

**ELIAS MOTSOLEDI
LOCAL
MUNICIPALITY**

2024/2025

APPROVED ANNUAL REPORT



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ACRONYMS

| | |
|---------|--|
| AC | : Audit Committee |
| AG | : Auditor General |
| AFS | : Annual Financial Statements |
| ANC | : African National Congress |
| AIDS | : Acquired immunodeficiency syndrome |
| BPSA | : Bolshevik Party of South Africa |
| CDW | : Community development worker |
| CFO | : Chief Financial Officer |
| CLLR | : Councilor |
| CSD | : Central Supplier Database |
| Coghsta | : Department of Corporative Governance, Human Settlement and Traditional Affairs |
| COGTA | : Department of Corporative Governance and Traditional Affairs |
| CPMD | : Certificate Programme in Management Development |
| CWP | : Community Works Programme |
| DA | : Democratic Alliance |
| DLTC | : Driver's License Testing Centre |
| DoTCS | : Department of Transport and Community Safety |
| DoSAC | : Department of Sports, Arts and Culture |
| EMLM | : Elias Motsoaledi Local Municipality |
| EFF | : Economic Freedom Fighters |
| EPWP | : Expanded Public Works Programme |
| ESS | : Employee Self Service |
| EXCO | : Executive Committee |
| EDP | : Economic Development and Planning |
| FBE | : Free Basic Electricity |
| GIS | : Geographic Information System |
| GRAP | : General Recognized Accounting Practice |
| HIV | : human immunodeficiency virus |
| HR | : Human Resources |
| ICT | : Information Communication Technology |
| IDP | : Integrated Development Plan |
| INEP | : Integrated National Electrification Program |
| JDMPT | : Joint District Municipal Planning Tribunal |
| KM | : Kilometre |
| LAC | : Local AIDS Council |
| LGAAC | : Local Government Advanced Accounting Certificate |
| LUMS | : Land Use Management System |
| LGSETA | : Local Government Sector Education Training Authority |
| LGMIM | : Local Government Municipal Improvement Model |
| LED | : Local Economic Development |
| LEDA | : Limpopo Economic Development Agency |
| LEDET | : Limpopo Economic Development |
| LLF | : Local Labour Forum |
| LGE | : Local Government Election |
| MIG | : Municipal Infrastructure Grant |

| | |
|--------|--|
| MP | : Mpumalanga Party |
| MPAC | : Municipal Public Account Committee |
| MFMA | : Municipal Finance Management Act |
| MFMP | : Municipal Finance Management Programme |
| MSA | : Municipal Systems Act |
| Mscoa | : Municipal Standard Charts of Accounts |
| MoU | : Memorandum of understanding |
| N/A | : Not applicable |
| NARSA | : National Archive Regulation of South Africa |
| NDP | : National Development Plan |
| NGO | : Non-Governmental Organisation |
| OHS | : Occupational Health and Safety |
| PMS | : Performance Management System |
| PMT | : Political Management Team |
| SAMEBA | : South African Maintenance and Estate Beneficiaries Association |
| SCM | : Supply Chain Management |
| SDBIP | : Service Delivery and Budget Implementation Plan |
| SDM | : Sekhukhune District Municipality |
| SDF | : Spatial Development Framework |
| SDL | : Skills Development Levy |
| SOMA | : State of Municipal Address |
| SMME | : Small, Medium and Micro Enterprises |
| SPLUMA | : Spatial Planning and Land Use Management |
| WSP | : Work Skill Plan |

VISION

The agro-economical and ecotourism heartland



MISSION

The Elias Motsoaledi Local Municipality is committed to:

- To ensure provision of sustainable services
- To deepen democracy through public participation and communication
- Provision of services in a transparent, fair and accountable manner
 - Provide public value for money
- To create a conducive environment for job creation and economic growth

CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1. MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A:

1.1 Mayor's Foreword

INTRODUCTION

It is with great honour and a sense of responsibility to present the 2024/2025 annual report of Elias Motsoaledi municipality. This report is not just a summary of our activities over the past year; it is a vital tool for transparency and accountability. By sharing our progress and challenges with you, we ensure that our actions are aligned with the needs and expectations of our community. Over the past year, we have embarked on numerous initiatives aimed at improving the quality of life for all our residents. We have made significant strides in various sectors, from infrastructure development to community services, and I am proud to share these achievements with you.

However, it is also important to acknowledge the challenges and setbacks we have faced. Not every project has been achieved as planned, and we have encountered obstacles that have tested our resolve. These experiences have provided us with valuable lessons and highlighted areas where we need to improve. As we move forward, our focus will be on addressing these shortcomings with renewed Vigor and determination. We are committed to learning from our mistakes and implementing corrective measures to ensure that we continue to progress and meet the needs of our community.

This report was compiled in terms of Chapter 12 of MFMA Section 121 (1) which stipulates that every municipality must for each financial year prepare an annual report in accordance with this Chapter. The 2024/2025 annual report gives a detailed review of the municipality's activities on actual performance at the end of the fiscal year reporting on how the IDP and budget were implemented. It also describes municipality's effort in fulfilling its Constitutional mandate and in meeting its obligations as dictated by the applicable local government legislation. Despite the effects of the economic difficult times, the municipality continued to provide quality service delivery to our community. For the financial year 2024/2025, the overall municipal performance is 84% which is an increase from 75% during financial year 2023/2024.

KEY POLICY DEVELOPMENTS

As part of our ongoing commitment to improving the quality of life for all residents, the municipality has focused on three core functions which is electricity, waste management, and internal roads. These areas are essential for fostering sustainable development and ensuring the well-being of our community.

Electricity: We have implemented policies aimed at enhancing the reliability and accessibility of electricity in the areas which municipality is licenced to provide electricity. Our goal is to reduce power outages and promote energy efficiency, contributing to a greener and more resilient community.

Waste Management: Effective waste management is crucial for maintaining a clean and healthy environment. Our policies focus on improving waste collection services, promoting recycling and waste reduction initiatives, and ensuring the proper disposal of hazardous

materials. We are committed to creating a sustainable waste management system that minimizes environmental impact and encourages community participation in keeping our municipality clean.

Internal Roads: The development and maintenance of internal roads are vital for enhancing connectivity and supporting economic growth. Our policies prioritize the construction and rehabilitation of internal roads within the municipality, ensuring they are safe, well-maintained, and capable of meeting the needs of our residents. By improving our road infrastructure, we aim to facilitate smoother transportation, reduce travel times, and boost local commerce.

These key policy developments reflect our dedication to addressing the fundamental needs of our community and building a sustainable future for all. We will continue to work diligently to implement these policies effectively and ensure that our municipality thrives.

KEY SERVICE DELIVERY IMPROVEMENTS

The Municipality currently faces a backlog of approximately 1,192.2 km of gravel roads. During the year under review, five road projects were initiated using the Municipal Infrastructure Grant (MIG). One project was placed on hold pending revised drawings from LEDET. At the end of the financial year, all five road projects remained under construction as they are multi-year projects. The total MIG allocation amounted to R91,314,000.00, which was fully spent by end of financial year.

In March 2025, Municipality received a direct allocation of R27,650,000.00 from the Municipal Disaster Recovery Grant (MDRG) to address service delivery backlogs of the approved four projects. The approved implementation plan includes four road maintenance projects. By end of financial year, two projects were still under construction, one has reached practical completion, and one has a contractor appointed.

The Municipality also maintains a re-gravelling programme to improve road conditions across all wards. Roads and stormwater management remain core municipal functions. However, many roads are in a state of deterioration, with provincial roads requiring urgent resealing and surfacing. Gravel roads present additional challenges, as many are inaccessible due to inadequate stormwater controls.

To enhance service delivery, the Municipality expanded its maintenance team to the satellite offices to ensure coverage in every ward. The long-term strategy is to surface roads throughout the municipal area, although the Municipality continues to rely heavily on grant funding for road projects. As part of efforts to improve accessibility to villages, 65 km of internal roads were successfully re-gravelled during the reporting period.

The Municipality is licensed to provide electricity in three wards Ward 13, Ward 14, and Ward 30 covering the Groblersdal, Masakaneng, and Roossenekal areas respectively. The remaining 28 wards fall under Eskom's jurisdiction. Currently, the Municipality faces a backlog of approximately 6%, representing 3,837 households without electricity. In contrast, a total of 62,522 households (94%) has access to electricity, supplied through both Eskom and Elias Motsoaledi Local Municipality (EMLM). During the year under review, the Municipality received an allocation of R17,544,000.00 through the Integrated National Electrification Programme (INEP). 743 households were successfully electrified during the year under review.

The Municipality provides weekly household refuse removal through the kerbside method in the following areas: Motetema, Hlogotlou, Groblersdal, Roossenekal (Town and RDP), Elandsdoring, and Walter Sisulu. Business refuse removal is conducted either twice weekly

or daily, depending on the nature of the business. The municipality also offers refuse removal services via skip bins, which are rented monthly by certain businesses. Refuse removal services are outsourced to a service provider. In addition to refuse collection, the municipality delivers cleaning services:

- Street cleaning and litter picking are carried out daily (seven days a week) in Groblersdal town.
- Village litter picking is undertaken through the Expanded Public Works Programme (EPWP).
- Illegal dumps are cleaned as required across the municipality.
- In rural villages, refuse removal is facilitated using skip bins.

Strategic alignment to Provincial, Growth and Development Strategy

Our municipality is committed to aligning our strategic initiatives with the broader provincial growth and development strategy. This alignment ensures that our local efforts contribute to the overall economic and social development goals of the province, fostering a cohesive and integrated approach to rural development.

Economic Development: We are focused on stimulating local economic growth by supporting small businesses, encouraging investment in key sectors. By aligning with provincial economic policies, we aim to create job opportunities, enhance local entrepreneurship, and improve the economic resilience of our community.

Infrastructure Development: Our infrastructure projects, including the development of internal roads, electricity, and waste management systems, are designed to complement provincial infrastructure plans. This strategic alignment ensures that our municipality benefits from provincial resources and expertise, leading to more efficient and sustainable infrastructure development.

Environmental Sustainability: Our environmental policies are designed to support provincial sustainability goals, enhancing waste management practices and protecting natural resources. By working in harmony with provincial environmental strategies, we aim to create a sustainable and resilient community.

Governance and Accountability: We are dedicated to maintaining transparent and accountable governance practices. By aligning our governance framework with provincial standards, we ensure that our municipality operates efficiently and ethically, fostering trust and confidence among our residents. Through strategic alignment with the provincial growth and development strategy, we are committed to driving positive change and achieving sustainable development for our municipality. Together, we can build a prosperous and thriving community that contributes to the overall success of our province.

Statement of Corrective action

EMLM management is committed to addressing all unmet key performance indicators (KPIs) and developing strategies to enhance municipal performance moving forward. The Municipal Manager will engage with each senior manager to collaboratively improve departmental performance, ensuring overall improvement. Furthermore, EMLM management will develop an action plan to address all audit findings raised by the Auditor General, ensuring these issues do not recur. Audit steering committee meetings will be held bi-weekly to track progress

in resolving these findings. Additional corrective actions are detailed in each KPI that was not achieved, as outlined in the attached annual performance report (Chapter 3, pages 93 to 130).

Local Economic Development

The roles that the municipality has played in pursuit of local economic development in 2024/2025 financial year are amongst others; that the municipality in collaboration with Department of Public Works created 201 work opportunities through EPWP and 1001 job opportunities through CWP programmes. The appointed personnel are mainly responsible for cleaning public facilities/infrastructure in the form of roads reserves, graveyards, community halls, schools, taxi ranks, streets etc.

Audit Opinion

The municipality has obtained an unqualified audit opinion, marking a significant improvement from the 2023/2024 financial year. Management, councillors, and the entire EMLM team are pleased with this progress and remain committed to addressing all issues raised. Our collective goal is to continue strengthening financial management practices and work diligently towards achieving a clean audit outcome in the current financial year.

We extend our sincere appreciation to EMLM team, oversight committees and sector departments for their dedication and valuable contributions, which played a pivotal role in assisting the municipality to attain this improved audit opinion.

PUBLIC PARTICIPATION

Public participation is a cornerstone of effective local governance. It ensures that municipal policies and projects are responsive to community needs, fosters collaboration in problem-solving, and strengthens trust between the municipality and its residents. Through this process, the municipality can gather diverse perspectives and insights, leading to more informed decision-making and alignment of initiatives with public interests. Municipality (EMLM) has 310 ward committee members across 31 wards. Ward committees, together with ward councillors, convene public meetings in their respective wards and submit monthly reports to the Speaker's office. During the year under review, public meetings were held in various wards, with participation facilitated through Mayoral and Speaker's outreach programmes in Mmotwaneng, Tambo Village, Roossenekaal, Monsterlos, Laersdrift, and Kgobokwane.

Public participation also formed part of the 2024/2025 Integrated Development Plan (IDP) and Budget process, where communities were given the opportunity to raise their needs for incorporation into the IDP. Due to limited resources, only prioritized and budgeted needs were included in the IDP for implementation.

CONCLUSION

As I conclude, I wish to extend my heartfelt gratitude to all who have contributed to the progress of the Elias Motsoaledi Local Municipality.

I would like to thank the management team and municipal staff for your dedication and commitment to service delivery. Your hard work continues to strengthen our institution and improve the lives of our residents.

To our councillors and ward committees, your leadership and engagement with communities remain vital in ensuring that governance is participatory and responsive.

To our residents, and most especially our ratepayers, we deeply appreciate your support and contributions. Your commitment enables the municipality to sustain essential services and pursue development initiatives that benefit all.

Together, we have made meaningful strides, and with continued collaboration, transparency, and accountability, we will build on this foundation to achieve even greater success. Let us remain united in our vision of creating a municipality that is inclusive, sustainable, and prosperous for all

.....
M.D TLADI
MAYOR

COMPONENT B:

1.2 Municipal Manager’s Foreword

The 2024/2025 Annual Report documents the Municipality’s progress in achieving its objectives as outlined in the Integrated Development Plan (IDP), the Budget, and the Service Delivery and Budget Implementation Plan (SDBIP). In addition, the report highlights the key challenges encountered and the strategic priorities identified for the 2024/2025 financial year. Its primary purpose is to provide community members and stakeholders with a comprehensive account of municipal performance, specifically regarding the implementation of the IDP and Budget

The municipality is established to perform the following functions:

| Schedule 4 Part B | Schedule 5 Part B |
|---|--|
| <ul style="list-style-type: none"> ▪ Air pollution ▪ Building regulations ▪ Childcare facilities ▪ Electricity and gas reticulation ▪ Local tourism ▪ Municipal planning ▪ Municipal public transport ▪ Municipal public works ▪ Storm-water management systems in built-up areas ▪ Trading regulations | <ul style="list-style-type: none"> ▪ Billboards and the display of advertisements in public places ▪ Cemeteries, funeral parlours and crematoria ▪ Cleansing ▪ Control of public nuisances ▪ Control of undertakings that sell liquor to the public. ▪ Facilities for the accommodation, care and burial of animals ▪ Fencing and fences ▪ Local sport facilities ▪ Municipal parks and recreation ▪ Municipal road ▪ Public places ▪ Refuse removal, refuse dumps and solid waste disposal. ▪ Street trading ▪ Street lighting ▪ Traffic and parking |

Entities related to municipality and sharing of power with these entities.

The Municipality does not share its powers with any external entity or sector department. Its role is limited to monitoring certain projects implemented by sector departments within the municipal jurisdiction, such as housing initiatives

Sector departments and sharing of functions between the municipality/ entity and sector department.

The Municipality maintains shared service arrangements with the Department of Transport and Community Safety, the Department of Sports, Arts and Culture, and the Department of Public Works. In partnership with the Department of Transport and Community Safety, Elias Motsoaledi Local Municipality (EMLM) jointly operates the Driving License Testing Centre (DLTC), with revenue distributed on an 80:20 basis—80 percent allocated to the DLTC and 20

percent to EMLM. Furthermore, EMLM collaborates with the Department of Sports, Arts and Culture in the provision of library services, and with the Department of Public Works through the Expanded Public Works Programme (EPWP) and Community Work Programme (CWP) initiatives aimed at job creation. Formal memoranda of understanding have been signed with all three departments to govern these partnerships.

A short statement on the previous financial year’s audit opinion.

| 2022/2023 | 2023/2024 | 2024/2025 |
|---------------------------|-------------------------|---------------------------|
| Unqualified audit opinion | Qualified audit opinion | unqualified audit opinion |

Financial health and revenue trend by source including borrowings undertaken by municipality.

Municipality had a total revenue budget of R849, 263 million that was adjusted upwards to R910, 138 million during budget adjustment. The actual audited revenue realized is R872, 119 million and this resulted in under-performance variance of R38, 019 million. All gazetted grants and subsidies amounting to R497, 272 million actual, contributed a major portion of source of funding for municipal budget. Municipality is 56% grant dependent on capital expenditure and 60% on revenue budget. Municipality has R24 162 374 unspent Municipal Disaster Recovery Grant (MDRG) due to late receipt of the grant and Local Government Sector Education and Training Authority (LGSETA) due to incomplete implementation of the plan. Other conditional grants being, Financial Management Grant (FMG), Expanded Public Works Programme (EPWP) and Integrated National Electrification Programme (INEP) have achieved 100% spending. No borrowings were made by municipality for the year under review.

The internal management changes in relation to Section 56/57 managers.

The Municipality has seven (07) approved senior management positions, including that of the Municipal Manager. By the end of the financial year, six of these positions were filled, with one vacancy remaining in Executive Support. All senior managers finalized their 2024/2025 performance agreements within the prescribed timeframe. Mid-year performance assessments for 2024/2025 were duly conducted, as were the annual assessments for 2023/2024. Based on the outcomes of these evaluations, no senior manager qualified for a performance bonus.

Risk assessment, including developments and implementation of measures to mitigate the top 5 risks.

Council has formally adopted the Risk Management Policy, the Risk Management Strategy, and both the Strategic and Operational Risk Registers. These instruments enable management to proactively identify and appropriately respond to significant risks that may affect the achievement of business objectives. Consistent with the approved Policy and Strategy, a top-down approach has been employed in the development of the organization’s risk profiles. The outcomes of the strategic and operational assessments were consolidated to compile a comprehensive risk register.

.....
Ms NR MAKGATA PR TECH ENG
MUNICIPAL MANAGER

1.3

MUNICIPAL OVERVIEW

Elias Motsoaledi Local Municipality is located in the Groblersdal area of Limpopo Province, northeast of Pretoria. It lies approximately 32 km from Loskop Dam, 100 km north of Bronkhorstspuit, 115 km northwest of Witbank (Emalahleni), and 25 km south of Marble Hall. The municipality is primarily accessible via the R25 road, which connects the area to Oliver Tambo International Airport in Johannesburg, and via the N11 route to Middelburg. Within the Sekhukhune District Municipality (SDM), which comprises four local municipalities, Elias Motsoaledi is the second largest. Sekhukhune District is recognized as the second poorest district among South Africa's 13 nodal points identified for targeted developmental interventions.

Elias Motsoaledi Municipality encompasses an estimated 62 settlements, the majority of which are villages situated in R293 areas, along with Groblersdal Town. The municipality consists of 31 wards and is represented by 61 councillors. It is classified as a Category B municipality, sharing executive and legislative authority with the Sekhukhune District Municipality (Category C), within whose jurisdiction it falls. Elias Motsoaledi Local Municipality is established to perform the following functions:

Table 1

| Schedule 4 Part B | Schedule 5 Part B |
|---|---|
| <ul style="list-style-type: none"> • Air pollution • Building regulations • Childcare facilities • Electricity and gas reticulation • Local tourism • Municipal planning • Municipal public transport • Municipal public works • Storm-water management systems in built-up areas • Trading regulations | <ul style="list-style-type: none"> • Billboards and the display of advertisements in public places • Cemeteries, funeral parlours, and crematoria • Cleansing • Control of public nuisances • Control of undertakings that sell liquor to the public. • Facilities for the accommodation, care and burial of animals • Fencing and fences • Local sport facilities • Municipal parks and recreation • Municipal road • Public places • Refuse removal, refuse dumps and solid waste disposal. • Street trading • Street lighting • Traffic and parking |

1.2.1 Population group

Table 2: Total Municipal Population

| Population | 2011 | 2022 | % Incr. |
|------------|---------|---------|---------|
| Males | 115 503 | 135 762 | 47.1% |
| Females | 133 860 | 152 287 | 52.9% |
| Total | 249 363 | 288 049 | 13.4% |

Source: STATS SA, Census 2011 and Census 2022

Of the total population of 288049 (97, 1%) is African black, with the other population groups making up the remaining (2, 9%).

Table 3: Population by Ethnic Group

| Group | Number | Percentage |
|---------------|---------|------------|
| Black African | 279 736 | 97.1% |
| Coloured | 505 | 0.2% |
| Indian/Asian | 1261 | 0.4% |
| White | 6177 | 2.1% |
| Other | 350 | 0.1% |
| TOTAL | 288 029 | 100% |

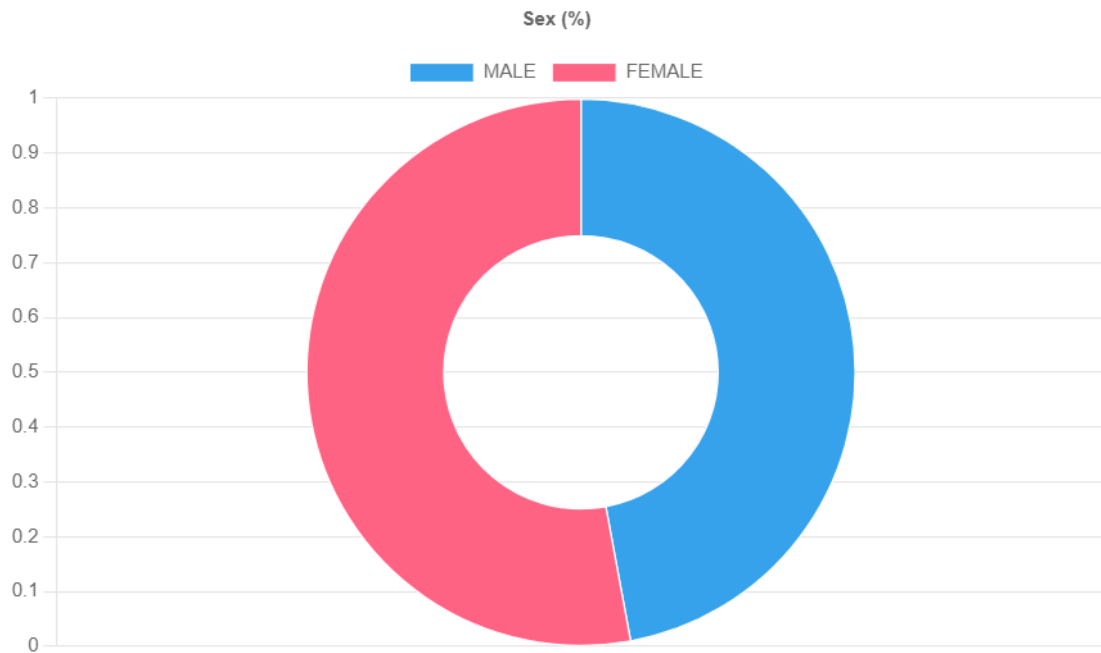
Source: STATS SA Census 2022

Table 4: Population by Age Group

| Age | Males | Male % | Females | Females % |
|-------|--------|--------|---------|-----------|
| 85+ | 475 | 0,2% | 1825 | 0,6% |
| 80-84 | 753 | 0,3% | 1520 | 0,5% |
| 75-79 | 1163 | 0,4% | 2803 | 1,0% |
| 70-74 | 2091 | 0,7% | 3535 | 1,2% |
| 65-69 | 3355 | 1,2% | 4527 | 1,6% |
| 60-65 | 4656 | 1,6% | 5603 | 1,9% |
| 55-59 | 5010 | 1,7% | 6581 | 2,3% |
| 50-54 | 5268 | 1,8% | 6545 | 2,3% |
| 45-49 | 6277 | 2,2% | 7294 | 2,5% |
| 40-44 | 6700 | 2,3% | 7969 | 2,8% |
| 35-39 | 8538 | 3,0% | 9674 | 3,4% |
| 30-34 | 9670 | 3,4% | 10 962 | 3,8% |
| 25-29 | 11 163 | 3,9% | 12 717 | 4,4% |
| 20-24 | 12 097 | 4,2% | 11 875 | 4,1% |
| 15-19 | 13 618 | 4,7% | 13 175 | 4,6% |
| 10-14 | 14 928 | 5,2% | 15 039 | 5,2% |
| 5-9 | 14 269 | 5,0% | 14 498 | 5,0% |
| 0-4 | 15 726 | 5,5% | 16 141 | 5,6% |

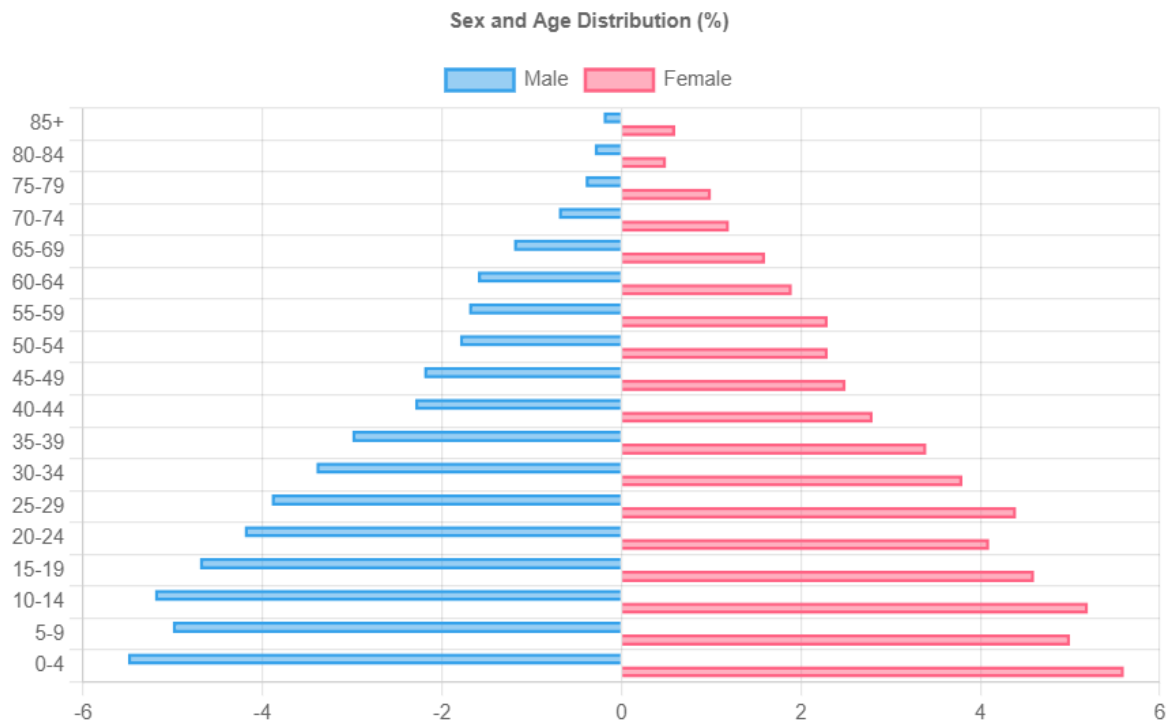
Source: Stats SA Census 2022

Table 5: Gender Distribution



Source: Stats SA, Census 2011 and Census 2022

Table 6: Sex and Age Distribution



Source: Stats SA Census 2022

The above sex and age distribution data indicate dominance of young children between the age of 0-4 and 10-14. This could be attributed to by high birth rate.

- There are 52,9% females and 47,1% males within the Municipality.
- There is a large segment of youth (under 19 years) which comprises 31,5% of the total population.

The “young” population is prevalent in a developing country. Therefore, there is an increased pressure on the delivery of Housing, Social Facilities and Job Creation within the Municipality.

Table 5: Economic profile (employment)

| Economic Indicators | |
|----------------------------|-------------------|
| Employment Category | Percentage |
| Employed | 57,1% |
| Unemployed | 42,9% |
| Total | 100% |

Source: Stats SA Census 2011

- There are more females 53.7% than males 46.3% within the Municipality.
- The Municipal population is characterised with a large segment of youth (under 19 years) which comprises of 47.9% of the total population.

Based on the age structure breakdown of the Municipality, it is evident that the population is “young”, which is prevalent in a developing country. With the “young” age structure, increased pressure will be on the delivery of Housing, Social Facilities and Job Creation within the Municipality.

Table 6: Language Preference within the municipality

| Language | % |
|-----------------|----------|
| Afrikaans | 2,2% |
| English | 0,2% |
| Isindebele | 15% |
| Isixhosa | 0,2% |
| Isizulu | 8,4% |
| Sepedi | 59,9% |
| Sesotho | 1,1% |
| Setswana | 7,1% |
| Sign language | 0,0% |
| Siswati | 1,5% |
| Tshivenda | 0,2% |
| Xitsonga | 1,5% |
| Other | 0,5% |
| Not applicable | 2,2% |

Source: Stats SA .CS 2016

Table 7: The marital status within the municipality

| Group | % |
|-----------------|-------|
| Married | 16,6% |
| Living together | 2,4% |
| Never married | 50,6% |
| Widower/widow | 2,2% |
| Separated | 0,1% |
| Divorced | 0,4% |

Source: Stats SA 2011 and CS 2016

The tables below indicate the tenure status in the municipal area. There is a clear indication that more of the land is occupied by individuals who have ownership than those that rent. The average household size has declined from 4.5 to 4.1 in 2001 and 2011 respectively.

Table 8: Household Size

| Household Size | 2011 | 2022 |
|----------------|--------|--------|
| Total | 60 251 | 79 136 |

Source: Stats SA, Census 2011 and 2022

The household size of **79136** indicate an increase of about 23,84% from the 2011 Census.

Another notable feature of the household statistics is that approximately (87,4%) of all dwellings can be classified as formal structures as reflected in the following table.

Table 9: Type of dwelling per household

| Type Of Dwelling | No of Dwellings | % |
|----------------------|-----------------|-------------|
| Formal dwelling | 74 998 | 94.8% |
| Traditional dwelling | 1468 | 1.9% |
| Informal dwelling | 2370 | 3% |
| Other | 301 | 0.3% |
| Total | 79137 | 100% |

Source: Stats SA. Census 2022

Table 10: Natural resources within EMLM

| Natural Resources | |
|------------------------|---------------------------------------|
| Major Natural Resource | Relevance to Community |
| Minerals | Economic empowerment and job creation |
| Dam | Agricultural use and consumption |
| Caves | Tourist attraction (Roosenekal) |
| Land | Agricultural and human settlement |

1.1 SERVICE DELIVERY OVERVIEW

The Municipality currently faces a backlog of approximately 1,192.2 km of gravel roads. During the year under review, five road projects Kgobokwane/Kgaphamadi, Malaeneng A Ntwane, Mokokung, Maraganeng, and upgrading of Tafelkop Sports Stadium access road were initiated using the Municipal Infrastructure Grant (MIG). In addition, one project, the Groblersdal Landfill Site, was placed on hold pending revised drawings from LEDET. At the end of the financial year, all five road projects remained under construction as they are multi-year projects. The total MIG allocation amounted to R91,314,000.00, which was fully spent by end of financial year.

In March 2025, Municipality received a direct allocation from the Municipal Disaster Recovery Grant (MDRG) to address service delivery backlogs. For the 2024/2025 financial year, the Municipality was allocated R27,650,000.00 to support service delivery initiatives. The approved implementation plan includes four road maintenance projects:

- Reconstruction of Motsephiri/Jerusalem Stormwater Control
- Reconstruction of Marapong Bridge
- Reconstruction of Moteti Paving and Stormwater Control
- Reconstruction of Kgobokwane Low-Level Bridge

Of these projects, two are currently under construction, one has reached practical completion, and one has a contractor appointed.

The Municipality also maintains a re-gravelling programme to improve road conditions across all wards. Roads and stormwater management remain core municipal functions. However, many roads are in a state of deterioration, with provincial roads requiring urgent resealing and surfacing. Gravel roads present additional challenges, as many are inaccessible due to inadequate stormwater controls.

To enhance service delivery, the Municipality expanded its maintenance team to the satellite offices to ensure coverage in every ward. The long-term strategy is to surface roads throughout the municipal area, although the Municipality continues to rely heavily on grant funding for road projects. As part of efforts to improve accessibility to villages, 65 km of internal roads were successfully re-gravelled during the reporting period.

The Municipality is licensed to provide electricity in three wards Ward 13, Ward 14, and Ward 30 covering the Groblersdal, Masakaneng, and Roosenekal areas respectively. The remaining 28 wards fall under Eskom's jurisdiction. Currently, the Municipality faces a backlog of approximately 6%, representing 3,837 households without electricity. In contrast, a total of 62,522 households (94%) has access to electricity, supplied through both Eskom and Elias Motsoaledi Local Municipality (EMLM). During the year under review, the Municipality received an allocation of R17,544,000.00 through the Integrated National Electrification Programme (INEP). These funds were utilized to electrify the villages of Phooko, Luckau/Maganagobuswa, Magukubjana, Matrombi, and Motetema. In addition, design-stage projects were initiated for Ntwelemotse, Oorlog, Lusaka, Zaaiplaas, and Doorom. As a result of these efforts, 743 households were successfully electrified during the year under review.

The Municipality provides weekly household refuse removal through the kerbside method in the following areas: Motetema, Hlogotlou, Groblersdal, Roosenekal (Town and RDP), Elandsdoring, and Walter Sisulu. Business refuse removal is conducted either twice weekly

or daily, depending on the nature of the business. The municipality also offers refuse removal services via skip bins, which are rented monthly by certain businesses. Refuse removal services are outsourced to a service provider. In addition to refuse collection, the municipality delivers cleaning services:

- Street cleaning and litter picking are carried out daily (seven days a week) in Groblersdal town.
- Village litter picking is undertaken through the Expanded Public Works Programme (EPWP).
- Illegal dumps are cleaned as required across the municipality.
- In rural villages, refuse removal is facilitated using skip bins.

1.2 FINANCIAL HEALTH OVERVIEW

EMLM is a rural municipality with high volume of outstanding consumer debtors, and this leads to financial burden with none and/or under-payment for municipal services. The municipality has however developed the Revenue Enhancement Strategy to address this challenge since the outstanding debt affects the cash-flow status of the municipality. Debt collectors have been appointed to reduce the extent of under-collection of revenue particularly in Eskom licensed areas since the municipality cannot enforce credit control measures in the form of electricity cut off.

Municipality had a total revenue budget of R849, 263 million that was adjusted upwards to R910, 138 million during budget adjustment. The actual audited revenue realized is R872, 119 million and this resulted in under-performance variance of R38, 019 million. All gazetted grants and subsidies amounting to R497, 272 million actual, contributed a major portion of source of funding for municipal budget. Municipality has R24, 162 million unspent Municipal Disaster Recovery Grant (MDRG) which is material and R8, 354 thousand unspent Local Government Sector Education and Training Authority Grant and R500 hundred unspent Energy Efficiency and Demand Side Management Grant (EEDSM) which are both immaterial. Other conditional grants being, Financial Management Grant (FMG), Expanded Public Works Programme (EPWP) and Integrated National Electrification Programme (INEP) have achieved 100% spending. No borrowings were made by municipality for the year under review.

EXPENDITURE

The original budget for operating expenditure was R734, 364 million that was adjusted to R768, 752 million, and the actual audited expenditure thereof is R746, 901 million. This reflects a positive variance of R21, 851 million. The major portion of operating expenditure is employee related cost that had original budget of R213,757 million, and the budget was adjusted downwards to R206,319 million and the actual audited expenditure thereof is R205,011 million and this reflected under-spending variance of R1, 308 million that is attributed to positions not being filled.

Table 12: Summary of financial overview

| Details | Financial Overview – 2024/25 R'000 | | |
|---------------------------|---------------------------------------|-------------------|----------|
| | Original Budget | Adjustment Budget | Actual |
| Grants | 479 317 | 543 967 | 497 272 |
| Taxes, levies and tariffs | 178 483 | 190 000 | 203 797 |
| Other | 191 130 | 170 278 | 171 050 |
| Sub -Total | 848 930 | 921 259 | 872 119 |
| Less Expenditure | -734 364 | -768 752 | -746 901 |
| Net Total | 114 566 | 152 507 | 125 218 |

Table 13: Operating ratios

| Operating Ratios | |
|-------------------------|------|
| Detail | % |
| Remuneration Cost | 31% |
| Repairs and Maintenance | 5.6% |
| Capital cost | 0,1% |

Table 14: Total capital expenditure

| Detail | Total Capital Expenditure (R'000) | |
|-------------------|-----------------------------------|---------|
| | 2023/24 | 2024/25 |
| Original Budget | 84 156 | 110 495 |
| Adjustment Budget | 94 038 | 173 549 |
| Actual | 90 602 | 122 338 |

1.3 ORGANISATIONAL DEVELOPMENT OVERVIEW

HUMAN RESOURCES OVERVIEW

The municipality's human resource services are effective, efficient, and generally aligned with community expectations. The department focuses on attracting skilled employees, motivating staff, and strengthening capacity through continuous development. The municipality employs 417 personnel, including seven senior managers: Municipal Manager, Chief Financial Officer, Senior Manager Corporate Services, Senior Manager Infrastructure Services, Senior Manager Development Planning, Senior Manager Community Services, and Senior Manager Executive Support. By end of the financial year, the Executive Support position remained vacant, with recruitment in progress.

COMMITTEES

The Municipality has established the following committees as per the prescripts in strengthening the human resource management.

- Local Labour Forum Committee
- Occupational Health and Safety Committee
- Training and Development Committee
- Employment Equity Committee
- EAP committee
- Batho Pele committee

1.3.1 BURSARIES

The municipality is pleased to continue the Mayoral Bursary Program, supporting historically disadvantaged students with strong matric results. The program offers two categories: Full Bursary and Financial Assistance. Full Bursaries are awarded to students with exceptional results pursuing studies in Civil Engineering, Mining Engineering, Agricultural Engineering, Electrical Engineering, Regional and Town Planning, Finance, and Public Administration. Financial Assistance supports students who performed well but do not meet the Full Bursary criteria. During the year under review, 41 students benefited from the program. Funds are paid directly to the institutions where students are enrolled, ensuring effective use of resources. The program was widely advertised through municipal platforms and social media to reach eligible applicants. The municipality remains committed to empowering youth and fostering education that drives community development.

1.3.2 WORKPLACE SKILLS PLAN (WSP)

The municipality developed the Workplace Skills Plan (WSP) for 2024/2025 and submitted it, along with the Annual Training Report, to LGSETA in April 2025. Ten employees (eight males and two females) were awarded internal bursaries to pursue further studies in various training courses. For the year under review, the municipality received R298,443.82 in rebates from LGSETA

1.4 AUDITOR GENERAL'S REPORT

The municipality has obtained an unqualified audit opinion, marking a significant improvement from the 2023/2024 financial year. Management, councillors, and the entire EMLM team are pleased with this progress and remain committed to addressing all issues raised. The collective goal is to continue strengthening financial management practices and work diligently towards achieving a clean audit outcome in the current financial year. To this end, we have developed an audit action plan to address all the findings. For detailed audit report refer to chapter 6.

| Emphasis of matters | | | |
|---------------------|--|--------------------------------------|--|
| No. | 2022/2023 | 2023/2024 | 2024/2025 |
| 1. | Restatement of corresponding figures | Restatement of corresponding figures | Restatement of corresponding figures |
| 2. | Significant uncertainties | Significant uncertainties | underspending on the Municipal Disaster Recovery Grant |
| 3. | Material electricity losses | Events after the reporting date | material electricity loss |
| 4. | Material impairment | Material Electricity losses | material impairment |
| 5. | Material underspending on conditional grants | Material impairment | |

1.5 STATUTORY ANNUAL REPORT PROCESS FOR 2024/2025

Table 16: statutory annual report process

| No | Activity | Date | Responsibility |
|----|--|-------------------------------------|-------------------|
| 1 | Finalise 4 th quarter report for previous financial year | 31 July 2025 | Municipal Manager |
| 3 | Audit/Performance Committee considers annual performance report of municipality | 15 August 2025 26 August 2025 | Municipal Manager |
| 4 | Municipality submits draft annual report, including the consolidated annual financial statements and the performance report, to the Auditor General. | 31 August 2025 | Municipal Manager |
| 5 | Auditor General assesses draft annual report, including the consolidated annual financial statements and performance data | 30 August 2025 to 30 November 2025 | Auditor General |
| 6 | Municipalities receive audit report and start to address the Auditor General's comments | 30 November 2025 | Municipal Manager |
| 7 | Mayor tables annual report and audited financial statements to council, complete with the Auditor General's Report | 22 January 2026 | Mayor |
| 8 | Audited annual report is made public and representation is invited | 27 January 2026 to 27 February 2026 | Municipal Manager |
| 9 | MPAC Committee assesses the annual report | 02 March to 18 March 2026 | MPAC Chairperson |
| 10 | Council adopts oversight report | 25 March 2026 | Council |
| 11 | Oversight report is made public | 26 March 2026 | Municipal Manager |
| 12 | Oversight report is submitted to relevant provincial councils | 27 March 2026 | Municipal Manager |

Compliance with deadlines is essential, as non-compliance may result in a negative audit opinion. Timely submissions also enable stakeholder feedback, facilitate corrections, and promote good practice.

The alignment of the Integrated Development Plan (IDP), budget, and performance system is critical, as these strategic documents guide the municipality in achieving its goals while ensuring responsible use of public funds. Through performance management, quarterly reports assess whether spending remains aligned with objectives and highlight any deviations. This process provides early indications of non-performance and allows for prompt corrective action.

CHAPTER 2

GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2 Introduction

Section 151(3) of the Constitution affirms that municipal councils have the right to govern local affairs on their own initiative. The EMLM Council consists of political and administrative components, responsible for decision-making and implementation. The Mayor serves as the political head of the institution, while the Speaker presides over the Council. The municipality exercises all powers conferred by the Constitution and relevant national and provincial legislation, with authority to take necessary actions to effectively fulfil its mandate.

