and administrative components of the council maintain a sound working relationship by ensuring respect of procedures and protocols. The Greater Taung Local Municipality as legal entity relates to the other spheres of Government and Organized Local Government Bodies through the Intergovernmental Policy Framework. Communities as an Interest Group in Municipal Affairs participates through Public Participation Mechanisms and processes in the decision-making systems of council.

This includes interaction with the stakeholders in shaping the pe rformance of the municipality in order to enhance a healthy relationship and minimizing conflict. *T 2.0.1*

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Executive Committee of the Greater Taung Local Municipality is the political governance structure that is established in terms of Section 45 of the Municipal Structures Act 117 of 1998. Cllr Hon Tumisang Gaoraelwe is the Mayor of the Greater Taung Local Municipality and the public face of the municipality and should be used in big public meetings, municipal stakeholder forums and media. He is the chair of the Executive Committee comprising of eight (8) Councillors accountable to him. The Executive Committee meets regularly to co-ordinate the work of municipality and makes recommendations to Council. The Mayor steers the development and implementation of Integrated Development Plan (IDP) which encapsulates service delivery and performance.

Cllr Grace Moipolai is the Speaker of the municipality. The Speaker also performs the duties of chairperson of the municipal council under the Municipal Structures Act 117 of 1998 and Systems Act 32 of 2000. She enforces the code of conduct and exercises delegated authority in terms of the Municipal Systems Act 32 of 2000.

Cllr Masego Makua is the Chief Whip of the municipality. The role of the Chief Whip is to strengthen and maintain healthy relations between all the parties in Council. The Chief Whip is also responsible for ensuring that portfolio committees are functional and that councillors are allocated appropriately.

Political governance ensures regular communication with the community at large by means of Imbizo's, IDP and budget consultations. This ensures that the community participates in identifying needs and make inputs on the performance of the municipality. This process ensures healthy relations with the community and minimizes conflict.

Administrative governance ensures transparent administration, regular feedback to the community, compliance to the required rules, processes, and laws by which Council is operated, regulated, and controlled. *T2.1.0*

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Mayor and the Executive Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their function as policy makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

An Audit and Performance Committee has been established in terms of Section 166 subsection 6(a) of the Municipal Finance Management Act 56 of 2003. The committee comprises of three (3) members and a chairperson. The purpose of the committee is to advice council and management on matters relating to internal financial control, performance management and comment on the Annual Report.

The Mayor is appointed by council and has executive powers and duties. He provides general political guidance over the fiscal and financial affairs of the municipality and in doing so monitor and oversee the exercise of responsibilities assigned to the accounting officer in terms of Municipal Financial Management Act 56 of 2003 without interference. The council appoints members of the Executive Committee to chair the portfolio committees indicated below:

- Finance;
- Information Communication Technology;
- Corporate Governance and Communication;
- Planning and Development;
- Technical Services;
- Community Service;
- Spatial Planning and Human Settlement; and
- Local Economic Development.

Municipal Public Accounts Committee (MPAC) has been established in terms of section 79 of the Municipal Structures Act 117 of 1998. The main purpose of the committee is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality and to consider the annual report and submit the oversight report on the annual report to council. The committee consists of eight (8) non-executive councillors. The oversight report will be published separately in accordance with MFMA guidance.

TROIKA

Political Structure	Functions
 **Hon Mayor** Cllr. T. Gaoraelwe	• Provide political guidance over the fiscal and financial affairs of the municipality. • To oversee the preparation of the annual budget. • Submit quarterly reports to Council on the implementation of the budget and the financial status of the municipality. • Coordinate the annual review of the IDP. • To ensure that the Mayoral Committee perform its functions properly. • Promotion of intergovernmental relations. • Convene public hearings and meetings. • Identifies the needs of the community in terms of the IDP processes. • Reviews those needs in order of priority. • Recommend to the municipal council strategies, programmes, and services to address priority needs through the IDP, estimates revenues and expenditure, considering any applicable National and Provincial Plans. • Recommend and determine the best way, including partnership and other approaches, to deliver those strategies, programmes, and services to the maximum benefit of the community.
 **Speaker of Council** Cllr. G. Moipolai	• The Speaker presides over the council meetings and maintains order during council meetings. • Ensure that the council meets at least quarterly. • Ensure that the rules of order are complied with during the proceedings of council meetings. • Execute any other duties as delegated to the speaker in terms of the council delegation systems. • Maintains order during Council meetings. • Ensure that Councillors adhere to the Code of Conduct. • Support to Councillors. • Facilitate public participation coordinate the establishment and functionality of ward committees.
 **GTLM Council Whip:** Cllr M. Makua	• The role of Chief Whip is to ensure that Councillors are accountable to the communities, that code of conduct is respected and adhered to by all councillors. • The Chief Whip ensures discipline during Council and Committee Meetings. • She facilitates political debates, workshop for all Councillors. *T 2.1.1*

COUNCILLORS

Councillors provide a vital link between communities they serve and the municipality. They represent the needs and interests of the people in their wards, regardless of whether they voted for them. Although councillors are not usually full-time professionals, they are bound by a code of conduct. The Councillors serves for a five (5) year term. The Greater Taung Local Municipality comprises of 24 Ward Councillors and 24 PR Councillors. See Appendix A where a full list of Councillors can be found (including committee allocations and attendance at council meetings).

A Ward Councillor has to balance the expectations of his / her ward and that of their political party. The Ward Councillor is the chairperson of the ward committee, responsible for convening the constituency meeting to elect ward committee members, calling ward committee meetings, ensuring that a schedule of meetings is prepared, handling queries and complaints in the ward, resolving disputes and making referrals of unresolved disputes to the municipality, ensuring that the ward committee does what the municipality expects about reporting procedures. See Appendix B which sets out committees and committee purposes.

T2.1.2

POLITICAL DECISION-TAKING

The Greater Taung Local Municipality is a collective executive type and has established nine (9) portfolio committees each chaired by a member of the Executive Committee. Section 33 of the Municipal Structures Act 117 of 1998 which provides for the establishment of committees in terms of Section 79 and 80 of the Act. All the committees are chaired by Councillors who are full time and coordinated by relevant senior managers and officials who also serve as technical resource persons.

The committees meet monthly to consider items which need to be forwarded to the Executive Committee. Recommendations of the committees are submitted on quarterly basis to council's statutory sittings for resolutions and implementation.

Section 80 Committees:
Each member of the Executive Committee heads a Portfolio Committee in terms of Section 80 of the Municipal Structures Act 117 of 1998. The Section 80 Committees are set up to deal with oversight roles, support and perform the advisory role to the Mayor and Council.

The Executive Committee of the municipality has the following portfolios:

- Local Economic Development;
- Corporate Governance and Communication;
- Technical Services;
- Spatial Planning and Human Settlement;
- Community Service;
- Information Communication Technology;
- Planning and Development; and
- Finance.

Section 79 Committees:

(a) The Audit Committee

The Audit Committee is a committee of the Council and performs the statutory responsibilities assigned to it by the Municipal Finance Management Act 56 of 2003 (sections 165 and 166), and other relevant responsibilities delegated to it under its charter by the Council. Mr. Matshoba chairs the committee, It is an independent advisory body that advise Council, the political office-bearers, the accounting officer, and the management of the municipality on matters relating to:

- Internal financial control and internal audits;
- Risk Management; Accounting Policies;
- The adequacy, reliability and accuracy of financial reporting and information;
- Performance Management; and
- Effective governance and compliance with the prescribed laws and regulations. *T 2.1.3*

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of part 7 section 82 of the Municipal Structures Act 117 of 1998 as amended the Municipality must appoint the Municipal Manager who is the head of administration and therefore the Accounting Officer. In terms of section 55 of the Municipal Systems Act 32 of 2000 as amended, the Municipal Manager is subject to policy directives of the municipal council responsible for the formation and development of an efficient, economical, effective and accountable administration and must manage the municipality in accordance with all legislation and policies pertaining to Local Government.

In terms of section 50 of the Municipal Systems Act 32 of 2000 as amended, the Council, in consultation with the Municipal Manager, must appoint managers who are solely responsible to the Municipal Manager who must have relevant and requisite skills and expertise to perform the duties associated with the posts they each occupy.

The responsibilities of the Municipal Manager include managing the administrative and financial affairs of the municipality and to ensure that municipal services are delivered in an efficient, effective, and economical manner. With his complement of directors appointed in terms of Section 56 of the Municipal Systems Act 32 of 2000, the Municipal Manager determines the pace of development within the municipal area as per Council directives. Each director is responsible for their area of expertise. Management meeting is held monthly where the Municipal Manager engages the directors on various matters that affect service delivery.

The Directors form the senior management core, are accountable to the Municipal Manager in terms of strategic management and oversight of their departments. *T 2.2.1*

Top Administrative Structure	Functions
 **Municipal Manager** Mr. M.A. Makuapane	• Forming and developing an economic, efficient, and accountable administration. • Implementing and managing the municipality's performance management system. • Coordinating and implementing the municipality's IDP. • Managing the Municipality's administration in accordance with the Constitution, the Local Government Structures Act 117 of 1998, the Municipal Systems Act 32 of 2000, the Municipal Finance; Management Act 56 of 2003 and all other national and provincial legislation applicable to the municipality. • Managing provision of services to the local community in a sustainable and equitable manner. • Developing and maintaining a system to access community satisfaction with municipal services. • Appointing, managing, effectively utilizing, and training staff and maintaining staff discipline. • Advising political structures and political office bearers of the municipality, managing communications between them, administering, implementing council resolutions, and conducting their decisions. • Being responsible for all income and expenditure of the municipality all assets, the discharge of all liabilities of the municipality and proper and diligent compliance with applicable Municipal Finance Management legislation.
 **Chief Financial Officer** Ms. N.G Dibelane	• Reporting directly to the Municipal Manager on key departmental activities. • Implement departmental Service Delivery Budget Implementation Plan (SDBIP). • Develop and implement key strategic / business plans including Supply Chain Management, Revenue Management, Expenditure Management and Budget and Reporting. • Prepare and implement municipal budget. • Prepare Annual Financial Statements and other mandatory financial management reports. • Manage Departmental budget, human resources and other resources in accordance with local government legislation. • Management and monitoring of all income, expenditure, assets, and Liabilities; Cash-flow management. • Develop and implement Supply Chain Management Policy, specific procedures, systems, and controls.

	• Ensure timely preparation of Budget and Financial Statements; • Implement all financial policies and ensure they comply with applicable legislation.
 **Director: Technical Services** Mr. O.B. Mogapi	• Management of the entire Technical Services department. • Compile and manage the Directorate's annual Capital and Operational Budget. • Management of Technical Services including Civil Engineering Services, electrical distribution and maintenance of roads and storm-water drainage. • Planning and maintenance of water reticulation system and sewerage treatment infrastructure. • Developmental strategic planning of infrastructure expansion and co-ordination. • Ensure the sustainable provisioning of engineering services including infrastructure development and maintenance in line with the IDP. • Management of civil engineering, projects, and capital construction development.
 **Director: Corporate Service** Mr. T.J Makgolo	• Managing and controlling various line functions within the Directorate which include general administration, Human Resources, Council Support, Corporate strategy. • Leading, directing and managing staff within the Department so that they are able to meet their objectives. • Rendering Support by advising and overseeing all matters of procedures relating to minutes and resolutions of the Council Committees. • Managing and controlling the compilation and execution of the departmental capital and operating budget. • Executing any function delegated by the municipal Manager in terms of powers and delegations in the relevant legislation and related to the functions of this post. • Administering records / archives registry, skills development, legal matters, and employment Equity. • Overseeing the execution of the IDP Programmes attached to the Department and monitoring individual performance management. • Developing, implementing Collective Agreements, and managing strategic goals, policies, procedures, and plans; • Ensuring proper administration of Council delegation System

 **Director: Community Service** Mr. T.G Motase	• Management of the entire Social Services department. • Compile and manage the Directorate's annual Capital and Operational Budget. • Responsible for coordination of disaster management services. • Strategically direct and manage services related to solid waste management. • Provision of sports, recreation, cultural, arts and library information services. • Responsible for setting standards for the maintenance of cemeteries, parks, halls, and other community services. • Management of refuse services of the entire Greater Taung area. • Management of Traffic Management and Law enforcement.
VACANT **Director: Spatial Planning & Human Settlement**	• Management of the entire Development Land Use and Planning department. • Compile and manage the Directorate's annual Capital and Operational Budget. • Provision of GIS support and analysis and the undertaking of specific GIS related projects and initiatives. • Management, maintenance and implementation of the municipal multi-disciplinary sustainable human settlement policy and framework. • Co-ordinate the integration of the multi-sectorial and inter-sphere processes and demands relating to the delivery of sustainable human settlements. • Co-ordination of housing functions in line with the Provincial and National policies, on behalf of the Provincial Department of Developmental Local Government and Housing. • Developing and implementing strategies to meet investment challenges. • Establishing and managing contractual and other relationships with government departments, service providers, organised business, and other stakeholder bodies, to ensure sustainability of projects.
	T 2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Chapter 3 of the Constitution (1996) describes the three spheres of government, National, Provincial and Local, as being 'distinctive, interdependent and interrelated' and enjoins them to 'cooperate with one another in mutual trust and good faith'. An important element of this cooperative relationship is that there needs to be a clear understanding of each sphere of government's powers and functions to ensure that a sphere of government or organ of state 'does not encroach on the geographical, functional or institutional integrity of government in another sphere'. In addition to the Constitution, various pieces of legislation govern or organises the system of intergovernmental relations. Among other things, the legislation formalises the different spheres' roles and responsibilities with regard to various functions and provides for a range of consultative structures.

The South African system of intergovernmental relations is complex and continues to evolve as better modes of cooperation and coordination emerge and as functions are shifted between the spheres. The following key elements and principles underpin the intergovernmental system:

- **Accountability:** Each sphere has specific constitutionally defined powers and responsibilities, is accountable to its legislature or council and is empowered to set its own priorities. The power of national government to intervene in provincial and local government matters, and provincial governments to intervene in local government matters, depends on whether the relevant sphere fails to conduct an executive obligation.
- **Transparency and good governance:** Accountability of political representatives to the electorate and transparent reporting arrangements within and between spheres is at the heart of the intergovernmental system. While political executives are responsible for policy and outcomes, the officers are responsible for implementation and outputs.
- **Mutual support:** National and provincial governments have a duty to strengthen the capacity of municipalities. Spheres of government must also act cooperatively towards each other, for instance through avoiding legal action until all other mechanisms have been exhausted.
- **Redistribution:** The three spheres all have important roles to play in redistribution, but because inequalities exist across the country, the redistribution of resources is primarily a national function. Where provinces and municipalities undertake redistribution, the challenge is to do this in line with their fiscal capacity and not to undermine economic activity and their financial viability. Redistribution among the three spheres is achieved through the vertical division of revenue. Redistribution among provinces and municipalities is affected through their respective equitable share formulae.
- **Vertical division:** Determining the allocation to each sphere of government inevitably involves trade-offs that are made in the course of a comprehensive budget process driven by political priorities, and which covers all aspects of governance and service delivery. Separate and ad hoc requests for funds

fragment the coherence of the budget and undermine the political process of prioritization.

- **Revenue-sharing:** The fiscal system considers the fiscal capacity and functions assigned to each sphere. Provinces and municipalities are funded from own revenues, equitable share allocations, and conditional and unconditional grants. The grant system must be simple and comprehensive and not compensate provinces and municipalities that fail to collect own revenues.
- **Broadened access to services:** The Constitution and current government policy prioritises broadening access to services. The responsible spheres are expected to design appropriate levels of service to meet customer needs in an affordable manner, explore innovative and efficient modes of delivery, and leverage public and private resources to fund infrastructure.
- **Responsibility over budgets:** Each sphere of government has the right to determine its budget and the responsibility to comply with it. To reduce moral hazard and ensure fairness, national government will not bail out provinces or municipalities that mismanage their funds, nor provide guarantees for loans.

The model consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan by all three spheres of governance resulting in a single strategically focused One Plan for each of the district geographic spaces in the country, where in the district is seen as the landing strip. Therefore, the model is practical Intergovernmental relations (IGR) mechanism to enable all three (3) spheres of government to work together, with communities and stakeholders, to plan, budget and implement in unison. The Dr. Ruth S Mompati District Municipality established the structure, developed One Plan, meetings with stakeholders are held on a quarterly basis to reflect on the implementation of the plan.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Currently the Greater Taung Local Municipality is not involved in any National Forum Structures.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Mayor and the Municipal Manager represents and participate in the North West Premiers Coordinating Committee, where issues affecting the Province and the Municipalities are discussed. The Speaker and Officials in the Office of the Speaker attends and participate in the Provincial Speakers Forum. The Greater Taung Local Municipality did attend the Mayoral Forum, Municipal Manager's, and the Chief Financial Officer's Forum during the course of the year where information of mutual interest was shared.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITITIES

Greater Taung Local Municipality does not have any entities in place.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

The District has the following structures in place that seeks to coordinate development in the district:

- Mayor's Forum;
- Municipal Manager's Forum;
- Chief Financial Officer's Forum;
- IDP Steering Committee;
- IDP Rep Forum;
- Inter-Governmental Relations Forum; and
- District Development Model.

T 2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Community and stakeholder participation in matters of local government is a cornerstone of democracy. Section 152 of the South African Constitution (Act 108 of 1996) puts it succinctly that: “the objects of local government include, amongst others, the encouragement of involvement of community and community organisations in matters of local government”. Furthermore, the Municipal Systems Act 32 of 2000 states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for the local community to participate in the affairs of the municipality, including in the preparation, implementation and review of its integrated development plan.

Furthermore, community participation, through appropriate structures, is a fundamental requirement of the Constitution (Act 108 of 1996), the Municipal Systems Act 32 of 2000, the Municipal Finance Management Act 56 of 2003 and all other legislation that is applicable to Local Government in South Africa. The Greater Taung Local Municipal council has institutionalised community participation mechanisms in its affairs to allow communities an opportunity to participate in the decision-making processes of council.

Section 16 of the Municipal Systems Act 32 of 2003 requires municipalities to complement formal representative government with a system of participatory governance, and must for this purpose, inter alia, encourage, and create conditions for the local community to participate in the affairs of the municipality, including in the preparation, implementation and review of its integrated development plan, the establishment, implementation and review of its performance management , the monitoring and review of its performance, including the outcomes and impact of such performance and the preparation of its budget. Therefore, in line with this requirement, the centrepiece of the public participation ethos of the Greater Taung Local Municipality is anchored on the processes related to the preparation and reporting on the implementation of the municipality's Integrated Development Plan (IDP) and Budget each year.

The Greater Taung Local Municipality actively pursues meaningful public participation and has structured its activities relevant to the IDP, Budget and Ward issues accordingly. It also engages on feedback sessions and not only information gathering. This enhances transparency and accountability. In summary, on the overview of public accountability and participation, Greater Taung embarks extensively on ensuring public participation at ward committee meetings, IDP and Budget public ward meetings, IDP Representative Forum, and other stakeholder engagements. The oversight report is also widely publicised. The Municipal Public Accounts Committee (MPAC) is operational, and measures are in place to protect personal information. The municipality has established Ward Committees in all 24 wards to assist the municipality to consult with its communities.

The Mayor engages in annual Imbizo's which provided a platform for further interaction and engages with the communities on regular intervals.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa, 1996, and other statutory enactments all impose an obligation on local government and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Residents, Communities and Stakeholders (Civil Society). To represent interests and contribute knowledge and ideas in the planning process by participating in the IDP Representative Forum to:

- Inform interest groups, communities, and organisations, on relevant planning activities and their outcomes;
- Analyse issues, determine priorities, negotiate, and reach consensus;
- Participate in the designing of project proposals and/or assess them;
- Discuss and comment on the draft IDP;
- Ensure that annual business plans and budgets are based on and linked to the IDP;
- Monitor performance in implementation of the IDP; and
- Conduct meetings or workshops with groups, communities, or organisations to prepare for and follow-up on relevant planning activities.

COMMUNITY BASED PLANNING

During the current IDP Review Process, the Greater Taung Local Municipality once again ensured that communities were consulted to inform the Amended IDP and in so doing allow communities to own the development priorities in their respective wards and villages.

This was done through the Community Based Planning Methodology that runs parallel with the IDP Processes.

A total of 109 CBP meetings were held, and 4,771 residents attended these meetings. Communities were once again informed to clearly understand the purpose of and the difference between the CBP Priority Register and The Project Register.

The Greater Taung Local Municipality makes a clear difference between the two (2) registers, and it is there for important to note that administration needs to gather information and record the needs to ensure effective forward planning.

The priorities of the current CBP were confirmed by the Ward Councillors to ensure that Sector Planning and Programmes are based on the priorities as determined by the communities and in order to focus budget and resource allocations towards the most important priorities.

Communities were advised to review their priorities but not to “re-invent the wheel.” This approach is important to ensure consistency in planning that will address identified priority issues in the short and long term. In instances where a Ward did not submit new priorities the priorities of the previous financial year were used for planning purposes.

T 2.4.1

WARD COMMITTEES

The purpose of a ward committee is:

- To solicit improved participation from the community to inform Council decisions;
- To ensure effective communication between the Council and the community; and
- To assist the Ward Councillor with consultation and report-backs to the community.

Ward committees are elected by the community they serve. A ward committee may not have more than ten (10) members and women, and youth should be well represented. The Ward Councillor acts as the chairperson of the ward committee. Although ward committees have no formal powers, they advise the Ward Councillor who makes specific submissions directly to the Council.

The ward committees support the ward councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees' function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

T 2.4.2

Public Meetings						
Nature and purpose of meeting	**Date of events**	**Number of Participating Municipal Councillors**	**Number of Participating Municipal Administrators**	**Number of Community members attending**	**Issue addressed (Yes / No)**	**Dates and manner of feedback given to community**
Community meeting held at Kokomeng Sassa pay point (ward 23) to engage communities about issues that affect themn and to replace a ward committee member.	15 August 2024	3	2	68	yes	Communities were engaged on the same day and the new ward committee member was also replaced.
Demarcation meeting held ward 19 (Tlapeng village)	26/08/2024	2	1	34	Yes	The purpose of the meeting was to inform the community about the demacation process.
Free Basic Meeting to outline indigent process and register new beneficiaries.						
Community meeting at Molelema (ward 10)	18/09/2024	1	1	78	yes	Challenges of communities were listen to and addressed
Community meeting at Lesang Kasienyane primary school. (ward 11)	13/08/2024	1	1	87	yes	Community issues were addressed.

Public Meetings						
Nature and purpose of meeting	**Date of events**	**Number of Participating Municipal Councillors**	**Number of Participating Municipal Administrators**	**Number of Community members attending**	**Issue addressed (Yes / No)**	**Dates and manner of feedback given to community**
Community meeting at Tamasikwa Kgotla (ward 09)	30/10/2024	1	1	52	yes	This was a quarterly meeting to give communities feedback on issues raised previously and to addressed current challenges.
Community meeting Lethwanyeng (ward 12)	20111/2024	1	1	68	Yes	Issues raised were addressed at the meeting.
Community meeting at Ranstad (ward 12))	21/11120 24	1	1	24	Yes	Feedback on issues raised previously , and current challenges were listened to .
Indigents regeistration meeting held at Upper Majeakgoro (ward 19)	28/11/2024	2	2	64	yes	Indigents registration process were outlined , and , and those qualified were assisted.
Community meeting at Reivilo (ward 01)	29/01/2025	2	3	137	yes	Issues were addressed at the meeting.
Community meeting (ward 01)	08/02/2025	1	1	49	Yes	Issues raised were addressed , or referred to the next meeting.

Public Meetings						
Nature and purpose of meeting	**Date of events**	**Number of Participating Municipal Councillors**	**Number of Participating Municipal Administrators**	**Number of Community members attending**	**Issue addressed (Yes / No)**	**Dates and manner of feedback given to community**
Feedback meeting of road Z325 project heal at Upper Majeakgroro (ward 19)	11/03/2025	1	2	83	Yes	Community was given progress report
Feedback meeting of road D201 held at Tlaeng village (ward 19)	12/03/2025	1	2	85	yes	Progress report were presented.
Community meeting held at \lower Majeakgoro, to outline the process of applying for RDP houses.	20/03/2025	2	2	39	yes	Applications were done.
Community meeting held at Morwalela school	10/04/2025	1	2	132	yes	The meeting dealt much about water crisis, temporary shelters and electricity infills, and since the office of the mayor was present , it promised to take the issues raised to the relevant people.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes / No)	Dates and manner of feedback given to community
Community meeting held at Makwating Kgotla	30/04/2015	1	1	45	Yes	The meeting was to inform the community about the demarcation processes of the 2026 local elections.
Community meeting	13/05/2025	2	2	252	Yes	Community was thoroughly engaged , issues raised were addressed .
Community meeting held at Sekhing Tribal Hall	10/06/2025	1	1	51	yes	The meetings was called to alert the community about the paving project that was about to start.
Community meeting at Mogopela Kgotla.	18/06/2025	1	1	64	Yes	The meeting dealt about the crime that was continuing unabated in the village.
Community meeting held Seoding Kgotla	20/06/2025	1	1	123	Yes	The meeting was to hire people who will assist at Sekhing health Centre.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes / No)	Dates and manner of feedback given to community
Meeting heled at Dryharts Tribal Kgotla	25/06/25	1	1	82	Yes.	The meeting dealt with water crises in the village, and come up with suggestions of a borehole.
						T 2.4.3

THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

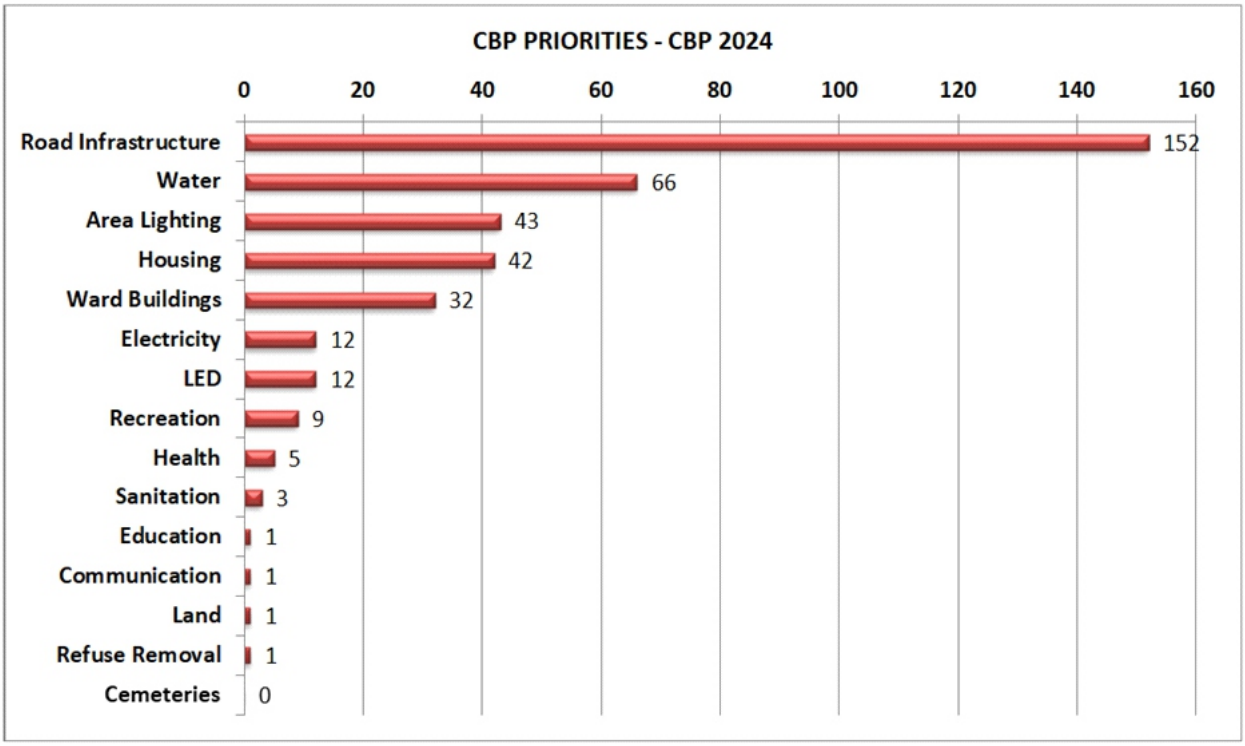
The Greater Taung Local Municipality established Ward Committees in all the 24 Wards to enhance public participation and accountability. These structures are a mechanism that the municipality uses to disseminate information and address the challenges of the communities in an effective manner. The Ward Mass Meetings held as well as Imbizo's also provides a platform for effective interaction and accountability for Council and the community. Council benefits positively as a result of the above systems, in that consultation is done with the broader community of Greater Taung Local Municipality on matters of service delivery.

IDP Public Meetings are held annually in all twenty-four (24) wards of the municipal jurisdiction in order to engage the public on the integrated planning. Meetings are effective because the needs that are collated from those meetings inform the project section of the IDP and assist in prioritisation, planning and integration with the municipal budgeting process. In the previous year, in order to strengthen community engagements, ExCo members and Councillors were encouraged to hold area specific public engagements across the entire municipality.

CBP – analysis of priority needs identified per sector.

The Table and Graph below reflects the number of times that a sector was listed under the top three (3) priorities. This gives an indication of the most important sectors or issues that need to be addressed in the IDP and SDBIPs and for which resources must be allocated to ensure that the most important priorities of the communities are addressed.

The information as reflected on the consolidated CBP Analysis is crucial to inform the Project Phase and the planning of the Project Task Teams of Greater Taung Local Municipality, The Dr Ruth S Mompati District Municipality, Parastatals and The Provincial Sector Departments to ensure resources are focused on the needs as identified by the communities on the following table:



2.5 IDP PARTICIPATION AND ALIGNMENT

The 2024/25 Amended IDP provide an opportunity to strengthen integrated planning, budgeting, and implementation across all spheres of government and the private sector in a meaningful way in pursuit of sustainable development. The objects as set out in Sections 152 and 153 of the Constitution, aims to create synergy between different municipal planning instruments and National and Provincial policy directives.

The Greater Taung Municipal Council remains focused on how best to respond to its constitutional and developmental mandate through its overarching strategic development focus areas. The Municipal Key Performance Areas (KPAs) and Strategic Objectives directs future development, potential investment, and possible public/private partnership interventions. The Key Performance Areas and Strategic Objectives, guide service delivery as per municipality developed annual Service Delivery Budget Implementation Plan (SDBIP) and development. Section 28(i) of the Municipal Systems Act 32 of 2000, requires that a Municipal Council adopts a schedule of activities to guide the drafting and review of its Integrated Development Plan. The IDP process plan / time schedule articulates the progressive activities and processes which the municipality will embark upon during the annual review of the current 5 year IDP.

The development of the IDP is undertaken inclusive of Integrated Plan and Programmes as well as The Core Components of The IDP like for example the Municipal Spatial Development Framework, the Municipal Disaster Plan, the Municipal Economic Development Strategy and lastly the Municipal Financial Plan / Budget for a specific term or financial and outer years. The alignment of the IDP with the Spatial

Development Framework (SDF), relates the spatial planning and development foreseen for the financial year in planning. The alignment of the IDP relates to aligning the IDP with the Provincial Growth and Development Strategy, the National Development Plan, and more importantly the Five National Key Performance Areas; Good Governance, Basic Services, Municipal Financial Viability, Municipal Transformation and Organizational Development and Local Economic Development.

Communities were involved in the planning process through the Community Based Planning Process.

Inputs and priorities were identified by Ward Committees and did form part of the IDP to ensure a credible IDP informed by the priorities of the local residents.

IDP Participation and Alignment Criteria*	Yes / No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	No
Are the above aligned and can they calculate into a score?	No
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
	T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

In the Greater Taung Local Municipality, the principles of good corporate governance as expounded in the King IV report are embraced and applied within the organisation. To the extent that these King IV principles are not directed by legislation (e.g. the Municipal Finance Management Act 56 of 2003) and Municipal Systems Act 32 of 2000, it is applied as far as possible in the context that these principles indicate the "right way to do things." These principles relate to, amongst others, to ethical governance, implementation of controls to prevent fraud, corruption, and management of risk.

Corporate governance is the set of processes, practices, policies, laws, and stakeholders affecting the way an institution is directed, administered, or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed. Corporate governance does cover a broad spectrum of elements that need to be aligned and integrated to ensure the smooth effective, efficient, and economic functionality of municipalities.

In the instance of the Greater Taung Local Municipality, it requires cooperation between the political and administrative structures as well as the buy-in and involvement of the Traditional Leaders.

The past year was a challenging year for Greater Taung Local Municipality regarding Corporate Governance due to the institutional challenges that were experienced at high level management and relationships. *T 2.6.0*

2.6 RISK MANAGEMENT

OVERVIEW OF RISK MANAGEMENT

The realisation of the institutional strategic plans depends on the ability to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk will enable the institution to anticipate and respond to changes in the service delivery environment, as well as to take informed decisions under conditions of uncertainty.

In terms of 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 controls.

The management of risk is the process by which the Accounting Officer, the Chief Financial Officer and the other senior management of a municipality will pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost-effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.

Risk Management plays a crucial role in identifying both risks and opportunities that are present and to take a strategic position in minimizing the said risks and maximizing present opportunities for the benefit of its citizens. The role of Risk Management in the municipality is to provide the expertise and support for institutionalizing Enterprise Risk Management and thereby embedding a risk intelligent culture. This is achieved through various methods including employee training on the principles and practices of risk management, coordinating efforts in determining the municipality's risk exposure and in the development of mitigating actions by management for addressing the identified risks. The municipality's Risk Management, Anti-fraud, and Anti-corruption Committee (RMAAC) is functional.

Before the beginning of the financial year the district shared risk unit conduct the risk assessment and on quarterly basis conduct the risk update to check mitigation progress on all identified risks. *T 2.6.1*

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Section 83(c) of the Municipal Systems Act 32 of 2000 refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act 56 of 2003, section 112(1)(m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices, section 115(1) of the Municipal Finance Management Act 56 of 2003 states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud. The Greater Taung Local Municipality contributes to the principles of good governance which requires the conduct of business in an honest and transparent manner. The municipality confirms commitment in fighting fraudulent behaviour at all levels within the organisation.

In 2024/2025 financial year Greater Taung Local Municipality submitted the reviewed Local Government Fraud and Anti-corruption strategy and policy to Council which include:

- Whistle Blowing Policy;
- Ethics Policy;
- Fraud and anti-corruption Policy and
- Fraud Prevention Plan.

Internal Audit Unit:

The Greater Taung Local Municipality has the internal audit unit responsible to advise the Accounting Officer and report to the Audit Committee on the implementation of the internal audit plan and matters as stipulated in section 165 of the Municipal Finance Management Act 56 of 2003.

Audit Committee:

The Greater Taung Local Municipality has established its own audit committee to advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters as stipulated in section 166 of the MFMA. In the year under review the audit committee was very functional as they regularly held their meetings in line with the approved audit committee meeting.

Human Resources Management:

Screening procedures are performed prior to the employment of officials. All employees signed the code of conduct on appointment. New employees are inducted to introduce them to the culture of the municipality. In the process the employees are provided with the policies and procedures of the municipality to encourage good business conduct in performing the duties.

Financial Control:

Greater Taung Local Municipality only incurs expenditure in terms of the approved budget and within limits of the amounts appropriated in votes. A delegation framework was reviewed and approved by council for adoption to maximize administrative and operational efficiency to provide adequate checks and balances in the municipality financial administration.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Sections 110 – 119 of the Municipal Finance Management Act 56 of 2003, Supply Chain Management (SCM) Regulations 2005 and relevant MFMA Circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money, and minimize the opportunities for fraud and corruption.

Greater Taung Local Municipality approved a supply chain management policy that is fair, equitable, transparent, competitive, and cost effective. In case of an abuse of supply chain management system the accounting officer implements the procedures according to the supply chain management policy to combat fraud. The supply chain management policy is aimed primarily at promoting uniformity in SCM processes and also in the interpretation of government's preferential procurement legislation and policies, which should themselves be seen in the context of other related legislative and policy requirements.

SCM Processes are being updated on an ongoing basis to ensure full compliance with the Municipal Finance Management Act and the Regulations issued under the MFMA. The SCM Manager complies with the MFMA minimum competency levels. Approximately 90% of the officials in the SCM Unit are competent with the regulations on minimum competency levels.

Councillors after being elected or appointed declare in writing to the municipal manager the financial interest held by that councillor.

Essentially, SCM refers to managing the demand of goods and services to their acquisition, managing the logistics processes and finally, after use, to their disposal. It encompasses the procurement, contract management, inventory and asset management, and obsolescence planning processes.

The procurement processes cover:

- Pre-solicitation (need analysis, specification, award criteria)
- Solicitation (bidding process)
- Negotiation (bidding process, drafting of contracts)
- Performance (change orders, review of completed work and sign-offs compliance assessments of deliverables, release of funding etc.)

SCM is centralised with all bid committees being fully functional. The Bid Adjudication Committee meetings are held regularly, and no councillors are allowed to serve on any SCM committees. Contract management is being adhered to, as stipulated in Section 116 of the MFMA.

The MFMA expects all municipalities to ensure that they develop and maintain a well-documented, operational procurement system, within a system which is fair equitable, competitive, cost effective and transparent. This process is and will always remain one of the highest exposures to fraud and corruption in any organization in the government. The process is, by necessity, highly regulated and overly complex including a wide array or legislative and procedural requirements and prescripts.

Deviation from the Supply Chain Management Regulations:

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process. Regulation 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that the relevant reasons are recorded for any deviations and reported to the next meeting of the Accounting Officer and includes a note to the Financial Statements.

T 2.8.1

2.9 BY-LAWS

By-laws Introduced during 2024/2025					
Newly Developed	**Revised**	**Public Participation Conducted Prior to Adoption of By-Laws (Yes / No)**	**Dates of Public Participation**	**By-Laws Gazetted* (Yes / No)**	**Date of Publication**
Stray animal by-law	None	N/A	N/A	N/A	N/A
					T 2.9.1

BY-LAWS

Section 11 of the MSA gives municipal council the executive and legislative authority to pass and implement by-laws and policies. Once the by-laws are gazetted, people who are in contravention will be criminally prosecuted in a court of law and could be sentenced to pay a fine or even to direct imprisonment.

T 2.9.1.1

2.10 WEBSITES

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended. The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information

sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information.

Section 75 of the MFMA requires that municipalities place key documents and information on their website, including the IDP, annual budget, adjustment budget and budget related documents and policies.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	**Yes / No**	**Date Published**
Current annual and adjustments budgets and all budget-related documents	Yes	July 2024
All current budget-related policies	Yes	July 2024
The previous annual report (2022/2023)	Yes	March 2023
The Annual Report (2024/2025) published / to be published	T.B.A	T.B.A
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 32 of 2000 (2023/2024) and resulting scorecards	Yes	August 2024
All service delivery agreements (2023/2024)	No	December 2024
All supply chain management contracts above a prescribed value (give value) for 2023/2024	No	None
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2023/2024	No	None
Contracts agreed in 2023/2024 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	None
Public-private partnership agreements referred to in section 120 made in 2023/2024	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2023/2024	No	None
		T 2.10.1

MUNICIPAL WEBSITE CONTENT AND ACCESS

In 2024/2025 financial year Greater Taung Local Municipality website was live. The necessary compliance documents were uploaded and accessible.

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

For the year under review, the municipality did not conduct the public satisfaction survey.

T 2.11.1

Satisfaction Surveys Undertaken during 2024/2025				
Subject matter of survey	**Survey method**	**Survey date**	**No. of people included in survey**	**Survey results indicating satisfaction or better (%)***
Overall satisfaction with:	**Not conducted**	**N/A**	**0**	**N/A**
(a) Municipality	None	N/A	0	N/A
(b) Municipal Service Delivery	None	N/A		N/A
(c) Mayor	None	N/A		N/A
Satisfaction with:	**Not conducted**	**N/A**	**0**	**N/A**
(a) Refuse Collection	None	0	0	N/A
(b) Road Maintenance	None	0	0	N/A
(c) Electricity Supply	None	0	0	N/A
(d) Water Supply	None	0	0	N/A
(e) Information supplied by municipality to the public	None	0	0	N/A
(f) Opportunities for consultation on municipal affairs	None	0	0	N/A

T 2.11.2

Concerning T 2.11.2:

In order for the municipality to conduct community satisfaction survey budget must be made available and in 2024/2025 financial year budget was not made available for the survey due to financial constraints.

T 2.11.2.1

SATISFACTION LEVELS

The municipality could not determine the satisfaction levels as the community satisfaction survey was not conducted during the year under review. In the new financial year budget inputs to conduct community satisfaction will be submitted by office of the municipal manager to Budget and Treasury Office to make provision.

T 2.11.2.2



chapter 3

Service Delivery Performance

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review individual performance indicators to ensure efficiency, effectiveness, and the impact of service delivery by the municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

Some of the legislative prescripts include Section 152 of the Constitution of the Republic (1996), section 152 local government to be "democratic and accountable government". Section 195 (1) of the Constitution requires the following from local government, inter alia:

- the promotion of efficient, economic, and effective use of resources,
- accountable public administration,
- to be transparent by providing information,
- to be responsive to the needs of the community, and
- to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act 32 of 2000 requires municipalities to establish a performance management system. Further, the Municipal Systems Act 32 of 2000, and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In terms of section 46(1)(a) of the Municipal Systems Act 32 of 2000 a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

T 3.0.1

COMPONENT A: BASIC SERVICES

This component includes water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

The South African Constitution states that municipalities have the responsibility to make sure that all citizens are provided with services to satisfy their basic needs. Local government (municipality) is the sphere of government closest to the people; citizens elect them to represent them and are responsible to ensure that services are delivered to the community. One way in which municipalities can do this is to provide the service themselves through the use of their own resources - finance, equipment, and employees. A municipality may also outsource the provision of a service. In other words, it may choose to hire someone else to deliver the service, but it remains the responsibility of the municipality to choose the service provider and to make sure that they deliver the service properly.

Many municipalities, however, are unable to deliver services to residents. This might be because of lack of finances or lack of capacity to provide a good service at an affordable price.

Greater Taung Local Municipality is responsible for water and sanitation provision at Reivilo town and Boipelo township, and electricity at Reivilo town but as for the remainder of the area the Dr Ruth S Mompati District Municipality is the service authority for water and sanitation. Eskom is providing electricity in all areas in the municipality except Reivilo town where it is licensed as Electricity Service Provider. The municipality still need to address basic services backlogs in all sectors. Good progress was made with regard to electricity and water provision, but sanitation provision still needs to be addressed in many areas which are using pit latrine toilets which pose a negative environmental impact. Roads also need to be addressed based on the CBP input that was gathered. This sector was prioritized as the most critical sector that needs attention.

Refuse removal is rendered by Greater Taung Local Municipality in the three towns, Taung CBD, Pudimoe and Reivilo. The municipality still need to address basic services backlogs in all sectors. Good progress was made with regard to electricity and water provision, but sanitation provision still needs to be addressed in many areas which are using pit latrines which pose a negative environmental impact.

Roads also need to be addressed based on the CBP input that was gathered. This sector was prioritized as the most critical sector that needs attention.

T

3.1.0

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

One of the major goals of the South African Government is to ensure access to safe and reliable water services to all the communities. Notwithstanding the best possible raw water sources, adequate treatment infrastructure and optimal treatment process can achieve safe and reliable drinking water services to consumers and unexpected incidents can disrupt water supplies. Natural disasters such as floods and

manmade incidents can significantly disrupt and impact on the quality of water services thus posing a significant health risk to consumers.

The Water Services Act 108 of 1997, section 5(4) states that in emergency situations, a Water Service Authority (WSA) must take reasonable steps to provide basic water supply to any person within its area of jurisdiction and may do so at the cost of the authority.

Recent legislation includes the Water Services Act 108 of 1997 and the General Enabling Act 2005. To provide for the rights of access to basic water supply and basic sanitation; to provide for the setting of national standards and of norms and standards for tariffs; to provide for water services development plans; to provide a regulatory framework for water services institutions and water services intermediaries; to provide for the establishment and disestablishment of water boards and water services committees and their powers and duties; to provide for the monitoring of water services and intervention by the Minister or by the relevant Province; to provide for financial assistance to water services institutions; to provide for certain general powers of the Minister; to provide for the gathering of information in a national information system and the distribution of that information; to repeal certain laws; and to provide for matters connected therewith.

the district is responsible for the implementation of capital projects and the maintenance responsibility falls within the functions of Sedibeng. It should be noted that in certain instances the municipality has been providing water using its own tankers.

The Greater Taung Local Municipality's Water unit has made significant progress in the provision of water services, but some critical challenges remain, i.e. extensions and internal reticulation. Institutional arrangements and strategies have been put in place to overcome the challenges and to meet key policy as well as legislative requirements. Progress on the objectives as set out in DWA's critical policy document, the National Strategic Framework for Water Services. Through indigents register and policies, the municipality is able to provide basic services to the needy community.

The water unit is operating with two water trucks (one new truck allocated by DRRSM and the other is old and unreliable). Institutional arrangements and strategies have been put in place to overcome the challenges and to meet key policy as well as legislative requirements. Progress on the objectives as set out in DWA's critical policy document, the National Strategic Framework for Water Services. Through indigents register and policies, the municipality is able to provide basic services to the needy community.

T 3.1.1

WATER USE BY SECTOR

The above refer to only Reivilo Town where Greater Taung Local Municipality has the authority. Reliable, clean supply of drinking water to sustain our health is a high priority for the municipality. It also needs water for agriculture, recreation, and manufacturing purposes. Many of these uses put pressure on water resources, stresses that are likely to be exacerbated by climate change. In many areas, climate change is likely to increase water demand despite shrinking water supplies. This shifting balance would challenge water managers to simultaneously meet the needs of growing communities, sensitive ecosystems, farmers, and manufacturers.

In some areas, water shortages will be less of a problem than increases in runoff, flooding, etc. These effects can reduce the quality of water and can damage the infrastructure that we use to transport and deliver.

T 3.1.2

Water Service Delivery Levels				
				Households
Description	2021/2022	2022/2023	2023/2024	2024/2025
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: (above min level)				
Piped water inside dwelling	2,111	2,111	4,869	4,869
Piped water inside yard (but not in dwelling)	5,011	5,011	5,011	5,011
Using public tap (within 200m from dwelling)	24,868	24,868	24,868	24,868
Other water supply (within 200m)	8,644	8,644	8,644	8,644
Minimum Service Level and Above sub-total	41	41	43	43
Minimum Service Level and Above Percentage	89%	89%	89%	89%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	2,873	2,873	2,873	2,873
Other water supply (more than 200m from dwelling	1,178	1,178	1,178	1,178
No water supply	1,169	1,169	1,169	1,169
Below Minimum Service Level sub-total	5,220	5,220	5,220	5,220
Below Minimum Service Level Percentage	11%	11%	11%	11%
Total number of households*	**45,854**	**45,854**	**48,612**	**48,612**
				T 3.1.3

Households - Water Service Delivery Levels below the minimum						
						Households
Description	2021/2022	2022/2023	2023/24	2024/2025		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	43,990	43,990	43,990	43,990	43,990	43,990
Households below minimum service level	5,220	5,220	5,220	5,220	5,220	5,220
Proportion of households below minimum service level	11%	11%	11%	11%	11%	11%
Informal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
						T 3.1.4

** Means access to 25 Liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 litters per minute # 6,000 Liters of potable water supplied per formal connection per month*

T 3.1.5

Employees: Water Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	15	20	15	5	25%
4 - 6	7	7	7	0	0%
7 - 9	2	2	2	0	0%
10 - 12	2	2	2	0	100%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	1	0	0	100%
Total	**27**	**33**	**27**	**5**	**18%**
					T 3.1.7

Financial Performance: Water Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees		2,273,397	2,273,397	6,719,978	-4,446,581
Repairs and Maintenance		1,200,000	2,400,000	1,959,416	440,584
Other					
Total Operational Expenditure		**3,473,397**	**4,673,397**	**8,679,394**	**-4,005,997**
Net Operational Expenditure					
					T 3.1.8

Capital Expenditure 2024/2025: Water Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
No projects for this unit in the year under review					

T 3.1.9

WATER SERVICES PERFORMANCE OVERALL

The budget of R 2,950,000 was spent on the maintenance of water and sewer network and about 100% was spent against the budget. It should note that the unit went over its budget by approximately 10%.

The municipality incurred no cost in relation to the capital expenditure for water services as the function largely lay with the District Municipality as Water Service Authority

T 3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

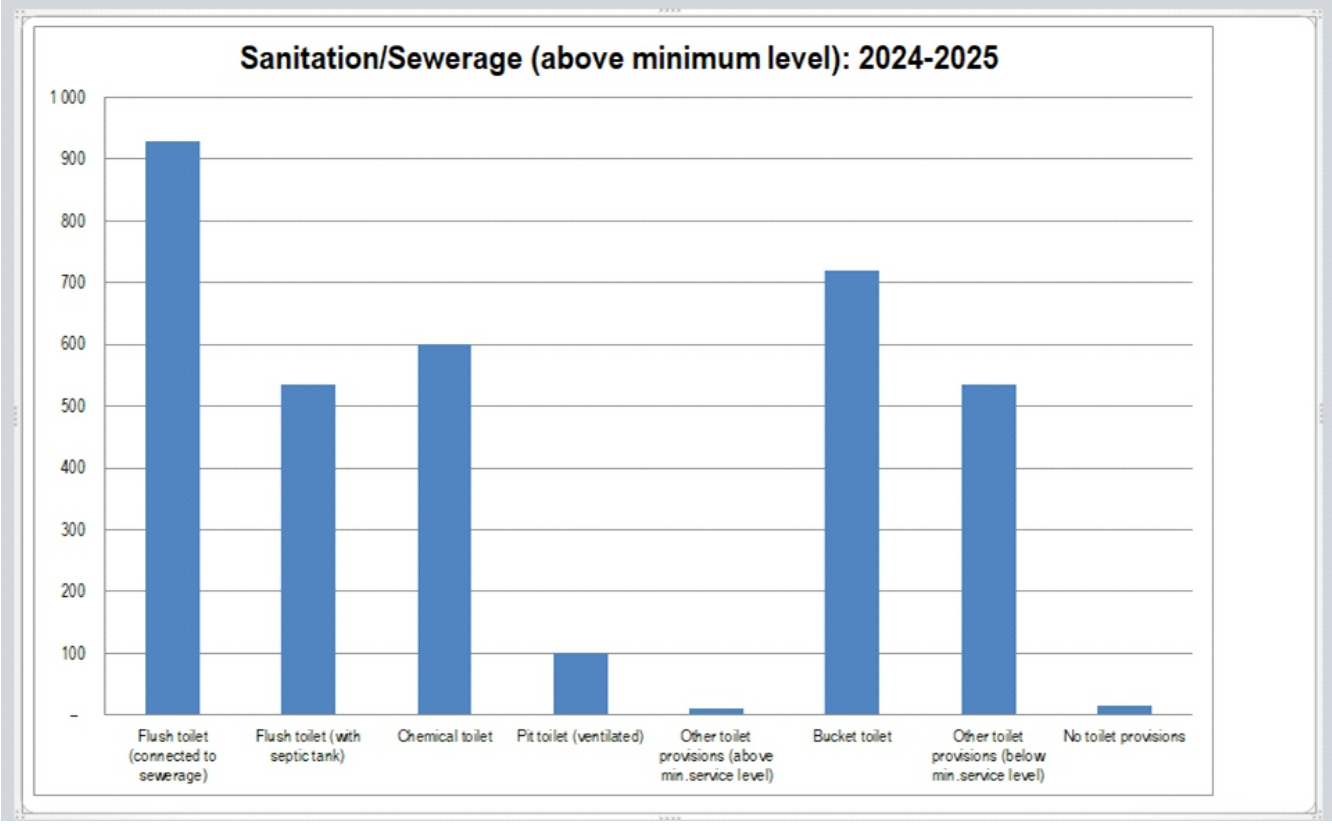
Sanitation is the hygienic means of promoting health through prevention of human contact with the hazards of wastes as well as the treatment and proper disposal of sewage wastewater. Hazards can be physical, microbiological, biological, or chemical agents of disease. Wastes that can cause health problems include human and animal faeces, solid wastes, domestic wastewater (sewage, sullage, and grey water), industrial wastes and agricultural wastes. Hygienic means of prevention can be by using engineering solutions (e.g. sewerage and wastewater treatment), simple technologies (e.g. latrines, septic tanks), or even by personal hygiene practices (e.g. simple hand washing with soap).