2.1 POLITICAL GOVERNANCE

Council established Section 80 Committees to provide oversight and monitor municipal activities across both administrative and executive functions. These committees are chaired by independent councillors who are not members of the Executive Committee. The following committees were established:

- Executive Committee (EXCO)
- Municipal Public Accounts Committee (MPAC)
- Section 79 Portfolio Committee
- Section 80 Committee
- Corporate Services Portfolio Committee
- Infrastructure Services Portfolio Committee
- Budget and Treasury Portfolio Committee
- Community Services Portfolio Committee
- Development Planning Portfolio Committee
- Executive Support Portfolio Committee

The Speaker, a full-time councillor, chairs council meetings. The Office of the Council Whip was established to promote synergy and discipline among councillors from different political parties, focusing primarily on political matters and attendance. Council meetings are conducted in accordance with approved rules of order.

The council comprises eight political parties: African National Congress (ANC) with 36 seats, Economic Freedom Fighters (EFF) with 14 seats, Democratic Alliance (DA) with 4 seats, Bolshevik Party of South Africa (BPSA) with 2 seats, Mpumalanga Party (MP) with 2 seats, African Federal Congress (AFC) with 1 seat, Democratic Reform Alliance (DRA) with 1 seat, and Freedom Voice (FV) with 1 seat. In total, the council consists of 54 part-time councillors and 7 full-time councillors, including the Mayor, Speaker, Whip of Council, MPAC Chairperson, and three members of EXCO, which itself comprises 10 councillors.

Councillors maintain cooperative relationships and work collectively to achieve municipal goals. An annual schedule of meetings ensures committees meet regularly to address administrative, performance, and service delivery matters. Participation is satisfactory, with 4 ordinary and 9 special meetings held during the year under review. To strengthen governance and accountability, the municipality adopted a separation of powers model, distinguishing legislative and executive functions. This approach enhances oversight, deepens democracy,

and promotes effective service delivery for EMLM communities. Section 79 Committees further support oversight by monitoring the work of the executive and administration.

Table 1: Municipal Committees annual meetings

| Name of Meeting | Annual Target | Number of meetings convened | Number of meetings materialised | Total number of apologies received |
|--------------------------------|---------------|-----------------------------|---------------------------------|------------------------------------|
| Council committees | | | | |
| Corporate Services | 12 | 12 | 12 | 6 |
| Executive Support | 12 | 12 | 12 | 12 |
| Finance Department | 12 | 12 | 12 | 8 |
| Infrastructure Department | 12 | 12 | 12 | 5 |
| Development Planning | 12 | 12 | 12 | 7 |
| Community Services | 12 | 12 | 12 | 9 |
| Labour Forum | 8 | 8 | 8 | 07 |
| EXCO | 12 | 12 | 12 | 16 |
| Special EXCO | - | 6 | 6 | 2 |
| Council | 4 | 4 | 4 | 20 |
| Special Council | - | 09 | 09 | 26 |
| MPAC | 4 | 11 | 11 | 26 |
| Audit Committee | 14 | 14 | 14 | 02 |
| Supply Chain committees | | | | |
| Specification | As and when | 14 | 14 | 11 |
| Evaluation | As and when | 22 | 22 | 05 |
| Adjudication | As and when | 17 | 17 | 04 |

Table 2: EMLM Councillors information

| # | WARD | PARTY | SURNAME | FULL NAMES | GENDER / CONTACT NO. |
|-----|------|-------|------------|------------------|----------------------|
| (1) | 1 | ANC | Thethe | Junior Semole | F 082 792 2824 |
| (2) | 2 | ANC | Kgagara | Thabo Peter | M 061 474 5741 |
| (3) | 3 | ANC | Malapela | Samuel Mogome | M 066 168 4609 |
| (4) | 4 | ANC | Msiza | Mahwetse Phillip | M 071 610 6421 |
| (5) | 5 | ANC | Mathabathe | Tshepo Emmanuel | M 072 784 0456 |

| # | WARD | PARTY | SURNAME | FULL NAMES | GENDER / CONTACT NO. |
|------|------|-------|------------|---------------------|----------------------|
| (6) | 6 | ANC | Ndlovu | Raymond Ndumiso | M 083 747 9741 |
| (7) | 7 | ANC | Sithole | Thembi Cynthia | F 082 526 3982 |
| (8) | 9 | ANC | Mogotlana | Jersey Sphiwe | F 076 405 5600 |
| (09) | 10 | ANC | Ramongana | Nkitseng Jenneth | F 076 413 4149 |
| (10) | 11 | ANC | Mafiri | Moses Aphiri | M 071 391 8785 |
| (11) | 12 | ANC | Phorothoe | Thabiso Andries | M 072 442 9957 |
| (12) | 14 | ANC | Phokwane | Marang Codney | M 072 746 0239 |
| (13) | 15 | ANC | Nkosi | Sibongile Beauty | F 072 610 5441 |
| (14) | 16 | ANC | Buta | Medo Zephania | M 082 256 3304 |
| (15) | 17 | ANC | Malau | Toswi Samuel | M 076 742 5535 |
| (16) | 18 | ANC | Letageng | Johannes | M 072 163 6376 |
| (17) | 19 | ANC | Masimula | Phahlana (M) | M 071 578 3344 |
| (18) | 20 | ANC | Tshehla | Mokgokong Eric | M 072 391 3469 |
| (19) | 22 | ANC | Nduli | Msanyana Elias | M 082 952 2871 |
| (20) | 23 | ANC | Mohlala | Nkgetheng Piet | M 082 525 0028 |
| (21) | 24 | ANC | Lehungwane | Frank Kgomontshware | M 082 581 5911 |
| (22) | 25 | ANC | Makuwa | Nkhubedu Sarah | F 071 191 7978 |
| (23) | 26 | ANC | Morare | Sephatso Donald | M 082 545 4228 |
| (24) | 27 | ANC | Tlaka | Kgopotso Wiseman | M 082 294 4025 |
| (25) | 28 | ANC | Tladi | Patrick Kose | M 078 053 2200 |
| (26) | 29 | ANC | Makuwa | Reginah Mamoshasha | F 060 610 8505 |
| (27) | 31 | ANC | Msiza | Mothibe Rhodes | M 072 722 5893 |
| (28) | PR1 | ANC | Tladi | Magetle David | M 082 526 0053 |
| (29) | PR2 | ANC | Ngobeni | Carpos Polly | M 064 506 0874 |
| (30) | PR3 | ANC | Machipa | Toudi Aron | M 082 758 6744 |

| # | WARD | PARTY | SURNAME | FULL NAMES | GENDER / CONTACT NO. |
|------|------|-------|------------|-------------------------|----------------------|
| (31) | PR4 | ANC | Mashilo | Malope Samaria | F 082 495 1194 |
| (32) | PR5 | ANC | Gededzha | Mushoni Mavis | F 083 985 2065 |
| (33) | PR6 | ANC | Mahlangu | Julia | F 060 905 1721 |
| (34) | PR7 | ANC | Mahlangu | Nomsa Ndazi | F 082 525 4998 |
| (35) | PR8 | ANC | Rahlogo | Mmadisele Gloria | M 082 757 1321 |
| (36) | PR9 | ANC | Phetla | Mannyana Grace | F 060 388 9121 |
| (37) | PR1 | AFC | Koka | Petrus Thomo | M 0791504857 |
| (38) | PR1 | BPSA | Magolego | Busisiwe Paulinah | F 073 898 5581 |
| (39) | PR2 | BPSA | Radingwana | Sentsho Herbert | M 079 866 9276 |
| (40) | 13 | DA | Oosthuizen | Willem Nicolaas Saaiman | M 083 627 6490 |
| (41) | PR1 | DA | Mmaboko | Sipho Hlabishi | M 079 226 9429 |
| (42) | PR2 | DA | Kotze | Johan Pieter | M 082 554 7561 |
| (43) | PR3 | DA | Matsomane | Shiko Tebogo | F 082 526 4089 |
| (44) | PR1 | DRA | Ganedi | David Jack | M 0790352371 |
| (45) | 8 | EFF | Mathabathe | Mohlamme Glyde | M 076 243 8537 |
| (46) | 21 | EFF | Maphopha | Cheleboy Mpho | M 076 299 3459 |
| (47) | 30 | EFF | Malope | Yalda Matlabane Tobias | M 076 577 0304 |
| (48) | PR1 | EFF | Malapela | Hope Mashego Constance | F 064 625 7229 |
| (49) | PR2 | EFF | Mmotla | Sewisha Collen | M 076 574 1816 |
| (50) | PR3 | EFF | Ngwenya | Sarah Zodwa | F 072 808 1411 |
| (51) | PR4 | EFF | Mabelane | Kagiso | M 060 860 4399 |
| (52) | PR5 | EFF | Sithole | Virgina Morotse | F 066 347 1597 |
| (53) | PR6 | EFF | Mthimunye | Maremoshe Simon | M 072 036 6080 |
| (54) | PR | EFF | Ranala | Maselopi | F 064 914 6964 |

| # | WARD | PARTY | SURNAME | FULL NAMES | GENDER / CONTACT NO. |
|------|------|-------|----------|--------------------|----------------------|
| (55) | PR8 | EFF | Sithole | Maguwe Elias | M 076 771 9801 |
| (56) | PR9 | EFF | Maibelo | Legasa Sandy | F 072 054 1305 |
| (57) | PR10 | EFF | Segope | Godfrey Radingwane | M 060 945 5591 |
| (58) | PR11 | EFF | Komane | Legobole Sharon | F 082 215 7109 |
| (59) | PR1 | MP | Ramphisa | Motiba William | M 0784232182 |
| (60) | PR2 | MP | Limakwe | Adelaide | F 060 942 9953 |
| (61) | PR1 | VF | DeBeer | Willem | M 084 545 8382 |

2.1.1 Section 80 committees

The established section 80 committees are in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened, and that effective public service delivery takes place to benefit EMLM communities Council has established section 80 committees to play oversight role and monitor the work of the executive and administration.

The established Committees are aligned to administrative departments of the municipality and are chaired by non-executive councillors. MPAC committee is also in place and performs its duties as per approved annual work programme. MPAC is an oversight committee which comprises of non-executive councillors, with the specific purpose of providing oversight over the executive functionaries of Council to ensure good governance.

| Political Party | ANC | AFC | BPSA | DA | DRA | EFF | MP | VF | Total | % |
|-----------------|-----------------------|-----|------|----|-----|-----|----|----|-------|--------|
| | Gender Representation | | | | | | | | | |
| Male (s) | 25 | 1 | 2 | 3 | 1 | 9 | 2 | 1 | 44 | 72.13 |
| Female (s) | 11 | 0 | 0 | 1 | 0 | 5 | 0 | 0 | 17 | 27.86 |
| PwD | 0 | 0 | 0 | 1 | 0 | 1 | | | 2 | 3.28 % |
| | Age Representation | | | | | | | | | |
| 20-35 years | 2 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 14 | 23% |
| 36 – 40 years | 8 | 0 | 0 | 1 | 0 | 3 | 0 | 0 | 11 | 18% |

| | | | | | | | | | | |
|---------------|-----------|----------|----------|-----------|----------|----------|---|---|-----------|-------------|
| 41 – 50 years | 17 | 0 | 1 | 0 | 1 | 7 | 1 | 0 | 17 | 28% |
| 51 -70 years | 09 | 1 | 1 | 3 | 0 | 0 | 1 | 1 | 19 | 31% |
| TOTAL | 41 | 3 | 5 | 10 | 1 | 1 | | | 61 | 100% |

Table 3: Executive committee members

| # | WARD | PARTY | SURNAME | FULL NAMES | GENDER |
|------|------|-------|------------|----------------------|--------|
| (28) | PR1 | ANC | Tladi | Magetle David | Male |
| (30) | PR3 | ANC | Ndlovu | Raymond Ndumiso (M) | Male |
| (34) | PR7 | ANC | Nkosi | Sibongile Beauty (F) | Female |
| (36) | PR9 | ANC | Phetla | Mannyana Grace (F) | Female |
| (27) | 31 | ANC | Msiza | Mothibe Rhodes (M) | Male |
| (09) | 10 | ANC | Ramongana | Nkitseng Jenneth (F) | Female |
| (48) | PR4 | DA | Kotze | Johan Pieter | Male |
| (51) | PR1 | EFF | Ranala | Maselopi | Female |
| (45) | 8 | EFF | Mathabathe | Mohlamme Glyde | Male |
| (59) | PR1 | MP | Ramphisa | Motiba William | Male |

2.1.2 Section 79 committees

The established section 79 committees are in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened, and that effective public service delivery takes place to benefit EMLM communities. Council has established section 79 committees to play oversight role and monitor the work of the executive and administration.

The established Committees are aligned to administrative departments of the municipality and are chaired by non-executive councillors. MPAC committee is also in place and performs its duties as per approved annual work programme. MPAC is an oversight committee which comprises of non-executive councillors, with the specific purpose of providing oversight over the executive functionaries of Council to ensure good governance.

Table 4: Section 79 portfolio committees

| SECTION 79 COMMITTEES | | |
|---|-------------------------|---|
| COMMITTEE | CHAIRPERSON | OTHER MEMBERS |
| Municipal Public Accounts Committee (MPAC) | Cllr. Mashilo S | <ol style="list-style-type: none"> 1. Cllr. Mohlala M.N (ANC) 2. Cllr. Lehungwane F (ANC) 3. Cllr. Mahlangu N.N (ANC) 4. Cllr. Makua Regina (ANC) 5. Cllr. Kgagara T (ANC) 6. Cllr. Phokane C (ANC) 7. Cllr. Ntha Sithole (EFF) 8. Cllr. Lemakwe A (MP) 9. Cllr. Segope Godfrey (EFF) 10. Cllr. Matjomane T (DA) |
| Rules & Petitions | Cllr. Tladi P. M | <ol style="list-style-type: none"> 1. Cllr. Phorotlhoe A (ANC) 2. Cllr. Buta M.Z (ANC) 3. Cllr. Mahlangu J (ANC) 4. Cllr. Gededzha M (ANC) (WHIP) 5. Cllr. Masemola P (ANC) 6. Cllr. Madisela Ratlou (ANC) 7. Cllr. Koka P (AFC) 8. Cllr. Magolego Busi (BPSA) 9. Cllr. Komane S (EFF) 10. Cllr. Malapela H (EFF) |
| Ethics | Cllr. Buta M.Z | <ol style="list-style-type: none"> 1. Cllr. Tlaka W (ANC) 2. Cllr. Gededzha M (ANC) 3. Cllr. Malau S.T (ANC) (WHIP) 4. Cllr. Tshela E.M (ANC) 5. Cllr. Morare S.D (ANC) 6. Cllr. Debeer W (VF) 7. Cllr. Matsomane T (DA) 8. Cllr. Maphopha M (EFF) 9. Cllr. Malapela H (EFF) 10. Cllr. Malope T (ANC) |
| Executive Support | Cllr. Makua N.S | <ol style="list-style-type: none"> 1. Cllr. Ngobeni C (ANC) (WHIP) 2. Cllr. Letageng J (ANC) 3. Cllr. Mogotlana J (ANC) 4. Cllr. Masimula P (ANC) 5. Cllr. Msiza P (ANC) 6. Cllr. Gededzha M (ANC) 7. Cllr. Maphopha M (EFF) 8. Cllr. Ngwenya Z (EFF) 9. Cllr. Mmaboko S (DA) 10. Cllr. Lemakwe (MP) |
| Corporate Services | Cllr. J Mahlangu | <ol style="list-style-type: none"> 1. Cllr. Morare S.D (ANC) (WHIP) 2. Cllr. Gededzha M (ANC) |

| | | |
|--|---------------------|--|
| | | <ol style="list-style-type: none"> 3. Cllr. Tlaka W (ANC) 4. Cllr. Malau T (ANC) 5. Cllr. Mohlamonyane S.T (ANC) 6. Cllr. Malapela S.M (ANC) 7. Cllr. Maibelo Sandy (EFF) 8. Cllr. Sithole E (EFF) 9. Cllr. Maboko S (DA) 10. Cllr. Debeer W (VF) |
| COMMITTEE | CHAIRPERSON | MEMBERS |
| Community Services | Cllr. P. Masimula | <ol style="list-style-type: none"> 1. Cllr. Makuwa R.M (ANC) (Whip) 2. Cllr. Mafiri M (ANC) 3. Cllr. Tlaka W (ANC) 4. Cllr. Mogotlane J (ANC) 5. Cllr. Rahlogo GM (ANC) 6. Cllr. Madisela Rahlogo (ANC) 7. Cllr. Ngwenya Zodwa (EFF) 8. Cllr. Mmotla Collen (EFF) 9. Cllr. Oosteisen W (DA) 10. Cllr. Koka P (AFC) |
| Budget & Treasury | Cllr. T. Sithole | <ol style="list-style-type: none"> 1. Cllr. Mahlangu J (ANC) (WHIP) 2. Cllr. Morare S.D (ANC) 3. Cllr. Ngobeni C (ANC) 4. Cllr. Rahlogo G M (ANC) 5. Cllr. Phorothloe T (ANC) 6. Cllr. Malapela w3(ANC) 7. Cllr. Oosteisen W (DA) 8. Cllr. Mabelane Kagiso (EFF) 9. Cllr. Sharon Komane (EFF) 10. Cllr. Lemakwe A (MP) |
| Development Planning & LED | Cllr. T. Phorothloe | <ol style="list-style-type: none"> 1. Cllr. Msiza P (ANC) 2. Cllr. Tladi Patrick (ANC) 3. Cllr. Mogotlane J (ANC) 4. Cllr. Sithole T (ANC) 5. Cllr. Malau S.M (ANC) (Whip) 6. Cllr. Maboko S (DA) 7. Cllr. Mmotla (EFF) 8. Cllr. Sithole E (EFF) 9. Cllr. Genedi D.J (DRA) |
| Infrastructure Development | Cllr. Tlaka T | <ol style="list-style-type: none"> 1. Cllr. Tshehla E.M (ANC) 2. Cllr. Phorothloe T (ANC)(WHIP) 3. Cllr. Mohlamonyane S.T (ANC) 4. Cllr. Themba Sithole (ANC) 5. Cllr. Mafiri M (ANC) 6. Cllr. Oosthuizen W (DA) 7. Cllr. Mabelane K (EFF) 8. Cllr. Mthimunye S (EFF) 9. Cllr. Radingwane H (BPSA) |
| Chairperson of Chairpersons (Chair of Chairs) of Committees | Cllr. Mogotlane J | <ol style="list-style-type: none"> 1. Cllr. Morare S.D 2. Cllr. Buta M.Z |

| | | |
|--|---------------------------------|--|
| | | <ol style="list-style-type: none"> 3. Cllr. Makua Sarah 4. Cllr. Tlaka Wisemen 5. Cllr. Tladi Patrick (Whip) 6. Cllr. Phorothoe T 7. Cllr. Mahlangu J 8. Cllr. Masimula P 9. Cllr. Thembi Sithole |
| Local Geographical Names Change Committee (LGNCC) | Cllr. Morare S.D | <ol style="list-style-type: none"> 1. Cllr. Masemola P (ANC) 2. Cllr. Ngobeni C (ANC) 3. Cllr. Malope T (ANC) 4. Cllr. Mogotlane J (ANC) 5. Cllr. Letageng J (ANC) 6. Cllr. Gededzha M (ANC) (WHIP) 7. Cllr. Segope (EFF) 8. Cllr. Radingwana H (BPSA) 9. Cllr. Lemakwe A (MP) 10. Cllr. Debeer W (VF) 11. Cllr. Tsiane O (AFC) 12. Cllr. Ganedi D.J |
| Committee of Presiding Officers | Speaker | Cllr. Thethe J.S |
| | Chair of Chairs | Cllr. Mogotlane J |
| Whipery Committee | Chairperson of Whipery | Cllr. Nduli M.E |
| | Representative of BPSA | Cllr. Radingwane H |
| | Representative of MP | Cllr. Limakwe A |
| | Representative of VF | Cllr. DeBeer W |
| | Representative of AFC | Cllr Koka P |
| | Representative of DRA | Cllr Ganedi D.J |
| | Representative of EFF | Cllr Segopo M |
| | All Whips of Council Committees | Cllr. Buta M.Z (ANC) Cllr. Ngobeni C (ANC) Cllr. Gededzha M (ANC) Cllr. Morare S.D (ANC) Cllr. Phorothoe T (ANC) Cllr. Malau S.M (ANC) Cllr. Sithole T (ANC) |

2.1.3 POLITICAL LEADERSHIP

POWERS AND FUNCTIONS OF MAYOR AS PER SECTION 49 OF MUNICIPAL STRUCTURES ACT

- (a) presides at meetings of the executive committee: and
 - (b) performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by the municipal council or the executive committee.
- (2) The deputy mayor exercises the powers and performs the duties of the mayor if the mayor is absent or not available or if the office of the mayor is vacant. The mayor may delegate duties to the deputy mayor

POWERS AND FUNCTIONS OF THE SPEAKER AS PER SECTION 37 OF MUNICIPAL STRUCTURES ACT

- a) presides at meetings of the council:
- b) performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government: Municipal Systems Act 2000.
- c) must ensure that the council meets at least quarterly:
- d) must maintain order during meetings:
- e) must ensure compliance in the council and council committees with the Code of Conduct set out in Schedule 1 to the Local Government Municipal systems Act
- f) must ensure that council meetings are conducted in accordance with the rules and orders of the council.

POWERS AND FUNCTIONS OF WHIP OF COUNCIL AS PER AMENDED MUNICIPAL STRUCTURES ACT NO. 3 OF 2021 41B.

- (a) liaises with the different political parties to ensure representation in council and council committees.
- (b) maintains sound relations between the various political parties.
- (c) informs the whips of all parties on important matters on the council agenda.
- (d) assists the speaker to count votes in the council meeting.
- (e) facilitates the interaction between the executive and legislative oversight structures in the municipality; and
- (f) resolves disputes between the speaker, mayor or executive mayor, or members of the mayoral committee.

POWERS AND FUNCTIONS OF EXECUTIVE COMMITTEE AS PER SECTION 44 (1)(2)(3) OF MUNICIPAL STRUCTURES ACT

(1) An executive committee is—

- (a) the principal committee of the council of a municipality of a type that is entitled to establish an executive committee: and

(b) the committee of a municipal council which receives reports from the other committees of the council and which must forward these reports together with its recommendations to the council when it cannot dispose of the matter in 25 terms of its delegated powers.

(2) The executive committee must— ~

(a) identify! the needs of the municipality:

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

(c) recommend to the municipal council strategies, programmed and services to 30 address priority needs through the integrated development plan and estimates of revenue and expenditure taking into account any applicable national and provincial development plans: and

(d) recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmed and services to the 35-maximum benefit of the community.

(3) The executive committee in performing its duties must—

(a) identify and develop criteria in terms of which progress in the implementation of the strategies, programmed and services referred to in subsection

(2) can be evaluated, including key performance indicators which are specific to the 40 municipality and common to local government in general;

(b) evaluate progress against the key performance indicators;

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

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

(ii) the efficiency of credit control and revenue and debt collection services; 45 and

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

MEMBERS OF EXECUTIVE COMMITTEE

MAYORAL EXECUTIVE COMMITTEE



**CLLR TLADI
MAGETLE DAVID
MAYOR**



**CLLR NDLOVU
RAYMOND NDUMISO
(MMC: BUDGET & TRESUARY)**



**CLLR MSIZA
MOTHIBE RHODES
(MMC : INFRASTRUCTURE)**



**CLLR PHETLA
MANNYANA GRACE
(MMC :CORPORATE SERVICES)**



**CLLR RAMPHISA
MOTIBA WILLIAM
EXCO MEMBER**



**CLLR NKOSI
SIBONGILE BEAUTY
(MMC: DEV, PLANNING & LED)**



**CLLR RAMONGANA
NKITSENG JENNETH
(MMC: COMMUNITY SERVICES)**



**CLLR MATHABATHE
MOHLAMME GLYDE
EXCO MEMBER**



**CLLR RANALA
MASELOPI
EXCO MEMBER**



**CLLR KOTZE
JOHAN PIETER
EXCO MEMBER**

FUNCTIONS OF EXECUTIVE COMMITTEE AS PER DELEGATION OF POWERS

- Oversee and monitor the implementation and enforcement of the municipality's credit control and debt collection.
- Policy and by-laws and the performance of the municipal manager in implementing the policy and by-laws.
- When necessary, evaluate or review the municipality's credit control and debt collection policy and by-laws, or the implementation of the policy and by-laws, in order to improve efficiency of its credit control and debt collection mechanisms, processes and procedures.
- makes recommendations to council on proposed political structures of council.
- To report to council on all decisions taken by it; and makes recommendations to council in respect of its legislative powers.
- gives political directions to the executive management team.
- determine strategic approaches, guidelines and growth parameters for the draft budget including tariff structures.
- delegates powers in respect of any of its powers to the mayor;

2.1.4 ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the administrative head and act as interlink between the politicians and the administration. Municipal Manager together with all staff members and councillors are responsible for implementing the IDP and Budget and monitoring the progress made to ensure that services are delivered to the people. The Accounting Officer also provides guidance to political office bearers and to all officials in the municipality. There is a good relationship between the Municipal Manager, administration and political office bearers. All administrative issues that need intervention of council are referred to council for resolution.

The administrative components of the municipality comprise of seven (06) senior managers and thirty-seven (31) divisional managers.

Table 5: EMLM management information

| Directorate | Designation | Initial and Surname | Gender |
|---------------------------------|--|----------------------|--------|
| Office of the Municipal Manager | Municipal Manager | Ms N.R Makgata | Female |
| | Manager in Municipal Manager's Office | Mr J Makunyane | Male |
| | Manager: Internal Audit | Mrs. P. Mailula | Female |
| | Chief Risk Officer | Mr M. C Makitla | Male |
| | Manager: PMS | Ms R.P. Mdluli | Female |
| | Manager: Legal services | Ms S. Mahlangu | Female |
| | Manager IDP | Mr. K Motha | Male |
| | | | |
| Corporate Services | Senior manager: Corporate Services | Ms M.M Make | Female |
| | Manager: Human Resources and Development | Mr. L.M. Mafiri | Male |
| | Manager: Administration and Records | Ms. M Burger | Female |
| | Manager: ICT | Ms K.Mashipa | Female |
| | Manager Labour Relations | Mr J. Maboja | Male |
| | Manager Compliance | Mr H. Masemola | Male |
| | | | |
| Budget and Treasury | Chief Financial Officer | Mr. K Hutamo | Male |
| | Deputy CFO | Mr. M.L. Sebelemetja | Male |

| Directorate | Designation | Initial and Surname | Gender |
|----------------------|--|---------------------|--------|
| | Manager: Expenditure | Mr. C. Mtsweni | Male |
| | Manager: Budget and Treasury | Ms. K.U Sebelebele | Female |
| | Manager: Assets | Mr. M.C Tjiane | Male |
| | Manager: Supply Chain Management | Mr. V Masilela | Male |
| | Manager: Revenue | Ms M Namane | Female |
| | Manager: Property Management and Housing | Mr. R Palmer | Male |
| | | | |
| Infrastructure | Senior Manager: Infrastructure | Mr M. Malungana | Male |
| | Electrical Engineer | Mr K.K. Mametsa | Male |
| | Manager: PMU | Mr. F. Debeila | Male |
| | Manager Roads and storm water | Mr. J Malaka | Male |
| | Manager: Fleet | Mr M P. Mthimunye | Male |
| | | | |
| Community Services | Senior manager: Community Services | Mr M.W Mohlala | Male |
| | Manager: Environmental services | Ms M Mokhulwane | Female |
| | Manager: Licensing | Ms. P. Ntobeng | Female |
| | Manager: Traffic | Mr. C Coetzee | Male |
| | Manager Parks | Mr J. M Mathebe | Male |
| | | | |
| Executive Support | Manager: Communications | Mr. S. T Makua | Male |
| | Manager: Inter-Governmental | Ms V Matlala | Female |
| | Manager Council Support | Ms M Mauoane | Female |
| | Manager in Mayors office | Mr L. Nkadimeng | Male |
| | | | |
| Development Planning | Senior manager: Development Planning | Mr. B. Sethojoa | Male |
| | Manager: Development and Town Planning | Vacant | |
| | Manager: LED | Mr Sebei | Male |
| | Manager: Motetema satellite office | Mr. C. C. Masemola | Male |
| | Manager: Hlogotlou | Mr. P Tau | Male |
| | Manager: Roossenekal | Mr. M. Mahlangu | Male |
| | Manager: Elandsdoorn | Mr J. Manganyi | Male |

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.2 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

There are platforms established to maintain relationship between all three spheres of government. The purpose of the platforms is consultation with various interest groups and all other key stakeholders to insure that sectoral issues and projects are well captured within the IDP of the municipality for implementation.

2.2.1 Intergovernmental relations

Municipal officials attended all intergovernmental relations meetings which they were invited and implemented resolutions taken.

2.2.2 District intergovernmental structures

Section 24 of Intergovernmental Relations Framework Act 2005 establishes the district intergovernmental forum to promote and facilitate sound relations between the District and Local municipalities and the forum is chaired by District Mayor. EMLM has a good relationship with Sekhukhune district municipality and all local municipalities within the district. There are different forums conducted by district where officials and politicians from local municipalities are invited to participate. The structures are as follows:

Table 6: District intergovernmental structures

| Structures | Directorates | Establishment |
|--|-----------------------------|-------------------------|
| EXCO Lekgotla | Mayor and Municipal Manager | Provincial |
| Municipal Manager's forums | Municipal Manager | Provincial and District |
| IDP forums | IDP Manager | Provincial and District |
| PMS forums | PMS Manager | Provincial and District |
| LED forums | LED Manager | Provincial and District |
| Communicators' forum | Communication Manager | Provincial and District |
| SDM Disaster advisory forum | Superintendent: Disaster | District |
| MPAC forums | Council Support Manager | Provincial and District |
| District Environmental Forum | Manager Environmental | District |
| Provincial Waste and Environmental Forum | Manager Environmental | Provincial |
| Chiefwhip's Forum | Manager Council support | District and Provincial |
| District Town Planners Forum | Town Planner | District and Province |
| Corporate Services Directors Forum | Corporate Services | District |

The above forums meet quarterly to discuss progress made on service delivery. The forums are facilitated by CoGHSTA representatives and district officials. They are very fruitful forums, as members use this opportunity to share ideas and to learn from each other, in order to improve service delivery.

2.2.3 Provincial intergovernmental structures

Section 16 of Intergovernmental Relations Framework Act 2005 establishes the premier's intergovernmental forum to promote and facilitate sound relations between the province and municipalities. EMLM has a good relationship with provincial structures, namely CoGHSTA, Premier's Office and the Provincial Treasury. The province coordinated various forums where it met with members from all municipalities in the province, in order to discuss service delivery issues. Members from CoGHSTA, the Premier's Office and the provincial treasury also form part of those forums. The forums are:

- Provincial intergovernmental forum
- Premier/Mayor's forum
- Provincial monitoring and evaluation forum
- Provincial government communicators' forum
- Municipal Public Accounts Committee forum.
- Provincial Waste Management Forum
- Provincial Town Planners Forum
- Provincial EPWP Incentive Grant Sector Forum
- Provincial IDP Forum
- Provincial Speaker's Forum
- Provincial Chiefwhip's Forum

The forums are very fruitful as any kind of question is clarified, and municipalities that lack capacity are identified and provided with all necessary support. The Department of Co-Operative Governance, Human Settlements and Traditional Affairs (Coghsta) in the province is busy implementing housing projects for qualified beneficiaries. EMLM is allocated 254 housing units which were still under construction by end of financial year.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.3 Introduction

In terms of Municipal Systems Act section 51(b) requires a municipality to establish and organize its administration to facilitate a culture of accountability amongst its staff.

Section 6 (i) states that a municipality must develop a system of municipal governance that compliments formal representative government with a system of participatory governance.

Section 18 (i) (d) requires a municipality to supply its community with information concerning municipal governance, management and development.

2.3.1 Overview of public accountability and participation

Municipality uses different kinds of public participation, such as the Mayor's outreach, public meetings and IDP/Budget consultation, stakeholders' meetings in order to promote the culture of accountability.

Through this dictum, the people envisaged for a democracy whose attributes would be people first in a government of the people by the people, a democracy wherein no decision would be taken without consultation of the people.

1. This was brought to life by the democratic breakthrough of 1994, the adoption of the Constitution in 1996, and the formation of local government in 2000 and the subsequent laws that governs it. Chapter 4 of the Municipal System Act States 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-

a. encourage, and create conditions for, the local community to participate in municipal affairs, including in-

- i. The preparation, implementation and review of its integrated development plan in terms of Chapter 5;
- ii. the establishment, implementation and review of its performance management system in terms of Chapter 6;
- iii. the monitoring and review of its performance, including the outcomes and impact of such performance.
- iv. the preparation of its budget; and
- v. strategic decisions relating to the provision of municipal services in terms of Chapter 8;

b. contribute to building the capacity of-

- i. the local community to enable it to participate in the affairs of the municipality; and
- ii. councillors and staff to foster community participation; and
- c. use its resources, and annually allocate funds in its budget, as may be appropriate for the purpose of implementing paragraphs (a) and (b)

In Elias Motsoaledi Local Municipality, Public Participation is not an abstraction, and it is not done merely for compliance, it is a platform for self-determination of the people by the people. People direct the type of service delivery and type of administration they want. During the year under review both the Mayor and Speaker had two (02) outreaches programs to engage with communities of Elias Motsoaledi Local Municipality.

2.3.2 Communication, Participation and Forums

Effective communication and community engagement are essential for fostering public understanding of local governance and encouraging active participation in service delivery and development processes. Elias Motsoaledi Local Municipality employs various communication and participatory approaches to ensure inclusive governance and improved public accountability.

a. Community Engagement Platforms

The Municipality conducts Integrated Development Plan (IDP) and Budget Roadshows annually across all 31 wards. These roadshows serve as a critical interface between the Municipality and its residents, allowing the public to raise issues and participate in the planning and budgeting processes.

In addition to these roadshows, the Office of the Speaker leads various public participation programmes, including:

- Moral Regeneration Movement:
- Aims to promote positive moral values and influence societal behavior in line with the Charter of Positive Moral Values.
- Women's Caucus:
- Seeks to enhance women's representation, build capacity, and amplify the voices of women in political and administrative spaces.
- Civic Education Programme:
- Educates citizens on governance, the Constitution, public participation, and access to social development programmes.

b. Communication Channels

The Municipality uses multiple communication platforms to share information on plans, budgets, and services, including:

- Municipal website
- Official Facebook page
- Local newspapers
- Community notice boards
- Rates payers' forums

All communication activities are guided by the Municipal Communications Policy and Communication Strategy, which centralize communications functions within the Communications Unit.

c. Participatory Structure

Participation structures play a vital role in bridging the gap between the Municipality and its residents:

- Ward Committees:
- Composed of community members who represent their wards, these structures provide insights into local issues and help relay municipal programmes and messages.

- Community Development Workers (CDWs):
- Serve as liaisons between the Municipality and communities, ensuring the effective implementation of development programmes and initiatives.

d. IDP Forum

The IDP Forum brings together a wide range of stakeholders to guide and contribute to the planning process. The forum includes:

- Councillors
- Business sector representatives
- Traditional leaders (Magoshi)
- Ward committees
- CDWs
- Non-Governmental and Community-Based Organisations (NGOs/CBOs)
- Government departments and parastatals
- Budget Steering Committee
- Communications Forum
- Representatives of unorganized groups

These forums are platforms for community interests to be represented, ideas to be shared, and consensus to be built, ensuring broad-based ownership of municipal plans and programmes.

e. Media and Technology Use

To enhance public outreach and keep stakeholders informed, the Municipality uses:

- Media briefings to provide updates on municipal activities
- A Bulk SMS system to disseminate time-sensitive or emergency information to residents

Customer Care




The Customer Care Unit is committed to delivering consistent, high-quality service to all municipal clients and ensuring alignment with national service delivery standards.

This commitment includes adherence to:

- The South African Constitution
- The eight Batho Pele principles, which aim to transform public service delivery
- The principle of “getting it right the first time.”

The Municipality also provides mechanisms for public participation in decision-making processes and seeks to improve overall relationships with its customers.

Objectives of the Customer Care Unit

-  To ensure that customers receive relevant, timely, and appropriately formatted information
-  To address customer complaints promptly, efficiently, and to the satisfaction of the client
-  To guarantee fair, consistent, and respectful treatment of all customers at all times

2.3.2.1 MUNICIPAL COMMUNICATION PLATFORMS

The Municipality employs a variety of communication platforms to effectively engage with residents, provide service delivery updates, and promote transparency and participation in governance. These platforms are managed by the Communications Unit.

a. Social Media

The Municipality uses social media platforms as part of its communication tools to engage with residents. The Communications Unit is the custodian of the municipal social media accounts. It is responsible for:

- Managing and maintaining social media platforms
- Posting daily updates
- Responding to service delivery-related queries
- Sharing general information about municipal services

Official Social Media Accounts:

- Facebook: <https://m.facebook.com/eliasmotsoaledi.localmunicipality>
- TikTok: <https://www.tiktok.com/@eilm.gov.za>

b. Radio Programme

Radio remains one of the Municipality's most effective communication tools for disseminating service delivery messages across its jurisdiction.

Radio interviews are primarily allocated to:

- Political principals
- The Municipal Manager
- The Spokesperson / Manager: Public Relations

These stakeholders engage directly with residents to communicate municipal plans and programmes, and to respond to community concerns.

Radio Platforms Utilised:

- **Local Radio Stations:**

- Moutse CRS,
- Sekhukhune FM,
- Eyethu FM,
- Thabantsho CRS,
- Zebediela CRS

Provincial Radio Stations:

- Capricorn FM, Energy FM

- **National Radio Stations:**

- SABC Limpopo Combo,
- Ikwekwezi FM,
- SAFM, Radio 2000,
- Jacaranda RM FM

c. Print Media

The Municipality utilises both local and national print media to reach a wide audience with key updates, notices, and news.

Local Newspapers:

- Dispatch
- Loskop Nuus
- Middelburg Observer
- Sekhukhune Times
- Timeless News

Provincial Newspapers:

- Seipone
- Capricorn Voice (NMG Group)
- The Azanian Newspapers

National Newspapers:

- Sowetan
- City Press
- The Citizen

d. Municipal Website

The Municipal Website serves as the primary digital communication platform for providing the public with access to current and accurate information.

Recent enhancements include:

- Improved navigation
- Regular updates on projects and programmes
- Easy-to-access quick links on the homepage, added as major projects go live

The website continues to support transparency and open governance through its role in digital information sharing.

e. Newsletters

The Municipal Newsletter is one of the key external communication tools used to inform residents about municipal decisions, developments, and service delivery initiatives.

This platform supports the Municipality's strategy to:

- Enhance external communication
- Encourage community engagement
- Promote a culture of active citizen participation

2.3.3 Ward Committees

EMLM established ward committees in terms of Municipal Structures Act of 1998, and it ought to have 310 ward committee members, which is 10 members per ward. Ward committees reports to Speakers office on a monthly basis. Ward Committees assist members of the community by advising, assisting in organising community meetings and enable them to participate in those public meetings and take good decisions.

2.3.4 Public meetings

The purpose of public meetings is to give feedback and account to the community on the implementation of the IDP/Budget of the municipality. Public meetings are utilized as a platform to engage with community member and listen to their needs. During the year under review no public meetings were held in different wards due to the lockdown restrictions, however stakeholders' meetings were convened in compliance with lockdown regulations. All meetings held were beneficial and held as follows.

| Ward no | Nature and purpose of meeting | number of meetings | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|---------|-------------------------------|--------------------|---|--|---------------------------------------|---|--|---|
| 01 | Community meetings | 07 | 02 | 03 | 402 | <ul style="list-style-type: none"> • Water reticulation needed at Ramaphosa. • Shortage of JoJo tank at slovo • 1103 household without water at Moteti B • VIP Toilets needed at Mabose and Oorlog • Borehole needed all sections. • High mass lights • Refurbishments of boreholes Moteti B | No Yes No No Yes No no | Community meetings |

| Ward no | Nature and purpose of meeting | number of meetings | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|---------|----------------------------------|--------------------|---|--|---------------------------------------|--|--|---|
| 02 | Community Meeting | 10 | 01 | 02 | 740 | <ul style="list-style-type: none"> • Shortage of RDP Houses • New Clinic for Moteti <ul style="list-style-type: none"> • Request of skip beams • Water blockage at Mohlako School • High mass light needed. • Re-gravelling of internal roads | No no no No No No No | Community meeting |
| 03 | Community meeting | 04 | 01 | 00 | 227 | <ul style="list-style-type: none"> • Shortage of boreholes at kgobokwane and Kgaphamadi sections • Water challenges at Kgobokwane • High mass lights • Electricity at Kgaphamadi • Kgaphamadi access road and regravelling | No No No No No | Community meeting |
| 04 | Community meeting & Stakeholders | 12 | 02 | 04 | 861 | <ul style="list-style-type: none"> • Electrification of waalkraal section. • Unplanned/ no survey in Allocation of sites in walkkraal extension • Normalisation and Title deeds of RDP • Nonfunctional of water reservoir • Regraveling of roads • Work permits from MDR | No No Yes No | community meeting |

| Ward no | Nature and purpose of meeting | number of meetings | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|---------|----------------------------------|--------------------|---|--|---------------------------------------|---|----------------------------|---|
| | | | | | | <ul style="list-style-type: none"> VIP Toilets needed. | | |
| 05 | Stakeholders & Community meeting | 04 | 01 | 01 | 218 | <ul style="list-style-type: none"> Re-Gravelling of bus route in Makgakadimeng. Water challenges Re-gravelling of access roads to schools and tribal office High mass lights | No No No | Community Meetings |
| 06 | Community meeting & Stakeholders | 04 | 01 | 01 | 590 | <ul style="list-style-type: none"> Illegal scrap metal shop that promotes crime To request SDM to drill new boreholes as a temporary measure to the water shortage problem as opposed to water tankers. High mass lights at Tayereng and five morgan | No Yes No | Community meeting |
| 07 | Community meetings | 07 | 03 | 04 | 572 | <ul style="list-style-type: none"> Re-gravelling for all villages Water challenges VIP Toilets Zenzele electrification | No No No No No | Community meeting |

| Ward no | Nature and purpose of meeting | number of meetings | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|---------|-------------------------------|--------------------|---|--|---|---|---|---|
| | | | | | | <ul style="list-style-type: none"> High mass light | | |
| 08 | Stakeholders meeting | 04 | 01 | 00 | 205 | <ul style="list-style-type: none"> No delivery of Jojo tanks in Taiwan section Illegal dumping sites | No No | Community meeting |
| | | | | | <ul style="list-style-type: none"> Shortage of boreholes in Marapong . Cemetery maintenance at Elandsdoorn | Yes No | | |
| 09 | Community meetings | 07 | 01 | 01 | 366 | <ul style="list-style-type: none"> Electricity for new stands at Phooko section and new town Low level bridge for schoolkids at small Phooko to Sereme combined school Boreholes needed. Shortage of VIP Cleaning of storm water controls Tar road at phooko and Jabulani Erection of high mass light at phooko and Jabulani village Damaged R25 road | Yes No No No No No No | Community meeting |
| 10 | Community meeting | 04 | 01 | 00 | 169 | <ul style="list-style-type: none"> Erection of high mast lights Request for low level bridge at lesehleng Boreholes needed. Re-gravelling of all streets | No No Yes No | Community feedback Meetings |

| Ward no | Nature and purpose of meeting | number of meetings | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|---------|----------------------------------|--------------------|---|--|---------------------------------------|---|--------------------------|---|
| | | | | | | <ul style="list-style-type: none"> Sports ground to be re-gravelled | No | |
| 11 | Community meetings | 04 | 01 | 00 | 279 | <ul style="list-style-type: none"> Water shortage at five Morgan Gravelling of internal roads Gates and Toilets at elansdsdoorn Cemetery High mass light for Bloompoort and five morgan | No No No | Community meetings |
| 12 | Community meeting | 09 | 01 | 00 | 398 | <ul style="list-style-type: none"> gravelling of roads across the ward as roads are generally in bad state. Shortage of vip toilets Shortage of boreholes Shortage of VIP toilets | No No Yes | Community meeting |
| 13 | Community meeting & Stakeholders | 04 | 03 | 03 | 111 | <ul style="list-style-type: none"> Maintenance of streets Robots not functional Residents not consultant in game farm stands Damaged paving at Van Riebeck street | No Yes Yes | Community meetings |
| 14 | Community meeting | 05 | 02 | 01 | 450 | <ul style="list-style-type: none"> Broken boreholes Shortages of JoJo tanks | Yes No No | Community meeting |

| Ward no | Nature and purpose of meeting | number of meetings | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|---------|--|--------------------|---|--|---------------------------------------|--|--------------------------|---|
| | | | | | | <ul style="list-style-type: none"> • Illegal electrical connections • High master lights • Illegal occupants of foreigners | No No | |
| 15 | Community meeting | 09 | 01 | 00 | 489 | <ul style="list-style-type: none"> • Broken water machine at Keerom • Shortage of cables of Electrification • High mass light • Construction of Keerom internal street | No No No No | Community meetings |
| 16 | Community Meeting | 06 | 01 | 00 | 354 | <ul style="list-style-type: none"> • Roads in a bad state. • Shortage of electrification • Regraveling of internal roads • Shortage of RDP and VIP toilets | No No No No | Community meeting |
| 17 | Community meeting | 04 | 01 | 00 | 120 | <ul style="list-style-type: none"> • Lack of boreholes for Water • Re-gravelling of Roads • Electricity • Toilets | No No Yes No | Community meetings |
| 18 | Community meeting & stakeholder meetings | 06 | 02 | 10 | 477 | <ul style="list-style-type: none"> • High mass light • Boreholes needed • Re-graveling of Roads • Waste skips beams needed | No No No No | Community meeting |
| 19 | Community meeting | 07 | 01 | 02 | 201 | <ul style="list-style-type: none"> • Thabaleboto Extension a VIP Toilets shortage | No | Community meeting |

| Ward no | Nature and purpose of meeting | number of meetings | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|---------|----------------------------------|--------------------|---|--|---------------------------------------|---|---------------------------------|---|
| | | | | | | <ul style="list-style-type: none"> • Water challenges in the whole ward. • High mass light • Re-gravelling of internal street | No No No | |
| 20 | Community meeting | 04 | 02 | 04 | 196 | <ul style="list-style-type: none"> • Community campaign to pay municipal services. • /High bills of property rates and water • Maintenance of streets lights • Cleaning of illegal dumping sides. | Yes No Yes No | Community meeting |
| 21 | Community meetings | 04 | 01 | 03 | 108 | <ul style="list-style-type: none"> • Broken machine • Shortage of water • Rise of GBV • High mass light | No No No No | Community meetings |
| 22 | Community meetings | 05 | 01 | 01 | 284 | <ul style="list-style-type: none"> • Water challenges in the entire ward • Block of VIP toilets • Re-gravelling of internal roads • Electricity at Maphepha | No | Community meetings |
| 23 | Community meeting & Stakeholders | 07 | 01 | 02 | 420 | <ul style="list-style-type: none"> • Donga to be closed • Complains raised about the bulk water. • VIP Toilets needed • RDP houses needed at Mantrombi • Electrification at Mantrombi village • Vandalised pay point center | Yes Yes No Yes | Community meeting |

| Ward no | Nature and purpose of meeting | number of meetings | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|---------|-------------------------------|--------------------|---|--|---------------------------------------|--|-----------------------------|---|
| | | | | | | | | |
| 24 | Community meeting | 06 | 03 | 01 | 402 | <ul style="list-style-type: none"> • Regravelling at new stands • Water shortage • Boreholes at Luckau • Sports ground to be gravelled • Electrification of Bosa new stands • Low level bridge between Bosa and luckau | No No Yes No No | Community meeting |
| 25 | Community meeting | 04 | 01 | 01 | 165 | <ul style="list-style-type: none"> • Shortage of Jojo tanks • Illegal dumping • Electrification at Madiseloane section. • Leaked sewage from the mall • Low level bridge between ward 17 and 25 • RDP houses needed at Makaepa | No No No No | Community meetings |

| Ward no | Nature and purpose of meeting | number of meetings | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|---------|-------------------------------|--------------------|---|--|---------------------------------------|--|------------------------------------|---|
| 26 | Community meeting | 04 | 01 | 00 | 385 | High mass light <ul style="list-style-type: none"> Water shortage boreholes 249 RDP houses needed Re-gravelling of street | Yes Yes | Community meeting |
| 27 | Community meeting | 04 | 01 | 01 | 222 | Free basic electricity needed for indigent <ul style="list-style-type: none"> RDP houses needed Re-gravelling Skiping bin needed at Ga-Makua section High mass lights at Nyakelang | Yes No Yes No No No | Community meetings |
| 28 | Community meeting | 14 | 01 | 01 | 1089 | <ul style="list-style-type: none"> Electrification Dipakapakeng new section and Mgababa Regraveling of roads Clinic needed at Mgababa/Dipakapakeng High master light Shortage of water at ward 28 | No Yes Yes No Yes | Community meetings |
| 29 | Community meeting | 04 | 01 | 02 | 210 | <ul style="list-style-type: none"> Ramogwerane road refurbished Water shortage. JOJO Tanks needed. Patching of potholes & re-gravelling VIP toilets needed and RDP houses | Yes No Yes No No | Community meetings |

| Ward no | Nature and purpose of meeting | number of meetings | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|---------|-------------------------------|--------------------|---|--|---------------------------------------|--|---|---|
| 30 | Community meetings | 04 | 01 | 01 | 180 | <ul style="list-style-type: none"> • Clarity on land ownership • Re-gravelling of roads • Clinic at Laersdrift • Water challenges across the ward • Grass cutting • Borehole need pressure pump • Transformer needed • Dumping side needed | No No No No Yes No No No | Community meetings |
| 31 | Community meetings | 06 | 02 | 03 | 235 | <ul style="list-style-type: none"> • Grave yard needed • Fencing of cemeteries • Streetlights at entrance of Motetema. | No No No | Community meetings |

2.3.5 WARD BASED MEETINGS

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| Ward No 01 | CLLR J.S THETHE | Yes | 12 | 12 | 4 |
| | Ward Committee | | | | |
| | TSHEPO D MOKOENA | | | | |
| | NAPE S MOKGABUDI | | | | |
| | JAN K MAHLANGU | | | | |
| | LUCAS MAIMELA | | | | |
| | PORTIA MOILOA | | | | |
| | NKHENSANI O MAKHUBELE | | | | |
| | EDDY M MASOLA | | | | |
| | MALEFUFU L NKADIMENG | | | | |
| | STOFFEL H MALAPANE THUTO RAMPHISA | | | | |
| | | | | | |
| Ward No 02 | CLLR T.P KGAGARA | Yes | 12 | 12 | 04 |
| | Ward Committee | | | | |
| | MMINA PHETLA | | | | |
| | KENNETH T MTHIMIUNYE | | | | |
| | DOLLY RALEKWE | | | | |
| | NGAWANAMOTIBANE M CHEGO | | | | |
| | SAMUEL O MAKUA | | | | |
| | HERMANS P MANKGE | | | | |
| | MATEBO G MMAKO | | | | |
| | MOROKOLO MMATABANE | | | | |
| | SEGOPOTSO PHATLANE | | | | |
| | BOIKY SELLO MOLOI | | | | |
| | | | | | |
| | | | | | |
| Ward No 03 | CLLR S.M MALAPELA | Yes | 12 | 12 | 4 |
| | Ward Committee | | | | |
| | EPHRAIM MATHEBELE | | | | |
| | MARIA T SELALA | | | | |
| | MMATSHIMA D DITSHEGO | | | | |
| | MATETE E MAMPANNA | | | | |
| | LUCY KGAPHOLA | | | | |
| | SAM M MOLALA | | | | |
| | MOSES S LETSOALO JOB MAMAHLODI | | | | |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | NTHEPANE THOBANE NKELE MABASA | | | | |
| Ward No 04 | CLLR M.P MSIZA Ward Committee MONAGENG TOBIE MARIA KOMANE CONSTANCE DIBOLELO LECHELELE MATHIBELA PATRICK MAEPA ELAH SEBOTHOMA JOHANNES MADIMETJA MALEMONE MORARE BADNEY KGOETE ELLEN RAMMABELE MAKOPO MAHLODI SEIPATI JOSEPHINAH MALAPELA ISRAEL JAMES RIBA BABA GEOGE | Yes | 12 | 12 | 04 |
| Ward No 05 | CLLR T.E MOHLAMONYANE Ward Committee MOIPONE DITSHEGO CHRISTOPHEL M MALEMONE MAMA A MOKWENA HOSIA M MOTAU VIOLET M MASHIGO NELSON M MOGANO THOMAS PHASHA THANDI SIBANYONI MAMSY RAMPHISA LESHATE MASHABELA | Yes | 12 | 12 | 4 |
| Ward No 06 | CLLR N.R NDLOVU Ward Committee SIBONGILE SKOSANA JOHN M NCONGWANE HAZEL S MAGAGULA | Yes | 12 | 12 | 04 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|---|--------------------------------|---|---|---|
| | JONAS S SANDLANA JOHANNA MOGOLA SARAH M NTIMANE DIMPHO MABONA NTOMBI MAHLABA NTHOMENG NKOSI | | | | |
| | | | | | |
| Ward No 07 | CLLR T.C SITHOLE Ward Committees: SUZAN SKOSANA MMAPATENG MATHUPA OLGA DUNGE NKEKO MPHAKE CYNTHIA T LANGA COMFORT MATHOTHO KHOLIWE MSIZA KEDIBONE RASEROKA JACOB MOKWENA JOHANNES MATHEBULA | Yes | 12 | 12 | 4 |
| | | | | | |
| Ward No 08 | CLLR M.G MATHABATHA Ward committees ISAIAH P MAHLANGU SKHUMBUZO TSHABALALA SANNAH M PHOHU ANNA M MAGADI ANNA WESSELS NTHABISENG MPHAGA WINNIE MOYANA MAHLOMOLA MAKOLA MOLEBELEDI NTOBENG PETER CHOMA | Yes | 12 | 12 | 04 |
| | | | | | |
| Ward No 09 | CLLR J.S MOGOTLANA Ward Committees: ZANELE MSIZA ELIZABETH MANASWE JONAS MOEPYA ELIJAH NTOMBELA OBED G MAHLANGU | Yes | 12 | 12 | 4 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|---|--------------------------------|---|---|---|
| | MORONGWE MASHILO EMILY MSIZA GETRUDE CHABA FLORENCE SKHOSANA TLAKALE MAHUBANE | | | | |
| Ward No 10 | CLLR N.J RAMONGANA Ward Committees: KALUDI MOHLAMONYANE SYLVIA MONAGENG IVY MATHABATHE TUMELO BOROKO MMAMOGOLWANE MONAGENG MMULEDI MALEMONE MAPULE MAKITLA GERMINAH MAKITLA NTLHANE MOHLAMONYANE SHIRLEY NAMANE | Yes | 12 | 12 | 04 |
| Ward No 11 | CLLR M.A MAFIRI Ward Committees: KATE MOKWENA KHULELAPHI MDLULI CONNY NTOBENG MAGOMARELA NKOPODI MAFATA MASHU KGORI TSARO BELLA MTHIMUNYE HELLEN MALAPELA ZANELE KINIDA SIBUSISO MBANYELA | Yes | 12 | 12 | 4 |
| Ward No 12 | CLLR TA PHOROTHLOE Ward Committees KGETLANE PHORA KHOMOTSO KOTLELO KGATWANE MATHEBE SENTANANA RATLHOGO MACESELA NDLOVU CATHERINE KABINI | Yes | 12 | 12 | 04 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | MAROPENG MONARENG | | | | |
| | ELIZABETH MONAGENG | | | | |
| | SELLO MONAGENG | | | | |
| | MATLOKOLO MOEKETSI | | | | |
| | | | | | |
| Ward No 13 | CLLR W OOSTHUIZEN | Yes | 12 | 12 | 4 |
| | Ward Committees: | | | | |
| | SARA HESSELS | | | | |
| | KAREN OOSTHUIZEN | | | | |
| | ARNOLDUS SCHOOMBEE | | | | |
| | FRANCINA KLENHANS | | | | |
| | MARIA FOURIE | | | | |
| | SHAUN MELLORS | | | | |
| | JOSHUA MMAKOLA | | | | |
| | NICOLETTE PRETORIUS | | | | |
| | CORNEL BOTHA | | | | |
| | ZACHARIAS SAAYMAN | | | | |
| | | | | | |
| Ward No 14 | CLLR M.C PHOKWANE | Yes | 12 | 12 | 04 |
| | Ward Committees: | | | | |
| | SEBOTHOMA RUTH LEBOGANG | | | | |
| | MAPEA MAHLODI JOYCE | | | | |
| | UQUELO MIKE | | | | |
| | PHETLA MANTWA KELLY | | | | |
| | CHEGO ROIDA MPHO | | | | |
| | PHETLA TEREMIA KATISI | | | | |
| | APHANE LEHLOGONOLO | | | | |
| | NKADIMENG INNOCENTIA SEMELA | | | | |
| | MPHAHLELE MANIE QUEEN | | | | |
| | RYAN LEGWAI | | | | |
| | | | | | |
| Ward No 15 | CLLR S.B NKOSI | Yes | 12 | 12 | 4 |
| | Ward Committees: | | | | |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|---|--------------------------------|---|---|---|
| | BONGINKOSI MAHLANGU MPOROME MAPHAKA LUCAS MOHLAHLA ELIZABETH MHLONGO LIZZY SINDANE BONGANI NDULI MASEBOTSANA MOKWANA SIBONGILE MASILELA JOHANNAH MASHIYA | | | | |
| Ward No 16 | CLLR Z. B BUTA Ward Committees LOMUSA SKHOSANA KHOMOTSO MAPHOSA TLAMAGA ROSI PATRICIA XELIBOKWE AMOS SKHOSANA SARA MOKWENA POPPIE MAHLANGU JEREMIA ZULU KLEINBOOI MAHLANGU THEMBA MATEBULA | Yes | 12 | 12 | 04 |
| Ward No 17 | CLLR T. S MALAU Ward Committees: JANNIE MAREDI PABALLO SEOPELA TSHEPHANG MASEMOLA MAKGOPANE MOHLAPE RANKEPILE MABELANE SELLO NKOANA TEBOGO MOSOHLAWE MOKWAZI MOKWANA THABANG MOTSEDI MOTSHANA SARAH | Yes | 12 | 12 | 4 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| Ward No 18 | CLLR J. LETAGENG Ward Committees: KGO THATSO J MAKUA TUMISHI A MOHLAHLLO RANGOATO MNGUNI NGWANAMOKWENENG CHEGO NTENENG MANKGE PETRUS MAKUWE MAPULE MOTAU MOSES MAGANE DORCUS T PHETLA KATLEGO C MAKEKE | Yes | 12 | 12 | 04 |
| Ward No 19 | CLLR P. MASIMULA Ward Committees: MASHIFANE WINDY SESI NEZZY MAHLANGU MTHOMBENI BENZANI ANDRIES MAHLANGU THANDAZILE CECILIA MABULA PAULINE TSHIDI NTULI SIVUYILE AYANDA MAHLANGU KENNETH SEGafa KENNETH MABUTANA JOHANNES MAHLANGU LYDIA MAILE | Yes | 12 | 12 | 4 |
| Ward No 20 | CLLR M.E TSHEHLA Ward Committees: MOKOANA FELICIA MOREMADI SUMANI SYDNEY DIMAKATSO MOKOANA BAFANA LUCAS MAKOLA ABRAM SEMOPO TSHEHLA EUNIC NTEBALENG | No | 12 | 12 | 04 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | MABOGOANE SYLVESTER THULANI CHEGO PIET BUTIE MACHIKA THEMBA JOSEPH GAMA ELIZABETH MORDER MATHUPANE NAPO JOHN | | | | |
| | | | | | |
| Ward No 21 | CLLR C M. MAPHOPHA Ward Committees: MAKUWA MASHALANE LAZARUS MAKUA MONOCCA NKELE MAKUWA MOROKA MARIA MOHOSANA KENEILWE MAPOME MTHIMUNYE JANE MALI MAPULE MABELANE MTHIMUNYE THEMBA FRANCE NKGUDI MOTLAPELE EDWARD SITHOLE CAIPHUS NGINI TSHELA ZODWA LEAH | Yes | 12 | 12 | 4 |
| | | | | | |
| Ward No 22 | CLLR M.E NDULI Ward Committees: MAKENA KATLEGO BEAUTY TLOU JOHANNES CAIPHUS MAHLOKO LEBOGANG PHASWANE TSHOMA PHASUDI OTTO MASHILE NANA MARIA | Yes | 12 | 12 | 04 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|---|--------------------------------|---|---|---|
| | NTOBENG MPH ROSE SKOSANA TSHWARELO OBED MOHLALA KOKETSO J MALEKA MAMMILENG LINDIWE RANDINGOANE THABO | | | | |
| Ward No 23 | CLLR N.P MOHLALA Ward Committees: NTULI NOMTHAN DAZO REGINA H DIKOTOPE THABO MAHLANGU DUMISANI KLAAS NKABINDE ANTHONIA MAHLANGU BRENDA ELDA MKONENI MANDLA MXOLISI MORENA LUCY MPUKANA MOKGAJANE BETTY MAKGOLONYANA MAHLANGU EDWARD NICOLAS MAHLANGU ELIAS THENJWA | Yes | 12 | 12 | 4 |
| Ward No 24 | CLLR F.K LEHUNGWANE Ward Committees: MALOPE WILLIAM MOGOLA ELIAS MOTSHAKANE NKADIMENG MMATAU MARTHA MOGOLA EVA RAMOLAPO MASEMOLA TEMANA KAGISO SIBEKO WESSEL KGOTHATSO | Yes | 12 | 12 | 04 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | THOKWANE MATSIE SINAH | | | | |
| | MADIHLABA RAMODUBJANE RINKIE | | | | |
| | SEKWATI MORATO JANE | | | | |
| | MAEPA MACDONALD CLEMENT | | | | |
| | | | | | |
| Ward No 25 | CLLR N.S MAKUWA | Yes | 12 | 12 | 4 |
| | Ward Committees: | | | | |
| | MOHLALA MOJALEFA JOSEPH | | | | |
| | MNGUNI SIPHO | | | | |
| | MASHILO MAKASHWELA BEAUTY | | | | |
| | MPUBANE KENNETH NKHWENG | | | | |
| | MATSIPE THOBOLE PATRICK | | | | |
| | MABASA LEBO MARIA | | | | |
| | MATLOU MATLOLE DANIEL | | | | |
| | MOKGOATJANE MAGAVE DAVID | | | | |
| | MOHLALA MAKOBOTSENG ALPHINA | | | | |
| | MATHONYANE GRACE | | | | |
| | | | | | |
| Ward No 26 | CLLR S.D MORARE | Yes | 12 | 12 | 04 |
| | Ward Committees: | | | | |
| | MAHLANGU SMANGALISO GIFT | | | | |
| | SKOSANA LEHLOGONOLO PATRICK | | | | |
| | MAMARIGA INNOCENT | | | | |
| | MAABA ANNA MALOPE | | | | |
| | SEFOLOSHI SEKWALA JAN | | | | |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | MAGAMPA SENGALELA DITAU | | | | |
| | MAGAMPE PESHIWA BOITUMELO | | | | |
| | MAMPURU TEBOGO MAKGOFE | | | | |
| | MAGANE PUSELETSO | | | | |
| | MATHEBE NTHABISENG DORCAS | | | | |
| | | | | | |
| Ward No 27 | CLLR K.W TLAKA | Yes | 12 | 12 | 4 |
| | Ward Committees: | | | | |
| | MALAPANE LERATO CHARITY | | | | |
| | MABALANGANYE SEKANAH REGINAH | | | | |
| | MASHILO WALTER TSHAKA | | | | |
| | THABANG MARCUS SEAGE | | | | |
| | MAKUWA THANDI SEGOPOTSE | | | | |
| | TSHEHLO THATA JERRY | | | | |
| | HLAKUDI MALETSI MAGDELINE | | | | |
| | MOKGANYETSI ROBERT KHUPE | | | | |
| | KHAKA MARGARETT NCAZANA | | | | |
| | MATENTSI THABO LAZARUS | | | | |
| | | | | | |
| Ward No 28 | CLLR P.K TLADI | Yes | 12 | 12 | 04 |
| | Ward Committees: | | | | |
| | MATULUDI MAMOTALANE EVE | | | | |
| | MOKOANA CONSTANCE | | | | |
| | KGOPUTSO KABELO SHAUN | | | | |
| | TSHEHLA ANNA PHELADI | | | | |
| | SKOSANA ANGELINA SKOSANA GOODNESS | | | | |
| | NTOMBIZODWA | | | | |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | FENYANE MODUPI DANIEL | | | | |
| | MAREDI LEDWABA KLAAS | | | | |
| | DIKOTOPE JERREN MASHIANOKE | | | | |
| | MOKONE BIGBOY SYDNEY | | | | |
| | | | | | |
| Ward No 29 | CLLR R.M MAKUWA | Yes | 12 | 12 | 4 |
| | Ward Committees: | | | | |
| | MOHLALA STEPHINAH RAMPHAHLELE | | | | |
| | MOKABANE LUCAS MAUPE | | | | |
| | MATJOMANE CAROL | | | | |
| | MAKAU JEANETTE MUMSY | | | | |
| | FENYANE THABANG BREADLY | | | | |
| | RATAU NICOLADE | | | | |
| | MASHILO KWETEPE MAGDELINE | | | | |
| | MAKWANA ALFRED NYEREDI | | | | |
| | CHOMA CHISTOPH MACHENG | | | | |
| | THABANG KADING SALTHIEL | | | | |
| | | | | | |
| Ward No 30 | CLLR M. MAMPANE | Yes | 02 | 03 | 01 |
| | Ward Committees: | | | | |
| | LEKHULENG LEONA | | | | |
| | MAMOKABI OLIVIA | | | | |
| | MADIHLABA LOSTA | | | | |
| | TSHEHLA MAREMA | | | | |
| | MAGOLEGO MEISIE | | | | |
| | ISAAH PHAMANE | | | | |
| | NTOMBI LEDIMO | | | | |
| | PHETLA MOHLABANENG | | | | |
| | WALTER MAKUWA | | | | |
| | JEANETH MASOMBUKA | | | | |
| Ward 31 | CLLR M R. MSIZA | | | | |
| | Ward Committee | Yes | 12 | 12 | 4 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | SETHOPANE T RIBA | | | | |
| | MAHLASE TSOKELA | | | | |
| | ABRAHM MASHAO | | | | |
| | GLADYS MAAKE | | | | |
| | MARIA MONOGE | | | | |
| | NTOMBAZANA MASHIANE | | | | |
| | PRINCE B THOBEJANE | | | | |
| | KATLEGO KGONYANE | | | | |
| | NGWATOMOSADI KHUMALO | | | | |
| | NELSON J NTULI | | | | |
| | | | 12 | 12 | 04 |

2.4 IDP PARTICIPATION AND ALIGNMENT

| 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? | yes |
| Are the above aligned and can they calculate into a score? | yes |
| Does the budget align directly to the KPIs in the strategic plan? | yes |
| Do the IDP KPIs align to the Section 57 Managers | yes |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | yes |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes | yes |
| Were the indicators communicated to the public? | yes |
| Were the four quarter aligned reports submitted within stipulated time frames? | yes |

COMPONENT D: CORPORATE GOVERNANCE

Overview of corporate governance

EMLM has a code of conduct and policies in place that served as guidance on how to execute our functions in a responsive manner. These documents are applicable to everyone in the municipality, as they set out rules, laws, customs and culture of the municipality. All officials, together with political heads, work collectively, guided by policies to deliver efficient service delivery to communities in order to achieve the vision and goals of the municipality.

2.5 RISK MANAGEMENT

Section 62(1) (c)(i) of the Municipal Finance Management Act compels the accounting officer to establish and maintain, among others, a system of managing risks faced by municipality. EMLM has in place a system of risk management for municipality to provide some assurance that risks across all functions and levels, that may have an impact on the achievement of objectives, are adequately and proactively anticipated and mitigated. Risk Management processes are coordinated, supported and championed by the Risk Management Department, led by the Chief Risk Officer. Is a systematic approach to setting the best course of action under uncertainty by assessing, understanding, acting on and communicating risk issues and opportunities. The management of risk is an essential part of corporate governance within the municipality. The risk management system assists in safeguarding Council's interests and attempts to ensure the best use of limited municipal resources. The Municipal Manager is responsible for managing the administration of the municipality, and for this purpose takes all reasonable steps to ensure the municipality has and maintains effective, transparent systems of risk management and internal control.

- The 2024/25 four quarterly meetings of risk management committee meeting were held.
- The 2024/25 four risk management report was finalised, and presented to the risk management committee and Audit Committee
- The 2024/25 four quarters of strategic risk management reports were reviewed by the risk management committee and Presented to the Audit committee.
- Risk management governance documents were reviewed by all relevant structures and approved by council.
- Matters arising from the previous Risk Management Committee and Audit Committee reports were presented and progress there off was monitored.

The following policies were revised and submitted to council for approval:

- Revised Anti-Corruption and Fraud Prevention Strategy
- Revised Anti-Corruption and Fraud Prevention Policy
- Risk Management Policy
- Risk Management Strategy
- Risk Management Charter
- Business Continuity plan

Top ten risks identified:

| Risk Title | Category | Residual Risk | Risk Response |
|--|--------------------|---------------|---|
| Insufficient Electricity Supply (20 MVA) | Financial | 19 | Mitigated and carried over to 2024/2025 |
| Invasion of vacant land (Strategic Land) | Social Environment | 18 | Mitigated and carried over to 2024/2025 |

| Risk Title | Category | Residual Risk | Risk Response |
|---|--------------------------------|---------------|---|
| Financial sustainability of the EMLM is being adversely affected | Financial | 19 | Mitigated and carried over to 2025/2026 |
| Cyberattack | Technology | 15 | Mitigated and carried over to 2025/2026 |
| Inefficiencies in service delivery due to fraud and corruption, and political interference. | Service Delivery | 12 | Mitigated and carried over to 2025/2026 |
| Negative public perceptions about political and administrative leadership | Reputational | 12 | Mitigated and carried over to 2025/2026 |
| Ageing of roads and storm water infrastructure | Service Delivery | 15 | Mitigated and carried over to 2025/2026 |
| Lack of economic growth and development within the municipal area | Service Delivery | 18 | Mitigated and carried over to 2025/2026 |
| Environmental pollution | Occupational Health and Safety | 12 | Mitigated and carried over to 2025/2026 |
| Inability to achieve performance objectives as outlined in the SDBIP | Service Delivery | 12 | Mitigated and carried over to 2025/2026 |
| Insufficient electricity supply | Service Delivery | 23 | Mitigated and carried over to 2025/2026 |

2.5.1 RISK FINANCE

Municipal insurance programs cover property damage, business interruption, public, product, professional liability, and Directors 'and Officers' exposures. They aim to protect Municipality against exceptionally large or numerous claims. Municipality doesn't own nor operate any captive insurance. It uses only high-quality and financially sound insurers, combining master policies with local insurance policies. Negotiation and coordination of these programs are carried out in the Risk department unit with assistance of leading insurance brokers with integrated international networks. By so doing, Municipality secure broad and consistent cover for all Municipal activities, locations, cost optimization, reporting and control, while ensuring compliance with local regulatory requirements. Municipality reviews insurance strategies periodically, considering changes in risk profile (such as acquisitions, claims, loss events and other activities) and insurance market trends.

2.5.2 FRAUD AND ANTI-CORRUPTION STRATEGY

For the year under review, municipality reviewed an anti-fraud Strategy to prevent, detect, deter, report and respond to fraudulent activities. This activity is Municipal managers responsibility, Anti-Fraud Committee comprising of senior management and Manager Compliance Officer. All managers must report any suspicion of fraud, and our whistle-blowing policy enables employees to raise suspected irregularities. In the event of fraud, managers must make appropriate changes to systems, Controls, education and procedures to prevent recurrence, and the Risk and anti- fraud committee monitors the effectiveness of such actions. Municipality conducted a fraud risk assessment and training in anti-fraud, anti-bribery and awareness poster were distributed to all municipal departments.

2.5.3 BUSINESS CONTINUITY MANAGEMENT

Municipality cannot identify all risk that faces the institution. Therefore, municipality has business continuity responses designed to improve resilience to unforeseen events – such as a supply chain disruption, employee repatriation, or network intrusion attempts – and minimize their impact on stakeholders and reputation. The business continuity policy and strategy were approved and rolled out to departments for awareness. It encompasses basic escalation and communication rules, guidelines for anticipation and action, and clear roles and responsibilities.

2.6 PUBLIC SATISFACTION SURVEY

No public satisfaction survey was conducted during the year under review.

2.7 SUPPLY CHAIN MANAGEMENT

| Description | Number of meetings | Members of the committee | Functions |
|-----------------------------|--------------------|--|---|
| Bid specification committee | 14 | Manager: Budget and Reporting (Chairperson) Manager: Roads, Storm Water and Building Maintenance Manager: Solid Waste Management Manager: PMU Technician: PMU Compliance & Verification Officer Snr Budget and Reporting Officer Snr SCM Accountant SCM Accountant (Scriber) | <ul style="list-style-type: none"> • Compile a proper and unbiased specification for a specific requirement. • Ensure proper Terms of Reference are drawn up for the service required clearly indicating the scope of the requirements, the ratio between price and functionality, evaluation criteria as well as their weight and values. • Ensuring availability of funds Set ranges indicating breakdown of points, and percentages as provided in the relevant sliding scales for the selected specified goals |
| Bid Evaluation committee | 22 | Deputy CFO: (Chairperson) Manager: Parks Snr: Building Inspector Technician: PMU Snr: Safety Officer | This committee is responsible for the evaluation of bids received, which includes: <ul style="list-style-type: none"> • Verification of administrative compliance of the bid documents • Evaluation of bids in accordance with the criteria specified in the bid documents (specification) and the PPPFA regulations. |

| Description | Number of meetings | Members of the committee | Functions |
|----------------------------|--------------------|--|---|
| | | SCM Accountant Officer: Property & Evaluation (Scriber) | <ul style="list-style-type: none"> • Evaluation of each bidder's capacity/ability to execute the contract. • Verification of National Industrial Participation Programme (NIPP) requirements if the contract is in excess of ten million rand (R10m) • Submission of evaluation report and recommendation(s) regarding the award of the bid to the adjudication committee. |
| Bid Adjudication committee | 17 | <ul style="list-style-type: none"> • Chief Financial Officer • Director: Development Planning • Director Corporate Services • Acting Director Executive Support • Director Infrastructure • Manager SCM • Director: Community Services • Relevant Technical Expert • SCM Accountant (Secretariat) | <p>This committee is responsible for the adjudication of bids received, which includes:</p> <ul style="list-style-type: none"> • Verification of administrative compliance of the bid documents • Evaluation of bids in accordance with the criteria specified in the bid documents (specification) and the PPPFA regulations. • Evaluation of each bidder's capacity/ability to execute the contract. • Verification of National Industrial Participation Programme (NIPP) requirements if the contract is in excess of ten million rand (R10m) <p>Submission of final award to the Accounting Officer</p> |

2.8 BY-LAWS

For the year under review, no By-law was developed.

2.9 WEBSITE

A municipal website is an integral part of a municipality's communication infrastructure and strategy. If managed effectively, it allows easy access to relevant municipal information, it serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. The municipal website is

www.eliasmotsoaledi.gov.za Municipality's website is available and functional to assist members of the community and fellow South Africans to easily access municipal information.

Table 9: Municipal website information

| Documents published on the Municipality's Website | Yes / No |
|--|-----------------|
| Current annual and adjustments budgets and all budget-related documents | Yes |
| All current budget-related policies | Yes |
| The annual report 2024/2025 published | Yes |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards | Yes |
| All service delivery agreements 2024/2025 | yes |
| All long-term borrowing contracts 2024/2025 | n/a |
| All supply chain management contracts above a prescribed value | yes |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2024/2025 | n/a |
| Contracts agreed in 2024/2025 to which subsection (1) of section 33 apply, subject to subsection (3) of that section | n/a |
| Public-private partnership agreements referred to in section 120 made in 2024/2025 | n/a |
| All quarterly reports tabled in the council in terms of section 52 (d) during 2024/2025 | Yes |

2.10 AUDIT COMMITTEE

Municipal Audit Committee was established in terms of Section 166 of the Municipal Finance Management Act, Act 56 of 2003. The committee comprises of Six (06) members appointed for the period of three (03) years started on 03 January 2022 to 03 January 2025. The council resolved to renew the appointment of Audit Committee Members and amend the contract end date to 13 January 2028 for three (3) members as per Resolution No M24/25-19 and appointed two (2) additional members with the term of office linked to the existing one as per Resolution No M24/25-49.

Audit committee members specialise in various expertise ranging from Internal Audit and risk, Performance management, Legal, Information Technology and Finance. Members always complied with schedule of meetings and avail themselves for meetings. They performed their duties as stipulated in Section 166 of the MFMA. Over and above that, members assist municipality in reviewing quarterly financial and non-financial reports, annual report and Annual financial statements. Audit Committee reports to council on their activities and recommendations as required by the Audit Committee Charter and section 166 of the MFMA.

For the year under review, four (4) ordinary meetings and eight (8) special audit committee meetings were held.

Table 10: Audit Committee members

| Surname and initials | Gender |
|--|--------|
| Modipane TC (Chairperson) | Male |
| Rabalao JM (Contract ended on 13 January 2025) | Male |
| Masite MJ | Female |
| Mabuza MJ | Female |
| Masemola K (Appointed on 09 June 2025) | Male |
| Thlako H (Appointed on 09 June 2025) | Male |

Table 11: Attendance of meetings

| NO | AUDIT COMMITTEE | ORDINARY MEETINGS | | | | | SPECIAL MEETINGS | | | | | | | | Total | |
|----|---------------------------|-------------------|-----|-----|-----|-------|------------------|-----|-----|-----|-----|-----|-----|-----|-------|----|
| | | 4 | 1 | 2 | 3 | Total | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | |
| 1 | Modipane TC (Chairperson) | ✓ | ✓ | ✓ | ✓ | 4 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 08 |
| 2 | Rabalao JM | ✓ | ✓ | n/a | n/a | 2 | ✓ | ✓ | ✓ | ✓ | n/a | n/a | n/a | n/a | 04 | |
| 3 | Masite MJ | ✓ | ✓ | ✓ | ✓ | 4 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 08 | |
| 4 | Mabuza MJ | ✓ | ✓ | ✓ | ✓ | 4 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 08 | |
| 5 | Masemola K | n/a | n/a | n/a | n/a | 0 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | ✓ | 01 | |
| 6 | Thlako H | n/a | n/a | n/a | n/a | 0 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | ✓ | 01 | |

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

3.1 ELECTRICITY

The Municipality is licensed to provide electricity in three wards Ward 13, Ward 14, and Ward 30 covering the Groblersdal, Masakaneng, and Roossenekal areas respectively. The remaining 28 wards fall under Eskom's jurisdiction. Currently, the Municipality faces a backlog of approximately 6%, representing 3,837 households without electricity. In contrast, a total of 62,522 households (94%) has access to electricity, supplied through both Eskom and Elias Motsoaledi Local Municipality (EMLM).

During the year under review, the Municipality received an allocation of R17,544,000.00 through the Integrated National Electrification Programme (INEP). These funds were utilized to electrify the villages of Phooko, Luckau/Maganagobuswa, Magukubjana, Matrombi, and Motetema. In addition, design-stage projects were initiated for Ntwelemotse, Oorlog, Lusaka, Zaaiplaas, and Doorom. As a result of these efforts, 743 households were successfully electrified during the year under review.

The status of the three licensed areas can be summarized by the following analysis

| Strengths | Weakness |
|--|---|
| <ul style="list-style-type: none"> • We have 11Kv 1 x 20MVA ring feed for Groblersdal and 11Kv 5MVA overhead for Roossenekal. • Stable underground cable network at Groblersdal and stable over-head cable network at Masakaneng • Qualified human resource • Up to date Eskom Account for both Areas • Ability to complete the Electrification projects. • Fleet to service the two areas is available. • Provision of high-mast lights to various wards | <ul style="list-style-type: none"> • Inability to carry out major maintenance due to budget constraints. • Deteriorating Network from lack of maintenance • Lack of Bulk statistical metering system • Inability to realise full collection from Consumers at Roossenekal • Lack of revenue enhancement strategy • Lack of monitoring and prosecution of perpetrators or defaulting customers |
| Opportunities | Threats |
| <ul style="list-style-type: none"> • Revenue base can be increased • Rezoning of residential stands to business sites where there are rooms, guest house and shops in order to expand revenue base | <ul style="list-style-type: none"> • The loss of the one 20 MVA transformer will pose a problem to Municipal Customers. • Inability of paying Eskom account and maintaining the high mast lights in various wards due to none-payment customers |

| | |
|---|--|
| <ul style="list-style-type: none"> We can establish system of improving revenue collection through the use of pre-payment. Groblerdal Capacity can be upgraded to 11Kv 2 x 20 MVA | <ul style="list-style-type: none"> Illegal electricity connection and bridged electricity -meters Skill retention strategy |
|---|--|

Table 1: Employees in electricity unit information

| Employees: Electricity Services | | | | | |
|---------------------------------|-----------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level task grades | 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 | 03 | 03 | 03 | 0 | 0% |
| 7 – 9 | 0 | 0 | 0 | 0 | 0% |
| 10 – 12 | 06 | 06 | 06 | 01 | 1% |
| 13 – 15 | 0 | 0 | 0 | 0 | 0% |
| 16 – 18 | 01 | 01 | 01 | 0 | 0% |
| Total | 10 | 10 | 10 | 0 | 1% |

Table 2: Capital expenditure on electricity services

Capital expenditure on electricity services.

| Capital Expenditure Year 2024/2025: Electricity Services | | | | | |
|--|-----------------|-------------------|--------------------|---------------|--------------|
| Capital Project | 2024/2025 | | | | |
| | Original budget | Budget Adjustment | Actual Expenditure | Variance | Total Budget |
| Total All | R17 544 000.00 | R17 544 000.00 | R17 426 618.08 | R0.00 | |
| Electrification of Phooko (216) HH | R 3000 000 | R1 910 660.23 | R1 910 660.23 | R1 089 339.77 | R3 000 000 |
| Electrification of Luckau\Maganagobushwa (226) HH | R5 542 000 | R6 631 339.77 | R6 176 566.00 | - R634 566.00 | R5 542 000 |
| Electrification of Mantrombi Section (100 HH) | R2 000 000 | R 2000 0000 | R2000 000 | R0.00 | R2 000 000 |
| Electrification of Motetema High View (100 HH) | R 2000 000 | R 2000 000 | R1 999 999.99 | R0.01 | R2 000 000 |
| Electrification of Magukubjana (212 HH) | R4 340 000 | R4 340 000.00 | R4 340 000.00 | R0.00 | R4 340 000 |

3.2 WASTE MANAGEMENT

The Municipality provides weekly household refuse removal through the kerbside method in the following areas: Motetema, Hlogotlou, Groblersdal, Roossenekal (Town and RDP), Elandsdoring, and Walter Sisulu. Business refuse removal is conducted either twice weekly or daily, depending on the nature of the business. The municipality also offers refuse removal services via skip bins, which are rented monthly by certain businesses. Refuse removal services are outsourced to a service provider. In addition to refuse collection, the municipality delivers cleaning services:

- Street cleaning and litter picking are carried out daily (seven days a week) in Groblersdal town.
- Village litter picking is undertaken through the Expanded Public Works Programme (EPWP).
- Illegal dumps are cleaned as required across the municipality.
- In rural villages, refuse removal is facilitated using skip bins.