The strategy for the provision of basic sanitation:

A basic sanitation facility is a sanitation facility which is safe, reliable, private, protected from the weather, ventilated, keeps smells to the minimum, is easy to keep clean and minimizes the risk of the spread of sanitation related diseases by facilitating the appropriate control of disease carrying flies and pests, and enables safe appropriate treatment and/or removal of human waste and black or grey water in a sound environmentally sound manner.

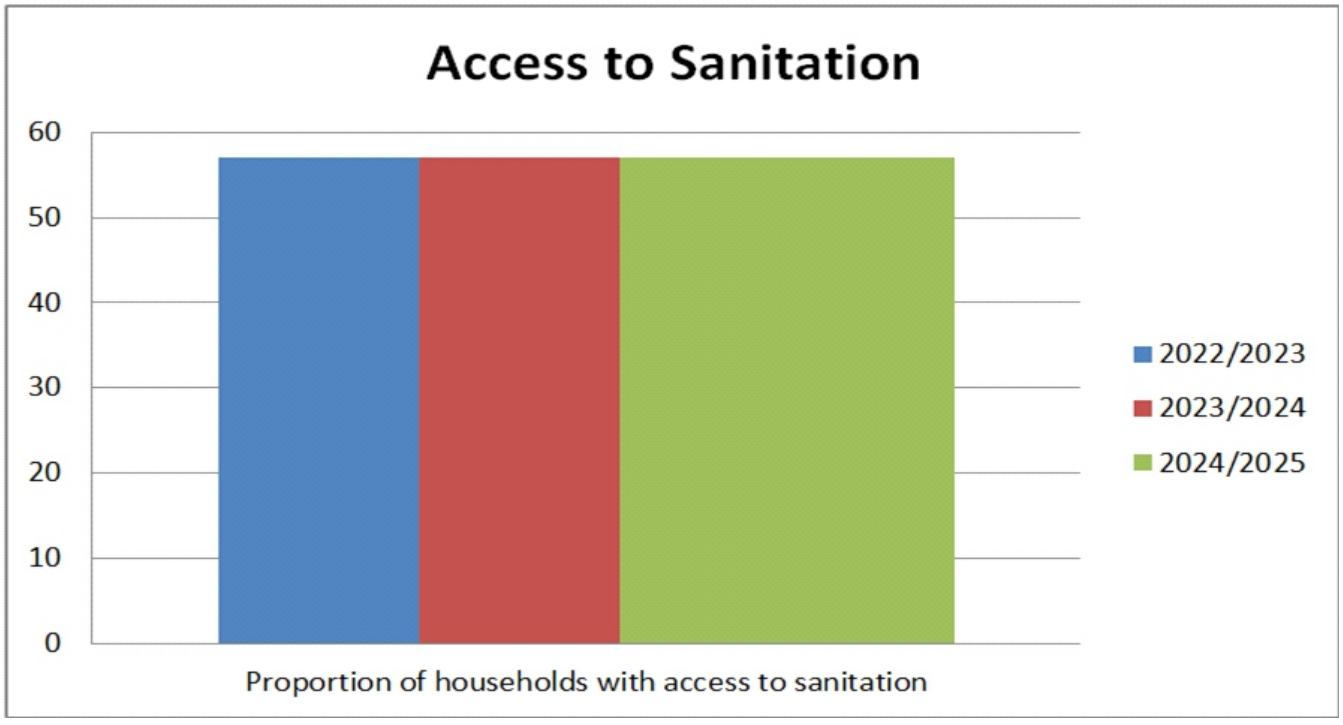
The Free Basic Sanitation strategy is aimed at ensuring that the sanitation backlog is eradicated and ensuring the government provide all people to have access to a functional sanitation facility.

T 3.2.1



Sanitation Service Delivery Levels *Households				
Description	2021/2022 Outcome No.	2022/2023 Actual No.	2023/2024 Actual No.	2024/2025 Actual No.
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	14,941	14,941	14,941	14,941
Flush toilet (with septic tank)	452	452	452	452
Chemical toilet	910	910	910	910
Pit toilet (ventilated)	35,130	35,130	35,130	35,130
Other toilet provisions (above min.service level)	0	0	0	0
Minimum Service Level and Above sub-total	51,433	51,433	51,433	51,433
Minimum Service Level and Above Percentage	96.0%	96.0%	96.0%	96.0%
Sanitation/sewerage: (below minimum level)				
Bucket toilet	1,178	1,178	1,178	1,178
Other toilet provisions (below min.service level)	589	589	589	589
No toilet provisions	803	803	803	803
Below Minimum Service Level sub-total	2,570	2,570	2,570	2,570
Below Minimum Service Level Percentage	4.7%	4.7%	4.7%	4.7%
Total households	**54,003**	**54,003**	**54,003**	**54,003**
				T 3.2.3

Households - Sanitation Service Delivery Levels below the minimum						
						Households
Description	2021/2022	2022/2023	2023/2024	2024/2025		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	41,297	41,297	41,297	41,297	41,297	41,297
Households below minimum service level	20,235	20,235	20,235	20,235	20,235	20,235
Proportion of households below minimum service level	49%	49%	49%	49%	49%	49%
Informal Settlements						
Total households	4,270	4,270	4,270	4,270	4,270	4,270
Households below minimum service level	328	328	328	328	328	328
Proportion of households below minimum service level	8%	8%	8%	8%	8%	8%
						T 3.2.4



Financial Performance 2024/2025: Sanitation Services R'000					
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees		8,559,507	8,559,507	861,361	7,698,146
Repairs and Maintenance		1,200,000	2,400,000	2,063,417	336,583
Other					
Total Operational Expenditure		**9,759,507**	**10,959,507**	**2,924,778**	**8,034,729**
Net Operational Expenditure					
T 3.2.8					

Capital Expenditure 2024/2025: Sanitation Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
No projects for this unit in the year under review					
T 3.2.9					

SANITATION SERVICES PERFORMANCE OVERALL

There is a need to improve systems for operations and maintenance that can ensure sustainable, reliable services and turnaround time to consumers. Currently the municipal capacity to reliable service is overburdened due to the resources that are over stretched. On average the unit can only service fifty-five septic tanks with two honey suckers while the third one is on repairs. A schedule of routine on check-up inspections of ponds in Reivilo, Taung central and Matlapaneng to avoid being reactive on the maintenance. All the mentioned ponds need to be rehabilitated, and the matter be taken up with the Water Service Authority being the district municipality.

Greater Taung Local Municipality is rendering full sanitation services at Reivilo town and Boipelo township. There is a sewer network at Boipelo township. Most of the households in Reivilo town are not connected to sewer network and utilizing septic tank and the establishment of sewer network at Reivilo town is needed. Capital expenditure in relation to sanitation services had not been incurred by the municipality. A large part of the budget was directed to the maintenance of the sewer network.

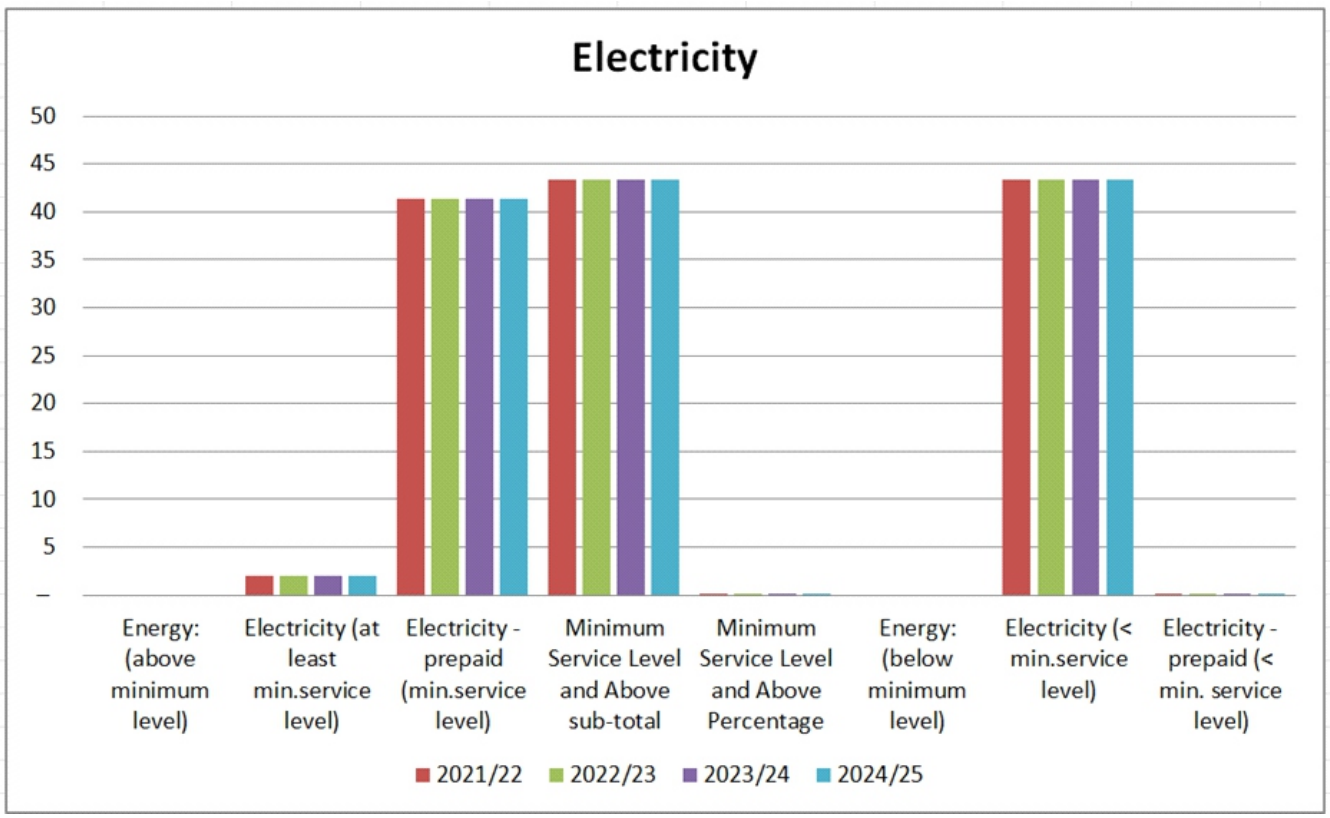
T 3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Electricity is one of the most sought-after basic services. Local government plays an important role in the provision of electricity, as an agent for Eskom. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social manner. Greater Taung Local Municipality provides electricity under licence only in Reivilo and is also responsible for the maintenance of the sub-station, transformers, and the reticulation network. At present there is backlog of 260 unit in the provision of electricity in Boipelo Extension. The amendments to the regulations clarify the regime applicable to municipalities when requesting determinations under Section 34 of the Electricity Amendment Act, this will ensure an orderly development that is in line with the applicable Integrated Resource Plan (IRP) and municipal Integrated Development Plans (IDPs). The amendments will ensure that requests are from municipalities in good financial standing, with feasible project proposals.

T 3.3.1



T 3.3.2

Households				
Description	2021/22	2022/23	2023/24	2024/25
	, ,	, ,	, ,	, ,
Electricity (at least min.service level)	2035	2035	2035	2035
Electricity - prepaid (min.service level)	41330	41330	41330	41330
Electricity (< min.service level)	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–
Other energy sources	65	65	65	65
Below Minimum Service Level sub -total	0	0	0	0
Below Minimum Service Level Percentage	0.1%	0.1%	0.1%	0.1%
Total number of households	43430	43430	43430	43430
				T 3.3.3

Electricity Service Delivery Levels				
				Households
Description	2021/2022	2022/2023	2023/2024	2024/2025
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Energy: (above minimum level)				
Electricity (at least min.service level)	2,035	2,035	2,035	2,035
Electricity - prepaid (min.service level)	41,330	41,330	41,330	41,330
Minimum Service Level and Above sub-total	43,365	43,365	43,365	43,365
Minimum Service Level and Above Percentage	99.9%	99.9%	99.9%	99.9%
Energy: (below minimum level)				
Electricity (< min.service level)	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–
Other energy sources	65	65	65	65
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level Percentage	0.1%	0.1%	0.1%	0.1%
Total number of households	**43,430**	**43,430**	**43,430**	**43,430**
				T 3.3.3

Electrification Projects

Number of households in the municipality	53,551
Number of households connected to grid	51,863
Number of households not connected to grid	1,688
Number of households provided with electricity by Eskom	51,546
Number of households in Reivilo provided by GTLM	317

Proposed, Approved and Implementation of electrification for 2024/2025

Village Name	Proposed no. of Houses	Approved No. of Houses	Status
Infills	1,000	400	100% Complete
Buxton	60	75	100% Complete
Tlapeng Banksdrift	0	55	100% Complete
Khibitswane	100	45	100% Complete
Takaneng	50	65	100% Complete
Rooiwal	50	65	100% Complete
Extension 6(Fire)	50	80	100% Complete
Matlapaneng Ext	150	100	98% complete
Mokassa 1	100	75	100% complete
Manokwane	100	65	100% complete
Tamasikwa	50	30	100%complete
Up-Grading of Reivilo Sub-station	Installation of Auto Reclosure	0	100% Complete
Boipelo Extension	260	260	15%

Employees: Electricity Services				
Job Level	2024/2025			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0%
4 - 6	2	2	0	0%
7 - 9	0	0	0	0%
10 - 12	1	1	0	0%
13 - 15	0	0	0	0%
16 - 18	0	0	0	0%
19 - 20	0	0	0	0%
Total	**3**	**3**	**0**	**0%**

T 3.3.6

ELECTRICITY SERVICES PERFORMANCE OVERALL

Greater Taung Local Municipality is rendering electricity services at Reivilo town only. Infrastructure at Reivilo is dilapidated and need to be upgraded. And is changing from conventional system to prepaid system at Reivilo town. The municipality has budgeted R5,800,000 for the maintenance of electrical network in Reivilo township and appointed service provider for a period of two years to deal with electrical maintenance in the said area.

The municipality has additionally received an amount of **R6,700,000.00** through the INEP Grant for the implementation of the following projects:

- Upgrading of the Reivilo Substation
- Electrification of 260 units in Boipelo New Extension

The upgrading of the Reivilo Substation has been completed and the project is currently within its defect liability period.

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

SOLID WASTE AND MANAGEMENT WASTE DISPOSAL SITES

SOLID WASTE

The Municipality provides a weekly scheduled refuse collection service to residents and businesses. A key responsibility of the municipality is to safely dispose of waste, and to ensure the general cleanliness in the town's streets including public spaces. The Municipality is also mandated to ensure and enable the prevention of waste and pollution, as well as the minimisation of waste, but this is the combined responsibility of all of us, including the private sector and residents.

The Unit do its utmost with its limited resources to inform and educate residents regarding illegal dumping and littering using available waste information pamphlets. street cleaning is done on a weekly basis in and around the CBD and entrance roads.

THE UNIT TOP 4 SERVICE DELIVERY PRIORITIES:

- **Refuse removal:** Entails domestic and business refuse removal and clearing of drop off points/ hotspots as per refuse collection schedule.
- **Illegal dumping:** Clearing of illegal hotspots which consists mainly of general waste and builder's rubble.
- **Littering:** Litter picking is done around the 3 (three) proclaimed areas, i.e. Taung, Pudimoe and Reivilo. Littering adversely affects the environment, and it causes pollution, which is a major threat to the environment, and has increasingly become a cause for concern in the municipality.
- **Community Waste Awareness Campaigns:** Awareness campaigns are done on a quarterly basis and there is a need to continue to encourage the community to make use of available bins and waste removal services; to stop littering and illegal dumping.

MANAGEMENT WASTE DISPOSAL SITES

There are currently five (5) waste disposal sites operated by the municipality. The sites are located within the GTLM municipal area, namely, Reivilo waste disposal site, Taung waste disposal site, (New) Pudimoe waste disposal site, Pudimoe (Interim Operational) waste disposal and the Pudimoe Illegal dumping site (Abandoned).

The Pudimoe area has three (3) waste disposal sites namely: Pudimoe Interim Operational, Illegal dumping site and New Pudimoe waste disposal sites, all the sites are issued with closure and rehabilitation licences. The closure and rehabilitation of Pudimoe Interim Operational waste disposal site and Illegal dumping site (Abandoned) waste disposal site were approved by Municipal Council and the

funds be incurred from MIG funds for 2024/2025 Financial Year. The (New) Pudimoe waste disposal site, the municipality to surrender the waste management license. Since the site has been vandalised and the cell geomembrane, roofing and other building infrastructure have been stolen. Numerous informal housing units have been developed within the site boundary and a fence has been erected along the access road prohibiting access to the site. The Taung and Reivilo waste disposal sites are also issued with closure and rehabilitation licenses. For the Municipality to comply with the conditions of the waste management licenses for all the waste disposal sites, the closure and rehabilitation must be done as multi-year projects.

The Environmental Services Unit is understaffed. The organogram should be reviewed, and new positions be created to ensure an adequate waste collection service and management of the landfill sites. There is a lack of Environmental Management Inspector (EMI) or Waste Peace Officers to prevent illegal dumping, littering and to deal with environmental compliance and enforcement. Resource needs (vehicles, equipment, and manpower) addressed to ascertain effective and continual waste collection and disposal within the entire jurisdiction area.

The Municipality has an Integrated Waste Management Plan (IWMP) and was endorsed in terms of Section 11(a)(ii) by the MEC for the North-West Province's Department of Economic Development, Environment, Conservation and Tourism (DEDECT).

T 3.4.1

Solid Waste Service Delivery Levels				
				Households
Description	2021/2022	2022/2023	2023/2024	2024/2025
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	3,596	3,596	3,596	3,596
Minimum Service Level and Above sub-total	3,596	3,596	3,596	3,596
Minimum Service Level and Above percentage	7.4%	7.4%	7.4%	7.4%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	108	108	108	108
Using communal refuse dump	372	372	372	372
Using own refuse dump	40,072	40,072	40,072	40,072
Other rubbish disposal	305	305	305	305
No rubbish disposal	4,159	4,159	4,159	4,159
Below Minimum Service Level sub-total	45,016	45,016	45,016	45,016
Below Minimum Service Level percentage	92.6%	92.6%	92.6%	92.6%
Total number of households	**48,612**	**48,612**	**48,612**	**48,612**

T 3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
Description						Households
	2021/2022	2022/2023	2023/2024	2024/2025		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Total households	48,612	48,612	48,612			48,612
Households below minimum service level	3,596	3,596	3,596			3,596
Proportion of households below minimum service level	7%	7%	7%			7%
						T 3.4.3

Employees: Solid Waste Management Services				
Job Level	2024/2025			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	40	32	8	20%
4 - 6	10	10	0	0%
7 - 9	1	1	0	0%
10 - 12	3	3	0	25%
13 - 15	0	0	0	0%
16 - 18	1	1	0	0%
19 - 20	1	1	0	0%
Total	**56**	**48**	**8**	**14%**
				T 3.4.5

Employees: Waste Disposal Services				
Job Level	2024/2025			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
	Combined with T 3.4.5			
				T 3.4.6

Financial Performance 2024/2025: Solid Waste Management Services					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees		**9,612,941**	**14,362,941**	**17,971,619**	**(3,862,678)**
Repairs and Maintenance		0	0	0	0
Other		1,000,000	1,000,000	962,000	38,000
Total Operational Expenditure					
Net Operational Expenditure					
					T 3.4.7

Financial Performance 2023/2024: Waste Disposal and Other Services R'000					
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees		0	0	0	0
Repairs and Maintenance		0	0	0	0
Other		0	0	0	0
Total Operational Expenditure					
Net Operational Expenditure					
T 3.4.8					

Capital Expenditure 2024/2025: Waste Management Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	%	
No projects for this unit in the year under review					
T 3.4.9					

WASTE MANGEMENT SERVICE PERFORMANCE OVERALL

In terms of waste collection, the municipality does not experience any backlog. The challenges are Illegal dumping and littering around the municipal areas, and these are an environmental crime. It's an ongoing problem within the municipality. The cost involved in the removing and cleaning of illegal dumping is exorbitant and could be better utilised in delivering other desperately required services in the communities. Illegal waste dumping hotspots are continuously managed and serviced regularly to prevent nuisances from escalating. The ageing of yellow fleet and the budget cuts also contributes negatively to the objects of the Unit.

T 3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

The Greater Taung Local Municipality's vision for BNG Housing development within its jurisdiction is the establishment of social and economically integrated in areas allowing convenient access to economic opportunities as well as to Health, education and social amenities in which communities will, on a progressive basis have access to:

- Permanent residential with secure Tenure
- Ensure internal and external privacy providing protection against the elements and provide portable water, adequate, sanitary facilities, and domestic energy.

Strategies:

- Eradication of mud houses
- Provision of housing to poverty-stricken households
- Provision of houses to woman headed households
- Provision for Rental housing stock/ social housing

The delivery of Low-cost Housing within the municipality is still the competence of Provincial Department of Human Settlements and National Department of Housing. The Role and the Responsibility of the Municipality on housing Delivery is, identification of Beneficiaries, Identification of Land for Housing Development, Allocation of Completed Houses to qualified and approved Beneficiaries, Identification, and processing of applications for Emergency Housing, Prepare and submission of Housing Business Plans for Annual allocations and negotiations with Traditional Authorities and Land Affairs for Land availability.

Achievements:

The municipality is in apposition to apply for level 1 and 2 Housing Accreditation, based on the capacity of the municipality to carry out additional programme responsibilities and to implement the municipality's Accreditation Business Plan.

The two documents, Housing Sector Plan and Accreditation Business Plan still under review. The Municipality is ready for pre assessment. Workshop on the Municipal Accreditation Business Plan has been taken place to familiarize all senior officials, and Council members on the approved documents. The Municipality in conjunction with the Provincial Department of Human Settlements has established a Steering Committee that will ensure the successful roll out of the accreditation programme.

The Department of Human settlement appointed G5 Contractor to construct 1,000 units on various villages, namely: Lokaleng: 200, Dipitshing: 200, Pompong: 200, Leshobo: 200 and Ditompong: 200. The project is on-going at Lokaleng Village.

The other Contractor is appointed for Ditshilong 2, for 216 Villages. The contractor has done site Establishment. National Department of Human Settlement appointed two contractors to construct 79 TRU's for the following wards, 3,10,19 and 22.

Planned:

The Municipality has planned for the following:

- 200 units at Manokwane Village
- 100 units Dryharts Village
- 300 units CRU's Taung Extension 6

Challenges:

- None-payments of contractors' delays progress on site.
- Blocked projects are still a challenge

- Encountering political interference in the housing subsidy Administration process and implementation.
- Inadequate of land availability in the municipality for the implementation of other National Housing Programmes e.g. FILSP.

T 3.5.1

Percentage of households with access to basic housing			
Year end	**Total households (formal and informal settlements)**	**Households in formal settlements**	**Percentage of HHs in formal settlements**
2021/2022	42,953	39,516	92%
2022/2023	48,454	44,577	92%
2023/2024	53,551	51,199	95%
2024/2025	53,551	51.199	95%

T 3.5.2

Employees: Housing Services				
Job Level	**2024/2025**			
	Posts No.	**Employees** No.	**Vacancies (fulltime equivalents)** No.	**Vacancies (as a % of total posts)** %
0 – 3	0	0	0	0%
4 – 6	0	0	0	0%
7 – 9	0	0	0	0%
10 – 12	3	3	0	0%
13 – 15	0	0	0	0%
16 – 18	1	1	0	0%
19 – 20	0	0	0	0%
Total	**4**	**4**	**0**	**0%**

T 3.5.4

Financial Performance 2024/2025: Housing Services R'000					
Details	**2023/2024**	**2024/2025**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue					
Expenditure:					
Employees		1,059,533	899,533	9,921,550.85	-9,022,017.85
Repairs and Maintenance					
Other		2,000,000	4,000,000	2,1453,57.69	1,854,642.31
Total Operational Expenditure					
Net Operational Expenditure					

T 3.5.5

Capital Expenditure 2024/2025: Housing Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	%	
No projects for this unit in the year under review					
					T 3.5.6

THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

It must be noted that housing project procurement process is currently the competency of the Provincial Department of Human Settlements and as a result issues like budgets are centred at Provincial level. Due to housing backlog the municipal council took a resolution to apply for housing accreditation with the goal of providing housing to the people of Taung. The process has been unfolding very well as housing accreditation business plan was developed.

T 3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

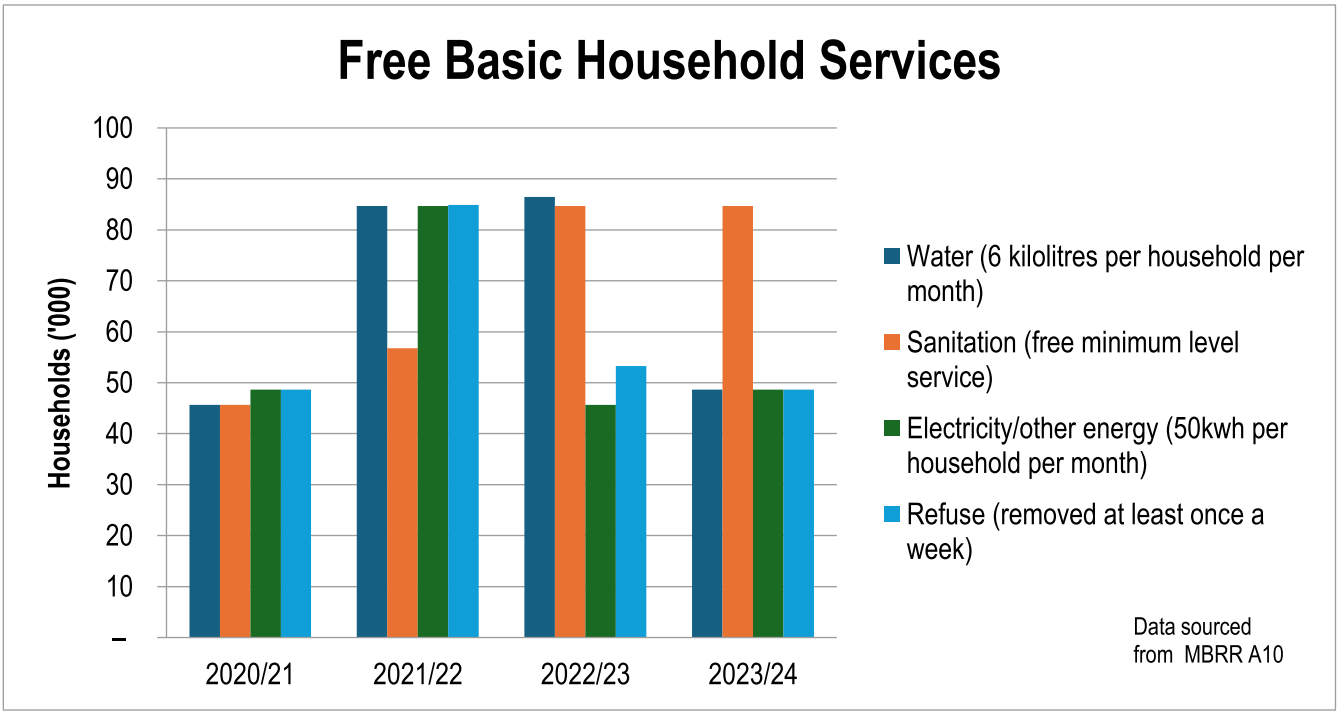
INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Main sources of income consist of transfers from other spheres of government of which intergovernmental transfers are the most important. A portion of this income (equitable share) is earmarked for indigent relief which is used to alleviate and address poverty.

Greater Taung Local Municipality being predominately rural, widely, and sparsely scattered, historically disadvantaged and having high unemployment is still behind with basic services. This situation of the municipality also contributes to high installation of new services and exhausting the limited funding. Also qualifying the majority of the needy community to afford installing services themselves or paying for rendering of those services, therefore necessitating the Free Basic Services' assistance and to ensure social benefit for indigents is provided to deserving household through indigent support programmes and free basic services and to improve debt collection and implement credit control measures.

Greater Taung Local Municipality is only facilitating the provision of water, sanitation, and electricity of which Eskom is implementing the electricity projects and Dr R. S. Mompati District Municipality is an authoritarian of the rest.

T 3.6.1



T 3.6.2

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R3,200 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2022/23	3,571	203	30	15%	203	100%	50	25%	240	118%
2023/24	3,213	203	13	6%	162	80%	39	19%	191	94%
2024/25	6,944	240	15,000	6,25%	15	6,25%	32	13%	203	85%
T 3.6.3										

Financial Performance 2024/2025: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2023/2024	2024/2025			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	248				2%
Waste Water (Sanitation)	245				2%
Electricity	135				11%
Waste Management (Solid Waste)	125				12%
Total	**753**				**5%**
T 3.6.4					

FREE BASIC SERVICES AND INDIGENT SUPPORT

Greater Taung Local Municipality has a large number of indigent households. This gives an indication of the challenges that is faced by Greater Taung Local Municipality with regard to social services as well as generation to boost income and Socio-Economic Investment, therefore remedial actions must be taken to improve livelihood for the poor.

Speaker's office held meetings with Councillors, relevant Directors and Stakeholders arranging the road shows and campaigns to improve indigent registration process. Awareness campaigns were conducted across most of the municipality wards with different stakeholders, to give people the basket and increase access of free basic services to the poor of the poorest. In 2021 we managed to register 10,000 people to our indigents register, though all of them are not benefiting due to different challenges but most do benefit. The challenges may be some of indigents do not collect their monthly electricity token and they submit incorrect and incomplete information.

Funds are available to subsidise indigents, the support given to them: they receive 50kw of electricity, 6kl of water, 50% subsidy on property rates, 100% refuse and 100% sanitation on a monthly basis.

The Greater Taung Local Municipality Indigent policy states that in order to qualify as an Indigent, the household income should be R5,420.00 / less (determined by Council from time to time) or unemployed and/or a pensioner, the more Indigents registered, the more equitable we acquire, the person whose name a property is registered on, the applicant may not be the owner of more than one immovable property and must be a full-time occupant of the residential property and must not own a business.

Registered indigents and the members of the indigent household headed by that registered indigent must be prepared to participate in exit programme verified by Councillors, approved by Revenue Manager and co-ordinated by municipality collaboration with other government departments and private sectors. The FBS on electricity is budget for the Reivilo area as well as the residents serviced by Eskom.

T 3.6.6

Gravel Road Infrastructure				
				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to block paved.	Gravel roads graded / maintained
2022/2023	2,148.7	0	7.4	400
2023/2024	2,141.3	0	8.9	200
2024/2025	2132.4	0	6.8	160
				T 3.7.2

Paved Road Infrastructure					
					Kilometres
	Total block paved roads	New block paved roads	Existing tarred roads re-tarred	Existing tar roads re-sheeted	Surfaced roads maintained
2022/2023	82.8	7.4	0	0	25.0
2023/2024	90.2	8.9	0	0	25.0
2024/2025	99.1	6.8	0	0	25.0
					T 3.7.3

Cost of Construction/Maintenance (graph excel 3.7.4)						
						R' 000
	Gravel			Block paved roads.		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2022/2023	R0.00	R0.00	R0.00	R29,561,831.77	R0.00	R400,000
2023/2024	R0.00	R0.00	R0.00	R33,374,812.87	R0.00	R150,000
2024/2025	R0.00	R0.00	R0.00	R21 557 141.22	R0.00	R300.00
						T 3.7.4

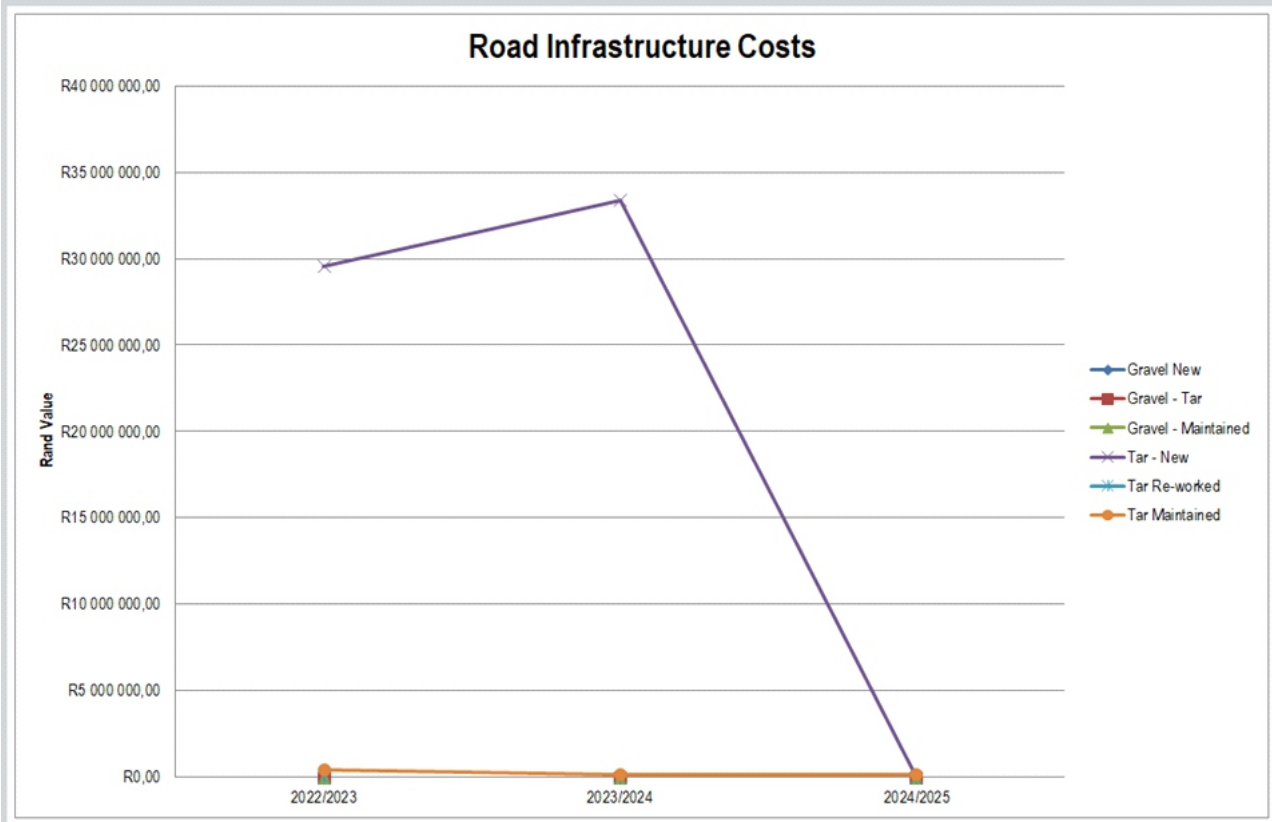






Highmast lights project completed and Access road in Tlapeng still in progress.

Seoding access road is also completed



Employees: Roads and Storm Water Services				
Job Level	2024/2025			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	32	24	8	25%
4 - 6	8	8	0	0%
7 - 9	10	10	0	0%
10 - 12	2	2	0	0%
13 - 15	5	4	1	0%
16 - 18	0	0	0	0%
19 - 20	0	0	0	0%
Total	**57**	**48**	**9**	**16%**

T 3.7.7

EMPLOYEE ROAD SERVICES

In terms of the municipal organogram the municipality has roads and storm water unit responsible for both functions as results above template will address employee information for roads and stormwater.

T 3.7.7

THE PERFORMANCE OF ROADS OVERALL

The four largest capital projects form part of the municipal IDP and have been in strategy positions e.g. access to government institutions, cemetery streets, tribal authorities, trading centres. The capital expenditure is catered for development of new infrastructure; operating expenditure is for maintenance of the existing infrastructure to extend its life span. The municipality has a backlog in terms of road construction, MIG, EPWP IG and Own Funding are alleviating the situation however it is insufficient.

T 3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

The Greater Taung Local Municipality only renders a service for the renewal of vehicle licenses in Reivilo and does not operate any public transport facility and therefore no project is relevant to this section meaning that this section is not relevant to the municipality and there for it will apply to all the sub-sections that follow.

T 3.8.1

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

This section and all the sub-sections were merged with Section 3.7 that deals with Road Infrastructure.

T 3.9.1

PERFORMANCE HIGHLIGHTS 2024/2025

KPA 1: Basic Service Delivery and Infrastructure Development

- Constructed 24 high mast lights (Phase 8) in various wards and villages.
- Constructed 6.8km access roads in Extension 7,Seoding, Kgomotso and Molelema.
- Constructed 2km Picong storm water channel.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes planning; and local economic development.

3.10 PLANNING

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Municipalities' planning strategies are always guided by the IDP and the SDF as an IDP component. The municipal SDF has for the past 5 years (2017 - 2022)currently under review envisioned efficient spatial restructuring supported by the following objectives: guiding land allocation and settlement

development; promoting optimal spatial allocation of resources in development planning; sustainable development of the municipality's economic resources in pursuit of economic vitality and independence and providing a spatial basis for stakeholder cooperation as an important key to addressing spatial challenges.

As part of achievements, the Town Planning has managed to reinforce its relations with the Mokgopela Traditional Council by way of collaborating and engaging on the Mogopela / Pudimoe Priority Human Settlements and Housing Development Area (PHSHDA). Our challenges are still centred around minimal implementation of spatial tools that gives rise to the following - upspring of development not informed by the SDF; service delivery projects not properly coordinated spatially; minimal and/or lack of enforcement (COB area and areas allocated by Traditional Councils).

Our top five(5) service delivery priorities for the 2024/2025 year were:

1. Township Formalisation of Taung Extension 4 & 5 - to expand the municipalities revenue base as the municipality depends on only 3 townships for revenue collection. All the necessary planning requirements are being done, and the Project is on Phase 3 which is Specialist Studies (EIA, Geotech etc)
2. Reivilo Graveyards Site studies - The purpose of the project is to lodge a SPLUMA application comprising of a subdivision of Portion 27 of the Farm Bruintjesfontein 909 HN and rezoning of the newly subdivided portion for the purpose of establishing a cemetery. The project stated December 2024 and will be completed in 2025 as it is a 12 months project.
3. Title Deed registration on the following:
    - Boipelo - the process of transferring / correcting title registration / registration of 78 properties in Boipelo township.
    - Pudimoe & Extension 6 – New property registrations that are being disposed by the municipality so that the municipality can start billing new owners and collect rates and taxes
    - Transfer of the State Domestic Facilities (Police stations clinics, schools etc.) to the provincial department such as public works so that the municipality can collect from them rates and taxes.
4. The Feasibility Study for an Alternative Access Road to Taung Town, seeks to address congestion, safety concerns, and the limited growth potential caused by Taung town's reliance on a single access point from N18. The project is complete and N18 to Khibitshwane Village (3,3km) be the alternative route into Taung.
5. Administration / receiving of land development applications - deciding on land use development application submitted to the Municipality as per the Spatial Planning and Land Use Management Act (16 of 2013). The establishment of the Municipal Planning Tribunal and the process and procedures in place have impacted on the deciding of applications submitted.

The implementation of the Spatial Planning and Land Use Management Act (Act 16 of 2013) has played a key role in improving performance and major efficiencies. As difficult as it is to enforce the municipal Land Use Scheme - we have collaborated with relevant stakeholders (e.g. Department of Public Works and Infrastructure) in addressing land use inconsistencies. However, improved management and/or administration of the CBD area is required in order to create a favourable central business area for businesses and community members.

Our planning strategies are set in the Municipal Spatial Development Framework (SDF) with the following main element – efficient spatial restructuring; supported by the following objectives: guiding land allocation and settlement development; promoting the optimal spatial allocation of resources in development planning; sustainable development of the municipality's economic resources in pursuit of economic vitality and independence; and providing a spatial basis for stakeholder cooperation.

The major challenge encountered would be resistance/ lack of cooperation from Traditional Authorities when addressing spatial issues (misinformed land allocations practices) and also lack of cooperation from Sector Departments (particularly Public Works) when it comes to coming up with a way forward on their properties in the municipal area. The main achievement (despite the challenges addressed) was the signing of MOU's/ Partnership Agreements between all 3 Traditional Authorities.

Planning and Development in the municipality is limited to three proclaimed areas (Reivilo and Boipelo; Pudimoe and Taung). The rest of the municipality is characterised by dispersed villages covering the Northern, Eastern and Southern parts of the municipality; and private farms covering the Western side of the municipality. Although, developments do take place in villages, there are planning processes that are overlooked. The biggest challenge, therefore, is the municipality not administrating the entire municipal area as required by the Spatial Planning and Land Use Management Act, 2013.

The Spatial Planning and Land Use Management Act, 2013 has presented to the municipality the opportunity of administering the entire municipal area with tools such as the Spatial Development Framework; Environmental Development Framework and Land Use Scheme. However, this should be done in partnership with the three Traditional Councils (Ba-Ga Phuduhucwane, Ba-Ga Mothibi and Ba-Ga-Maidi).

Each of the tools mentioned play a key role in planning and development of the municipality. The Spatial Development Framework is developed to provide a representation of land development policies, strategies, and objectives of the municipality. Whereas the Land Use Scheme is developed to guide and regulate land uses within the municipality.

- Township Establishment
- Township Regeneration

- Deeds Registration
- Implementation of SPLUMA
- Development Applications
- Disposal of Immovable Assets

T 3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning, Sub-Division & Consolidation		Built Environment	
	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025
Planning application received	0	0	2	0	16	6
Determination made in year of receipt	0	0	0	0	2	5
Determination made in following year	.	0	.	0	.	0
Applications withdrawn	.	0	.	0	.	0
Applications outstanding at year end	.	0	.	0	14	1

T 3.10.2

Employees: Land Use & Human Settlement Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0				
4 - 6	0				
7 - 9	0				
10 - 12	2				
13 - 15	0				
16 - 18	2				
19 - 20	0				
Total	**4**				

T 3.10.4

Financial Performance 2024/2025: Land Use & Human Settlement					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		1 500 000	NONE	500 000	
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
T 3.10.5					

Capital Expenditure 2024/2025: Planning Services					
					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	%	
No projects for this unit in the year under review					
T 3.10.6					

THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

Achievements:

The unit receives land use applications which shows that there is compliance with our by-laws and Land Use scheme although most of them are in our proclaimed township (Pudimoe and Taung Ext 6) a few still comes from our communal land(villages) which are mainly consent for Telecommunication masts or Special consent to sell liquor as to obtain a liquor licences one has to acquire municipal approval.

Challenges:

The municipality does not own a lot of land therefore land use development is limited although there is a lot of physical changes in traditionally owned land, they are not in compliance with our Wall-to-Wall Land Use Scheme and Municipal By-laws.

Future plans:

Request land from our traditional authorities to develop more township and assist in meeting up with the demand of municipal residential stands and contributes to generating revenue for our municipality through rates and taxes. We can also request land from the State through state land release application if with the traditional authorities does not occur.

T 3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

The Greater Taung Local Economic Development (LED) Strategy aims to provide a platform for economic development and collaboration between government, business, and the community. It is aligned to the National Local Economic Development Framework 2018 – 2028 and the subsequent draft National LED Implementation plan. The strategy demonstrates a firm commitment to alleviate poverty, attract investment, and create new jobs while taking advantage of local development opportunities.

The main focal areas of the municipality's economic environment are depicted in the LED strategy as follows.

1. Agriculture
2. Enterprise Development
3. Tourism
4. Mining
5. Industrialization and Township Development

The municipality currently has a limited budget and will therefore not be in a position to implement programs for all the focal areas. Given the current financial state of the municipality, the LED unit has identified three of the five focus areas, that is, Agriculture, Small Business Development and Tourism for implementation in the financial year 2024/2025.

The municipality has contributed to Small Business Development through the allocation of equipment relevant to their respective line of business. As at the end of June, twenty (20) small businesses have benefited from the grant. In addition, we have ensured that small businesses are capacitated through information sharing workshops and trainings leading to access to funding from various stakeholders.

Local economic Development is implemented through a multi-stakeholder's approach, which requires the municipality to facilitate the process of creating a platform for participation. This has been done by hosting a functional LED Forum on a quarterly basis.

Tourism is public sector led or supported, and private sector driven. As a way of supporting the development of the tourism sector in our municipality, the municipality embarked on an awareness campaign on the Tourism attractions available within the boundaries of Greater Taung.

T 3.11.1

Economic Employment by Sector			
Sector	**2022/2023**	**2023/2024**	**2024/2025**
Agric, forestry and fishing	666	662	652
Mining & quarrying	600	596	585
Manufacturing	3,064	3,047	3.042
Wholesale and retail trade	7,394	7,353	7.363
Finance	6,661	6,624	6.610
Govt, community and social services	47,228	47,030	47.226
Infrastructure services	999	927	972
Total	**66,612**	**66,240**	**66.450**
			T 3.11.3

Economic Employment by Sector			
Sector	**2022/2023**	**2023/2024**	**2024/2025**
Agric, forestry and fishing	666	662	652
Mining & quarrying	600	596	585
Manufacturing	3,064	3,047	3.042
Wholesale and retail trade	7,394	7,353	7.363
Finance	6,661	6,624	6.610
Govt, community and social services	47,228	47,030	47.226
Infrastructure services	999	927	972
Total	**66,612**	**66,240**	**66.450**
			T 3.11.3

LOCAL JOB OPPORTUNITIES

The Greater Taung Local Municipal LED strongly support the poverty alleviation projects in order to improve the community livelihood and create sustainable and decent jobs.

Economic growth in the municipality is basically stagnant with the exception of building of residential houses which is moderately active. Government, Community and Social Services is still the biggest employer and are there for also responsible for the biggest turnover. The Taung Skull Site at Buxton is currently drawing the most attention relevant to tourism opportunities in the area. Other tourism opportunities like for e.g. the Taung Dam still need a lot of groundwork to be done with the relevant Traditional and other Government Institutions.

The municipality need to give valuable support to the local SMMEs, especially the existing businesses, because they will create collectively the most jobs in the economy with the increasing number of the street traders, it is critical that we manage this sector efficiently through our monitoring and business support programmes. In the medium to long term, it is critical that we complete the integrated sustainable development plans so that we can budget adequately to support the various economic opportunity nodal developments.

The employment distribution in an economy refers to the proportional level of unemployment in each

economic sector. This information allows for the identification of key sectors and labour absorptive industries as well as determining the need for employment diversification. illustrates the distribution of employment in the Greater Taung LM compared to the Dr Ruth S Mompati District Municipality and the North West Province.

Employment in the Greater Taung LM is relatively concentrated, compared to the distribution of output. The key employment industries in the Greater Taung LM are Government (36%); Services (30%), Finance (17%) and Trade (12%). The high level of employment in these industries is consistent with other rural economies across South Africa. These opportunities are identified as having the potential to absorb local labour and thus will be emphasised throughout the Greater Taung LM LED Strategy.

T 3.11.4

Jobs Created during 2022/2023 – 2024/20245 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost / displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	No.
2022/2023	25	0	25	Municipal Projects
2023/2024	0	0	0	N/A
2024/2025	0	0	0	N/A

T 3.11.5

Job creation through EPWP* projects		
	EPWP Projects	Jobs created through EPWP projects
Details	No.	No.
2022/2023	23	360
2023/2024	5	177
2024/2025	53	488

T 3.11.6

Employees: Local Economic Development Services				
Job Level	2024/2025			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0%
4 - 6	0	0	0	0%
7 - 9	0	0	1	0%
10 - 12	2	2	0	0%
13 - 15	0	0	0	0%
16 - 18	1	1	0	0%
Total	**4**	**4**	**0**	**0%**

T 3.11.8

Financial Performance 2024/2025: Local Economic Development Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		**1,200 000 00**	**1,500 000.00**	**1, 181 106.00**	**318 893.00**
Expenditure:	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs and Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total Operational Exp	N/A	N/A	N/A	N/A	N/A
Net Operational Exp	N/A	N/A	N/A	N/A	N/A
					T 3.11.9

Capital Expenditure 2024/2025: Economic Development Services					
					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
No projects for this unit in the year under review					
					T 3.11.10

LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

The strength of the Greater Taung local economy is mainly concentrated in the Services, Agriculture, and Trade and Transport sectors. From a development perspective the Transport and Services sectors are regarded as demand driven. This means that growth in these sectors is a reaction to growth in the other sectors (i.e. demand driven) of the economy and will thus expand if the other sectors in the economy grows.

According to the LED strategy, the sectoral data revealed a competitive advantage in the Mining sector during 2004. Since then, the Pering mine has closed down. Other operational mining activities in the area are marble, gravel and diamonds. According to the Council for Geosciences (2006) a variety of mineral deposits can be found in the Municipality. Mining in Greater Taung is thus currently classified as small-scale but developing. The local Mining sector revealed good potential for expansion and the creation of more employment opportunities for local people.

The Trade and Agricultural sectors are also regarded as key sectors for development intervention. These sectors indicated strong development potential and are currently the main provider of formal employment opportunities in Greater Taung (excl. government services). It is however of concern that these sectors experienced slow or even negative production growth rates since 2011.

The potential analysis furthermore revealed the importance of the Tourism sector. This sector is currently regarded as a small with little development taking place (apart from a few guest houses). The area does however have growth potential in this sector especially around the Taung Dam and the Skull Fossil site. The importance of growth in the Tourism sector is not only limited to employment creation but also regarded as a central player in the marketing of Greater Taung as an attractive investment environment.

PERFORMANCE HIGHLIGHTS 2024/2025

KPA3: Local Economic Development

- 488 casual jobs jobs created through EPWP.
- 4 LED forum meetings held.
- 1 tourism event held.
- 294 SMME supported through skills development

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries and community halls; cemeteries and crematoria.

3.12 LIBRARIES; COMMUNITY FACILITIES; (ETC)

INTRODUCTION TO LIBRARIES.

Greater Taung Community Libraries' intent is to function as development agents providing dynamic Library and Information Services to all the people of Greater Taung Local Municipality in their quest for lifelong learning, literacy, cultural expression, recreation, and economic development. Libraries in the municipality is managed and controlled under various legislation guides of whom the following two is the most important. The Constitution of the Republic of South Africa: According to schedule 5A Public Libraries are the competency of Provincial Government and for the fact that this is an unfunded mandate. This situation is addressed by receiving conditional grants and equitable share transfers from Provincial Government. South African Public Library and Information Services Bill (Draft). The draft bill will set uniform minimum norms and standards, principles for Library and Information Services, Institutional arrangements, Inter Governmental arrangements, and Assignment of functions.

TOP SERVICE DELIVERY PRIORITIES

1. Promoting Literacy and Digital Access:

- **Encouraging reading:**
  GTLM Libraries prioritize programs and resources that foster a love of reading for all ages, from early literacy initiatives to adult reading groups.

- **Providing digital literacy training:**
  GTLM Libraries equip community members with the skills to navigate the digital world, access online resources, and participate in the digital economy.
- **Offering internet access:**
  GTLM Libraries provide free or low-cost access to computers and the internet, bridging the digital divide and ensuring everyone can connect.

2. Providing Diverse Information Resources:

- **Diverse collections:**
  GTLM Libraries curate collections that reflect the diverse needs and interests of their community, including books, magazines, online databases, and other media.
- **Information and research support:**
  GTLM Libraries assist patrons in finding and accessing information for personal, educational, and professional needs.
- **Community information:**
  GTLM Libraries connect people with local services, resources, and opportunities available in the community.