Table 5: The skip bins are distributed as per the table below.

| Area | Number of containers | Ward |
|---|----------------------|------|
| Taereng | 1 | 5 |
| Bloempoot | 2 | 8 |
| Thabakhubedu | 1 | 12 |
| Masakaneng | 2 | 14 |
| Mogaung | 1 | 22 |
| Luckau next to SASSA | 1 | 24 |
| Medupi crèche | 1 | 25 |
| Tafelkop next to Thabantsho community radio station | 2 | 26 |
| Tafelkop (Stadium) | 1 | 27 |
| Tafelkop: Boikano disability center | 1 | 28 |
| Motetema – Tafelkop road | 1 | 31 |

Table 5.1: Skip bins placed at business areas

| Area | Number of containers | Ward |
|-------------------------------|--|------|
| Tafelkop Mall | 3 | 25 |
| Mall @ Moutsiya | 1 | 4 |
| Philadelphia hospital | 02 Self compressed container 02 Skip bins | 6 |
| Moutse Mall | 3 | 11 |
| Cashbuild Moutse | 1 | 11 |
| Game Centre | 1 | 13 |
| New Shoprite | 2 | 13 |
| Old Shoprite | 1 | 13 |
| Cashbuild Groblersdal | 1 | 13 |
| BP Garage | 1 | 13 |
| Sasol garage | 1 | 13 |
| Highveld bottling | 1 | 13 |
| OK Food | 1 | 13 |
| JD group | 1 | 13 |
| Vleismark butchery | 1 | 13 |
| Puma Avant | 1 | 13 |
| Schoeman Boerdery | 1 | 13 |
| Groblersdal mall | 4 | 13 |
| Laerskool Julian Muller | 1 | 13 |
| Jojo Tank | 1 | 13 |
| Super spar – Groblersdal mall | 2 | 13 |
| Sizanani Supermarket | 1 | 13 |
| Look out Lodge | 1 | 14 |

3.2.1 Waste disposal facilities.

The municipality have a total number of 3 landfill site of which two are operational and one non-operational) and one transfer station licenced.

| Facility | Licenced | Status |
|----------------------------------|---------------|-------------|
| Groblersdal landfill site | Yes | Operational |
| Roosenekal | Yes | Operational |
| Dennilton landfill site | Yes (closure) | Closed |
| Hlogotlou Waste transfer station | Yes | Operational |

Although the Municipality has received a closure license for the Dennilton landfill site, community members continue to dispose of waste illegally. To mitigate this challenge, the Municipality has introduced weekly refuse removal services in Elandsdoorn, Tambo Square, and Walter Sisulu. In addition, the operations and management of the Roosenekal and Groblersdal landfill sites have been outsourced to a private contractor to ensure effective service delivery. The municipality allocated funds to fence the Dennilton landfill site.

3.2.2 RECYCLING AND AWARENESS CAMPAIGNS

Recyclable material recovery within the municipal area is primarily undertaken by private individuals and companies. Due to limited resources, the Municipality is unable to fully implement comprehensive waste minimisation initiatives. Nevertheless, education and awareness on recycling are conducted regularly and as needs arise. Municipality has

continuously carried out educational and awareness campaigns to promote recycling practices among community members.

The table below indicates recycling firms that operate with Elias Motsoaledi Local Municipality

| Name | Location | Material recycled |
|-----------------------------------|-------------|----------------------|
| Silver ink Environmental solution | Groblersdal | Card box and Plastic |
| Carmelo investment | Bloempoot | Card box and Plastic |
| Pieterse Scrap Metals | Groblersdal | Steel |
| JH Metals | Groblersdal | Steel |

Table 7: Employees for Solid Waste Management Services

| Employees: Solid Waste Management Services | | | | | |
|--|-----------|-----------|-----------|--|---|
| Job Level task grades | 2023/2024 | 2024/2025 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 4 – 6 | 09 | 09 | 09 | 0 | 0% |
| 7 – 9 | 0 | 0 | 0 | 0 | 0% |
| 10 – 12 | 01 | 01 | 01 | 0 | 0% |
| 13 – 15 | 01 | 01 | 01 | 0 | 0% |
| 19 – 20 | 01 | 01 | 01 | 0 | 0% |
| Total | 12 | 12 | 12 | 0 | 0% |

3.2.3 FREE BASIC SERVICES AND INDIGENT SUPPORT

Elias Motsoaledi Local Municipality (EMLM) has implemented an indigent policy that sets out clear criteria for registering indigent households. Free basic electricity is the sole benefit provided to registered indigents. During the financial year under review, 17,635 households were registered as indigents. Of these, an average of 6,996 households received monthly free basic electricity through Eskom’s configuration system. Free basic electricity is supplied in both Eskom-licensed and municipal-licensed distribution areas. The municipality allocated a budget of R8.889 million for this service, with actual expenditure amounting to R8.330 million. Funding is sourced from the equitable share, although the budget provision remains relatively low compared to the equitable share component designated for this service.

Table 9: Financial Performance 2024/2025: Cost to Municipality of Free Basic Services Delivered.

| Financial Performance 2024/2025: Cost to Municipality of Free Basic Services Delivered | | | | |
|--|-----------------|-------------------|---------|--------------------|
| R'000 | | | | |
| Services Delivered | 2024/2025 | | | |
| | Original Budget | Adjustment budget | Actuals | Variance to Budget |
| Electricity | R8 889 | R8 889 | R8 330 | R559 000 |
| Waste Management (Solid Waste) | R0 | R0 | R0 | R0 |
| Total | R8 889 | R8 889 | R8 330 | R559 000 |

COMPONENT B: ROAD TRANSPORT

3.3 TRANSPORT OVERVIEW

The Elias Motsoaledi Local Municipality (EMLM) relies exclusively on road transport as its primary mode of transportation. Communities depend on buses, taxis, and private vehicles to meet their mobility needs. Two bus companies operate within the municipality: Great North Transport and PUTCO. Great North Transport provides local services in 16 wards. PUTCO operates daily services between Groblersdal and the Moutse area to the City of Tshwane. In Groblersdal, PUTCO services are limited to morning and afternoon schedules, whereas in the Moutse area, services to Tshwane are available throughout the day.

Buses remain the most widely used and affordable mode of transport for community members, with taxis and private cars serving a smaller portion of the population. Bus services are accessible in all 31 wards and are particularly valued for reaching remote areas, unlike taxis which primarily operate along main roads.

3.3.1 ROADS PERFORMANCE

The Municipality currently faces a backlog of approximately 1,192.2 km of gravel roads. During the year under review, five road projects Kgobokwane/Kgaphamadi, Malaeneng A Ntwane, Mekomung, Maraganeng, and upgrading of Tafelkop Sports Stadium access road were initiated using the Municipal Infrastructure Grant (MIG). In addition, one project, the Groblersdal Landfill Site, was placed on hold pending revised drawings from LEDET. At the end of the financial year, all five road projects remained under construction as they are multi-year projects. The total MIG allocation amounted to R91,314,000.00, which was fully spent by end of financial year.

In March 2025, Municipality received a direct allocation from the Municipal Disaster Recovery Grant (MDRG) to address service delivery backlogs. For the 2024/2025 financial year, the Municipality was allocated R27,650,000.00 to support service delivery initiatives. The approved implementation plan includes four road maintenance projects:

- Reconstruction of Motsephiri/Jerusalem Stormwater Control
- Reconstruction of Marapong Bridge
- Reconstruction of Moteti Paving and Stormwater Control
- Reconstruction of Kgobokwane Low-Level Bridge

Of these projects, two are currently under construction, one has reached practical completion, and one has a contractor appointed.

The Municipality also maintains a re-gravelling programme to improve road conditions across all wards. Roads and stormwater management remain core municipal functions. However, many roads are in a state of deterioration, with provincial roads requiring urgent resealing and surfacing. Gravel roads present additional challenges, as many are inaccessible due to inadequate stormwater controls.

To enhance service delivery, the Municipality expanded its maintenance team to the satellite offices to ensure coverage in every ward. The long-term strategy is to surface roads throughout the municipal area, although the Municipality continues to rely heavily on grant funding for road projects. As part of efforts to improve accessibility to villages, 65 km of internal roads were successfully re-gravelled during the reporting period.

Table 10: Gravelled and asphalted roads

| Gravel Road Infrastructure | | | | |
|-----------------------------------|---------------------------|-------------------------------------|--|--|
| | Kilometres | | | |
| | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to asphalt surfaced roads / | Gravel roads graded /maintained |
| 2022/2023 | 1240.15km | 0km | 0km | 184km (Bladed) |
| 2023/2024 | 1305.15km | 0km | 0km | 65km regravelled |
| 2024/2025 | 1192,2km | 0 | 60km | 56km (Bladed) 4km (Regravelled) |

Table 11: Asphalted Road Infrastructure

| Asphalted Road Infrastructure | | | | |
|-------------------------------|-----------------------|------------------------------|------------------------------------|--------------------------|
| | Kilometres | | | |
| | Total (backlog) roads | New asphalt / surfaced roads | Existing asphalt roads re-surfaced | Asphalt roads maintained |
| 2022/2023 | 1252.07 | 10.85km | 0km | 33km |
| 2023/2024 | 1252.07 | 0km | 0km | 65km |
| 2024/2025 | 1192.2km | 12km | 0km | 0km |

Table 12: Roads and stormwater services employees

| Employees: Roads and storm water services | | | | | |
|---|-----------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level task grade | 2023/2024 | 2024/2025 | | | |
| | Employees | posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 4 – 6 | 26 | 26 | 26 | 0 | 0% |
| 7 – 9 | 04 | 04 | 04 | 0 | 0% |
| 10 - 12 | 01 | 01 | 01 | 0 | 0% |
| 13 - 15 | 01 | 01 | 01 | 0 | 0% |
| Total | 32 | 32 | 26 | 0 | 0% |

Table 13: Development of municipal roads

| Development of municipal roads as required | new surfaced roads | km of municipal roads developed |
|--|--------------------|---------------------------------|
| 2022/2023 | 16.4km | 208.19km |
| 2023/2024 | 0km km | 0km |
| 2024/2025 | 14,2km | 12km |

Table 14: Capital Expenditure for road services

| Capital Expenditure 2024/2025: Road Services | | | | | |
|---|------------------|--------------------------|---------------------------|--------------------------------------|--------------------------|
| R' 000 | | | | | |
| Capital Projects | 2024/2025 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Source of funding |
| Upgrading of Kgobokwane/Kgaphamadi Access Road and Stormwater Control (4.5km) | R 55 000 000.00 | R26 328 159.00 | R29 302 987.24 | 57.28% | MIG |
| Upgrading of Malaeneng A Ntwane Access Road and Stormwater Control (3.5km) | R34 404 286.41 | R21 304 215.00 | R21 303 522.26 | 61.92% | MIG |
| Upgrading of Mokumong Access Road to Marateng Taxi Rank (5.2km) | R51 748 943.56 | R22 375 066.00 | R22 892 001.81 | 44.24% | MIG |
| Upgrading of Maraganeng Internal Access Road (3.2km) | R31 431 849.00 | R11 012 765.00 | R11 012 765.09 | 35.04% | MIG |
| Upgrading and Refurbishment of Tafelkop Sports Stadium | R10 293 795.00 | R10 293 795.00 | R10 293 795.00 | 100% | MIG |
| Refurbishment of Groblersdal Existing Landfill | R33 000 000.00 | R0.00 | R0.00 | 0% | MIG |
| Capital Expenditure 2024/2025: Disaster Management Recovery Grant | | | | | |
| Construction of the Motsephiri/Jerusalem storm water control on both LHS and RHS 5km long | R12 350 000.00 | R12 350 000.00 | R 492 386.11 | 3.99% | DMR G |

| Capital Expenditure 2024/2025: Road Services | | | | | | R' 000 |
|--|----------------|-------------------|--------------------|-------------------------------|-------------------|--------|
| Capital Projects | 2024/2025 | | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Source of funding | |
| Fill protection on the road edge LHS&RHS (Gabions) fill embankment on the bridge at Marapong | R1 200 000.00 | R1 200 000.00 | R1 200 000.00 | 100% | DMRG | |
| Upgrading of 1.2 km Moteti road from gravel to 800mm paving and storm water control | R10 600 000.00 | R10 600 000.00 | R1 410 579.62 | 13.31% | DMRG | |
| Re-construction of the Kgoobokwane low-level bridge | R 3 500 000.00 | R 3 500 000.00 | R384 660.63 | 10.99% | DMRG | |

Table 15: Municipal infrastructure grant expenditure

| Municipal Infrastructure Grant (MIG)* Expenditure 2024/2025 on Service backlogs | | | | | | |
|---|----------------|-------------------|----------------|-----------------|-------------------|---|
| R' 000 | | | | | | |
| Details | Budget | Adjustment Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
| | | | | Original Budget | Adjustment Budget | |
| Infrastructure - Road transport | | | | | | |
| <i>Roads, Pavements & Bridges</i> | R60 984 921.82 | R60 984 921.82 | R60 984 921.82 | 0.00 | 0.00 | Prioritize residential infrastructure for roads and sports facilities |
| <i>Storm water</i> | R0 | R0 | R0 | R0 | R0 | |
| <i>MIG - Roads</i> | R91 314 000.00 | R91 314 000.00 | R91 314 000.00 | R0 | R0 | Prioritize residential infrastructure for roads |
| <i>Disaster Management</i> | R27 650 000.00 | R27 650 000.00 | R27 650 000.00 | R0 | R0 | Prioritize residential |

| Municipal Infrastructure Grant (MIG)* Expenditure 2024/2025 on Service backlogs R' 000 | | | | | | |
|---|----------------|----------------------|--------------|-----------------|-------------------|---|
| Details | Budget | Adjustment Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
| | | | | Original Budget | Adjustment Budget | |
| <i>Recovery Grants</i> | | | | | | infrastructure for roads |
| Infrastructure - Electricity | R17 544 000.00 | R17 544 000.00 | R177 544 000 | R0 | R0 | Prioritize residential infrastructure for electricity |
| <i>Generation</i> | R0 | R0 | R0 | R0 | R0 | |
| <i>Street Lighting</i> | R0 | R0 | R0 | R0 | R0 | |
| Infrastructure - Other | | | | | | |
| <i>Transportation</i> | R0 | R0 | R0 | R0 | R0 | |
| <i>Gas</i> | R0 | R0 | R0 | R0 | R0 | |
| <i>Other Specify:</i> | | | | | | |
| Sports - Outdoor | R0 | R0 | R0 | R0 | R0 | |
| Street Parking | R0 | R0 | R0 | R0 | R0 | |
| Waste Management | R0 | R0 | R0 | R0 | R0 | |

COMPONENT C: PLANNING AND DEVELOPMENT

3.4 Departmental Overview

The core functions of Development Planning department are as follows.

- Spatial Planning and Land Use Management,
- Upholding building regulations to promote uniform standards in terms of building of structures as per the provision of National Building Regulations and Building Standards Act (103:1977).
- Property Management
- Promoting Local Economic Development
- Land Use Management and Applications

The Municipality had developed policies, by laws and related regulations geared towards soothing the process of adjudicating over such application. The latter serves as legislative reference to the Municipality, public and anyone with legitimate interest on whatever matter

as and when there is a need for enforcement. The land use management tools are named as follows:

- Elias Motsoaledi Local Municipality Spatial Planning and Land Use Management By Law (2016).
- Elias Motsoaledi Local Municipality Land Use Scheme (2021).

Applications received for the 2024/2025 financial year were 32. Revenue generated from all the applications is R187,614.26. The unit issues contraventions to anyone who contravenes the EMLM Land Use Scheme. The focus on contraventions was on Groblersdal town. Revenue generated from contraventions was R234, 479.00.

Those applications as tabulated below were for various uses such as rezoning, subdivisions, consolidations, removal of restrictive conditions, township establishments, consent uses, way-leave services etc. The latter applications were respectively processed by the relevant authority in terms of categorization enshrined in Spatial Planning and Land Use Management Act (SPLUMA), Act no 16 of 2013 read together with EMLM SPLUMA Bylaw, 2016.

Table 16: The processed Land Use Applications

| Type of Application | Property Description | Application Fee | Status |
|--|---|-----------------|----------------------------------|
| Consent Use | Portion 438 Loskopsuid js | R3 806.05 | Pending. |
| Consent Use | Portion 7 of farm Lukau 127js | R 3 806.05 | Pending |
| Subdivision | Remainder of Mapochsgronde 711js | R00 (exempted) | Approved |
| Subdivision and Rezoning | Erf 677 Motetema | R00 (exempted) | Pending |
| Wayleave | Bank Street & Nywerheid Street | R5 767.19 | Approved |
| Consent Use | Portion 3 of farm Lukau 127 JS | R 3 806.05 | Approved |
| Subdivision and subsequent Consolidation | Erf 129 & Portion 1 of Erf 130 Groblersdal | R6 984.08 | Pending |
| Proposed Subdivision and Consolidation. | Erf 129 and PTN 1 of Erf 130 Groblersdal. | R7326.30 | Approved. |
| Proposed Removal and restrictive | PTN 1 of Erf 273 Groblersdal. | R8752.24 | Pending public participation. |

| Type of Application | Property Description | Application Fee | Status |
|--|--|-----------------|---------------------|
| condition and Consent use. | | | |
| Proposed Consent use | Portion 68 of klipbank 26js | R3992.54 | Pending. |
| Proposed rezoning and removal of restrictive conditions. | Erf 196 Groblersdal. | R10 000 | Outstanding amount. |
| Proposed exemption. | Remainder of Loskop Suid 53 JS. | R3 806.00 | Approved. |
| Proposed Rezoning and Removal of Restrictive Conditions | Erf 146 Groblersdal Extension 1. | R 5 590,40 | Pending |
| Consent Use | Remainder of Portion 17 Paardenplaats 135 JS | R 3 992,54 | Pending |
| Relaxation of Building Line | Erf 1142 Groblersdal Extension 25 | R 3 274,00 | Pending |
| Proposed Township establishment | Portion 92 (a portion of portion 47) klipbank 26js | R7917.66 | Outstanding amount. |
| Proposed Wayleave | Portion 1 of Erf 46 Groblersdal | R6049.78 | Approved. |
| Proposed Subdivision | Remaining portion 47 of klipbank 26 js | R3492.04 | Outstanding amount. |
| Rezoning and Removal of Restrictive Condition | Portion 1 of Erf 65 Groblersdal | R 10 624,03 | Pending |
| Rezoning | Erf 3183 Groblersdal | R 5 864.33 | Pending |
| Consent Use | Erf 686 Groblersdal Extension 9 | R 3 992,54 | Pending |

| Type of Application | Property Description | Application Fee | Status |
|---|---|-----------------|----------|
| Rezoning and Removal of Restrictive Condition | Remainder of Erf 337 Groblersdal Extension 2 | R 10 624,03 | Pending |
| Proposed exemption | Remainder of portion 145 of the farm Loskop suid 53js | R3 806.00 | Pending. |
| Proposed Consent use | Remainder of Erf 129 Groblersdal | R3 806.00 | Pending. |
| Proposed Subdivision and Registration of a servitude. | Erf 1782 & Portion 1 of Erf 99 Groblersdal | R7 469.15 | Pending. |
| Proposed Exemption | Erf 287 Groblersdal | R3 806.00 | Pending |
| Proposed Consent use | Erf 655 Groblersdal | R3 992.54 | Pending |
| Proposed Rezoning and Removal of Restrictive condition. | Erf 3198 Groblersdal | R10 624.03 | Pending |
| Proposed Consent use | Erf 380 Groblersdal | R3 996.54 | Pending. |
| Proposed Rezoning | Erf 635 Groblersdal | R5 864.33 | Pending |
| Proposed Rezoning | Portions 28,63,64 and 134 Delagersdrift 178js | R5 864.33 | Pending |
| Proposed wayleave | Aquaville | R6 049.78 | Pending. |

| LAND USE RIGHTS APPLICATIONS (SPAZA SHOPS) | | | | | |
|--|----------|--------------------------|---------|----------|--|
| Erf 81 | Motetema | Makua Mankeku Phinah | R701.00 | Approved | |
| Shushumela | | | | | |
| Stand 312 | Motetema | Kgaditse Papetjie Herman | R701.00 | Approved | |
| Shushumela | | | | | |

| | | | | | |
|-------------------------|-------------|----------------------|------------|---------|----------|
| Erf 500 Stadium view | Hlogotlou | Rakgagalane Moses | Thlokaboro | R701.00 | Approved |
| Erf 1120 | Hlogotlou-A | Mashiga Joseph Vusi | | R701.00 | Approved |
| Erf 322 | Masakaneng | Ngwenya Elizabeth | Habonathwe | R701.00 | Approved |
| Erf 2083 Rangers | Motetema | Maepa Sheila Mirriam | | R701.00 | Approved |

3.4.1 Spatial Planning and Land Use Management By Law (2025)

Since the Spatial Planning and Land Use Management Act (2016) was enacted with the quest of creating and fostering uniformity with regard applicability of Land Use Management approach irrespective of whether an area in question is urban or rural, the latter milestone resulted in the birth of Land Use Management tool under the Elias Motsoaledi Local Municipality Spatial Planning and Land Use Management by-law (2016).

The above said Land Use Management tool has been in use since 2016. Because human needs are dynamic, it then resulted in the need to revisit our status quo with the quest of making it compatible with the community's current needs. The exercise of reviewing the Land Use Management tool was initiated during the 2024/2025 financial year, hence the review undertaking. Attached is the reviewed EMLM SPLUMA by-law (2025) towards public participation.

3.4.2. National Building Regulations and Building Standards By Law.

The Municipality embarked on an undertaking to develop the EMLM Building Regulations by-law (2025). The essence of the above is to develop a tool that will enable the Municipality to manage Building and related activities within the Municipal Building landscapes. Since the community's building needs have evolved, it is imperative that that the Municipality also has a mechanism in a form of Building Regulation by-law so that it can be on par with the people's interests. This will also put the community's interests at heart. See attached draft Building Regulations By-law (2025).

3.4.3. Building Control

Building Control is a statutory function assigned to local authorities in terms of the Constitution. The National Building Regulations and Building Standards Act (Act 103 of 1977) also assigns duties to local authorities, the most important of which are the approval of

building plans applications, enforcement of the regulations and the issuing of certificates of occupancy.

The National Building Regulations and Building Standards Act No. 103 of 1977 makes provision for the promotion of uniformity in the law relating to the erection of buildings in the areas of local authorities; for prescribing building standards, and for matters connected therewith.

- The total number of building plans received for 2024/2025 financial year is 391, 336 applications were approved and 55 are still pending; still waiting on comments from other officials from the Municipality or are still on circulation.
- The number of Site Development Plans are 15, approved applications are 9 and 6 still pending.
- The number of contraventions issued is 30, 15 have been resolved, 8 properties are on penalties due to no response, 3 properties given grace period and 4 are still pending.
- 25 properties have been audited and 18 responded to the audit findings.
- 3 occupancy certificates issued for residential properties and 9 for commercial.
- 94 site visits conducted, and 137 inspections done.

3.4.4 Local Economic Development.

Elias Motsoaledi Local Municipality supports participative strategies for local economic development in its area of jurisdiction, with the aim of promoting economic growth geared to local conditions and resources, creating income and employment opportunities for all segments of the population, and enhancing good governance at local level.

The municipality is operating in a market economy wherein the engines of economic development are primarily in the hands of private businesses that create wealth and jobs however the private sector cannot succeed without favourable business conditions in which to thrive and grow. The municipality is currently working hand in gloves with other public sector institutions in helping to establish and maintain those favourable business conditions so that companies that operates within municipal jurisdiction can compete successfully and fairly with companies outside municipal borders or jurisdiction.

Given the above conditions and the roles that the municipality has played in pursuit of local economic development in 2024/2025 financial year are amongst others; that the municipality in collaboration with Department of Public Works. For the year under review two hundred and one (201) jobs were through EPWP, and one thousand and one (1001) jobs created through CWP. The appointed personnel are mainly responsible for waste management at public facilities/infrastructure in the form of roads reserves, graveyards, community halls, schools, taxi ranks, streets etc. 30 EPWP participants have been trained in Vegetable Production

In addition, transferring Business Licensing function to local Municipality has assisted in empowering the previously disadvantaged through creating prompt, simplified and inexpensive access to economic activities. For 2024/2025 the Municipality has managed to approve 185 Business Licenses. The total number of businesses in the Municipality operating with a valid municipality business license is 247.

In a effort to capacitate Small, Medium and Micro Enterprises (SMMEs) and Cooperatives within the municipality, the LED unit organized twelve (12) networking events during the reporting period. These sessions provided a platform for dissemination of business-related information to SMMEs, while also promoting networking experience sharing, mentorship and collaboration among local entrepreneurs. The training workshops focused primarily on basic business management principles and practices. In addition, twenty-five (25) SMMEs received training in poultry management facilitated by Tompi Seleka Agricultural College. The overall objective of these training sessions is to enhance business acumen among the SMMEs which will ultimately foster productivity and profitability.

The below table consists of equipment and number of SMME that benefitted from the Department Small Business & Development:

| Equipment / Machinery | Quantity | Equipment /Machinery | Quantity |
|-----------------------|----------|---|----------|
| Baking Oven | 11 | Hood Standing Dryer | 01 |
| 210L Chest Freezer | 21 | Nail Dryer | 01 |
| 21L Pot | 4 | Over Locker | 01 |
| 36L Pot | 4 | Agricultural crate | 10 |
| 50L Pot | 5 | Rotatory Hammer driller | 04 |
| Microwave | 02 | Chaffing Dish | 01 |
| Gazebo | 25 | Sealing Machine | 01 |
| Folding Table | 35 | 5L Cake Mixer | 01 |
| Chair | 135 | 52 cc Chain Saw | 01 |
| Single Deep Fryer | 2 | Electric Stove | 01 |
| Pop Corn Machine | 01 | Mobile Plastic Toilet | 01 |
| 4 Burner Gas Table | 05 | Cash Register | 01 |
| Generator | 15 | Trade Weld Arc Pro 2200 Dc | 01 |
| Wheelbarrow | 05 | Jojo Booster Pump 0.075kw | 01 |
| Skottel Braai | 02 | Ten Cake Mixer | 01 |
| 2500L Water Tank | 07 | Laying Cage For 96 Birds | 01 |
| Table | 0 | Mac Afri Multi-Purpose Standing Meat Band saw & Grinder | 01 |
| Double Deep Fryer | 15 | Angle Grider | 05 |
| Chip Cutter | 01 | Laptop | 16 |
| Printer | 05 | Drum Braai Stand | 01 |
| 100L Compressor | 02 | 222L Freezer | 08 |
| 3 Burner Gas Stove | 01 | | |
| 9Kg Gas Cylinder | 03 | | |

| | | | |
|------------------------|----|--|--|
| Ice Maker | 02 | | |
| 20l urn | 02 | | |
| Cooler Box | 01 | | |
| Industrial toaster | 01 | | |
| Industrial Shoe Making | 01 | | |
| Hair Dryer | 01 | | |
| Hair Clipper | 01 | | |

Table 18: Jobs created through CWP.

| Job creation through CWP* | | |
|---------------------------|--------------|--------------|
| Year | No. of Wards | Participants |
| 2022/2023 | 31 | 1104 |
| 2023/2024 | 31 | 1099 |
| 2024/2025 | 31 | 1001 |
| Community Works Programme | | |

Table 19: Jobs created through EPWP.

| Job creation through EPWP* Projects | | |
|-------------------------------------|---------------|------------------------------------|
| Year | EPWP Projects | Jobs created through EPWP Projects |
| | No | No |
| 2022/2023 | 1 | 264 |
| 2023/2024 | 4 | 352 |
| 2024/2025 | 4 | 204 |
| Extended Public Works Programme | | |

3.4.4.1 Improvement Of National Road R555 Section 3 From Steynsdrift (Km 44.0) Tosteelpoort River (Km 63.0) By SANRAL.

The South African National Roads Agency SOC Limited (SANRAL) had mandate to construct, improve, upgrade and maintain national roads across the country. In Elias Motsoaledi Local Municipality SANRAL worked on Roads R573 commonly known as Moloto road, N11, R574 and R555. These roads pass through the length and breadth of Municipal jurisdiction. SANRAL appointed **Edwin construction** company to improve national road R555 from Section 3 of Steynsdrift (Km 44.0) to Steelpoort (Km 63.0).

The project took a period of eighteen (18) consecutive months which commenced from **27th of September and still ongoing**. The company was given three (3) months to mobilize affected stakeholders which entails amongst other appointments of Project Liaison Committee (PLC) with the assistance of the Municipality. The committee was established and inducted on the 16th of January 2024. The project scope of work entails:

- Repair and rehabilitation of existing road,
- Widening of road shoulders to conform to SANRAL standards,
- Provision of passing lanes to increase capacity,
- Jacking of an additional culvert,
- New road surfacing, asphalt layer and double seal

The project implementation created over **hundred and forty (140) employees** during the entire construction. The estimated value of this road construction amounted to the tune of **R273,2 42 540.00**.

The below table consists of SANRAL Projects from the 2024/2025 Financial Year

| Project description | Project scope | Progress | Contractor | No of People Employed | Training Provided | No of SMMEs Appointed |
|----------------------------|---|-------------------|---------------------|---------------------------------------|--|--|
| R574 section 1 at KM 12.42 | Emergency strengthening ARMCO culverts | On going | CSA Construction | 21 Youth – 7 Women-7 Men-14 PWD-1 | Power Tool Hazard and safety | 7 SMMEs Subcontract or appointed for: Rubbles collection Toilets Security Painting Site office Site Establishments Portable Water |
| R573 Moloto Road phase 1 | Upgrade of section 3 from Slovo to Siyabuswa | Project Completed | Raubex Construction | 310 Women-27 Male-132 Youth-151 PWD-2 | Supply chain Plant Production NHBRC Driver's Licence OHS Pavin Gabions | 47 SMMEs Subcontract or Appointed for: Road Upgrade |
| R555 | Improvement of National Road R555 section3 from Steyndrift to | On going | Edwin Construction | 56 Youth-40 Adults-16 PWD-2 Women-24 | First Aider Flagman Operating Robots SHE Reps | 7 SMMEs Subcontractors appointed 3x Traffic Accommodation Toilet Supply Diesel Supply |

| Project description | Project scope | Progress | Contractor | No of People Employed | Training Provided | No of SMMEs Appointed |
|--|---|-----------|-------------------------------|--|--------------------------------------|--|
| | Steelpoort River | | | | | Security Services Transportation of Materials |
| N11, R555 & R574 | Routine Road Maintenance | On going | Rainbow Civils Holoby Trading | 78 Women-24 Men -54 PWD-0 Youth -0 | 8 Students on Job Training | 12 SMMEs Subcontract or Appointed for: Road Maintenance Road Markings Installation of Roads |
| Sekhukhune TVET College Skills Development Centre (W&R SETA) | Construction of skills centre and Hawker Stalls | Completed | Selepe Construction PTY (LTD) | 45 Informal Traders 19 – Men 26 – Female 11- Youth | Business Management Entrepreneurship | 13 SMMEs Subcontract or appointed for: Building hawker stalls Building training centres Construction of access road |

3.4.4.2 Agricultural Sector Plan For 2025-2030 Financial Year

The Agricultural Sector Plan for Elias Motsoaledi Local Municipality is a strategic initiative designed to promote sustainable agricultural development within the municipality. The municipality is endowed with rich agricultural potential but faces significant challenges in unlocking its full economic value. This plan aims to harness the region's agricultural resources, improve food security, foster rural development and create sustainable livelihoods for local communities.

The Department of Planning and LED has commissioned an inhouse study to develop a comprehensive sector plan in consultation with different- industry stakeholders, like Department of Agriculture and Rural Development, Agricultural Research Council (ARC), Tompi Seleka Agricultural College, Sekhukhune Tvet College, Farmers, Small Enterprise Development Finance Agency, COGHSTA, Sekhukhune District Municipality (SDM), Sekhukhune Development Agency etc. The Agricultural Sector Plan was approved by council in June 2025.

The Municipality supported **60** emerging farmers with input and training through Department of Agriculture and Rural Development. The Municipality moreover collaborated with Tompi Seleka College of Agriculture: (2 training sessions, **50** beneficiaries).

3.4.4.3 Tourism Sector Plan For 2025-2030 Financial Year.

The tourism sector is regarded as a key driver of economic growth, job creation and community development. The sector plan aims to establish a structured approach to developing tourism in Elias Motsoaledi Local Municipality, leveraging its natural, cultural and historical assets while ensuring sustainability and inclusivity. Tourism has been a growth sector and is recognised as a sector with high potential for stimulating local economy and creating employment opportunities. Elias Motsoaledi Local Municipality has a comparative advantage because of its diverse landscapes, including mountains, rivers and rural settlements, making it an ideal location for ecotourism, agritourism and cultural tourism, however the industry is faced with a myriad of challenges which includes amongst others; limited tourism infrastructure, uncoordinated marketing strategies, low level of community participation and inadequate accommodation facilities. The strategy is therefore developed to unlock these challenges and opportunities.

The Department of Planning and LED has commissioned an inhouse study to develop a comprehensive tourism sector plan in consultation with different- industry stakeholders, like Limpopo Economic Development Environment and Tourism (LEDET), Limpopo Tourism Agency, Provincial, District and Local Tourism Associations, Sekhukhune District Municipality (SDM), Small Enterprise Development Finance Agency, Sekhukhune Development Agency etc. The Tourism Sector Plan was approved by council in June 2025.

3.4.4.4 Annual Yellow Arum Lily Festival

The Municipality alongside the Limpopo Province has successfully hosted an annual Yellow Arum Lily Festival. The **Yellow Arum Lily Festival 2024** celebrated a rich convergence of nature, culture, and community in Limpopo Province. Set against the backdrop of the internationally declared endangered **Yellow Arum Lily**, indexed on the IUCN red data list, this festival is a beacon of hope for environmental conservation, economic revitalization, and cultural unity of Limpopo. The festival is to take place in the picturesque towns of **Leolo** and **Roosenekal**, areas where these iconic flowers bloom in the wild.

The Yellow Arum Lily Festival was conceived as a flagship event for the Limpopo Province with the following core characteristics:

- **Conservation of Natural Heritage:** The festival aims to raise awareness about the endangered status of the Yellow Arum Lily (*Zantedeschia pentlandii* found in Roosenekal and *Zantedeschia jucunda* found in Leolo) as listed on the IUCN Red Data List. Through public engagement, it seeks to emphasize the importance of protecting Sekhukhune's unique biodiversity.
- **Cultural Heritage Celebration:** The festival integrates the rich cultural tapestry of the communities in and around **Leolo** and **Roosenekal**, promoting the value of local traditions, arts, and crafts.
- **Economic Revitalization:** The event positions the Yellow Arum Lily as a symbol of economic revitalization for these rural areas. Through ecotourism, local crafts, and agricultural opportunities, the festival promotes the flower as a potential source of livelihood for the community.
- **Promoting Community-Based Ecotourism:** The festival is aligned with national and provincial goals for rural tourism development, transforming the economically depressed town of Roosenekal into a major ecotourism destination.

The festival is supported and driven by several key stakeholders, each playing a vital role in its success:

Limpopo Department of Economic Development, Environment, and Tourism (LEDET):

As the custodians of nature conservation and biodiversity protection, LEDET's support is central to the environmental conservation aims of the festival.

Limpopo Tourism Agency: This body has embraced the festival as a unique feature in marketing the province as a tourist destination, helping draw visitors from across South Africa and beyond.

Sekhukhune Development Agency: The agency champions the event as a district-wide domestic tourism flagship, reinforcing its potential to foster economic growth through the promotion of local tourism.

Limpopo Provincial Tourism Association (LPTA): The tourism industry leader and coordinator of tourism business role players across Limpopo also integrated Yellow Arum Lily Festival into its annual calendar.

3.4.5 SATELLITE OFFICES

The Satellite offices are expected to service all the villages in its area. Satellite offices render services such as refuse removal and administration of cemeteries, cleaning and maintenance of open spaces and land administration. There is payment of services as per approved rates. The function range are as follow:

- **Cemetery Management**

To maintain cemeteries across Elias Motsoaledi. The Cemeteries are cleaned twice a month such as Litter Picking, Grass and Cutting. The offices also must ensure the grave register is up to date.

- **Open Space Management**

To clean open spaces across the Municipality. Grass cutting, litter picking and cleaning of all illegal dumping hot spots done on a regular basis. EPWP and CWP workers assist in cleaning the illegal dumping sites as part of the District Development Model. The Model aims to improve the coherence and impact of service delivery between the local Municipalities and government departments.

- **Waste Management**

The collection of refuse is done twice in each satellite office. Waste management also consists of litter picking, grass cutting across the communities and cleaning of illegal dumping sites. Litter picking, grass cutting and cleaning of illegal dumping sites is done weekly across all satellite offices.

- **Halls, Stadium Management and Community Centre**

The satellite offices have a total of 3 stadiums, 3 community halls and 1 community centre. Tafelkop stadium is undergoing renovations, however the community halls are not in good condition due to high vandalism in the communities.

- **Office Space Management**

Hlogotlou and Roosenekal office space are in good condition, they are maintained through cleaning daily. Motetema office has been given a prohibition notice by the Department of Labour due to safety concerns. The officials from the satellite office have been relocated to the Municipal main office. Elandsdoorn office has lack of office space, needs renovation & ablution facilities and removal asbestos roof.

Table 20: Employees for Local Economic Development

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

Table 21: Employees for Development Planning Services.

| Job Level | 2024/2025 | | | |
|------------------|------------------|------------------|---|---------------------------|
| | Posts | Employees | Vacancies - fulltime equivalents | Vacancies |
| | (No) | (No) | (No) | (% of total posts) |
| 4 – 6 | 2 | 2 | 0 | 0% |
| 7 – 9 | 1 | 1 | 0 | 0% |
| 10 – 12 | 5 | 4 | 1 | 20% |
| 13 – 15 | 1 | 1 | 0 | 0% |
| 16 – 18 | 0 | 0 | 0 | 0% |
| Total | 9 | 8 | 1 | 20% |

Table 22: Employees for Elandsdoorn Satellite Office.

| Job Level | 2024/2025 | | | |
|--------------|---------------|-------------------|---|-----------------------------------|
| | Posts (No) | Employees (No) | Vacancies fulltime equivalentents (No) | - Vacancies (% of total posts) |
| 4 – 6 | 10 | 6 | 4 | 40% |
| 7 – 9 | 0 | 0 | 0 | 0% |
| 10 – 12 | 2 | 2 | 0 | 0% |
| 13 – 15 | 1 | 1 | 0 | 0% |
| Total | 13 | 9 | 4 | 40% |

Table 23: Employees for Motetema Satellite Office.

| Job Level | 2024/2025 | | | |
|--------------|---------------|-------------------|---|-----------------------------------|
| | Posts (No) | Employees (No) | Vacancies fulltime equivalentents (No) | - Vacancies (% of total posts) |
| 4 – 6 | 10 | 7 | 3 | 30% |
| 7 – 9 | 2 | 1 | 1 | 50% |
| 10 – 12 | 0 | 0 | 0 | 0% |
| 13 – 15 | 1 | 1 | 0 | 100% |
| Total | 14 | 9 | 4 | 26% |

Table 24: Employees for Hlogotlou Satellite Office.

| Job Level | 2024/2025 | | | |
|-----------|---------------|-------------------|---|-----------------------------------|
| | Posts (No) | Employees (No) | Vacancies fulltime equivalentents (No) | - Vacancies (% of total posts) |
| 4 – 6 | 10 | 9 | 1 | 10% |

| | | | | |
|--------------|-----------|-----------|----------|------------|
| 7 – 9 | 1 | 1 | 0 | 0% |
| 10 – 12 | 1 | 0 | 1 | 100% |
| 13 – 15 | 1 | 1 | 0 | 0% |
| Total | 13 | 11 | 2 | 15% |

Table 25: Employees for Roosenekal Satellite Office.

| Job Level | 2024/2025 | | | |
|--------------|---------------|-------------------|--|---------------------------------|
| | Posts (No) | Employees (No) | Vacancies fulltime equivalents (No) | Vacancies (% of total posts) |
| 4 – 6 | 9 | 8 | 1 | 11% |
| 7 – 9 | 4 | 2 | 2 | 50% |
| 10 – 12 | 1 | 1 | 0 | 0% |
| 13 – 15 | 1 | 1 | 0 | 0% |
| Total | 15 | 12 | 3 | 20% |

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.14 Overview

3.14.1 Libraries

EMLM is providing library services in conjunction with the Department of sports, Arts and culture with the main purpose being to offer resources and services in a variety of media to meet the needs of individuals and to reduce the level of illiteracy. The libraries focus is to increase the number of new library membership, access to free computer and internet service. There was an improvement in the performance of the library services as compared to the two previous financial years. Elias Motsoaledi Local Municipality operates library services in Groblersdal, Roosenekal and Sephaku.

The table below indicate statistics per library

| LIBRARY ACTIVITIES | 2022/2023 | 2023/2024 | 2024/2025 |
|--|-----------|-----------|-----------|
| GROBLERSDAL LIBRARY | | | |
| Number of people accessing our libraries | 7136 | 7236 | 9974 |

| | | | |
|--|-------|-------|-------|
| Information services & Internal use | 22282 | 17288 | 10711 |
| Number of books circulated | 4635 | 2961 | 3423 |
| Number of people utilizing free computer and internet services | 3690 | 6400 | 10711 |
| VLAKFONTEIN LIBRARY | | | |
| Number of people accessing our libraries | 7059 | 4351 | 9155 |
| Information services & Internal use | 1780 | 4050 | 10965 |
| Number of books circulated | 3494 | 245 | 278 |
| Number of people utilizing free computer and internet services | 8608 | 3285 | 10113 |
| ROOSENEKAL LIBRARY | | | |
| Number of people accessing our libraries | 1460 | 1845 | 1985 |
| Information services & Internal use | 1439 | 1780 | 935 |
| Number of books circulated | 821 | 774 | 1076 |
| Number of people utilizing free computer and internet services | 463 | 775 | 1226 |

Table 21: Employees for libraries

| Job Level task grades | 2024/2025 | | | |
|--------------------------|-----------|-----------|--|---|
| | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | % |
| 4 - 6 | 2 | 2 | 0 | 0 |

| | | | | |
|--------------|-----------|-----------|----------|-----------|
| 7 - 9 | 0 | 0 | 0 | 0% |
| 10 - 12 | 2 | 2 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 |
| Total | 04 | 04 | 0 | 0% |

3.14.2 CEMETERIES

The municipality has a total number of 84 cemeteries and only 04 are well maintained which are: Groblersdal, Roosenekaal, Motetema and Hlogotlou. Cemeteries in rural areas are without fencing and ablution facilities. The municipality is responsible for cleaning and cutting grass in cemeteries as and when the service is required. There is a grave digging service available in Groblersdal, Hlogotlou, Roosenekaal, Motetema and Elandsdoorn cemeteries only and in other wards, grave digging is done by community members.