3. Fostering Community Engagement:

- **Creating a welcoming space:**
  GTLM Libraries strive to be welcoming and inclusive spaces where all members of the community feel comfortable and valued.
- **Organizing programs and events:**
  GTLM Libraries host a variety of programs and events, such as story times, book clubs, workshops, and cultural events, to engage the community and promote learning.
- **Building partnerships:**
  GTLM Libraries collaborate with stakeholders such as Department of Education to expand their reach and impact.

4. Ensuring Equity and Access:

- **Accessibility for all:**
  Taung, Reivilo and Pudimoe libraries make efforts to ensure their facilities, services, and programs are accessible to individuals with disabilities through Mini library(SA Library for the Blind)
- **Serving diverse populations:**
  GTLM Libraries adapt their services to meet the specific needs of diverse populations within the community.

5. Supporting Lifelong Learning:

- **Formal and informal learning:**
  All GTLM Libraries provide resources and support for formal education, as well as informal

learning opportunities for personal enrichment and skill development.

- **Supporting job seekers:**
  All GTLM Libraries offer resources and services to help individuals with job searching, resume writing, and career development.
- **Promoting intellectual freedom:**
  Libraries uphold the principles of intellectual freedom, ensuring access to a wide range of perspectives and information.

THE PERFORMANCE OF LIBRARIES

Objective 1. Access to library facilities:
During the year under review, the municipality submitted two Capital Library project proposals to ACSR for Manthe and Sekhing villages. The aim of the submission was to accomplish the mission of extending library services to far remote areas of the municipality.

Objective 2. Facilitating the development of literacy skills:
120 school going children from two primary schools and two high schools in Pudimoe cluster participated in our literacy programs which includes reading and spelling competitions. Prizes such as trophies, medals and smartphones were awarded to winners.

Library Grant received:
The municipality received R 716,000 (national grant) which was spent on salaries of three library assistants and R 335,000 (provincial grant) which was spent on library operations.

T 3.23.4

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES AND CREMATORIUMS

The municipality only provide services at the three Townships graveyards which are: Reivilo, Taung and Pudimoe. the municipality is also assisting with the cleaning of graveyards as and when requested in all communal graveyards within the jurisdiction of the municipality. The municipality is offering cemeteries services such as digging of graves, self-dug, issuing of grave numbers and cleaning of graveyards. All these services are administered for the municipality is also assisting with the cleaning of graveyards as and when requested in all communal graveyards within the jurisdiction of the municipality. purposes of internal control through the administration process of bookings and payments.

With regard to crematorium, Greater Taung Municipality has never conducted any cremation services in its entirety and if such services are required, Dr Ruth S Mompati District Municipality will be approached for assistance.

T 3.13.1

THE PERFORMANCE OF CEMETORIES AND CREMATORIUMS OVERALL

The municipality provide administrative services and excavation of graves to communities for burials at municipal cemeteries which are: Pudimoe Township, Boipelo Township, Reivilo Town and Taung depot

also maintenance as and when at the sites. The municipality gives service in the rural villages as may be requested from time to time with reference to fencing of graveyards.

T 3.13.2

3.14 CHILDCARE; AGED CARE; SOCIAL PROGRAMMES

The municipality through MIG provides community facilities and through its operational budget undertakes maintenance, renovations, and repairs to all municipal facilities. During the period under review the municipality conducted routine maintenance function in Community Halls, Parks, Sports facilities, and municipal offices. The municipality has 106 facilities (inclusive of municipal offices, community halls, sports facilities, and libraries). The Municipal Buildings maintenance plan has been developed for Municipal offices, including community and sports facilities, however the structural assessment for Community halls and facilities has been conducted on annual basis.

The childcare function is the responsibility of the Department of Social Development. However, the municipality assists annually with school uniforms and food parcels for vulnerable children.

T 3.14.1

COMPONENT E: ENVIRONMENTAL PROTECTION

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

3.15 POLLUTION CONTROL

The municipality has a constitutional mandate to ensure that it guarantees everyone the right to an environment that is not harmful to their health or wellbeing and to have the environment protected for the benefit of present and future generation through reasonable legislative and other measures that prevent pollution, ecological degradation, promote conservation and secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development. The municipality achieves this through:

- Waste Management.
- Biodiversity Management.
- Environmental Education and Awareness.
- Enforcement and compliance.

T 3.15.1

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

This function is not relevant to the Greater Taung Local Municipality.

T 3.16.1

COMPONENT F: HEALTH

This component includes clinics; ambulance services; and health inspections.

T 3.17

3.17 CLINICS

In terms of schedule 4b of the constitution of the republic of South Africa, the health function is allocated to department of health in the province and Greater Taung Local Municipality does not account for this function.

T 3.17.1

3.18 AMBULANCE SERVICES

In terms of schedule 4b of the constitution of the republic of South Africa, the health function is allocated to department of health in the province and Greater Taung Local Municipality does not account for it.

T 3.18.1

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

In terms of the allocation of powers and function as allocated by the MEC in the province, the Dr Ruth S Mompati District Municipality is performing the function of behalf of the municipality and few officials of the district are seconded to the municipality to execute the function.

T 3.19.1

COMPONENT G: SECURITY AND SAFETY

3.20 POLICE

This function is not relevant to the Greater Taung Local Municipality.

T 3.20.1

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

Fire Fighting Service is not a Local Municipal function. The District Municipality is also responsible for provision of firefighting service to Kagisano-Molopo, Mamusa and Greater Taung Local Municipalities in terms of Section 84 (1) j of the Municipal Systems Act 32 of 2002. The Act further describes the local function as:

Preventing the outbreak or spread of a Fire Fighting or extinguishing a fire.

The protection of life or property against a fire or other threatening danger.

The rescue of life or property from a fire or other danger

T 3.21.1

3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

This function is a shared service between the Greater Taung Local Municipality and The Dr Ruth S

Mompati District Municipality.

T3.22.1

COMPONENT H: SPORT AND RECREATION

This component includes community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

3.23 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

AMENITIES UNIT OBJECTIVES

- To refurbish, maintain and cleaning of all municipal buildings and recreational facilities – maintenance only not cleaning and greening of the sites.
- General management and daily maintenance of all municipal facilities, except duties related to water and electricity.
- Report to Council on all municipal buildings maintenance and plans.
- General cleaning of all municipal amenities except offices and leased properties.

The municipality has several amenities. These amenities are used for various events and activities ranging from sport, music, meetings/conference, burial activities, community activities and needs like church or wedding council activities. The municipality has developed the following Municipal Amenities:

- Community Halls - 32
- Sports Fields - 10
- Parks and Recreation - 2
- Municipal Offices - 4
- Houses - 42
- Thusong Centres - 5
- Libraries - 5
- Municipal Toilets at Reivilo Town - 1
- Reivilo Golf Club - 1
- Swimming Pool - 1
- Taxi Rank: maintenance only - 1
- Municipal open spaces - all municipal sites
- Cemeteries - 3

Amenities Achievements:

- Municipal building Maintenance as and when necessary;
- Constant cleaning of community halls as and when there is a need due to lack of personnel
- Successful administration of municipal Community halls, Sport facilities and Thusong centres
- Successful administration of grave bookings: i.e. booking of graves, digging and numbering, at municipal grave sites i.e. Reivilo, Taung and Pudimoe.

Projects implemented in 2024/25 Financial Year

- Installation of electric motor gate at Taung Administration office

- Installation of electric motor gate at Political office
- Repair Works at Maphoitsile Community Hall

T 3.23.1

Employee: Amenities				
Job level	2024/2025			
	Posts No	Employees No	Vacancies (fulltime Equivalents) No	Vacancies (as a % of total posts)
0 - 3	10	10	0	14%
4 - 6	1	1	0	0%
7 - 9	0	0	0	0%
10 - 12	1	1	0	0%
13 - 15	0	0	0	0%
16 - 18	1	1	0	0%
19 - 20	0	0	0	0%
Total	**12**	**12**	**0**	**0%**

T 3.23.3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES

Chapter 7 of the Constitution of the Republic of South Africa states that the municipality comprise of Councillors, Officials, and the Community. In order for the municipality to govern its affairs correctly it must consult with the community to ensure that needs are correctly determined, explained, and included in the IDP for service delivery purposes.

Policies must be put in place which will address the needs of the community in terms of how service delivery matters will be addressed.

In order for the municipality to be able to address the service delivery matters the municipality must within limitation approve a budget that will be commensurate with the needs/projects identified for the particular year. This budget must also address matters of staff, and this can only be achieved through the costed organogram that must be cost effective but also providing sufficient management and other position in order to be able to render effective and satisfactory delivery of services.

T 3.24

3.24 EXECUTIVE AND COUNCIL

This component includes Executive office (mayor; councillors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

In accordance with chapter 7 section 151 (2) of the Constitution of the Republic of South Africa, 1996, the Executive and Legislative authority of a municipality is vested in its Municipal Council.

The municipality is an ExCo type and comprises 24 Wards. It is led by a Council made up of 48 members, the Speaker, Mayor, and the Executive Committee. The Mayor is the Head of Executive Committee (ExCo) which comprises of 8 Councillors who head various departments and serve in portfolio committees. Section 152 of the Constitution spells out categorically clear, the objectives of Local Government and the powers and functions of municipalities are determined in section 156 of the Constitution.

The executive authority of the Council is vested with the Mayor who must however report to Council and is assisted by the members of the Executive Committee established by the Mayor and can take decision. However, there are certain matters on which the Mayor as the Head of the municipality cannot take decisions i.e. the approval of the Budget, IDP and By-Laws, as these matters cannot be delegated and must be approved by Council.

In terms of delegation of powers certain matters may be delegated to the Mayor by Council who will in turn also sub-delegate to the Municipal Manager. The Municipal Manager may also sub-delegate to Directors who may in turn further sub-delegate to other officials.

Section 152 of the Constitution sets among others the following objectives for Local Government:
(a) to provide democratic and accountable government for local communities
(b) to ensure the provision of services to communities in a sustainable manner
(c) to promote social and economic development

T 3.24.1

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

This department deals with the administration of finances of the municipality i.e. own budget as well as the money received from Government Fiscal i.e. allocation by Government to the municipality to enhance service delivery as in MIG and equitable shares. In order for the municipality to have effective service delivery, budget and IDP processes must be followed in order to ensure public participation to cover all

community proposals in terms of projects. The department must develop budget related policies and by-laws which will govern consistent charging of moneys for services rendered to the communities.

Collection of moneys owed to Council as revenue must also be covered in terms of the approved policy.

T 3.25.1

Debt Recovery							
							R' 000
Details of the types of account raised and recovered	2022/2023			2023/2024		2024/2025	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %		Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	R26,213,810	83%		R32,693,372	76%	R33 509 089	67%
Electricity - B (Con)	N/A	N/A		0	0	0	0
Electricity - C (Prepaid)	R3,591,701	68%		R4,489,761	75%	R1 459 669	133%
Water - B	N/A	N/A		0	0	0	0
Water - C	R1,198,520	38%		R1,964,993	35%	R1 656 774	40%
Sanitation	R2,861,916	64%		R4,311,109	54%	R4 196 937	59%
Refuse	R4,117,811			R6,189,610	66%	R6 083 193	70%
B- Basic; C= Consumption							*T 3.25.2*

Concerning T 3.25.2

The collection rate is at 83% on property rates this is due to the fact that the municipality is rural, and majority of people are unemployed and are indigent.

Employees: Financial Services					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	8	8	8	0	0%
4 - 6	0	0	0	0	0%
7 - 9	8	8	8	0	0%
10 - 12	17	19	17	2	11%
13 - 15	1	1	1	0	0%
16 - 18	4	5	4	1	20%
19 - 20	0	0	0	0	100%
Total	38	41	38	3	7%
					T 3.25.4

Financial Performance 2023/2024: Financial Services R'000					
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**Actual**	**359,664**	**359,664**	**323,294**	**90%**
Expenditure:	**311,143,766**				
Employees		(167,994)	(166,743)	(161,874)	97%
Repairs and Maintenance	115,032,617	(10,870)	(16,288)	(9,052)	23%
Other	27,149,633	(176,894)	(206,900)	(185,674)	90%
Total Operational Expenditure	182,091,107	**(355,758)**	**(389,931)**	**(365.928)**	**94%**
Net Operational Expenditure	**392,663,466**	**3,907**	**(30,267)**	**(42,644)**	
T 3.25.5					

THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

The Municipality overall performance have been good more so after the Cost Containment Strategy have been implemented. The Municipality have been having a funded Budget for the past 5 years.

In November 2023 the Municipality introduced internal controls that will assist in the reduction of the Unauthorised, Irregular, Fruitless and Wasteful Expenditures. In this regard the centralization of the Supply Chain Management Unit became strong and these measures put into place have reduced Unauthorised Expenditure drastically in 2024/2025 FY.

The Municipality have been able to settle all Creditors within the prescribed 30 days period after submission of the compliant invoice.

The municipality is grant dependent and this has remained a pivotal hindrance to achieving our goal which is 100% implementation of all IDP projects. The low grant allocation coupled with low collection remains a thorny issue.

However, the municipality is in a process of developing a revenue enhancement strategy that would seek to attract more funding and create new revenue base. Government debt has reduced as some of the departments have been able to pay their debts in 2024/2025. The Municipality is still having a huge outstanding debt with the Department Of Rural Development to the amount of R41million.

The magnitude of “the culture of non-payment” of services by the community is also an issue which should be addressed if indeed the municipality is to reduce reliance on grants and improve in rendering services. There has been a great improvement is the reconciliation of the valuation roll through data cleansing. Our debtors book credibility has also improved through the process of data cleansing and the installation of the Prepaid Meters.

All priorities have been budgeted for are part of the IDP. The municipality needs to improve on the budget for maintenance, especially on electricity. Unfunded mandates like the repairs and maintenance on water and sewer infrastructure is a burden to the municipality and comes at a remarkably high cost. Water infrastructure within the municipal jurisdiction is the property of the district municipality and yet is maintained by Greater Taung Local Municipality. In 2024/2025, the DR Ruth Segomotsi Mompati District Municipality was able to assist the Municipality with the transfer of R8m.

T 3.25.7

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources section is responsible for ensuring the organisation's most valuable asset, its employees, is taken care of. Enhanced staff performance is a fundamental part of the achievement of the Municipality's primary service delivery objectives. It continually strives to promote a culture of good governance and an environment where the needs of employees can be addressed in a manner that is conducive to the persistent advancement of the interests of our local communities. The Human Resources functions include but are not limited to, administration of employee benefits, recruitment and selection of competent staff, organisational efficiency improvement, employment equity, training and development of staff, sound labour relations, occupational health and safety, and general support services to enhance staff capacity in the process of realising organisational strategic objectives of service delivery to the community.

The Human resources include:

- Labour Relations;
- Recruitment and Selection;
- Training and Development;
- Employee Assistance;
- Occupational Health and Safety;
- Strategic Human Resource Management
- Employment Equity; and
- All Human Resources Administration

Human Resource Highlights

Highlights	Description
Task Job Evaluation Process	Evaluation and Auditing of Job Descriptio as part of the Provincial job evaluati structure. Task Provincial Audit sessio are attended by the relevant officials with Human Resources
Municipal Staff Regulations Significa progress in the implementation phase of t Municipal Staff Regulations	
Recruitment and Selection Filling of vacan	budgeted positions in line with Recruitme and Selection policy with monthly reporti to Senior Management
Sound labour relations	Sound labour relations between organiz labour and the employer because of fruit engagements at the Local Labour Forum
Review of organizational structure	Prioritising the staff establishment accommodate service delive demands/needs of the community; inclusi consultation with organized labour and sta

REPORT ON THE STATUS OF LABOUR CASES

- A male employee was charged and dismissed on for dishonesty on 10 July 2024. The said employee had applied for an appeal against the ruling made and arbitration process is underway.
- A male employee was charged for absenteeism and the case got finalised on 25 July 2024 wherein a settlement agreement was reached between the parties and the accused employee was ordered to pay back the salary for the number of days on which he absented himself from work.

HR ADMINISTRATION (leave days, third parties, pensions)

- Leave days are approved by relevant Managers, then escalate to the relevant Director or Manager. HR will then approve those leave for final processing to Payroll for the system to generate accurate leave days balances on the payslips.
-

POLICY DEVELOPMENT

Policy review is conducted on yearly basis. Existing and new policies are sent to all Directors, Managers and Unions representatives for inputs. A policy review session was conducted on 11 -12 September 2024 and the following HR reviewed policies were adopted by Council on 31 October 2024.

- Subsistence and Travel Policy;
- HIV and Aids Policy;
- Cell phone Allowance Policy;
- Vehicle Allowance Policy;
- Recruitment and Selection Policy;
- Acting Policy;
- Medical Aid Policy;
- Sexual Harassment Policy;

- Employee Leave Policy;
- Disability Policy;
- Occupational Health and Safety Policy;
- Breastfeeding Policy;
- Induction Policy;
- Volunteerism, Learnership, Experiential Learning and Internship Policy;

EMPLOYEE ASSISTANCE PROGRAMME

This is an intervention strategy based in the workplace to help employees contend with life challenges that may impact negatively on their performance and morale such as but not limited to physical, mental, emotional, marital, family, financial and substance abuse including drugs and alcohol.

- As part of the intervention, a wellness day was organised for all employees aiming to assist on our mental health, different sports activities were played and a motivational Speaker to give a word of encouragement in relation to workplace environment.
- Six interventions were also provided to our individual employees.

WELLNESS PROGRAMMES ORGANISED

- For the success of the event, a total expenditure of R69 600 was incurred from the EAP budget (R350 000). The event was also sponsored by Sanlam and Assupol being stakeholders who also contributed to the success of the wellness day.

STATUS ON THE APPOINTMENT OF SENIOR MANAGERS

- In 2024 three Senior Manager positions were filled during the financial year (Corporate Services, Infrastructure and Finance) which brings to a total number of 5 filled positions.
- Only one position is still vacant Director Spatial Planning and Human Setttlements), however all recruitment processes were concluded by the end of financial year. This position is anticipated to be filled at the beginning of the new financial year.

ORGANISATIONAL WORKFORCE

- The structure is composed of 407 positions, a total of 364 funded positions and 43 unfunded/frozen positions. 17 positions were filled, for the financial year

The Staff Regulations Clause 6 (7) requires the Municipal Manager to submit the proposed/draft staff establishment (Organisational Structure) to the Municipal Council for approval. Within 14 days of Municipal Council approving the draft structure, the Municipal Manager must submit to the MEC for comments.The regulated procedures were followed and the final Organisational Structure was adopted by Council on 31 October 2024.

JOB EVALUATION

Job evaluation is a systematic process for defining the relative worth or size of jobs within an organisation in order to establish internal relativities and provide the basis for designing an equitable grade and pay structure, grading jobs in the structure and managing relativities.

- Greater Taung LM has long implemented a job evaluation in 2010. However, the 2010 job evaluated outcomes were further audited by the Provincial Audit Committee in 2022, and the audited results were adopted by Council on 30/03/2023.
- Upon implementation of the audited results, all job descriptions were reviewed, aligned with the Municipal Staff Regulations of 2021 and they were signed by all employees. Disputes that were lodged regarding the outcome of the audited results were all resolved at the level of Provincial Audit Committee.

EMPLOYMENT EQUITY

All employers are obliged to register with the Department of Employment and Labour for the purpose of Injuries on duty, Unemployment Insurance Fund and Employment Equity. Relevant report on Compensation for Occupational Injuries and Diseases, was submitted to the Department of Labour on 18 June 2025 and the employer paid an amount of R814, 667.93

Relevant HR Policies were reviewed to be aligned with the Municipal Staff Regulations. (Acting, Recruitment and Selection, leave and induction policies) and others are still to be aligned with the Regulations.

- Challenges

High rate of resignations
Strategies to be implemented in future for HR unit to be more effective.
Improve our wellness interventions/programmes for purpose of uplifting morale of the employees
Benchmark and improve our Retention Policy for the purpose of retaining staff

Occupational Health and Safety

the OHSA – was written in the interest of the health and safety of workers in South Africa and is not intended as a substitute for the OHS Act 85 of 1993. It is intended to explain the Act in simple, non-legal terms to all role players in the OHS field. Please refer to the amendment of OHS Act, No 181 of 1993 in addition to this OHS Act in summary. The Act known as the Occupational Health Safety Act (Act 85 of 1993) consist of 50 Sections approved by parliament.

OHS Act – This Act is the law that seeks to protect the well-being of workers. It is enforced by the Department of Labour, whose inspectors may:

- Enter any workplace without prior notice
- Request any document
- Inspect any condition, process, plant or article
- Take samples or seize any article
- Question or summon any person within the workplace

Legal Compliance – There are 23 regulations in the OHS Act of which are general and specific to the Greater Taung Local Municipality. The employer and employees need to be proactive by performing the workplace inspections to be able to pick up hazards before it can cause harm and control it.

STATUS OF COMPLIANCE WITH OHS

- The institution employed a health and safety officer to take care and endorse the legislative measures in order to minimise risk in the workplace
- Compliance is a strict requirement for all employees that they must conduct themselves in a manner that adheres strictly to all health and safety laws and regulations which have been established and enforced at local, state, and federal level.

Employer Responsibility– The employer bears the primary responsibility for workplace safety. Which are:

- Provide and maintain a work environment that is safe and without risks to health
- Ensure that systems of work, plant and machinery are safe and properly maintained
- Implement safety measures to eliminate or mitigate hazard before resorting to PPE
- Provide employees with adequate information, training and supervision to ensure safe working conditions.

Employee Responsibility- Employees are obliged to:

- Take reasonable care for their own health and safety and that of others who may be affected by their actions
- Cooperate with their employers in adhering to OHS regulations
- Report any unsafe condition or incident to their employer or designated health and safety representative.
- Annual maintenance of fire extinguishers annual refill of First aid kits

OHS Non Compliance and Challenges

- Partial compliance is questioned by the inspection of Department of Labour where there are no Safety files at the respective facilities of the Institution and regular maintenances at all facilities.
- Evacuation drill is envisaged to be conducted on quarterly base; however, the exercise will serve no purpose until some compliant measures are corrected.
- Our institution omits the laws and regulations that are applicable, which employees are expected to be compliant with them during the course of their duties.
- We have safety committee that cannot raise issues of health and safety, due the pressure the Supervisors receive from their management
- Housekeeping and storage facilities to keep the workplace clean and tidy.

Employees: Human Resource Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	2	2	2	0	0
10 - 12	3	3	3	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
Total	**6**	**6**	**6**	**0**	**0**
T 3.26.4					

Financial Performance 2024/2025: Corporate Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:	INFORMATION CONTAINED IN THE AFS				
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
T 3.26.5					

Capital Expenditure 2024/2025: Human Resource Services					
					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
NO CAPITAL EXPENDITURE					
T 3.26.6					

THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

The Human Resource Management has done well, we managed to fill all vacant positions except that of Fleet Manager, Assets Manager and LED Manager, which their recruitment is underway.

T 3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT Unit is the backbone of communication in this institution but without proper resources it is difficult to reach maximum performance on in-house service delivery also externally. Efforts have been made to upgrade and update the ICT systems and so far, the municipality managed to make minor changes. The ICT services in the Greater Taung Local Municipality are mainly to ensure that new technology is introduced to the municipality and that the current systems are maintained and updated.

Furthermore, the ICT de continues to be a pivotal enabler of organisational change and service delivery within the public sector. At the corporate governance level, there is increasing recognition that IT services and systems are essential components of the municipal service delivery value chain.

The ongoing alignment of ICT services and systems with the strategic objectives of the Municipality, alongside directives from the National Government places significant demands on the department's resources.

Special attention is given to identifying new requirements and opportunities for ICT to meet the needs of the Municipality and management. Successful implementation of the Integrated Development Plan (IDP) and achievement of the Municipality's strategic goals rely heavily on the effective management of critical resources, including finances, personnel, and information technology. Essential ICT-related services crucial for the Municipality's core and supporting operations include:

- Business Continuity & Disaster recovery management
- Data recovery & storage
- Email and internet services
- End-user support for ICT environment
- ICT contract management
- ICT planning
- ICT risk management
- Provision of network, wireless networks, and telephony services

Highlights and Challenges : The section has noted the following challenges and highlights

ICT Infrastructure status

1. Current state is in a bad state and needs proper upgrades
2. Fix the current UPS for load shedding which sometimes needs to be plugged back

Challenges and Strategies

Challenges

Infrastructure Maintenance: Maintaining and upgrading ICT infrastructure, including networks, servers, and hardware, is an ongoing challenge, particularly with limited resources.

Financial System

Munsoft is the current finance system which deals with the entire financial aspects of the municipality which entails.

- Revenue Offices
- Supply Chain Management Offices
- Budget Offices
- Free basics offices
- Expenditure Offices

Munsoft as the current financial system has their own back up, which is stored off site for any other disastrous situation, data would then be recovered.

PAYDAY

- PayDay is the current payroll system that is being utilized by the payroll and HR offices, this system tracks employees leave days, employees remuneration.

CCTV CAMERAS:

- Cameras within the administration building are 70% functional and needs to be upgraded
- Within a year no upgrades were done on the cameras

It is advisable that we do a complete re-do of the entire camera system of the administration building and get within the latest technology

ICT capital projects : equipment's and Accessories :

In the previous financial year, we bought a total number of 30 laptops for Senior managers and officials. 2-1 built in desktops were also bought.

Challenges:

Back-up servers

Munsoft as our current financial system, they have back up facilities which only cover for financial data. In case of any damages or loss of data, the financial department will manage to recover their data.

Administration Building we have google drive which our users can easily access and save their work daily on the platform.

ICT RISKS:

The municipality is currently in place of appointing a new service provider to remedy all ICT related queries, which includes fixing the current server state which needs to be looked at.Current UPS batteries also need to be fixed/charged. The Risks that the municipality is facing, is that once audit is around, we won't comply and that will be an audit query.

ICT Security:

- The current state of our municipality in terms of security , it is average and it needs to be upgraded, our current cameras needs to be upgraded to the latest technology
- We also need a biometrics system in place which can then monitor movements and track the times of our employees.

Outsourced ICT Services:

- Inzalo (Sebata) was appointed to roll out the MSCOA compliance project and only essential services still relevant to that project and the Exchange Server were kept. Monthly rate includes a support line for exchange, website hosting, and firewall for our remote site. Monthly rate , **R166 463.02**
- Telkom is responsible for telecommunications for all municipal offices. Monthly rates differ as per usage.
- Vodacom provides data on contract for officials and councillors. Monthly rate differs as per usage.

Recommended budget:

The total cost of the budget needed to roll out such projects, would range between R5miliion – R10Million.The budget would then include all 3 remote sites that are within our main building.

Future Plans:

To improve connectivity and telecommunications equipment.
Assist Corporate Services to roll out a document management system.

The rural nature of the municipality requires the municipality to explore opportunities with regard to the latest satellite technology to improve communications as well as utilizing the internet “cloud” to improve service delivery:

Projects outlined

Software and licenses:

In the previous financial year, the municipality procured office 365 which was a year's subscription, and it was mainly for administration and council personnel. The municipality is in the process of appointing a

new service provider for procurement of licenses and anti-virus.

Telephones

The municipality has since gone on tender for our telephone project , the current state of our telephones is a mess , current system charges the municipality an arm and a leg for internal calls.

Employees: ICT and Communications Services				
Job Level	2024/2025			
	Posts	Employees	Vacancies / (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
7 - 9	0	0	0	0%
10 - 12	3	3	0	33%
13 - 15	1	1	0	0%
16 - 18	1	1	0	0%
19 - 20	0	0	0	0%
Total	**5**	**5**	**0**	**0%**
T 3.27.4				

Employees: ICT and Communications Services				
Job Level	2024/2025			
	Posts	Employees	Vacancies / (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
7 - 9	0	0	0	0%
10 - 12	3	3	0	33%
13 - 15	1	1	0	0%
16 - 18	1	1	0	0%
19 - 20	0	0	0	0%
Total	**5**	**5**	**0**	**0%**
T 3.27.4				

Capital Expenditure 2024/2025: ICT Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
End User Equipment (Pc's Laptops and Peripheral Devices)	R 2 500 000.00	R 3 700 000.00	R 3 060 127.00	83%	
Telephones	R 1 265 000.00	R 2 665 000.00	R 2 450 551.54	92%	
Websites hosting, firewall & Exchange					
Internet and network Infrastructure	R 600 000.00	R 1 400 000.00	R 1 391 103.22	99%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					
T 3.27.6					

THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

The Human Resource Management has done well, we managed to fill all vacant positions except that of Fleet Manager, Assets Manager and LED Manager, which their recruitment is underway.

T 3.26.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes property; legal; risk management and procurement services.

INTRODUCTION TO LEGAL;
Panel of Legal Advisors
Litigations:

As of now there is about 70% success rate, 25% of matters pending and beyond our control as well as 5% of matters that were unsuccessful.

Disciplinary Matters:

This important function is resident in the Labour Relations Section, but the Legal Unit cannot completely divorce itself from it since it has legal connotations. Cases of misconduct are as far as possible investigated and concluded within a reasonable period in accordance with the Disciplinary Procedure and Collective Agreement. For the current year, two disciplinary cases were concluded, and one is pending.

Contract Management:

The contract register that the Legal Unit keeps reflects on the contracts that Greater Taung Local Municipality has entered into with various service providers. The unit strives to keep as much as they possibly can to keep an authentic contract register that would as well be auditable. This, the unit does by

way of vetting contracts before they are signed as well as witnessing the signing thereof. Only when satisfied that the contract is legally compliant, will the unit help such find its way to the contract register.

Risk Management:

The Dr Ruth S Mompati District Municipality (DRRSMDM) is responsible for the function and PMS Manager is the risk champion and responsible for the coordination and facilitation of risk management in the municipality.

Procurement Service:

Supply Chain Management Unit is responsible for the procurement of goods and services in the municipality.

T 3.28.1

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts, and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

None. The Greater Taung Local Municipality does account to provision of Airports, Abattoirs, Municipal Courts, and Forestry as municipal enterprises.

T 3.29.0

COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD 2024/2025

Ref No.	Key Performance Indicator / Unit of Measurement	Previous Financial Years 2023/2024		Wards	Revised Annual Budget 2024/2025	Financial Year Under Review 2024/2025		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken / to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
National Key Performance Area 1: *Basic Service Delivery and Infrastructure Development: Technical Service Department*												
Strategic Objectives: *Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance*												
TL01	Number of existing households in Reivilo provided with access to electricity by end June 2025	250	299	1	OpEx	**295**	**301**	OpEx	**Achieved** Reivilo Indigent: 46 Reivilo Billed: 255	N/A	N/A	Billing Report
TL02	Number of households electrified by end June 2025	New KPI for 2024/25	0	1	R6,700,000	**260**	**0**	R3,188,855	**Not Achieved** Upgraded of the Reivilo Substation is complete. Progress for electrification is at 10% and the contractor has procured all the material for construction. The contractor has commenced with construction	The Department of Housing appointed a service provider for the installation of services while the GTLM electrification service provider was about to mobilize the site for implementation. The two (2) projects could not run concurrently due to the blasting required for the installation of sewer services	The contractor appointed by the municipality for Electrification is to submit a revised programme of works that incorporates the programme of works for the Human Settlements contractors. This will ensure there are no delays or overlaps in activities. The contractor must also ensure that the site is fully cleared, accessible, and free from any conflicting activities.	Completion Certificate

Ref No.	Key Performance Indicator / Unit of Measurement	Previous Financial Years 2023/2024		Wards	Revised Annual Budget 2024/2025	Financial Year Under Review 2024/2025		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken / to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
TL03	Percentage of the municipal capital budget actually spent on capital projects identified in terms of the IDP (Actual amount spent on projects as identified for the year in the IDP/Total amount spent on capital projects) x 100) by end June 2025	100%	100%	N/A	R62,835,200	**100%**	**100%**	R62,835,200	**Achieved**	N/A	N/A	Expenditure Report
TL04	Number of high mast lights (Phase 8) constructed in various villages by end March 2025	24	24	1, 2, 3, 4, 6, 8, 10, 15, 16, 17, 20, 23	R9,885,787	**24**	**24**	R9,243,633	**Achieved**	N/A	N/A	Completion Certificate
TL05	Percentage of sport facilities completed in Modimong by end June 2025	New KPI for 2024/25	0	10	R10,000,000	**70%**	**50%**	R10,000,000	**Not achieved**	Inclement weather, Community Unrest and Change of scope from clear vu fence to boundary brick wall	The contractor should deploy additional subcontractors to the site for the construction of the boundary wall. This will ensure that all planned activities on site remain active, and progress is maintained	Progress Report
TL06	Number of metres of access road constructions completed in Kgomotso by end December 2024	1,2km	0km	20	R3,425,304	**800m**	**800m**	R3,263,106	**Achieved**	N/A	N/A	Completion Certificate
TL07	Number of metres of access road constructions completed in Molelema by end December 2024	1,5km	0km	15	R2,195,378	**500m**	**500m**	R2,195,378	**Achieved**	N/A	N/A	Completion Certificate
TL08	Number of metres (phase 2) of access	1,2km	1,2km	8	R5,176,940	**800m**	**800m**	R5,035,460	**Achieved**		N/A	Completion Certificate

Ref No.	Key Performance Indicator / Unit of Measurement	Previous Financial Years 2023/2024		Wards	Revised Annual Budget 2024/2025	Financial Year Under Review 2024/2025		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken / to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
	road constructions completed in Extension 7 by end June 2025									N/A		
TL09	Number of kilometres of access road constructions completed in Seoding by end June 2025	New KPI for 2024/25	0	24	R8,950,000	**1km**	**1km**	R10,900,999	**Achieved**	N/A	N/A	Completion Certificate
TL10	Percentage of kilometres of the access road constructions completed in Tlhapeng II by end June 2025	New KPI for 2024/25	0	9	R7,050,000	**80%**	**73%**	R5,329,017	**Not achieved**	Inclement weather, Plant break down and community unrest	The contractor to Increase the workforce and extend working hours (e.g., work on weekends or double shifts) during favourable weather windows to recover lost time. To add more sub-contractors for backfilling of the completed areas	Progress Report
TL11	Number of kilometres of access road constructions completed in Vaaltyn by end June 2025	New KPI for 2024/25	0	9	R8,358,961	**1km**	**0km**	R8,334,180	**Not achieved**	Inclement weather and Community unrest	The contractor to Increase the workforce and extend working hours (e.g., work on weekends or double shifts) during favourable weather windows to recover lost time. The contractor to add more sub-contractors for back filling of completed areas	Completion Certificate
TL12	Number of kilometres of storm water constructions completed	1km	0km	16	R6,489,324	**1,5km**	**1,5km**	R6,489,324	**Achieved**	N/A	N/A	Completion Certificate

Ref No.	Key Performance Indicator / Unit of Measurement	Previous Financial Years 2023/2024		Wards	Revised Annual Budget 2024/2025	Financial Year Under Review 2024/2025		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken / to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
	in Picong by end December 2024											
TL13	Number of Phase 2 Rietfontein Stormwater Hydrology studies completed by end June 2025	New KPI for 2024/25	0	21	R603,506	**1**	**1**	R697,424	**Achieved**	N/A	N/A	Study Report
TL14	Number of existing households in Reivilo and Boipelo provided with access to water by end June 2025	497	686	1	OpEx	**680**	**684**	OpEx	**Achieved** Reivilo Indigent: 64 Reivilo Billed: 619	N/A	N/A	Billing Report
TL15	Number of existing households in the proclaimed areas provided with access to sanitation by end June 2025	2,434	2,260	1, 5, 8	OpEx	**2,400**	**2,442**	OpEx	**Achieved** Indigent: 201 Billed: 2,241	N/A	N/A	Billing Report
TL16	Number of Sewer Trucks procured for the Water and Sanitation Unit by end June 2025	New KPI for 2024/25	0	N/A	R1,600,000	**1**	**1**	R2,410,160	**Achieved**	N/A	N/A	Delivery Note. Invoice
TL17	Number of Hydrology and Environmental studies for the closure of the Interim Operational landfill sites in Pudimoe completed by end June 2025	New KPI for 2024/25	0	5	R700,000	**1**	**1**	R556,071	**Achieved**	N/A	N/A	Study Report
National Key Performance Area 1: *Basic Service Delivery and Infrastructure Development – Community Social Services*												
Strategic Objectives: *Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance*												
TL18	Number of existing households in proclaimed areas provided with access to weekly refuse removal by end June 2025	2,507	2,407	N/A	OpEx	**2,600**	**2, 628**	OpEx	**Achieved**	N/A	N/A	Billing Report
National Key Performance Area 1: *Basic Service Delivery and Infrastructure Development – Spatial Planning and Human Settlement*												
Strategic Objectives: *To coordinate all disaster related incidents within the jurisdiction of the municipality*												

Ref No.	Key Performance Indicator / Unit of Measurement	Previous Financial Years 2023/2024		Wards	Revised Annual Budget 2024/2025	Financial Year Under Review 2024/2025		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken / to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
TL19	Number of temporary shelters provided in various wards by end March 2025	50	50	N/A	R4,000,000	**50**	**83**	R2,201,192	**Achieved** 41 TRUs: GTLM 42 TRUs: DHS	N/A	N/A	Inspection Memorandums
National Key Performance Area 2: *Municipal Institutional Development and Transformation*												
Strategic Objectives*: Improve organisational cohesion and effectiveness*												
TL20	Number of training programmes implemented for Municipal officials by end April 2025	10	11	N/A	R750,000	**10**	**12**	R750,000	**Achieved**	N/A	N/A	Proof of Registration / Attendance Register / Results
TL21	Number of training programmes implemented for Municipal Councillors by end April 2025	5	4	N/A		**5**	**7**		**Achieved**	N/A	N/A	Proof of Registration / Attendance Register / Results
TL22	Percentage of the municipal budget actually spent on implementing its workplace skills plan measured as (Total Actual Training Expenditure/ Total Operational Budget) x100) by end June 2025	90%	89%	N/A		**90%**	**100%**		**Achieved**	N/A	N/A	Expenditure Report
TL23	Number of people from EE target groups employed in the three highest levels of management in accordance with approved Municipal Employment Equity Plan by end March 2025	3	5	N/A	OpEx	**3**	**11**	OpEx	**Achieved**	N/A	N/A	Appointment Letters
National Key Performance Area 3: *Local Economic Development*												
Strategic Objectives: *Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance*												

Ref No.	Key Performance Indicator / Unit of Measurement	Previous Financial Years 2023/2024		Wards	Revised Annual Budget 2024/2025	Financial Year Under Review 2024/2025		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken / to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
TL24	Number of temporary jobs created through local procurement projects by end June 2025	100	123	N/A	OpEx	**100**	**100**	OpEx	**Achieved**	N/A	N/A	Temporary Employment Contracts
TL25	Number of Full Time Equivalents (calculated as (days worked by participants x number of participants / 230 working days per annum) created through EPWP by end June 2025	51	99	N/A	R1,715,000	**22**	**44**	R1,715,000	**Achieved**	N/A	N/A	Temporary Employment Contracts
TL26	Number of Full Time Equivalents (calculated as (days worked by participants x number of participants / 230 working days per annum) created through MLIP by end June 2025	40	78	N/A	R1,146,000	**50**	**118**	R1,146,000	**Achieved**	N/A	N/A	Temporary Employment Contracts
National Key Performance Area 4: *Municipal Financial Viability and Management*												
Strategic Objectives: *To improve overall financial management in the municipality by developing and implementing appropriate Financial Management*												
TL27	Number of 2023/24 Annual Financial Statements submitted to AGSA by 31 August 2024	1	1	N/A	OpEx	**1**	**1**	OpEx	**Achieved**	N/A	N/A	Acknowledgement of Receipt
TL28	Financial viability measured in terms of the available cash to cover fixed operating expenditure (Available cash + investments / Monthly fixed operating expenditure) by end December 2024	1,5	3	N/A	OpEx	**1,5**	**0,2**	OpEx	**Not Achieved**	Available cash on hand is not enough	Implement cost containment and credit control policy	Annual Financial Statement

Ref No.	Key Performance Indicator / Unit of Measurement	Previous Financial Years 2023/2024		Wards	Revised Annual Budget 2024/2025	Financial Year Under Review 2024/2025		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken / to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
TL29	Debt to Revenue Short Term Lease + Long Term Lease / Total Operating Revenue - Operating Conditional Grant by end December 2024	2,1	0	N/A	OpEx	**2,1**	**3**	OpEx	**Achieved**	N/A	N/A	Annual Financial Statement
TL30	Number of 2024/25 Adjustment Budgets submitted to Council for approval by end February 2025	1	1	N/A	OpEx	**1**	**1**	OpEx	**Achieved**	N/A	N/A	Council Minutes
TL31	Number of final 2025/26 Budgets submitted to Council by 31 May 2025	1	1	N/A	OpEx	**1**	**1**	OpEx	**Achieved**	N/A	N/A	Council Minutes
TL32	Number of indigent households that received free basic electricity in GTLM by end June 2025	4,000	3,213	N/A	R6,000,000	**4,500**	**3,961**		**Not achieved**	Indigents are buying electricity from ghost Vendors	Encourage Indigents to buy electricity from Eskom approved vendors	Expenditure Report
TL33	Number of indigent households that received free basic water in GTLM by end June 2025	10	13	N/A	R1,871,251	**20**	**27**		**Achieved**	N/A	N/A	Expenditure Report
TL34	Number of indigent households that received free basic sanitation in GTLM by end June 2025	220	163	N/A	R4,742,363	**220**	**201**		**Not achieved**	Sewerage Truck users in Reivilo do not book monthly but as and when	Continue to meet schedule as and when booking is made	Expenditure Report
TL35	Number of indigent households that received free basic refuse removal in GTLM by end June 2025	220	192	N/A	R732,370	**220**	**234**		**Achieved**	N/A	N/A	Expenditure Report
TL36	Number of indigent households that received monthly rebates on property	220	192	N/A		**220**	**177**		**Not achieved**	Value of houses are too low to qualify for the additional 50% rebate; with normal	As values of properties appreciate, it will enable achievement of the indicator	Expenditure Report

Ref No.	Key Performance Indicator / Unit of Measurement	Previous Financial Years 2023/2024		Wards	Revised Annual Budget 2024/2025	Financial Year Under Review 2024/2025		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken / to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
	rates in GTLM by end June 2025									rebates they are already R0 rated		
National Key Performance Area 5: *Good Governance and Public Participation*												
Strategic Objectives: *Promote a culture of participatory and good governance*												
TL37	Number of Final IDP Documents for (y+1) tabled to Council by the end May (y0) 2025	1	1	N/A	OpEx	**1**	**1**	OpEx	**Achieved**	N/A	N/A	Council Minutes
TL38	Number of 2023/24 Annual Reports submitted to Council by end January 2025	1	1	N/A	OpEx	**1**	**1**	OpEx	**Achieved**	N/A	N/A	Council Minutes
TL39	Number of 2024/25 mid-term budget and performance assessment reports submitted to the Mayor by 25 January 2025	1	1	N/A	OpEx	**1**	**1**	OpEx	**Achieved**	N/A	N/A	Acknowledgement of Receipt
												T 3.30

Service Providers Strategic Performance

Section 76(b) of the MSA state that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. A service provider:

- Means a person or institution or any combination of person and institution which provide to or for the benefit of the local community.
- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality.
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in term of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

During the year under review the municipality did appoint service providers who provided municipal services to or for the benefit of the local community on behalf of the municipality and below is performance assessment of some of the service provider appointed to render service for the benefit of the local community on behalf of the Municipality. Project Management Unit regularly monitored all these projects.

Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Q 1	Q 2	Q 3	Q 4	
Compilation of Valuation Roll for 2020/2021 to 2024/2025 Financial Years	Activa Trading 39	Own	2019/04/08	2025/06/30	Contract Extended with 2 years.	None	4	4	4	4	Good
Provision for Short Term Insurance	BLAQM Holdings	Own	2022/07/26	2025/07/26	Satisfactory	None	4	4	4	4	Good
Supply, Delivery and Installation of Disaster Residential Units and Business Stalls	ECOPANEL (PTY) LTD	Own	2022/10/03	2025/10/03	Satisfactory	None	4	4	4	4	Good
Maintenance of Sewer Network and Pumps at GTLM for a period of 24 Months	ATANG ECR GROUP	Own	2023/04/01	2025/04/01	Satisfactory	None	4	4	4	4	Good

Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Q 1	Q 2	Q 3	Q 4	
Maintenance of Trucks, Cars and LDV's for a period of 24 Months	OMF PROJECTS	Own	2022/11/21	2024/11/20			4	4	0	0	
Maintenance of Yellow Fleet for a period f 24 Months	SGIJIMANGEBELO TRADING ENTERPRISE	Own	2022/11/21	2024/11/20	Unsatisfactory	Contract Terminated	1	1	0	0	Poor
Maintenance of Yellow Fleet for the Period of a period of 24 Months	OMF PROJECTS	Own	2022/11/21	2024/11/20			1	1	0	0	
Supply and Delivery of Printing Papers for a period of 24 Months	THATLHAMO (PTY) LTD	Own	2023/06/01	2025/06/01	Satisfactory		4	4	4	4	Good
Supply and Delivery of Cleaning Materials for a period of 24 Months	AOBAKWENG (PTY) LTD	Own	2023/06/01	2025/06/01	Satisfactory		4	4	4	4	Good
Supply and Delivery of Stationary for a period of 24 Months	REMO SIKHWE TRADING ENTERPRISE	Own	2023/06/01	2025/06/01	Satisfactory		4	4	4	4	Good
Supply and Delivery of Refuse Bags for 24 Months	LEBONE LOAGO PROJECTS AND LOGISTICS	Own	2023/06/01	2025/06/01	Satisfactory		4	4	4	4	Good
Provision for Security Services for GTLM for a period of 36 Months	DEPHETHOGO CLEANING AND SECURITY	Own	2023/09/01	2026/08/31	Satisfactory		4	4	4	4	Good

Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Q 1	Q 2	Q 3	Q 4	
Provision for Accommodation and Travel Agency for a period of 36 Months	DIAOPELA TRADING	Own	23/09/01	2026/08/31	Unsatisfactory	Contract Terminated					Poor
Supply, Delivery, Installation and Maintenance of Air-Conditioners as and when needed for a period of 24 Months	BEST ENOUGH TRADING AND PROJECTS	Own	2023/09/01	2025/08/31	Satisfactory		4	4	4	4	Good
Supply and Delivery of Electrical Materials for a period of 24 Months	THATLHAMO	Own	2023/09/01	2025/08/31	Satisfactory		4	4	4	4	Good
Maintenance of Electrical Network, Street and High-mast lights around GTLM as and when needed for a period of 36 Months	115 SOLUTIONS	Own	2023/09/01	2025/08/31	Satisfactory		4	4	4	4	Good
Supply and Delivery of Protective Clothing for a period of 24 Months	ESALE 1 TRADING	Own	2023/11/01	2025/10/30	Satisfactory		4	4	4	4	Good

Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Q 1	Q 2	Q 3	Q 4	
Supply, Delivery, Installation and Maintenance of Printing and Photocopy Machines for a period of 36 Months	Matlosana Books	Own	23/12/01	2026/11/01	Satisfactory		4	4	4	4	Good
Provision of Mscoa Compliant Financial System for a period of 36 Months	Munsoft	Own	24/03/01	2027/03/01	Satisfactory		4	4	4	4	Good
Provision for Compilation of Financial Statements for a period of 36 Months	CorpMD Consulting	Own	2023/07/01	2026/07/01	Satisfactory		4	4	4	4	Good
Service Provider for the Compilation of GRAP 12, 16 and 17 Assets Register for the period of 36 Months	AOL Consulting	Own	2023/07/01	2026/07/01	Satisfactory		4	4	4	4	Good
Appointment for Auctioneer for Auctioning and Disposal of Assets for the period of 36 Months	FIVE STAR TRADING ENTERPRISE CC T/A AUCTION 24	Own	2024/06/29	2027/06/28	Satisfactory		4	4	4	4	Good

Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Q 1	Q 2	Q 3	Q 4	
Planning, Design, Construction Monitoring, Construction and Close Out (Turnkey) of Upgrading of Reivilo Switching Station to Accommodate Extra 1000 Households	115 Electrical Solution	INEP	2023/07/03	2027/06/02	Satisfactory		4	4	4	4	Good
Appointment of Service Provider for Planning, Design, Construction, Monitoring and Close Out (Turnkey) for the Electrification Project of 260 Units at Reivilo (Re-Advert)	WINIREX PTY LTD	INEP	2024/10/15	2025/07/15	Satisfactory		4	4	4	4	Good
Appointment of Panel for Contractors: Construction on Civil Works – Construction of Vaaltyn Access Road	EK CONSTRUCTIO N	MIG	2024/10/15	2025/07/15	Satisfactory		4	4	4	4	Good
Appointment of Panel for Contractors: Construction on Civil Works – Construction of Ext 7 Access Road	DINOKONG SUPPLY AND PROJECTS	MIG	2024/11/12	2025/08/12	Satisfactory		4	4	4	4	Good

Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Q 1	Q 2	Q 3	Q 4	
Appointment of Panel for Contractors: Construction on Civil Works – Construction of Seoding Access Road	LOPE CIVILS	MIG	2024/10/15	2025/07/15	Satisfactory		4	4	4	4	Good
Appointment of 12 x High-mast Lights under the Panel for the period of 36 Months	Booda Consulting	MIG	2024/06/25	2025/06/30	Satisfactory		4	4	4	4	Good
Appointment of 12 x High-mast Lights under the Panel for the period of 36 Months	MOTLA Central Consulting	MIG	2024/06/25	2025/06/30	Satisfactory		4	4	4	4	Good
Appointment of Panel for Consulting Engineers: Consulting Services of Rietforntein Stormwater Channel	Zenkcon Consulting	MIG	2024/06/25	2025/06/30	Satisfactory		4	4	4	4	Good
Appointment of Panel for Consulting Engineers: Consulting Services of Seoding Access Road	Pule Ramasimong	MIG	2024/06/25	2025/06/30	Satisfactory		4	4	4	4	Good

Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Q 1	Q 2	Q 3	Q 4	
Appointment of Panel for Consulting Engineers: Consulting Services of Ext 7 Access Road Phase 2	Molatelo Consulting	MIG	2024/06/25	2025/06/30	Satisfactory		4	4	4	4	Good
Appointment of Panel for Consulting Engineers: Consulting Services of Tlapeng Access Road	Watson	MIG	2024/06/25	2025/06/30	Satisfactory		4	4	4	4	Good
Appointment of Panel for Consulting Engineers: Consulting Services of Vaaltyn Access Road	Tha-Mot	MIG	2024/06/25	2025/06/30	Satisfactory		4	4	4	4	Good
Appointment of Panel for Consulting Engineers: Consulting Services of Modimong Sports Facility	Geijcon	MIG	2024/06/25	2025/06/30	Satisfactory		4	4	4	4	Good
APPOINTMENT ON PANEL FOR CONSULTANTS: CONSULTING ENGINEERS FOR CIVIL WORKS FOR A PERIOD OF 36 MONTHS, REF:MAJANENG ACCESS ROAD	BATAUNG PROJECTS AND TRAINING	MIG	2024/02/03	2026/01/26	Satisfactory		4	4	4	4	Good

Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Q 1	Q 2	Q 3	Q 4	
APPOINTMENT ON PANEL FOR CONSULTANTS: CONSULTING ENGINEERS FOR CIVIL WORKS FOR A PERIOD OF 36 MONTHS, REF:SHALENG ACCESS ROAD	NEMORANGO CONSULTING ENGINEERS	MIG	2024/02/03	2026/01/26	Satisfactory		4	4	4	4	Good
APPOINTMENT ON PANEL FOR CONSULTANTS: CONSULTING ENGINEERS FOR CIVIL WORKS FOR A PERIOD OF 36 MONTHS, REF:MAJANENG ACCESS ROAD	RSM CONSULTING ENGINEERS	MIG	2024/02/03	2026/01/26	Satisfactory		4	4	4	4	Good
Supply and Delivery for the ICT Software	TORALO ENERGY PROJECTS	Own	2025/03/01	2025/03/31	Satisfactory		0	0	4	0	Good
SUPPY AND DELIVERY OF ICT EQUIPMENTS AND GOODS	TT CORPORATION	Own	2025/03/01	2025/03/31	Satisfactory		0	0	4	0	Good

Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Q 1	Q 2	Q 3	Q 4	
PLANNING, DESIGN, COMSTRUCTION MONITORING AND CLOSE OUT OF PUDIMOE LANDFILL SITE AND ILLEGAL DUMPING SITE, IN ACCORDANCE WITH THE CLOSURE LIECENCE CONDITIONS	PIVOT PROJECTS AND ENGINEERING	MIG	2025/01/15	2025/09/15	Satisfactory		0	0	4	4	Good
PANEL OF TOWN PLANNING EXPERTISE ON AND AS WHEN REQUIRED FOR A PERIOD OF 36 MONTHS - REIVILO GRAVEYARD SITE STUDIES	NKANIVO DEVELOPMENT	Own	2025/01/15	2025/09/15	Satisfactory		0	0	4	4	Good
SPLUMA IMPLEMENTAION	NKANIVO DEVELOPMENT	Own	2025/01/15	2025/09/15	Satisfactory		0	0	4	4	Good

Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Q 1	Q 2	Q 3	Q 4	
PANEL OF TOWN PLANNING EXPERTISE ON AND AS WHEN REQUIRED FOR A PERIOD OF 36 MONTHS - TAUNGEXTENSION 4 $ 5TOWNSHIP FORMALISATION	LIBERTY TOWN PLANNER	Own	2025/01/15	2025/09/15	Satisfactory		0	0	4	4	Good
PANEL OF TOWN PLANNING EXPERTISE ON AND AS WHEN REQUIRED FOR A PERIOD OF 36 MONTHS - FEASIBILITY STUDY FOR AN ALTERNATIVE ACCESS ROAD INTO TAUNG	GLOBAL SOLUTION	Own	2025/01/15	2025/09/15	Satisfactory		0	0	3	4	Good

Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Q 1	Q 2	Q 3	Q 4	
APPOINTMENT ON PANEL FOR CONTRACTORS: CONSTRUCTION ON CIVIL WORKS: CONSTRUCTION OF MODIMOMG SPORTS FACILITY	BEST ENOUGH TRADING	Own	2025/01/15	2025/09/15	Satisfactory	The overall progress is at 50% The contractor is behind schedule with time lost through community unrest and heavy rainfall	0	0	4	4	Good
APPOINTMENT ON PANEL FOR CONTRACTORS: CONSTRUCTION ON CIVIL WORKS: CONSTRUCTION FOR TLAPENG ACCESS ROAD	LEBO TEBO	Own	2025/01/15	2025/09/15	Satisfactory	The overall progress is at 73% The contractor is behind schedule with time lost through community unrest and heavy rainfall	0	0	4	4	Good



chapter 4

Organisational Development Performance

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

This component represents the role that HRM&D plays in deciphering, defining, developing, and rewarding an organizational culture that is conducive to achieving business objectives. This includes:

- Culture transformation and change management;
- The development of individuals and teams with a systems view;
- Review and design of organizational structures.
- Training that related to job and personal growth equipping all employees with the necessary knowledge, skills, and competencies to perform their work effectively, in pursuit of the vision and mission of Council as well as the employee's vision.
- Enabling employees to deal effectively and pro-actively with change and to the challenges of dynamic work and external environment.
- Enabling employees to acquire development orientated professionalism and the appropriate competencies.
- Helping employees to address issues of diversity whilst promoting a common organization culture so as to or in doing support unity at the workplace.
- Assisting employees in developing a better understanding of the needs of the communities that they are serving, as well as the capability to respond to these needs.
- Creating an enabling environment for the training and development of present and future incumbents. Creating a pool of suitably qualified individuals to be identified and developed in terms of a succession planning program.
- By providing job security to competent individuals.
- By providing equitable access and participation in properly structured training and appraisal processes that will ensure that every employee's work performance is maximized, and, that his/her potential is fully developed.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2023/2024	2024/2025			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Waste Water (Sanitation)	27	6	27	5	18%
Electricity	3	0	3	0	0%
Housing	6	0	6	0	0%
Waste Water (Stormwater Drainage)	46	8	46	8	17%
Roads					
Technical	9	0	10	0	0%
Mechanical/Workshop	8	4	9	0	
PMU	4	3	4	1	33%
Local Economic Development	4	0	4	2	50%
Planning (Strategic & Regulatory)	3	2	3	0	0%
Community & Social Services	76	12	75	18	24%
Office of Municipal Manager	12	11	15	0	0%
Corporate Services	42	15	42	3	7%
Political Office	18	0	18	0	0%
Finance	33	2	43	3	7%
Totals	**291**	**63**	**305**	**40**	**%**

T 4.1.1

Vacancy Rate: 2024/2025			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	1	100%
Other S56 Managers (excluding Finance Posts)	4	1	75%
Other S56 Managers (Finance posts)	0	0	0
Senior management: Levels 13 -16 (excluding Finance Posts)	20	1	5%
Senior management: Levels 13 -16 (Finance posts)	6	3	50%
Highly skilled supervision: levels 9 -12 (excluding Finance posts)	59	2	3%
Highly skilled supervision: levels 9 -12 (Finance posts)	15	1	7%
Total	**106**	**8**	**7%**

T 4.1.2

Turn - over Rate			
Details	Total Appointment as of beginning of financial year No.	Termination during the financial year No.	Turn - over Rate. No.
2022/2023	16	17	106%
2023/2024	16	26	163%
2024/2025	17	6	35%
			T 4.1.3

VACANCIES AND TURNOVER

The position of Chief Financial Officer became vacant on 01 November 2023, the post was advertised as resolved by Council and the post was filled on 01 November 2024.

The position of Director Corporate Services became vacant on 12 December 2023, the post was advertised as resolved by Council and the post was filled on 01 November 2024.

The position of Director Infrastructure became vacant on 01 July 2023, the post was advertised, unfortunately it could not be filled as the appointed candidate declined the offer. The post was re-advertised and it was filled on 01 November 2024.

The position of Director Spatial Planning and Human Settlements became vacant on 01 November 2023, it was advertised as resolved by Council, however there were no qualifying candidates and it was re-advertised and the appointment letter has been issued, the candidate will report in the beginning of the next financial year.

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Workforce management is achieved through proper human resources processes and procedures, aligned to Section 67 of the Municipal Systems Act, 32 of 2000, which ensures compliance with the development and adoption of appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration. This is achieved through the Human Resource Policies contained in the municipality's Integrated Development Plan (IDP. Adherence and compliance with applicable legislation and reviewing policies, procedures and processes aimed at regulating the workplace also further assists in workforce management.

Policy Review and Development

The municipality as an evolving and developmental Local Government Institution, regularly reviews its policies, processes, and procedures to ensure all processes followed, implemented, and executed are open, transparent, and aligned to legislative requirements, not to unfairly discriminate against employees.

Policy Review is part of Management's Performance Indicators and monitored through the Performance Management System.

Greater Taung has a functional Local Labour Forum which is utilised for the discussion of work-related matters, how to improve the working relationship between employment parties.

Training and Employment equity Committee also exists to address the issues of training and equity matters. Health and Safety Committee also addresses safety issues, risk assessment is conducted bi-annually to minimise risks, employees are being taken for medical surveillance, and protective clothing is provided to the employees.

All these committees convene once in a quarter and make their reports to the portfolio Committee which further escalates them to Council for noting.

T 4.2.0

OCCUPATIONAL LEVELS	Male					Female				
	African	Colour	Indian	White	Total	African	Colour	Indian	White	Total
Senior Management	4	0	0	0	**4**	1	0	0	0	**1**
Professionally qualified and experienced specialists and mid-management	17	0	0	1	**18**	8	0	0	1	**9**
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	41	2	0	0	**43**	33	0	0	1	**34**
Semi-skilled and discretionary decision making	62	4	0	0	**66**	25	0	0	0	**25**
Unskilled and defined decision making	55	3	0	0	**58**	47	0	0	0	**47**
Total Employees/Posts	180	9	0	1	**189**	114	1	0	2	**116**
As % of the total Number of employees/posts	95%	4.5%	0.0%	0.5%		98%	0.86%	0.0%	1.7%	
Current Male to female ratio	Male					Female				
Total Number of Male & Female Employees	189					116				
Current % Male to Female Ratio	61%					39%				

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Acting Policy	100%	N/A	31 October 2024
2	Recruitment and selection Policy	100%	N/A	03 December 2019
3	Cell phone Allowance Policy	100%	N/A	26 August 2022
4	Code of Conduct for employees	100%	N/A	Regulated, not to be adopted
5	Delegations, Authorisation & Responsibility			
6	Disciplinary Code and Procedures	100%	N/A	Bargaining Council Collective agreement
7	Employee Assistance / Wellness	100%	N/A	26 August 2022
8	Employment Equity	100%	N/A	03 December 2019
9	Grievance Procedures	100%	N/A	Bargaining Council Collective agreement
10	Job Evaluation	100%	N/A	Bargaining Council Policy
11	HIV/AIDS Policy	100%	N/A	31 October 2024
	Medical AID Policy	100%	N/A	31 October 2024
	Cellphone allowance Policy	100%	N/A	31 October 2024
	Breastfeeding Policy	100%	N/A	31 October 2024
	Induction Policy	100%	N/A	31 October 2024
	Occupational Health and safety policy	100%	N/A	31 October 2024
	Leave policy	100%	N/A	31 October 2024
12	Recruitment, Selection and Appointments	100%	nb	26 August 2022
13	Remuneration Scales and Allowances	100%	N/A	Collective agreement
14	Sexual Harassment	100%	N/A	31 October 2024
15	Skills Development	100%	N/A	26 August 2022
16	Vehicle Allowance Policy	100%	N/A	31 October 2024
17	Subsistence and travelling Allowance Policy	100%	N/A	31 October 2024
	Disability Policy	100&	NA	31 October 2024
	Volunteerism. Learnership and internhip Policy	100&	NA	31 October 2024
18	Transfer Policy	100%	N/A	26 August 2022

T 4.2.1

WORKFORCE POLICY DEVELOPMENT

The above policies on table are adopted by Council and more policies will be reviewed and also adopted by council. The supply chain policy and tariff policy are reviewed annually and adopted by Council. All Human Resource policies have been workshopped with all staff, and the Local Labour forum has also approved the new draft policies for Council adoption.

T 4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

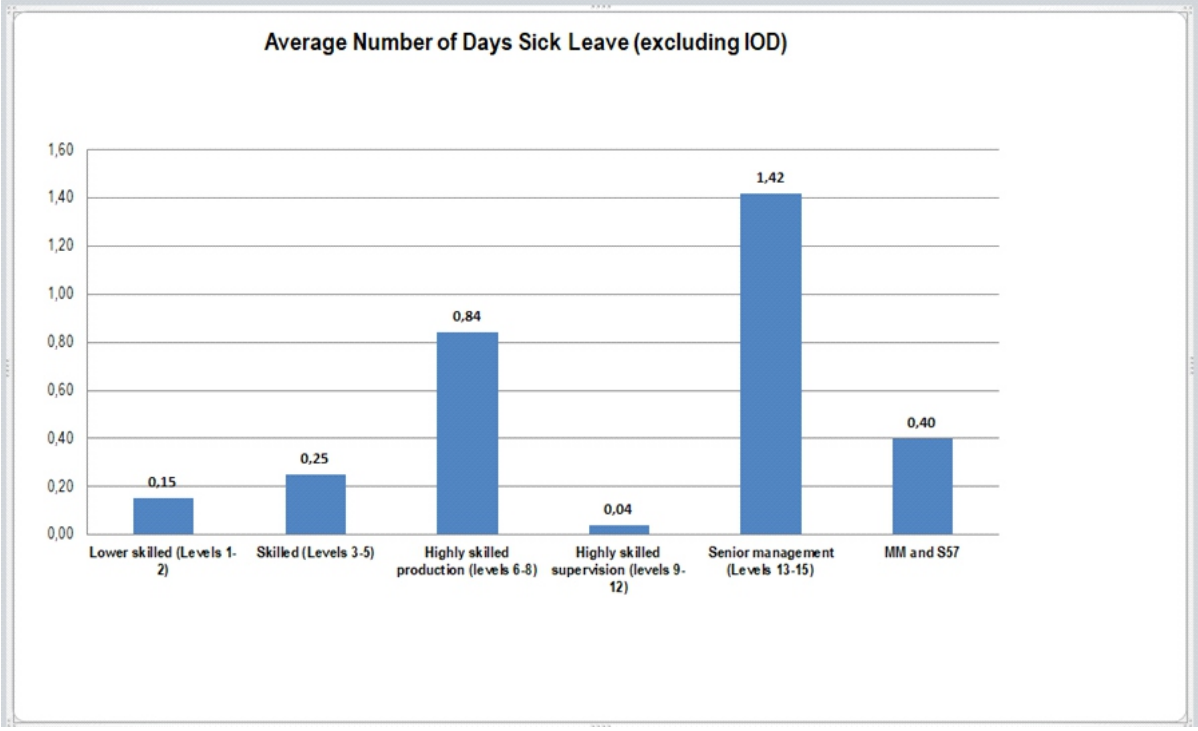
Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	0	0	0	0	R0.00
Temporary total disablement	0	0	0	0	R0.00
Permanent disablement	0	0	0	0	R0.00
Total	**0**	**0**	**0**	**0**	**R0.00**

T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)					
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
	Days	%	No.	No.	Days
Lower skilled (Levels 1-2)	24	90%	10	30	0,15
Skilled (Levels 3-5)	40	42%	98	22	0,25
Highly skilled production (levels 6-8)	136	58%	44	58	0,84
Highly skilled supervision (levels 9-12)	6	95%	2	26	0,04
Senior management (Levels 13-15)	230	66%	17	18	1,42
MM and S57	65	60%	6	8	0,40
Total	**501**	**69%**	**177**	**162**	3,09

** - Number of employees in post at the beginning of the year*

**Average is calculated by taking sick leave in colunm 2 divided by total employees in colunm 5* *T 4.3.2*



INJURY AND SICK LEAVE

Injuries have been reduced to a bare minimum in the municipality and when an employee gets injured, they are sending to a doctor paid by the municipality. When an employee is on long instances of sick leave the municipality takes that person to its own doctor to get an opinion on that person health and that information is kept on the file of the employee.

T 4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
N/A	N/A	N/A	N/A	N/A
				T 4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
NONE	N/A	N/A	N/A
			T 4.3.6

SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

There was no suspension and cases of financial misconduct for 2024/25 FY.

T 4.3.7

4.4 PERFORMANCE REWARDS

PERFORMANCE REWARDS

No performance rewards were paid out during the year under consideration.

T 4.4.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Human Resource Section is the custodian for capacity building of employees within the municipality and contributes to the building and creation of a capable service delivery organization. The Skills Development Act 97 of 1998 as Amended in 2008 sets clear guidelines and requirements for the organization to implement capacity building initiatives for employees.

In response to the quoted legislative framework and related regulations such as the National Skills Development Strategy (NSDSIII) and the Local Government Sector Education and Training Authority (LGSETA), the municipality acquitted itself well under the circumstances prevailing.

The Workplace Skills Plan (WSP) for 2023/2024 financial year with its attended Training Plan was submitted to the Sector Education and Training Authority for Local Government (LGSETA) by 30 April 2024 as per requirement.

Emphasis has been on encouraging Municipal compliance with the Skills Development legislation, we continue to encourage compliance but we also emphasise on quality, in 2006 LGSETA began to issue completeness checks to Municipalities, in 2008 a quality criterion was developed, in 2009 evaluating the WSP/ATR in detail started to check if the WSP/ATR submitted is of required standards, feedback emanating from the evaluation is also given to the Municipalities in order to ensure that the gaps identified are addressed in future WSP & ATR.

T 4.5.0

Local Municipality recognises the value of investing in its workforce through the implementation of a carefully planned training and development initiative and activities. A Workplace Skills Plan (WSP) has been compiled based on the departmental needs as identified by the relevant directorates and implemented. The WorkPlace Skills Plan describes the skills needs and the range of skills development interventions that an organization will use to address these needs. A WSP is developed annually – May to April and is submitted to Local Government Sector Education Training Authority (LGSETA) on the 30 April every year. The WSP facilitates access to the LGSETA mandatory grant for skills training. The municipality is required to provide Annually Training Report (ATR) as to how needs are addressed as defined in the WSP. The WSP also provides sector information to the LGSETA specifically.

This information in turn informs the development of the LGSETA sector skills plan (SSP). The SSPs then further make contribution to the national skills development agenda defined in National Skills Development Strategy, now in third generation (NDS III).

Priorities are considered to determine the most critical skills development needs before training can be arranged within the limits of budgetary provisions. The training needs are received from all directorate and incorporated to the WSP, it has to be indicated that needs are aligned to the strategic plan of the municipality, IDP, SDBIP and other relevant document. The training intervention outcome is to enhance employee's performance in their respective work.

Priorities are considered to determine the most critical skills development needs before training can be arranged within the limits of budgetary provisions. The training needs are received from all directorate and incorporated to the WSP, it has to be indicated that needs are aligned to the strategic plan of the municipality, IDP and SDBIP. The training intervention outcome is to enhance employee's performance in their respective work.

The Total Budget for the 2024/2025 budget is R750 000.The total expenditure is R610 422 of which R555 422 used for Employed and the R55 000 spent for non-employed which would be considered as unauthorised expenditure according to the Municipal Finance Management Act 56 of 2003.

According to the Skills Development Levies Act the municipality is required to pay the 1% of its monthly remuneration in the form of a levy and it claims back the percentage in a form of a mandatory grand. The mandatory grant is paid quarterly to the municipality, and it should be noted that those funds should specifically be spent on capacitating employees as well as non-employees.

4.5 SKILLS DEVELOPMENT AND TRAINING

The Skills Development Act 97 of 1998 and the Municipal Systems Act 32 of 2000 require employees to supply employees with the necessary training in order to develop its human resource capacity. Section 55 (i)(f) state that as head of the administrator the Municipal Manager is responsible for the management, utilisation.

Skills Matrix

Management level	Gender	Employees in post as at 30 June 2025	Number of skilled employees required and actual as at 30 June 2025											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of 2023/2024	Actual: End of 2024/2025	2024/2025 Target	Actual: End of 2023/2024	Actual: End of 2024/2025	2024/2025 Target	Actual: End of 2023/2024	Actual: End of 2024/2025	2024/2025 Target	Actual: End of 2023/2024	Actual: End of 2024/2025	2024/2025 Target
MM and s57	Female	1	0	0	0	1	0	0	0	1	1	1	0	1
	Male	3	0	0	0	1	0	0	0	0	0	1	0	0
Councillors, senior officials and managers	Female	19	0	0	0	0	3	2	10	9	15	10	12	17
	Male	29	0	0	0	0	4	3	15	5	20	15	9	23
Technicians and associate professionals*	Female	7	0	0	0	0	1	2	0	2	5	0	3	7
	Male	16	0	0	0	1	1	2	0	2	2	1	3	4
Professionals	Female	43	0	0	0	9	5	10	3	8	10	12	13	20
	Male	26	0	0	0	10	2	5	0	8	10	10	10	15
Sub total	Female	70	0	0	0	10	9	14	13	20	31	23	28	44
	Male	74	0	0	0	12	7	10	15	15	32	28	22	42
Total		288	0	0	0	44	32	48	56	70	126	101	100	173

*Registered with professional Associate Body e.g CA (SA) T 4.5.1

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	3	0	3	3	3	3
Any other financial officials	31	0	31	0	0	14
Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	1	0	1	1	0	1
TOTAL	**37**	**0**	**37**	**6**	**5**	**20**

T 4.5.2

4.5.2 MFMA Competencies

In terms of section 83(1) of the MFMA, the Accounting Officer, Senior Managers, the Chief Financial Officer, Non-financial Managers, and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act 56 of 2003. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, NT, with the collaboration of various stakeholders and role players in the Local Government sphere, developed an outcome based NQF level 6 qualifications in municipal finance management. In terms of the Government Notice 493 of 15 June 2017, "(1) No municipality or municipal entity may, with effect 1 January employ a person as a financial official if that person does not meet the competency level prescribed for the relevant position in terms of these Regulation".

The table below provides details of the financial competency development progress as required by the regulation

SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

Training and skills development interventions are mainly aimed at increasing the knowledge, proficiency, ability, and skills of the municipality's Human Capital to improve bottom line performance. The Training Plan is informed by key strategic documents such as IDP and internal Skills Audit Results as well as the National Treasury Minimum Competency Regulations of 2007.

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the Chief Financial officer, nonfinancial managers, and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act 56 of 2003. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

According to Section 83(1) of the Municipal Finance Management Act 56 of 2003.The accounting officer, Senior managers (Section 56 Managers), The Chief Financial Officer, Financial Managers and Nonfinancial Managers must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act 56 of 2003. The National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

The expenditure on skills development increases annually due to employees embarking on various skills development interventions, the education at higher institution is becoming more expensive and that more training is legislated.

The Total Budget for the 2024/2025 budget is R750 000.The total expenditure is R610 422 of which R555 422 used for Municipal officials and councillors and the R55 000 spent for Non-Employees which would be considered as unauthorised expenditure according to the Municipal Finance Management Act 56 of 2003. According to the Skills Development Levies Act the municipality is required to pay the 1% of its monthly remuneration in the form of a levy and it claims back the percentage in a form of a mandatory grand. The mandatory grant is paid quarterly to the municipality from the LGSETA and it should be noted that these funds should specifically be spent on capacitating employees.

INTRODUCTION TO WORKFORCE EXPENDITURE

Section 66 of the MSA states that the Accounting Officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances, and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and Sa23.

The municipality is in a rural area thus it is difficult to attract and retain qualified staff. Moreover, with the small income as most people in the municipal jurisdiction are indigents the salary bill ratio is high.

Thus, the Organisational structure must be carefully managed. It is against this that many posts have been frozen as not to put unnecessary financial pressure on the budget.

The municipality had a high turnover due to stringent consequence management being applied but other than that staff turnover has been consistent.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

The graph here is not linked to any information in the annual report therefore it is difficult to have credible data that will produce Graph that is correct. However, employee expenditure for 2023/2024 financial was at R127,012 380,00 excluding councillor R20 920 268,00 which is remarkably high and need to be attended to.

T4.6.1

WORKFORCE EXPENDITURE

Workforce expenditure is a major part of the operational expenditure of the Greater Taung Local Municipality. As it is mostly a fixed cost, proper planning and assessment of post requirements are necessary to make sure that the best available personnel are employed to meet the mandate of the municipality in service delivery to the community as well as obtaining its objectives.

The remuneration part of the employment costs is determined through the bargaining council and therefore out of our hands. Three variables that we have to keep monitoring and control are the vacancy rate, employee performance and overtime paid.

The municipality has workshopped a new Performance management policy, and will cascade it down after Council approval, thus that will ensure performance assessments and evaluate if value for money is achieved by officials.

T 4.6.1.1

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	**Gender**	**Total**
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels9-12)	Female	0
	Male	0
Senior management (Levels13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		**0**

T 4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	**Number of employees**	**Job evaluation level**	**Remuneration level**	**Reason for deviation**
Senior ICT Technician	1	12	14	Personal to holder principle applies.
Agricultural rural Dev Coordinator	1	11	12	Personal to holder principle applies
Chief Librarian	1	11	12	Personal to holder principle applies
Special project coordinator	1	9	10	Personal to holder principle applies
Assets Accountant	1	12	15	Personal to holder principle applies
Driver messenger	3	5	6	Personal to holder principle applies
Receptionist	4	5	7	Personal to holder principle applies
Horticulturist	1	10	9	Personal to holder principle applies
Foreman	4	9	10	Personal to holder principle applies

T 4.6.3

Employees appointed to posts not approved				
Department	**Level**	**Date of appointment**	**No. appointed**	**Reason for appointment when no established post exists**
None	N/A	N/A	N/A	N/A

T 4.6.4

UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE

No posts were upgraded during the year under review

T 4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

The municipality requires employees and Councillors to disclose financial interest annually. These disclosure forms are recorded and kept at Supply chain, and all these disclosure forms were requested by the AG and submitted as such.

T 4.6.6



chapter 5

Financial Performance

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

The purpose of the Statement of Financial Performance is to give an account of the results of the municipality's operations. These transactions result from the operating budget. The result is expressed as being either a surplus or a deficit (being the difference between Revenue and Expenditure). A surplus is indicative of Revenue being more than Expenditure and a deficit of Expenditure being more than Revenue. The purpose of the Statement of Financial Position is to give an account of the assets and liabilities at the end of the financial year. Net assets are shown, which are the difference between the assets and the liabilities. The cash flow statement shows the net cash result. Technically, the statement starts with the accounting surplus as per the Statement of Financial Performance which gets adjusted for all non-cash transactions. All other cash transactions not resulting from the Statement of Financial Performance are recorded. These items can be referenced back to both the capital budget as well as the items reported as part of the quarterly Section 11-withdrawals reports, submitted to Council.

This financial overview presents the brief summary of the financial performance of the municipality for the financial year under review. The detailed financial performance, financial position and cash flow activities of the municipality are presented in the annual financial statements for the year ended 30 June 2024. The municipality has during the financial year, strived to comply with the requirements of the relevant legislative prescripts and the guidelines set by the National Treasury in as far as financial management is concerned.

The municipality managed the budget process effectively and adhered to the timeframes as set out by the Municipal Finance Management Act 56 of 2003. The Budget Steering Committee was established, and meetings of the committee were effectively held. Other success factors for the financial year 20232024 are amongst others being able to monitor and report effectively on the budgets as well as the submission of the Annual Financial Statements on time.

The total operating revenue increased by 9% for the 2024/25 financial year when compared to the 2023/24 financial year bringing total projected revenue to an amount of R359 602 300.

Total operating expenditure decreased by one percentage, more so on contracted services and other recurring expenditure items in the 2024/25 financial year. Zero based budgeting is used as far as possibly applicable. The total operating expenditure for the 2024/25 financial year has been appropriated at R355 797 265, which indicates an operating surplus of R3 805 000.

Capital expenditure funded from grants include R55 349 850 from the Municipal Infrastructure Grant (MIG); R6 700 000 from INEP; a R10 000 000 allocation from the Sports; Arts and Culture department and

an amount of R65 000 from the library grant and capital expenditure funded from own funding amounts to R3 000 000.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The financial statements presented in this report are presented on the basis that the municipality is a going concern. The principles of GRAP have been taken into consideration when preparing these annual financial statements. The annual financial statements have been prepared by both the consultant appointed and finance personnel and later reviewed by the audit committee and a consultant.

Analysing the financial position of the municipality as outlined in the statement of financial position, in the annual financial statements, the municipality is still financially viable. The municipality has maintained a sustainable and sufficient asset base.

The total assets of the municipality are adequate to ensure that the liabilities of the municipality cared and covered should anything happen to the municipality's continuity. The asset base of the municipality which is above the liabilities of the municipality as well as other factors that are presented in the financial position of the municipality shows that the municipality is still solvent and therefore still financially healthy.

The annual financial statements presented in this report have been prepared on the assumption that the municipality remains a going concern. The principles of the Generally Recognized Accounting Practice (GRAP) were fully considered in the preparation process. These statements were jointly prepared by the appointed consultant and finance personnel and subsequently reviewed by the audit committee and a consultant for quality and compliance.

An analysis of the municipality's financial position, as outlined in the Statement of Financial Position, indicates that the municipality remains financially viable. It has maintained a stable and sufficient asset base to support ongoing operations.

The municipality's total assets are adequate to cover its liabilities, providing a solid buffer for continued sustainability. The fact that the asset base exceeds total liabilities—alongside other financial indicators detailed in the financial statements—confirms that the municipality is solvent and retains a healthy financial standing.

T 5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

The total Expenditure in 2024/2025 FY was well within the budget, even the unauthorised expenditure was minimal in 2024/2025 FY. The internal control measure of capturing orders reduced the Irregular Expenditure and Unauthorised Expenditure

T 5.1.3

5.2 GRANTS

OPERATING TRANSFERS AND GRANTS

Conditional grant such as MIG is the grants allocated to the municipality to implement the projects to deliver services to the community. The municipality did not receive any grants from other sources such as semi-state, private sector, or foreign government.

T 5.2.2

CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

The Greater Taung Local Municipality always ensure that all conditional grant received by it are used for the same purpose. Financial reports also confirm and justify the appropriate use of conditional grant, and we are doing so to comply with conditions attached to the grants.

T 5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The purpose of asset management in the Greater Taung Local Municipality is to ensure the effective and efficient control, utilization, safeguarding and management of the municipality's property, plant, and equipment and to make managers aware of their responsibilities in regard of property, plant, and equipment.

It also set out the standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilisation and to prescribe the accounting treatment for property, plant and equipment in the municipality include the following the cost of assets and the calculating of depreciation and capitalising of PPE and to the classification if different types of Assets.

The municipality is in progress of developing infrastructure asset management plan as required by the municipality asset management policy and Local Government Capital Asset Management. Three Asset Management Plans were developed, namely:

1. Roads and Stormwater Network Asset Management Plan
2. Community Assets Management Plan
3. Electricity Network Asset Management Plan

These Asset Management Plans are one component of the municipality's overarching corporate strategy. It was developed to support the municipality's vision for its asset management practice and programs. It provides key asset attribute data, including current composition of the municipality's infrastructure portfolio. It summarizes the physical health of the capital assets, assess the municipality's current capital spending framework, and outlines financial strategies to achieve fiscal sustainability in the long-term while reducing and eventually eliminating funding gaps.

Roads Network Assets Management Plan:

This asset management plan details information about infrastructure assets including actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide the services generally over a 20-year planning period.

This plan covers the infrastructure assets that provide road network to Greater Taung Local Municipality. The Road network comprises:

- Taung Town-Roads with Stormwater
- Reivilo Town-Roads with Stormwater
- Boipelo-Roads with Stormwater
- Pudimoe-Roads with stormwater
- Villages-Roads only

This asset management plan details information about community assets including actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide the services generally over a 20-year planning period.

This plan covers the community assets that provide recreational services to Greater Taung Local Municipality.

The Community Assets Management Plan comprises:

- Community Halls
- Libraries

The forecast lifecycle costs necessary to provide the services covered by this Asset Management Plan (AM Plan) includes operation, maintenance, renewal, acquisition, and disposal of assets over the 20-year

planning period is R315 139 000.The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The emphasis of the Asset Management Plan is to communicate the consequences that this will have on the service provided and risks, so that decision making is informed.

The anticipated planned budget leaves a shortfall per year of the forecast lifecycle costs required to provide services in the AM Plan compared with planned budget currently included in the Long-Term Financial Plan.

The buildings were said to be 20 Community Halls, 1 cover grounds, 5 libraries, 5 Thusong Centres and other buildings such as rental housing and municipal offices. Such amounts cannot be considered adequate and consequently a more detailed needs requirements for construction, operations, maintenance, and eventual community assets renewals are necessary.

Electricity Network Assets Management Plan:

This plan covers the infrastructure assets that provide electricity network to Greater Taung Local Municipality. These assets include:

The Electricity Assets Management Plan network comprises:

- Upgrading of Transformers
- Villages as Listed as Priority 1 in the IDP.
- Provision of Street Lights and High Mast for the Pudimoe residential area
- Assessment of the existing medium voltage electricity reticulation system
- Provision of Street Lights and area lighting systems in Reivilo Township.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The emphasis of the Asset Management Plan is to communicate the consequences that this will have on the service provided and risks, so that decision making is informed.

We plan to provide Electricity Network services for the following:

- Operation, maintenance, renewal and upgrade of CBD, Towns of Taung, Reivilo and Pudimoe and the Villages listed as Priority in the IDP.
- Construction of various Electricity networks in different prioritized villages within the 20-year planning period.

Storm water Network Assets Management Plan:

This plan covers the infrastructure assets that provide road network to Greater Taung Local Municipality.

The Stormwater Assets Management Plan network comprises:

- CBD
- Towns (Taung, Reivilo and Pudimoe)
- Villages as Listed as Priority 1 in the IDP.

We plan to provide Stormwater Network services for the following:

Operation, maintenance, renewal and upgrade of CBD, Towns of Taung, Reivilo and Pudimoe and the Villages listed as Priority in the IDP.

T 5.3.1

Treatment of the Three Largest Assets Acquired 2022/2023 – 2024/2025				
Asset 1				
Name	Maganeng Access Road			
Description	Construction of 3km Paved road at Maganeng, which includes layer works, paving, V - drain, kerbing, road marking and signs.			
Asset Type	Road			
Key Staff Involved	PMU Unit			
Staff Responsibilities	Regular site inspection. Verification of claims as per the work done on site and attending of site and technical meetings			
Asset Value	**2021/2022**	**2022/2023**	**2023/2024**	**2024/2025**
		R14 347 661.63		
Capital Implications	Increases the number of assets in the asset register			
Policies in Place to Manage Asset	MIG			
Asset 2				
Name	Kgomotso Access Road			
Description	Construction of 3km Paved road at Kgomotso, which includes layer works, paving, kerbing, road marking and signs.			
Asset Type	Road			
Key Staff Involved	PMU Unit			
Staff Responsibilities	Regular site inspection. Verification of claims as per the work done on site and attending of site and technical meetings			
Asset Value	**2021/2022**	**2022/2023**	**2023/2024**	**2024/2025**
			R11 387 774.67	
Capital Implications	Increases the number of assets in the asset register			
Policies in Place to Manage Asset	MIG			
Asset 3				
Name	Construction of 3km Paved road at Seoding, which includes layer works, paving, drift, kerbing, road marking and signs.			
Description	Road			
Asset Type	PMU Unit			
Key Staff Involved	Regular site inspection. Verification of claims as per the work done on site and attending of site and technical meetings			
Staff Responsibilities	Construction of 3km Paved road at Maganeng, which includes layer works, paving, V - drain, kerbing, road marking and signs.			
Asset Value	**2021/2022**	**2022/2023**	**2023/2024**	**2024/2025**
				R13 570 867.69
Capital Implications	Increases the number of assets in the asset register			

ASSET MANAGEMENT

The development of asset management plans is an interactive process that starts with the identification of service delivery needs and ends with an approved "multiyear" budget linked to the SDBIP based upon the most cost-effective method of delivering that service.

Asset management plans also include asset maintenance plans to ensure provision in the budget for appropriate funding to guarantee that existing assets continue to perform at the required levels and standards of service. The asset management plans, for example, will inform the maintenance budget.

T 5.3.3

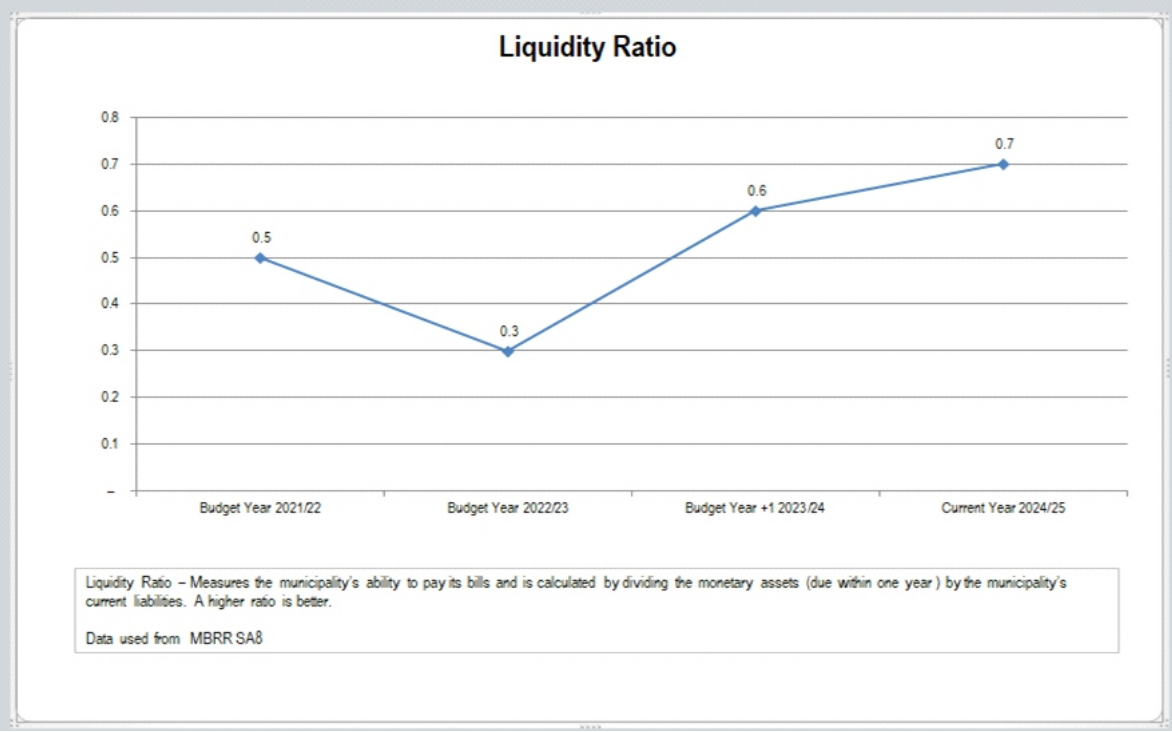
Repair and Maintena nce Expenditure: 2024/2025				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	10,870	16,288	9,052	23%
				T 5.3.4

REPAIR AND MAINTENANCE EXPENDITURE

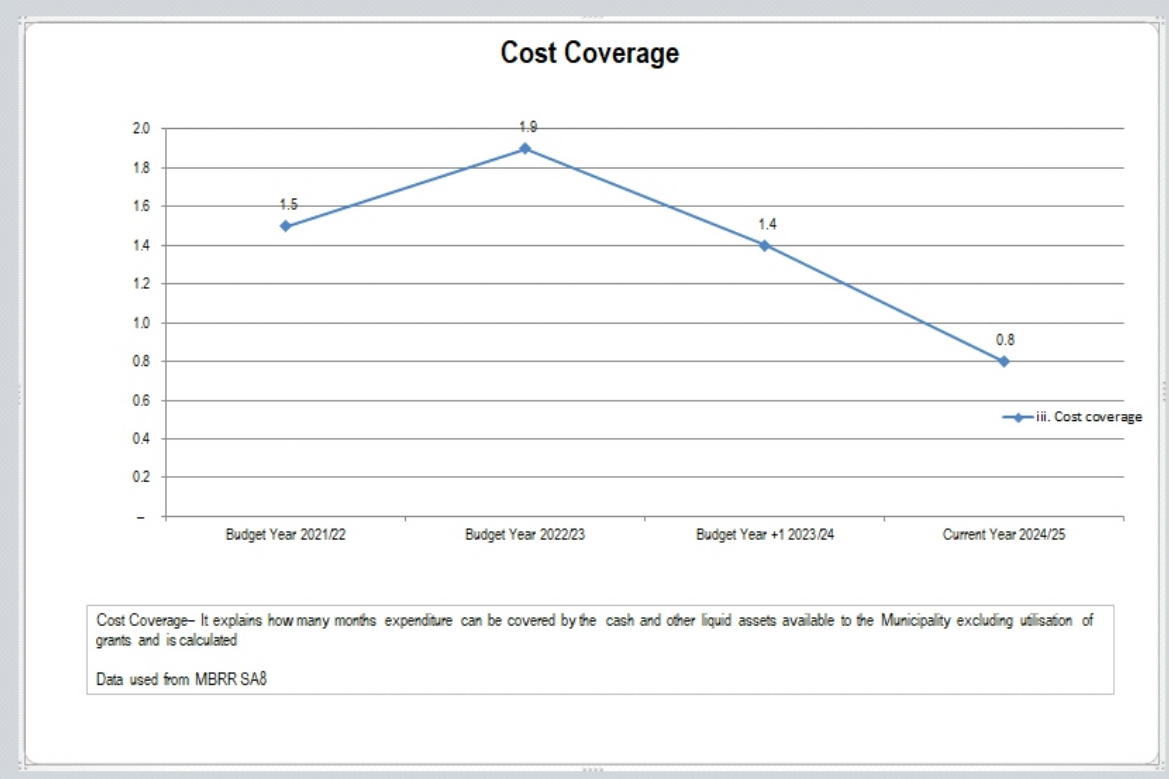
There is no over expenditure on repairs and maintenance.

T 5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

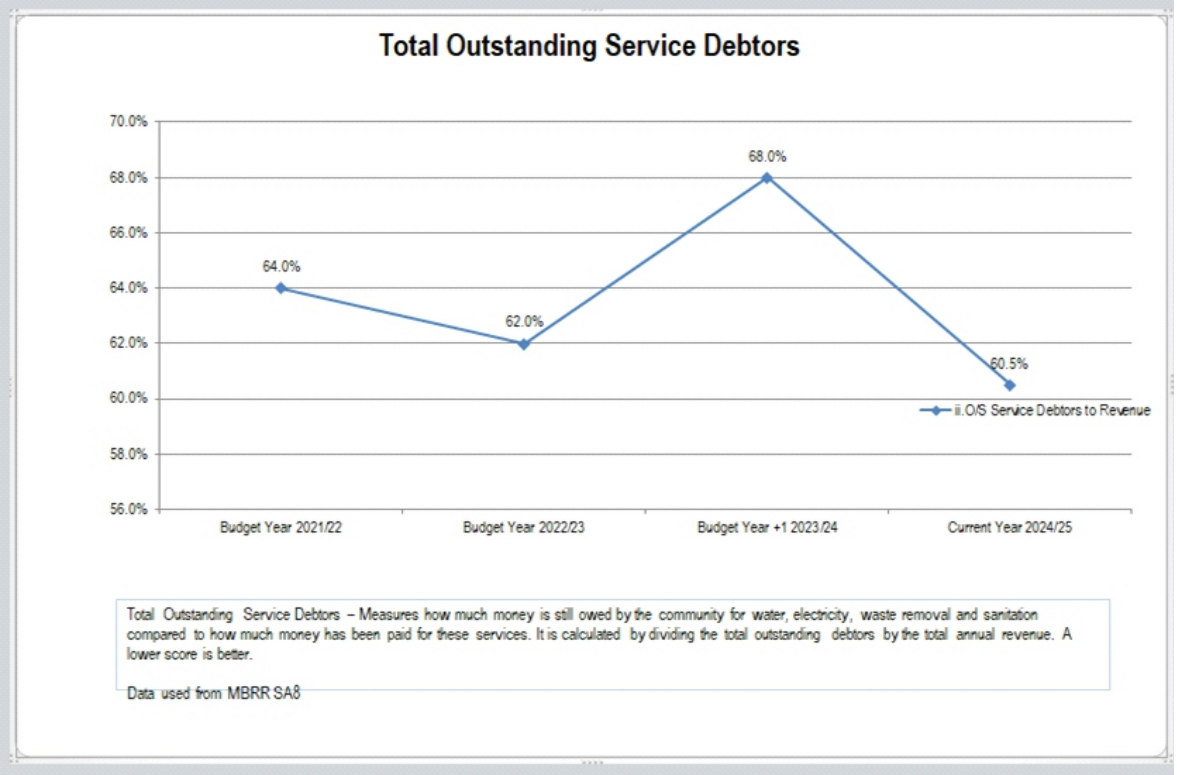


T 5.4.1



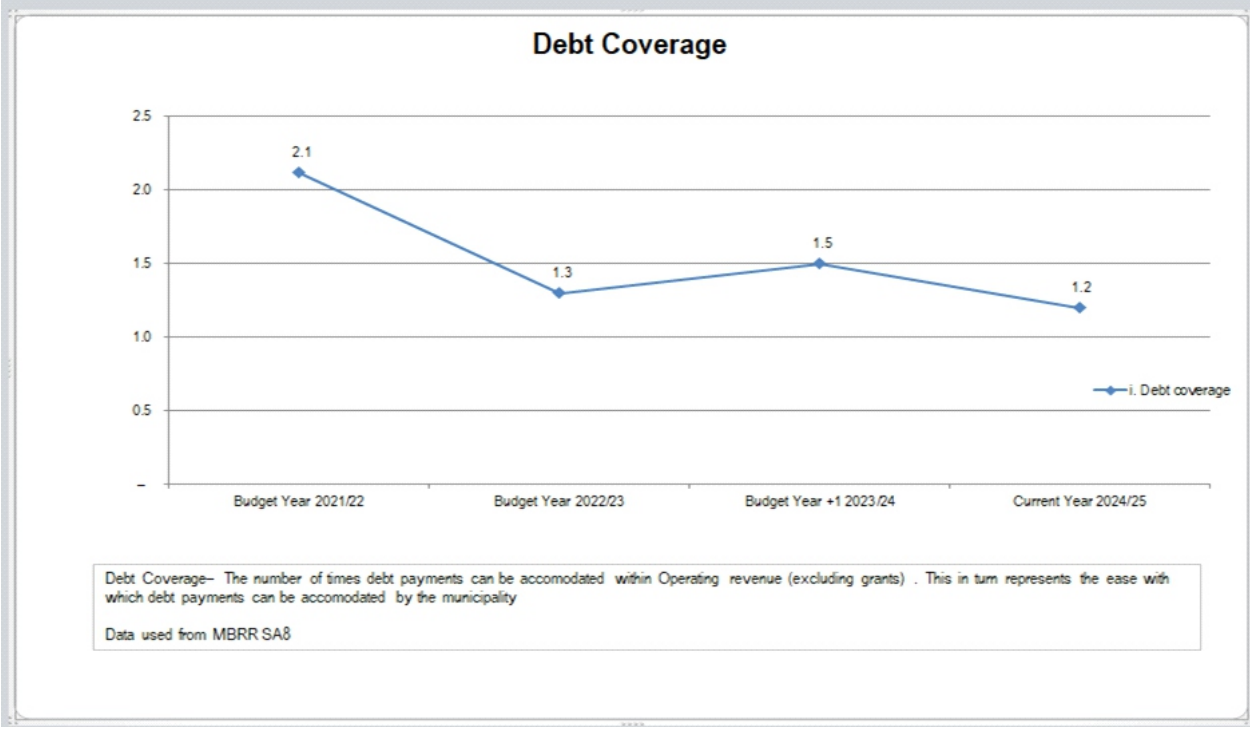
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8



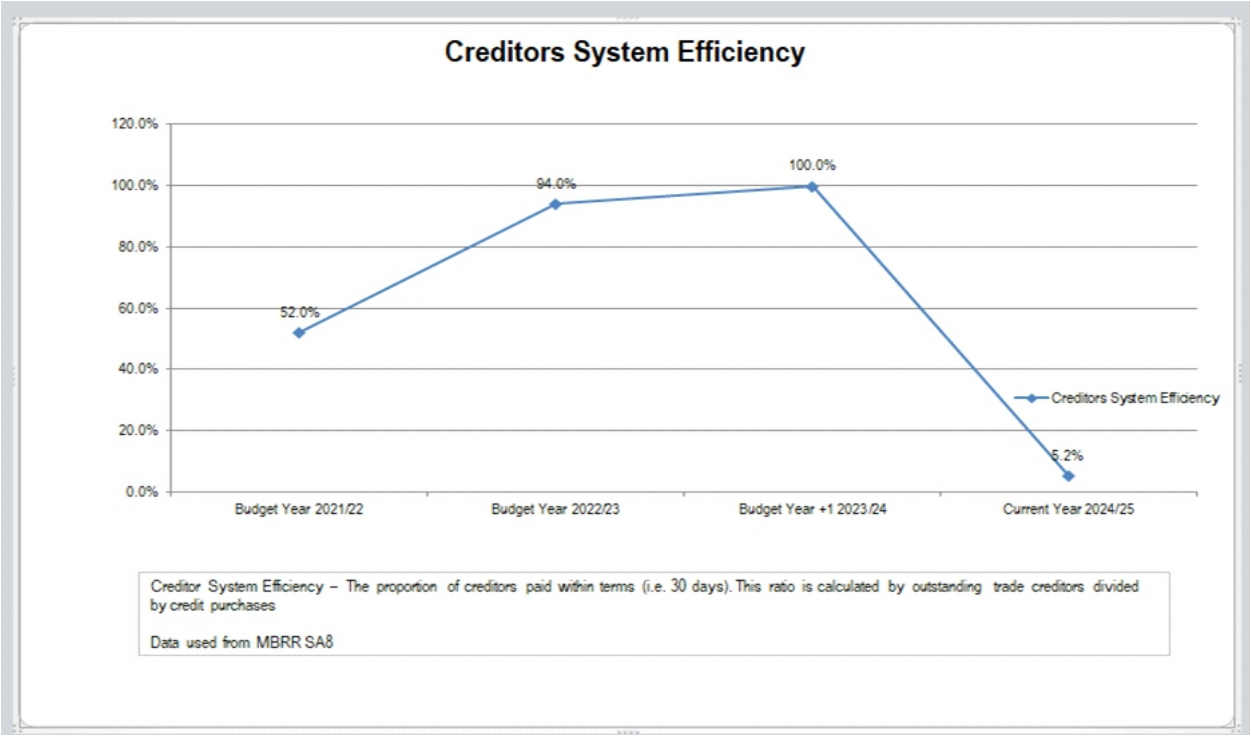
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8



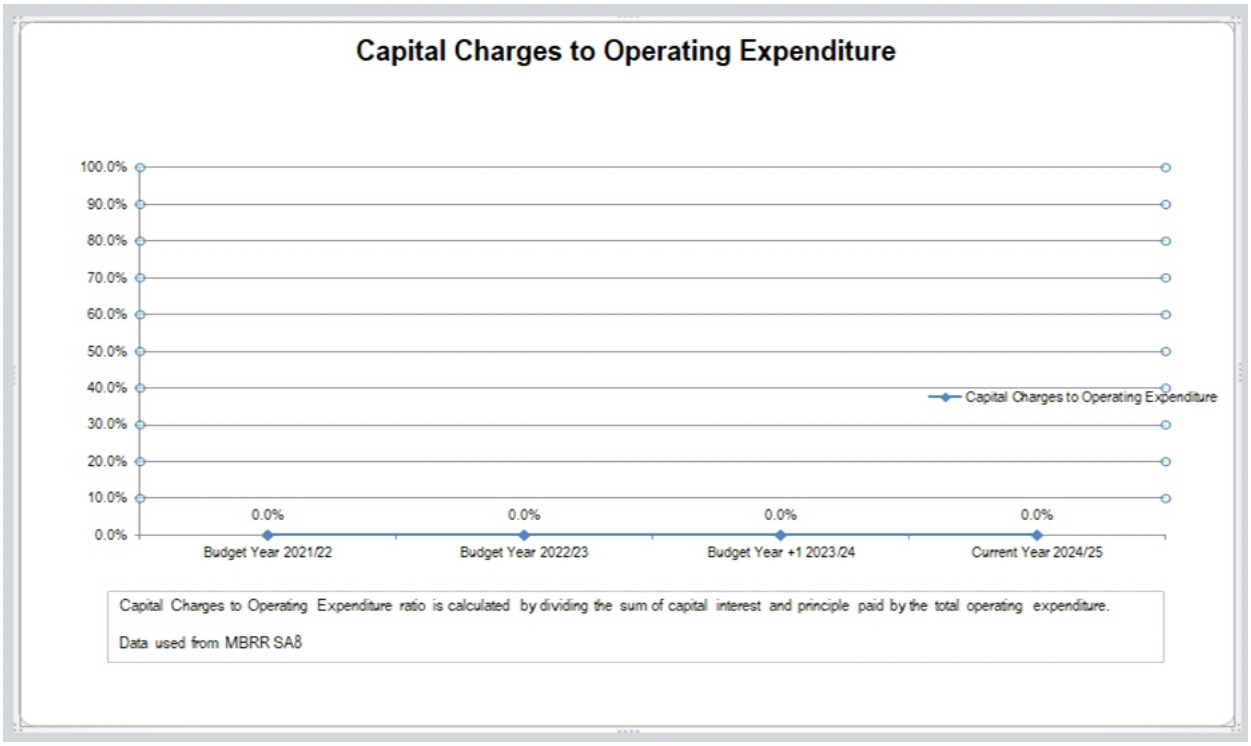
Debt Coverage– The number of times debt payments can be accomodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accomodated by the municipality

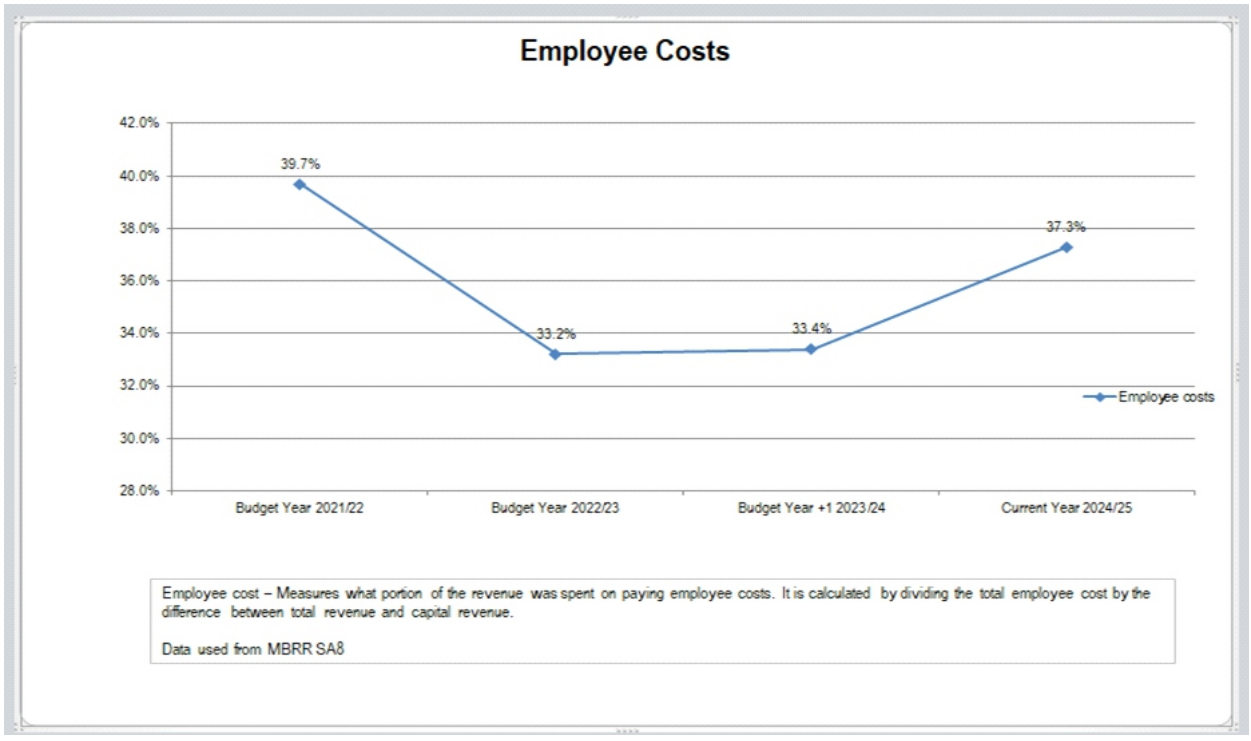
Data used from MBRR SA8

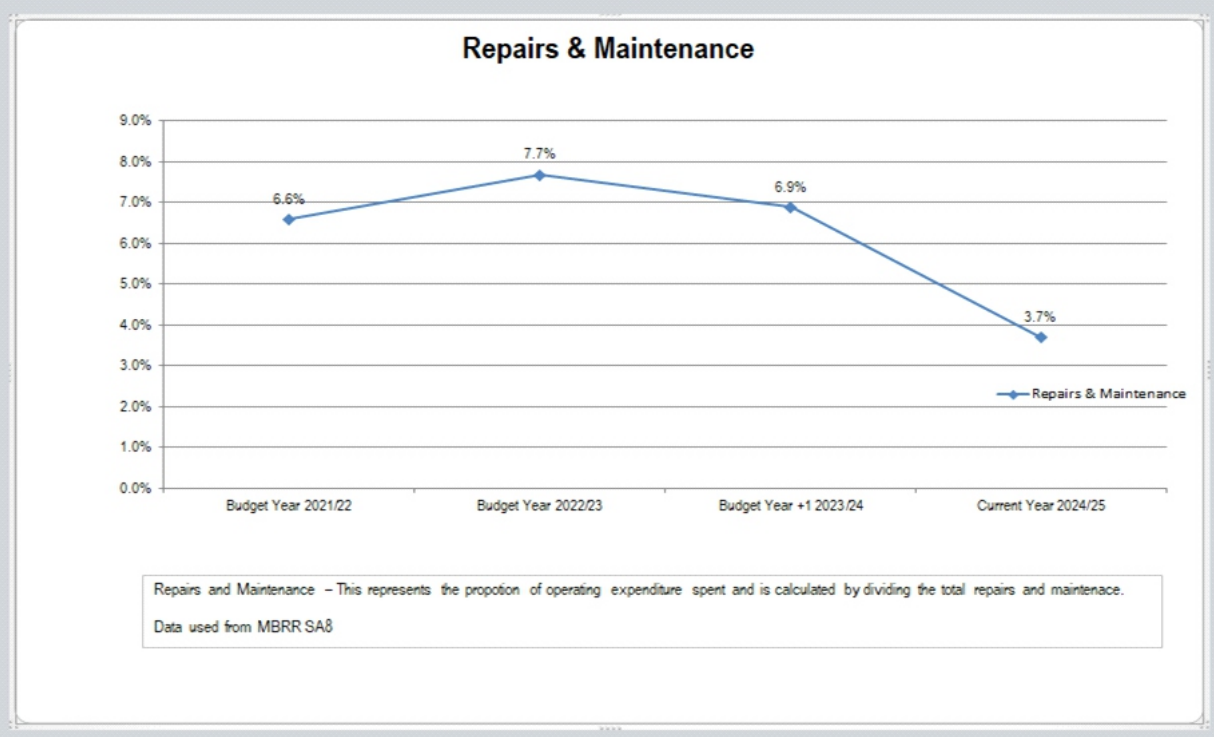


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8


Capital Charges to Operating Expenditure
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
0.0%
0.0%
0.0%
0.0%
Budget Year 2021/22
Budget Year 2022/23
Budget Year +1 2023/24
Current Year 2024/25
Capital Charges to Operating Expenditure
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.
Data used from MBRR SA8


Employee Costs
42.0%
40.0%
38.0%
36.0%
34.0%
32.0%
30.0%
28.0%
39.7%
33.2%
33.4%
37.3%
Budget Year 2021/22
Budget Year 2022/23
Budget Year +1 2023/24
Current Year 2024/25
Employee costs
Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.
Data used from MBRR SA8



FINANCIAL RATIOS

Liquidity Ratio:

This ratio depicts that the municipality's assets are more than the liabilities. However, the ratio also includes the amount of money still owed to the municipality by its debtors. Considering that most debtors have been owing for more than 12 months the ratio might be a bit overstated. Nonetheless the municipality will still be able to cover its operations even without settlement of those debts. Therefore, the ratio is favourable.