3.14.3 SAFETY AND SECURITY

3.14.3.1 Traffic

The Municipality provides public safety services through effective and informed Law-enforcement of the National Road Traffic Act, National Land Transport Act, National Land Transport Transition Act and the Municipal By-Laws. Other services provided also include but are not limited to escorts and point duties that promote the free flow of traffic at accidents and events or marches. The Traffic Division also aims at having a well-informed and educated public by working together with the Limpopo Department of Transport (Road Safety division) in their Educational and Road Safety programs. The purpose of safety and security unit is to ensure that vehicle and pedestrian traffic are controlled effectively (24) twenty-four hours a day (365) three hundred and sixty-five days a year. Municipality works jointly with Limpopo Provincial Department of Transport and the SAPS to reduce accidents during the festive seasons that include the Easter - and Christmas holidays.

Table 23: Law Enforcement statistics

| Description | 2023/2024 | VALUE ® | 2024/2025 | VALUE ® |
|------------------------------|-----------|---------------|-----------|----------------|
| Total Section 56 issued | 2 402 | 3 925 150.00 | 1 619 | 2 926 500.00 |
| Total Section 341 issued | 7 | 4 250.00 | 0 | 0.00 |
| Total Camera fines printed | 104 104 | 88 937 750.00 | 127 390 | 116 812 000.00 |
| Total Section 56 paid | 364 | 269 300.00 | 423 | 409 275.00 |
| Total Section 341 paid | 4 | 1 800.00 | 0 | 0.00 |
| Total Camera fines paid | 11 927 | 7 344 090.00 | 26 675 | 17 057 697.00 |
| Total Section 56 withdrawn | 718 | 1 054 550.00 | 420 | 623 250.00 |
| Total Section 341 withdrawn | 0 | 0.00 | 0 | 0.00 |
| Total Camera fines closed | 1 155 | 2 078 250.00 | 853 | 1 580 250.00 |
| Warrants | 2 456 | 3 942 550.00 | 2 595 | 4 863 000.00 |
| Total Section 56 outstanding | 91 807 | 81 593 660.00 | 146 932 | 133 269 000.00 |

| Description | 2023/2024 | VALUE ® | 2024/2025 | VALUE ® |
|--------------------------------|-----------|----------|-----------|---------|
| Total Camera fines outstanding | 3 | 2 450.00 | 0 | 0.00 |

3.14.3.2 Licensing

Elias Motsoaledi Local Municipality is a registered Registration Authority with a Grade A Driving License Testing Facility and a non-functioning Grade A Vehicle Testing Facility. The Licensing Division is a core revenue generating part of the municipality with a well-developed organizational structure to ensure uninterrupted, effective and efficient service to the public. The municipality uses electronic Learners License. The electronic learners' license is the corrective measure implemented to curb corruption in the DLTC. The system is user-friendly and 100% fair and has been found to eliminate fraud and corruption in the Learners License tests.

Table 24: Learners licence information

| Description | 2023/2024 | 2024/2025 |
|---------------------------------------|-----------|-----------|
| Number of Leaners licence failed | 339 | 248 |
| Number of Leaners licence passed | 301 | 241 |
| Number of leaners absent | 09 | 11 |
| Total number of applications received | 649 | 500 |

The table below provides the Learner and Driving License statistics for the past three financial years:

Table 25: Driver's license information

| Description | 2023/2024 | 2024/2025 |
|--|-----------|-----------|
| number of drivers licence passed | 2242 | 1849 |
| number of drivers licence failed | 193 | 169 |
| number of drivers licence application received | 2599 | 2102 |
| Total number of driver's absent | 164 | 84 |

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.15 EXECUTIVE AND COUNCIL

The executive committee is the principal committee of the council which receives reports from the other committees of the council, and which must forward these reports together with its recommendations to the council when it cannot dispose of the matter in terms of its delegated powers. The executive committee must identify the needs of the municipality, review and evaluate those needs in order of priority. The committee recommends to municipal council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, considering any applicable

national and provincial development plans.

3.15.1 HUMAN RESOURCE SERVICE

Municipality has 417 total number of permanent employees. The department is responsible for the following services: Organisational development, Occupational health and safety services, training and development, labour relations, Benefits and administration, payroll. It is responsible for recruitment processes, benefits and leave administration, disciplinary procedures, skills and capacity development, pay roll, employee health and wellness, and labour relations issues.

3.15.2 INFORMATION TECHNOLOGY

EMLM has ICT unit in place with the total number of 04 officials and most of the services are outsourced. ICT unit is responsible for running daily, weekly, monthly data and backups. It ensures that municipal website is always functional and provides user support. There is a helpdesk where all ICT related queries are forwarded through emails and Technicians will respond to those queries in sufficient time. ICT unit ensures that network is always available to all municipal applications such as Munsoft, emails, internet, payroll system and leave system for efficient and effective service delivery.

Table 26: Employees for ICT unit

| Employees: ICT Services (how many employees on the listed task grades and vacancies) | | | | |
|---|------------------|------------------|---|--|
| Job Level | 2024/2025 | | | |
| | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | % |
| 4 - 6 | 0 | 0 | 0 | 0% |
| 7 - 9 | 1 | 1 | 0 | 0 |
| 10 - 12 | 3 | 3 | 0 | 0% |
| 13 - 15 | 1 | 1 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 |
| Total | 5 | 5 | 0 | 0% |

Table 27: Capital expenditure for ICT unit

| Capital Expenditure 2024/2025: ICT Services | | | | | |
|--|------------------|--------------------------|---------------------------|--------------------------------------|----------------------------|
| Capital Projects | 2024/2025 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | | | | | |
| Computer Equipment | R 1 000 000 | R 1 660 404 | R 1 599 755 | 60 644.35 | R 1 143 639 |

COMPONENT J: PERFORMANCE REPORT (INSTITUTIONAL SCORECARD)

KPA 1: SPATIAL DEVELOPMENT ANALYSIS AND RATIONALE

STRATEGIC OBJECTIVES: To promote integrated human settlements

| KPI No. | Programme | KPI | Original Budget | Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------------------|--|-----------------|-----------------|-------------|--------------------------|---|---|--|---|-------------------------------------|----------------------------------|--------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| SR01 | Land Use Management | Development of application for land tenure upgrading at Phucukani | R750 000 | R750 000 | R748 000 | New | Application for land tenure upgrading at Phucukani developed by 30 June 2025 | Application for land tenure upgrading at Phucukani not developed by 30 June 2025 | Draft land tenure application in place | Late endorsement of Bantwane Traditional Council by COGHSTA | awaiting the endorsement by Coghsta | Approved land tenure application | Not Achieved |
| SR02 | Land Use Management | Development of application for land tenure upgrading at Tambo Square | R750 000 | R750 000 | R744 000 | New | Application for land tenure upgrading at Tambo Square developed by 30 June 2025 | Application for land tenure upgrading at Tambo Square not developed by 30 June 2025 | Draft land tenure application in place | Late endorsement of Bantwane Traditional Council by COGHSTA | awaiting the endorsement by Coghsta | Approved land tenure application | Not Achieved |
| SR03 | Land Use Management | Number of Sites boundary identification at | R750 000 | R750 000 | R750 000 | 100 | 300 Sites boundary identified at | 311 Sites boundary identified at | 11 | The settlement block had extra 11 | None | Surveyor report | Achieved |

| KPI No. | Programme | KPI | Original Budget | Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|-----------------|--|-----------------|-----------------|-------------|--------------------------|--|--|---|--|--|--|--------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| | | Game Farm Extension 45 | | | | | Game Farm Extension 45 completed by 30 June 2025 | Game Farm Extension 45 completed | | sites than anticipated | | | |
| SR04 | Site boundaries | Number of Sites boundary identification at Groblersdal Extension 52 (industrial) | R500000 | R500 000 | 500 000.00 | 75 | 100 Sites boundary identified at Groblersdal extension 52 (Industrial) by 30 June 2025 | 100 sites boundary identified at Groblersdal extension 52 (Industrial) completed | none | None | None | Surveyor report | Achieved |
| SR05 | By-Law | Reviewal of SPLUM By -law | Opex | Opex | 0.00 | New | Reviewed draft SPLUM By-law in place by 30 June 2025 | Reviewed Draft SPLUM by-law not in place | Draft SPLUM by-law in place | committee members schedule clashes with municipal schedule | alignment of schedules between the two parties | Reviewed draft SPLUM by-law | Not Achieved |
| SR06 | By-Law | Development of Building Regulations By-law | Opex | Opex | 0.00 | New | Building Regulation By-law developed by 30 June 2025 | Building regulation By-law not developed | Draft building regulation by-law in place | committee members schedule clashes with municipal schedule | To align the schedules | Council resolution and building regulation bylaw | Not Achieved |

| KPI No. | Programme | KPI | Original Budget | Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---|---|-----------------|-----------------|-------------|--------------------------|--|--|----------|---------------------|---------------------------------|-------------------------|-------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| SR07 | Compliance with National building regulations | % of building plans received and assessed | n/a | n/a | 0.00 | 100% | 100% of building plans received and assessed by 30 June 2025 | 100% of building plans received and assessed | none | None | None | Building plans register | Achieved |

KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION

Strategic objectives: To build capable, responsive, accountable, effective and efficient municipal institutions and administration

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Special Adjusted budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|-------------------------|--|-----------------|-----------------|-------------------------|-------------|--------------------------|--|---|----------|--|--|-------------------------|--------------|
| | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievem ent |
| ID 01 | Performan ce management | % of KPI and projects attaining organizational targets (total organization) | n/a | n/a | n/a | n/a | 78% | 100% of KPI and projects attaining organizational targets (total organization) by 30 June 2025 | 84% of KPI and projects attaining organizational targets (total organization) | 16% | none achievem ent of targets by various department s | Accounting officer to engage with senior managers for coaching and mentoring session | Performa nce report | Not Achieved |
| ID 02 | Performan ce management | Approval of final SDBIP by Mayor within 28 days after approval of IDP/Budget | n/a | n/a | n/a | n/a | 1 | Approval of final SDBIP by Mayor within 28 days after approval of IDP/Budget | Approval of final SDBIP by Mayor within 28 days after approval of IDP/Budget | None | None | None | Approved SDBIP | Achieved |
| ID 03 | OHS | Submission of return of earnings (ROE) | Opex | Opex | Opex | Opex | 100% | 100% Submission of return of earnings by 30 June 2025 | 100% Submission of return of earnings completed | None | None | None | Letter of good standing | Achieved |

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Special Adjusted budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|------------|--|-----------------|-----------------|-------------------------|-------------|--------------------------|--|--|----------|--|--|--|--------------|
| | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievem ent |
| ID 04 | LLF | Number of LLF meetings held | n/a | n/a | n/a | n/a | New | 8 LLF meetings held by 30 June 2025 | 8 LLF meetings held | None | none | none | Attendance registers and minutes | Achieved |
| ID 05 | ICT | Turnaround time in placing documents & information the municipal website | n/a | n/a | n/a | n/a | 5 working days | 5 working days turnaround time in placing documents & information on the municipal website by 30 June 2025 | 5 working days turnaround time in placing documents & information on the municipal website | none | None | None | Website register | Achieved |
| ID 06 | ICT | % of reported ICT incidents resolved | n/a | n/a | n/a | n/a | 100% | 100% of reported ICT incidents resolved by 30 June 2025 | 100% of reported ICT incidents resolved | none | None | None | ICT job card reports | Achieved |
| ID 07 | ICT | % Reviewal of ICT Master Systems Plan | n/a | n/a | n/a | n/a | new | 100% Reviewal of ICT Master Systems Plan by 30 June 2025 | 0% Reviewal of ICT Master Systems Plan | 100% | the outcome of security vulnerability and penetration assessments report from CSIR | the outcome will be incorporate in the master plan and be submitted to council | Reviewed master system plan and council resolution | Not Achieved |

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Special Adjusted budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------------------------------|--|-----------------|-----------------|-------------------------|-------------|--------------------------|---|---|----------|---------------------|---------------------------------|-----------------------------|--------------|
| | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievem ent |
| | | | | | | | | | | | was delayed | in the next council meeting | | |
| ID 08 | ICT | % of Servers uptime reported | n/a | n/a | n/a | n/a | 100% | 99%-100% of Servers uptime reported by 30 June 2025 | 99% of Servers uptime reported | none | None | None | Server availability reports | Achieved |
| ID 09 | Municipal infrastructure grant | Number of MIG reports submitted to COGHSTA | n/a | n/a | n/a | n/a | 12 | 12 MIG reports submitted to Coghsta by 30 June 2025 | 12 MIG reports submitted to COGHSTA by 30 June 2025 | none | None | None | Proof of submission Coghsta | Achieved |
| ID 10 | Integrated national energy plan | Number of INEP reports submitted to Department of Energy | n/a | n/a | n/a | n/a | 12 | 12 INEP reports submitted to Department of Energy by 30 June 2025 | 12 INEP reports submitted to Department of Energy by 30 June 2025 | none | None | None | Proof of submission to DOE | Achieved |

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Special Adjusted budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|-------------------------|---|--|-----------------|-----------------|-------------------------|---------------|--------------------------|---|---|----------|--|--|---------------------|--------------|
| | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievem ent |
| CAPITAL PROJECTS | | | | | | | | | | | | | | |
| ID 11 | Computer equipment (servers, laptops, desktops, switches, printers) | % expenditure on computer equipment (servers Laptops Desktops Switches Printers) | R1 360 404 | R1 360 404 | R1 939 725 | R1 895 487.93 | 99.31% | 90% minimum expenditure on computer equipment by 30 June 2025 | 96% minimum expenditure of computer equipment (1 599 755,55/1 660 404,00*100) | 6% | Increased demand caused by hardware that had reached its end of Life | None | Expendit ure report | Achieved |
| ID 12 | Furniture and office equipment | % expenditure on furniture and office equipment | R300 000 | R710 000 | R1 315 569 | R1 308 413.11 | 87% | 95% minimum expenditure on furniture and office equipment by 30 June 2025 | 95% minimum expenditure on furniture and office equipment | 0% | None | None | Expendit ure report | Achieved |
| ID 13 | Office furniture | % Expenditure on office furniture | R300 000 | R50 000 | R50 000 | R0 | New | 95% minimum expenditure on office furniture by 30 June 2025 | 0% minimum expenditure on office furniture | 95% | The furniture was meant for municipal court, and it is not yet established | Procurement will be done once the municipal court is established | Expendit ure report | not achieved |

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Special Adjusted budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|-----------------|---|-----------------|-----------------|-------------------------|-------------|--------------------------|--|---|----------|---|---------------------------------|--------------------|--------------|
| | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievem ent |
| ID 14 | Air conditioner | % Expenditure on Air conditioner | R182 526 | R182 526 | R592 000 | R592 000 | 50% | 90% minimum expenditure on Air conditioner (procurement and maintenance) by 30 June 2025 | 100% expenditure on Air conditioner (procurement and maintenance) | 10% | The budget was adjusted upwards to accommodate extra procurement of air conditioner | None | Expenditure report | Achieved |
| ID 15 | Mobile office | Number of mobile offices to be procured | R0 | R0 | R277 957 | R241 702.09 | new | 1 mobile offices to be procured by 30 June 2025 | 1 mobile offices to be procured | 0 | None | None | Expenditure report | Achieved |

KPA: 3 LOCAL ECONOMIC DEVELOPMENT

Strategic objectives: To promote conducive environment for economic growth and development

| KPI No. | Programme | KPI | Original Budget | Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|-----------|--|-----------------|-----------------|-------------|--------------------------|--|---|----------|---|---------------------------------|--------------------|-------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| LED 01 | EPWP | Number of work opportunities created through public works programme (EPWP) (GKPI) | EPWP grant | EPWP grant | EPWP grant | 120 | 186 work opportunities created through public works programme (EPWP) (GKPI) by 30 September 2024 | 201 work opportunities created through public works programme (EPWP) (GKPI) | 15 | Additional appointment was done through contracted services | None | List of appointees | Achieved |
| LED 02 | CWP | Number of work opportunities created through Community work programme (CWP) (GKPI) | CWP grant | CWP grant | CWP grant | 1099 | 1000 work opportunities created through Community work programme (CWP) (GKPI) by 30 September 2024 | 1001 work opportunities created through Community work programme (CWP) (GKPI) | 1 | Allocated grant allowed to employ extra one personnel | None | List of appointees | Achieved |

| KPI No. | Programme | KPI | Original Budget | Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|--------------------------|---|-----------------|-----------------|-------------|--------------------------|--|--|----------|---------------------|---------------------------------|---|-------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| LED 03 | Businesses | Number of formal Business licence audit conducted in terms of Limpopo registration Act 05 of 2003 | n/a | n/a | n/a | 190 | 96 formal Business licence audit conducted in terms of Limpopo registration Act 05 of 2003 by 30 June 2025 | 96 formal Business licence audit conducted in terms of Limpopo registration Act 05 of 2003 | 0 | None | None | Business licence audit report | Achieved |
| LED 04 | Tourism sector plan | Development of Tourism sector plan | n/a | n/a | n/a | New | Tourism Sector Plan developed and approved by council by 30 June 2025 | Tourism Sector Plan developed and approved by council | None | none | None | Council resolution and tourism sector plan | Achieved |
| LED 05 | Agricultural sector plan | Development of Agricultural sector plan | n/a | n/a | n/a | New | Agricultural sector plan developed and approved by council by 30 June 2025 | Agricultural sector plan developed and approved by council | None | None | None | Council resolution and agricultural sector plan | Achieved |
| LED 06 | SMME | Number of SMME and Co-operatives capacity building workshops / Training held [LED Training] | Opex | Opex | Opex | 17 | 12 SMME's and Co-operatives capacity building workshops / Training held by 30 June 2025 [LED Training] | 12 SMME's and Co-operatives capacity building workshops / Training held | None | None | None | Training/workshop Report and attendance registers | Achieved |

| KPI No. | Programme | KPI | Original Budget | Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|-----------|--|-----------------|-----------------|---------------|--------------------------|--|--|----------|--|---------------------------------|--------------------|-------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| LED 07 | EPWP | Number of job opportunities created through infrastructure projects (GKPI) | MIG/INEP/EMLM | MIG/INEP/EMLM | MIG/INEP/EMLM | 232 | 295 job opportunities created through infrastructure projects (GKPI) | 348 job opportunities created through infrastructure projects (GKPI) | 53 | Municipality received new funding for municipal Disaster grant during mid-year to implement four new projects which created more job opportunities | None | List of appointees | Achieved |

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objectives: To provide for basic services delivery and sustainable infrastructural development.

| Ward no | KPI No. | Program me/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------|-------------------------|--|-----------------|-----------------|-------------------------|----------------|---|--|--|---|--|---|--|--------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| | BS 01 | Indigent | % of registered indigents who receives free basic electricity (GKPI) | R7 247 435.78 | R9 976 628 | R9 156 628 | R8 684 385.56 | 20% | 10% of registered indigents who receives free basic electricity by 30 June 2025 | 40% of registered indigents who receives free basic electricity | 30% | The total number of registered indigents reduced due to data cleansing (removal of deceased) | none | Indigent register and Eskom beneficiary list | Achieved |
| | BS 02 | Waste management | Waste removal in Groblersdal Hlogotlou Roosenekaal Motetema | R17 331 344.46 | R10 804 176 | R10 804 176 | R10 599 488.23 | waste removal in Groblersdal x102 Hlogotlou x103 Roosenekaal x104 Motetema x 52 | 364 Waste removal in Groblersdal 104 Hlogotlou 103 Roosenekaal 105 Motetema 52 by 30 June 2025 | 353 Waste removal in Groblersdal 103 Hlogotlou 101 Roosenekaal 102 Motetema 47 | 11 Groblersdal 01 Hlogotlou 02 Roosenekaal 03 Motetema 07 | The calculations were based on number of weeks | To calculate the actual number of calendar days | Waste removal reports and copy of logbook | Not Achieved |
| | BS 03 | | Number of initiatives held | n/a | n/a | n/a | n/a | 4 | 4 | 4 | | none | none | Library reports and | Achieved |

| Ward no | KPI No. | Programme/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------|---------------------------------|--|-----------------|-----------------|-------------------------|-------------|---|---|---|----------|---|---------------------------------|---|-------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| | | Education and libraries | to promote library facilities | | | | | | initiatives held to promote library facilities by 30 June 2025 | initiatives held to promote library facilities | 0 | | | attendance register | |
| | BS 04 | Disaster management | Number of disaster awareness campaigns conducted | Opex | Opex | Opex | Opex | 2 | 4 of disaster awareness campaigns conducted by 30 June 2025 | 4 of disaster awareness campaigns conducted | 0 | none | none | Disaster reports and attendance register | Achieved |
| | BS 05 | | Turnaround time of attending disaster cases reported | Opex | Opex | Opex | Opex | 48 hours turnaround time of attending disaster cases reported | 48 turnaround time of attending disaster cases reported by 30 June 2025 | 48 turnaround time of attending disaster cases reported | 0 | none | none | Completed assessment form | Achieved |
| n/a | BS 06 | Lawn mowers and other equipment | Number of Brush cutters procured | R300 000 | R300 000 | R572 125 | R549 368 | 7 | 3 Brush cutters procured by 31 December 2024 | 4 Brush cutters procured | 1 | Allocated budget was enough to procure extra brush cutter | None | Delivery note/ order and expenditure report | Achieved |

| Ward no | KPI No. | Programme/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------------|---------|---|--|-----------------|-----------------|-------------------------|-------------|--------------------------|--|--|----------|--|---------------------------------|------------------------|-------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| 10 | BS 07 | Elandsdoorn/ Ntwane cemetery | Fencing of Elandsdoorn/ Ntwane Cemetery | R800 000 | R800 400 | R801 836 | R800 400 | New | Fencing of 400m Elandsdoorn / Ntwane cemetery with precast concrete palisade by 31 March 2025 | Fencing of 400m Elandsdoorn / Ntwane cemetery with precast concrete palisade completed | None | None | None | Completion certificate | Achieved |
| 07 | BS 08 | Elandsdoorn landfill site / waste disposal site | Fencing of Elandsdoorn landfill/ waste disposal site | R1000 000 | R1000 000 | R1 151 032 | R1 150 000 | New | Fencing of 700m Elandsdoorn landfill / waste disposal site with concrete palisade fence and steel sliding gate by 30 June 2025 | Fencing of 700m Elandsdoorn landfill / waste disposal site with concrete palisade fence and steel sliding gate completed | None | None | None | Completion certificate | Achieved |
| Various wards | BS 09 | Land fill site notice boards | Number of landfill site notice boards and directional signs to be procured | R100 000 | R100 000 | R100 000 | R89 100 | New | 2 landfill site notice boards and directional signs to be procured by 30 June 2025 | 3 of landfill site notice boards and directional signs to be procured | 1 | The available budget was sufficient to procure one extra | None | Delivery note | Achieved |

| Ward no | KPI No. | Programme/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------|---------------------------|--|-----------------|-----------------|-------------------------|-------------|--------------------------|---|---|----------|---------------------|---------------------------------|------------------------|-------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| | | | | | | | | | | | | directional sign | | | |
| 13 | BS 10 | Groblersdal landfill site | Fencing of Groblersdal land fill site | R0 | R0 | R434 783 | R434 000 | New | Fencing of Groblersdal landfill site with concrete palisade completed by 30 June 2025 | Fencing of Groblersdal landfill site with concrete palisade completed by 30 June 2025 | None | None | None | Completion certificate | Achieved |
| 16 | BS 11 | Electrification of Doorom | Development of designs for Electrical infrastructure at Doorom | R200 000 | R200 000 | R199 392 | R199 392 | New | Detailed designs for electrical infrastructure at Doorom developed by 30 June 2025 | Detailed designs for electrical infrastructure at Doorom developed | None | none | none | Detailed design report | Achieved |
| 01 | BS 12 | Electrification of Lusaka | Development of Designs for Electrical infrastructure at Lusaka | R200 000 | R200 000 | R200 000 | R200 000 | New | Detailed designs for electrical infrastructure at Lusaka developed by 30 June 2025 | Detailed designs for electrical infrastructure at Lusaka developed | None | None | None | Detailed design report | Achieved |
| 04 | BS 13 | Electrification of | Development of designs for | R200 000 | R200 000 | | R200 000 | New | Detailed designs for | Detailed designs for | | None | None | | Achieved |

| Ward no | KPI No. | Programme/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------|---|--|-----------------|-----------------|-------------------------|---------------|--------------------------|--|--|----------|---------------------|---------------------------------|------------------------|-------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| | | Ntswelemotse extension | Electrical infrastructure at Ntswelemotse Extension | | | R200 000 | | | electrical infrastructure at Ntswelemotse developed by 30 June 2025 | electrical infrastructure at Ntswelemotse developed | None | | | Detailed design report | |
| 05 | BS 14 | Electrification of Oorlog | Development of designs for Electrical infrastructure at Oorlog | R200 000 | R200 000 | R200 000 | R200 000 | New | Detailed designs for electrical infrastructure at Oorlog developed by 30 June 2025 | Detailed designs for electrical infrastructure at Oorlog developed | None | None | None | Detailed design report | Achieved |
| 16 | BS 15 | Electrification of Zaaiplaas police station | Development of designs for Electrical infrastructure at Zaaiplaas Police Station | R200 000 | R200 000 | R200 000 | R200 000 | New | Detailed designs for electrical infrastructure at Zaaiplaas police station developed by 30 June 2025 | Detailed designs for electrical infrastructure at Zaaiplaas police station developed | None | None | None | Detailed design report | Achieved |
| 24 | BS 16 | Electrification of Luckau Maganagobushwa | Number of stands reticulated with electrical infrastructure at Luckau Maganagobushwa | R5 277 000 | R5 277 000 | R6 262 219 | R6 262 218.31 | New | 226 stands reticulated with electrical infrastructure at Luckau Maganagobushwa | 226 stands reticulated with electrical infrastructure at Luckau Maganagobushwa | 0 | none | none | Completion certificate | Achieved |

| Ward no | KPI No. | Program me/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------|------------------------------|--|-----------------|-----------------|-------------------------|---------------|--------------------------|--|--|----------|---------------------|---------------------------------|------------------------|-------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| | | | | | | | | | wa by 30 June 2025 | | | | | | |
| 09 | BS 17 | Electrification of Phooko | Number of stands reticulated with electrical infrastructure at Phooko | R3000 000 | R3000 000 | R1 942 389 | R1 942 389.77 | new | 123 stands reticulated with electrical infrastructure at Phooko by 30 June 2025 | 123 stands reticulated with electrical infrastructure at Phooko | 0 | None | None | Completion certificate | Achieved |
| 23 | BS 19 | Electrification of mantrombi | Number of stands reticulated with electrical infrastructure at Mantrombi | R2000 000 | R2000 000 | R2000 000 | R2000 000.01 | New | 82 of stands reticulated with electrical infrastructure at Mantrombi by 30 June 2025 | 82 of stands reticulated with electrical infrastructure at Mantrombi | 0 | None | None | Completion certificate | Achieved |

| Ward no | KPI No. | Programme/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------------|---------|---------------------------------------|---|-----------------|-----------------|-------------------------|-------------|---------------------------------|--|---|----------|--|---------------------------------|------------------------|-------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| 31 | BS 20 | Electrification of Motetema high view | Number of stands reticulated with electrical infrastructure at Motetema High view | R2000 000 | R2000 000 | R2000 000 | R2000 000 | New | 100 of stands reticulated with electrical infrastructure at Motetema High view by 30 June 2025 | 100 of stands reticulated with electrical infrastructure at Motetema High view | 0 | None | None | Completion certificate | Achieved |
| 18 | BS 21 | Electrification of magukubjane | Number of stands reticulated with electrical infrastructure at Magukubjane | R4 267 000 | R4 267 000 | R4 340 000 | R4 340 000 | Designs of 100 stands Completed | 177 stands reticulated with electrical infrastructure at Magukubjane by 30 June 2025 | 212 stands reticulated with electrical infrastructure at Magukubjane | 35 | Mushrooming of shacks after site was handed over | None | Completion certificate | Achieved |
| Various wards | BS 22 | Energy efficiency | Retrofitting of energy efficiency lights on high mast and streetlights | R4000 000 | R4000 000 | R4000 000 | R3 999 500 | New | Retrofitting of energy efficiency lights on high mast and streetlights completed in various wards (3,5,7,8,9,10,12,13,14,27,30,31) by 30 June 2025 | Retrofitting of energy efficiency lights on high mast and street lights completed in various wards (3,5,7,8,9,10,12,13,14,27,30,31) | None | none | none | Completion certificate | Achieved |

| Ward no | KPI No. | Programme/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------|--|--|-----------------|-----------------|-------------------------|----------------|---|--|--|----------|---------------------|---------------------------------|---|-------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| 12 | BS 23 | Groblersdal traffic lights | Number of traffic lights set installed | R434 783 | R500 000 | R612 266 | R612 266 | New | 1 traffic lights set installed at Corner Van Riebeeek and Noordlaam street completed by 30 June 2025 | 1 traffic lights set installed at Corner Van Riebeeek and Noordlaam street completed | 0 | none | none | Completion certificate | Achieved |
| 29 | BS 24 | Upgrading of Mokumong access road to Maratheng taxi rank | Number of km of paved road At Mokumong access road to Maratheng taxi rank upgraded | R10 989 800 | R2 927 427 | R22 892 002 | R19 964 574.64 | 2,3 km of sub-base 0.99km base layer construction completed | 2.5 km of paved road At Mokumong access road to Maratheng taxi rank upgraded by 30 June 2025 | 2.5 km of paved road At Mokumong access road to Maratheng taxi rank upgraded | 0km | None | None | Completion certificate This is a multi-year project and the planned target of 2.5km was implemented but the completion certificate cannot be issued hence progress report is submitted | Achieved |

| Ward no | KPI No. | Programme/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------|--|--|-----------------|-----------------|-------------------------|----------------|--|---|--|----------|-------------------------------------|--|------------------------|--------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| | | | | | | | | | | | | | | as evidence | |
| 08 | BS 25 | Upgrading of Malaeneng A Ntwane access road | Number of km of paved road at Malaeneng A Ntwane access road upgraded | R17 750 000 | R17 877 013 | R21 304 216 | R21 368 719.91 | 3,4km sub-base and 2,9km base layer construction completed | 3.5 km of paved road at Malaeneng A Ntwane access road upgrading completed by 30 June 2025 | 3.5 km of paved road at Malaeneng A Ntwane access road upgrading completed | 0km | none | none | Completion certificate | Achieved |
| 15 | BS 26 | Upgrading of Maraganeng internal access road | Number of km of paved road at Maraganeng internal access road upgraded | R16 574 200 | R1 155 383 | R11 054 932 | R11 054 932 | 0 km Construction of Subbase and base layer | 3.5 km of paved road at Maraganeng internal access road upgrading completed by 30 June 2025 | 1.2km of paved road at Maraganeng internal access road upgrading completed | 2.3km | Delays due to community instability | Continuous engagement with the community | Completion certificate | Not Achieved |

| Ward no | KPI No. | Programme/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------|---|--|-----------------|-----------------|-------------------------|----------------|--|---|--|----------|--|---------------------------------|---|-------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| 03 | BS 27 | Upgrading of Kgobokwane-Kgaphamadi road | Number of km of tarred road and 2 culvert bridges at Kgobokwane-Kgaphamadi road upgraded | R11 000 000 | R2 834 257 | R29 302 294 | R26 468 730 | 3,6km sub-base and 3,6km base layer construction completed | 3.7 km of tarred road and 2 culvert bridges at Kgobokwane-Kgaphamadi road upgraded by 30 June 2025 | 4.8 km of tarred road at Kgobokwane Kgaphamadi road and 2 culverts bridges upgrading completed | 1.1km | the project it's a multi year project of 5km | None | Completion certificate The project it's a multi-year project and the planned target of 3.7km was exceeded but the completion certificate cannot be issued hence progress report is submitted | Achieved |
| 27 | BS 28 | Tafelkop sports stadium | Upgrading and Re-Furnishment of Tafelkop Sports stadium | R10 000 000 | R10 000 000 | R11 821 978 | R12 190 972.29 | New | Upgrading and Re-Furnishment of Tafelkop Sports stadium completed by 30 June 2025 (fencing, borehole, | Upgrading and Re-Furnishment of Tafelkop Sports stadium completed | None | None | None | Practical completion certificate | Achieved |

| Ward no | KPI No. | Programme/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------|--|--|-----------------|-----------------|-------------------------|-------------|--------------------------|---|--|----------|---------------------|---------------------------------|------------------------|-------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| | | | | | | | | | ablution facilities, multipurpose court construction, soccer field construction, athletic running track construction) | | | | | | |
| 26 | BS 29 | Upgrading of Tafelkop Bapeding Bus route | Development of designs for Upgrading of Tafelkop Bapeding Bus route from gravel to tar | R600 000 | R600 000 | R600 000 | R599 843.53 | New | Detailed designs for upgrading of Tafelkop Bapeding bus route from gravel to tar developed by 30 June 2025 | Detailed designs for upgrading of Tafelkop Bapeding bus route from gravel to tar developed | None | None | None | Detailed design report | Achieved |
| 18 | BS 30 | Upgrading of Talane Bus route | Development of designs for Upgrading of Talane Bus Route from gravel to tar | R600 000 | R599 000 | R600 000 | R598 140.89 | New | Detailed designs for upgrading of Talane bus route from gravel to tar developed by 30 June 2025 | Detailed designs for upgrading of Talane bus route from gravel to tar developed | None | None | None | Detailed design report | Achieved |

| Ward no | KPI No. | Programme/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------|----------------------------------|--|-----------------|-----------------|-------------------------|-------------|--------------------------|--|--|----------|---|--|--------------------------------------|--------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| 04 | BS 31 | Upgrading of Waalkraal Bus route | Development of designs for Upgrading of Waalkraal Bus Route from gravel to tar | R700 000 | R700 000 | R700 000 | R691 353.70 | New | Detailed designs for upgrading of Waalkraal bus route from gravel to tar developed by 30 June 2025 | Detailed designs for upgrading of Waalkraal bus route from gravel to tar developed | None | None | None | Detailed design report | Achieved |
| 05 | BS 32 | Upgrading of Stompo Bus route | Development of designs for Upgrading of Stompo Bus Road from gravel to tar | R300 000 | R300 000 | R300 000 | R299 994.84 | New | Detailed designs for upgrading of Stompo bus road from gravel to tar developed by 30 June 2025 | Detailed designs for upgrading of Stompo bus road from gravel to tar developed | None | None | None | Detailed design report | Achieved |
| 13 | BS 33 | Groblersdal stormwater | Number of assessments conducted on Groblersdal stormwater network | R0 | R0 | R434 783 | R0.00 | New | 1 assessment conducted on Groblersdal stormwater network by 30 June 2025 | 0 assessments conducted on Groblersdal stormwater network | 1 | Stormwater network assessment not conducted | The assessment will be done in the next financial year | Stormwater network assessment report | Not Achieved |

| Ward no | KPI No. | Program me/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------|--|--|-----------------|-----------------|-------------------------|-------------|--------------------------|--|--|----------|---------------------|---------------------------------|----------------------------------|-------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| 03 | BS 34 | Construction of Jerusalem / Motsephiri stormwater control | Development of designs for construction of Jerusalem/Motsephiri stormwater control | R0 | R12 350 000 | R12 350 000 | R492 386.11 | New | Detailed designs for construction of Jerusalem/Motsephiri stormwater control developed by 30 June 2025 | Detailed designs for construction of Jerusalem/Motsephiri stormwater control developed | None | None | None | Detailed design report | Achieved |
| 03 | BS 35 | Re-construction of culvert bridge at Kgobokwane village | Development of designs for Re-construction of culvert bridge at Kgobokwane village | R0 | R3 500 000 | R3 500 000 | R384 660.63 | New | Detailed design for Re-construction of culvert bridge at Kgobokwane village developed by 30 June 2025 | Detailed designs for Re-construction of culvert bridge at Kgobokwane village developed | None | None | None | Detailed design report | Achieved |
| 08 | BS 36 | Reconstruction of gabions on RHS and LHS at Marapong village | Reconstruction of gabions on RHS and LHS at Marapong village | R0 | R1 200 000 | R1 200 000 | R1 200 000 | New | Reconstruction of gabions on RHS and LHS at Marapong village completed by 30 June 2025 | Reconstruction of gabions on RHS and LHS at Marapong village completed | None | None | None | Practical completion certificate | Achieved |

| Ward no | KPI No. | Programme/ Projects | KPI | Original Budget | Adjusted Budget | Special Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|---------|---|--|-----------------|-----------------|-------------------------|---------------|--------------------------|---|---|----------|------------------------------------|---------------------------------|------------------------|--------------|
| | | | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| 02 | BS 37 | Upgrading of Moteti road and stormwater control | Development of designs for Upgrading of Moteti road from gravel to pavement and stormwater control | R0 | R10 600 000 | R10 600 000 | R1 410 579.62 | New | Detailed design for Upgrading of Moteti road from gravel to pavement and stormwater control completed by 30 June 2025 | Detailed design for Upgrading of Moteti road from gravel to pavement and stormwater control completed by 30 June 2025 | None | None | None | Detailed design report | Achieved |
| n/a | BS 38 | Machinery and equipment (tools) | % expenditure on machinery and equipment | R260 870 | R237 948 | R237 948 | R237 948 | 91% | 90% expenditure on machinery and equipment by 30 June 2025 | 33% expenditure on machinery and equipment | 57% | None adherence to procurement plan | Adhere to procurement plan | Expenditure report | Not Achieved |

KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Strategic Objective: To improve sound and municipal financial management

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Expenditur e | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|--------------|--|-----------------|-----------------|--------------|--------------------------|--|--|-----------|---------------------|----------------------------------|---------------|--------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Varianc e | Reason for variance | Measure s to improve performance | Evidence | Achieve ment |
| FV 01 | Expenditur e | % Spend of the total operational budget excluding non-cash items | Opex | Opex | Opex | 97% | 95% spend of the total operational budget excluding non-cash items by 30 June 2025 | 98% spend of the total operational budget excluding non-cash items | 3% | Processed accruals | None | Budget report | Achieve d |
| FV 02 | Expenditur e | Remuneration (Employee Related Costs and Councillors Remuneration) as % of total operating | Opex | Opex | Opex | 30% | 25%to 40% Remuneration (Employee Related Costs and Councillors Remuneration) as % of total | 38% Remuneration (Employee Related Costs and Councillors Remuneration) as % of total | 2% | None | None | Budget report | Achieve d |

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|------------|---|-----------------|-----------------|-------------|--------------------------|--|--|----------|---|---------------------------------|----------------------------|-------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| | | expenditure per quarter | | | | | operating expenditure per quarter | operating expenditure per quarter | | | | | |
| FV 03 | SCM | Number of SCM deviation reports submitted to municipal manager (reduction of number deviations) | n/a | n/a | n/a | 0 | 4 SCM deviation reports submitted to municipal manager (reduction of number deviations) by 30 June 2025 | 0 SCM deviation reports submitted to municipal manager (reduction of number deviations) | 4 | No deviations from normal SCM processes were processed for 2024/25 financial year | None | Signed deviation report | Achieved |
| FV 04 | Revenue | % outstanding consumer debtors on billed revenue (GKPI) | n/a | n/a | n/a | 16% | 15% outstanding consumer debtors on billed revenue by 30 June 2025 | 13% outstanding consumer debtors on billed revenue by 30 June 2025 | 2% | Over collection of billed revenue in townships as a result of use of debt collectors. | None | Billing and payment report | Achieved |
| FV 05 | Budget | Number of MTREF Budget submitted to Council 30 days before the start | n/a | n/a | n/a | 1 | 1 MTREF Budget submitted to Council 30 days before the start | 1 MTREF Budget submitted to Council 30 days before the start | 0 | None | None | Council resolution | Achieved |

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Expenditur e | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|----------------------|--|-----------------|-----------------|--------------|--------------------------|---|---|-----------|---|--|--------------------|--------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Varianc e | Reason for variance | Measure s to improve performance | Evidence | Achieve ment |
| | | of the new financial year | | | | | of the new financial year 31 May 2025 | of the new financial year | | | | | |
| FV 06 | Financial management | Cost coverage ratio (GKPI) | n/a | n/a | n/a | 0.61 | 1 to 3 months Cost coverage ratio by 30 June 2025 | 0.88 Cost coverage ratio | -2.12 | Stagnant financial position of the municipality due to high magnitude of contracted services. | Implement strict cost containment measures and develop realistic and credible consultants' reduction strategy. | Section 52 report | Not Achieved |
| FV 07 | AFS | Number of Audited Annual Financial Statements (AFS) submitted to council | n/a | n/a | n/a | 1 | 1 Audited Annual Financial Statements (AFS) submitted to council by 25 January 2025 | 1 Audited Annual Financial Statements (AFS) submitted to council by 25 January 2025 | 0 | None | None | Council resolution | Achieved |

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Expenditur e | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|--------------------|---|-----------------|-----------------|--------------|--------------------------|---|---|-----------|---------------------|----------------------------------|--|--------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Varianc e | Reason for variance | Measure s to improve performance | Evidence | Achieve ment |
| FV 08 | Expenditur e | % of payment made to service providers within 30 days of receiving relevant invoice | n/a | n/a | n/a | 100 | 100% payment made to service providers within 30 days of receiving relevant invoice by 30 June 2025 | 100% payment made to service providers within 30 days of receiving relevant invoice | 0% | None | None | Creditors age analysis/ Invoice register | Achieve d |
| FV 09 | Assets | Number of assets verifications conducted | n/a | n/a | | 1 | 1 assets verifications conducted by 30 June 2025 | 1 assets verifications conducted | 0 | None | None | Assets verification report | Achieve d |
| FV 10 | Project management | % spending on MIG funding | MIG | MIG | | 100% | 100% spending on MIG funding by 30 June 2025 | 100% of MIG funding spent | 0% | None | None | MIG monthly report | Achieve d |
| FV 11 | Electricity | % spending on INEP funding | INEP | INEP | | 100% | 100% spending on INEP funding by 30 June 2025 | 100% of INEP funding spent | 0% | None | None | INEP monthly report | Achieve d |

KPA 6 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION
Strategic Objectives: To enhance good governance and public participation