Cost Coverage:

The municipality's ability to pay for its operations is not questionable. Even though the number of months has reduced in the past three years, this is attributed to the fact that the municipality had to use some of its investments in 2022 to finance the capital projects. The annual budget has been funded for the past 5 years. However, care should be given in ensuring that the municipality continue to strengthen the controls in the spending patterns. Only those goods and services that are budgeted for should be prioritised.

The Total Outstanding Service Debtors:

Payment of municipal service has always been a crisis for many institutions. The collection rate of the municipality is way below the expected rate which continues to give a burden to the municipality in terms of funding operations. The municipality has continued to hand-over those debtors that are not settling their bills in time. Government debt is also a priority for the municipality and there have been arrangements in place to ensure 100% collection of such funds.

Creditors System Efficiency:

The municipality has been able to service most of its creditors in time.

Employee Costs:

This ratio has always been above the treasury norm.

Repairs and Maintenance:

Due to the lockdown the expenditure on repairs and maintenance has been rather low. However, most of the municipality's properties are fairly new and do not require maintenance hence the budget is lower against Capital Expenditure.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The municipality's spending on capital projects is in line with IDP which is also aligned to the annual budget. The municipality managed to approve a procurement plan that formed part of the municipal acquisition strategy. The value chain was proper that all projects were appointed in time. The bid committees were in place to ensure appropriate turn-around time w.r.t appointment of tenders. The lockdown was the only issue that let to slow movement in capital expenditure.

T 5.5.0

5.5 CAPITAL EXPENDITURE

T 5.5.1

5.6 SOURCES OF FINANCE

SOURCES OF FUNDING

Greater Taung Local Municipality is mostly reliant on government funding.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects* EXCELL R' 000					
Name of Project	Current: 2023/2024			Variance: 2024/2025	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A-Highmast light Phase 7	R10,080.00	R9,885.824	R7,896,656	128%	80%
B – Construction of Modimong Sports Facility	R10,000,000	R10,000,000	R8,765,775	114%	88%
C – Construction of Seoding Access road	R8,250,000	R9,000,000	R9,322,340	89%	104%
D – Construction of Vaaltyn access road	R7,202,201	R8,218,398	R7,432,738	97%	90%
E – Construction of Tlapeng Access Road	R7,050,000	R7,050,000	R4,633,927	152%	66%
** Projects with the highest capital expenditure in 2024/2025*					
Name of Project - A	**Highmast light installation Phase 7**				
Objective of Project	Highmast light installation Phase 7- to service the community of Taung by providing light.				
Delays	Energising by Eskom				
Future Challenges	Completed				
Anticipated citizen benefits	177,642				
Name of Project - B	**Construction of Modimong sports facility**				
Objective of Project	Construction of Modimong sports facility to create a healthy environment and to enhance economic development				
Delays	Rain, Community unrest and change of scope				
Future Challenges	Delayed completion of the project				
Anticipated citizen benefits	2,737				
Name of Project - C	**Construction of Seoding Access Road**				
Objective of Project	Construction of Seoding Access Road, improving transportation efficiency, safety and access to essential services.				
Delays	N/A				
Future Challenges	Completed				
Anticipated citizen benefits	1,900				
Name of Project - D	**Construction of Vaaltyn Access Road**				
Objective of Project	Construction of Vaaltyn Access Road, improving transportation efficiency, safety and access to essential services.				
Delays	Rain, Community unrest and poor cash flow Management from the contractor.				
Future Challenges	Community vandalizing the lumens due to prolonged energizing				
Anticipated citizen benefits	1,100				
Name of Project - E	**Construction of Tlapeng access Road**				
Objective of Project	Construction of Tlapeng Access Road, improving transportation efficiency, safety and access to essential services.				
Delays	Community Unrest and Rain				
Future Challenges	Delayed completion of the project				
Anticipated citizen benefits	2.342				
T 5.7.1					

CAPITAL PROJECTS

The municipality was allocated an MIG Budget of R62,835,200 for the financial year 2024/2025 FY.

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Roads are the most prioritise in municipal IDP, it clearly shows that we have a serious road infrastructure backlog. The municipality has a backlog of ±2,880.11km of roads infrastructure and need approximately R16.8b to address this back. The municipality is currently developing roads infrastructure (6km per year) through MIG a drop in an ocean when compared with the current backlog.

T 5.8.1

Service Backlo gs as at 30 June 202 5 Households (HHs)				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	42,980	%		36%
Sanitation	42,980	%		36%
Electricity	5,020	%		58%
Waste management	42,980	%		36%
Housing	42,980	%		36%

T 5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure 2024/2025 on Service backlogs R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adj Budget	
Infrastructure - Road transport						
Roads, Pavements & Bridges	R33 172 338.71	R35 206 592.77	R35 246 581.36	53%	56%	None
Storm water	R7 082 861.29	R7 186 748.08	R7 186 748.08	11%	11%	None
Infrastructure - Electricity						
Generation	R0	R0	R0	0%	0%	None
Transmission & Reticulation	R0	R0	R0	0%	0%	None
Street Lighting **(High mast Lights)**	R10 080 000.00	R9 885 788.15	R9 845 772.67	16%	16%	None
Infrastructure – Community Facility						
Sports Facility	R10 000 000.00	R10 000 000.00	R10 000 000.00	16%	16%	None
Land fill site	R2 500 000.00	R556 071.00	R556 071.00	4%	1%	None
Total	**R62 835 200.00**	**R62 835 200.00**	**R62 835 173.11**	**100%**	**100%**	

T 5.8.3

BACKLOGS

The Graeter Taung Local Municipality's annual budget for infrastructure development is unable to address backlogs. MIG, EPWP IG and Own Funding have played a pivotal role in the assistance in addressing backlogs. Key functions that have been addressed were roads, stormwater management and area lighting. The municipality is availing own funds for development of roads infrastructure through EPWP to mitigate the challenge however its coffers are near depletion hence the budget has been reduced, and additional own funded projects could not be implemented.

T 5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Overall, the municipality's financial viability assessment indicates that the municipality is in a healthy financial position. The municipality pays its creditors well within the required 30 days. The municipality is also able to easily cover all its creditors with the cash and cash equivalents available at year end. The cash and cash equivalents are high because of unused money that is invested on which interest is earned. The municipality's liquidity is healthy as the current assets greatly exceed the current liabilities. The current assets are boosted by the high amount of cash and cash equivalents as mentioned above, while the current liabilities are kept low by the fact that creditors are not long outstanding.

The only negative indication in the financial viability assessment is the debt collection period, which indicates that the municipality waits more than a year to collect money from its debtors. Although the ratio improved from the previous financial year, it is still a risk that the money is not received for services rendered. This risk is, now, mitigated by the fact that the municipality has high amounts of cash and cash equivalents available, and the high amount of equitable share received each year, and is therefore not likely to experience cashflow problems now.

T 5.9

5.9 CASH FLOW

CASH FLOW OUTCOMES

Cash Flow Statement are included in the audited Annual Financial Statement. No borrowings for the financial year under review.

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The Municipality does not have any loans or overdrafts. The Municipality have Investments in the following banks:

1. ABSA Bank
2. First National Bank
3. Standard Bank
4. Nedbank

All this accounts balances will be disclosed under Cash and Cash Equivalent of 2024/2025 FY

T 5.10.1

BORROWING AND INVESTMENTS

No loans or overdraft were taken by the Municipality in 2024/2025 FY. The balance of the investment accounts were as follows on the 30 June 2025.

BORROWING AND INVESTMENTS

No loans or overdraft were taken by the Municipality in 2024/2025 FY. The balance of the investment accounts were as follows on the 30 June 2025.

YEAR END - MONTH 12 JUNE 2025 INVESTMENT REGISTER

Bank	Account nr	Purpose of Investment			Balance
ABSA	2065098656	Fixed Deposit	365Days	30-Jun	R102 412,78
ABSA	2064601519	Fixed Deposit	365Days	30-Jun	R602 173,88
ABSA	2063813884	Fixed Deposit	365Days	30-Jun	R177 065,56
ABSA	2063507897	Fixed Deposit	365Days	30-Jun	R10 836 083,53
ABSA	2063813842	Fixed Deposit	365Days	30-Jun	R587 758,42
ABSA	2063484566	Fixed Deposit	365Days	30-Jun	R5 927 253
ABSA	9377261863	Fixed Deposit	365Days	30-Jun	R380 311
ABSA	2065986332	Fixed Deposit	365Days	30-Jun	R509 745,06
Standard	04 8560065004	Notice Deposit	365Days	30-Jun	R1 285 465,76
FNB	74857681785	Fixed Deposit	365Days	30-Jun	R4 804 684,27
Nedbank	03/7667500223/000135 - 159/165	Fixed Deposit	365Days	30-Jun	R1 073 607,01
Nedbank	03/7667500223/000133 - 157/163	Fixed Deposit	365Days	30-Jun	R3 331 775,38
Nedbank	03/7667500223/000134 - 158/164	Fixed Deposit	365Days	30-Jun	R3 713 274,27
Nedbank	03/7667500223/000132 - 156/166	Fixed Deposit	365Days	30-Jun	R185 617,42
Nedbank	03/7667500223/000131 - 155/161	Fixed Deposit	365Days	30-Jun	R137 037,73
Nedbank	03/7667500223/00030 - 154/160	Fixed Deposit	365Days	30-Jun	R110 384,27
Nedbank	03/7767500223/000001	Fixed Deposit	365Days	30-Jun	R24 708
Total					**R36 156 728,00**

5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The Greater Taung Local Municipality does not have any Public Private Partnerships in place.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Supply Chain Management Unit is established according to Section 111 of the Municipal Finance Management Act 56 of 2003 that states that the municipality has to adopt and implement Supply Chain Management Policy. Supply Chain Management System of the municipality provides a mechanism to ensure fair, equitable, transparent, competitive, and cost-effective procurement whilst promoting black economic empowerment.

Key Findings from previous Auditor General's Report:

Findings will be included post audit outcome.

Remedial Actions:

Actions will be included post audit outcome.

T 5.12.1

5.13 GRAP COMPLIANCE

The Greater Taung Local Municipality applies GRAP in the compilation of its financial statements. Although every effort is made to comply fully to the GRAP standards applicable, documented issues exist are not GRAP compliant issues. All Financial Statement compliant issues are corrected.

T 5.13.1



chapter 6

Auditor General Audit Findings

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Greater Taung Local Municipality submitted the Annual Financial Statement on the 29th of August 2025 in line with section 126 of the Municipal Finance Management Act 32 of 2003 for auditing by Auditor General. The municipality will be audited from September until end November 2025 and receive the audit report from the auditor general in December.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2024/2025

6.1 AUDITOR GENERAL REPORTS 2023/2024 (PREVIOUS YEAR)

Status of audit report:	**Qualified**
Non-Compliance Issues	**Remedial Action Taken**
ISS44: COAF42 -Fully Depreciated Assets Contrary to the above, we have noted a total of 1 584 assets (Annexure A) which were fully depreciated at year end or scheduled to reach full depreciation immediately after year end. The noted assets have reached the end of their useful lives as depicted below – (see 2023/24 Audit Report for detail) The existence of these still in use fully depreciated/approaching full depreciation assets is signalling weaknesses in management's practices regarding the reassessment of useful lives. The misstatement resulting from the inappropriate reassessment of useful lives cannot be quantified. Potential weakness in the controls over the practices surrounding the reassessment of useful lives. This finding will result in:- • PPE being misstated. • possible qualification paragraph	Asset verification for all assets will be done, during the process of verification assessment of useful life and if disposal have to take place a report to council
ISS56: COAF49 - Compliance: Non- compliance with section 12(5) of the DORA Contrary to the above, we noted the following during the testing of conditional grants testing: - • Financial Management Grant (FMG) & Library grant – the municipality failed to submit performance evaluation report to the transferring officer and the relevant Provincial treasury. • Municipal Infrastructure Grant (MIG) – The municipality failed to prepare performance evaluation report as required by section 12(5) of the DORA. The finding will result in non-compliance with the requirements of the Section 12(5) of the DORA.	Management will comply quarterly reports, to be signed by CFO and MM and send to Treasury

ISS06: COAF09 - Investigation of UIFW Expenditure Contrary to the above, based on work done on consequence management and enquiries with management, confirmed that no investigations were conducted in the 2023/24 financial year by MPAC for irregular, fruitless and wasteful expenditure to determine if any person is liable for the expenditure/transgression.	Municipality will follow the UIF&W Reduction Strategy Plan that was done by the municipality and Provincial Treasury
ISS57: COMAF52 – Oversight Report on the 2022/23 Annual Report	MPAC to develop and action or schedule of meeting that will be used to perform its responsibility in terms oversight on financial and performance reporting
Contrary to the above, no evidence exists to confirm that council tabled the oversight report on the 2022/23 annual report. We confirmed through the inspection of council resolution 18-2023/24 that the 2022/23 annual report was tabled. Per the resolution, the oversight and public hearing of the report commenced immediately and a progress report on the oversight report was taken during the 20 March 2024 council meeting, but no other evidence is available to prove that the oversight report was tabled within 2 months of receiving the annual report.	
ISS30: COAF 39 - CORI : Completeness of indicators Contrary to the above during the testing of performance information, we noticed that the following relevant service delivery indicator was not included within the Top Layer SDBIP of Greater Taung Local Municipality for 2023/24 financial year although the Local Government: Municipal Planning and Performance Regulations requires for municipalities to have them. The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan. This finding will result in:- • The SDBIP of the municipality not including all the relevant indicators • Non-compliance with the Local Government Municipal Planning and Performance Regulations.	As this indicator is already part of the Technical SDBIP, it would be moved to the Top-Layer SDBIP during revision of the SDBIP after budget adjustment
ISS41: Coaf 34 -No VAT schedule that agrees to AFS amount During the execution phase of auditing VAT receivable, we noted that the municipality lacks a detailed VAT schedule for individual transactions comprising the VAT receivable balance: (see 2023/24 Audit Report for detail)	Ongoing monitoring of VAT transactions, engage AG on the matter of VAT

ISS11: COAF 20 - Unauthorised expenditure - Prior Period Error Contrary to the above, we noted that the prior period error adjustments relating to unauthorised expenditure was not disclosed in the annual financial statement. The following misstatement was noted: (see 2023/24 Audit Report for detail)	The prior year adjustment will be made on the 2024/2025 F/Y. The adjusted AFS will be updated also as per the register. The interim AFS for 2024/2025 will be adjusted accordingly
ISS24: COAF 18 - Irregular expenditure - Incorrect prior year adjustment Contrary to the above, we noted that the prior period error adjustments relating to irregular	Investigations are done. Prior year correction will be done. Adjust the register
expenditure was not accurate and complete, as through inspection of the disclosure in the financial statement note 56, we confirmed that there were some irregular expenditures that was not accounted for. We noted the following difference between the irregular expenditure register and auditor's recalculation: (see 2023/24 Audit Report for detail) The SCM manager did not adequately review the adjustment of prior-year irregular expenditure listing and ensure that register was accurate, complete, and supported by reliable information. Irregular expenditure is understated with a factual amount of R5,890,124.07	
ISS32: COAF 47 – Unauthorised expenditure understated Contrary to above, we noted the misstatement during the testing of unauthorised expenditure as follow: (see 2023/24 Audit Report for detail) This was due to inadequate reviews of the unauthorised expenditure calculation This results in a material understatement in unauthorised expenditure for current financial years	Management have done the re-calculation of the Unauthorised Expenditure for 2023/24, and adjustment will be made on the AFS as prior year
	T 6.1.1

COMPONENT B: AUDITOR-GENERAL OPINION 2024/2025 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT 2024/2025

Status of audit report:	Qualified
Non-Compliance Issues	**Remedial Action Taken**
1. COMAF 4 – Limitation of scope **Requirement** *In terms of section 62(1)(a) and (b) of the MFMA – General financial management functions - 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—* *a) That that the resources of the municipality are used effectively, efficiently and economically;* *b) Full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;* **Finding** During obtaining the understanding of the Greater Taung Local Municipality for the 2024/25 audit, it was identified that the following policies were not approved and reviewed: • ICT-End-User Backup Policy • Password management policy • Task Job Evaluation Policy • Server Backup Policy • Server Baseline & Server Security Policy • User Account Management Policy	All policies to be approved and have a council resolution for the approval every year.
2. COMAF 6 Disclosure of original and revised indicators Contrary to the requirements of MFMA Circular No. 129, it was noted that the Draft Annual Performance Report for the 2024/25 financial year does not disclose the original indicators and targets alongside the revised ones. This omission compromises transparency and limits the municipal council's ability to exercise effective oversight, as stakeholders cannot assess actual performance against the initially approved KPIs and targets.	2025/2026 Draft Annual Performance report will incorporate original indicators and targets alongside revised ones as prescribed by MFMA circular 129
3. COMAF 12 - Limitations on the VAT reconciliation provided for audit The following limitations were identified on the VAT reconciliation that was provided to support the prior year VAT receivable closing balance (2023/24), to address the material misstatements identified in previous financial year: The VAT reconciliation does not include reconciling items to reconcile the receivable from SARS calculated on the cash basis, to the amount as per the annual financial statements which is prepared on the accrual basis – The VAT Reconciliation for 23/24FY is attached that proves the closing balance of 2023/2024FY. Attached Statements of Accounts for 2023/2024 FY. No evidence that the opening balance and material misstatements of prior periods were addressed – The municipality acknowledges the Auditor-General's observation. The matter originated in the 2022/23 financial year when the appointed AFS consultant incorrectly equated the Annual Financial Statements (AFS) balance to the VAT statement, resulting in an unsupported journal entry.	VAT reconciliation will be supported by relevant calculations and evidence to ensure that prior period misstatements are addressed.

<table>
<tr><td>This error was identified and fully reversed in the 2023/24 financial year. While the balance was qualified in 2023/24, management maintains that the current balance is correct and fairly stated. Accordingly, no prior period adjustment is deemed necessary, as the reversal has already neutralized the impact of the unsupported journal.</td><td></td></tr>
<tr><td>4. COMAF 13 - Duplicated disclosure of UIFW on the AFS
During the review of the Annual Financial Statements (AFS), we noted a concern relating to the disclosure of Unauthorized, Irregular, and Fruitless and Wasteful (UIFW) expenditure. In Note 53, titled “Unauthorized, Irregular, and Fruitless and Wasteful Expenditure,” a total closing balance of R452 million was disclosed, which consolidates all three categories of expenditure.

Extract of note 53

<table>
<tr><td>53. Unauthorised, Irregular and Fruitless and Wasteful Expenditure</td><td>2025</td><td>2024</td></tr>
<tr><td>Unauthorised expenditure</td><td>175 511 453,00</td><td>313 639 124,00</td></tr>
<tr><td>Irregular expenditure</td><td>274 393 649,00</td><td>385 877 319,00</td></tr>
<tr><td>Fruitless and wasteful expenditure</td><td>2 466 214,00</td><td>3 276 409,00</td></tr>
</table>
However, we also noted that:
• Note 54 (Unauthorized Expenditure),
• Note 55 (Fruitless and Wasteful Expenditure), and
• Note 56 (Irregular Expenditure)
each provide detailed disclosures of the same balances that were already included in Note 53.

This results in the duplication of the UIFW expenditure amounts, as the same figures are effectively disclosed twice being the closing balance of the UIF&W in the consolidated Note 53 and again individually in Notes 54 to 56.</td><td>The internal control deficiency will be addresses and the Disclosure will be as per regulation.</td></tr>
<tr><td>5. Duplicated disclosure of UIFW on the AFS
During the audit of the 2024/25 financial year, we noted that the municipality did incur Unauthorised and Fruitless & Wasteful Expenditure (UIF&W) even through the incurred amount have decreased significantly, except for irregular Expenditure which has increased by over 43%, indicating serious non-compliance with procurement or financial regulations in the current year.

The current year amount incurred for Unauthorised, irregular, fruitless & wasteful expenditure, is contrary to the requirements of the Municipal Finance Management Act (MFMA) section 62(1)(b) which indicates weaknesses in financial oversight, internal controls, and compliance with legislative requirements to prevent UIF&W expenditure. The municipality incurred the following expenditures during the 2025 financial year:

Unauthorised Expenditure: R28,211,396 (2024: R45 905 534)
Fruitless and Wasteful Expenditure: R49,906 (2024: R495 736)
Irregular Expenditure: R55,955,284 (2024: R10 477 761)</td><td>The internal control deficiency will be addresses and the Disclosure will be as per regulation.</td></tr>
</table>

6. COMAF 14 - Segment reporting

Difference between current year figures as per notes 59 (Segment information) and current year figures as per statement of financial position and statement of financial performance

During 2024/2025 MFMA audit at Greater Taung Local Municipality, we identified material differences between current year figures as per note 59 (Segment information) and current year amount as per statement of financial position /statement of financial performance

Line item as per note 59	Current year total amount as per note 59	Amount per statement of financial position and statement of financial performance	Difference	Comments
Revenue: Fair value adjustment	R7 352 826,00	R0	R7 352 826,00	The fair value amount included does not agree to the R281 000 reported in the statement of financial statement performance.
Liabilities: Current liabilities	R46 408 112,00	R49 112 179,00	R2 704 067,00	This amount does not agree to the face of the statement of financial position
Non-current liabilities	R57 725 105,00	R55 027 710,00	(R2 697 395,00)	This amount does not agree to the face of the statement of financial position

1.The accounting officer needs to maintain segment reporting records throughout the year and prepare quarterly reports in line with the requirements as per GRAP 18.

2.The amounts presented in the segment reports must reconcile to the total amounts disclosed in the financial statements and be fully supported by credible listings and schedules.

3.Internal controls should be implemented and monitored, specific to the review of the financial statements to ensure that information presented is accurate and casted.

4.Internal audit and the audit committee need to ensure these processes are reviewed accordingly

7. COAF 15 – finding 1 - Impairment on Vat receivable

During the audit of VAT receivable, we noted that the amount of R8 808 635 as presented in the financial statements was calculated based on the amount before impairment; however, the municipality did not perform an impairment assessment on this balance. GRAP 108 requires statutory receivables, such as VAT, to be measured at the transaction amount and subsequently adjusted for impairment losses where there is evidence that the full amount may not be recoverable. By not considering impairment, the municipality risks overstating the VAT receivable and failing to comply with GRAP's subsequent measurement requirements.

Given the municipality's environment, where most receivables are subject to impairment due to collection challenges, and as disclosure in note 36 amounting - R 15 901 218 and note 18 amounting – R 72 052 488. It is reasonable to conclude that the VAT receivable should also be assessed for impairment in accordance with GRAP 108. Failure to do so may result in the VAT receivable being overstated and not reflecting its recoverable amount.

Ensure VAT receivable is accurately recognized and as a value-add, clearly disclose both the cash basis and accrual basis amounts in the VAT note to enhance transparency and ensure fair presentation of financial statements

<table>
<tr><td>The vat disclosure should be clearly disclose both the cash basis and accrual basis amounts in the VAT note to enhance transparency and ensure fair presentation of the financial statement</td><td></td></tr>
<tr><td>8. Coaf 17: Finding 1 – Non-compliance regarding CFO post
During the testing of employee cost, through inspection of the filling of the CFO post, we noted that the post was advertised on 27 March 2024 which is more than 14 days after council approval (19 February 2024). This in contravention with regulation 10 on appointment and conditions of employment of SMs.</td><td>Compliance with Regulation 10 of the Regulations on Appointment and Conditions of Employment of Senior Managers by advertising senior management posts within the prescribed timeframe followin g council approval. Clear internal timelines and responsibilities should be established between the Human Resources unit and the Office of the Municipal Manager to prevent delays. In addition, management should implement a compliance checklist or monitoring mechanism to track key recruitment milestones and ensure accountability in future appointments.</td></tr>
<tr><td>9. Coaf 18: Finding 19: Misstatements in the Cash flow statement During audit of statement of cashflow for the year ended 30 June 2025 the following discrepancies were identified under cash flow from operating activities.
<table>
<tr><th>Cash flow from operating activities</th><th>Amount as per AFS</th><th>Auditors Recalculation</th><th>Difference</th><th>Comments</th></tr>
<tr><td>Grants and subsidies received</td><td>343 442 000</td><td>343 454 000</td><td>(12 000)</td><td>Agree – with the difference</td></tr>
<tr><td>Suppliers</td><td>(167 426 938)</td><td>(168 235 321)</td><td>(808 383)</td><td>Partially agree with the difference can AG please share their calculations</td></tr>
<tr><td>Compensation</td><td>(157 925 955)</td><td>(157 925 955)</td><td>(10)</td><td>Disagree with the finding. There is no difference between the Municipality and AG.</td></tr>
</table></td><td>Implement controls over daily and monthly processing and reconciling of transactions on the cashflow statement items to ensure that cashflow item amounts are disclosed at the correct amount</td></tr>
</table>

10. COMAF 19 – Finding 20- Receivables from non-exchange impairment is overstated

The allowance for expected credit losses (impairment) on receivables from exchange and non-exchange was understated by R 99,357. The client used an outdated aging analysis and did not consider subsequent collections and recent customer defaults in their impairment assessment.

Details per impairment client 's Impairment Schedule			Auditors' recalculations of impairment			
ACC_NO	TARIFF_DESC	Client Impairment Calculation Total	Impairment rate	Description	Total impairment (2025)	Difference
2800	Rates/Businesses	-82162,10	0,00	Residential Properties	0,00	R82 162,10
2793	Rates/Businesses	-50877,26	0,64	Residential Properties	-39872,35	R11 004,91
2844	Rates/Businesses	-49582,27	0,00	Residential Properties	0,00	R49 582,27
5012	Rates/Businesses	-45327,01	0,89	Residential Properties	-57163,18	(R11 836,17)
2981	Rates/Businesses	-21993,57	0,96	Residential Properties	-21930,25	R63,32
2985	Rates/Businesses	-24898,72	0,19	Residential Properties	-10252,70	R14 646,02
2851	Rates/Businesses	-24377,17	1,00	Residential Properties	-39838,03	(R15 460,86)
2844	Interest Property Rates	-19868,16	0,00	Residential Properties	0,00	R19 868,16
1496	Rates/Businesses	-20350,88	0,90	Residential Properties	-29752,32	(R9 401,44)
5012	Interest Property Rates	-16072,03	0,89	Residential Properties	-57163,18	(R41 091,15)
		-355509,17			**-255972,01**	**R99 537,16**

1. Maintain proper accounting records

2. Ensure that monthly reconciliations are done and approved

11. COMAF 20 – Finding 22- AOPO – Indicators are not measurable

During the testing of the performance information, we noted inconsistencies between the method of calculation in the technical indicator description and the one applied in the annual performance report for the below indicators.

Method of calculation contained in the TID will be amended and aligned to the KPIs

In terms of the technical indicator description, it was indicated that the reported performance will be based on the number of households supported, however in the APR the municipality used the average number of households supported to calculate the reported achievement. KPA 1: Basic service delivery and infrastructure: 1. Number of existing houses in Reivilo provided access to electricity by end of June 2025 2. Number of existing households in Reivilo and Boipelo provided with access to water by end June 2025 3. Number of existing households in the proclaimed areas provided with access to sanitation by end June 2025 4. Number of existing households in proclaimed areas provided with access to weekly refuse removal by end June 2025 KPA 4: Municipal financial viability: 1. Number of indigent households that received free basic electricity in GTLM by end June 2025 2. Number of indigent households that received free basic water in GTLM by end June 2025 3. Number of indigent households that received free basic sanitation in GTLM by end June 2025 4. Number of indigent households that received free basic refuse removal in GTLM by end June 2025 5. Number of indigent households that received monthly rebates on property rates in GTLM by end June 202	
12. COMAF 20: Finding 23: Performance management – Inaccurate determination of percentage completion on POE for access roads construction in Tlhapeng II During the audit of Predetermined objectives KPA 1: Basic services and infrastructure development, the following was noted for the following KPI: Percentage of kilometres of the access road constructions completed in Tlhapeng II by end June 2025. The progress included in the quality control site visit reported that a progress of 73%. Upon inquiry with Management (PMS Manager) and reperforming the calculation it was noted that the accurate figure as per calculation is 50.4% and thus differs to the reported achievement of 73%	Ensure that performance information is prepared, reviewed, and reported in a reliable, complete, and accurate manner to prevent inconsistencies in the reported levels of achievement.
13. COMAF 21; Finding 23 – Municipality doing business with employees of the state	Enforce full compliance with SCM Regulation 13(c) by

It was noted that during the evaluation of SCM policy and regulations compliance, the following supplier listed in the below table, did not disclose on the MBD4 that there is a natural person employed by municipality and also has interest in the supplier and that of the person employed by the other public institution. The municipality did not ensure that proper controls are in place to ensure that no business transaction is awarded to natural person that is employed by other organ of state

Supplier Name	CIPC number	Amount spent	Persons with interest	Comments
PEERMONT GLOBAL (NORTH WEST)	M2006/008171/07	R6 120	**Name**:PHS Zilwa **Employment**: Judge of the High Court **ID**:6207175221089	**Disagree**
VI LA DESTE ENTERPRISE	K2015/036276/07	R22 750	**Name:** KAITP **Employment:** Foreman (Greater Taung Local Municipality) **Employee no.**:701	**Disagree**

ensuring that all bidders and their directors, shareholders, and associated persons formally declare their interests in prescribed declaration forms prior to bid evaluation.
Strengthen verification controls by cross-checking bidder declarations against the Companies and Intellectual Property Commission (CIPC) and National Treasury's Central Supplier Database (CSD) to confirm beneficial ownership and detect undisclosed interests.

14. COMAF 24 - Finding 26 – Employees salary paid does not agree to the approved contract

During the audit of employee appointments, a variance was noted between the basic salary amounts stated in the signed appointment letters and the actual amounts paid as per the payroll (PayDay) reports. In several instances, employees received salaries that exceeded the amounts formally authorized in their appointment documentation.

Ensure that all salary adjustments are formally documented and reflected in updated appointment letters signed by the relevant authorities.

15. COMAF 24 - Finding 27 – Terminated employees not paid their leave payout

Upon inspecting the payslips and the payroll report provided by the municipality, it was noted that four employees were not paid their leave payout as required by the municipality's Leave Policy. The leave payouts remained outstanding at the time of review, despite the obligation to settle these amounts upon termination of employment.

Employee number	Name and Surname	Reason for termination	Termination date	Unpaid leave
298	BD SMOUS	DECEASED	7/31/2024	Unknown
516	AA SEOTHAENG	DECEASED	2/28/2025	178 826,19
278	OD NTIKANG	DECEASED	3/31/2025	44 317,81
495	BA ITUMELENG (KG	DECEASED	2025/05/31	36 578,30
TOTAL				**259 722,30**

Implement a structured tracking mechanism for all termination payments to ensure timely processing, including payments due to estates of deceased employees.

16. COMAF 24 - Finding 28 – Terminated employees not paid their leave payout

Upon inspecting the payslips of terminated employees, it was identified that the leave days reflected were incorrect. The payroll department was performing manual calculations to determine leave balances and payouts. The municipality was unable to provide adequate supporting documentation to verify the accuracy of these manual computations.

Upgrade or configure the PayDay payroll system to accurately record, track, and maintain leave balances.

Employee number	Name and Surname	Reason for termination	Termination date	Leave termination payout as per Payroll report /Payslip	Auditor's Recalculation	Difference
563	LI MOLEBOGE	DISCHARGED	2024/07/31	98 638,72	41 869,30	56 769,42
655	MR TE NKWE	RESIGNED	2024/07/31	80 023,26	76 577,28	3 445,98
527	BJ MATEBELE	RESIGNED	2024/08/31	287 003,48	281 510,59	5 492,89
169	MB B MOALUSI	PENSIONED	2024/09/30	241 094,95	258 736,56	(17 641,61)
199	LA LEKOMA	PENSIONED	2024/09/30	121 844,39	157 230,95	(35 386,56)
630	MS NG DIBELANE	RESIGNED	2024/10/30	279 923,84	217 496,45	62 427,39
514	TJ MAKGOLO	RESIGNED	2024/10/31	373 252,76	416 166,50	(42 913,74)
264	KM MABEBE	PENSIONED	2024/11/30	64 580,20	45 000,50	19 579,70
528	TR SETLHAPELO	RESIGNED	2025/01/31	244 299,60	239 967,35	4 332,25
609	KV MOLEBATSI	CONTR.EXP.	2025/04/30	67 331,52	89 775,36	(22 443,84)
257	A BLOUW	DECEASED	2025/06/30	254 272,00	172 518,91	81 753,09
006	A CLAPTON	RETIREMENT	31/12/2024	268 426,36	207 391,97	61 034,39

17. COMAF 25 - Finding 30 - Payments received in advance- Limitation of scope

During the execution of payments received in advance, we requested for a schedule of payments received in advance to allow us to select samples.
However, no schedule was provided and we were not able to select samples resulting in the limitation of scope of the line item. Numerous meeting was held with management regarding the schedule that are make up the amount disclosed in under note 6 Payable - payments received in advance

Implement proper record keeping and review process in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting

18. COMAF 26 – Finding 31 - Leave accrual amount of the AFS is overstated

We audited leave accrual and noted that the calculation included Net salary. Net salary is a variable payment as it includes variable benefits and deductions and will not reflect the true value of the accrued leave. GRAP 25 requires us to calculate the accrued leave based on the undiscounted amount which is the Gross salary. This resulted in the whole selected sample being misstated.

Implement proper record keeping in a timely manner to ensure that complete, relevant and accur ate information is accessible and available to support financial and performance reporting

19. COMAF 28: Finding 32 – Misstatement of the prior period disclosure

Issue 1

Contrary to the requirement, we noted that the amount disclosed for property, plant and equipment on the face of the statement of financial performance does not agree with the amount in the prior year adjustments [Note48] for the 2024 comparative year. Please refer to the below table for our recalculations.

	2025 Comparative - per current year AFS	2024 Amount - audited AFS	Variance	As Previously reported	Correction Disclosed (Note 47 and 48)	Restated	Variance
Statement of Financial Position							
Property plant and equipment	852 782 044,00	788 553 099,00	64 228 945,00	788 553 099,00	64 017 304	852 570 403	211 641

Issue 2

We also noted that a prior year correction amounting to R11,211,996 was made on the unauthorised expenditure note [Note 54]. However, the nature and the amount of the error were not disclosed in the prior-period error note [Note 47], as required by GRAP 3. This omission results in non-compliance with disclosure requirements and limits users' understanding of the adjustments made to prior-year information.

CFO, Internal Audit, and the Audit Committee review the annual financial statements as part of the existing AFS preparation process, these reviews should be strengthened to ensure they effectively identify discrepanci es between the financial statement disclosures and supporting notes.

20. COMAF 30 CAATs validation - Ghost employees

CAATs procedures identified that medical aid contributions continue to be paid for an employee who passed away in 2017. Based on the enquiring with management it was noted that under the municipality's previous medical aid policy, contributions could continue for the surviving spouse; However the standard procedure of the previous policy ceased to be applicable and the amended Medical aid policy does not make provision for continuation of medical aid contributions upon the death of the employee.

- Management should ensure immediate removal of the deceased employee from the payroll master file and stop all associated medical aid contributions in

The same matter was raised in the prior year's audit, and management committed to removing the deceased employee from the payroll and stopping the contributions. Despite this commitment and the updated policy requirements, CAATs again detected ongoing medical aid contributions for the deceased employee. This indicates that the payroll system was not updated in accordance with the revised medical aid policy and that corrective actions agreed to in the previous audit cycle were not implemented.

Surname	Name	Employee Number	Death date	Contribution per month	Total contribution
DIPPENAAR	MACHIEL MATTHYS	33	2017/10/30	R 4 199.00	R 50 388

line with the amended policy.

- Implement a formal process to communicate, document, and action all policy changes within the payroll environment, including maintaining evidenc e of updates made.
- Perform a comprehensive review of all records where medical aid benefits continue post-retirement to confirm compliance with the new policy.
- Strengthen monitoring controls to ensure that previously identified audit findings are followed up and that corrective actions are implemented in full and on time.

21. COMAF 31 - note 47 - does not include a detailed breakdown of the adjustments made to each affected cash flow component.

Contrary to the requirement, we noted that note 47 describing the error on adjustment to the cashflow statement provides high-level information only and does not include a detailed breakdown of the adjustments made to each affected cash flow component. The restated cash flow amounts do not reconcile to the underlying corrections made to the statement of financial position and the statement of financial performance as per the nature of corrections provided. No reconciliation or supporting schedules were provided to explain or justify the adjustments made to the cash flow statement.

Statement of cashflow			
	2025 Comparative - per current year AFS	**2024 Amount - audited AFS**	**Variance**
Cash flows from operating activities			
Taxation	31 928 151,00	21 662 241,00	10 265 910,00
Sale of goods and services	15 828 586,00	15 653 370,00	175 216,00
Grants	300 226 081,00	300 226 081,00	-

Prepare comprehensive reconciliation schedules detailing:

- The original reported amounts,
- The nature of each error,
- The corrected amounts, and
- The impact on each affected line item in all statements.

Ensure that the restated cash flow statement fully agrees with the corrected figures in the statement of financial position and statement of financial performance.

Interest income - investments	6 703 832,00	6 703 832,00	-	
Other income receipts	241 155,00		241 155,00	
Employee costs	- 151 398 536,00	- 153 171 023,00	1 772 487,00	
Suppliers	- 176 617 268,00	- 164 362 843,00	- 12 254 425,00	
Finance costs	- 2 921 942,00	- 2 921 942,00	-	
Cash flows from investing activities				
Purchase of property, plant and equipment	- 51 371 979,00	- 51 252 205,00	- 119 774,00	
Proceeds from sale of property, plant and equipment	- 140 721,00	- 60 152,00	- 80 569,00	
Proceeds from sale of other intangible assets	-	-	-	
			-	

22. COMAF 32 –Finding 37 - CIDB Requirements, Financial records

Contrary to the above, during the testing of the CIDB requirements we inspected the below bid documents submitted for audit and noted the following:

a. GTLM/INFR18/2023/2024 - Planning, design, construction monitoring, construction and close out (turnkey) of upgrading of reivilo switcthing station to accommodate extra 1000 households

b. GTLM/INFR13/2023/2024 - Appointment of a service provider for planning, design, construction, construction monitoring and close out (turnkey) for the electrification project of 260 units at reivilo (re-advert)

Inspected the bid documents for GTLM/INFR18/2023/2024 and GTLM/INFR13/2023/2024 auditor confirmed that the Greater Taung Local Municipality Bids did not request any financial records or any evidence of solvency and therefore did not determine whether the suppliers assessed are known to be insolvent, in receivership, bankrupt or being wounded up.

Enhance their evaluation processes to ensure that the appointed suppliers have an ability to provide goods and services by performing a thorough review of the entity financial statements, cash flow and liabilities to ensure that the appointed service provider is not known to be insolvent, in receivership, bankrupt or being wound up, or has its affairs administered by a court or a judicial officer.

23. COMAF 33 – Finding – Long standing acting

An employee was initially granted written approval for an additional duties allowance of 10% of her salary in line with council policy. Over time, the acting allowance percentage changed under collective agreements (12.5% previously and currently 14%). Payroll has been processing the updated allowance without obtaining an amended approval letter reflecting

- Ensure that updated written approval is obtained whenever acting allowance percentages change, whether

these changes. Additionally, the employee was paid based on an unadjusted salary and acting allowance percentage for July. Non-compliance with the Collective Agreement and Acting policy: The acting policy requires an employee who is required to perform any other job outside his or her scope of work for a period of 30 days or more to be compensated at a rate of 14% as per the collective agreement. However, the payroll unit does not have an updated written letter reflecting the revised allowance conditions. The only authorization on file is a 10-year-old approval for a 10% additional duties allowance, which is no longer aligned with the current Collective Agreement	due to policy updates or Collective Agreement revisions. • Payroll should establish a requirement that no acting or additional duties allowance be processed without an up-to-date approval letter signed by the Municipal Manager.
24. COMAF 35 -Finding 40 SCM: Disqualification Criteria not applied consistently The Bid evaluation committee and Bid Adjudication Committee did not adequately review the bid documents and confirmed that Bids were only disqualified in accordance with pre-determined requirements as stipulated in the bid invitation/ bid documents.	Design and implement adequate monitoring and review controls over supply chain management to ensure that all services or goods required by the municipality are procured through fair, equitable, transparent, competitive and cost-effective supply chain management processes. Pre-Audits on all tenders above an amount of R1 000 000
25. COMAF 40: finding 46 – No SCM Sourcing Strategy in regard to the appointment of service providers that forms part of a panel **Finding** During the testing of Competitive Bids (Panels), we noted that the Municipality did not have an approved sourcing strategy for the selection of pre-qualified service providers for the following panels: Panel of Town Planners (GTLM/SPHS03/2023/2024: Appointment of a panel of service providers for town planning expertise) and the Panel of Attorneys (GTLM/MM01/2024/2025: Appointment of a panel of Attorneys to provide legal services on and as and when needed for a period of 36 months) **Impact** The fairness in selection criteria of the service providers within the panel may be compromised without the guidance of an approved sourcing strategy.	Update the Supply Chain Management Policy as per the strategy to appoint from the panel of Service Providers it is outlined in the National Treasury: Supply Chain Management – A Guide for Accounting Officers bulleting 5.11 paragraph 5.11.4 and Supply Chain Management Policy 389 to 411 have been updated with process for appointing from the panel. Compile a sourcing strategy that complies with S217 (1) of the Constitution of the Republic of South Africa, 1996 that is fair, equitable, transparent, competitive and cost effective. The Accounting officer should review and approve this strategy.

26. COMAF 36 – Finding 42 – Misstatement of amounts for receivables from non-exchange transactions disclosed in the Statement of Financial Position, Note 14 Sub-Note

During the audit of receivables from non-exchange (Consumer Rates), Auditor note that the amounts disclosed in the statement of financial position differed from the amount disclosed on Note 14 sub note. This results in the differences highlighted in the table below

Details	Balance Per Financial Statements	Balance Per Note 14	Balance Per Sub note 14	Difference
Receivables from non-exchange	1,962,920,00	1,962,920,00	1,493,989,00	R (468,931,00)
Consumer Rates Gross Balance	74,015,408,00	74,015,408,00	73,546,477,00	R (468,931,00)
Allowance for impairment	72,052,488,00	72,052,488,00	72,052,488,00	-
Total	**1,962,920,00**	**1,962,920,00**	**1,493,989,00**	**R (468,931,00)**

AFS Review – when submitted to Provincial Treasury, Cogta, Internal Audit (APC) and SALGA for reviewed will be submitted on time and the draft will be at a completion stage.

27. COMAF 37 – Finding – Misstatement of impairment of sundry debtors recorded on General Ledger and Trial Balance

During the audit of receivables that is consumer debtors, Auditor note that the amounts recorded from the impairment of sundry debtors failed to agree to the amount recorded in the general ledger and trail balance.

Consumers Debtors Impairment Client Calculation				Consumers Debtors Impairment Auditors' Recalculation		
Details	Balance Per TB	Balance Per GL	Difference	Balance Per TB	Balance Per GL	Difference
ELECTRICITY	- 3 087 111,30	(3 087 111,30)	-	(R3 087 111,30)	(R3 087 111,30)	R0,00
RENTAL	- 2 173 743,07	(2 173 743,07)	-	(R2 173 743,07)	(R2 173 743,07)	R0,00
SUNDRY DEBTORS	- 4 123 595,42	(4 123 595,42)	-	(R4 123 595,42)	(R4 075 624,42)	R47971,00
WASTE MANAGEMENT	- 20 547 718,05	(20 547 718,05)	-	(R20 547 718,05)	(R20 547 718,05)	R0,00
WASTE WATER MANAGEMENT	- 17 965 009,17	(17 965 009,17)	-	(R17 965 009,17)	(R17 965 009,17)	R0,00

AFS Review – when submitted to Provincial Treasury, Cogta, Internal Audit (APC) and SALGA for reviewed will be submitted on time and the draft will be at a completion stage.

The Audit File to be submitted with the AFS for review.

WATER	- 7 551 828,14	(7 551 828,14)	-	(R7 551 828,14)	(R7 551 828,14)	R0,00	
	(R55 449 005,15)	**(R55 449 005,15)**	**R0,00**	**R55 449 005,15**	**R55 401 034,15**	**R47971,00**	

28. COMAF 38 – Finding 44 – Misstatement of amounts of the employee allowance

Nature

During the testing of allowances on employee cost, the following was discovered:

- Two employees tested were underpaid for standby allowances. The allowances calculated and paid did not align with the allowances due as per the approved standby rates in terms of the Collective Agreement.
- One employee was underpaid for acting/additional duties, as the allowance processed was based on an incorrect salary amount and percentage, leading to an understatement of the acting allowance due.