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Expenditur e | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|------------------|---|-----------------|-----------------|--------------|--------------------------|---|---|----------|---------------------|---------------------------------|--------------------|-------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| GG 01 | Good governanc e | Final audited (2023/2024) consolidated Annual Report submitted to Council | n/a | n/a | n/a | 1 | Final audited (2023/2024) consolidated Annual Report submitted to Council for approval by 31 January 2025 | Final audited (2023/2024) consolidated Annual Report submitted to Council | None | None | None | Council resolution | Achieved |
| GG 02 | Good governanc e | Submission of 2023/2024 annual Oversight Report to council | n/a | n/a | n/a | 1 | 2023/2024 annual Oversight Report submitted to council for approval by 31 March 2025 | 2023/2024 annual Oversight Report submitted to council | None | None | None | Council resolution | Achieved |

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Expenditure | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|------------|--|-----------------|-----------------|-------------|---------------------------|---|--|-------------------------|---|---|----------------------------|--------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| GG 03 | Audit | Obtain an Unqualified Auditor General opinion for the 2023/2024 financial year | n/a | n/a | n/a | Unqualified Audit Opinion | Obtain an Unqualified Auditor General opinion for the 2023/2024 financial year by 30 November 2024 | Obtained Qualified Auditor General opinion for the 2023/2024 financial year | Qualified audit opinion | Impairment of Assets | Prepare and implement audit action plan | AGSA audit report | Not Achieved |
| GG 04 | Audit | % of Auditor General matters resolved as per the approved audit action plan (Total organization) | n/a | n/a | n/a | 91% | 100% of Auditor General matters resolved as per the approved audit action plan by 30 June 2025 (Total organization) | 78% of Auditor General matters resolved as per the approved audit action plan (Total organization) | 22% | Awaiting response from the third parties on some findings. Finalizing the POE for some findings audit Expenditure findings not addressed due to lack of controls. | Come up with effective internal controls. Improve records management system | AGSA audit action plan | Not Achieved |
| GG 05 | Audit | % of Internal Audit Findings resolved per quarter as per | n/a | n/a | n/a | 95% | 100% of Internal Audit Findings resolved per | 100% Internal Audit Findings resolved per | 0% | None | None | Internal audit action plan | Achieved |

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Expenditur e | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|-----------------|---|-----------------|-----------------|--------------|--------------------------|--|---|----------|--|---|--------------------------------|--------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| | | the Audit Plan (Total organisation) | | | | | quarter as per the Audit Plan (Total organisation) | quarter as per the Audit Plan (Total organisation) | | | | | |
| GG 06 | Audit | % Reduction of repeat audit findings (total organization) | n/a | n/a | n/a | 25% | 100% Reduction of repeat audit findings (total organization) | 67% Reduction of repeat audit findings (total organization) | 33% | Failure to address the root cause for findings previously raised by AGSA | Address the actual root cause for all findings raised by AGSA when implementing the audit action plan | AGSA audit action plan | Not Achieved |
| GG 07 | Risk management | Number of security risk assessment conducted | n/a | n/a | n/a | 4 | 4 security risk assessment conducted by 30 June 2025 | 4 security risk assessment conducted | 0 | None | None | Security assessment report | Achieved |
| GG 08 | Risk management | Number of project risk assessments conducted | n/a | n/a | n/a | 4 | 4 project risk assessments conducted by 30 June 2025 | 4 project risk assessments conducted | 0 | None | None | Project risk assessment report | Achieved |

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Expenditur e | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|------------------------------------|---|-----------------|-----------------|--------------|----------------------------|--|---|----------|---|--|---|--------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| GG 09 | Declaratio n of financial interest | Number of councillors who have declared their financial interest | n/a | n/a | n/a | 84% | 61 councillors who have declared their financial interest by 31 December 2024 | 61 councillors declared their financial interest | 0 | None | None | Financial interest declaration register | Achieved |
| GG 10 | Declaratio n of financial interest | Number of administrative staff who have declared their financial interest | n/a | n/a | n/a | 100% | 200 administrative staff who have declared their financial interest by 31 December 2024 | 200 administrative staff declared their financial interest | 0 | None | None | Financial interest declaration register | Achieved |
| GG 11 | Risk management | % execution of identified risk mitigation plans within prescribed timeframes (total organisation) | n/a | n/a | n/a | 93% | 100% execution of identified risk mitigation plans within prescribed timeframes per quarter (total organisation) | 96% execution of identified risk mitigation plans within prescribed timeframes (total organisation) | 4% | 7 mitigation plans were still in progress | Monitor progress on mitigation plan and report monthly in Management meetings. | Quarterly risk assessment reports | Not Achieved |
| GG 12 | IDP | Approval of 2025/2026 IDP process plan | n/a | n/a | n/a | 2024/2025 IDP process plan | 2025/2026 IDP process plan approved by | 2025/2026 IDP process plan approved by council | None | None | None | IDP process plan and | Achieved |

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Expenditur e | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|----------------|---|-----------------|-----------------|--------------|--|---|--|----------|--|---------------------------------|--------------------|-------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| | | | | | | approved by council by August 2023 | council by August 2024 | | | | | council resolution | |
| GG 13 | IDP | Approval of 2025/2026 IDP | n/a | n/a | n/a | 2024/2025 IDP approved by council by 31 May 2024 | 2025/2026 IDP approved by council by 31 May 2025 | 2025/2026 IDP approved by council | None | None | None | Council resolution | Achieved |
| GG 14 | MPAC programme | Number of MPAC quarterly reports submitted to council | n/a | n/a | n/a | 4 | 4 MPAC quarterly reports submitted to council by 30 June 2025 | 10 MPAC quarterly reports submitted to council | 6 | we had additional meeting due to congested workload that was caused by incomplete reports from previous financial years. | None | Council resolution | Achieved |

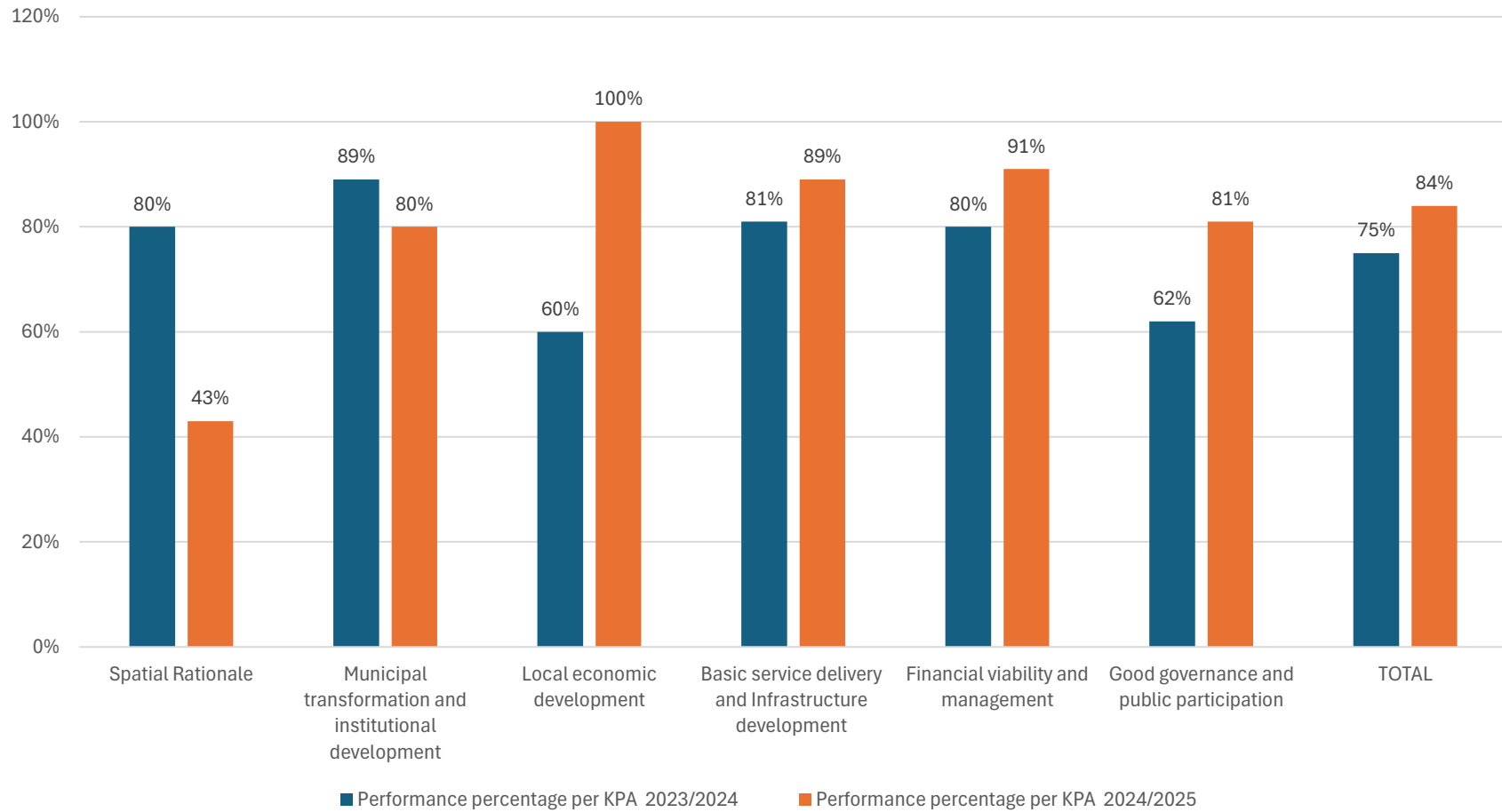
| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Expenditur e | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|--------------------------|--|-----------------|-----------------|--------------|--------------------------|--|--|----------|---------------------|---------------------------------|--|-------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performance | Evidence | Achievement |
| GG 15 | Mayoral campaign | Number Mayoral outreach projects initiated | R1 321 751.690 | R2 011 754 | R1 894 009 | 2 | 3 Mayoral outreach programmes initiated by 30 June 2025 | 3 Mayoral outreach programmes initiated | 0 | None | None | Report and attendance register | Achieved |
| GG 16 | Speakers outreach | Number of Speakers outreach projects initiated | R1 299 891.26 | R922 079 | R900 086 | 2 | 3 Speakers outreach projects initiated by 30 June 2025 | 3 Speakers outreach projects initiated | 0 | None | None | Outreach reports and attendance register | Achieved |
| GG 17 | Ward committee programme | Number of ward reports submitted to council | n/a | n/a | n/a | 3 | 4 ward reports submitted to council by 30 June 2025 | 4 ward reports submitted to council | 0 | None | None | Council resolution | Achieved |
| GG 18 | Community meetings | % of wards that have held at least one councillor convened community meeting | n/a | n/a | n/a | 100% | 100% wards that have held at least one councillor convened community meeting by 30 June 2025 | 100% wards that have held at least one councillor convened community meeting | 0% | None | None | Ward report and attendance register | Achieved |

| KPI No. | Program me | KPI | Original Budget | Adjusted Budget | Expenditur e | Audited 2023-24 Baseline | 2024/2025 | | | | | | |
|---------|-----------------|---|-----------------|-----------------|--------------|--------------------------|--|--|----------|---|----------------------------------|---------------------------------|--------------|
| | | | | | | | Adjusted Annual Target | Actual Performance | Variance | Reason for variance | Measures to improve performan ce | Evidence | Achieve ment |
| GG 19 | Busaries | Number of External Mayoral Bursaries Awarded | Opex | Opex | Opex | 19 | 30 External Mayoral Bursaries Awarded by 30 June 2025 | 41 External Mayoral Bursaries Awarded | 11 | Other approved beneficiaries received bursaries from other sponsors and therefore, declined municipality offer. | None | Signed approval letters | Achieved |
| GG 20 | Communications | % Reviewal of communication strategy | n/a | n/a | 100% | 100 | 100% Reviewal of communication strategy by 31 December 2024 | 100% Reviewal of communication strategy | 0% | None | None | Council resolution | Achieved |
| GG 21 | Council support | Number of Council portfolio committees' meetings held | n/a | n/a | 54 | New | 60 Council portfolio committees' meetings held by 30 June 2025 | 72 Council portfolio committees' meetings held | 12 | Merging of two department and during the revision of the SDBIP the two department were separated | | Minutes and attendance register | Achieved |

Comparison of Institutional Annual Performance between 2023/2024 and 2024/2025 financial year

| Number | Key Performance Area | Total number of KPIs | | Number of KPI's achieved | | Number of KPI's not achieved | | Performance percentage per KPA | |
|--------|--|----------------------|-----------|--------------------------|-----------|------------------------------|-----------|--------------------------------|------------|
| | | 2023/2024 | 2024/2025 | 2023/2024 | 2024/2025 | 2023/2024 | 2024/2025 | 2023/2024 | 2024/2025 |
| 1 | Spatial Rationale | 5 | 7 | 3 | 3 | 4 | 4 | 80% | 43% |
| 2 | Municipal transformation and institutional development | 9 | 15 | 8 | 12 | 1 | 3 | 89% | 80% |
| 3 | Local economic development | 5 | 7 | 3 | 7 | 2 | 0 | 60% | 100% |
| 4 | Basic service delivery and Infrastructure development | 27 | 37 | 22 | 33 | 5 | 4 | 81% | 89% |
| 5 | Financial viability and management | 10 | 11 | 8 | 10 | 2 | 1 | 90% | 91% |
| 6 | Good governance and public participation | 21 | 21 | 13 | 17 | 8 | 4 | 62% | 81% |
| | TOTAL | 77 | 98 | 58 | 82 | 19 | 16 | 75% | 84% |

Comparison of Institutional Annual Performance between 2023/2024 and 2024/2025 financial year



CHAPTER 4

**ORGANISATIONAL
DEVELOPMENT
PERFORMANCE**

COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

4. OVERVIEW

4.1 Employees totals, Turnover and Vacancies

Municipality utilises national print media and municipal website for advertisement of vacant posts. Municipality implements its approved recruitment policy in filling of vacant positions.

Table 1: staff turnover

| Description | Total |
|-------------------------------|-------|
| Dismissal/ Terminations | 0 |
| Contract ended | 0 |
| Retention | 0 |
| Death | 0 |
| Retirements/ Pensions | 04 |
| Ill health | 0 |
| Resignation | 04 |
| Total number of vacancies | 05 |
| Total number of employees | 417 |
| Total posts on the organogram | 422 |

Table 2: Turnover rate

| Turn-over Rate | | | |
|---|--|--|-----------------|
| Details | Total Appointments as of beginning of Financial Year | Terminations during the Financial Year | Turn-over Rate* |
| | No. | No. | |
| 2022/2023 | 349 | 08 | 2,29% |
| 2023/2024 | 340 | 10 | 2,94% |
| 2024/2025 | 400 | 08 | 2,0% |
| * Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year | | | |

Table 3: Organisational structures information

| Description | 2024/2025 | | | |
|---|----------------|------------|-----------|------------|
| | Approved Posts | Employees | vacancies | Variance |
| | No. | No. | No. | % |
| Infrastructure services | 113 | 113 | 0 | 0% |
| Municipal manager' office | 18 | 18 | 0 | 0% |
| Development planning and Local Economic development | 27 | 26 | 1 | 4% |
| Community services | 158 | 158 | 0 | 0% |
| Budget and Treasury | 53 | 52 | 01 | 12% |
| Executive Support | 27 | 24 | 3 | 12% |
| Corporate services | 26 | 26 | 0 | 0% |
| Totals | 422 | 417 | 5 | 28% |

Table 4: Vacancy rate information

| Vacancy Rate 2024/2025 | | | |
|---|-----------------------|---|--|
| Designations | *Total Approved Posts | *Variances (Total time that vacancies exist using fulltime equivalents) | *Variances (as a proportion of total posts in each category) |
| Municipal Manager | 1 | 0 | 0 |
| CFO | 1 | 0 | 0 |
| Senior Managers Reporting directly to Municipal manager: | | | |
| Development Planning | 1 | 0 | 0 |
| Community Services | 1 | 0 | 0 |
| Infrastructure | 1 | 0 | 0 |
| Corporate Services | 1 | 0 | 0 |
| Executive Support | 1 | 12 months | 1 |
| Budget and Treasury | 1 | 0 | 0 |
| | | | |
| Chief Risk Officer | 1 | 0 | 0 |
| Manager Public Relations | 1 | 0 | 0 |
| Manager Hlogotlou Satellite office | 1 | 0 | 0 |
| Manager Roosenekal | 1 | 0 | 0 |
| Manager Motetema satellite office | 1 | 0 | 0 |
| Manager Elandsdoorn satellite office | 1 | 0 | 0 |
| Electrical Engineer | 1 | 0 | 0 |
| Deputy Chief Finance Officer | 1 | 0 | 0 |
| Manager PMU | 1 | 0 | 0 |
| Manager Road, Storm water & Maintenance | 1 | 0 | 0 |
| Manager legal | 1 | 0 | 0 |

| Vacancy Rate 2024/2025 | | | |
|---------------------------------------|-----------------------|---|--|
| Designations | *Total Approved Posts | *Variances (Total time that vacancies exist using fulltime equivalents) | *Variances (as a proportion of total posts in each category) |
| Manager Internal audit | 1 | 0 | 0 |
| Manager PMS | 1 | 0 | 0 |
| Manager IDP | 1 | 0 | 0 |
| Manager Human Resource | 1 | 0 | 0 |
| Manager Council Support | 1 | 0 | 0 |
| Manager Intergovernmental relations | 1 | 0 | 0 |
| Manager Compliance | 1 | 0 | 0 |
| Manager ICT | 1 | 0 | 0 |
| Manager Assets | 1 | 0 | 0 |
| Manager Supply chain | 1 | 0 | 0 |
| Manager Expenditure | 1 | 0 | 0 |
| Manager revenue | 1 | 0 | 0 |
| Manager budget | 1 | 0 | 0 |
| Manager administration | 1 | 0 | 0 |
| Manager Labour Relations | 1 | 0 | 0 |
| Manager LED | 1 | 0 | 0 |
| Manager Development and Town Planning | 1 | 12 months | 1 |
| Manager fleet | 1 | 0 | 0 |
| Manager Environmental | 1 | 0 | 0 |
| Manager Public Safety | 1 | 0 | 0 |
| Manager Licensing | 1 | 0 | 0 |
| Manager Parks and Cemeteries | 1 | 0 | 0 |

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

The municipality has policies in place as guideline to all officials and are reviewed as and when the need arises. For the year under review the following policies were reviewed.

Table 5: Approved and reviewed policies

| No. | Policy name | Reviewed | Resolution number | Date approved/ reviewed |
|-----|--------------------------------|----------|-------------------|-------------------------|
| 1. | Credit control policy | Yes | M24/25-54 | 29 May 2025 |
| 2. | Investment policy | Yes | M24/25-54 | 29 May 2025 |
| 3. | Annual budget policy | Yes | M24/25-54 | 29 May 2025 |
| 4. | Borrowing policy | Yes | M24/25-54 | 29 May 2025 |
| 5. | Expenditure management policy | Yes | M24/25-54 | 29 May 2025 |
| 6. | Assets management policy | Yes | M24/25-54 | 29 May 2025 |
| 7. | Supply chain management policy | Yes | M24/25-54 | 29 May 2025 |
| 8. | Indigent policy | Yes | M24/25-54 | 29 May 2025 |

| No. | Policy name | Reviewed | Resolution number | Date approved/ reviewed |
|-----|---|----------|-------------------|-------------------------|
| 9. | Virements policy | Yes | M24/25-54 | 29 May 2025 |
| 10. | Funding and reserves policy | Yes | M24/25-54 | 29 May 2025 |
| 11. | Property rates policy | Yes | M24/25-54 | 29 May 2025 |
| 12. | Property rates by-law policy | | M24/25-54 | 29 May 2025 |
| 13. | Tariff policy | Yes | M24/25-54 | 29 May 2025 |
| 14. | Petty cash policy | Yes | M24/25-54 | 29 May 2025 |
| 15. | Insurance Management policy | Yes | M24/25-54 | 29 May 2025 |
| 16. | Cost containment policy | Yes | M24/25-54 | 29 May 2025 |
| 17. | Inventory policy | | M24/25-54 | 29 May 2025 |
| 18. | Customer care policy | Yes | M24/25-44 | 26 June 2025 |
| 19. | Bursary employee policy | Yes | M24/25-73 | 26 June 2025 |
| 20. | Employee physical wellness policy | Yes | M24/25-74 | 26 June 2025 |
| 21. | Experiential policy | Yes | M24/25-75 | 26 June 2025 |
| 22. | Cell phone and mobile data policy | Yes | M24/25-78 | 26 June 2025 |
| 23. | Transfer and secondment policy | Yes | M24/25-79 | 26 June 2025 |
| 24. | Overtime and standby allowance policy | Yes | M24/25-80 | 26 June 2025 |
| 25. | Car allowance policy | Yes | M24/25- 81 | 26 June 2025 |
| 26. | Political support staff policy | Yes | M24/25-82 | 26 June 2025 |
| 27. | Subsistence and travelling policy | Yes | M24/25-83 | 26 June 2025 |
| 28. | ICT Backup policy | Yes | M24/25-84 | 26 June 2025 |
| 29. | Server Room Physical & environmental policy | | M24/25-85 | 26 June 2025 |
| 30. | Email and internet usage policy | Yes | M24/25-86 | 26 June 2025 |

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table 6: Cost of injuries on duty

| Number and Cost of Injuries on Duty | | | | | | |
|---------------------------------------|--------------------|------------------|------------------------------|---|-----------------------------------|----------------------|
| Type of injury | Injury Leave Taken | | Employees using injury leave | Average injury leave taken per employee | Average Injury Leave per employee | Total Estimated Cost |
| | Days | No. of employees | No. | % | Days | R'000 |
| Required basic medical attention only | 285 | 12 | 12 | 4.21 % | 0 | R0,00 |
| Temporary total disablement | 0 | 2 | 0 | 0% | 0 | 0 |
| Permanent disablement | 0 | 0 | 0 | 0% | 0 | 0 |
| Fatal | 0 | 0 | 0 | 0% | 0 | 0 |

Table 7: Average sick leave per employees

| 2024/2025 - 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 |
| Unskilled (Levels 1-4) | 22 | 1,7% | 4 | 168 | 80 |
| Semi-Skilled (Levels 5) | 11 | 2,7% | 12 | 38 | 80 |
| Skilled (levels 6-7) | 13 | 1,2% | 20 | 68 | 80 |
| Specialised skilled (Levels 8-10) | 19 | 0% | 09 | 57 | 80 |
| Professional (Level 11-14) | 14 | 1,4% | 05 | 44 | 80 |
| Managerial skilled (Level 15) | 12 | 0% | 01 | 36 | 80 |
| Strategic Management (MM and S57) | 05 | 0% | 01 | 06 | 80 |
| Total | 96 | 26,6% | 52 | 417 | 560 |
| * - Number of employees in post at the beginning of the year | | | | | |
| *Average calculated by taking sick leave in column 2 divided by total employees in column 5 | | | | | |

Table 8: Number and period of suspension

For the period under review (2024/2025) there were No significant suspensions that were issued against the employees of the Municipality.

| Number of disciplinary cases (excluding financial misconducts) and any period of suspension | | | | |
|--|-------------------------------------|---------------------------|--|-----------------------|
| Position | Nature of Alleged Misconduct | Date of suspension | Disciplinary action taken or Status of Case and Reasons why not Finalized | Date Finalized |
| None | None | None | n/a | n/a |

Table 9: Cases on Financial Misconduct information

| 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 Finalized |
| No disciplinary action taken on cases of financial misconduct for the year under review. | | | |

4.4 PERFORMANCE MANAGEMENT

For the year under review, 05 senior managers signed performance agreement and municipal manager. In EMLM, performance management is limited to Section 54 and 56 Managers. Municipality conducted 2023/2024 Mid-year performance assessment for one (01) Senior Manager (Community services) and the other senior managers were not assessed as they were appointed for acting on those positions on a three months basis. The purpose of mid-year performance assessment is to monitor process to detect poor performance at an early stage. Through the session, senior managers are offered an opportunity to state their challenges and be assisted by panel members based on those challenges in order to meet their set targets by the end of the financial year. During the year under review the following officials signed their performance agreements:

Table 10: Performance agreements

| Signing of performance agreement | | |
|---|---------------|-------------------|
| Officials | signed | not signed |
| Municipal Manager | ✓ | |
| Chief financial officer | ✓ | |
| Senior manager: community services | ✓ | |
| Acting Senior manager: Infrastructure | ✓ | |
| Senior manager: development planning | ✓ | |
| Acting Senior manager: Corporate services | ✓ | |

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Municipality has a work skills plan (WSP) that is utilised for personnel capacity building. Each department is requested to forward their training plans to corporate services in May each year, to be included in the WSP which serves as a guide as to how many officials should undergo training in the next financial year. The plan is also used to determine the expenditure for training. For the year under review, 34 (27 males and 07 females) employees received different training. The training covered the training of traffic wardens (20) and the 14 Infrastructure department staff for Recognition of Prior Learning (RPL). Ten (10) officials, 05

males and 05 Females) were awarded study bursaries to further their training. The WSP and annual training report for 2024/2025 were submitted to LGSETA.

Municipality has spent R2 487 994,35 for personnel training. The total amount was spent on training by end of the financial year. The Municipality received the mandatory grants in the form of rebates from LGSETA amounting to R298 443-48 in total for the HR students work based exposure training in the year under review.

Table 11: Training of officials

| Programme | No. Of Officials | Males | Female | Status |
|---|------------------|-------|--------|-------------|
| Certificate in Road, and Law enforcement course | 20 | 13 | 07 | Completed |
| RPL Courses (Infrastructure department) | 14 | 14 | 0 | Completed |
| Honours in Economics | 01 | 0 | 01 | In-progress |
| Honours in Public Management | 02 | 01 | 01 | Completed |
| B comm Accounting | 01 | 01 | 0 | In-progress |
| B comm SCM | 01 | 0 | 01 | In-progress |
| B Admin | 01 | 01 | 0 | In-progress |
| Diploma in Accounting | 02 | 01 | 01 | In-progress |
| B in Public Management | 01 | 0 | 01 | In-progress |

Table 12: training for councillors

| Programme | No. Of Councillors | Males | Female | Status |
|--|--------------------|----------|----------|------------------|
| Higher Certificate in Local Economic Development | 2 | 1 | 1 | Completed |
| TOTAL | 2 | 1 | 1 | Completed |

Table 13: Compliance with prescribed minimum competency levels

| Prescribed minimum competency levels | | | | | | |
|--------------------------------------|---|---|-----------------------------------|---|---|---|
| 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 |

| Prescribed minimum competency levels | | | | | | |
|---|---|---|-----------------------------------|---|---|---|
| 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)) |
| Chief Financial Officer | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Managers | 3 | 0 | 3 | 3 | 3 | 2 |
| Any other financial officials | 40 | 0 | 40 | 0 | 0 | 40 |
| Finance managers | 5 | 0 | 5 | 0 | 0 | 5 |
| Supply chain management officials | 4 | 0 | 4 | 0 | 0 | 4 |
| Heads of supply chain unit | 1 | 0 | 1 | 0 | 0 | 1 |
| Supply chain management senior managers | 0 | 0 | 0 | 0 | 0 | 0 |

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.5 EMPLOYEE EXPENDITURE

The municipality manages its workforce expenditure very well, as we have policies in place such as overtime policies, and travelling allowance policies, that are complied with before any expenditure can be incurred. EMLM has the organisational structure that is aligned to the IDP and budget, to ensure that all workforce expenditure has been budgeted for.

4.6 DISCLOSURE OF FINANCIAL INTEREST

Disclosure forms are given to all officials and councillors at the beginning of the financial year for completion. For the year under review, 100 employees and 33 councillors completed financial disclosure forms.

CHAPTER 5

FINANCIAL INFORMATION

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Introduction to Financial Statements

Elias Motsoaledi Local Municipality handed over the 2024/2025 annual financial statements to the Auditor General South Africa (Limpopo) on 31 August 2025 that constituted non-compliance with section 126(2) of Municipal Finance Management Act. The aforesaid components of the financial statements are discussed in detail below:

5.1 STATEMENT OF FINANCIAL PERFORMANCE AND FINANCIAL POSITION

| Description | 2023/24 | Budget Year 2024/25 | | | |
|--|-----------------|---------------------|-----------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| Revenue By Source | | | | | |
| Property rates | 59 158 | 61 818 | 61 818 | 61 762 | 61 818 |
| Service charges - electricity revenue | 105 796 | 147 578 | 147 578 | 136 751 | 147 578 |
| Service charges - refuse revenue | 12 225 | 14 276 | 14 276 | 13 014 | 14 276 |
| Rental of facilities and equipment | 1 217 | 1 886 | 1 886 | 1 357 | 1 886 |
| Interest earned - external investments | 6 121 | 10 989 | 10 989 | 6 956 | 10 989 |
| Interest earned - outstanding debtors | 16 894 | 13 635 | 19 531 | 20 141 | 19 531 |
| Fines, penalties and forfeits | 90 047 | 98 497 | 118 494 | 114 094 | 118 494 |
| Licences and permits | - | - | - | - | - |
| Agency services | 6 344 | 7 302 | 7 302 | 5 939 | 7 302 |
| Transfers and subsidies | 378 980 | 383 099 | 400 643 | 400 643 | 400 643 |
| Other revenue | 37 936 | 4 296 | 4 296 | 14 833 | 4 296 |
| Gains | | | 11 122 | - | 11 122 |
| Total Revenue (excluding capital transfers and contributions) | 714 718 | 743 376 | 797 935 | 775 490 | 797 935 |
| Expenditure By Type | | | | | |
| Employee related costs | 186 505 | 196 286 | 206 319 | 205 011 | 206 319 |
| Remuneration of councillors | 26 662 | 29 661 | 28 023 | 28 192 | 28 023 |
| Debt impairment | 90 675 | 93 423 | 97 489 | 97 213 | 97 489 |
| Depreciation & asset impairment | 66 257 | 63 542 | 69 844 | 62 865 | 69 844 |
| Finance charges | 1 766 | 1 104 | 10 644 | 976 | 10 644 |
| Bulk purchases | 109 783 | 139 391 | 130 567 | 129 796 | 130 567 |
| Other materials | 80 191 | 41 896 | 38 233 | 42 095 | 38 233 |
| Contracted services | 79 804 | 85 573 | 101 844 | 83 006 | 101 844 |
| Transfers and subsidies | 15 446 | 11 313 | 11 313 | 26 169 | 11 313 |
| Other expenditure | 70 131 | 67 442 | 68 039 | 71 576 | 68 039 |
| Losses | 23 221 | 67 | 6 437 | - | 6 437 |
| Total Expenditure | 750 440 | 729 698 | 768 752 | 746 901 | 768 752 |
| Surplus/(Deficit) | (35 722) | 13 678 | 29 183 | 28 589 | 29 183 |
| Transfers and subsidies - capital (monetary allocations) | 66 747 | 96 218 | 123 324 | 96 630 | 123 324 |
| Transfers and subsidies - capital (monetary allocations) | - | - | - | - | - |
| Transfers and subsidies - capital (in-kind - all) | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 31 024 | 109 896 | 152 507 | 125 219 | 152 507 |
| Taxation | | | | | |
| Surplus/(Deficit) after taxation | 31 024 | 109 896 | 152 507 | 125 219 | 152 507 |
| Attributable to minorities | | | | | |
| Surplus/(Deficit) attributable to municipality | 31 024 | 109 896 | 152 507 | 125 219 | 152 507 |
| Share of surplus/ (deficit) of associate | | | | | |
| Surplus/ (Deficit) for the year | 31 024 | 109 896 | 152 507 | 125 219 | 152 507 |

| Description | 2023/24 | Budget Year 2024/25 | | | |
|--|------------------|---------------------|------------------|------------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash | 22 674 | 77 878 | 64 717 | 7 586 | 64 717 |
| Call investment deposits | – | – | – | 57 322 | – |
| Consumer debtors | 202 414 | 145 085 | 190 283 | 229 662 | 190 283 |
| Other debtors | 14 884 | 13 993 | 21 980 | 26 757 | 21 980 |
| Current portion of long-term receivables | – | 119 | 119 | – | 119 |
| Inventory | 31 509 | 41 956 | 37 955 | 37 579 | 37 955 |
| Total current assets | 271 481 | 279 032 | 315 054 | 358 905 | 315 054 |
| Non current assets | | | | | |
| Long-term receivables | – | – | – | – | – |
| Investments | 18 475 | 19 693 | 20 193 | 19 583 | 20 193 |
| Investment property | 120 934 | 47 492 | 47 492 | 133 813 | 47 492 |
| Investments in Associate | – | – | – | – | – |
| Property, plant and equipment | 1 022 984 | 1 405 874 | 1 451 528 | 1 077 805 | 1 451 528 |
| Biological | 463 | – | – | – | – |
| Intangible | – | 663 | 663 | – | 663 |
| Other non-current assets | – | 463 | 463 | 463 | 463 |
| Total non current assets | 1 162 856 | 1 474 186 | 1 520 340 | 1 231 663 | 1 520 340 |
| TOTAL ASSETS | 1 434 337 | 1 753 218 | 1 835 394 | 1 590 568 | 1 835 394 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Bank overdraft | – | – | – | – | – |
| Borrowing | 7 830 | 8 895 | 8 388 | 4 280 | 8 388 |
| Consumer deposits | 5 518 | 6 653 | 6 810 | 5 364 | 6 810 |
| Trade and other payables | 150 638 | 102 262 | 121 891 | 149 742 | 121 891 |
| Provisions | 11 424 | 6 565 | 5 003 | 12 758 | 5 003 |
| Total current liabilities | 175 410 | 124 375 | 142 093 | 172 143 | 142 093 |
| Non current liabilities | | | | | |
| Borrowing | 2 557 | 27 548 | 45 602 | 11 282 | 45 602 |
| Provisions | 120 082 | 90 302 | 90 302 | 145 637 | 90 302 |
| Total non current liabilities | 122 639 | 117 850 | 135 904 | 156 919 | 135 904 |
| TOTAL LIABILITIES | 298 050 | 242 225 | 277 997 | 329 062 | 277 997 |
| NET ASSETS | 1 136 288 | 1 510 992 | 1 557 397 | 1 261 506 | 1 557 397 |
| COMMUNITY WEALTH/EQUITY | | | | | |
| Accumulated Surplus/(Deficit) | 1 136 288 | 1 510 992 | 1 557 397 | 1 261 506 | 1 557 397 |
| Reserves | – | – | – | – | – |
| TOTAL COMMUNITY WEALTH/EQUITY | 1 136 288 | 1 510 992 | 1 557 397 | 1 261 506 | 1 557 397 |

COMMENT ON FINANCIAL PERFORMANCE

1. The total budgeted operating revenue is R797,935 million and the actual revenue amounts to R775,490 million. These result in under performance of R14,570 million.
2. Services charges relating to electricity and refuse removal, these revenue sources contribute significantly to the revenue basket of the municipality, and the contribution thereof totals R118,021 million for the 2023/24 financial year and increasing to R149,765 million in 2024/25 financial year.
3. Service charges electricity is based on the actual performance in conjunction with the audited amount and CPI. The audited amount is R136,751 million and performed sufficiently compared to the adjusted budget of R147,578 million.
4. Services charges relating to refuse removal underperformed by R1,261 million and performed better than prior year based on audited amounts.
5. Property rates was budgeted for R61,818 million, and the actual performance is R61,762 million resulting in unfavourable variance of R56 thousand.
6. Transfers recognized operational – includes the local government equitable share, financial management grant, extended public works programme grant, integrated national electrification programme and the allocation is as per DORA. All gazetted grants were received
7. Rental of facilities and equipment slightly underperformed by R529 thousand when comparing adjusted budget and audited actual amount realized.
8. Interest on external investment underperformed by R4,033 million and as a result of a decrease in interest rate on ESKOM security held investment and lesser investments made during the year.
9. Interest on outstanding debtors – overperformance of R610 thousand is due to payment of customers which results in an increase of the debt book.
10. Fines, penalties and forfeits – there is an underperformance of R4,400 million when comparing adjusted budget and actual audited amount.
11. Other revenue – the positive variance of R10, 537 million is because of fair value adjustment in investment property that was revalued at the financial year.
12. Agency fee - there is an underperformance of R1,363 million when comparing adjusted budget and actual audited amount.
13. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.
14. There is an overperformance on employee related cost of R1,308 million and this is a result of actuarial amounts computed at year end.

15. Remuneration of councillors overspent by R169 thousand when comparing adjusted budget and actual audited amount.
16. Bulk purchases underspent by R771 thousand when comparing adjusted budget and actual audited amount and this is a result of over adjusted.
17. There is favourable variance on transfer and subsidies of R14,856 million and this is due to creation of new indigent register resulting in majority of households added to the register as qualifying beneficiaries.
18. Debt impairment increased by 4% compared to the audited amount. Note must be taken that an increase in consumer debtors has a minimal impact in terms of the allocation in the likelihood of debt being impairment taking into account that they considered the newest.
19. Depreciation – there is an underperformance of R6,980 thousand and this is attributable to the auction process implemented by the municipality.
20. Contracted services - there is an underspending of R18,838 million when comparing the adjusted budget and actual audited figures.
21. Finance charges - the underspending is as the result of contract coming to an end and new contract entered into with piecemeals deliveries. Therefore, the budgeted interest was not realized.
22. Repairs and maintenance - unforeseen road maintenance had to be undertaken to maintain our road infrastructure to prolong their useful life.
23. An increase in other expenditure is due to fair value adjustments.
24. Inventory consumed increase is due an increase the municipality made on repairs and maintenance in an attempt to work towards achieving the norm as per circular 71

5.2 GRANTS

| Description | 2023/24 | Budget Year 2024/25 | | |
|--|-----------------|---------------------|-----------------|----------------|
| | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual |
| RECEIPTS: | | | | |
| Operating Transfers and Grants | | | | |
| National Government: | 378 012 | 383 099 | 418 187 | 400 643 |
| Local Government Equitable Share | 358 519 | 377 690 | 395 234 | 377 690 |
| Finance Management | 2 850 | 2 800 | 2 800 | 2 800 |
| Intergrated National Electrification Grant | 14 400 | – | 17 544 | 17 544 |
| EPWP Incentive | 2 243 | 2 609 | 2 609 | 2 609 |
| Other grant providers: | 968 | – | – | – |
| LGSETA Learnership and Development | 968 | – | – | – |
| Total Operating Transfers and Grants | 378 980 | 383 099 | 418 187 | 400 643 |
| Capital Transfers and Grants | | | | |
| National Government: | 66 747 | 140 508 | 122 964 | 96 280 |
| Municipal Infrastructure Grant (MIG) | 66 747 | 91 314 | 91 314 | 88 792 |
| Energy Efficiency and Demand Side Management Grant | – | 4 000 | 4 000 | 4 000 |
| Intergrated National Electrification Grant | – | 17 544 | – | – |
| Municipal Disaster Recovery Grant | – | 27 650 | 27 650 | 3 488 |
| Other grant providers: | – | 360 | 360 | 350 |
| WSIG Sekhukhune | – | 20 000 | – | – |
| LGSETA Learnership and Development | – | 360 | 360 | 350 |
| Total Capital Transfers and Grants | 66 747 | 140 868 | 123 324 | 96 630 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 445 727 | 523 967 | 541 511 | 497 273 |

COMMENT ON OPERATING TRANSFERS AND GRANTS:

All grants gazetted for 2024/25 financial year were received and cognizance should be taken that the above table does include capital grants. The total amount received on operational grants amounted to R400, 643 million yet the capital grants one amounted to R123,323 million during the 2024/25 financial year. All grants were received from national sphere of government and SETA, nothing was gazetted to be received from the provincial government and the district municipality. In addition, the municipality grants were increased, MIG increased by R17, 000 million and EPWP by R233 thousand that was not part of the initially gazetted allocations, with additional allocation of R27,650 million for Municipal Disaster Recovery Grant (MDRG).

COMMENT ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES:

R359 thousand was received from Education Training and Development Practice SETA and is meant for capacity building and this allocation is earmarked for procurement of tools of trade for experiential learning programme implemented within the municipality.

5.3 ASSET MANAGEMENT

| Vote Description | 2023/24 | Current Year 2024/25 | | | Variance (Original budget) | Variance (Adjusted budget) |
|---|------------------|----------------------|------------------|------------------|----------------------------|----------------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | YTD Actual | | |
| Repairs and maintenance | 80 191 | 37 692 | 40 895 | 42 095 | 112% | 103% |
| Depreciation and assets impairment/reversal | 66 257 | 58 901 | 62 754 | 62 865 | 107% | 100% |
| Renewal of existing assets | – | – | – | – | 0% | 0% |
| Asset register summary | 1 144 381 | 1 454 493 | 1 500 147 | 1 212 081 | 83% | 81% |
| Total | 1 290 829 | 1 551 087 | 1 603 796 | 1 317 041 | 85% | 82% |

COMMENT ON ASSET MANAGEMENT:

The audited asset register value for 2023/24 is R1, 144, 381 billion and the adjusted budget thereof is R1, 500, 147 billion. Taking the actual book value as at end of 2024/25 financial year of R1, 212, 081 billion, and the asset register value had increased compared to 2023/24 audited amount and this is attributed to spending on capital budget.

Audited depreciation and asset impairment reversal for 2023/24 financial year amounts to R66 257 million and it decreased to R62, 865 million in the 2024/25 financial year. Cognizance should be taken that depreciation and asset impairment from budget point of view is a non-cash item (i.e. the movement did not have cash flow implication) and as a result it is pure financial accounting transaction.

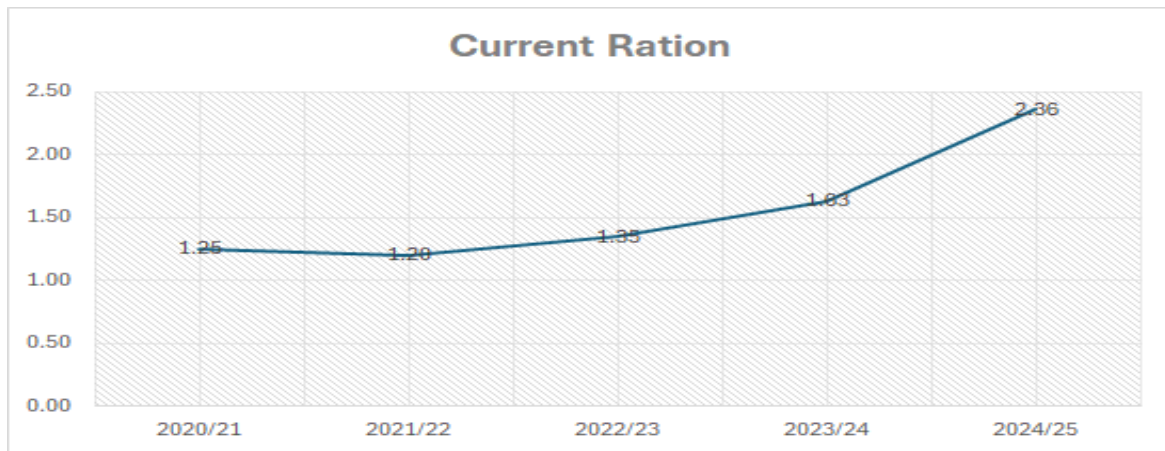
In addition, capital expenditure (renewal of existing assets) it was not budget for in the 2024/25 financial year, yet repairs and maintenance decreased from R80,191 million to R42,095 million in the 2024/25 financial year.

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The repairs and maintenance budget represent 5.2% of the total original budget and 5.7% of the adjusted budget and in terms of the actual expenditure, the spending represent 5.6% of the total operating expenditure incurred for 2024/25 financial year. A total of R42, 095 million was spent, reflecting an overspending variance of 111% based on original budget and 101% overspending variance on adjusted budget

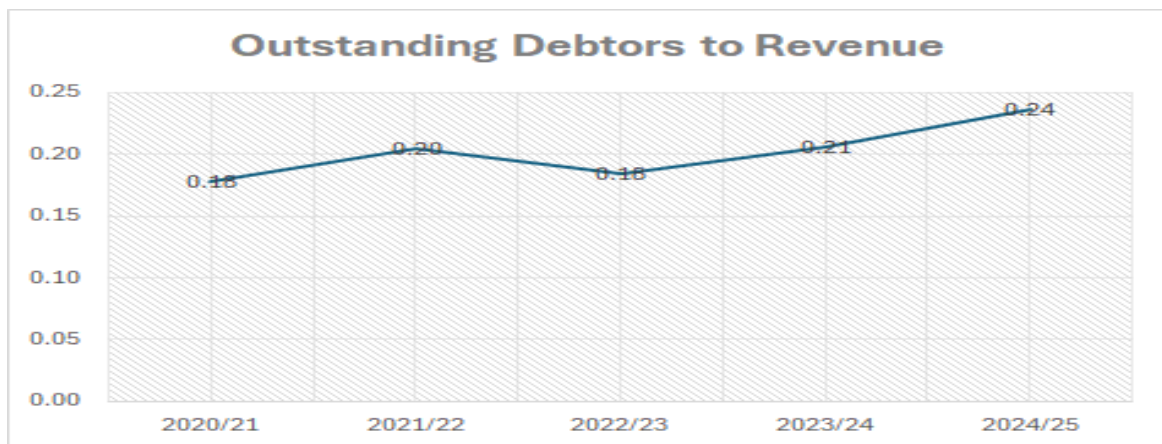
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Graph 1: Liquidity ratio



Liquidity Ratio – Measures the municipality’s ability to pay its bills and is calculated by dividing the monetary assets by the municipality’s current liabilities. A higher ratio is better, and the graph portrays a picture that shows an improved liquidity ratio for 2024/25 financial year since the ratio is more than 1

Graph 2: Outstanding Debtors to revenue



Outstanding service debtors to revenue - Measures how much money is still owed by the community for electricity, waste removal and other services, compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors, by the total annual revenue thereof. A lower score is better. The graph shows that the municipality has a ratio of 0.24 outstanding debtors that has slightly increased by 0.03 when compared to 2023/24 ratio.

Graph 3: Employee cost



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

Graph 4: Repairs and maintenance



Repairs and Maintenance - This represent the proportion of operating expenditure spent, and is calculated by dividing the total repairs and maintenance by total property plant and equipment and investment property carrying values.

COMMENT ON FINANCIAL RATIOS:

The municipality is still facing a challenge of achieving 8% threshold of operating expenditure for repairs and maintenance. Liquidity ratio is positively affected by invoiced that are paid accruals at year end since the magnitude thereof has been reduced on accruals in 2024/25 financial year as those invoices are treated as current liabilities. The municipality is in a process of implementing cost containment measures as documented in the National Treasury Instruction letter number 03 and this will result in improved liquidity ratio and in addition, it will do away with unnecessary expenditure

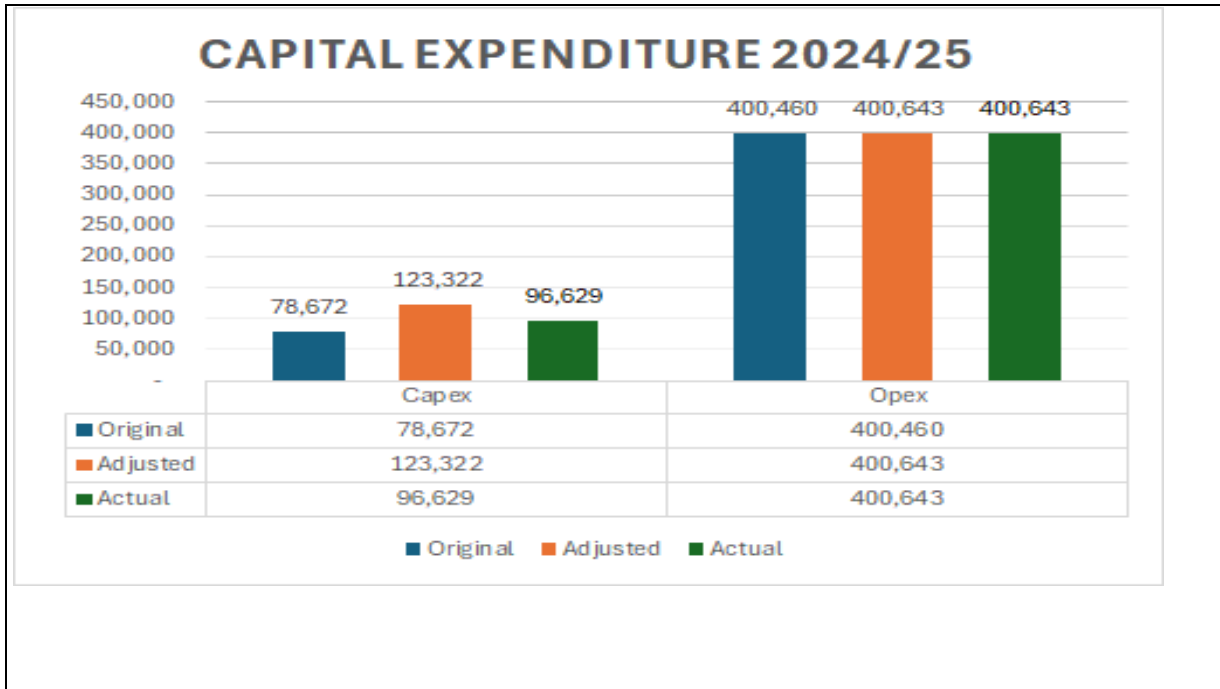
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to projects and/or items whose outputs will result in assets that will have to be documented in the asset register. Capital expenditure is funded from grants and own revenue. Graph 5 deals with capital spending, indicating where the funding comes from and whether the Municipality is able to spend the available funding as planned. In this component, it is important to indicate the different sources of funding as well as how these funds are spent.

5. CAPITAL EXPENDITURE

GRAPH 5: EXPENDITURE 2024/25



5.6 SOURCES OF FINANCE

| Vote Description | 2023/24 | Budget Year 2024/25 | | | |
|--|-----------------|---------------------|-----------------|----------------|--------------|
| | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | YTD variance |
| Funded by: | | | | | |
| National Government | 80 303 | 140 508 | 122 964 | 96 280 | 78% |
| Provincial Government | - | - | - | - | |
| District Municipality | - | 20 000 | - | - | |
| Transfers and subsidies - capital (monetary allocations) | - | 360 | 360 | 350 | 97% |
| Transfers recognised - capital | 80 303 | 160 868 | 123 324 | 96 630 | 78% |
| Borrowing | | | | | |
| Internally generated funds | 24 915 | 12 681 | 18 639 | 5 593 | 30% |
| Total Capital Funding | 105 218 | 173 549 | 141 963 | 102 222 | 72% |

COMMENT ON SOURCES OF FUNDING:

The capital budget for 2024/25 financial year was R141,963 million. The actual expenditure is R102,222 million and this reflects an under-spending variance of 72% and this under spending was on grants funded and internally funded projects.

Funding of capital budget:

Original budget: R160, 868 million was funded by grants and R12, 681 million was funded internally.

Adjusted budget: R123, 324 million was funded by grants and R18, 639 million was funded internally.

Actual expenditure: R96, 630 million was funded by grants and R5, 593 million was funded internally.

CAPITAL SPENDING ON FIVE LARGEST PROJECTS

| Capital Expenditure on Five Largest Projects* | | | | | |
|---|------------------|-------------------|--------------------|-----------------------|-------------------------|
| R'000 | | | | | |
| Name of Project | Current Year | | | Variance Current Year | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Original Variance (%) | Adjustment Variance (%) |
| A – Kgobokwane/Kgaphamadi | R55 000 000.00 | R 26 328 159 .00 | R29 302 987.24 | 53,28% | 47,87% |
| B – Mokumong\Marateng | R51 746 943.55 | R22 375 066.00 | R22 892 001.81 | 44,24% | 43,24% |
| C – Malaeng A Ntwane | R34 404 286.41 | R21 304 215.00 | R21 303 522.42 | 61.92% | 61.92% |
| D – Maraganeng | R 31 431 849 .90 | R11 012 765.00 | R11 012 765.09 | 35,04% | 35,04% |
| E – Tafelkop Sports Stadium | R10 293 795.00 | R10 293 795.00 | R10 293 795.00 | 100% | 100% |

| | |
|------------------------------|---|
| Name of Project - A | Upgrading of Kgobokwane/Kgaphamadi |
| Objective of Project | Reduction in the level of service delivery backlogs |
| Delays | None |
| Future Challenges | None |
| Anticipated citizen benefits | Easy access to services |

| | |
|------------------------------|---|
| Name of Project - B | Upgrading of Mokumong/Marateng |
| Objective of Project | Reduction in the level of service delivery backlogs |
| Delays | None |
| Future Challenges | None |
| Anticipated citizen benefits | Easy access to services |

| | |
|------------------------------|---|
| Name of Project - C | Upgrading of Malaeneng A Ntwane |
| Objective of Project | Reduction in the level of service delivery backlogs |
| Delays | None |
| Future Challenges | None |
| Anticipated citizen benefits | Easy to access services |

| | |
|------------------------------|---|
| Name of Project - D | Upgrading of Maraganeng Internal Access |
| Objective of Project | Reduction in the level of service delivery backlogs |
| Delays | Project is behind the schedule due to wetland |
| Future Challenges | None |
| Anticipated citizen benefits | Provision for subsoil drain should be conducted |

| | |
|------------------------------|---|
| Name of Project - | Tafelkop Sports Stadium |
| Objective of Project | Reduction in the level of service delivery backlogs |
| Delays | None |
| Future Challenges | None |
| Anticipated citizen benefits | Easy to access services |

COMMENT ON CAPITAL PROJECTS:

During 2024/25 Financial Year, the Municipality received a Total Allocation of **R 91 314 000.00** of MIG grant. A total of Five (5) projects were implemented, of which Five (5) were roads projects and one (1) was Landfill site. 1 road projects (Upgrading of Maraganeng Internal Access Road) is behind the scheduled and still on construction stage, seating at 69% physical progress and Upgrading of Kgobokwane/Kgaphamadi, Upgrading of Mocomung/Maratheng Access Road, Upgrading of Malaeneng A Ntwane, Upgrading of Maraganeng Internal Access Road) are multi-year projects and on construction stage. Construction of Groblersdal Landfill Site is on hold due to approval of revised drawings by LEDET

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS - OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

There is still huge backlog in terms of Basic Infrastructure that is Water and Sanitation, which is implemented at District level. The backlog for electricity is only 6%.

COMMENT ON BACKLOGS:

There is a minor backlog in terms of electricity only 6% backlog has been identified with regards to households that do not have access to basic electricity. This backlog is due to expansion of the existing villages.

Roads and storm water as key function of the municipality is being implemented with MIG funds and own revenue. The municipality has a serious backlog on roads and storm water and has challenges of resources as MIG grant that is received is not enough to can reduce the back log and municipality does not have enough revenue can fund more projects. The identified backlog of unsurfaced roads and storm water controls is up to **67,5%** on municipal road network

| Municipal Infrastructure Grant (MIG)* Expenditure 2024/2025 on Service backlogs | | | | | | |
|--|-----------------------|--------------------------|-----------------------|------------------------|--------------------------|--|
| R' 000 | | | | | | |
| Details | Budget | Adjustment Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
| | | | | Original Budget | Adjustment Budget | |
| Infrastructure - Road transport | | | | | | |
| <i>Roads, Pavements & Bridges</i> | R60 984 921.82 | R60 984 921.82 | R60 984 921.82 | 0.00 | 0.00 | Prioritize residential infrastructure for roads and sports facilities |
| <i>Storm water</i> | R0 | R0 | R0 | R0 | R0 | |
| MIG - Roads | R91 314 000.00 | R91 314 000.00 | R91 314 000.00 | R0 | R0 | Prioritize residential infrastructure for roads |
| Disaster Management Recovery Grants | R27 650 000.00 | R27 650 000.00 | R27 650 000.00 | R0 | R0 | Prioritize residential infrastructure for roads |
| Infrastructure - Electricity | R17 544 000.00 | R17 544 000.00 | R177 544 000 | R0 | R0 | Prioritize residential infrastructure for electricity |
| <i>Generation</i> | R0 | R0 | R0 | R0 | R0 | |
| <i>Street Lighting</i> | R0 | R0 | R0 | R0 | R0 | |
| Infrastructure - Other | | | | | | |

| | | | | | | |
|------------------------------|----|----|----|----|----|--|
| <i>Transportation</i> | R0 | R0 | R0 | R0 | R0 | |
| <i>Gas</i> | R0 | R0 | R0 | R0 | R0 | |
| <i>Other Specify:</i> | | | | | | |
| Sports - Outdoor | R0 | R0 | R0 | R0 | R0 | |
| Street Parking | R0 | R0 | R0 | R0 | R0 | |

COMPONENTS C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The cash flow outcome presents the actual revenue collected and actual payments made during the year under review. Actual revenue realized should be differentiated from revenue billed because revenue billed does not portray the holistic financial and performance of the municipality. As a result, the cash flow outcome is presented on cash basis as opposed accrual basis of accounting. Cash and cash equivalents is made up of cash in the primary and all the short term investment, there are no long term investment made by the municipality as this will hinder service delivery.

| Description | 2023/24 | Current Year 2024/25 | | | |
|--|-----------------|----------------------|------------------|------------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Property rates | 50 642 | 68 803 | 66 409 | 58 622 | 66 409 |
| Service charges | 104 707 | 144 048 | 158 367 | 130 629 | 158 367 |
| Other revenue | 15 916 | 28 186 | 28 104 | 28 280 | 28 104 |
| Transfers and Subsidies - Operational | 363 612 | 383 099 | 400 643 | 400 643 | 400 643 |
| Transfers and Subsidies - Capital | 55 019 | 91 858 | 123 324 | 123 323 | 123 324 |
| Interest | 6 121 | 8 210 | 5 078 | 6 956 | 5 078 |
| Payments | | | | | |
| Suppliers and employees | (491 950) | (538 490) | (574 099) | (580 307) | (574 099) |
| Finance charges | (1 766) | (406) | (10 644) | (976) | (10 644) |
| Transfers and Grants | (6 016) | (9 404) | (12 133) | (8 800) | (12 133) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 96 285 | 175 905 | 185 049 | 158 370 | 185 049 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Proceeds on disposal of PPE | - | 659 | 5 659 | 5 031 | 5 659 |
| Decrease (increase) in non-current receivables | - | 1 194 | 659 | - | 659 |
| Decrease (increase) in non-current investments | - | - | - | - | - |
| Payments | | | | | |
| Capital assets | (96 297) | (99 595) | (128 364) | (112 456) | (128 364) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (96 297) | (97 742) | (122 046) | (107 425) | (122 046) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Short term loans | - | - | - | - | - |
| Borrowing long term/refinancing | - | - | - | - | - |
| Increase (decrease) in consumer deposits | - | - | - | - | - |
| Payments | | | | | |
| Repayment of borrowing | (10 408) | (9 494) | (11 751) | (8 711) | (11 751) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (10 408) | (9 494) | (11 751) | (8 711) | (11 751) |
| NET INCREASE/ (DECREASE) IN CASH HELD | (10 419) | 68 669 | 51 252 | 42 234 | 51 252 |
| Cash/cash equivalents at beginning: | 33 093 | 9 209 | 13 465 | 22 674 | 13 465 |
| Cash/cash equivalents at month/year end: | 22 674 | 77 878 | 64 717 | 64 908 | 64 717 |

COMMENT ON CASH-FLOW OUTCOMES:

Cash and cash equivalents at the beginning of the financial year was R22,674 million and when comparing this to the cash and cash equivalents at the end of 2024/2025 financial year, the results reflect an increase in cash and cash equivalent of R42,234 million and this portrays a positive picture about cash management of the municipality. Cognizance should be taken that the municipality is still dependent on grants since a major portion of revenue realised is made up of transfer recognised (both operating and capital).

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

| Actual Borrowings 2022/23-2024/25 R'000 | | | |
|--|---------------|--------------|---------------|
| Instrument | 2022/23 | 2023/24 | 2024/25 |
| Municipality | | | |
| Long-term loans (annuity/reducing balance) | - | - | - |
| Long-term loans (non-annuity) | - | - | - |
| Local registered stock | - | - | - |
| Instalment credit | - | - | - |
| Financial leases | 17 131 | 7 636 | 13 004 |
| PPP liabilities | - | - | - |
| Finance granted by cap equipment supplier | - | - | - |
| Marketable bonds | - | - | - |
| Non-marketable bonds | - | - | - |
| Bankers acceptances | - | - | - |
| Financial derivatives | - | - | - |
| Other securities (Eskom) | - | - | - |
| Municipal Total | 17 131 | 7 636 | 13 004 |
| Municipal Entities | | | |
| Long-term Loans (annuity/reducing balance) | - | - | - |
| Long-term Loans (non-annuity) | - | - | - |
| Local registered stock | - | - | - |
| Instalment credit | - | - | - |
| Financial leases | - | - | - |
| PPP liabilities | - | - | - |
| Finance granted by cap equipment supplier | - | - | - |
| Marketable bonds | - | - | - |
| Non-Marketable bonds | - | - | - |
| Bankers acceptances | - | - | - |
| Financial derivatives | - | - | - |
| Other Securities | - | - | - |
| Entities Total | - | - | - |

| Municipal and Entity Investments 2022/23 – 2024/25 | | | |
|---|----------------|----------------|----------------|
| R'000 | | | |
| Investment type | 2022/23 | 2023/24 | 2024/25 |
| | Actual | Actual | Actual |
| Municipality | | | |
| Securities - national government | – | – | – |
| Listed corporate bonds | – | – | – |
| Deposits –bank | 25,459 | – | 57,322 |
| Deposits -public investment commissioners | – | – | – |
| Deposits -corporation for public deposits | – | – | – |
| Bankers' acceptance certificates | – | – | – |
| Negotiable certificates of deposit – Banks | – | – | – |
| Guaranteed endowment policies (sinking) | – | – | – |
| Repurchase agreements – Banks | – | – | – |
| Municipal bonds | – | – | – |
| Other securities (Eskom) | 17,281 | 18,475 | 19,582 |
| Municipality Sub-Total | 42,240 | 18,475 | 76,904 |
| Municipal Entities | | | |
| Securities - National government | – | – | – |
| Listed corporate bonds | – | – | – |
| Deposits – Bank | – | – | – |
| Deposits - Public Investment Commissioners | – | – | – |
| Deposits - Corporation for Public Deposits | – | – | – |
| Bankers' acceptance certificates | – | – | – |
| Negotiable certificates of deposit- Banks | – | – | – |
| Guaranteed endowment policies (sinking) | – | – | – |
| Repurchase agreements – Banks | – | – | – |
| Municipal bonds | – | – | – |
| Other | – | – | – |
| Entities Sub-Total | – | – | – |
| Consolidated Total: | 42,240 | 18,475 | 76,904 |

COMMENT ON BORROWING AND INVESTMENTS:

The municipality had borrowing in the form of finance lease for heavy machinery and equipment and vehicles amounting to R13,004 million at the end of 2024/2025 financial year. There were no investments for the year under review

5.11

PUBLIC-PRIVATE PARTNERSHIPS

Municipality had no public-private partnership.

COMPONENT D: OTHER FINANCIAL MATTERS**5.12 SUPPLY CHAIN MANAGEMENT****SUPPLY CHAIN MANAGEMENT**

The financial statements for the 2024/25 financial year presented an irregular expenditure balance of R177,320,236 as opening balance and during the year irregular expenditure amounting to R29,847,960 was incurred. This leaves the municipality with overall irregular expenditure of R207,168,196 that emanated from procurement of goods and services without fully following the supply chain management processes. For 2024/25,2023/24,2022/23,2017/18,2018/19,2019/20 financial year council wrote off irregular expenditure amounting to R75,799,352 and this has been considered when determining the closing balance R131,368,844 for 2024/25 financial year

Breakdown of Irregular expenditure incurred for the year:

| Reason for irregular | Jun-25 | Jun-24 |
|---|-------------------|-------------------|
| Bidder did not meet minimum requirements | 192,390 | 52,716 |
| Incorrect allocation of functionality points | 1,609,314 | 9,568,187 |
| Technical expert not part of BAC | | 528,473 |
| Failure to address subcontracting | 27,415,706 | 34,524,185 |
| Procurement conducted without competitive bidding | | 1,194,278 |
| Bids were not evaluated in accordance with the bid specification | | |
| Split into two items which the value of the two items exceeds the minimum threshold for the competitive bidding process | 314,520 | |
| Bid awarded to family of employee in service of state | 28,950 | |
| Preferential points for specific goals were not awarded in terms of the specifications in the bidding documents | 287,000 | |
| Non-compliance with minimum requirements threshold for local content | | 536,207 |
| Total | 29,847,960 | 46,404,046 |

During the preparation of the 2025 Annual Financial Statements, management identified errors in the disclosure of irregular expenditure in the audited 2024 Annual Financial Statements.

The error related to the reconciliation and roll-forward of opening balances, which resulted in the understatement of the irregular expenditure opening balance. The misstatement arose from irregular expenditure relating to non-compliance with local content requirements on the fencing of the game farm projects amounting to R1 075 000 and overstatement of previous write off amounting to R10 869 914.

No deviations from supply chain management processes were processed in the 2024/25 financial year.

5.13 GRAP COMPLIANCE

GRAP provides the rules and principles by which municipalities are required to abide by in preparing the financial statements. Successful GRAP compliance and implementation will ensure that municipal accounts are transparent, comparable and more informative to the users of the financial statements.

Elias Motsoaledi local municipality was audited on annual financial statements that were prepared using mSCOA trial balance and general ledger that were GRAP compliant.

EXTERNAL SERVICE PROVIDER'S PERFORMANCE

| Project Name | 2023/2024 Budget | Expenditure | Challenges (any signs of poor performance) | Mitigations (any warning given to the service provider) | Name of Consultant | Assessment Rating or comments | Construction Tender Awarded to (Contractor) |
|---|------------------|----------------|---|---|----------------------------------|-------------------------------|---|
| INFRASTRUCTURE | | | | | | | |
| Upgrading of Kgobokwane\Kgaphama di Roads and Stormwater Access Control | R22 500 000.00 | R14 560 246,77 | none | none | Ralema Consulting Engineers | Good | Democratic Construction and Security Services |
| Upgrading of Tafelkop Stadium Access Road | R 8 000 000 ,00 | R7 723 807,39 | Contractor behind schedule | Contractor sent acceleration plan which indicate completion by 30 th of July | Afritec Consulting Engineers | Bad | SDVK construction and projects 15cc |
| Upgrading of Malaeneneng A Ntwane Internal Access Road | R2 000 000.00 | R11 015 754,53 | none | none | Marungane Projects | Good | Umjanci Esoporweni Construction |
| Refurbishment of Groblersdal landfill site | R1 000 000.00 | R8 110 794,75 | none | none | Grand Monde Consulting Engineers | Good | Amibase |
| Upgrading of Maraganeng Access | R2 000 000.00 | R8 412 960,47 | Contractor behind schedule | none | Tha-Mot Consulting Engineers | Good | Mwelase construction and Projects |

| Project Name | 2023/2024 Budget | Expenditure | Challenges (any signs of poor performance) | Mitigations (any warning given to the service provider) | Name of Consultant | Assessment Rating or comments | Construction Tender Awarded to (Contractor) |
|---|------------------|---------------|---|---|---------------------------------|-------------------------------|---|
| INFRASTRUCTURE | | | | | | | |
| Road and Stormwater Coneontr | | | | | | | |
| Upgrading of Mokumong Access Road to Maratheng Stormwater Control | R1 400 000.00 | R18 885165,30 | none | none | Sejagobe Engineers | Good | Pheladi Noko Funerals and Construction |
| Electrification of Masakaneng Portion 69 Phase 2 | R1 400 000.00 | R7 845 588,87 | none | none | AES Consulting | Good | KF Phetla |
| Electrification of Motetema high view | R2 000 000.00 | R2 145 176,38 | none | none | Reliant Consulting | Good | Lephatha La Basha Trading PTY Ltd |
| Electrification of Vlakfontein | R1 000 000.00 | R854 823,92 | none | none | Rekiant | Good | F-Tech Services |
| Electrification of Phomola\Kgapamadi Phase 2 | R2 000 000.00 | R2 596 450,70 | none | none | Mogalemole Consulting Engineers | Good | F-Tech Services |

| Project Name | 2023/2024 Budget | Expenditure | Challenges (any signs of poor performance) | Mitigations (any warning given to the service provider) | Name of Consultant | Assessment Rating or comments | Construction Tender Awarded to (Contractor) |
|---------------------------|------------------|-------------|---|---|--------------------|-------------------------------|---|
| INFRASTRUCTURE | | | | | | | |
| Electrification of Phooko | R1 400 000.00 | R957 961,12 | none | none | Ntlepo Corporate | Good | F-tech Services |

| DEVELOPMENT PLANNING | | | | | | | |
|--|------------------|---------------|--|---|---|-------------------------------|--------------------------------|
| Project Name | 2023/2024 budget | Expenditure | Challenges (any signs of poor performance) | Mitigations (any warning given to the service provider) | Name of Consultant / Contractor | Assessment Rating or comments | Construction Tender Awarded to |
| Demarcation of Dikgalaopeng | R 750 000 | R745 000 | Chieftaincy Dispute | Development & Implementation of Contingency Plan for expeditious Implementation of the Project. | Nkanivo Development Consultants | Good | None |
| Sites boundary identification at Groblersdal extension 45 (Game Farm) | R 425 000 | R420 000 | None | None | Steagle Surveys & Mapping (Pty) Ltd | Good | None |
| Sites boundary identification at Groblersdal extension 52 (Industrial) | R 275 000 | R273 000 | None | None | Steagle Surveys & Mapping (Pty)Ltd | Good | None |
| Amendment general plan for Roosenekaal extension 2 | R 676 549 | R670 000 | None | None | Matete & Associates Consultants | Good | None |
| COMMUNITY SERVICES | | | | | | | |
| Waste Management Services | R12 874108 | R 8 841532.52 | None | N/A | Mashumi Supply and Projects | Good | n/a |
| Operations and maintenance of Groblersdal landfill site | R 8 160 000 | R8 160 000.00 | None | N/A | Kgwadi Ya Madiba General Trading and Projects | Good | n/a |

| | | | | | | | |
|---|------------------|----------------|---|---|-----------------------------|------|------|
| Operations and maintenance of Roosenekal landfill site | R 2 492 624.00 | R2 100 000.00 | None | N/A | Mashumi Supply and Projects | Good | N/a |
| Provision of a VHF DMR digital 2-way radio communication system (Tender: EMLM 25/2020) | R 795 332 p.a. | R 331 173.33 | None | None | Loskop Radios Newstar JV | Good | None |
| Supply and installation of license plate recognition cameras & CCTV surveillance monitoring system (Tender: EMLM 06/2022) | R 1 409 530 p.a. | R 1 749 523.14 | None | None | Loskop Alarms (Pty) LTD | Good | None |
| Three year rent to own contract for speed cameras and handheld scanning devices with a fully functional back office to manage all traffic related infringements and offences at no cost to council (tender 05/2022) | R 2 747 879p.a. | R 2 897 228.86 | 1. Not all twelve (12) fixed speed cameras site housings and ancillary equipment installed yet 2. Twenty (20) new scanning devices (Two were lost) Summons serving – Not done to date | 1. Service Provider will attend 2. Legal matter Service Provider will attend | Syntell (pty) ltd | Good | None |

| | | | | | | | |
|---|------------------|------------------|------|------|-------------------------------------|------|------|
| Supply, delivery, repairs & installation of office furniture (rfq 26/04/2024) | R 200 000p.a. | R 179 490.00 | None | None | Tlou le Dinare | Good | None |
| Fit, supply & delivery of traffic uniform (rfq 12/04/2024) | R 200 000p.a. | R 175 607.30 | None | None | Sparks & Elis | Good | None |
| Corporate services | | | | | | | |
| Investigation Support to MPAC | As per the rates | As per the rates | none | none | Makanaka Risk and advisory Services | Good | n/a |
| Communication and printing services | As per the rates | As per the rates | none | none | O B Media | Good | n/a |
| Communication and printing services | As per the rates | As per the rates | None | None | Vision Print | Good | |
| Events | As per the rates | As per the rates | none | none | Pheladi Noko | Good | n/a |
| Events | As per the rates | As per the rates | none | none | Dzangi | Good | n/a |
| Accommodation | Commission based | Commission based | none | none | KDM | Good | n/a |
| Accommodation | Commission based | Commission based | none | none | Kopanego JV | Good | n/a |
| Accommodation | Commission based | Commission based | none | none | Reakgona Travel | Good | n/a |
| Compliance management system | R799 980.00 | | None | None | Koryz (PTY) LTD | Good | n/a |

| | | | | | | | |
|--|------------------|------------------|------|------|------------------------------------|------|-----|
| Computer Equipment | As per the rates | As per the rates | None | None | Mamphela Mamphela Holdings | Good | n/a |
| Maintenance of telephone management system | R9,515,249.80 | R3,044,966.55 | None | None | Lekokonetsa LCS Telecommunications | Good | n/a |
| Bulk printing maintenance and support | As per the rates | As per the rates | None | None | Matupunuka ICT | Good | n/a |
| Website maintenance and support | R210 600 | R136,249.20 | None | None | SITA | Good | n/a |
| Server, network maintenance and support | R 9 150 925.50 | R3,474,981.25 | none | note | Mashcorp 2008 | Good | n/a |
| BUDGET AND TREASURY | | | | | | | |
| Munsoft Consultants | R6 440 000 pa | | None | None | Munsoft | Good | n/a |
| Asset Management | R11 892 764 pa | | None | None | Ambition Partners | Good | n/a |
| Valuation services | R144 000 pa | | None | None | UNIQUECO | Good | n/a |
| Banking services | Bank charges | | None | None | Nedbank | Good | n/a |
| Data Validations | R540 000 pa | | None | None | LKCentrix | Good | n/a |
| Payroll services | R98 000 pa | | None | None | VIP | Good | n/a |
| Debt Collection | 12% commission | | None | None | LKCentrix | Good | n/a |
| Debt Collection | 12% commission | | None | None | Khumalo Masondo Inc | Good | n/a |

| | | | | | | | |
|---|------------------|------------------|------|------|------------------------------|------|------|
| Prepaid electricity vending system | 4,5% commission | | None | None | Spectrum Utility Management | Good | n/a |
| VAT Recovery services | 8,63% commission | | None | None | MaxProf Recovery | Good | n/a |
| Supply and delivery of electrical materials | R6,795,406 | | None | None | Many le Mang Construction | Good | n/a |
| Supply and delivery of electrical materials | R8,970,915.96 | | None | None | Mpofu Electrical | Good | n/a |
| Supply and delivery of electrical materials | R16,774,190.26 | | None | None | Giftron Distribution | Good | n/a |
| MUNICIPAL MANAGERS OFFICE | | | | | | | |
| Security company | R49 500 000 | | None | None | Brown dogs Security | | n/a |
| Legal services | As per the rates | As per the rates | None | None | Dikgati Mphahlele inc | Good | n/ a |
| Legal services | As per the rates | As per the rates | None | None | Mpoyana Ledwaba inc | Good | n/a |
| Legal services | As per the rates | As per the rates | None | None | Mpoke P. k Magane inc | Good | n/a |
| Legal service0s | As per the rates | As per the rates | None | None | Mohube Setsoalo Mabusela inc | Good | n/a |
| Legal services | As per the rates | As per the rates | None | None | Moloko Phooko Attorneys | Good | |

| | | | | | | | |
|---|------------------|------------------|------|------|----------------|------|-----|
| Internal audit | Hourly rates | Hourly rates | None | None | MMB Consulting | Good | n/a |
| Internal audit | As per the rates | As per the rates | None | None | SB Consulting | Good | n/a |
| Rating description | | | | | | | |
| Performance is Unacceptable. Service provider did not meet 25% of the work. Quarterly target is not achieved. | bad | | | | | | |
| Performance is not fully satisfactory. Service provider performed less than 50% of work. Quarterly target is not achieved | Fair | | | | | | |
| Performance is fully effective. Service provider performed 50-70% of the work. Quarterly target is achieved. | Good | | | | | | |
| Performance significantly above expectations. Service provider has performed 100% of the work. Annual target is achieved | Excellent | | | | | | |

CHAPTER 6
AUDITOR-GENERAL AUDIT
FINDINGS

**COMPONENT A:
AUDITOR GENERAL OPINION OF
FINANCIAL STATEMENT**

Report of the auditor-general to Limpopo Provincial Legislature and council on Elias Motsoaledi Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Elias Motsoaledi Local Municipality set out on pages 334 to 457, 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 information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Elias Motsoaledi Local Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.
7. As disclosed in note 46 to the financial statements, material electricity losses of R14 603 809 (2024: R20 929 386) were incurred, which represents 11% (2024: 19%) of total electricity purchased. The electricity losses were due to technical factors such as network status, condition, and aging infrastructure, as well as external factors like weather damages and system load and non-technical factors such as illegal connections and vandalism.

8. As disclosed in note 29 to the financial statements, a material impairment of R97 213 289 (2024: R90 674 903 was incurred as a result of irrecoverable consumer debtors and traffic fine debtors.
9. As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2025.
10. As disclosed in note 15 to the financial statements, the municipality underspent on the Municipal Disaster Recovery Grant by R24 936 845 due to the grant allocated during the third quarter of the financial year.

Other matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.
12. In terms of section 125(2)(e) of the MFMA the 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

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and 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.
14. 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

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 8, forms part of our auditor's report.

Report on the audit of the annual performance report

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

18. I selected the following key performance areas 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 areas | Page numbers | Purpose |
|---|--------------|---|
| KPA 3: Local economic development | 116-118 | To promote conducive environment for economic growth and development |
| KPA 4: Basic service delivery and infrastructure development | 119-132 | To provide for basic service delivery and sustainable infrastructural development |

19. I evaluated the reported performance information for the selected key performance areas presented 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.

20. I performed procedures to test whether:

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

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

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

22.1 did not identify any material findings on the reported performance information for KPA 3: Local economic and development.

23. The material findings on the reported performance information for the following key performance areas are as follows:

KPA 4: Basic service delivery and infrastructure development

% of registered indigents who receives free basic electricity (GKPI)

24. An achievement of 40% was reported against a target of 10%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

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 table that follows provide information on the achievement of planned targets and list the key basic services delivery and Infrastructure development 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 119 to 132.

| <i>Targets achieved: 89%</i> | | |
|--|---|--|
| <i>Budget spent: 82%</i> | | |
| Key service delivery indicator not achieved | Planned target | Reported achievement |
| Waste removal in <ul style="list-style-type: none"> • Groblersdal • Hlogotlou • Roosenekaal • Motetema | Waste removal in <ul style="list-style-type: none"> • Groblersdal x104 • Hlogotlou x103 • Roosenekaal x105 • Motetema x52 | Waste removal in <ul style="list-style-type: none"> • Groblersdal x103 • Hlogotlou xl 01 • Roosenekaal x102 • Motetema x47 |

| <p><i>Targets achieved: 89%</i></p> <p><i>Budget spent: 82%</i></p> | | |
|--|---|---|
| Key service delivery indicator not achieved | Planned target | Reported achievement |
| Number of assessments conducted on Groblersdal stormwater network | 1 assessment conducted on Groblersdal stormwater network by 30 June 2025 | 0 assessments conducted on Groblersdal stormwater network |
| Number of km of paved road at Maraganeng internal access road upgraded | 3,5 km of paved road at Maraganeng internal access road upgrading completed by 30 June 2025 | 1,2 km of paved road at Maraganeng internal access road upgrading completed |
| % expenditure on machinery and equipment | 90% expenditure on machinery and equipment by 30 June 2025 | 33% expenditure on machinery and equipment |

Material misstatements

28. Identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for KPA 4: Basic service delivery and infrastructure development. Management did not correct these misstatements, and I reported material findings in this regard.

KPA 3: Local economic development

29. I did not identify any material findings on the reported performance information for the local economic development.

Report on compliance with legislation

30. 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.

31. 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.

32. 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.

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

Annual financial statements and annual report

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

Material misstatements of current assets, liabilities and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Strategic planning and Performance

35. The performance management system and related controls were inadequate as it did not prevent material misstatements in the reported achievements in the annual performance report.

Other information in the annual report

36. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported on in this auditor's report.
37. My opinion on the financial statements, the report on the audit of the annual performance report and the report on 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.
38. 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.
39. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and 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 to be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

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

41. The matters reported below are limited to the significant internal control deficiencies that resulted in 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.
42. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. The accounting officer did not adequately review the financial statements and annual performance report before submitting for audit.
43. The action plan developed by the municipality to address internal and external audit findings for performance information and compliance with laws and regulations was not effective and did not ensure that root causes that resulted in these findings are properly identified to resolve the issues.
44. Non-compliance with legislation could have been prevented if compliance was properly reviewed and monitored by the municipality.
45. Management did not prepare regular, an accurate and a complete indigent register. The accounting officer did not adequately review the indigent register to ensure that it only consists of valid beneficiaries.

Other reports

46. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
47. The Special Investigations Unit (SIU) submitted referrals to the municipality for an investigation into alleged irregularities for the period 2011 - 2018 in respect of the affairs of the municipality in terms of proclamation number R7 of 2018. The municipality addressed the recommendations and submitted a report to the SIU. At the date of this report, the municipality was awaiting the final SIU report on the investigation from the Presidency.

Auditor - General

Polokwane

30 November 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected key performance area and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

| # | Selected legislation and regulations | Consolidated firm level requirements |
|---|---|--|
| 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) |

| # | Selected legislation and regulations | Consolidated firm level requirements |
|----|---|--|
| 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) |
| 12 | MSA: Municipal Planning and Performance Management Regulations, 2001 | Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii) |
| 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) |

**COMPONENT B:
AUDITOR GENERAL'S OPINION 2024/2025**

5.2 AUDITOR GENERAL’S REPORT 2024/2025

| Auditor – General’s Report on Financial Performance 2024/2025 | |
|--|--|
| Audit Report Status | |

| Non- Compliance Issues | Remedial Action Taken |
|----------------------------------|------------------------------|
| As stipulated in the AGSA report | Audit action plan developed |

| Auditor-General’s Report on Service Delivery Performance 2024/2025 | |
|---|--|
| Audit Report Status: | |

| Non-Compliance Issues | Remedial Action Taken |
|----------------------------------|------------------------------|
| As stipulated in the AGSA report | Audit action plan developed |

5.3 MUNICIPAL MANAGER AND CHIEF FINANCIAL OFFICER’S COMMENTS:

In terms of section 126(1) of the MFMA the Accounting Officer of a municipality must:

“Prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing;”

The financial statement as on 30 June 2025 of the municipality was submitted to Auditor General on the 30th of August 2025.

In terms of section 126(3)(a)(b) of the MFMA the Auditor General must

“Audit those financial statements; and submit an audit report on those statements to the Accounting Officer of the municipality or entity within three months of receipt of the statements. The Audit report for 2024/2025 was submitted to Accounting Officer on 30 November 2025. The municipality has received an unqualified audit opinion, marking a significant improvement from previous year’s qualified audit opinion. This achievement reflects strengthened financial management, enhanced compliance with reporting standards, and a commitment to transparency and accountability. It demonstrates the municipality’s progress in addressing prior shortcomings and building greater trust with stakeholders.”

5.4 AUDIT COMMITTEE COMMENTS:

The Audit Committee commends the management of Elias Motsoaledi Local Municipality for the significant improvement in audit outcomes, progressing from a qualified opinion in the 2023/24 financial year—primarily due to unaddressed impairments on property, plant, and equipment to an unqualified opinion in the 2024/25 financial year. This achievement reflects enhanced internal controls, rigorous adherence to GRAP standards, MFMA, and DoRA requirements, as well as effective resolution of prior material findings on performance reporting, compliance, and expenditure management. The committee urges continued vigilance in areas such as procurement monitoring, irregular expenditure prevention and performance target achievement to build on this momentum and ensure sustainable financial health and service delivery.