NO.	EMPLOYEE NO	EMPLOYEE NAME	MONTH	AMOUNT	NOTCH	ACTING POSITION NOTCH	RECALCULATED ALLOWANCE	DIFFERENCES
1	309	MJ Thompson	July	2 377,88	20250	20050	2807	429,12

The manager responsible for the unit will ensure back-pays are effected and put measures in place to ensure review of allowances are conducted on a monthly basis.

29. COMAF 39 – Finding 42 – SCM Limitation of scope on the information required for evaluating PPPF

The following summary was pending on the RFI during the information request process.

1.Proof of supplier being listed on the Central Supplier Database (i.e. the CSD Compliance History report printed at the time of evaluation or the supplier pin that may be used to confirm listing)

Quotation No.	Supplier Name (Awarded supplier)	Documents not submitted (for supplier quotes that lost)
QUOTE/SS10/2024/2025	BJM Integrated Services	-CSD and certified copy of ID
GTLM/SS02/2024/2025	Uebert Bophirima	-CSD and Certified copy of ID
QUOTE/INFR07/2024/2025	Lebone loago	- CSD and Certified copy of ID
QUOTE/SPHS04/2024/2025	Tlhagiso Logistics and ServiceS	CSD and Certified copy of ID

2.Original and valid B-BBEE status level verification certificate

Records management – All CSDs will be submitted on the pack that is evaluated.

30. COMAF 42: finding 47 – No SCM Sourcing Strategy in regard to the appointment of service providers that forms part of a panel During the testing of Competitive Bids and Contract Management (Panels), we noted that the Municipality did not have an approved sourcing strategy for the selection of pre-qualified service providers for the panels. a. Appointment of panel of service providers for planning, design, contraction, construction monitoring and close out of (turnkey) of high-mast lights in various wards for the period of 36 months (GTLM/INFR02/2024/2025) b. Appointment on panel for contractors: construction on civil works: construction of Modimomg sports facility (GTLM/INFR07/04/2023/2024) c. Appointment on panel for contractors: construction on civil works: construction for Seoding access road (GTLM/INFR07/03/2023/2024) d. Appointment on panel for contractors: construction on civil works: construction for Tlapeng access road (GTLM/INFR07/05/2023/2024) e. Appointment on panel for contractors: construction on civil works: construction for Vaaltyn access road (GTLM/INFR07/01/2023/2024) f. Appointment on panel for contractors for the period of 36 months, appointment for the contraction of Riertfontein stormwater channel (GTLM/INFR05/02/2023/2024) g. Appointment on panel for contractors: construction on civil works: construction for Ext 7 access road (GTLM/INFR07/02/2023/2024) h. Appointment on panel for contractors for the period of 36 months, appointment for the contraction of Matlhako 2 access road (GTLMINFR07/06/2024/2025)	Update the Supply Chain Management Policy with the following: The strategy to appoint from the panel of Service Providers it is outlined in the National Treasury: Supply Chain Management – A Guide for Accounting Officers bulleting 5.11 paragraph 5.11.4 and Supply Chain Management Policy 389 to 411 have been updated with process for appointing from the panel. As per the above legislation all service providers in the panel were given a fair chance to quote and PPPFA (Using Price and Specific goals) was put into place.
31. COMAF 43: finding 48 – Annual Procurement Plan Not Approved During the testing of Competitive Bids and Contract Management, we noted that the Municipality did not have an approved procurement plan.	Council Resolution
32. COMAF 44: finding 49 – Annual Procurement Plan did not include all bid in the current year During the testing of Competitive Bids and Contract Management, we noted that the Municipality did not include other bids in the approved procurement plan. The accounting officer did not adequately review the annual procurement plan according to Municipal Act 56 of 2003), Municipal Supply Chain Management Regulations of 2005 To ensure that the annual procurement plan is in alignment with the procurement processes in the current year. 1. Appointment on a panel of service providers for town planning expertise on and as and when required for the period of 36 months (GTLM/SPHS03/03/2023/2024)	To include all tenders above R200 000 as per the circular.

2. Appointment of panel of attorneys to provide legal services on an as and when needed for a period of 36 months (GTLM/MM01/2024/2025)

3. Appointment of a service provider for the design and development of the municipal website (GTLM/CS02/2024/2025)

33. COMAF 45 - comparative figures in the 2025 year of assessment Cash Flow Statement (i.e. amounts in 2024)

We conducted a recalculation of comparative figures in the 2025 year of assessment Cash Flow Statement (i.e amounts in 2024) and the following differences were noted between the auditee's calculations and Auditor's calculations

Statement of cashflow			
	2024 Amount - audited AFS	**Recalculation**	**Variance**
Cash flows from operating activities			
Customers	15 653 370	12 820 228	2 833 142
Taxation/Levies/Fines	31 928 151	32 439 276	-511 125
Compensation of employees	-151 398 536	-154 740 405	3 341 869
Suppliers (for trading goods/services)	176 617 268	167 945 013	8 672 255

Internal Control – review of AFS on time. And submitted to other stakeholders for review on time. Municipality's system of internal controls was not able to prevent, detect and correct the misstatement, the internal control deficiency remains.

34. COMAF 46 - Finding 51 – PEMA liability disclosed in Note 8 of the AFS does not agree with the actuarial valuation report.

During the audit of the actuarial valuation report for the PEMA obligation revealed a material difference of 3,274,000, when compared to the amount disclosed in the annual financial statements (AFS). The actuarial report provides the authoritative valuation, which was not correctly transferred to the financial statements.

Description	**Amount per Actuarial Report (R)**	**Amount per AFS (R)**	**Variance (R)**
Long Service Award Obligation	5,420,000	9,233,000	3,813,000

Internal Control – review of AFS on time. And submitted to other stakeholders for review on time. Municipality's system of internal controls was not able to prevent, detect and correct the misstatement, the internal control deficiency remains.

35. COMAF 46 - Finding 27 – LSA liability disclosed in Note 8 of the AFS does not agree with the actuarial valuation report. Upon inspecting the actuarial valuation report for the Long Service Award obligation revealed a material difference of R 3,813,000, when compared to the amount disclosed in the annual financial statements (AFS). The amount in the AFS does not agree with the expert's valuation.	Internal Control – review of AFS on time. And submitted to other stakeholders for review on time. Municipality's system of internal controls was not able to prevent, detect and correct the misstatement, the internal control deficiency remains.
36. COMAF 47: Finding: Performance management – Inaccurate determination of reported ratio for TL 29 Debt to Revenue Short Term Lease + Long Term Lease / Total Operating Revenue - Operating Conditional Grant by end December 2024 During the audit of Predetermined Objectives for KPA 1: Basic Services and Infrastructure Development, a discrepancy was identified relating to the calculation and reporting of the following key performance indicator (KPI): The Annual Performance Report reflects a reported achieved ratio of 3, as measured against the approved target. However, upon recalculation using the detailed supporting schedules provided by management, the actual achievement was determined to be 34% (i.e. a percentage) and not a ratio as initially planned.	The source documentation provided by GTLM is presented in percentage format as opposed to ratio format. The report will be provided in ratios and percentage.
37. COMAF 49 - Finding 52 – Fruitless and wasteful expenditure: Payment made to supplier for no good or services During 2024-25 we follow up on the matter above noted that TMK attorney were appointed to investigate the above matter. Further inspection of the Investigation report produced by the attorneys, we noted that the service provider was paid in full for services that were incomplete. The investigators were only able to confirm, through house-to-house inspection, that there were 58 connected and serviced meters in Boipelo and 86 in Reivilo. This means that there are 356 meters that the municipality is not benefiting from. We included all the meters that the municipality has not installed, configured and tested in fruitless expenditure because the municipality is not deriving any benefit. To confirm the number of meters that were successfully installed, connected and tested we inspected the prepay water meter installation report for installations that occurred in between July 2023 (after the delivery) to 01 August 2024 (before the payment date) and confirmed that only 17 from the 500 meters connected and tested. In terms of GRAP and as per the terms of conditions of the SLA, the expenditure only accrues to the municipality only when the service provider has successfully achieved the deliverables which is supply, delivery, connection and service of smart prepaid water meters and when the payment was made to the service provider only 17 of the 500 meters were installed and connected. From the above it is clear that the service provider was only entitled to the consideration relating to only the 17 meters that were successfully rendered. As a result the auditors are unable to confirm whether the services relating to this payment voucher were actually rendered to the municipality for the remaining 483 meters. As per the SLA prior to a payment being processed, the service provider was supposed to provide the municipality with Reports detailing progress made and deliverables achieved as outlined in Schedule 1 read with annexures "B", Proof of confirmation of work done by GTLM.	Update the Fruitless and Wasteful Ependiture with the amount. Follow up with Legal regarding the amount that will be disclosed under Fruitless and Wasteful.

However based on the payment voucher that was submitted, it is not evident that the above was done by the municipality. Based on the above considerations the auditors are unable to confirm whether the services relating to this payment voucher were actually rendered to the municipality for the remaining 483 meters.	
38. COMAF 50 - Finding 55 – Fruitless and wasteful expenditure: Payment made to supplier for no good or services During the follow up on the written of fruitless expenditure we noted that the following matter were investigated by MPAC, however through enquiring and assessing the instance of the matter of the fruitless we noted that some of the matter no official was identified for the events that lead to fruitless and expenditure.	Consequence management will be applied in all UIF&W referred to FMDC.
39. COMAF 50 : Finding 54 - The municipality did not account for the transactions resulting from the SLA with Dr Ruth District Municipality in accordance with GRAP **61. Accounting by principals and agents** The entity is a party to a principal-agent arrangement. **Details of the arrangment(s) is|are as follows:** The municipality is party (as an agent) to an agreement between the itself and the Department of roads and transport where it collects revenue from licencing and permitting on behalf of the department. The municipality is entitled to 20% of the revenue collected. The municipality also provides retail water and sanitation services in terms of a concession agreement with the district municipality Dr Ruth Segomotsi Mompati District Municipality. • The municipality has the right of access to use the grantor's infrastructure assets, pipelines, reservoirs, treatment plants, and sewerage networks for the purpose of delivering water and sanitation services to households and other consumers. • The agreement commenced on 1 July 2023 and is valid for 2 years, expiring on 30 June 2025. • The municipality is responsible for supplying potable water to consumers, ensuring sanitation disposal, and maintaining the quality of such supply. • Tariffs for water and sanitation are determined in terms of municipal tariff policy. • The municipality bills and collects amounts directly from consumers. There are no major risks associated with with both relationships where the municiaplity is acting as an agent. GRAP 9 paragraph 15 states: "Measurement of revenue 15.Revenue shall be measured at the fair value of the consideration received or receivable." GRAP 9 paragraph 19 states: "Identification of the transaction The recognition criteria in this Standard are usually applied separately to each transaction. However, in certain circumstances, it is necessary to apply the recognition criteria to the separately identifiable components of a single transaction in order to reflect the substance of the transaction. For example, when the price of a product includes an identifiable amount for subsequent servicing, that amount is deferred and recognised as revenue over the period during which the service is performed. Conversely, the recognition criteria are applied to two or more transactions together when they are linked in such a way that the effect cannot be understood without reference to the series of transactions as a whole. For example, an entity may sell goods and, at the same time, enter into a separate	Note 61 is combined for GRAP 109 and GRAP 32. GRAP 32 being used between the Municipality and Department of Transport. GRAP 109 is used for Municipality and Dr Ruth Segomotsi Mompati. The Municipality combined the 2 and will be corrected accordingly – Resolved

agreement to repurchase the goods at a later date, thus negating the substantive effect of the transaction; in such a case, the two transactions are dealt with together. We assessed whether the water service arrangement between the local municipality and the district municipality falls within the scope of GRAP 32, we analysed the characteristics based on definitions and criteria outlined above. 1. The operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time: The Water Services Act (the Act) defines the mandate, authority, roles, and responsibilities of both the WSA and the WSP regarding water supply services. WSA's Responsibility: Under Sections 1 and 11(1) of the Act, the WSA is designated as the water services authority, responsible for ensuring access to water services. This includes the duty to progressively provide all consumers or potential consumers within its jurisdiction with access to efficient, affordable, economical, and sustainable water services. WSP's Responsibility: As outlined in Sections 1, 29, and 30(2)(d) of the Act, the WSP, acting as a water services provider, is responsible for delivering water services to consumers or other water services institutions (including municipalities) within its service area. The Act further allows the WSA to either fulfil the role of a water services provider directly or appoint a service provider through a formal agreement to act on its behalf. The District Municipality (WSA) and Local Municipality (WSP) entered into Water Services Provider contract under which WSP will provide water provision services (mandated function). Therefore, WSP delivers public service on behalf of WSA falling within WSA's mandate. In terms of the agreement, WSP will provide water services to community for specified period. WSA remains owner of assets responsible for capital expenditure relating to expansion/ acquisition/ construction new assets. Therefore, in this arrangement, WSA identified as grantor granting right to use service concession asset to WSP. The WSP will be operator using infrastructure assets providing water provision services (mandated function of the WSA). This conclusion is further supported by GRAP 32.AG6 states: "the operator is responsible for at least some management of service concession asset and related services and does not merely act as agent on behalf of grantor." In the agreement in place, WSP is responsible for installation, alteration, operation, protection and inspection of the water services infrastructure as well as the determining the circumstances under which water services may be limited/discontinued; therefore, they are responsible for some management and not merely acting as agent. 2. The operator is compensated for its services over the period of the service concession arrangement: In the agreement in place, the WSP is entitled to compensation in the form of the right to earn revenue from third-party users (consumers).	

Conclusion: Based on the above, the agreement in place meets the definition of a service concession contract. Below is the accounting treatment of Service Concession Contracts by the Operator (WSP): GRAP 32 does not prescribe the accounting treatment of concession arrangements by the operator but refers us to IFRIC 12 for their accounting treatment, whose principles must be followed. 1. Treatment of the operator's rights over the infrastructure: The water infrastructure shall not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. 2. Revenue: According to IFRIC 12, "The operator shall recognize and measure revenue in accordance with IFRS 15 for the services it performs. The nature of the consideration determines its subsequent accounting treatment." Under the GRAP reporting framework, this implies that the operator must recognize revenue in accordance with the requirements of GRAP 9. GRAP 9.19 states that recognition criteria are generally applied to each transaction separately. However, in certain situations, it is necessary to apply these criteria to identifiable components of a single transaction to accurately reflect its substance. For example, if a product's price includes a specified amount for future servicing, that amount should be deferred and recognized as revenue over the service period. Also, when transactions are interrelated such that their combined effect cannot be understood without considering them together, they should be treated as a single transaction. For instance, if an entity sells goods and simultaneously enters into an agreement to repurchase those goods later, both transactions must be evaluated collectively. In the context of the current contract, multiple types of transactions are outlined: • Provision of retail water services • Management and administration of water services • Protection, preservation, and maintenance of water services infrastructure In line with GRAP 9.19, the recognition criteria should be applied to each separately identifiable component of the arrangement. However, it is important to note that an argument can be made that the provision of retail water services and the management and administration of water services are integrated and interdependent. Therefore, they may be viewed as a single transaction since the operator's primary responsibility is to provide water services, resulting in consumers receiving a product (water), rather than merely selling an actual product. The total revenue collected for water and sanitation services by the operator is for the benefit of the operator. Although the contract does not allocate prices to each activity or transaction undertaken by the operator, revenue recognition must still occur separately for each transaction. The operator is required to allocate revenue based on the fair value of each component to ensure that revenue is recognised in alignment with when services are delivered. The revenue will need to be split into all applicable revenue streams such as: • Provision of water and administration and management of water service: Revenue from exchange (services rendered) • Maintenance of water infrastructure: Revenue from exchange (services rendered)	

3. Equitable share: IFRIC 12 states: "The operator shall recognise and measure revenue in accordance with IFRS 15 for the services it performs. The nature of the consideration determines its subsequent accounting treatment." It stands to reason that under the GRAP reporting framework, the operator shall recognise revenue in line with the requirements of GRAP23 as it is revenue from non-exchange transactions 4. Operating costs: The operator accounts for operational costs incurred in providing services as expenses in the period they are incurred. We have assessed the accounting treatment by the municipality and found that the municipality is currently not splitting the separately identifiable components when recognizing revenue as required by GRAP 9.19	
40. COMAF 50 - Differences between Salary Control Schedule and Annual financial statements During the execution of salary control, we requested for a schedule of the third party payments to allow us to select samples. However, the schedule provided did not agree to the annual financial statements resulting in the information provided being incomplete.	Submission of the correct schedules.
41. COMAF 52: finding 57 – Supply Chain Management Incorrect services in the Service Level Agreement During the testing of Contract Management, it was noted that the service level agreement for the appointment of Five Star Trading Enterprise CC t/a Auction 24 for the auctioning and disposal of assets for a period of 36 months. However, it was further noted that the contract details disclosed in Note 3 under "Services to be Provided" indicate that the service provider was appointed to serve on a panel of professional service providers for the implementation of civil engineering works (e.g. roads, stormwater, etc.). These services are not consistent with the goods and services specified as part of the original bidding process.	All SLA to be reviewed by End user as to assist Legal and Supply Chain Management Unit.
42. COMAF 56: Finding 61: Misstatements in the Cash flow statement During audit of statement of cashflow for the year ended 30 June 2025 and the comparative figures (i.e. 2024 financial year figures) the following discrepancies were identified under cash flow from operating activities, due to non- adjustment of the non- cash line items	Internal Control – review of AFS on time. And submitted to other stakeholders for review on time. Municipality's system of internal controls was not able to prevent, detect and correct the misstatement, the internal control deficiency remains.

Cash flow from operating activities	**2025**	**2024**
Cash sales from goods and services – recalculation used net carrying amounts (after impairment) and no adjustment was done	COMAF has already raised the issue. Please refer to COMAF 18	COMAF has already raised the issue. Please refer to COMAF 45
Cash paid to suppliers – (a) Capital expenditure related payables and retentions not	The movement in Retention is associated with PPE, which is an investment activity instead of operating activities. This creates a classification misstatement	-

removed from operations payments.	and a Nill quantity effect on the cash flow calculation		
(b) Employee costs related payables not removed from cash payments to suppliers for operations.	The movement in Retention is associated with PPE, which is an investment activity instead of operating activities. This creates a classification mistake and a Nill quantity effect on the cash flow calculation	-	
(c) Finance costs – The total finance costs of R9 484 761 was included as cash whereas landfill site discounting and employee benefit obligations are non-cash.	Interest for the following line items: Provision for landfill site rehabilitation-R6 459 076 Employee benefit obligation-R2 942 000 **Total= R9 401 076**	Provision for landfill site rehabilitation- Nill Employee benefit obligation-R2 829 000 **Total= R2 829 000**	

Changes in the present value of the defined benefit obligation are as follows:

Employee benefit obligation		
Opening balance	21 566 000	23 121 000
Net expense recognised in the statement of financial performance	(3 517 000)	(1 555 000)
	18 049 000	**21 566 000**
Net expense recognised in the statement of financial performance		
Current service cost - long service award	(550 000)	(514 000)
Current service cost - medical aid fund	(1 077 000)	(1 063 000)
Finance costs - long service award	(581 000)	(540 000)
Finance costs - medical aid fund	(2 361 000)	(2 289 000)
Actuarial gains or losses - long service award	(43 000)	(251 000)
Actuarial gains or losses - long service award	(275 000)	2 149 000
Benefits paid - long service awards	931 000	794 000
Benefits paid - medical aid fund	439 000	159 000
	(3 517 000)	**(1 555 000)**

17. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions	Interest cost	Total
Environmental rehabilitation	27 707 703	4 002 900	2 456 176	34 166 779

Reconciliation of provisions - 2024

	Opening Balance	Additions	Interest cost	Total
Environmental rehabilitation	16 258 006	10 080 094	1 369 603	27 707 703

43. COMAF 53- Completeness of Provision

During the completeness testing of Contingent, we identified that the following concerns regarding the below legal matters:

Matter 1 Thuso Bloem Vs Municipality

court case no. **89658/2018**, was not included in the Provisions as at year end. The court judgement was granted on the 01 August 2025, which is after the financial year end therefore resulting in a adjusting event as the conditions existed at year

Internal Control – review of AFS on time. And submitted to other stakeholders for review on time. Municipality's system of internal controls was not able to prevent, detect and correct the

end. A Provision for the expected cash outflow relating to the judgement from the case must have been recognised. We also came across an article: The case of *Greater Taung Municipality vs. Thuso Bloem* was a legal battle where the municipality was ordered to reinstate a whistleblower, Thuso Bloem, and pay him close to R3 million in back pay and interest. https://www.saflii.org/za/cases/ZALCJHB/2011/223.html **Matter 2 Mpho Masia Nobula vs Municipality** We also noted that the letter/memorandum dated 13 August 2025 for the court case no. JR 1236/2017 stated that the wasted costs for the appearance by the Fourth Respondent's counsel on the 23 November 2022 are to be paid by the applicant (Municipality) which creates a present obligation of future payment for the Municipality. The Municipality did not provide proof of payment relating to the court case, which makes it Payable at year end. **Impact** **Matter 1 Thuso Bloem Vs Municipality** The exclusion of the Court case from Provisions will result in understatement of Provisions therefore Liabilities. **Matter 2 Mpho Masia Nobula vs Municipality** The impact of this matter will result in a unquantified misstatement in Payables to the Municipality	misstatement, the internal control deficiency remains. Review of the Contingency Register with Legal Department.
44. COMAF 25 - Finding 30 - Payments received in advance- Limitation of scope During the execution of payments received in advance, we requested for a schedule of payments received in advance to allow us to select samples. However, no schedule was provided and we were not able to select samples resulting in the limitation of scope of the line item. Numerous meeting was held with management regarding the schedule that are make up the amount disclosed in under note 6 Payable - payments received in advance	Internal Control – review of AFS on time. And submitted to other stakeholders for review on time. Municipality's system of internal controls was not able to prevent, detect and correct the misstatement, the internal control deficiency remains.
45. COMAF 58 - No evidence provide to support the written off irregular expenditure No documents provided to test the validity of the reasons for write off of irregular expenditure. During the testing of the irregular expenditure write off, we noted that the MPAC performed investigations. However, we were not provided the root cause analysis that determines what caused the irregularity. Therefore, we are unable to test the validity of the conclusions reached by MPAC. The table below refers	No documents provided to test the validity of the reasons for write off of irregular expenditure. During the testing of the irregular expenditure write off, we noted that the MPAC performed investigations. However, we were not provided the root cause analysis that determines what caused the irregularity. Therefore, we are unable to test the validity of the conclusions reached by MPAC.

Council resolution	Amount written off	Type of irregularity
124/2015 - Council Resolution 2014/2015 FY	2 994 700,15	Contract Expired/SCM Process not followed
128/2016 - Council Resolution 2016/2017 FY	25 277 023,00	Contract Expired/SCM Process not followed

202-2024/25- Council Resolution 2019/2020 FY	95 242 367,61	Contract Expired/SCM Process not followed	
203-2024/25-Council Resolution 2021/2022 FY	39 965 988,62	Contract Expired/SCM Process not followed	
During the testing of the irregular expenditure write off, we noted that the MPAC performed investigations. However, there are no MPAC investigation reports provided for Council Resolutions 124/2015 of 2015/16 and 128/2016 of 2016/17 financial years			
T 6.1.1			

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2024/2025

T 6.2.3

AUDITOR-GENERAL'S OPINION 2024/2025

Report of the auditor-general to North West Provincial Legislature and the council on Greater Taung Local Municipality

Report on the audit of the financial statements

Opinion

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

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

Basis for opinion

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

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

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

Emphasis of matters

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

7. As disclosed in note 53 to the financial statements, unauthorised expenditure of R28 211 396 was incurred in the current year and the unauthorised expenditure of R313 639 124 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.

8. As disclosed in note 54 to the financial statements, fruitless and wasteful expenditure of R49 906 was incurred in the current year and the fruitless and wasteful expenditure of R3 276 409 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

9. As disclosed in note 55 to the financial statements, irregular expenditure of R55 955 284 was incurred in the current year and the irregular expenditure of R385 877 319 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.

Other matters

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

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

12. 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.

13. 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

14. 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.

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of my auditor's report.

Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance areas presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

17. I selected the following objectives presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected key performance areas that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Key Performance area	Page numbers	Purpose
KPA 1: Basic service delivery and infrastructure development	xx	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance.
KPA 4: Municipal financial viability and management	xx	To improve overall financial management in the municipality by developing and implementing appropriate systems and controls.

18. I evaluated the reported performance information for the selected key performance areas against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

19. 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 key performance areas
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons measures taken to improve performance.

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

21. The material findings on the reported performance information for the selected objectives are as follows:

KPA 1: Basic service delivery and infrastructure development

TL 10: Percentage of kilometres of the access road constructions completed in Tlhapeng II by end June 2025

22. In terms of the National Treasury Framework for managing program performance information (FMPPI) requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and target. An achievement of 73% was reported against a target of 80% but the audit evidence showed the actual achievement to be 50.4%. Consequently, the underachievement on the target was more than reported.

Various indicators

23. Adequate processes had not been established to consistently measure and reliably report on various indicators. Consequently, the Municipality would have found it difficult to determine the correct achievements to be reported against the planned targets.

Indicator	Target	Detail
TL 01 - Number of existing houses in Reivilo provided access to electricity by end of June 2025	295	The Municipality planned unit of measure is "number", however the TID calculates the reported achievement on an average basis
TL14 - Number of existing households in Reivilo and Boipelo provided with access to water by end June 2025	680	The Municipality planned unit of measure is "number", however the TID calculates the reported achievement on an average basis
TL15 - Number of existing households in the proclaimed areas provided with access to sanitation by end June 2025	2 400	The Municipality planned unit of measure is "number", however the TID calculates the reported achievement on an average basis
TL 18 - Number of existing households in proclaimed areas provided with access to weekly refuse removal by end June 2025	2 600	The Municipality planned unit of measure is "number", however the TID calculates the reported achievement on an average basis

KPA 4: Municipal financial viability and management
Various indicators

24. Adequate processes had not been established to consistently measure and reliably report on various indicators. Consequently, the Municipality would have found it difficult to determine the correct achievements to be reported against the planned targets.

Indicator	Target	Detail
TL 32 - Number of indigent households that received free basic electricity in GTLM by end June 2025	4 500	The Municipality planned unit of measure is "number", however the TID calculates the reported achievement on an average basis
TL 33 - Number of indigent households that received free basic water in GTLM by end June 2025	20	The Municipality planned unit of measure is "number", however the TID calculates the reported achievement on an average basis
TL 34 - Number of indigent households that received free basic sanitation in GTLM by end June 2025	220	The Municipality planned unit of measure is "number", however the TID calculates the reported achievement on an average basis

Indicator	Target	Detail
TL 35 - Number of indigent households that received free basic refuse removal in GTLM by end June 2025	220	The Municipality planned unit of measure is "number", however the TID calculates the reported achievement on an average basis
TL – 36 Number of indigent households that received monthly rebates on property rates in GTLM by end June 2025	220	The Municipality planned unit of measure is "number", however the TID calculates the reported achievement on an average basis

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. 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.

27. The tables that follow provide information on the achievement of planned targets and lists 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 xx to xx.

KPA 1: Basic service delivery and infrastructure development

Targets achieved: 79%

Budget spent: 100%

Key service delivery indicator not achieved	Planned target	Reported achievement
Number of households electrified by end June 2025	260	0
Percentage of sport facilities completed in Modimong by end June 2025	70%	50%
Percentage of kilometres of the access road constructions completed in Tlhapeng II by end June 2025	80%	73%
Number of kilometres of access road constructions completed in Vaaltyn by end June 2025	1km	0km

KPA 4: Municipal financial viability and management

Targets achieved: 60% *Budget spent: 94%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Financial viability measured in terms of the available cash to cover fixed operating expenditure (Available cash + investments / Monthly fixed operating expenditure) by end December 2024	1.5	0.2
Number of indigent households that received free basic electricity in GTLM by end June 2025	4500	3961
Number of indigent households that received free basic sanitation in GTLM by end June 2025	220	201
Number of indigent households that received monthly rebates on property rates in GTLM by end June 2025	220	177

Material misstatements

28. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for KPA 1: basic service delivery and infrastructure development and KPA 4: municipal financial viability and management. Management did not correct the misstatements and I reported material findings in this regard.

Report on compliance with legislation

29. 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.

30. 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.

31. 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.

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

Annual financial statements

33. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of

current asset – VAT receivable and disclosure – Provisions identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Consequence management

34. The 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.

35. Irregular expenditure, as well as fruitless and wasteful 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.

Expenditure management

36. Reasonable steps were not taken to prevent irregular expenditure amounting to R55 955 284 as disclosed in note 55 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 SCM pre-scripts.

37. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R 28 211 396, as disclosed in note 53 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by expenditure incurred in excess of the votes.

Strategic planning and performance management

38. The performance management system and related controls were inadequate to ensure that misstatements around performance planning, monitoring, measurement, review and reporting are not identified, as required by municipal planning and performance management regulation 7(1).

Other information in the annual report

39. The accounting officer is responsible for the other information included in the annual report which includes the, the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported on in this auditor's report.

40. 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.

41. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

42. I did not receive 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

43. 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.

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

45. Management did not implement a proper records management system to ensure that the reported performance information is supported by valid, accurate and credible information.

46. The accounting officer did not review and monitor compliance with the requirement of section 32(2) of MFMA to ensure that all unauthorised, fruitless and wasteful expenditure are investigated to determine if there is a liable official.

47. Management did not implement adequate review processes on the reported performance information to ensure complete, reliable and credible reporting.

48. Management did not take reasonable steps to ensure adequate review of the annual financial statements to ensure they are free from misstatements.

49. Management did not exercise oversight responsibility regarding compliance with Section 62(1)(d) of the MFMA to ensure the municipality takes reasonable steps to prevent irregular, unauthorized expenditure and fruitless and wasteful expenditure.

Auditor General

Rustenburg

8 December 2025

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected 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 consolidated 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 [party responsible] 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 [party responsible] 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
1.	Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
2.	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)
3.	MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
4.	MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
5.	MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
6.	Construction Industry Development Board Act 38 of 2000	Section: 18(1)
7.	Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
8.	Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
9.	Municipal Property Rates Act 6 of 2004	Section: 3(1)
10.	Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b) **Parent municipality with ME:** Sections: 93B(a), 93B(b) **Parent municipality with shared control of ME:** Section: 93C(a)(iv), 93C(a)(v)
11.	MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)

	Legislation	Sections or regulations
13.	MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
14.	MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
15.	MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
16.	MSA: Municipal Systems Regulations, 2001	Regulation: 43
17.	Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
18.	Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
19.	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)
20.	Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

GLOSSARY

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

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and / or Party Represented	Number Council Meetings Attendance No	Percentage Apologies for non-attendance %
Tumisang Gaoraelwe	FT	Mayor	11/ANC	6	50%
Grace Moipolai	FT	Speaker	PR/ANC	12	0%
Masego Mokua	FT	Chief whip	PR/ANC	12	0%
Itumeleng Maribe	FT	Infrastructure	20/ANC	10	16.6%
Nontetho Tafane	FT	Corporate Governance & Communication	PR/ANC	12	0%
Mosetsanagape Mosinkiemang	FT	Community Service	PR/ANC	12	0%
Thandiwe Sebe	FT	LED	PR/ANC	12	0%
Mika Moeti	FT	Finances	PR/F4SD	10	16.6 %
Amogelang Matuane	FT	Spatial Planning & Human Settlements	PR/EFF	7	41.6%
Linda Mabengwane	FT	ICT	PR/EFF	4	25%
Tebogo Monchonyane	FT	Planning & Development	PR/AICM	9	33.3 %
Caroline Olifant	PT	Planning & Development	01/ANC	8	25%
Tumo Tabe	PT	ICT	02/ANC	9	16.6 %
Tebogo Gaorengwe	PT	Planning & Development	03/ANC	10	16.6%
Kagiso Pudule	PT	Planning & Development	04/ANC	10	16.6%
Onkarabile Tong	PT	Infrastructure	05/ANC	10	25%
Mmokwa Seakgamoriri	FT	MPAC	06/F4SD	9	40.18%
Mmoloki Mojaki	PT	Community Services	07/ANC	11	8%
Ntesang Montewa	PT	Infrastructure	08/ANC	9	1.08 %
Monene Sekwenyane	PT	Corporate Governance & Communication	09/ANC	11	8 %
Olebogeng Ipeleng	PT	Corporate, MPAC & Communication	10/ANC	9	25 %
Lerato Babuseng	PT	Community Services	12/ANC	8	33.3 %
Kealeboga Seboko	PT	Finance	13/ANC	11	8.3 %
Mothusiotsile Mojanaga	PT	Spatial Planning & Human Settlement	14/ANC	12	0%
Seepapitso Seepamere	PT	LED	15/ANC	11	8.3 %
Tefo Moraladi	PT	ICT	16/ANC	7	41.6%
Bontsi Chubane	PT	Infrastructure	17/ANC	10	16.6%

APPENDIX

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and / or Party Represented	Number Council Meetings Attendance No	Percentage Apologies for non-attendance %
Gladys Melamu	PT	ICT	18/ANC	12	0%
Michael Makwati	PT	Corporate Governance & Communication	19/ANC	8	33.3%
Tebogo Molale	PT	Spatial Planning & Human Settlement	21/ANC	10	16.6%
Ikgopoleng Lekoma	PT	Finance	22/ANC	11	8.3 %
Boitshwarelo Pusho	PT	LED	23/ANC	10	16.6%
Kagelelo Moeng	PT	ICT	24/ANC	12	0%
Boniswa Nkewu	PT	LED	PR/EFF	6	50 %
Loeto Modise	PT	ICT	PR/EFF	7	41.6%
Keitumetse Rooibatjie	PT	Finance	PR/EFF	5	58.3%
Gideon Lephoi	PT	Corporate Governance & Communication	PR/EFF	9	25%
Margaret Mmokwa	PT	Infrastructure	PR/EFF	7	41.6%
Oratile Segosapelo	PT	Planning & Development	PR/EFF	9	25%
Gladwin Kesemolotse	PT	Spatial Planning & Human Settlement	PR/EFF	4	66.3 %
Vuyiseka Zonke	PT	Planning & Development	PR/EFF	5	58.3%
Bakang Mase	PT	Community Services	PR/EFF	7	41.6%
April Sephula	PT	Spatial Planning & Human Settlement	PR/AICM	10	16.6%
Salvation De Koker	PT	Corporate Governance & Communication	PR/AIC	11	8.3 %
Mosadiotsile Morapedi -Letele	PT	Infrastructure	PR/PA	10	16.6%
Edward Boemo	PT	LED	PR/NFP	9	25%
Sam Nape	PT	Community Services	PR/DA	9	25 %
Gaolatlhe Tshipo	PT	LED	PR/ACDP	10	16.6%
Kealeboga Welson				2	%
					T A

Executive Committee Meetings				
Executive Committee Members	Total No of Meetings held	Attendance	Non attendance	
			With apology	Without apology
Cllr Tumisang Gaoraelwe (Mayor)	08	06	02	0
Cllr Mosetsanagape Mosinkiemang	08	06	01	01
Cllr Thandiwe Sebe	08	08	0	0
Cllr Itumeleng Maribe	08	06	01	01
Cllr Nontetho Tafane	08	08	0	0
Cllr Tebogo Monchonyane	08	04	0	03
Cllr Linda Mabengwane	08	02	03	03
Cllr Mika Moeti	08	05	03	0
Cllr Amogelang Matuane	08	03	03	02

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance Committee	Income, Expenditure, Budget, and all other financial matters
Community Services Committee	Deals with all issues relating to community (refuse removal, Land fill sites, cemeteries, Libraries, and recreational facilities)
Infrastructure	Roads and Storm water, Sewerage, Sanitation, Electricity
Planning & Development Committee	Municipal Council Planning and Related matters and all LED matters
Corporate Service Committee	All HR matters, by -laws, policies, Council supports
ICT Committee	Responsible for all IT related matters
Human Settlement	To facilitate the development of sustainable and integrated human settlements in GTLM
	TB

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director / Manager (State title and name)
Municipal Manager	Mr. Andrew Makuapane
Chief Financial Officer	Ms. Neo Dibelane
Corporate Services	Mr. Taelo Makgolo
Land Use Planning and Human Settlements	VACANT

APPENDIX D – FUNCTIONS OF MUNICIPAL ITY / ENTITY

New No	Function As Per Government Gazette No 6847 - 24 Dec 2010	Function Assigned	Done By GTLM
1	Air Pollution	LM/DM Function	No
2	Amusement Facilities	Local Function	No
3	Billboards & Display of Advertisements in Public Places	Local Function	Yes
4	Building Regulations	Local Function	Yes
5	Cemeteries, Funeral Parlours and Crematoria	Local Function	Yes
6	Child Care Facilities	Local Function	No
7	Cleansing	Local Function	Yes
8	Control of Public Nuisances	Local Function	Yes
9	Control of Undertakings that Sell Liquor to the Public	Local Function	No
10	Facilities for the Accommodation, Care and Burial of Animals	Local Function	No
11	Fencing and Fences	Local Function	No
12	Fire Fighting Service	LM/DM Function	No
13	Integrated (IDP) Municipal Planning	Local Function	Yes
14	Levying of fees for Services Provided by LM	Local Function	Yes
15	Levying of Rates on Property	Local Function	Yes
16	Levying of Surcharges on Fees for Services Provided for or on behalf of the LM	Local Function	Yes
17	Licensing and control of undertakings that sell food to the public	Local Function	No
18	Licensing of Dogs	Local Function	No
19	Local Amenities	Local Function	Yes
20	Local Roads and Streets	Local Function	Yes
21	Local Sport Facilities	Local Function	Yes
22	Local Markets	Local Function	Yes
23	Municipal Abattoirs	LM/DM Function	No
24	Municipal Airports	LM/DM Function	Yes
25	Municipal Health Service	LM/DM Function	No
26	Municipal Parks & Recreation	Local Function	Yes
27	Municipal Planning (Town Planning)	Local Function	Yes
28	Municipal Public Transport	LM/DM Function	No
29	Municipal Public Works relating to any Functions of the LM	LM/DM Function	No
30	Noise Pollution	LM/DM Function	No
31	Pontoons, Ferries, Jetties, Piers & Harbours	LM/DM Function	NA
32	Pounds	LM/DM Function	Yes
33	Promotion of Local Tourism for the Area	Local Function	Yes
34	Public Places	Local Function	Yes
35	Refuse Removal, Refuse Dumps and Solid Waste Disposal Sites	Local Function	Yes
36	Retail Potable Water Supply Systems and Domestic Wastewater and Sewerage Disposal Systems Serving the Area of the Municipality	Local Function	Yes
37	Retail Supply of Electricity and Gas	Local Function	Yes

New No	Function As Per Government Gazette No 6847 - 24 Dec 2010	Function Assigned	Done By GTLM
38	Street Lighting	LM/DM Function	Yes
39	Street Trading	Local Function	Yes
40	Storm Water Management in Build Areas	Local Function	Yes
41	Trading Regulations	Local Function	Yes
42	Traffic and Parking	Local Function	No
			T D

APPENDIX E – WARD REPORTING

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and / or Party Represented	Number Council Meetings Attendance No	Percentage Apologies for non-attendance %
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			No	%	
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Gaolatlhe Tshipo	PT	LED	PR/ACDP	10	16.6%
Kealeboga Welson				2	%
					T A

APPENDIX F – WARD INFORMATION

Full information provided in Appendix O.

Various Wards				
Capital Projects: Seven Largest in 2024/2025				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
1	Construction of Modimong Sports Facility in Ward 10	2025/01/15	2025/07/15	R10,000,000
2	Phase 8 Construction of High Mast Lights in various Wards	2024/09/02	2025/03/30	R9,885,787
3	Construction of Seoding Access Road in Ward 24	2024/10/22	2025/07/30	R8,950,000
4	Construction of Vaaltyn Access Road in Ward 1	2024/10/22	2025/07/30	R8,358,961
5	Construction of Tlhapeng II Access Road in Ward 9	2025/01/15	2025/09/15	R7,050,000
6	Construction of Picong Storm Water Channel in Ward 16	2023/09/04	2025/09/30	R6,489,324
7	Phase 2 Construction of Extension 7 Access Road in Ward 8	2024/11/11	2025/06/30	R5,176,940
				T F.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	28,861	11,699	37,066	42,593	29,819
Households without minimum service delivery	13,732	30,894	5,527	42,593	12,774
Total Households*	42,593	42,593	42,593	42,593	42,593
					T F.2

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2024/25REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

INTRODUCTION

The Audit and Performance Committee (APC) was established as an independent Committee, in terms of Section 166 of the Municipal Finance Management Act No. 56 of 2003 ('MFMA').
We are pleased to present herewith our annual report for the financial year ended 30 June 2025.

INTERNAL AUDIT & THE AUDIT AND PERFORMANCE COMMITTEE

Internal auditing, is an independent and objective assurance and advisory service that provides value adding support to improve the operations within the Greater Taung Local Municipality (GTLM). It assists the GTLM to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of the organisation's governance, risk management and internal controls.
Internal Audit (IA) implemented its annual risk-based audit plan for the 2024/25 period as part of a three-year rolling plan, after consultation with management and approval by the APC. There were (15) assurance audits planned for the financial year under review. Twelve (12) of these audits were completed, which translates to 80% completion rate for the approved 2024/25 Internal Audit annual plan. All audit engagements and other work of Internal Audit were executed in accordance with the International Professional Practice Framework of Internal Audit (IPPF), as issued by the Institute of Internal Auditors.

AUDIT AND PERFORMANCE COMMITTEE MEMBERS AND ATTENDANCE

The Committee, consisting of the members listed below, is expected to meet at least four times per annum as required by Section 166(4)(b) of the MFMA and its approved terms of reference, although additional meetings may be convened when necessary. All the members of the APC are independent of the Municipality and convened meetings during the 2024/25 financial year as follows:

Name of Member	Capacity / Position	Number of meetings attended
Mr. D. Matshoba	Chairperson	6
Mr. R. Rantao	Member (term of office ended 30/11/2024)	3
Ms. L. Ralikonyana	Member (term of office ended 30/11/2024)	3
Mr B. Modise	Member (Appointed on 01/01/2025)	3
Ms N. Ntseno	Member (Appointed on 01/01/2025)	3
Mr. S Maharaj	Member (Appointed on 01/01/2025)	3

AUDIT AND PERFORMANCE COMMITTEE RESPONSIBILITIES

The APC reports that it has fulfilled its responsibilities as stipulated in the MFMA read in conjunction with the Treasury Regulations.

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

The APC has:

- Reviewed the audit action plan developed by management to address prior year audit findings raised by Auditor General of South Africa ('AGSA').
- On a quarterly basis, monitored implementation of corrective actions on these findings.
- Performed its oversight responsibilities over the internal audit function and internal audit activities as well as monitor the performance of internal audit against the internal audit plan.
- Tabled its quarterly reports to the Municipality Council, reporting on matters attended to during the relevant quarter.
- Rendered ad-hoc assistance to the Municipal Public Accounts Committee (MPAC) on matters referred to MPAC by Council for investigation.

ASSESSING INTERNAL AUDIT EFFECTIVENESS

The Committee reviewed internal audit quality throughout the year with an emphasis on auditing governance, methodology, independence, scope of work and outputs. One of the yardsticks for measuring the effectiveness and performance of the Internal Audit function is to evaluate the performance of the individual internal audit projects against the risk-based internal audit annual operational plan.

During the 2024/25 financial year, Internal Audit Unit completed 12 out of 15 audits planned (representing 80% of the audits planned). This underperformance is largely attributable to the human resources capacity constraints caused by the two vacant positions that remained unfilled throughout the financial year. The vacant positions in question are that of a Senior Internal Auditor and an Internal Auditor.

ADEQUACY AND EFFECTIVENESS OF INTERNAL CONTROL

In line with section 165 of the MFMA, Internal Audit provides the APC and management with reasonable assurance that the internal controls are adequate and effective. To monitor implementation of corrective actions, Internal Audit performed follow-up audits on the findings that were previously raised, and the APC considered all the reports issued by the various assurance providers e.g. Internal Audit, External auditors and the Risk Committee, and noted management's actions in addressing the identified control weaknesses.

The committee is concerned with the lack of implementation of the recommendations of both internal and external audit. From the various reports provided by Internal Audit, as well as the audit report of the AGSA, it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to compliance with laws and regulations.

Furthermore, the APC urged management to set a tone at the top regarding internal control matters as well as invoke consequence management where non-compliance is detected.

COMPLIANCE WITH LEGAL AND REGULATORY PROVISIONS

The APC has reviewed the in-year management and quarterly reports submitted in terms of the MFMA and also noted management's policies and procedures to ensure compliance with the applicable laws and regulations. Furthermore, the committee noted the external auditor's report highlighting that there were instances of non-compliance that were identified.

The following still need attention to at least sustain or improve the current years unqualified audit opinion:

- The quality and reliability of the financial statements
- Investigations of Unauthorised & Irregular Expenditure and reasonable steps that still need to be taken to prevent the said expenditures respectively.

RISK MANAGEMENT

Management is responsible for the establishment and maintenance of an effective system of governance, risk management, internal control, as well as the prevention and detection of fraud. Internal Audit was guided by the risk profile provided by management, as well as critical audit areas and management's input in the formulation of its three-year strategic and annual plans.

The risk register is updated quarterly to ensure that all the major risks, including emerging risks facing the municipality, are effectively managed with the help of the District Risk Management Shared Service who is a permanent invitee to the meetings of the APC where quarterly reports are presented. The APC reports on risk management matters to Council.

PERFORMANCE MANAGEMENT

The Committee has reviewed the in-year performance reports and performance results reported by management. The usefulness and reliability of the key performance indicators and the quality of information reported are still a challenge and need improvement.

REVIEW OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements for the financial year ended 30 June 2025 were prepared and submitted for audit purposes on 29 August 2025. The role of the APC in relation to the review of the Annual Financial Statements was intensified due to the poor status of accounting records as identified throughout various quarterly reviews in the financial year.

AUDITOR GENERAL'S REPORT

The committee has reviewed the independence and objectivity of the external auditors and noted that there were no non-audit services rendered by them during the financial year under review. To ensure that there are no unresolved issues, the APC met with the AGSA to discuss its audit report. The APC also reviewed management's responses to the issues raised in the management report. Continuous oversight was exercised to ensure that the unresolved findings are adequately addressed.

The Audit Committee is pleased, and agrees and accepts the unqualified audit opinion conclusion of the AGSA on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted as read in conjunction with the report of the Auditor-General.

APPRECIATION

The APC would like to express their appreciation to the municipal manager for his leadership and support. Deeply felt appreciation also goes to Internal Audit staff, AGSA, Risk Management, Council and senior management for their commitment, cooperation, and contributions to improve control and governance processes of the Municipality.

The Committee acknowledges that much work still lies ahead. The implementation and monitoring of a comprehensive Audit Action Plan, sound financial and performance management, effective internal controls, and commitment from all relevant role players will be needed to sustain and improve the current audit outcome of the municipality.

Matshoba

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DUNCAN MATSHOBA
CHAIRPERSON: AUDIT & PERFORMANCE COMMITTEE
GREATER TAUNG LOCAL MUNICIPALITY

DATE: 10 JANUARY 2026

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

None

APPENDIX I – MUNICIPAL DEPARTMENT / SERVICE PROVIDER PERFORMANCE SCHEDULE

R' 000

Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Contract Value	Project manager
ACTIVA TRADING 39	COMPILATION OF VALUATION ROLL FOR 2020/2021 TO 2024/2025 FINANCIAL YEARS	2019/04/08	2027/06/30	R600 000.00	R DU TOIT
DIPHETOGO CLEANING AND SECURITY	PROVISION FOR SECURITY SERVICES FOR GREATER TAUNG LOCAL MUNICIPALITY SIDE B FOR A PERIOD OF 36 MONTHS	2023/09/01	2026/08/31		G MAJOVA
115 SOLUTIONS	MAINTENANCE OF ELECTRICAL NETWORK, STREETLIGHTS AND HIGH-MAST LIGHTS AROUND GTLM ON AND AS NEEDED FOR A PERIOD OF 36 MONTHS	2023/09/01	2026/08/31	RATE BASED	M KOKWE
ESALE 1 TRADING	SUPPLY AND DELIVERY OF PROTECTIVE CLOTHING FOR A PERIOD OF 24 MONTHS	2023/11/01	2025/10/30	1 480 950,00	G MAJOVA
MATLOSANA BOOKS	SUPPLY, DELIVERY, INSTALLATION AND MAINTENANCE OF PRINTING AND PHOTOCOPY MACHINES FOR A PERIOD OF 36 MONTHS	2023/12/01	2026/11/01	RATE BASED	T MAKGOLO
MUNSOFT	PROVISION OF MSCOA COMPLIANT FINANCIAL SYSTEM FOR A PERIOD OF 36 MONTHS	2024/03/01	2027/03/01	8 348 286,52	NEO DIBELANE
CORPMD CONSULTING	PROVISION FOR COMPILIATION OF FIANACIAL STATEMENTS FOR 3 FINANCIAL YEAR	2023/07/01	2026/07/01	5 539 573,00	NEO DIBELANE
AOL CONSULTING	SERVICE PROVIDER FOR THE COMPILATION OF GRAP 12,16 AND 17 ASSETS REGISTER FOR 3 FINANCIAL YEARS	2023/07/01	2026/07/01	5 885 180,00	NEO DIBELANE
FIVE STAR TRADING ENTERPRISE CC T/A AUCTION 24	APPOINTMENT FOR AUCTIONEER FOR AUCTIONING AND DISPOSAL OF ASSETS FOR THE PERIOD OF 36 MONTHS	2024/06/29	2027/06/28	5,75% COMMISSION	MODIPADI RUELE

APPENDIX J – DISCLOSURE OF FINANCIAL INTEREST

Disclosures of Financial Interests		
Period 1 July to 30 June of 2025 (Current Year)		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	T. Gaoraelwe	Tumisang Tebogo Trading, Creative Puzzles, LPT Sima
Member of / ExCo	I. Maribe	Khumo Multi Enterprise
	M. Moeti	Lemoga Mme odire
	L. Mabengwane	Problem Solutions Holdings
Councillor	O. Ipeleng	Desman Enterprise, Moreneng Enterprise, in partnership with O.M Ipeleng Farming
	A Matuane	None
	A Sephula	None
Municipal Manager	M. Makuapane	Acqui 51 Pty Ltd
Chief Financial Officer	N. Dibelane	Bubbles Investments, Lethabolame Trading, Kgothatso ya Thebe, Melolelo Trading, Cacatio Travel, Mosadiskmd Trading, Top Vu Trading, Likys Investments
Deputy MM and (Executive) Directors	T. Motase	Makgotla Farming and Projects, Motlira Projects
	O. Mogapi	
	T. Makgolo	Don Pablo Office Furniture, Capital 67
		T J

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K(i): REVENUE COLLECTION PERFORMANCE BY VOTE

Contained in the audited Annual Financial Statement.

APPENDIX K(ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Contained in the audited Annual Financial Statement.

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Contained in the audited Annual Financial Statement.

APPENDIX M: CAPITAL EXPENDITURE – NEW AND UPGRADE / RENEWAL PROGRAMMES

APPENDIX M(i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Contained in the audited Annual Financial Statement.

APPENDIX M(ii): CAPITAL EXPENDITURE – UPGRADE / RENEWAL PROGRAMME

Contained in the audited Annual Financial Statement.

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2024/25

Contained in the audited Annual Financial Statement.

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2024/2025

Capital Programme by Project by Ward: 2024/2025		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes / No)**
Electricity		
Electrification of 260 households in Reivilo	Ward 1	No
Construction of high mast lights in various wards	Wards 1, 2, 3, 4, 6, 8, 10, 15, 16, 17, 20, 23	Yes
Roads		
Construction of Kgomotso Access Road	Ward 20	Yes
Construction of Molelema Access Road	Ward 15	Yes
Construction of Extension 7 Access Road (phase 2)	Ward 8	Yes
Construction of Seoding Access Road	Ward 24	Yes
Construction of Tlhapeng II Access Road	Ward 9	No
Construction of Vaaltyn Access Road	Ward 1	No
Refuse Removal		
Pudimoe Landfill closure Hydrology and Environmental Study	Ward 5	Yes
Storm Water		
Construction of Picong Storm Water Channel	Ward 16	Yes
Phase 2 Rietfontein Storm Water Hydrology Study	Ward 21	Yes
Sports Facilities		
Construction of Modimong Facility	Ward 10	No

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

No Info

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

No info

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

None



Greater Taung Local Municipality
(Registration number NW394)
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for the year ended 30 June 2025

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Greater Taung Local Municipality

(Registration number NW394)
Annual Financial Statements for the year ended 30 June 2025

General Information

Legal form of entity	Local Municipality
Nature of business and principal activities	Service delivery as stipulated in the constitution of the republic of South Africa Act No. 108 of 1996, paragraph 153
The following is included in the scope of operation	The 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; and participate in national and provincial development programmes
Mayoral committee	
Mayor	Cllr. Gaoraelwe Tumisang Reginald
Speaker	Cllr. Moipolai Keamogetse Grace
Chief Whip	Cllr. Mokua Evan Maseko
MPAC Chairperson	Cllr. Mmokwa Seakgamoriri Cornell
Councillors	Cllr. Babuseng Patricia Lerato
	Cllr. Boemo Mosimanegape Edward
	Cllr. Chubane Bontsi Alpheus
	Cllr. De Koker Kegomoditswe Salvation
	Cllr. Gaorengwe Tebogo Capricon
	Cllr. Ipeleng Olebogeng
	Cllr. Kesemolotse E Gladwin
	Cllr. Lekoma Ikgopoleng Joseph
	Cllr. Lephoi Gedion Hwayi
	Cllr. Mabengwane Linda Xavier (MMC IT)
	Cllr. Matuane Jeanette Amogelang (MMC Spacial Planning)
	Cllr. Mase Bakang Philip
	Cllr. Maribe Itumeleng Nicholas (MMC Infrastructure)
	Cllr. Modise Revonia Loeto
	Cllr. Moeti Mika Bennet (MMC Finance)
	Cllr. Moeng Kagelelo Partick
	Cllr. Mojaki Mmoloki Salvation
	Cllr. Monchonyane Ruphas Tebogo (resigned 31 March 2025)
	Cllr. Montewa Ntesang Maria
	Cllr. Morapedi-Letele Mosadiotsile Sylvia
	Cllr. Mosinkiemang Mosetsanagape Virginia (MMC Community Services)
	Cllr. Moraladi Tefo Godfrey
	Cllr. Mmokwa Margaret
	Cllr. Nape Legaudise Sam
	Cllr. Nkewu Boniswa Marcia
	Cllr. Makwati Montanong Micheal
	Cllr. Olifant Caroline Keolebogile
	Cllr. Pudule Alfred Kagiso
	Cllr. Pusho Boitshwarelo
	Cllr. Rooibatjie Keitumetse Confidence
	Cllr. Seboko Kealeboga Lenin
	Cllr. Segosapelo Oratile Isreal
	Cllr. Molale Mosadiwamarope Tebogo Mellicent
	Cllr. Tshipo Gaolatlhe Jeremia
	Cllr. Tabe Tumo

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General Information

	Cllr. Molamu Gladys Cllr. Zonke Vuyiseka Cllr. Sephula April (MMC planning and development from 1 April 2025) Cllr. Mojanaga Mothusiotsile Cllr. Tafane Nontetho (MMC Corporate Services) Cllr. Sekwenyane Monene Cllr. Sebe Thandiwe (MMC LED) Cllr. Seepamere Seepapitso Cllr. Tong Onkarabile Cllr. Kelebogile Wilson (from 1 April 2025)
Grading of local authority	Grade 3 Local Municipality
Accounting Officer	Mr. MA Makuapane
Chief Finance Officer (CFO)	Ms. NG Dibelane: Acting (July-October) Substantive (November to date)
Registered office	Municipal Offices Station Street Taung 8580
Postal address	Private Bag X 1048 Taung Station 8580
Bankers	ABSA Bank Nedbank First National Bank Standard Bank
Auditors	Auditor General South Africa Registered Auditors
Attorneys	BG Bojosinyane & Associates Modiboa Attorneys Lizel Venter Attorneys Leepile Attorneys M Mere and Associates Maleshane Attorneys Phungo Incorporated Rangwako Attorneys Inc T V Shuping Attorneys Taleni Godi Kupiso Inc TMK Attorneys

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

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Abbreviations used:

LG -SETA	Local Government Sector Education Training Authority
GL/TB	General Ledger / Trial Balance
GRAP	Generally Recognised Accounting Practice
ABSA	Amalgamated Banks of South Africa
MIG	Municipal Infrastructure Grant
GTLM	Greater Taung Local Municipality
EPWP	Expanded public Works Program
Cllr	Councillor
MBRR	Municipal Budget and Reporting Regulations
ASB	Accounting Standards Board
LG SETA	Local Government Sector Education and Training
MEC	Member of Executice Committee
EXCO	Executive Committee
LSA	Long Service Award
PEMAB	Post Employment Medical Aid Benefit
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
MPAC	Municipal Public Account Committee
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
SARS	South African Revenue Services
COID	Compensation of Occupational Injuries and Diseases

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MMC	Member of mayoral council
IT	Information technology
LED	Local economic development
INEP	Integrated electrification program
IAS	International Accounting Standards
FNB	First National Bank
SALGA	South African Local Government Association
AGSA	Auditor General South Africa

Greater Taung Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was 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 accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

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

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

Although the accounting officer is primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The annual financial statements set out on page 9 - 103, which have been prepared on the going concern basis, were approved by the accounting officer on 05 December 2025 and were signed on its behalf by:

Mr MA Makuapane
Municipal Manager

Greater Taung Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Report

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

1. Review of activities

Main business and operations

The 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; and participate in national and provincial development programmes and operates principally in South Africa.

The operating results and state of affairs of the municipality are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net surplus of the municipality was R 42 883 328 (2024: deficit R 37 413 117).

2. Going concern

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

We draw attention to the fact that as at 30 June 2025, the municipality had an accumulated surplus (deficit) of R 850 801 929 and that the municipality's total assets exceed its liabilities by R 850 801 929.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

4. Accounting policies

The annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as follows:

Name	Nationality
Mr MA Makuapane	South African

6. Corporate governance

General

The accounting officer is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

The municipality confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The accounting officer discuss the responsibilities of management in this respect, at Council and monitor the municipality's compliance with the code on a three monthly basis.

The salient features of the municipality's adoption of the Code is outlined below:

Internal audit

The municipality has an in-sourced internal audit function in compliance with the Municipal Finance Management Act.

7. Auditors

Auditor General South Africa will continue in office for the next financial period.

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Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Report

The annual financial statements set out on page 9 - 103, which have been prepared on the going concern basis, were approved by the accounting officer on 05 December 2025 and were signed on its behalf by:

Mr MA Makuapane
Municipal Manager

Greater Taung Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	9	1 503 502	742 994
Receivables from exchange transactions	10&14	616 336	243 903
Receivables from non-exchange transactions	11&14	1 962 920	2 491 462
VAT receivable	12	8 080 635	5 699 401
Consumer debtors	13	2 100 574	4 321 614
Cash and cash equivalents	15	36 159 830	20 260 281
		50 423 797	**33 759 655**
Non-Current Assets			
Investment property	3	13 394 000	13 675 000
Property, plant and equipment	4	894 436 421	852 782 044
Intangible assets	5	290 093	934 046
		908 120 514	**867 391 090**
Total Assets		**958 544 311**	**901 150 745**
Liabilities			
Current Liabilities			
Payables from exchange transactions	6	37 838 654	38 533 268
Consumer deposits	7	249 237	202 550
Employee benefit obligation	8	4 996 000	1 722 000
Unspent conditional grants and receipts	16	3 324 219	1 901 958
Provisions	17	6 306 562	3 557 441
		52 714 672	**45 917 217**
Non-Current Liabilities			
Employee benefit obligation	8	23 565 000	23 322 000
Provisions	17	31 462 710	24 150 262
		55 027 710	**47 472 262**
Total Liabilities		**107 742 382**	**93 389 479**
Net Assets		**850 801 929**	**807 761 266**
Accumulated surplus		850 801 929	807 761 266
Total Net Assets		**850 801 929**	**807 761 266**

* See Note 48 & 47

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Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	20	12 860 938	12 192 217
Rental of facilities and equipment	21	535 338	419 119
Agency services	22	134 423	104 882
Interest received service charges	19	2 390 390	2 691 105
Other income	26	1 726 439	1 141 121
Interest received - investments	27	7 629 190	6 703 832
Total revenue from exchange transactions		**25 276 718**	**23 252 276**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	28	31 713 257	31 027 030
Donations and refunds	23	28 594 854	241 155
Interest - Taxation revenue	25	1 210 221	1 171 090
Transfer revenue			
Government grants & subsidies	30	342 031 739	304 024 987
Total revenue from non-exchange transactions		**403 550 071**	**336 464 262**
Total revenue		**428 826 789**	**359 716 538**
Expenditure			
Employee related costs	31	(139 425 709)	(133 805 611)
Remuneration of councillors	32	(23 507 662)	(22 818 412)
Depreciation and amortisation	33	(47 972 180)	(46 981 299)
Finance costs	34	(83 685)	(92 942)
Lease rentals on operating lease	24	(2 727 086)	(2 938 781)
Debt Impairment	36	(15 901 218)	(9 974 724)
Bulk purchases	38	(6 116 537)	(5 642 076)
Contracted services	39	(63 752 497)	(81 341 348)
Transfers and Subsidies	29	(347 335)	(285 400)
General Expenses	37	(93 462 378)	(95 977 339)
Total expenditure		**(393 296 287)**	**(399 857 932)**
Operating surplus (deficit)	41	**35 530 502**	**(40 141 394)**
Gain (loss) on disposal of assets and liabilities		8 129 052	(173 341)
Fair value adjustments	42	(281 000)	996 000
Actuarial gains/losses	8	(318 000)	1 898 000
Inventories losses/write-downs		(177 226)	7 618
		7 352 826	**2 728 277**
Surplus (deficit) for the year		**42 883 328**	**(37 413 117)**

* See Note 48 & 47

Greater Taung Local Municipality

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Statement of Changes in Net Assets

Figures in Rand	Water distribution reserve	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	186 964	851 994 815	852 181 779
Adjustments			
Prior year adjustments 48	(186 964)	(6 820 432)	(7 007 396)
Balance at 01 July 2023 as restated*	**-**	**845 174 383**	**845 174 383**
Changes in net assets			
Surplus for the year	-	(37 413 117)	(37 413 117)
Total changes	-	(37 413 117)	(37 413 117)
Opening balance as previously reported	-	807 761 258	807 761 258
Adjustments			
Prior year adjustments 48	-	157 343	157 343
Restated* Balance at 01 July 2024 as restated*	**-**	**807 918 601**	**807 918 601**
Changes in net assets			
Surplus for the year	-	42 883 328	42 883 328
Total changes	-	42 883 328	42 883 328
Balance at 30 June 2025	**-**	**850 801 929**	**850 801 929**

Note(s)

* See Note 48 & 47

Greater Taung Local Municipality

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Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Taxation		33 498 707	31 928 151
Sale of goods and services		19 496 135	15 828 586
Grants		343 454 000	300 214 000
Interest income - investments		7 629 190	6 703 832
Other income receipts		868 059	241 155
		404 946 091	354 915 724
Payments			
Employee costs		(157 925 955)	(149 492 537)
Suppliers		(176 839 474)	(181 340 186)
Finance costs		(83 685)	(92 942)
		(334 849 114)	(330 925 665)
Net cash flows from operating activities	40	**70 096 977**	**23 990 059**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(65 716 365)	(51 371 979)
Proceeds from sale of property, plant and equipment	4	11 452 943	(140 721)
Proceeds from sale of other intangible assets	5	65 994	-
Net cash flows from investing activities		**(54 197 428)**	**(51 512 700)**
Net increase/(decrease) in cash and cash equivalents		**15 899 549**	**(27 522 641)**
Cash and cash equivalents at the beginning of the year		20 260 281	47 782 922
Cash and cash equivalents at the end of the year	15	**36 159 830**	**20 260 281**

The accounting policies on pages 17 to 47 and the notes on pages 48 to 103 form an integral part of the annual financial statements.

* See Note 48 & 47

Greater Taung Local Municipality

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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	20 150 000	-	**20 150 000**	12 860 938	**(7 289 062)**	59
Rental of facilities and equipment	367 000	-	**367 000**	535 338	**168 338**	
Agency services	400 000	-	**400 000**	134 423	**(265 577)**	
Interest received service charges	5 763 000	-	**5 763 000**	2 390 390	**(3 372 610)**	59
Other income	9 643 000	-	**9 643 000**	1 726 439	**(7 916 561)**	59
Interest received - investment	10 480 000	-	**10 480 000**	7 629 190	**(2 850 810)**	59
Total revenue from exchange transactions	**46 803 000**	**-**	**46 803 000**	**25 276 718**	**(21 526 282)**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	45 939 000	-	**45 939 000**	31 713 257	**(14 225 743)**	59
Donations and subsidies	-	-	**-**	28 594 854	**28 594 854**	59
Interest - Taxation revenue	-	-	**-**	1 210 221	**1 210 221**	
Transfer revenue						
Government grants & subsidies	266 922 000	-	**266 922 000**	342 031 739	**75 109 739**	59
Total revenue from non-exchange transactions	**312 861 000**	**-**	**312 861 000**	**403 550 071**	**90 689 071**	
Total revenue	**359 664 000**	**-**	**359 664 000**	**428 826 789**	**69 162 789**	
Expenditure						
Personnel	(143 085 000)	1 250 911	**(141 834 089)**	(139 425 709)	**2 408 380**	59
Remuneration of councillors	(24 908 000)	-	**(24 908 000)**	(23 507 662)	**1 400 338**	59
Depreciation and amortisation	(38 252 000)	-	**(38 252 000)**	(47 972 180)	**(9 720 180)**	59
Finance costs	(300 000)	-	**(300 000)**	(83 685)	**216 315**	59
Lease rentals on operating lease	(2 640 000)	-	**(2 640 000)**	(2 727 086)	**(87 086)**	59
Debt Impairment	(5 000 000)	-	**(5 000 000)**	(15 901 218)	**(10 901 218)**	59
Inventory consumed	(8 190 000)	(2 570 000)	**(10 760 000)**	-	**10 760 000**	
Bulk purchases	(7 256 000)	500 000	**(6 756 000)**	(6 116 537)	**639 463**	59
Contracted Services	(63 542 000)	(13 016 966)	**(76 558 966)**	(63 752 497)	**12 806 469**	59
Transfers and Subsidies	(300 000)	-	**(300 000)**	(347 335)	**(47 335)**	
General Expenses	(62 223 000)	(19 907 512)	**(82 130 512)**	(93 462 378)	**(11 331 866)**	59
Total expenditure	**(355 696 000)**	**(33 743 567)**	**(389 439 567)**	**(393 296 287)**	**(3 856 720)**	
Operating surplus	**3 968 000**	**(33 743 567)**	**(29 775 567)**	**35 530 502**	**65 306 069**	
Gain on disposal of assets and liabilities	-	-	**-**	8 129 052	**8 129 052**	59
Fair value adjustments	-	-	**-**	(281 000)	**(281 000)**	
Actuarial gains/losses	-	-	**-**	(318 000)	**(318 000)**	
Inventories losses/write-downs	-	-	**-**	(177 226)	**(177 226)**	
	-	**-**	**-**	**7 352 826**	**7 352 826**	

Greater Taung Local Municipality

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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
Surplus before taxation	**3 968 000**	**(33 743 567)**	**(29 775 567)**	**42 883 328**	**72 658 895**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**3 968 000**	**(33 743 567)**	**(29 775 567)**	**42 883 328**	**72 658 895**	

Greater Taung Local Municipality

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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	877 000	-	**877 000**	1 503 502	**626 502**	
Receivables from exchange transactions	(7 524 000)	-	**(7 524 000)**	616 336	**8 140 336**	
Receivables from non-exchange transactions	24 495 000	-	**24 495 000**	1 962 920	**(22 532 080)**	59
VAT receivable	50 324 000	-	**50 324 000**	8 080 635	**(42 243 365)**	
Consumer debtors	-	-	**-**	2 100 574	**2 100 574**	59
Other asset	7 000	-	**7 000**	-	**(7 000)**	
Cash and cash equivalents	75 943 000	-	**75 943 000**	36 159 830	**(39 783 170)**	59
	144 122 000	**-**	**144 122 000**	**50 423 797**	**(93 698 203)**	
Non-Current Assets						
Investment property	12 679 000	-	**12 679 000**	13 394 000	**715 000**	
Property, plant and equipment	810 592 000	-	**810 592 000**	894 436 421	**83 844 421**	59
Intangible assets	1 857 000	-	**1 857 000**	290 093	**(1 566 907)**	
	825 128 000	**-**	**825 128 000**	**908 120 514**	**82 992 514**	
Total Assets	**969 250 000**	**-**	**969 250 000**	**958 544 311**	**(10 705 689)**	
Liabilities						
Current Liabilities						
Other financial liabilities	7 000	-	**7 000**	-	**(7 000)**	
Payables from exchange transactions	41 563 000	-	**41 563 000**	37 838 654	**(3 724 346)**	
Taxes and transfers payable (non-exchange)	2 431 000	-	**2 431 000**	-	**(2 431 000)**	
VAT payable	46 705 000	-	**46 705 000**	-	**(46 705 000)**	
Consumer deposits	155 000	-	**155 000**	249 237	**94 237**	
Employee benefit obligation	-	-	**-**	4 996 000	**4 996 000**	
Unspent conditional grants and receipts	-	-	**-**	3 324 219	**3 324 219**	59
Provisions	(574 000)	-	**(574 000)**	6 306 562	**6 880 562**	
Other liability 1	678 000	-	**678 000**	-	**(678 000)**	
	90 965 000	**-**	**90 965 000**	**52 714 672**	**(38 250 328)**	
Non-Current Liabilities						
Other financial liabilities	(7 000)	-	**(7 000)**	-	**7 000**	
Employee benefit obligation	18 214 000	-	**18 214 000**	23 565 000	**5 351 000**	59
Provisions	16 258 000	-	**16 258 000**	31 462 710	**15 204 710**	59
	34 465 000	**-**	**34 465 000**	**55 027 710**	**20 562 710**	
Total Liabilities	**125 430 000**	**-**	**125 430 000**	**107 742 382**	**(17 687 618)**	
Net Assets	**843 820 000**	**-**	**843 820 000**	**850 801 929**	**6 981 929**	

Greater Taung Local Municipality

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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
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Reserves and funds	(95 117 000)	-	**(95 117 000)**	-	**95 117 000**	
Accumulated surplus	938 937 000	-	**938 937 000**	850 801 929	**(88 135 071)**	59
Total Net Assets	**843 820 000**	-	**843 820 000**	**850 801 929**	**6 981 929**	

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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.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

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

1.3 Going concern assumption

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

1.4 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:

In the process of applying its accounting policies, and in preparing the annual financial statements, management is required to make various judgements, including estimates and assumptions, that may affect the determination of the reporting framework, affect amounts represented in the annual financial statements and as well as 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.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Impairment testing

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.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 17 - Provisions.

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Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post-retirement benefits

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

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 8.

Effective interest rate

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

Allowance for doubtful debts

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

Accounting by principals and agent

The municipality makes assessments on whether it is the principal or agent in principal-agent relationships.

Additional information is disclosed in Note 60.

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures and impairment loss. The impairment loss is measured 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, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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

An impairment loss recognised in prior periods for a statutory receivable are 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.

1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or

Accounting Policies

1.5 Investment property (continued)

- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

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

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

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

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

Fair value

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

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

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

1.6 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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.

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Accounting Policies

1.6 Property, plant and equipment (continued)

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	indefinite
Buildings	Straight-line	5-100 years
Plant and machinery	Straight-line	2-15 years
Furniture and fixtures	Straight-line	7 years
Motor vehicles	Straight-line	3-20 years
Office equipment	Straight-line	3-5 years
IT equipment	Straight-line	3-5 years
Infrastructure	Straight-line	10-55 years
Community	Straight-line	5-100 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.

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.

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Accounting Policies

1.6 Property, plant and equipment (continued)

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 4).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4).

1.7 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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

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

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Accounting Policies

1.7 Intangible assets (continued)

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Patents, trademarks and other rights	Straight-line	1-indefinite

1.8 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.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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

Accounting Policies

1.8 Financial instruments (continued)

- 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.

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.

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.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;

Accounting Policies

1.8 Financial instruments (continued)

- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

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

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Consumer debtors	Financial asset measured at amortised cost

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Payables fron non-exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost

1.9 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

Accounting Policies

1.9 Statutory receivables (continued)

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.

1.10 Leases

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

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.

1.11 Inventories

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

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

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

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

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.

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

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

The cost of inventories 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.

Accounting Policies

1.11 Inventories (continued)

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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

1.12 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.

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.

1.13 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.

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

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.

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.

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Composition of estimates of future cash flows

Estimates of future cash flows include:

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

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

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

Cash-generating units

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

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

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

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

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

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

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

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

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

Accounting Policies

1.13 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.

1.14 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.

Accounting Policies

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

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 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.

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.

Accounting Policies

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

Value in use

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

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

Depreciated replacement cost approach

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

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

Recognition and measurement

If the recoverable 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.

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.

Accounting Policies

1.15 Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

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

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Accounting Policies

1.15 Employee benefits (continued)

Post-employment benefits

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

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

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

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

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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Accounting Policies

1.15 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

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

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

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

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

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

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

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

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

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

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

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

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

Accounting Policies

1.15 Employee benefits (continued)

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

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

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

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

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

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

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

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

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

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

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

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

Accounting Policies

1.15 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

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

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

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

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.16 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.

Accounting Policies

1.16 Provisions and contingencies (continued)

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.

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 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 45.

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;

Accounting Policies

1.16 Provisions and contingencies (continued)

- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.17 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.

Accounting Policies

1.18 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.

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 surveys of work performed.

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

Accounting Policies

1.18 Revenue from exchange transactions (continued)

- 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.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

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

Accounting Policies

1.19 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.

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.

Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

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.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for income tax is the earning of assessable income during the taxation period by the taxpayer.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for customs duty is the movement of dutiable goods or services across the customs boundary.

The taxable event for estate duty is the death of a person owning taxable property.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Taxation revenue are not grossed up for the amount of tax expenditures.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

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.

Gifts and donations, including goods in-kind

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

1.20 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.21 Borrowing costs

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

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.22 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

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Accounting Policies

1.22 Accounting by principals and agents (continued)

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.23 Comparative figures

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

1.24 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).

1.25 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).

1.26 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).

1.27 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.

1.28 Segment information

A segment is an activity of an entity:

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

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

Accounting Policies

1.28 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.

1.29 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 cash basis and presented by economic classification linked to performance outcome objectives.

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

The budget for the economic entity includes all the entities approved budgets under its control.

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

1.30 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

1.30 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 annual financial statements.

1.31 Events after reporting date

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

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

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

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

1.32 Service concession arrangements: Entity as an operator

Identification

Service concession arrangement is a contractual arrangement between a grantor and an operator in which an operator uses the services concession asset to provide a mandated function on behalf of a grantor for a specified period, where the operator is compensated for its services over the period of service concession arrangement.

A grantor is the entity that grants the right to use the service concession asset to the operator.

A mandated function involves the delivery of a public service by an operator on behalf of a grantor that falls within the grantor's mandate.

An operator is the entity that uses the service concession asset to provide a mandated function subject to the grantor's control of the asset.

A service concession asset is an asset used to provide a mandated function in a service concession arrangement that:

- is provided by the operator which:
  - the operator constructs, develops, or acquires from a third party; or
  - is an existing asset of the operator; or
- is provided by the grantor which:
  - is an existing asset of the grantor; or
  - is an upgrade to an existing asset of the grantor.

Recognition of asset and liability

The entity recognises an asset provided by the operator and an upgrade to an existing asset of the entity, as a service concession asset if the entity controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price, and if the entity controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the asset at the end of the term of the arrangement. This applies to an asset used in a service concession arrangement for its entire economic life (a "whole-of-life" asset).

After initial recognition or reclassification, service concession assets are clearly identified from other assets within the same asset category, and are clearly identified from owned and/or leased assets.

Accounting Policies

1.32 Service concession arrangements: Entity as an operator (continued)

Where the entity recognises a service concession asset, and the asset is not an existing asset of the entity (grantor), the entity (grantor) also recognises a liability.

The entity does not recognise a liability when an existing asset of the entity is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator.

Measurement of asset and liability

The entity initially measures the service concession asset as follows:

- Where the asset is not an existing asset of the entity, the asset is measured at its fair value.
- Where the asset is an existing asset of the entity and it meets the recognition criteria of a service concession asset, the asset is reclassified as a service concession asset, and the asset is accounted for in accordance with the policy on Investment property, Property, plant and equipment, Intangible assets, or Heritage assets, as appropriate.

The entity initially measures the liability at the same amount as the service concession asset, adjusted by the amount of any other consideration from the entity to the operator, or from the operator to the entity.

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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2099	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in Rand

3. Investment property

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	13 394 000	-	13 394 000	13 675 000	-	13 675 000

Reconciliation of investment property - 2025

	Opening balance	Fair value adjustments	Total
Investment property	13 675 000	(281 000)	13 394 000

Reconciliation of investment property - 2024

	Opening balance	Fair value adjustments	Total
Investment property	12 679 000	996 000	13 675 000

Pledged as security

No investment property was pledged as security for the period.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	535 338	419 119

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4. 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	59 718 659	-	59 718 659	59 718 659	-	59 718 659
Buildings	75 359 963	(52 812 382)	22 547 581	75 078 776	(50 224 181)	24 854 595
Community	336 202 546	(119 599 248)	216 603 298	309 890 764	(109 134 851)	200 755 913
Infrastructure	894 022 567	(330 614 561)	563 408 006	852 385 002	(319 759 391)	532 625 611
IT equipment	6 260 883	(3 033 729)	3 227 154	7 088 900	(3 636 084)	3 452 816
Motor vehicles	32 043 079	(19 100 237)	12 942 842	35 877 363	(23 487 757)	12 389 606
Plant and machinery	23 458 799	(11 467 673)	11 991 126	31 731 524	(16 812 569)	14 918 955
Furniture and fixtures	9 784 799	(5 787 044)	3 997 755	10 229 219	(6 163 330)	4 065 889
Total	**1 436 851 295**	**(542 414 874)**	**894 436 421**	**1 382 000 207**	**(529 218 163)**	**852 782 044**

Notes to the Annual Financial Statements

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers received	Transfers out	Depreciation	Impairment loss	Total
Land	59 718 659	-	-	-	-	-	-	59 718 659
Buildings	24 854 595	116 520	(72 709)	419 300	-	(2 770 125)	-	22 547 581
Community	200 755 913	222 730	(195 176)	27 726 795	-	(11 223 454)	(683 510)	216 603 298
Infrastructure	532 625 611	58 838 851	(706 105)	28 544 014	(28 963 314)	(26 543 890)	(387 161)	563 408 006
IT equipment	3 452 816	867 278	(175 245)	-	-	(917 695)	-	3 227 154
Motor vehicles	12 389 606	4 326 534	(518 936)	-	-	(3 254 362)	-	12 942 842
Plant and machinery	14 918 955	506 815	(1 607 069)	-	-	(1 827 575)	-	11 991 126
Furniture and fixtures	4 065 889	837 637	(48 651)	-	-	(857 120)	-	3 997 755
	852 782 044	**65 716 365**	**(3 323 891)**	**56 690 109**	**(28 963 314)**	**(47 394 221)**	**(1 070 671)**	**894 436 421**

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land	59 718 659	-	-	-	-	-	-	59 718 659
Buildings	27 588 133	28 750	-	-	-	(2 762 288)	-	24 854 595
Community	206 039 030	172 582	-	5 487 330	-	(10 943 029)	-	200 755 913
Infrastructure	516 246 321	47 222 127	-	67 879 659	(73 515 621)	(25 066 155)	(140 720)	532 625 611
IT equipment	3 596 218	846 250	(32 620)	-	-	(957 032)	-	3 452 816
Motor vehicles	15 764 124	-	-	-	-	(3 374 518)	-	12 389 606
Plant and machinery	14 608 455	2 464 507	-	-	-	(2 154 007)	-	14 918 955
Furniture and fixtures	4 256 923	637 763	-	-	-	(828 797)	-	4 065 889
	847 817 863	**51 371 979**	**(32 620)**	**73 366 989**	**(73 515 621)**	**(46 085 826)**	**(140 720)**	**852 782 044**

Reconciliation of Work-in-Progress 2025

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	18 059 227	148 632	-	18 207 859
Additions/capital expenditure	47 568 466	10 851 087	419 200	58 838 753
Transferred to completed items	(28 544 015)	-	(419 200)	(28 963 215)
	37 083 678	**10 999 719**	**-**	**48 083 397**

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Included within Community	Total
Opening balance	40 445 351	4 048 163	44 493 514
Additions/capital expenditure	45 366 637	1 907 360	47 273 997
Impairment	(140 720)	-	(140 720)
Transferred to completed items	(67 560 170)	(5 955 523)	(73 515 693)
	18 111 098	**-**	**18 111 098**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

4. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Contracted services	6 319 063	27 149 634

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Service concession arrangements

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5. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1 401 693	(1 111 600)	290 093	5 302 039	(4 367 993)	934 046

Reconciliation of intangible assets - 2025

	Opening balance	Disposals	Amortisation	Total
Computer software, other	934 046	(65 994)	(577 959)	290 093

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software, other	1 829 519	(895 473)	934 046

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6. Payables from exchange transactions

Trade payables	5 854 527	11 842 868
Payments received in advance	5 452 470	125 303
Bonus accrual	2 984 318	3 545 388
Retention liability	8 948 029	9 217 283
Accrued leave pay	12 199 948	13 112 302
Salary control account	1 743 861	34 021
Deposits received	655 001	656 103
Unallocated deposits	500	-
	37 838 654	**38 533 268**

7. Consumer deposits

Electricity	9 146	13 146
Builders deposits	127 674	107 112
Rental deposits	112 417	82 292
	249 237	**202 550**

8. Employee benefit obligations

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

Carrying value		
Medical aid fund liability	(22 602 000)	(19 328 000)
Long service award liability	(5 959 000)	(5 716 000)
	(28 561 000)	**(25 044 000)**
Non-current liabilities	(23 565 000)	(23 322 000)
Current liabilities	(4 996 000)	(1 722 000)
	(28 561 000)	**(25 044 000)**

The obligations do not have plan assets and are paid out of operational budgets when withdrawals occur

Changes in the present value of the defined benefit obligation are as follows:

Employee benefit obligation		
Opening balance	21 566 000	23 121 000
Net expense recognised in the statement of financial performance	(3 517 000)	(1 555 000)
	18 049 000	**21 566 000**

Net expense recognised in the statement of financial performance

Current service cost - long service award	(550 000)	(514 000)
Current service cost - medical aid fund	(1 077 000)	(1 063 000)
Finance costs - long service award	(581 000)	(540 000)
Finance costs - medical aid fund	(2 361 000)	(2 289 000)
Actuarial gains or losses - long service award	(43 000)	(251 000)
Actuarial gains or losses - long service award	(275 000)	2 149 000
Benefits paid - long service awards	931 000	794 000
Benefits paid - medical aid fund	439 000	159 000
	(3 517 000)	**(1 555 000)**

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8. Employee benefit obligations (continued)

Calculation of actuarial gains and losses

Actuarial (gains) losses – long service award	(43 000)	(251 000)
Actuarial (gains) losses – medical aid benefit	(275 000)	2 149 000
	(318 000)	**1 898 000**

Key assumptions used

Assumptions used at the reporting date:

Health care costs	7,10 %	7,81 %
Discount rates used	11,40 %	11,05 %
Maximum subsidies inflation	4,70 %	6,20 %

Other assumptions

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

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	3 561 000	2 839 000

9. Inventories

Stores, material and fuel	1 300 839	363 105
Water for distribution	201 653	378 879
Unsold Properties Held for Resale	1 010	1 010
	1 503 502	**742 994**
Carrying value of inventories carried at fair value less costs to sell	1 300 839	363 105
Inventories recognised as an expense during the year	7 514 981	8 174 497
Inventories written off/(appreciation) during the year	177 226	(7 618)

Inventory pledged as security

None of the Municipality's inventory was pledged as security in the current and prior period.

Water for distribution

Opening balance	378 879	371 261
Valuation movement	(177 226)	7 618
Closing balance	**201 653**	**378 879**

10. Receivables from exchange transactions

Agency fees receivable	616 336	243 903

11. Receivables from non-exchange transactions

Consumer debtors - Rates	1 962 920	2 491 462

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12. VAT receivable

VAT	8 080 635	5 699 401
The Vat receivable/(payable) is attributed to:		
VAT Payables - cash portion	2 750 586	1 254 808
Vat Receivable/(Payable) - Accrual Portion	5 330 049	4 444 593
	8 080 635	**5 699 401**

The VAT Receivable - Accrual Portion is attributable to VAT related transactions arising from debtor, and creditor transactions not yet actually paid or receivable and impairment transactions related to debtors.

Receivables from non-exchange		
Vat Receivables - cash portion	2 750 586	1 254 808

The Vat Receivables - Cash Portion is attributable to VAT Returns submitted to SARS awaiting payment by SARS

Trade and other Receivables from Exchange transactions		
Input VAT Accrual	5 605 037	5 008 282

The Vat Receivable - Accrual Portion is attributable to VAT related transactions arising from creditor transactions not yet actually receivable

Trade and Other payables from Exchange Transactions		
Output VAT Accrual	(273 988)	(563 689)

The Vat Receivable - Accrual Portion is attributable to VAT related transactions arising from debtor transactions not yet actually payable and impairment transactions related to debtors.

VAT

Statutory receivables general information.

Transactions arising from statute:

The municipality is required to levy or pay tax at a rate of 15% as per requirements of section 7 of the Value Added Tax Act No. 89 of 1991. VAT amount is based on the supply of good or service by the municipality in the course of furtherance of any enterprises conducted by the municipality.

Determination of the transaction amount:

The transaction amount is determined by application of 15% on all taxable supplies incurred by the municipality. The net amount between the amount actually received from sale of taxable goods or services and acquisition of taxable goods or services will be submitted to SARS as the amount receivable/payable. A receivable arises when VAT input amount paid to suppliers is more than VAT output amount received from customers.

Interest or other charges levied:

Interest on outstanding taxes/ refunds is charged at a rate of 11.75% (2023: 10.75%).

Basis used to assess and test whether statutory receivables is impaired:

Upon declaration, SARS is required by the Act to refund the municipality by the 25th of the following month subsequent to filling of the return. Historically, refunds have been made on time unless if there is an audit of verification process taking place. This guarantees recoverability of the amount declared to SARS and not impairment has been calculated.

Discount Rate applied to estimate future cash flows:

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12. VAT receivable (continued)

No discounting applied as this amount declared to SARS represents the present value of the future cash flows to be received from SARS.

Statutory debtors pledged as security:

None of the VAT receivables amount has been pledged as collateral security.
Receivable Balances Are Presented Inclusive of VAT

The underlying debtor balances (exchange and non-exchange receivables) are accounted for inclusive of VAT. When impairment is calculated and recognised on these debtor balances, such impairment implicitly reduces both:

- the debtor principal, and
- the VAT component that forms part of the debtor balance.

Therefore, the final carrying amount of debtors after impairment is already net of VAT, meaning:
Any impairment recognised on the underlying debtors already represents a reduction of the VAT portion attributable to those debtors.

This ensures that the VAT receivable arising from output VAT accruals is not overstated, as it is already based on impaired balances.

1. Zero-Rated Revenue Does Not Affect the VAT Receivable

The impairment of R72 052 488 relates primarily to rates and taxes, which are zero-rated supplies for VAT purposes.
Accordingly:
- No VAT output arises from these transactions, and
- No impairment effect would ever flow through to the VAT receivable relating to these transactions.

Thus, the impairment of R72 million has no impact on the VAT receivable.

1. Exchange Revenue Impairment Already Includes VAT Effect

The R15 901 218 impairment relates to exchange revenue. Because exchange debtors are recorded inclusive of VAT, the VAT portion is necessarily reduced when the debtor is impaired.
Thus:

The VAT arising from exchange revenue is already assessed for recoverability indirectly through the debtor impairment calculation. There is therefore no separate risk of VAT irrecoverability that is not already accounted for.

1. VAT Statutory Position and Category C Vendor Status

The municipality is registered as a Category C VAT vendor on the cash basis. In practice:
- Output VAT liability arises only upon receipt of payment, not upon accrual.
- Refunds due from SARS and payments due to SARS are historically settled in full and not subject to non-recovery risk.
- SARS does not impair statutory VAT refunds due to vendors.

Accordingly; Statutory VAT receivables do not pose a recoverability risk, nor is there evidence to support a need for impairment under GRAP 108.
GRAP 108 applies to receivables arising from legislation, specifically statutory amounts owing or receivable. The relevant principles are as follows:

Statutory receivables must be initially recognised at the transaction amount specified by legislation.
- They must be measured subsequently at recoverable amount, considering impairment indicators.
- Impairment should be recognised only where there is evidence that the statutory amount may not be recoverable.

Thus, impairment under GRAP 108 is not automatic, but evidence-based.
Under GRAP 108, a statutory receivable is impaired only when recoverability from SARS is doubtful.

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12. VAT receivable (continued)

In this municipality:

- SARS refunds are historically and regularly settled.
- There is no documented pattern of SARS non-payment.

- VAT statutory receivable therefore does not present recoverability uncertainty.

This satisfies the GRAP 108 requirement that impairment must be supported by objective evidence, of which none exists.
Reiterating the initial paragraph; The municipality is a Category C vendor on the cash basis.
Therefore:

VAT receivable arises only after cash has been collected, not at the accrual date.

- Impairment of underlying debtors cannot impair VAT, because VAT was never recognised before recovery.
- The statutory VAT receivable does not carry recoverability risk under cash basis treatment.

Thus, GRAP 108 impairment does not apply to VAT for Category C vendors unless SARS fails to settle refunds, which is not the case.

VAT refunds/payables are regularly cleared with SARS, further supporting the low-risk position.
Provision for Output VAT on Doubtful Debts Is an Accounting Estimation Tool
The output VAT reversal linked to doubtful debts is an accounting mechanism to ensure the VAT liability matches the expected recoverable debtor balance. It is not intended to reflect an impairment of VAT as a statutory receivable.

Therefore:

- It does not compromise the integrity of the statutory VAT receivable, and
- It does not materially distort the balance reported in the AFS.

Statutory Receivable Is Not Overstated and Complies with GRAP 108
Based on the municipality's environment, compliance history, and the nature of Category C VAT:

- The VAT receivable presented is recoverable;
- There is no indication of impairment or irrecoverability specific to SARS;
- The VAT receivable reflects its net recoverable amount considering the indirect impairment flowing from underlying debtor impairments.

Accordingly, the statutory VAT receivable is fairly stated and complies with GRAP 108.
The municipality therefore submits that:
Indirect impairment occurs through debtors already, and

1. No separate impairment of the VAT statutory receivable is warranted, as:
    - rates and taxes do not affect VAT,
    - exchange debtor impairment already reduces VAT proportionately, and
    - the statutory receivable from SARS is not at risk of non-recovery.

Given the evidence presented and our alignment with GRAP 108, we kindly and respectfully request that the finding be removed, as the statutory VAT receivable has been correctly accounted for and does not present a risk of misstatement.

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13. Consumer debtors		
Gross balances		
Electricity	3 271 215	3 808 488
Water	7 772 566	7 872 050
Waste water	18 588 758	18 059 814
Refuse	21 436 569	20 687 774
Housing rental	2 272 662	2 111 279
Sundry debtors	4 207 808	4 572 060
	57 549 578	**57 111 465**
Less: Allowance for impairment		
Electricity	(3 087 111)	(3 140 570)
Water	(7 551 828)	(7 579 743)
Waste water	(17 965 009)	(16 801 986)
Refuse	(20 547 718)	(18 951 859)
Housing rental	(2 173 743)	(2 007 263)
Sundry debtors	(4 123 595)	(4 308 430)
	(55 449 004)	**(52 789 851)**
Net balance		
Electricity	184 104	667 918
Water	220 738	292 307
Waste water	623 749	1 257 828
Refuse	888 851	1 735 915
Housing rental	98 919	104 016
Sundry debtors	84 213	263 630
	2 100 574	**4 321 614**
Electricity		
Current (0 -30 days)	84 844	131 244
31 - 60 days	13 812	31 037
61 - 90 days	10 655	16 783
91 - 120 days	2 885	15 086
121 - 365 days	71 908	170 158
> 365 days	-	303 610
	184 104	**667 918**
Water		
Current (0 -30 days)	148 496	123 398
31 - 60 days	4 069	7 415
61 - 90 days	11 602	5 947
91 - 120 days	5 208	5 115
121 - 365 days	51 363	37 351
> 365 days	-	113 081
	220 738	**292 307**

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13. Consumer debtors (continued)

Waste water		
Current (0 -30 days)	416 067	378 111
31 - 60 days	24 987	75 805
61 - 90 days	31 375	58 630
91 - 120 days	20 223	52 736
121 - 365 days	131 097	273 179
> 365 days	-	419 367
	623 749	**1 257 828**
Refuse		
Current (0 -30 days)	620 759	537 671
31 - 60 days	36 082	189 752
61 - 90 days	42 097	84 292
91 - 120 days	29 992	82 342
121 - 365 days	159 921	350 893
> 365 days	-	490 965
	888 851	**1 735 915**
Housing rental		
Current (0 -30 days)	40 506	35 916
31 - 60 days	2 954	7 090
61 - 90 days	1 735	5 712
91 - 120 days	1 195	5 258
121 - 365 days	6 053	7 944
> 365 days	46 476	42 096
	98 919	**104 016**
Other		
Current (0 -30 days)	12 264	17 927
31 - 60 days	3 243	1 036
61 - 90 days	1 218	781
91 - 120 days	337	393
121 - 365 days	-	2 938
> 365 days	67 151	240 555
	84 213	**263 630**
Reconciliation of allowance for impairment		
Balance at beginning of the year	(53 270 485)	(49 563 703)
Contributions to allowance	(2 178 519)	(3 226 148)
	(55 449 004)	**(52 789 851)**

Consumer debtors pledged as security

No consumer debtors were pledged as security during the period.

Credit quality of consumer debtors

The credit quality of consumer debtors that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates:

Consumer debtors past due but not impaired

All consumer debtors past due and not settled in full have been considered for impairment in accordance with the municipality's impairment policy.

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13. Consumer debtors (continued)

Consumer debtors impaired

As of 30 June 2025, consumer debtors of R 53 147 068 (2024: R 53 270 485) were impaired and provided for.

The amount of the provision was R 53 147 068 as of 30 June 2025 (2024: R 53 270 485).

The ageing of these loans is as follows:

Over 6 months	53 147 068	53 270 485

The carrying amount of consumer debtors are denominated in the following currencies:

Rand	4 637 667	4 321 614

The creation and release of allowance for impaired receivables have been included in operating expenses in the statement of financial performance (note 36). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

14. Receivables from non-exchange transactions

Gross balances		
Consumer debtors - Rates	74 015 408	72 163 635
Less: Allowance for impairment		
Consumer debtors - Rates	(72 052 488)	(69 672 173)
Net balance		
Consumer debtors - Rates	1 962 920	2 491 462
Rates		
Current (0 -30 days)	867 776	788 820
31 - 60 days	60 573	130 823
61 - 90 days	44 540	104 824
91 - 120 days	74 244	84 130
121 - 365 days	844 653	528 698
> 365 days	71 134	854 167
	1 962 920	**2 491 462**

Summary of debtors by customer classification

Property rates		
Agricultural properties	25 454 153	18 194 241
Business and commercial properties	3 377 639	2 926 703
State owned properties	12 220 777	13 856 006
Residential properties	32 000 563	36 752 600
Vacant land	321 903	255 831
Municipal employees	171 442	178 255
	73 546 477	72 163 636
Less: Allowance for impairment	(72 052 488)	(69 672 173)
	1 493 989	**2 491 463**

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14. Receivables from non-exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

Property rates are statutory receivables as defined by GRAP 108. Property rates arises from implementation of the requirements of Municipal Property Rates Act No. 6 of 2004

Determination of transaction amount

Property rates values are determined by taking approved tariff rates and multiplying it by the market values of properties within municipal jurisdiction as detailed in the general valuation roll.

Interest or other charges levied/charged

Applicable interest rate is 10% in current year which is consistent with prior year.

Basis used to assess and test whether a statutory receivable is impaired

Statutory receivables are assessed for impairment annually using the collection rate method. This methods involves calculating average collection rate per customer which is determined by taking collection rate for current and prior periods and divide by number of periods being considered. The estimated default rate (impairment rate) is equal to 100% less average collection rate

Additional factors considered for testing impairment of statutory receivables:

- Customers' accounts where a formal arrangement has been made and no payment has been made in current and comparative year.
- Customers who fail to comply with agreed arrangement during current and prior year
- Customers' accounts handed over to debt collectors and /or power of attorney
- Customers' accounts owing for more than 30 days which is the credit period given by the municipality.
- Customers' accounts indicated as inactive on the ledger.
- Customers accounts presented to chief finance officer for consideration to write-off.
- Indigent customers where accounts are outstanding for more than 30 days.

The impairment indicators were determined management using professional judgmental and experience obtained from the past practice and statistics in relation to municipal debt collection.

Discount rate applied to the estimated future cash flows

The municipality applies a rate of 10% to all statutory receivables accounts balances older than 30 days. This rate is deemed to be the market value as it takes the effect of inflation and other economic factors into account. For impairment calculations, there was no discounting of expected future costs performed because the receivables balance as per debtors age analysis represents the present value of expected future cash inflows. The receivables age analysis has already factored in the effect of time value of money.

Statutory receivables past due but not impaired

Based on the impairment methodology applied by the municipality, all statutory receivables older than 30 days (credit term) are considered for impairment.

Statutory receivables impaired

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14. Receivables from non-exchange transactions (continued)

As of 30 June 2025, Statutory receivables of R72 052 488 (2024: R69 672 173) were impaired and provided for.

The amount of the provision was R72 052 488 as of 30 June 2025 (2024: R64 828 416).

The ageing of these consumer debtors is as follows:

Over 6 months	72 052 488	69 672 173

15. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2 433 447	2 050 797
Short-term deposits	33 726 383	18 209 484
	36 159 830	**20 260 281**

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about counterparty default rates, The ratings by Fitch for local default account balances:

Credit rating		
BB- (Stable Outlook)	36 159 830	20 260 281

Cash and cash equivalents pledged as collateral

No cash and cash equivalents were pledged as secutity during the period.

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15. 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
ABSA Cheque Account-2650560046	2 367 371	1 993 491	196 630	2 370 473	2 050 797	102 538
ABSA Fixed Deposit Account-2065098656	102 413	95 477	87 040	102 413	95 477	87 040
ABSA Fixed Deposit Account-2064601519	602 174	390 628	3 926 544	602 174	390 628	3 926 544
ABSA Fixed Deposit Account-2063813884	177 066	164 794	1 204 402	177 066	164 794	1 204 402
ABSA Fixed Deposit Account-2063507897	10 836 084	907 570	9 249 935	10 836 084	907 570	9 249 935
ABSA Fixed Deposit Account-2063813842	587 758	544 992	5 623 611	587 758	544 992	5 623 611
ABSA Fixed Deposit Account-2063484566	5 927 253	513 538	11 845 922	5 927 253	513 538	11 845 922
ABSA Fixed Deposit Account-2066023614 (9377261863)	380 311	138 688	357 021	380 311	138 688	357 021
ABSA Fixed Deposit Account-2065986332	509 745	1 967 470	2 983 457	509 745	1 967 470	2 983 457
Standard 32 Day Deposit Call Account-048560065004	1 285 466	1 187 286	1 091 160	1 285 466	1 187 286	1 091 160
FNB Fixed Deposit - 74857681785	4 804 684	4 435 808	4 106 228	4 804 684	4 435 808	4 106 228
Nedbank 365 Day Prime Select-03/7767500223/000135-153	1 073 607	984 281	901 848	1 073 607	984 281	901 848
Nedbank 365 Day Prime Select-03/7767500223/000133-151	3 331 775	3 054 567	2 798 747	3 331 775	3 054 467	2 798 747
Nedbank 365 Day Prime Select-03/7767500223/000134-152	3 713 274	3 404 324	3 119 212	3 713 274	3 404 324	3 119 212
Nedbank 365 Day Prime Select-03/7767500223/000132-150	185 617	170 174	155 922	185 617	170 174	155 922
Nedbank 365 Day Prime Select-03/7767500223/000131-149	137 038	125 636	115 114	137 038	125 636	115 114
Nedbank 365 Day Prime Select-03/7767500223/10030-148	110 384	101 200	92 725	110 384	101 200	92 725
Nedbank 365 Day Prime Select-03/7767500223/000001	24 708	23 151	21 586	24 708	23 151	21 586
Total	**36 156 728**	**20 203 075**	**47 877 104**	**36 159 830**	**20 260 281**	**47 783 012**

16. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Library grant	1 297 244	1 381 276
Municipal infrastructure grant	1 896	935
Expanded public works program	11 635	11 635
Financial management grant	-	2 412
Intergrated national electrification program	1 507 744	-
Local government disaster grant	505 700	505 700
	3 324 219	**1 901 958**

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16. Unspent conditional grants and receipts (continued)

Movement during the year

Balance at the beginning of the year	1 901 958	5 700 945
Additions during the year	72 241 556	59 976 000
Income recognition during the year	(70 807 295)	(59 754 476)
Withheld by Treasury	(12 000)	(4 020 511)
	3 324 219	**1 901 958**

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 30 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

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17. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions	Interest cost	Total
Environmental rehabilitation	27 707 703	4 002 900	2 456 176	34 166 779
Legal proceedings	-	3 602 493	-	3 602 493
	27 707 703	**7 605 393**	**2 456 176**	**37 769 272**

Reconciliation of provisions - 2024

	Opening Balance	Additions	Interest cost	Total
Environmental rehabilitation	16 258 006	10 080 094	1 369 603	27 707 703

Non-current liabilities	31 462 710	24 150 262
Current liabilities	6 306 562	3 557 441
	37 769 272	**27 707 703**

Environmental rehabilitation provision

There are currently five landfill sites operated by the Greater Taung Local Municipality. The sites are located within the Greater Taung Local Municipal area namely Revilo landfill site, Taung landfill site, Pudimore landfill site, Pudimoe (interim operational) landfill site and the Pudimoe illegal Dumping site (Abandoned). It is required from the municipality to execute an environmental management program to restore the landfill site after its useful life.

Provision has been made for this cost based on the estimated present value of future cash flows arising from the rehabilitation cost expected as at the end of each landfill site's useful life.

The provision was computed by ESS Solutions, members of The Institute of Waste Management South Africa as at 30 June 2025.

Key assumptions used as as follows:

Unit costs: Unit costs for each of the cost elements are obtained annually by means of a commercial quotation

CPI: The CPI is used for determining the future value of current costs in the year when the cost is projected to be incurred. The CPI figure used in the GLCCM is based on the three-month average CPI for the quarter that includes the financial year-end date. The average of the CPI for the last quarter amounted to 2.8878%

Discount rate: The rate most consistent with the remaining life of the landfills published at the end of the quarter that includes the financial year-end date was used.

The following assumptions relate to the discount rate

- For landfills with an expected remaining life of three years or less, the rate associated with a maximum period of 3 years is used.
- For landfills with an expected remaining life of four of five years, the rate associated with a maximum period of 5 years is used.
- For landfills with an expected remaining life of more than five years, the rate associated with a maximum period of 10 years is used.

Legal proceedings provisions

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17. Provisions (continued)

Following the Court's judgment inThuso Bloem Vs Greater Taung Local municipality which confirmed the unfairness of the dismissal on procedural grounds, a provision of R3 602 943 has been recognised for compensation payable to the employee (Mr. Bloem) in respect of remuneration since dismissal. This amount, determined as just and equitable under section 193 of the Labour Relations Act, 1995, is included under legal costs in the statement of financial performance for the period ended 30 June 2025. No contingent liability remains, as the obligation is now materialised and non-recoverable. The provision was measured at the best estimate of the expenditure required.

18. Revenue

Service charges	12 860 938	12 192 217
Rental of facilities and equipment	535 338	419 119
Agency services	134 423	104 882
Other income	1 726 439	1 141 121
Interest received - investment	7 629 190	6 703 832
Property rates	31 713 257	31 027 030
Government grants & subsidies	342 031 739	304 024 987
	396 631 324	**355 613 188**

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	12 860 938	12 192 217
Rental of facilities and equipment	535 338	419 119
Agency services	134 423	104 882
Other income	1 726 439	1 141 121
Interest received - investment	7 629 190	6 703 832
	22 886 328	**20 561 171**

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Property rates	31 713 257	31 027 030
Other income	28 594 854	241 155
Transfer revenue		
Government grants & subsidies	342 031 739	304 024 987
	402 339 850	**335 293 172**

19. Interest received service charges

Interest received service charges		
Interest received on service charges	2 390 390	2 691 105

20. Service charges

Sale of electricity	3 837 740	3 664 970
Sale of water	888 437	1 046 596
Solid waste	4 978 651	4 600 973
Sewerage and sanitation charges	3 156 110	2 879 678
	12 860 938	**12 192 217**

21. Rental of facilities and equipment

Facilities and equipment		
Rental of facilities	535 338	419 119

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22. Agency services		
Commission received	134 423	104 882
23. Donations subsidies and refunds		
Donations LGSETA	238 163	241 155
Sundry donations	608 696	-
Bursary refunds	21 200	-
Donation Department of sports arts and culture	27 726 795	-
	28 594 854	**241 155**

Donations received from LGSETA are for skills training of municipal officials.

Sundry donations relates to various other donations recevied from various sources.

Bursary refunds relate to refunds received for busaries to staff members.

Donation from the department of sports arts and culture relates to a transfer in the form of a donation of a multi purpose centre from the department to the municipality.

24. Lease rentals on operating lease		
Plant and equipment		
Contractual amounts	2 727 086	2 842 526
Lease rentals on operating lease - Other		
Contractual amounts	-	96 255
	2 727 086	**2 938 781**
25. Interest from non-exchange receivables		
Interest - Property rates	1 210 221	1 171 090
26. Other income		
Administration fees	89 588	98 732
Sale of miscellanious goods and services	590 383	910 685
Commission transaction handling fees	8 411	102 720
Inspection fees	13 070	14 145
Connection fees	31 606	14 839
Insurance refund	993 381	-
	1 726 439	**1 141 121**
27. Interest received - investments		
Interest revenue		
Bank	7 629 190	6 703 832

The amount included in Investment revenue arising from exchange transactions amounted to R - (2023: R6 703 832).

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28. Property rates

Rates billed

Residential	3 973 208	3 777 347
Commercial	4 818 204	3 331 921
Small holdings and farms	22 921 845	23 917 762
	31 713 257	**31 027 030**

Valuations

Residential	493 101 555	487 346 555
Commercial	171 782 000	168 827 000
State	1 243 547 000	1 229 667 000
Municipal	81 833 000	56 484 000
Small holdings and farms	2 035 348 000	2 024 643 000
Public worship	11 445 000	11 445 000
Public service infrastructure	7 170 000	7 171 000
Multipurpose centre	3 730 000	3 730 000
Vacant land	9 776 000	9 876 000
	4 057 732 555	**3 999 189 555**

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2020 and runs until 30 July 2025. Supplimentary valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on a monthly basis for all properties with the final date for payment being the end of the month and year respectively. Interest of 10% per annum is levied on rates outstanding 30 days after due date.

29. Transfer and subsidies

Other subsidies		
Allocations in kind	347 335	285 400

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30. Government grants & subsidies

Operating grants

Equitable share	257 199 000	244 270 511
Library grant	1 320 032	889 523
Financial management grant	3 002 412	3 097 588
Expanded public works programme grant	1 703 000	3 037 365
Dr Ruth Segomotsi Mompati water subsidy	8 000 000	-
	271 224 444	**251 294 987**

Capital grants

Municipal infrastructure grant	65 615 039	52 730 000
Integrated national electrification programme grant	5 192 256	-
	70 807 295	**52 730 000**
	342 031 739	**304 024 987**

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	70 807 295	52 730 000
Unconditional grants received	271 224 444	251 294 987
	342 031 739	**304 024 987**

Library grant

Balance unspent at beginning of year	1 381 276	1 173 799
Current-year receipts	1 236 000	1 097 000
Conditions met - transferred to revenue	(1 320 032)	(889 523)
	1 297 244	**1 381 276**

Conditions still to be met - remain liabilities (see note 16).

Water and sanitation subsidy relates to a subsidy received from the District Municipality for the provision of water and saniataion services and equipment for use by the municipality. The municipality is an agent of the district municipality. See note 60

Municipal infrastructure grant

Balance unspent at beginning of year	935	3 270 852
Current-year receipts	65 616 000	52 730 000
Conditions met - transferred to revenue	(65 615 039)	(52 730 000)
Withheld by Treasury	-	(3 269 917)
	1 896	**935**

Conditions still to be met - remain liabilities (see note 16).

Provide explanations of conditions still to be met and other relevant information.

Expanded public works programme

Balance unspent at beginning of year	11 635	-
Current-year receipts	1 715 000	3 049 000
Conditions met - transferred to revenue	(1 703 000)	(3 037 365)
Withheld by treasury	(12 000)	-

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30. Government grants & subsidies (continued)		
	11 635	**11 635**

Conditions still to be met - remain liabilities (see note 16).

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30. Government grants & subsidies (continued)

Financial management grant

Balance unspent at beginning of year	2 412	750 594
Current-year receipts	3 000 000	3 100 000
Conditions met - transferred to revenue	(3 002 412)	(3 097 588)
Amount withheld	-	(750 594)
	-	**2 412**

Conditions still to be met - remain liabilities (see note 16).

Intergrated national electricty programme grant

Current-year receipts	6 700 000	-
Conditions met - transferred to revenue	(5 192 256)	-
	1 507 744	**-**

Conditions still to be met - remain liabilities (see note 16).

Provide explanations of conditions still to be met and other relevant information.

Local government disaster grant

Balance unspent at beginning of year	505 700	505 700

Conditions still to be met - remain liabilities (see note 16).

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31. Employee related costs		
Basic	78 646 552	82 754 794
Bonus	4 984 228	5 820 313
Medical aid - company contributions	6 256 928	7 022 709
UIF	938 204	545 710
Bargaining council	1 465 081	49 900
Acting allowance	2 174 260	1 789 753
Leave pay	1 154 959	1 573 800
Pension	12 937 584	13 069 111
Travel, motor car, accommodation, subsistence and other allowances	9 305 797	5 939 950
Overtime payments	5 019 447	5 146 902
Long-service awards	338 347	377 386
Standby allowance	1 986 546	2 204 039
Transport allowance (bus coupons)	442 668	-
Housing benefits and allowances	483 664	186 061
Group life insurance	291 597	164 116
Cellphone allowance	460 980	491 443
Employee benefit obligation - interest cost	2 942 000	2 829 000
	129 828 842	**129 964 987**
Remuneration of municipal manager		
Annual Remuneration	1 950 128	627 140
Car Allowance	185 055	136 350
Acting allowance	-	27 622
Contributions to UIF, Medical and Pension Funds	23 547	1 240
Cellphone allowance	18 000	12 000
Skills levy	-	6 462
	2 176 730	**810 814**
Remuneration of chief finance officer		
Annual Remuneration	1 250 883	388 936
Car allowance	159 498	120 794
Acting allowance	33 052	58 337
Contributions to UIF, Medical and Pension Funds	82 504	7 609
Bonus	58 092	-
Cellphone	16 000	6 000
Other allowances	48	-
Leave pay	279 924	261 364
	1 880 001	**843 040**
Remuneration of social services director		
Annual Remuneration	1 679 760	525 578
Car allowance	230 041	134 190
Contributions to UIF, Medical and Pension Funds	21 086	7 674
Cellphone	18 000	10 500
Acting allowance	-	30 307
	1 948 887	**708 249**
Remuneration of spacial planning director		
Annual Remuneration	734 600	263 070
Car allowance	156 600	100 110

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31. Employee related costs (continued)		
Leave pay	-	280 837
Contributions to UIF, Medical and Pension Funds	238 431	5 480
Bonus	60 912	-
Cellphone	12 000	6 161
Other allowances	13 420	-
Acting allowance	117 102	71 950
	1 333 065	**727 608**
Remuneration of corporate services director		
Annual Remuneration	1 016 582	446 680
Car allowance	-	70 491
Cellphone allowance	12 000	6 000
Contributions to UIF, Medical and Pension Funds	13 312	5 669
Acting allowance	74 669	45 824
	1 116 563	**574 664**
Remuneration of infrastructure director		
Annual Remuneration	1 116 915	-
Performance Bonuses	-	65 341
Contributions to UIF, Medical and Pension Funds	12 706	1 526
Cellphone	12 000	-
Acting allowance	-	39 912
13 th Cheque	-	69 470
	1 141 621	**176 249**
32. Remuneration of councillors		
Mayor	366 626	243 370
Speaker	854 678	568 085
Councillors	14 348 429	16 673 981
Chief whip	820 599	534 252
MPAC Chair	809 949	523 617
Mayoral committee	6 307 381	4 275 107
	23 507 662	**22 818 412**
33. Depreciation and amortisation		
Property, plant and equipment	47 394 221	46 085 826
Intangible assets	577 959	895 473
	47 972 180	**46 981 299**
34. Finance costs		
Trade and other payables	83 685	92 942
35. Auditors' remuneration		
Fees	6 279 887	5 332 598

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Figures in Rand	2025	2024
36. Debt impairment		
Debt impairment	15 901 218	9 974 724
37. General expenses		
Advertising	2 164 224	3 416 091
Auditors remuneration	6 279 887	5 332 598
Bank charges	279 663	608 983
Bursaries (employees)	713 788	589 086
Consulting and professional fees	483 540	-
Consumables	7 514 981	8 174 497
Conferences and seminars	62 812	-
Donations	-	23 127
Electricity	27 577 697	20 380 150
Free basic electricity	4 283 463	3 432 285
Fuel and oil	6 763 288	8 606 424
Hire	538 676	35 400
Insurance	3 989 491	2 765 977
IT expenses	4 984 424	15 977 966
Landfill site provision expense	6 459 076	11 449 697
Learnerships and internships	358 011	1 080 988
Levies	1 202 643	1 235 713
Motor vehicle expenses	117 128	198 340
Printing and stationery	1 979 912	14 367
Protective clothing	1 234 150	932 145
Legal costs	3 602 493	-
Subscriptions and membership fees	1 688 949	1 662 356
Telephone and fax	2 275 243	3 420 013
Travel - local	3 782 510	1 993 028
Title deed search fees	24 636	45 792
Remuneration of ward committees	4 273 000	4 519 794
Servitudes and land surveys	75 726	82 522
Workman's compensation fund	752 967	-
	93 462 378	**95 977 339**
38. Bulk purchases		
Electricity - Eskom	6 116 537	5 642 076

Electricity losses

	Number 2025	Number 2024		
Units purchased	2 125 214	2 092 614	6 116 537	5 642 076
Units sold	(1 887 826)	(1 845 871)	(5 731 831)	(4 983 852)
Total loss	**237 388**	**246 743**	**384 706**	**658 224**
Comprising of:				
Technical losses	237 388	246 743	682 655	666 206
Percentage Loss:				
Technical losses	11 %	12 %	11 %	12 %

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Figures in Rand			2025	2024

38. Bulk purchases (continued)

Water losses

Real losses: Leakage and overflows at storage tanks/ reservoirs			2 224 927	1 898 745
	Number 2025	Number 2024		
Units purchased	504 480	520 750	-	-
Units sold	(136 723)	(189 858)	888 437	1 046 596
Total	**367 757**	**314 362**	**888 437**	**1 046 596**
Comprising of:				
Technical losses	367 757	314 362	2 224 927	1 898 745
Percentage Loss:				
Technical losses	73 %	60 %	73 %	60 %

39. Contracted services

Outsourced Services		
Burial Services	224 400	183 705
Business and Advisory	500 117	186 773
Catering Services	900 904	851 373
Security Services	38 727 889	44 969 158
Consultants and Professional Services		
Business and Advisory	5 605 807	3 941 534
Infrastructure and Planning	-	298 735
Legal Cost	3 160 140	2 758 058
Contractors		
Catering Services	30 700	354 728
Employee Wellness	165 000	297 650
Maintenance of Buildings and Facilities	241 500	182 985
Maintenance of Equipment	13 817 340	26 966 649
Sports and Recreation	378 700	350 000
	63 752 497	**81 341 348**

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Figures in Rand	2025	2024
40. Cash generated from operations		
Surplus (deficit)	42 883 328	(37 413 117)
Adjustments for:		
Depreciation and amortisation	47 972 180	46 981 299
Loss (gain) on sale of assets and liabilities	(8 129 052)	173 341
Fair value adjustments	281 000	(996 000)
Debt impairment	15 901 218	9 974 724
Current service costs	3 517 000	1 555 000
Movements in provisions	10 061 569	11 449 697
Actuarial gains	318 000	(1 898 000)
Inventory losses or write-downs	(177 226)	7 618
Benefits paid	(1 370 000)	(953 000)
Finance costs - employee benefit obligation	(2 942 000)	(3 256 778)
Donations received	(28 594 954)	-
Interest on service charges	(3 600 611)	(3 862 195)
Other non cash items	(6 277 119)	491 503
Changes in working capital:		
Inventories	(760 508)	133 858
Receivables from exchange transactions	(372 433)	(280 804)
Consumer debtors	2 221 040	(475 955)
Other receivables from non-exchange transactions	528 542	(317 253)
Payables from exchange transactions	(450 711)	1 899 264
VAT	(2 381 234)	4 528 560
Unspent conditional grants and receipts	1 422 261	(3 798 987)
Consumer deposits	46 687	47 284
	70 096 977	**23 990 059**
41. Operating surplus (deficit)		
Operating surplus (deficit) for the year is stated after accounting for the following:		
Operating lease charges		
Plant and equipment		
• Contractual amounts	2 727 086	2 842 526
Lease rentals on operating lease - Other		
• Contractual amounts	-	96 255
	2 727 086	**2 938 781**
Gain (loss) on sale of property, plant and equipment	8 129 052	(173 341)
Amortisation on intangible assets	577 959	895 473
Depreciation on property, plant and equipment	47 394 221	46 085 826
Employee costs	162 933 371	156 624 023
42. Fair value adjustments		
Investment property (Fair value model)	(281 000)	996 000
43. Financial instruments disclosure		
Categories of financial instruments		
2025		
Financial assets		

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

43. Financial instruments disclosure (continued)

	At amortised cost	Total
Receivables from non-exchange transactionbs	1 962 920	1 962 920
Consumer debtors	2 100 574	2 100 574
Cash and cash equivalents	36 159 830	36 159 830
Trade and other receivables from exchange transactions	616 336	616 336
	40 839 660	**40 839 660**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	20 910 527	20 910 527
Consumer deposits	249 237	249 237
	21 159 764	**21 159 764**

2024

Financial assets

	At amortised cost	Total
Receivables from non-exchange transactions	2 491 462	2 491 462
Consumer debtors	4 321 614	4 321 614
Cash and cash equivalents	20 260 281	20 260 281
Trade and other receivables from exchange transactions	243 903	243 903
	27 317 260	**27 317 260**

Financial liabilities

	At amortised cost	Total
Trade and other receivables from exchange transactions	21 841 557	21 841 557
Consumer deposits	202 550	202 550
	22 044 107	**22 044 107**

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44. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	25 491 342	13 074 163
Total capital commitments		
Already contracted for but not provided for	25 491 342	13 074 163
Authorised operational expenditure		
Already contracted for but not provided for		
• Contracted services	13 433 477	21 200 304
• Insurance services	81 732	985 205
	13 515 209	**22 185 509**
Total operational commitments		
Already contracted for but not provided for	13 515 209	22 185 509
Total commitments		
Total commitments		
Authorised capital expenditure	25 491 342	13 074 163
Authorised operational expenditure	13 515 209	22 185 509
	39 006 551	**35 259 672**

This committed expenditure will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated, etc.

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45. Contingencies

The municipality had the following cases with the following details:

Contingent liabilities/assets

1. Greater Taung Local Municipality vs Department of Agriculture rural development and land reform As at 30 June 2025, the Municipality has initiated legal proceedings against the Department of Agriculture to recover outstanding rates. The outcome of the litigation is probable but uncertain, pending court determination. In the event of a successful claim, a contingent asset may be recognised, net of estimated legal costs of approximately R300,000. No provision for costs has been recognised, as recovery is anticipated from the proceeds.	-	-
2. H Seleke (defendant) Vs Greater Taung Local Municipality (Plaintiff) Case No. CIV APP MG 04/2018. Non compliance with building regulations by Seleke. ADR negotiations intending to settle the matter out of Court were not successful. Matter is enrolled in court and our Attorney of record have been instructed to proceed with application for order of demolition and costs. application for hearing date has been done. This matter is handled by BG Bojosinyane and Associates. The probability of losing the case is not known. The estimated legal costs amoun t to R90000	90 000	189 851
3. GTLM vs North West Development Corporation and TA Melku (Case number C/N M223/2020) The case is illegal construction and erection of building on ERF number 334 within Taung CBD without having submitted building plans for the purpose of approval by the municipality	-	-
4. Augosi Vs GTLM Augosi is claiming damages from the municipality for an accident involving a municipal vehicle. The chances of sucess are high as the collision was not at the negligence of the municipality. an estimate of the exposure is R15 000	-	15 000
5. Bakang Ezekiel Sebelego Vs Greater Taung Local Municipality The matter relates to a collision with a municipal vehicle. The pleadings are closed as at year-end and the municipality is waiting the plaintiff to set down. The estimated exposure is R15 000	-	15 000
6. SMWU vs GTLM As at year end SAMWU wasreviewing the jurisdiction condonations on this case. The chances of success are high because the grounds of review were weak	-	50 000
6. B. Sebitloane Vs GTLM. This is a review application of arbitration award by a Bargaining Council ordering reinstatement of Mr Sebitlwane. The second respondant Mr Sebitlwane was employed by GTLM and was dimissed after the internal disiplinary tribunal found him guilty of gross insubordination. The application for reinstatement of the review application is before the Labour court.Imatus initial application is postponed sidie.	-	-
	90 000	**269 851**

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46. Related parties

Relationships			
Accounting Officers		Refer to accounting officers' report 5	
Remuneration of senior management		Refer to note 31	
Related party balances			
Loan accounts - Owing (to) by related parties			
Councillor OI Segosapelo		1 232	3 917

The balance relate to an amount for services owed by a councillor.

Key management information

Notes to the Annual Financial Statements

Figures in Rand

46. Related parties (continued)

Remuneration of management

Management class: Councillors

2025

Name	Basic salary	Car allowance	Cellphone allowance	SDL	Total
Cllr.Babuseng PL	241 730	74 492	47 004	3 251	366 477
Cllr.Boemo ME	316 222	21 914	47 004	3 692	388 832
Cllr.Chubane BA	271 848	63 088	47 004	3 578	385 518
Cllr.DE Koker KS	316 222	944	47 004	3 400	367 570
Cllr.Gaoraelwe TR	999 301	6 834	47 004	10 279	1 063 418
Cllr.Gaorengwe TC	316 222	-	47 004	3 400	366 626
Cllr.Ipeleng O	241 730	90 781	47 004	3 287	382 802
Cllr.Kesemoletshe G	316 222	-	47 004	3 287	366 513
Cllr.Lekoma IJ	241 730	74 492	47 004	3 483	366 709
Cllr.Lephoi GH	316 222	1 071	47 004	3 632	367 929
Cllr.Mabengwane LX	749 479	-	47 004	7 732	804 215
Cllr.Matuane JA	572 933	198 704	47 004	7 403	826 044
Cllr.Mase BP	241 730	74 492	47 004	3 483	366 709
Cllr.Maribe IN	749 479	5 656	47 004	7 744	809 883
Cllr.Modise LRL	316 222	-	47 004	3 632	366 858
Cllr.Moeti MB	572 933	183 605	47 004	7 391	810 933
Cllr.Mokua EM	572 933	200 031	47 004	7 391	827 359
Cllr,Moipolai KG	799 442	-	47 004	8 232	854 678
Cllr,Moeng PK	241 730	75 084	47 004	3 483	367 301
Cllr,Mojaki MS	316 222	4 318	47 004	3 644	371 188
Cllr.Monchonyane RT	436 288	130 998	35 253	5 590	608 129
Cllr.Molale MMT	241 730	80 357	47 004	3 483	372 574
Cllr.Montewa NM	244 396	86 612	47 004	3 522	381 534
Cllr.Morapedi-Letele MS	316 222	-	47 004	3 632	366 858
Cllr.Mosinkiemang MV	601 168	183 902	47 004	7 544	839 618
Cllr.Moraladi TG	316 222	-	47 004	3 632	366 858

Notes to the Annual Financial Statements

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46. Related parties (continued)

Cllr.Mmokwa M	241 730	75 163	47 004	3 483	367 380
Cllr. Mmokwa RS	561 422	195 006	47 004	6 517	809 949
Cllr.Nape LS	241 730	168 226	47 004	3 807	460 767
Cllr.Nkewu BM	241 730	74 492	47 004	3 483	366 709
Cllr.Makwati MM	241 730	88 229	47 004	3 299	380 262
Cllr.Olifant CK	241 730	74 492	47 004	3 251	366 477
Cllr.Pudule AK	241 730	80 376	47 004	3 148	372 258
Cllr.Pusho B	316 222	2 037	47 004	3 632	368 895
Cllr.Rooibaatjie KC	316 222	-	47 004	3 632	366 858
Cllr. Seboko KL	316 222	3 676	47 004	3 632	370 534
Cllr.Segosapelo OI	241 730	77 091	47 004	3 483	369 308
Cllr. Tafane GN	749 479	4 209	47 004	7 732	808 424
Cllr.Seepamere S	316 222	18 530	47 004	3 692	385 448
Cllr.Sephula MA	421 541	14 415	47 004	4 651	487 611
Cllr.Sekwenyane MD	241 730	74 492	47 004	3 483	366 709
Cllr.Sebe TP	572 933	186 008	47 004	7 379	813 324
Cllr.Tabe TJ	316 222	-	47 004	3 400	366 626
Cllr.Tong OA	241 730	77 727	47 004	3 704	370 165
Cllr.Tshipo GJ	316 222	26 864	47 004	3 704	393 794
Cllr.Zonke V	241 730	75 163	47 004	3 483	367 380
Cllr.Mojanaga MD	241 730	-	47 004	3 483	292 217
Cllr.Molamu GS	316 222	-	47 004	3 400	366 626
Cllr. Wilson K	76 874	-	11 751	886	89 511
Payroll journals	37 297	-	-	-	37 297
	18 158 708	**2 873 571**	**2 256 192**	**219 191**	**23 507 662**

2024

Name	Basic salary	Car allowance	Cellphone allowance	SDL	Total
Cllr.Babuseng PL	303 008	7 052	53 208	3 237	366 505
Cllr.Boemo ME	303 487	11 692	53 208	3 551	371 938
Cllr.Chubane BA	305 151	14 708	53 208	3 581	376 648
Cllr.DE Koker KS	231 038	73 451	53 208	3 346	361 043

Notes to the Annual Financial Statements

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46. Related parties (continued)

Cllr.Gaoraelwe TR	790 439	171 253	53 208	9 917	1 024 817
Cllr.Gaorengwe TC	275 122	37 313	53 208	3 406	369 049
Cllr.Ipeleng O	237 077	75 855	53 208	3 227	369 367
Cllr.Kesemoletshe G	301 929	-	53 208	3 550	358 687
Cllr.Lekoma IJ	285 835	19 532	53 208	3 421	361 996
Cllr.Lephoi GH	231 003	74 150	53 208	3 550	361 911
Cllr.Mabengwane LX	715 557	-	53 208	7 483	776 248
Cllr.Matuane JA	668 976	59 448	53 208	7 181	788 813
Cllr.Mase BP	69 125	237 063	53 208	3 420	362 816
Cllr.Maribe IN	736 830	16 501	53 208	7 523	814 062
Cllr.Modise LRL	301 929	-	53 208	3 550	358 687
Cllr.Moeti MB	715 317	4 985	53 208	7 151	780 661
Cllr.Mokua EM	552 370	174 838	53 208	7 151	787 567
Cllr,Moipolai KG	763 259	-	53 208	7 961	824 428
Cllr,Moeng PK	231 778	71 123	53 208	3 411	359 520
Cllr,Mojaki MS	139 675	173 880	53 208	3 590	370 353
Cllr.Monchonyane RT	714 234	1 322	53 208	7 151	775 915
Cllr.Molale MMT	235 295	76 906	53 208	3 451	368 860
Cllr.Montewa NM	135 674	167 814	53 208	3 410	360 106
Cllr.Morapedi-Letele MS	306 387	522	53 208	3 550	363 667
Cllr.Mosinkiemang MV	658 287	76 638	53 208	7 513	795 646
Cllr.Moraladi TG	299 858	2 742	53 208	3 550	359 358
Cllr.Mmokwa M	134 365	172 621	53 208	3 380	363 574
Cllr.MMokwa RS	716 472	10 646	53 208	6 310	786 636
Cllr.Nape LS	231 860	75 504	53 208	3 430	364 002
Cllr.Nkewu BM	298 722	11 795	53 208	3 410	367 135
Cllr.Makwati MM	299 004	14 958	53 208	3 226	370 396
Cllr.Olifant CK	231 958	70 633	53 208	3 207	359 006
Cllr.Pudule AK	227 504	77 467	53 208	3 118	361 297
Cllr.Pusho B	299 796	13 048	53 208	3 560	369 612
Cllr.Rooibaatjie KC	301 929	-	53 208	3 551	358 688
Cllr. Seboko KL	303 445	3 427	53 208	3 570	363 650
Cllr.Segosapelo OI	299 927	2 000	53 208	3 461	358 596
Cllr. Tafane GN	714 864	3 522	53 208	7 483	779 077
Cllr.Seepamere S	231 940	72 877	53 208	3 550	361 575
Cllr.Sephula MA	301 929	-	53 208	3 350	358 487

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46. Related parties (continued)

Cllr.Sekwenyane MD	238 518	76 913	53 208	3 470	372 109
Cllr.Sebe TP	718 984	4 985	53 208	7 151	784 328
Cllr.Tabe TJ	301 376	1 566	53 208	3 346	359 496
Cllr.Tong OA	232 057	87 260	53 208	3 460	375 985
Cllr.Tshipo GJ	304 719	5 000	53 208	3 551	366 478
Cllr.Zonke V	221 583	84 237	53 208	3 551	362 579
Cllr.Mojanaga MD	134 193	169 930	53 208	3 297	360 628
Cllr.Molamu GS	302 767	483	53 208	3 222	359 680
Payroll adjustments	(13 270)	-	-	-	(13 270)
	17 543 282	**2 507 660**	**2 553 984**	**213 486**	**22 818 412**

Awards to close family members of persons in the service of the state

SCM 45 states that the notes to the annual financial statements of a municipality or municipal entity must disclose particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months including,the name of that person;the capacity in which that person is in the service of the state; and the amount of the award. The following awards are disclosable.

- Caseware Renewal Licenses, Order 031398, Adapt IT, Nombali Mbambo, Dudley Muziwamadoda Mbambo, SANRAL, Spouse, Operational Manager, R105 095.13
- MSCOA Compliant Financial System, GTLM/FS10/2023/2024, Munsoft, Nkululeko Nonzaba, Magdeline Nonzaba, Mayor, Child, R8 348 268.52
- Panel of Attorneys for the Period of 36 Months, GTLM/MM01/2024/2025, Rangako Attornets, Goodwill Rangwako, Nombulelo Rangako, Rustenburg Local Municipality, Spouse, Manager Billing, Rate Base
- Panel of Attorneys for the Period of 36 Months, GTLM/MM01/2024/2025, Maleshane Attorneys INC, Lucas K Maleshane, Pulane Lydia Maleshane, North West High Court, Spouse, Registry Clerk, Rate Base
- Panel of Attorneys for the Period of 36 Months, GTLM/MM01/2024/2025, TMK Attorneys INC, Tlotlo Mpho Kegakilwe, Motebele Kegakilwe, Parliament, Mother, Member of Parliament, Rate Base
- Panel for Consulting Engineering for the Period of 36 Months, GTLM/INFR05/2023/2024, Geijcon Pty Ltd, Mosia Karel Khotso, Maria Makhubela, Department of Education, Mother, Teacher, R1 364 440.99

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47. Prior period errors

Contracted services
Some contracted services expenditure was omitted in the prior year leading to an understatement of R52 219, this was corrected retrospectively.

Receivables from exchange transactions & Consumer debtors
In the prior year Consumer debtors were disclosed as receivables from exchange transactions, These were reclassified and are now disclosed as Consumer debtors on the statement of financial position. The recclasification was done to more accurately disclose consumer debtors according to GRAP 3 and GRAP 23. The amount of the reclassification was R243 903

Property plant and equipment, Ingangible assets, gains on disposals and depreciation
Property plant and equipment was adjusted after phyical count and assessment of condition of assets. The anount of the adjustment to property plant and equipment was R64 228 945.

The R64 228 945 is made up of:
RUL Reassessments +R64 836 936
One day installations +R51 339
Depreciation of newly capitalised assets -R250 169
Transactions not traces to GL -R409 161

The R409 161 is for RUL reassessment transactions processed by Munsoft Asset Module, but could not be traced on the GL. However the PPE balance per the TB/GL agrees to the FAR

Intangible assets were adjusted by R54 357. Depreciation was also adjusted by an amount of R7 373 012. The gains or losses on disposals were retrospectively adjusted with an amount of R74 150.

Accumulated surplus
The correction of various errors resulted in accumulated surplus balance increasing with R64 174 588.

Unauthorised expenditure
Unauthorised expenditure for 2024 was disclosed as R45 905 534 when it was actually R51 548 788 leading to an understatement of R5 643 234. The amount on prior year diclosure was restated to the correct amount. An additional amount of R11 211 996 ws raised as a factual understatement in the audit of 2023 financial year, the opening balance of 2023 was restated with this amount to the 2024 opening balance

Irregular expenditure.
Irregular expenditure that was discovered relating to previous years was retrospectively adjusted for and disclosed as prior period error correction in the irregular expenditure disclosures. The adjustment of R2 306 302.90 was retrospectively restated.

Cash flow statement
The correction of the statement of financial position and statement of financial performance resulted in cash flow statements adjustemnts to restate the cash flow statement.

The correction of the error(s) results in adjustments as detailed in Prior year adjustments note 48

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

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48. Prior-year adjustments (continued)

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Receivables from exchange transactions		-	-	243 903	243 903
Receivables from non exchange transactions		2 735 365	-	(243 903)	2 491 462
Property, plant and equipment		788 553 099	64 228 945	-	852 782 044
Intangible assets		988 403	(54 357)	-	934 046
Accumulated surplus		(743 586 678)	(64 174 588)	-	(807 761 266)
		48 690 189	**-**	**-**	**48 690 189**

Statement of financial performance

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Other income LGSETA		241 155	-	(241 155)	-
Donations subsidies and refunds		-	-	241 155	241 155
Depreciation and amortisation		(39 608 287)	(7 373 012)	-	(46 981 299)
Contracted services		(81 289 129)	(52 219)	-	(81 341 348)
Gain (loss) on disposal of assets and liabilities		(99 191)	(74 150)	-	(173 341)
Surplus for the year		**(120 755 452)**	**(7 499 381)**	**-**	**(128 254 833)**

49. Comparative figures

Certain comparative figures have been reclassified.

The effects of the reclassification are disclosed in notes 47 & 48.

50. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	20 910 527	-	-	-
Consumer deposits	249 237	-	-	-

At 30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Payables from exchange transactions	21 841 557	-	-	-
• Consumer deposits	202 550	-	-	-

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50. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024
Consumer debtors	2 100 574	4 321 614
Receivables from non-exchange transactions	1 962 920	2 491 462
Cash and cash equivalents	36 159 830	20 260 281
Receivables from exchange transactions	616 336	243 903

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.

51. 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.

52. Events after the reporting date

There were no disclosable events after the reporting date.

53. Unauthorised expenditure

Opening balance as previously reported	313 639 124	250 878 340
Add: Unauthorised expenditure prior year correction - 2023 financial year	-	11 211 996
Add: Unauthorised expenditure - current period	28 211 396	45 905 534
Prior year expenditure discovered - 2024 financial year	-	5 643 254
Less: 2015/2016 FY - Council Resolution 154/2015	(81 912 382)	-
Less: 2016/2017 FY - Council Resolution 128/2016, 337/2018	(4 826 318)	-
Less: 2017/2018 FY - Council Resolution 64/2020	(117 045)	-
Less: 2021/2022 FY - Council Resolution 204-2024/2025	(12 181 193)	-
Less: 2022/2023 FY - Council Resolution 204-2024/2025	(16 753 341)	-
2023/2024 FY - Council Resolution 121-2024/25 (Savings on 2023/2024 FY)	(18 899 091)	-
2023/2024 FY - Council Resolution 121-2024/25 (Special adjustment)	(32 649 697)	-
Closing balance	**174 511 453**	**313 639 124**

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53. Unauthorised expenditure (continued)

Unauthorised expenditure: Budget overspending – per municipal department:

Executive and Council	-	7 961 752
Community and social services	9 071 503	-
Finance and administration	-	2 309 721
Planning and development	9 066 288	6 835 895
Road transport	3 829 742	194 300
Sports and recreation	-	3 822 674
Waste management	-	26 613 105
Water management	-	3 605 415
Housing	-	195 793
Trading services	6 243 864	10 133
	28 211 397	**51 548 788**

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	26 397 632	7 729 010
Cash	9 219 183	31 476 565
	35 616 815	**39 205 575**

Analysed as follows: non-cash

Depreciation and amortisation	9 720 188	7 729 010
Provision of impairment	15 901 218	-
Water losses	177 226	-
Fair value adjustments	599 000	-
	26 397 632	**7 729 010**

Analysed as follows: cash

Finance charges	9 084 761	2 286 942
Operating lease	-	2 938 781
General expenditure	-	26 250 842
Transfers and subsidies	47 335	-
Lease rentals	87 086	-
	9 219 182	**31 476 565**

Recoverability of unauthorised expenditure

Council approved the write off of unauthorised expenditure thorugh council resolutions for expenditure relating to non-cas unoautrorised expediture. Unauthorised expenditure relating to cash was referred to MPAC for investigation.

54. Fruitless and wasteful expenditure

Opening balance as previously reported	3 276 409	2 780 673
Add: Fruitless and wasteful expenditure identified - current	49 906	495 736
Less: Write Off - COUNCIL RESOLUTION: 347/2018 - 2016/2017 FY	(25 323)	-
Less: Write Off - COUNCIL RESOLUTION: 204/2024/25 - 2020/2021 FY	(70 981)	-
Less: Write Off - COUNCIL RESOLUTION: 204/2024/25 -2021/2022 FY	(136 312)	-
Less: Write Off - COUNCIL RESOLUTION: 204/2024/25 - 2022/2023 FY	(131 832)	-
Less: Write Off - COUNCIL RESOLUTION: 204/2024/25 - 2023/2024 FY	(495 653)	-
Closing balance	**2 466 214**	**3 276 409**

Fruitless and wasteful expenditure is presented inclusive of VAT

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54. Fruitless and wasteful expenditure (continued)

Details of fruitless and wasteful expenditure

	Disciplinary steps taken/criminal proceedings		
Interest - Eskom	None	47 941	97 403
Accidents	Under investigation	-	12 115
Accomodation	None	-	20 400
Interest ABSA	None	-	365 818
Interest - Telkom		1 966	-
		49 907	**495 736**

55. Irregular expenditure

Opening balance as previously reported	385 877 319	340 000 609
Correction of prior period error	-	33 092 647
Add: Irregular expenditure - current year	55 955 284	10 477 761
Add: Correction of 2023/2024 financial year understatement	-	2 306 302
Add: Irregular expenditure - prior year	29 190 390	-
Less: Amount written off - prior period (2014/2015 FY Concil Resolution 124/2015)	(2 994 700)	-
Less: Amount written off - prior period (2015/2016 FY Concil Resolution 124/2015)	(9 044 299)	-
Less: Amount written off - prior period (2016/2017 FY Concil Resolution 128/2016)	(25 277 023)	-
Less: Amount written off - prior period (2017/2018 FY Concil Resolution 64/2020)	(24 104 968)	-
Less: Amount written off - prior period (2019/2020 FY Concil Resolution 202-2024/25)	(95 242 368)	-
Less: Amount written off - prior period (2021/2022 FY Concil Resolution 203-2024/25	(13 847 923)	-
Less:Amount written off - prior period (2022/2023 FY Concil Resolution 203-2024/25)	(16 148 073)	-
Less: Amount written off - prior period (2023/2024 FY Concil Resolution 203-2024/25)	(9 969 993)	-
Closing balance	**274 393 646**	**385 877 319**

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55. Irregular expenditure (continued)

Incidents/cases identified/reported in the current year include those listed below:

	Disciplinary steps taken/criminal proceedings		
SCM processes not followed	The incidences have been reported to portfolio committee meetings and no disciplinary action or criminal procedings have been taken yet	53 500 152	5 411 754
Contract expired	The incidences have been reported to portfolio committee meetings and no disciplinary action or criminal procedings have been taken yet	2 455 232	5 066 007
		55 955 384	**10 477 761**

Cases under investigation

2018/2019	13 512 054	13 512 054
2020/2021	31 225 876	31 225 876
2023/2024	29 190 390	29 190 390
2024/2025	55 955 284	-
	129 883 604	**73 928 320**

All irregular expenditure for 2024/2025 financial year have been submitted to Portfolio committe. MPAC has not sat to deliberate the matters yet. MPAC will be sitting on the second phase and table to council before the 30 October 2025.

56. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	79 468	575 551
Amount paid - current year	(79 468)	(575 551)
	-	-

Notes to the Annual Financial Statements

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56. Additional disclosure in terms of Municipal Finance Management Act (continued)

Audit fees

Opening balance	(19 140)	(19 140)
Current year subscription / fee	4 643 443	4 941 520
Amount paid - current year	(4 643 443)	(4 941 520)
	(19 140)	**(19 140)**

PAYE and UIF

Current year subscription / fee	24 929 855	32 395 529
Amount paid - current year	(24 929 855)	(32 395 529)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	30 270 568	44 249 722
Amount paid - current year	(30 270 568)	(44 249 722)
	-	-

VAT

VAT receivable	8 080 635	5 699 401

All VAT returns have been submitted by the due date throughout the year.

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 R	Outstanding more than 90 days R	Total R
Cllr. Segosapelo	632	600	1 232

30 June 2024	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Cllr. Segosapelo	1 612	5 904	7 516

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

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57. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

The muncipality incurred costs without following all requirements stipulated in the supply chain management policy. A detailed
register of these costs together with supporting documentation can be accessed at the municipal premesis on request. Deviations from supply chain where due to exceptional cases where in some instances it was payment of tuition fees and membership fees for employees and in other cases the payee is the only supplier of the goods and services. The following deviations occured and were reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

Deviations from supply chain

Exceptional cases	1 745 911	810 650
Sole supplier	105 095	169 324
	1 851 006	**979 974**

58. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of four major functional areas: community and public safety, economic and environmental services, municipal governance and finance and trading services. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The municipality operates in the North West Province of South Africa. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout the municipality were sufficiently similar to warrant aggregation.

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58. Segment information (continued)

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community and public safety	Community halls, parks, libraries, housing, recreational parks, sports grounds stadiums, licencing services, cemetaries and street cleaning.
Economic and environmental services	Roads, project management, town blanning, building regulations and enforcement
Municipal governance and finance	Administrative and corporate support, asset management, municipal finance, fleet management, human resources, information technology, marketing mayour and council, municipal manager and property services
Trading services	Electricity, sewerage, solid waste disposal, solid waste removal, water distribution, water storage, and storm water management

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58. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2025

	Community and public safety	Economic and environmental services	Municipal governance and finance	Trading services	Total
Revenue					
Revenue from non-exchange transactions	64 155 205	5 091 561	329 111 048	5 192 256	403 550 070
Revenue from exchange transactions	129 456	192 643	11 028 725	13 925 893	25 276 717
Fair value adjustments	-	-	7 352 826	-	7 352 826
Total segment revenue	**64 284 661**	**5 284 204**	**347 492 599**	**19 118 149**	**436 179 613**
Entity's revenue					**436 179 613**
Expenditure					
Bulk Purchases	-	-	-	6 116 537	6 116 537
Contracted services	13 817 340	570 003	49 105 954	259 200	63 752 497
Depreciation and amortisation	25 936 591	6 435 001	5 607 137	9 993 452	47 972 181
Employee related costs	36 204 912	5 742 387	85 397 328	12 081 082	139 425 709
Debt impairment	-	-	15 901 218	-	15 901 218
Finance costs	-	-	83 685	-	83 685
General expenses	7 043 050	2 657 342	82 316 446	1 445 540	93 462 378
Remuneration of councillors	-	-	23 507 662	-	23 507 662
Transfers and subsidies	-	-	347 335	-	347 335
Lease rental on operating lease	-	-	2 727 086	-	2 727 086
Total segment expenditure	**83 001 893**	**15 404 733**	**264 993 851**	**29 895 811**	**393 296 288**
Total segmental surplus/(deficit)	**(18 717 232)**	**(10 120 529)**	**82 498 748**	**(10 777 662)**	**42 883 325**

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	Community and public safety	Economic and environmental services	Municipal governance and finance	Trading services	Total
58. Segment information (continued)					
Assets					
Current assets	(38 690 949)	2 228 179	80 571 579	6 314 987	50 423 796
Non current assets	459 412 901	(356 610 948)	844 138 565	(38 820 004)	908 120 514
Total segment assets	**420 721 952**	**(354 382 769)**	**924 710 144**	**(32 505 017)**	**958 544 310**
Total assets as per Statement of financial Position					**958 544 310**
Liabilities					
Current liabilities	183 349 194	54 982 627	(28 781 109)	(163 142 600)	46 408 112
Non-current liabilities	-	-	57 725 105	-	57 725 105
Total segment liabilities	**183 349 194**	**54 982 627**	**28 943 996**	**(163 142 600)**	**104 133 217**
Total liabilities as per Statement of financial Position					**104 133 217**

2024

	Community and public safety	Economic and environmental services	Municipal governance and finance	Trading services	Total
Revenue					
Revenue from non-exchange transactions	51 145 756	5 511 131	279 807 374	-	336 464 261
Revenue from exchange transactions	168 028	62 235	9 647 893	13 374 121	23 252 277
Fair value adjustments	-	-	2 728 278	-	2 728 278
Total segment revenue	**51 313 784**	**5 573 366**	**292 183 545**	**13 374 121**	**362 444 816**
Entity's revenue					**362 444 816**

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58. Segment information (continued)

Expenditure					
Bulk purchases	-	-	-	5 642 076	5 642 076
Contracted services	27 149 633	484 333	53 390 130	317 250	81 341 346
Depreciation and amortisation	24 547 280	6 473 152	6 055 820	9 905 048	46 981 300
Employee related costs	31 825 755	7 117 060	89 262 719	2 771 076	130 976 610
Finance costs	-	-	3 018 197	-	3 018 197
General expenses	8 239 278	2 206 635	84 531 824	999 600	95 977 337
Remuneration of councillors	-	-	22 818 411	-	22 818 411
Transfers and subsidies	-	-	285 400	-	285 400
Debt impairment	-	-	9 974 724	-	9 974 724
Lease rental on operating lease	-	-	2 842 526	-	2 842 526
Total segment expenditure	**91 761 946**	**16 281 180**	**272 179 751**	**19 635 050**	**399 857 927**
Total segmental surplus/(deficit)	**(40 448 162)**	**(10 707 814)**	**20 003 794**	**(6 260 929)**	**(37 413 111)**
Assets					
Current assets	(40 623 897)	1 099 001	74 011 308	(726 757)	33 759 655
Non-current assets	429 610 304	(365 084 225)	820 409 822	(17 544 813)	867 391 088
Total segment assets	**388 986 407**	**(363 985 224)**	**894 421 130**	**(18 271 570)**	**901 150 743**
Total assets as per Statement of financial Position					**901 150 743**
Liabilities					
Current liabilities	190 690 071	49 941 072	(51 398 466)	(146 872 901)	42 359 776
Non-current liabilities	-	-	51 029 703	-	51 029 703
Total segment liabilities	**190 690 071**	**49 941 072**	**(368 763)**	**(146 872 901)**	**93 389 479**
Total liabilities as per Statement of financial Position					**93 389 479**

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

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59. Budget variances

Material differences between budget and actual amounts

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59. Budget variances (continued)

Agency services
The municipality had anticipated to collect more on licencing and registration

Service charges
Pre-paid Electricity was included as part of revenue from sale of electricity, the actual amount is billing only.

Other income
The current year other income is overbudgeted considering the prior year actual being below R2m

Investment income.
Due to reduction in investment to fund pressing operational needs and the lower interest rates that were obtaining during the The municipality had anticipated to increase short-term investments and earning more interests.

Donations and subsidies

The municipality obtained a significant donation of a building from the department of sports arts and culture and also received a subdidy from the district municiplaity that were not budgeted for leading to a significant increase in actual income.

Property rates and interest on non-exchange revenue
The muncipality had anticipated to collect more revenue from businesses and government institutions in the 2024/25 financial year.

Grants and subsidies
Under budgeting on grants was partly due to the subsidy from the district municipality which was not budgeted for. The municipality also received the intergrated electification program grant that was received for the first time during the current year.

Remuneration of personnel and councillors
The municipality anticipated to fill all vacant senior management positions during the budgeting process, the slightly higher budgeted amount by 4% is due to this factor.

Bulk purchases
There has been a saving on this line item as budget is much higher than actual purchases of electricity, the munucupality anticipated higher tariffs than what eskom later implemented after budgeting.

Contracted services
Cost-containment strategy has been implemented to curb any unnecessary expenditures.

General expenditure
The municiapality significantly under budgeted on general expenditure.
s
Gains on disposals of assets and liabilities
Proceeds from disposal of assets received was higer than expectation.

Cash and cash equivalents
There operational needs of the municipality for service delivery led to the withdrawal of investments. the municipality however has healthy cash position..

Property plant and equipment and depreciation
Property plant and equipment at budget stage does not take into account complex Grap requirements such as impairments and reassessment of useful lives. The variance as a percentage is however considered normal after taking into account that property plant and equipment makes up a big balance of the municipality's financial statements.

Receivables from non-exchange
The municipality over budgeted on this line item.

VAT

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59. Budget variances (continued)
The budget separates VAT receivable and VAT payable while the actual financial statements nets off these amounts in accordance with GRAP 1. On a net basis the budget is in line with actual

Payables from exchange transactions
The municipality underbudgeted on payables during the initial budget process.

60. Accounting by principals and agents

The entity is a party to a principal-agent arrangement.

Details of the arrangment(s) is|are as follows:

The municipality is party (as an agent) to an agreement between the itself and the Department of roads and transport where it collects revenue from licencing and permitting on behalf of the department. The municipality is entitled to 20% of the revenue collected.

The municipality also provides retail water and sanitation services in terms of a concession agreement with the district municipality Dr Ruth Segomotsi Mompati District Municipality.

- The municipality has the right of access to use the grantor's infrastructure assets, pipelines, reservoirs, treatment plants, and sewerage networks for the purpose of delivering water and sanitation services to households and other consumers.
- The agreement commenced on 1 July 2023 and is valid for 2 years, expiring on 30 June 2025.
- The municipality is responsible for supplying potable water to consumers, ensuring sanitation disposal, and maintaining the quality of such supply.
- Tariffs for water and sanitation are determined in terms of municipal tariff policy.
- The municipality bills and collects amounts directly from consumers.

There are no major risks associated with with both relationships where the municiaplity is acting as an agent.

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60. Accounting by principals and agents (continued)

Entity as agent

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements

No resources of the principal has been put under the custodianship of the agent.

Revenue recognised

Revenue from the sale-goods and services under this service concession is recognized in accordance with GRAP 9.

- Revenue is recognized when the significant risks and rewards of ownership of the water have been transferred to the consumer, the municipal entity retains neither continuing managerial involvement nor effective control, and the amount of revenue can be measured reliably.
- In practice, this occurs when water passes through metered household connection points, which represents the transfer of non-exchange transactions.
- Amounts received in advance or operational contributions (e.g. indigent subsidies) are recognized as revenue from non-exchange transactions.

The municipality recognised revenue of R134 423 (2024: 104 889) for its services rendered as an agent of the Department road transport.

Amounts Receivable

As at year end the principal owed the agent R575 123 (2024: R243 903)

Resource and/or cost implications for the entity if the principal-agent arrangement is terminated

There are no cost implications to the municipality as an agent should the principal terminate the arrangement.

Liabilities and corresponding rights of reimbursement recognised as assets

There are no liabilities and corresponding rights of reimbursements that have been recognised by the municipality

Additional information

Resources (including assets and liabilities) of the entity under the custodianship of the agent
Water assets belonging to the district municipality are under the custodianship of the municipality, the assets that belong to the district municipality do not form part of the assets of the municipality.

Fee paid

Resource and/or cost implications for the entity if the principal-agent arrangement is terminated
There are no cost implications should the principal agent relationship be terminated. The agent will however lose the water revenue as disclosed under service charges note in the event of termination.

61. Service Concessions Arrangement - Operator

Amounts Recognised		
Water	888 437	1 046 596
Sanitation	3 156 110	879 678
	4 044 547	**1 926 274**

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61. Service Concessions Arrangement - Operator (continued)

Nature of arrangement

The Municipality provides retail water and sanitation services in terms of a service concession agreement with Dr Ruth Segomotsi District Municipality (Grantor).

- The Municipality has the right to use the grantor's infrastructure assets for the purpose of delivering water and sanitation services to households and other consumers.
- The assets remain under legal ownership and control of the grantor.
- The agreement has an effective commencement date of 01 July 2023 and is valid until 30 June 2025.
- The Municipality is responsible for the supply of potable water to consumers, ensuring sanitation disposal and maintaining quality of such outputs.
- The tariffs for water and sanitation are determined in accordance with the approved tariffs adopted by the Municipal Council and the Municipality collects amounts directly from households and other consumers.

Revenue Recognition

Revenue is recognised under GRAP 9.
- Revenue is recognised when the significant risks and rewards of ownership of the water have been transferred to the household and other consumer.
- In practice, recognition occurs when water is received by the household or consumer from the connection point, which represents the transfer of control.

Where the grantor provides subsidies provides subsidies or operational contributions these are recognised as revenue from non-exchange transactions.

Grants received from grantor

Amounts recognised		
Grant from disctrict	8 000 000	-

GREATER TAUNG
LOCAL MUNICIPALITY



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