AUDIT ACTION PLAN

| | |
|--------------------------|-------------------------------------|
| FINANCIAL YEAR | 2024/2025 |
| Municipality Name | Elias Motsoaledi Local Municipality |
| Audit Opinion | Unqualified |
| Reporting Period | 2024/2025 |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|--|---|---|----------------|-----------------------|-----------------------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7061- 2025 | Differences between the previously reported opening balance and the closing balance per prior year audited AFS | During the high-level review of the annual financial statements, AGSA noted a difference between the amount indicated as the previously reported opening balance in the 2025 statement of changes in net assets and the closing balance of the statement of changes in the audited financial statements for the 2024 financial year | The error arose due to the Statement of Changes in Net Assets that was not updated after the prior period error had been corrected. | No | | Moleko Sebeletja, Kgaugelo Hutamo | 31/Aug/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|--|--|---|----------------|-----------------------|---------------------------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7063- 2025 | Differences between the corrections on the statement of changes in net assets and the corrections in the prior period error note tm:format font-override=true xsl:value-of select= TITLE / /tm:format | During the high-level review of the annual financial statements, AGSA noted a difference between the corrections on the statement of changes in net assets and the corrections in the prior period error note. | The error arose due to the Statement of Changes in Net Assets that was not updated after the prior period error had been corrected. | No | | Moleko Sebele metja, Kgaugelo Hutam o | 30/Apr /2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|--|--|---|----------------|-----------------------|---------------------------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7064- 2025 | Differences between the corresponding amount on the 2025 financial statements and the amount on the 2024 financial statements not disclosed in the prior period error note | During the high-level review of the annual financial statements, AGSA noted differences between the corresponding amount on the 2025 financial statements and the amount on the 2024 financial statements that were not disclosed in the prior period error note for the irregular expenditure, fruitless and wasteful expenditure and cash generated from | Inadequate review of the financial statements | No | | Moleko Sebele metja, Kgaugelo Hutam o | 30/Apr /2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|--|--|---|----------------|-----------------------|------------------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | operations note disclosures. | | | | | | | | | |
| AAP8 7068- 2025 | Differences between the corresponding amount on the 2025 financial statements and the amount on the 2024 financial statements not disclosed in the prior period error note tm:format font-override=true xsl:value-of select= TITLE / /tm:format | During the high-level review of the annual financial statements, we have noted differences between the corresponding amount on the 2025 financial statements and the amount on | Inadequate review of the financial statements | Yes | 1 | Chris Mtsweni, Vusi Masilela | 31/Aug/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|----------------|---|--|---|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | the 2024 financial statements that were not disclosed in the prior period error note for the irregular expenditure, fruitless and wasteful expenditure note disclosures. | | | | | | | | | |
| AAP8 7069-2025 | The opening balance per the 2025 commitment register does not agree to the closing balance per the 2024 audited financial statements or the corresponding amount in the 2025 financial statements | During the high-level review of the annual financial statements, AGSA noted that the opening balance of the register for the 2025 financial year does not agree with the prior year closing balance or the | The error arose due to the prior period error note not being updated after reclassi | Yes | 1 | Calvin Tjiane | 30/Jan/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------|---------|--|--|----------------|-----------------------|--------------------|--------------|--------------------|---------------------------|-----------------------|----------------|
| | | corresponding amount in the current year financial statements. | ification of electrification projects from CAPEX to OPEX implemented in unlicensed areas (Zenzel e and Nyakelang) and upgrading of Stompo and Masoin g projects which were | | | | | | | | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|---|---|---|----------------|-----------------------|--------------------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | | completed. | | | | | | | | |
| AAP8 7070- 2025 | The amount disclosed in the note does not agree to the amount in the narrations | During the high-level review of the annual financial statements, AGSA noted that the amount disclosed in the note does not agree to the amount in the narrations, we further noted that the amount disclosed in the | Inadequate review of the financial statements disclosures | No | | Unity Sebelebele, Given Makena | 31/Aug/2026 | Developed (Audit Committee Approved) | 100% | In Progress | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|----------------|---|---|-------------------------------------|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | narrations for 2025 is the same as the amount disclosed in th Note 55. Repairs and m Amount disclosed for 2025 financi Amount per t Repairs and mainten 42,095 37,5 4 547 446 | | | | | | | | | |
| AAP8 7072-2025 | External Quality Assurance assessment not done xsl:value-of select= CATEGORY / | The external quality assurance assessment for the Internal Audit function for Elias Motsoaledi Local Municipality has not been conducted per the prescribed frequency as we noted that the last | Oversight on the side of management | No | | Phuti Mailula | 30/June/2026 | Developed (Audit Committee Approved) | | Not Yet Started | 20/Jan/2026 |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|----------------|---|--|-------------------------------------|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | assessment was conducted in the 2018/19 financial year, this sums to a period of 5 years. | | | | | | | | | |
| AAP8 7079-2025 | Council did not adopt MFMA Circular 65 and MFMA Circular 127 xsl:value-of select= CATEGORY / | Management could not provide evidence that the Council of Elias Motsoaledi Local Municipality has adopted MFMA Circular No. 65 and MFMA Circular No. 127. No council resolutions or minutes indicating | Oversight on the side of management | No | | Phuti Mailula | 31/Mar/2026 | Developed (Audit Committee Approved) | 100% | In Progress | 20/Jan/2026 |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------|---------|---|------------|----------------|-----------------------|--------------------|--------------|--------------------|---------------------------|-----------------------|----------------|
| | | <p>adoption or implementation of the circulars were made available to the auditors. The failure by Council to adopt MFMA Circular No. 65 and MFMA Circular No. 127 results in an internal control deficiency.</p> | | | | | | | | | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|----------------|--|--|--|----------------|-----------------------|---|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7080-2025 | Non-compliance with Section 18(1) of the Municipal budget and reporting regulations. | During the audit of Strategic Planning, it was noted that the 2024/25 Annual Budget was uploaded to the municipal website on 17 July 2024, whereas the municipal council had approved the budget on 31 May 2024. As a result, the municipality did not comply with Section 18(1) of the Municipal Budget and Reporting Regulations, which requires the approved budget to be | Failure to timeously review and monitor compliance with applicable laws and regulations. | No | | Kgaugelo Hutamo, Unity Sebelebe, Given Makena | 05/June/2026 | Developed (Audit Committee Approved) | 11% | In Progress | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------|---------|--|------------|----------------|-----------------------|--------------------|--------------|--------------------|---------------------------|-----------------------|----------------|
| | | <p>made public on the municipal website within ten working days. The budget was uploaded 37 working days after approval. This result in non-compliance with Municipal budget and reporting regulation section 18(1).</p> | | | | | | | | | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|--|---|--|----------------|-----------------------|---|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7081- 2025 | Non-compliance with Section 26(1) of the Municipal budget and reporting regulations. | During the audit of Strategic Planning, it was noted that the 2024/25 special adjusted budget was uploaded to the municipal website on 27 June 2025, whereas the municipal council had approved the special adjusted budget on 08 May 2025. As a result, the municipality did not comply with Section 26(1) of the Municipal Budget and Reporting Regulations, which requires | Failure to review and monitor compliance with applicable laws and regulations. | No | | Kgaugelo Hutamo, Unity Sebelebe, Given Makena | 06/Mar/2026 | Developed (Audit Committee Approved) | 11% | In Progress | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------|---------|--|------------|----------------|-----------------------|--------------------|--------------|--------------------|---------------------------|-----------------------|----------------|
| | | the approved budget to be made public within ten working days. The budget was uploaded 36 working days after approval. This result in non-compliance with Municipal budget and reporting regulation section 26(1). | | | | | | | | | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|---|---|--|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7082- 2025 | Supplier in Service: Non-disclosure of interest in service of state | During the review of the procurement process, it was noted that Thekgano Business Enterprise a supplier whose director is in service of the state, supplied goods to the municipality to the value of R28 950 on 03 April 2025 which is within the 12 months of resignation of the director from the state institution. The director of the supplier (Mr Maputunkana Joel Mohlahlo) | Failure to review and monitor compliance with applicable laws and regulations. | No | | Vusi Masilela | 30/June/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|----------------|---|--|------------|----------------|-----------------------|--|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | was an employee of the Limpopo Department of Roads and Transport and resigned on 31 March 2025. The supplier did not adequately declare that the directorship of Thekgano Business Enterprise is in service of the state on MBD 4 dated and signed on 02 April 2025. | | | | | | | | | |
| AAP8 7083-2025 | Advertising the vacant post 14 days after the receipt of the approval | During the review of the appointment process, we noted that management advertised a post of Senior Manager: | | No | | Machipu Make, Happy Mase mola, Lawrence Mafiri | 30/June/2026 | Developed (Audit Committee Approved) | 80% | In Progress | 16/Jan/2026 |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|--|---|--|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | Corporate Services 14 days after the receipt of the approval. | | | | | | | | | |
| AAP8 7201- 2025 | Understatement of commitments <small>xsl:value-of select= CATEGORY /</small> | During the audit of commitments, it was noted through the review of 2024-25 Contract Register that the municipality has a contract for the upgrading of gravel road to pave and stormwater control at Moteti Village with Democratic Constructions and Security Services CC for R9 512 561.00. We identified that | Inadequate review of the commitment register to ensure that the annual financial statements are supported and evidenced by | No | | Calvin Tjiane | 07/Aug/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|---|--|--|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | the municipality did not disclose the contract as part of commitments for the year ended 30 June 2025. | schedules that are accurate, complete and reliable. | | | | | | | | |
| AAP8 7202- 2025 | Overstatement of Accrued bonus xsl:value-of select="CATEGORY / | During the audit of accrued bonus, AGSA noted that management recognized a bonus accrual for 12 months period instead of an accrual period (01 January 2025 to 30 June 2025). This resulted in | Inadequate review of the calculation of accrued bonus to ensure that the correct amount is disclosed in accordance | No | | Chris Mtsweni | 31/Aug/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|----------------|---|--|--|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | overstatement of the accrual period. | nce with GRAP requirements. | | | | | | | | |
| AAP8 7203-2025 | Internal Control Deficiency: Tender register not agreeing to awards published on the municipality's website | During the review of the Tender register, it was noted that tender number: EMLM23/2025 awarded on 30 April 2025 was published on the municipality's website however not recorded in the tender register. | Inadequate monitoring of information to be placed on municipal website | No | | Vusi Masilela | 31/Jan/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|--------------------------------------|---|---|----------------|-----------------------|--|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7207- 2025 | Non-compliance: Goods split in parts | During the audit of Quotations, it was discovered that two quotations were split into two items which the value of the two items exceeds the minimum threshold for the competitive bidding process. | Inadequate review and monitor of compliance with applicable laws and regulations. | No | | Vusi Masilela, Walter Mohlala, Kgaugelo Hutamo, Boredi Sethoja, Machipu Make, Matimba Malungana, Reginah Makgata | 30/June/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|----------------|--|--|---|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7209-2025 | Non-compliance: Quotation not evaluated according to specification | During the audit of quotations, it was discovered that the Preferential points for specific goals were not awarded in terms of the specifications in the bidding documents therefore the process was not fair and transparent. | Unfair evaluation of the submitted bids | No | | Vusi Masilela | 30/June/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |
| AAP8 7211-2025 | Comparative amounts different from the prior year amounts xsl:value-of select="CATEGORY / | During the audit of employee benefit obligation, we have noted differences between the amounts reported on the prior year financial statements | Inadequate review of the financial statements | No | | Chris Mtsweni | 31/Aug/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|-----------------------|--|---|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | (2023-24) and the comparative figure of the current year financial statements with respect to note 7. | | | | | | | | | |
| AAP8 7213- 2025 | Employee related cost | As part of testing of employee related costs, it was noted that the 2024-25 financial statements comparative amounts were different from 2023-24 financial statements as indicated in Note 27 with respect to S57 employees. | Inadequate review of the financial statements | No | | Chris Mtsweni | 31/Aug/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|--|---|---|----------------|-----------------------|---------------------------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7214- 2025 | Restatement of accumulated surplus due to prior period error is found to be inaccurate | During the audit of prior period error, it was noted that the restatement of accumulated surplus between previously reported accumulated surplus and restated balance was arithmetically inaccurate as reflected in note 39 to annual financial statements. | Inadequately review the prior period error note to ensure that the annual financial statements are supported by notes that are accurate and reliable. | No | | Moleko Sebele metja, Kgaugelo Hutam o | 31/Aug/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|--|---|---|----------------|-----------------------|---|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7215- 2025 | Reported achievement not reliable - AOPO xsl:value-of select= CATEGORY / | In auditing the denominator of the indicator “% of registered indigents who receive free basic electricity by 30 June 2025 (GKPI)” and its corresponding target, we identified that the reported achievement of 40% in the Annual Performance Report could not be verified for accuracy and validity. Beneficiaries included in the claimschedule could not be traced to the indigent register, which forms the | Failure to prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. | No | | Mabuke Namahe, Thoriso Tlouema, Pertunia Mdluli | 30/June/2026 | Developed (Audit Committee Approved) | 3% | In Progress | 16/Jan/2026 |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|----------------|---|---|---|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | basis of this performance measure. Consequently, the reported achievement is not valid and accurate and therefore not reliable. | | | | | | | | | |
| AAP8 7216-2025 | Beneficiaries of Free Basic Electricity and paid for could not be traced to the Indigent register - Indigents AFS | During the audit of Electricity subsidies under Transfers and Subsidies (Note 25), we C5noted that there were beneficiaries who claimed Free Basic Electricity (FBE) and the municipality has made payment to Eskom for these | Ineffective internal controls to strengthen and ensure that the claims schedules are reconcil | No | | Mabuke Nama ne | 30/Jun/2026 | Developed (Audit Committee Approved) | 2% | In Progress | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|---|--|---|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | claims however the beneficiaries could not be traced to the indigent register. | ed to the indigent register on a monthly basis. | | | | | | | | |
| AAP8 7217- 2025 | Related party - Corresponding amounts do not agree xsl:value-of select= CATEGORY / | During the audit of related parties, it was noted through the review of Note 37 – Related parties that the corresponding amounts disclosed for 2024 do not agree with the amounts on the audited | Ineffective internal controls to strengthen and ensure that notes to the annual financial statements are subject to | No | | Chris Mtsweni | 31/Aug/2026 | Developed (Audit Committee Approved) | | Not Yet Started | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------|---------|---|--|----------------|-----------------------|--------------------|--------------|--------------------|---------------------------|-----------------------|----------------|
| | | prior year annual financial statements. We identified a difference of R559 962.00 between the current year comparative amounts and the figures on the audited 2024 annual financial statements. | adequate review to ensure that comparative amounts included on the notes are accurate. | | | | | | | | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|---|--|--|----------------|-----------------------|-----------------------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7218- 2025 | List of services with inconsistent property rates | Section 64(2)(e) of the MFMA states that the accounting officer for must for the purpose of subsection (1) take all reasonable steps to ensure that the municipality has and maintains a management ,accounting and information system which-(i) recognises revenue when it is earned;(ii)accounts for debtors;and | Failure to perform due diligence on billing for property rates in a consistent manner and also to ensure that correct tariffs are applied. | No | | Richard Palmer , Moleko Sebeletja | 30/June/2026 | Developed (Audit Committee Approved) | 50% | In Progress | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------|---------|--|------------|----------------|-----------------------|--------------------|--------------|--------------------|---------------------------|-----------------------|----------------|
| | | (iii) accounts for receipts of revenue; However, the municipality inconsistently and incorrectly billed the property rates | | | | | | | | | |

| | | | | | | | | | | | |
|-----------------------|--|---|--|----|--|----------------------------|--------------|--------------------------------------|------|-------------|--|
| AAP8 7219- 2025 | Inaccurate Disclosure and Non-Compliance with GRAP 13 – Deferred Income and Operating Lease Income | During the audit of the presentation and disclosures, it was noted that Note 17 of the AFS states that the municipality received R5 500 000,00 in advance for a market-related lease of a business property. The lease is disclosed as having a 25-year term, with payments amortised using the straight-line method and no escalation. The note further states that the remaining lease term is 15 years. Upon recalculation, it was confirmed that the actual remaining lease term is 12.25 | Inadequate review of the preparation and disclosure of lease-related financial information, resulting in inaccurate reporting of the remaining lease term in Note 17 and incomplete disclosure of future minimum lease payments in | No | | Given Makena, Unity Sebele | 30/June/2026 | Developed (Audit Committee Approved) | 100% | In Progress | |
|-----------------------|--|---|--|----|--|----------------------------|--------------|--------------------------------------|------|-------------|--|

| | | | | | | | | | | | |
|--|--|---|----------|--|--|--|--|--|--|--|--|
| | | <p>years as at year-end. This indicates that the narrative disclosure of the remaining lease term is not accurate. The municipality's disclosure omits the "later than five years" category required by GRAP 13 paragraph .66, which states that entities must disclose future minimum lease payments under non-cancellable operating leases for the following periods:</p> <p>Not later than one year Later than one year and not later than five years Later than five years</p> | Note 33. | | | | | | | | |
|--|--|---|----------|--|--|--|--|--|--|--|--|

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| | | <p>The absence of the “later than five years” category results in non-compliance with the full disclosure requirements of GRAP 13, this may result in users of the financial statements not having a full understanding of the municipality’s future lease income obligations and may thereof impair users’ ability to make informed decisions.</p> | | | | | | | | | |
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| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|---|---|---|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7220- 2025 | Statement of comparison of budget and actual amounts - Differences between the Special Adjustment Budget and the AFS | During the audit of the statement of comparison of budget and actual amounts, it was noted that there are differences between the amounts disclosed under the approved budget, adjustments, final budget and difference between final budget and actual columns on the Statement of Comparison of Budget and Actual Amounts | Inadequate review of the Statement of Comparison of Budget and Actual amounts to ensure that the annual financial statements are accurate and reliable. | No | | Unity Sebebe | 31/Aug/2026 | Developed (Audit Committee Approved) | 100% | In Progress | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------|---------|--|------------|----------------|-----------------------|--------------------|--------------|--------------------|---------------------------|-----------------------|----------------|
| | | and the approved special adjustment budget. The amounts disclosed on the Statement of Comparison of Budget and Actual Amounts do not agree with the amount recorded on the approved special adjustment budget. | | | | | | | | | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|---|---|--|----------------|-----------------------|----------------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7221- 2025 | Statement of comparison of budget and actual amounts - Recalculated variances of 10% or more are not explained | During the audit of the statement of comparison of budget and actual amounts, it was noted that items with material differences between budget and actual amounts did not have explanations. We recalculated the percentage of variance between the budget and the actual amounts and we identified that items with | Inadequate review of the Statement of Comparison of Budget and Actual Amounts is fairly presented in terms of GRAP 24. | Yes | 1 | Unity Sebebe, Given Makena | 31/Aug/2026 | Developed (Audit Committee Approved) | 100% | In Progress | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|----------------|--|--|--|----------------|-----------------------|------------------------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| | | differences of ten percent (10%) or more to which management did not disclose explanation for the variances. | | | | | | | | | |
| AAP8 7222-2025 | Contract management – Contract performance not monitored | During the audit of contract management, we noted that the following contracts were not monitored on a monthly basis as required by MFMA section | Failure to ensure that all contracts are | Yes | 2 | Happy Mase mola, Fetakgomo Debeila | 31/Mar/2026 | Developed (Audit Committee Approved) | 25% | In Progress | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------|---------|---|--|----------------|-----------------------|--------------------|--------------|--------------------|---------------------------|-----------------------|----------------|
| | | 116(2)(b). We requested progress reports under RFI 57, and Management did not provide any evidence indicating that the contracts were monitored on a monthly basis. | monitored on a monthly basis as required by section 116(2)(b) of the MFMA. | | | | | | | | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|----------------|---|--|--|----------------|-----------------------|---|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7223-2025 | Non-Compliance with MFMA Section 116(3) and SCM Regulation 38 | During the audit of contract management, it was noted that the contract "EMLM 04/2025: KNM Civils - Electrification of Luckau Maganagobuswa" was awarded an additional amount of R1 089 339,77. A request for information (RFI 57) was issued to obtain the supporting variation order documentation including evidence that it was signed by the delegated official. Management | Expansion of scope without following the requisite process | No | | Fetakgomo Debeila, Kennedy Mametsa, Matimba Malungana | 30/Jan/2026 | Developed (Audit Committee Approved) | 100% | Completed | 16/Jan/2026 |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------|---------|--|------------|----------------|-----------------------|--------------------|--------------|--------------------|---------------------------|-----------------------|----------------|
| | | however did not provide any evidence to confirm that the amendment was processed in compliance with the requirements of MFMA Section 116(3) and Municipal Supply Chain Management Regulation 38. Furthermore, the approved variation order exceeded 20% of the original contract value | | | | | | | | | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|---------------|--|--|--|----------------|-----------------------|--------------------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP90013-2025 | Pricing exceeds market values by 3 times ratio | During the audit of inventory of goods and services, particularly purchases of goods, it was discovered that a number of items were procured at prices significantly higher than market value. We compared the inventory item to market prices and we determined that these items were procured at prices with an estimated range of three to four times typical | Failure to implement benchmarking quotes to the latter | No | | Vusi Masilela, Kgaugelo Hutamo | 16/Jan/2026 | Developed (Audit Committee Approved) | 100% | Completed | 20/Jan/2026 |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------|---------|--|------------|----------------|-----------------------|--------------------|--------------|--------------------|---------------------------|-----------------------|----------------|
| | | market prices. This includes items such as Canon EOS R7 cameras, Camera Flash Speedlights, Black and Green Refuse Bags, and 3-Phase 4-Wire Meters. | | | | | | | | | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|---------------|---|---|---|----------------|-----------------------|--------------------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP90016-2025 | Non-compliance: Reasonable steps to prevent irregular expenditure not taken | Based on the assessment of the irregular expenditure as disclosed in note 46 of the annual financial statements as of 30 June 2025 and the registers supporting the financial statements, we noted that the irregular expenditure has re-occurred from the prior year. The instances consists of Incorrect allocation of functionality points and failure to address subcontracting. In the current | Multi-year contracts previously classified as irregularly awarded contracts | No | | Vusi Masilela, Kgaugelo Hutamo | 30/June/2026 | Developed (Audit Committee Approved) | 100% | In Progress | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
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| | | year, management identified instances of irregular expenditure to the value of R29,2 million, as disclosed in note 46 of the annual financial statements. | | | | | | | | | |

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| AAP9 0019- 2025 | VAT receivable not classified appropriately on the statement of financial position | During the audit of VAT Receivable, the following accounting issues were noted: Offsetting of VAT Receivable and PayableIt was noted that management offset Input VAT accruals against Output VAT accruals and recognised a net receivable on the statement of financial position. VAT input and output accruals respectively consist separate transactions with third parties and may not be offset. Rather, a VAT payable and VAT receivable should be recognised separately for VAT accruals | Inadeq uate review of the financia ls | No | | Molek o Sebele metja, Chris Mtswe ni, Kgaug elo Hutam o | 31/Au g/202 6 | Develo ped (Audit Commi tee Approv ed) | | Not Yet Started | |
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| | | <p>and Input VAT accruals respectively under current assets and current liabilities as well as the relevant disclosure notes. Further on, VAT Receivable should be classified as a receivable from exchange transactions. Impact of debtors' impairment on VAT It was noted that impairment of consumer debtors comprised of impairment of VAT output to a value of R3 281 367,68.</p> | | | | | | | | | |
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| | | <p>The impact of impairment resulting from output VAT on VAT Payable was not separately calculated and shown on the note to the financial statements as guided by SALGA and ASB.</p> | | | | | | | | | |
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| AAP9 0022- 2025 | Consequence management- limitation of scope | <p>During the audit of consequence management, we requested a register of cases that make the opening balances for irregular expenditure and fruitless and wasteful expenditure under RFI 78 as reflected on the notes to the financial statements as follows:</p> <p>Fruitless and wasteful expenditure</p> <p>R3 808 226</p> <p>Irregular expenditure</p> | Poor records management | No | | Chris Mtsweni, Vusi Masilela | 30/June/2026 | Developed (Audit Committee Approved) | 100% | In Progress | |
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| | | <p>R166 450 323</p> <p>For irregular expenditureWe were furnished with the irregular expenditure registers to support the opening balance from 2016-17 amounts. We noted that amounts per prior registers do not cover the entire opening balance. Please see below:</p> <p>Amount (R)</p> <p>Opening balance</p> | | | | | | | | | |
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|--|--|---|-----|--|--|--|--|--|--|--|--|--|
| | | 450 323,00 | 166 | | | | | | | | | |
| | | 2016-17 | | | | | | | | | | |
| | | 551 159,53 | 83 | | | | | | | | | |
| | | 2023-24 | | | | | | | | | | |
| | | 404 045,00 | 46 | | | | | | | | | |
| | | Amount without supporting register | | | | | | | | | | |
| | | 495 118,47 | 36 | | | | | | | | | |

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| | | <p>For fruitless and wasteful expenditure We were provided with the registers from 2018-19 to 2023-24 to support the opening balance. However, the registers do not cover the opening balance in full. Please see below:</p> | | | | | | | | | |
| | | Amount (R) | | | | | | | | | |
| | | Opening balance | | | | | | | | | |
| | | 808 226 | 3 | | | | | | | | |

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| | | 2017-18-2023- 24 registers | | | | | | | | | | |
| | | 394 749 | 2 | | | | | | | | | |
| | | Amount without supporting register | | | | | | | | | | |
| | | 413 477 | 1 | | | | | | | | | |
| | | Lack of registers to support both the opening balances places material limitation of scope over whether the | | | | | | | | | | |

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| | | investigations were performed for both irregular and fruitless and wasteful expenditure to confirm responsible officials. | | | | | | | | | | |
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| AAP9 0024- 2025 | Irregular expenditure written off- understatement | <p>During the audit of irregular expenditure disclosure, it was noted that irregular expenditure written off for the 2023-24 as presented in the comparative, was exclusive of VAT. The amounts written off were based on the 2017-18 and 2019-20 registers respectively, which were exclusive of VAT. Please see below:</p> <p>Irregular expenditure</p> <p>Amounts per AFS (R)</p> <p>VAT not</p> | Inadequate review of the financials | No | | Vusi Masilela, Moleko Sebele metja, Kgaugelo Hutamo | 30/June/2026 | Developed (Audit Committee Approved) | 100% | In Progress | |
|-----------------------|--|---|-------------------------------------|----|--|---|--------------|--------------------------------------|------|-------------|--|

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|--|--|-------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | recorded (understatement) (R) | | | | | | | | | | | | | | | | | |
| | | Written off: 2017-18 | | | | | | | | | | | | | | | | | |
| | | 64 024 772 | | | | | | | | | | | | | | | | | |
| | | 9 603 716 | | | | | | | | | | | | | | | | | |
| | | Written off: 2019-20 | | | | | | | | | | | | | | | | | |
| | | 43 269 721 | | | | | | | | | | | | | | | | | |
| | | 6 490 458 | | | | | | | | | | | | | | | | | |

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| | | 16 094 174 | | | | | | | | | | |
| | | The above issue represents | | | | | | | | | | |

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|--|--|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | understatement of comparative amount of irregular expenditure written off. | | | | | | | | | | | | | | | | | | |
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| AAP9 0027- 2025 | <p>Expenditure – Electricity distribution losses.</p> <pre> /xsl:if /tm:group xsl:for-each select= TmData/PROJECT/ISSUES/ISSUE x sl:sort select= CATEGORY order= ascending / xsl:sort select= /TmData/PROJECT/TYPES/TYPE[@ID =current()/CATEGORY/@ID]/ORDER / tm:group xsl:if test= ' xsl:value-of select= CATEGORY / ' != " </pre> | <p>Per disclosure note 47, Elias Motsoaledi local municipality has recorded 11% which exceed the upper threshold of 10% by 1%, which implies that electricity losses are poorly managed. The accounting officer has not exercised proper care to manage and address such losses to acceptable differences. Although the municipality improved from the prior year's significantly higher loss of 19%, the current year's loss remains above both technical and economic tolerance levels.</p> | Ageing electric al infrastr ucture and illegal connect ions | No | | Kenne dy Mamet sa, Matim ba Malun gana | 30/Ju n/202 6 | Develo ped (Audit Commi tee Approv ed) | 50% | In Progres s | 20/Ja n/202 6 |
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| | | <p>This indicates that the municipality continues to experience material and consistent losses, signaling gross deficiencies in internal controls, ineffective management of the electricity distribution network, or wastage that has not been adequately addressed. The municipality incurred avoidable electricity distribution losses amounting to R146 038, representing 1% excess above the National Treasury norm of 10%. This amount constitutes</p> | | | | | | | | | |
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| | | fruitless and wasteful expenditure, as it represents a preventable financial loss from which the municipality derived no economic benefit. The avoidable nature of this loss is demonstrated by management's proven ability to substantially reduce distribution losses from 19% in the prior year to 11% in the current year, indicating that reasonable care and effective oversight could have prevented the remaining excess loss | | | | | | | | | | |
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| AAP9 0045- 2025 | Adverse events or conditions not considered in management's initial going concern assessment | <p>The municipality did not identify the following adverse indicators and take them into account in the initial going concern assessment:</p> <p>No</p> <p>Adverse event or condition</p> <p>1</p> <p>The total current liabilities (excluding unspent conditional grants) exceeds 10% of budgeted revenue for 2025/26 less employee costs</p> | Failure to take into account all adverse events or conditions when performing the going concern assessment. | No | | Moleko Sebeletja, Unity Sebele | 30/June/2026 | Developed (Audit Committee Approved) | 100% | In Progress | |
|-----------------------|--|--|---|----|--|--------------------------------|--------------|--------------------------------------|------|-------------|--|

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| | | and remuneration of councillors. | | | | | | | | | |
| | | 2 | | | | | | | | | |
| | | The municipality has average creditor payment days of more than 30 days. | | | | | | | | | |
| | | 3 | | | | | | | | | |
| | | Debtors impairment provision exceeds 10% of accounts receivable | | | | | | | | | |
| | | 4 | | | | | | | | | |

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|--|--|---|--|--|--|--|--|--|--|--|--|--|--|
| | | Repairs and maintenance expenditure level is less than 8%/ Underspending on maintenance or capital projects | | | | | | | | | | | |
| | | 5 | | | | | | | | | | | |
| | | Debtors days - consumer debtors exceed 30 days | | | | | | | | | | | |
| | | 6 | | | | | | | | | | | |
| | | Liquidity ratio (cash ratio) is less than 1 | | | | | | | | | | | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|---------------|---|---|--|----------------|-----------------------|--------------------|--------------|--------------------------------------|---------------------------|-----------------------|----------------|
| AAP90048-2025 | Narration not fully supported. <code>xsl:value-of select= CATEGORY / /xsl:if /tm:group</code> | During the audit of Consumer Debtor, we noted that narrations were not fully supported. Refer to the narration below. "The credit quality of consumer debtors that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates." This results in the financial statements not faithfully | Failure to perform a thorough review of narration in the annual financial statements to ensure that all narration are supported. | No | | Mabuke Namaan | 31/Aug/2026 | Developed (Audit Committee Approved) | 100% | In Progress | |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------|---------|--|------------|----------------|-----------------------|--------------------|--------------|--------------------|---------------------------|-----------------------|----------------|
| | | presenting the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for receivables (Consumer Debtor). | | | | | | | | | |

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| AAP9 0052- 2025 | Differences between amounts disclosed in 2024 and supporting documents | <p>During the audit of Note 47. Additional disclosure in terms of Municipal Finance Management Act, we identified differences between the amounts disclosed and the supporting documents, see table below:</p> <p>PAYE, SDL and UIF</p> <p>2024</p> <p>Details per VIP payroll report</p> <p>Details per EMP201</p> <p>Difference</p> | Inadequate review of the financials | No | | Chris Mtsweni | 31/Aug/2026 | Developed (Audit Committee Approved) | | Not Yet Started | 20/Jan/2026 |
|-----------------------|--|---|-------------------------------------|----|--|---------------|-------------|--------------------------------------|--|-----------------|-------------|

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|--|--|---------------------------------------|--------|--|--|--|--|--|--|--|--|
| | | Current year subscription / fee | | | | | | | | | |
| | | 35 277 608 | | | | | | | | | |
| | | 372 | 33 609 | | | | | | | | |
| | | - | | | | | | | | | |
| | | - 236 | 1 668 | | | | | | | | |
| | | Amount paid current year - | | | | | | | | | |
| | | - 32 509 896 | | | | | | | | | |
| | | - | | | | | | | | | |

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| | | - 33 695 235 1 582 373 Amount Accrued - 2 767 712 tm:format font-override= true xsl:value- of select= FINDING / /tm:format | | | | | | | | | |
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| | | This results overstatement of R1 688 236 in 2023/24. | | | | | | | | | | | |
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| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
|-----------------------|---|--|-------------------------------------|----------------|-----------------------|---|--------------|---------------------------------|---------------------------|-----------------------|----------------|
| AAP8 7071- 2025 | Review of policy – There is no evidence that the council approved the Fleet management policy | The municipality did not review the fleet management policy as per the required timelines stated in the policy. | N/A | No | | Mcabangela Mthimunye, Matimba Malungana | 16/Jan/2026 | Developed (Management Approved) | 100% | Completed | 16/Jan/2026 |
| AAP9 0017- 2025 | Shifting of funds between multi-year appropriations | During the audit of the conditional grants receivable, we noticed that there was no treasury approval to support the receivables raised for Conditional grants as a result of exceeding the annual appropriation for | Oversight on the side of management | No | | Fetakgomo Debeila, Matimba Malungana | 16/Jan/2026 | Developed (Management Approved) | 100% | Completed | 20/Jan/2026 |

| Reference | Finding | Finding Details | Root Cause | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Action Plan Status | Implementation Progress % | Implementation Status | Completed Date |
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| | | 2024/25 and 2023/24, the table below provides details: | | | | | | | | | |

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| AAP9 0043- 2025 | Contingencies – Adjusting events occurred between 01 July 2025 and 30 November 2025 | <p>The adjusting events were identified after obtaining external legal confirmations, which indicated that the matters listed in Contingent Liability Note 37 had been finalized after year-end. These confirmations revealed that the outcomes of the cases were determined between 01 July 2025 and 30 November 2025. The below table details the case files.</p> <p>Type</p> <p>Name of case</p> | Failure to monitor contingencies on an ongoing basis | Yes | 2 | Ntombi Mahlangu | 16/Jan/2026 | Developed (Management Approved) | 100% | Completed | 16/Jan/2026 |
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| | | <p>Appointed attorneys</p> <p>Description of the matter</p> <p>Event that happened between 01 July 2025 and 30 November 2025</p> <p>Estimate</p> <p>Liability</p> <p>Masakwameng Trading//EMLM</p> <p>PK LEGODI INC ATTORNEYS.</p> <p>Matter pending: Matter</p> | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|

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| | | <p>scheduled for trial on the 10 October 2025.</p> <p>The matter has since become finalized on 10 October 2025, and the High Court ruled in favour of the Municipality</p> <p>R2 200 000</p> <p>Asset</p> <p>EMLM/LEMOS EMMANUEL MARQUES: DE</p> <p>PK LEGODI INC ATTORNEYS.</p> | | | | | | | | | |
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| | | <p>The matter is set down to 16 September 2025 for hearing</p> <p>The matter has since become finalized on 16 September 2025 and the High Court ruled in favour of the municipality</p> <p>R500 000</p> <p>As these outcomes provide additional evidence of conditions that existed at the reporting date, the financial statements for</p> | | | | | | | | | |
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| | | <p>the period ending 30 June 2025 should be updated accordingly.</p> <p>The above will result in the contingent liability note not accurately depicting what transpired between 01 July 2025 and 30 November 2025.</p> | | | | | | | | | | |
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APPENDICES

APPENDIX A- COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|-------------------|-------------------------|-----------------------------------|--|---------------------------------------|------------------------------------|---|--|------------------------------------|
| Thethe | Junior Semole | PT | <ul style="list-style-type: none"> • Speaker | Ward 1 ANC | 13 | 13 | 0 | 0 |
| Kgagara | Thabo Peter | PT | <ul style="list-style-type: none"> • MPAC Committee Member | Ward 2 ANC | 13 | 13 | 0 | 0 |
| Malapela | Samuel Mogome | PT | <ul style="list-style-type: none"> • Development Planning and LED | Ward 3 ANC | 13 | 6 | 4 | 3 |
| Msiza | Mahwetse Phillip | PT | Executive Support Committee | Ward 4 ANC | 13 | 7 | 3 | 3 |
| Mathabatha | Tshepo Selape | PT | <ul style="list-style-type: none"> • Corporate Services Committee • Community Services Committee | Ward 5 ANC | 13 | 10 | 3 | 0 |
| Ndlovu | Raymond Ndumiso | PT | EXCO Member (Budget & Treasury) | Ward 6 ANC | 13 | 13 | 0 | 0 |
| Sithole | Thembi Cynthia | PT | <ul style="list-style-type: none"> • Chairperson Budget & Treasury • Community Services | Ward 7 ANC | 13 | 13 | 0 | 0 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|-------------------|-------------------------|----------------------------|---|--------------------------------|-----------------------------|----------------------------------|-------------------------------------|-----------------------------|
| | | | <ul style="list-style-type: none"> Committee Member (Chair of Chairs) Committee Member | | | | | |
| Mathabathe | Mohlamme Glyde | PT | <ul style="list-style-type: none"> EXCO Member | Ward 8 EFF | 13 | 10 | 3 | 0 |
| Mogotlane | Jersey Sphiwe | PT | <ul style="list-style-type: none"> Chair of Chairs Executive Support Committee Member Local Geographic Names Change Committee Member | Ward 9 ANC | 13 | 12 | 1 | 0 |
| Ramongana | Nkitseng Jenneth | PT | <ul style="list-style-type: none"> EXCO Member Community Services | Ward 10 ANC | 13 | 12 | 1 | 0 |
| Mafiri | Moses Aphiri | PT | <ul style="list-style-type: none"> Community Services Committee Member | Ward 11 ANC | 13 | 13 | 0 | 0 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|-------------------|--------------------------------|-----------------------------------|---|---------------------------------------|------------------------------------|---|--|------------------------------------|
| Phorotlhoe | Thabiso Andries | PT | <ul style="list-style-type: none"> • Rules & Petition Committee Member • (Chair of Chairs) Committee Member | Ward 12 ANC | 13 | 13 | 0 | 0 |
| Oosthuizen | Willem Nicolaas Saaiman | PT | <ul style="list-style-type: none"> • Community Services Committee Member | Ward 13 DA | 13 | 11 | 2 | 0 |
| Phokwane | Marang Codney | PT | MPAC Committee Member | Ward 14 ANC | 13 | 13 | 0 | 0 |
| Nkosi | Sibongile Beauty | PT | EXCO Member Development Planning & LED | Ward 15 ANC | 13 | 13 | 0 | 0 |
| Buta | Medo Zephania | PT | <ul style="list-style-type: none"> • Chairperson Ethics • Rules & Petition Committee Member | Ward 16 ANC | 13 | 11 | 2 | 0 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|----------|--------------|----------------------------|--|--------------------------------|-----------------------------|----------------------------------|-------------------------------------|-----------------------------|
| | | | <ul style="list-style-type: none"> (Chair of Chairs) Committee Member | | | | | |
| Malau | Toswi Samuel | PT | <ul style="list-style-type: none"> Ethics Committee Member Corporate Services Committee Member | Ward 17 ANC | 13 | 13 | 0 | 0 |
| Letageng | Johannes | PT | <ul style="list-style-type: none"> Executive Support Committee Member Local Geographic Names Change Committee Member | Ward 18 ANC | 13 | 11 | 1 | 1 |
| Masimula | Phahlana (M) | PT | <ul style="list-style-type: none"> Chairperson Community Services Rules & Petition | Ward 19 ANC | 13 | 12 | 1 | 0 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|----------------|-----------------------|----------------------------|--|--------------------------------|-----------------------------|----------------------------------|-------------------------------------|-----------------------------|
| | | | <ul style="list-style-type: none"> Committee Member Executive Support Committee Member (Chair of Chairs) Committee Member Local Geographic Names Change Committee Member | | | | | |
| Tshehla | Mokgokong Eric | PT | <ul style="list-style-type: none"> Ethics Committee Member | Ward 20 ANC | 13 | 10 | 2 | 0 |
| Maphoha | Cheleboy Mpho | PT | <ul style="list-style-type: none"> Ethics Committee Member Executive Support Committee Member | Ward 21 EFF | 13 | 10 | 2 | 1 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|-------------------|----------------------------|-----------------------------------|---|---------------------------------------|------------------------------------|---|--|------------------------------------|
| Nduli | Msanyana Elias | PT | <ul style="list-style-type: none"> • Chairperson Whippersy Committee • Municipal Service Delivery Committee | Ward 22 ANC | 13 | 12 | 0 | 0 |
| Mohlala | Nkgetheng | PT | <ul style="list-style-type: none"> • MPAC Committee Member | Ward 23 ANC | 13 | 13 | 0 | 0 |
| Lehungwane | Frank Kgomontshware | PT | <ul style="list-style-type: none"> • MPAC Committee Member | Ward 24 ANC | 13 | 13 | 0 | 0 |
| Makuwa | Nkhubedu Sarah | PT | <ul style="list-style-type: none"> • Chairperson Executive Support • (Chair of Chairs) Committee Member | Ward 25 ANC | 13 | 13 | 0 | 0 |
| Morare | Sephantsi Donald | PT | <ul style="list-style-type: none"> • Budget & Treasury Committee Member | Ward 26 ANC | 13 | 13 | 0 | 0 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|--------------|-------------------------|----------------------------|---|--------------------------------|-----------------------------|----------------------------------|-------------------------------------|-----------------------------|
| | | | <ul style="list-style-type: none"> Ethics Committee Member Corporate Services Committee Member (Chair of Chairs) Committee Member Chairperson Local Geographic Names Change Committee | | | | | |
| Tlaka | Kgopotso Wiseman | PT | <ul style="list-style-type: none"> Ethics Committee Member Corporate Services Committee Member | Ward 27 ANC | 13 | | | |
| | | | | | | 13 | 0 | 0 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|----------------|-------------------------------|-----------------------------------|---|---------------------------------------|------------------------------------|---|--|------------------------------------|
| Tladi | Patric Kose | PT | <ul style="list-style-type: none"> Chairperson Rules and Petitions | Ward 28 ANC | 13 | 13 | 0 | 0 |
| Makuwa | Reginah Mamoshasha | PT | <ul style="list-style-type: none"> MPAC Committee Member Community Services Committee Member | Ward 29 ANC | 13 | 13 | 0 | 0 |
| Malope | Yalda Matlabane Tobias | PT | <ul style="list-style-type: none"> Ethics Committee Member Local Geographic Names Change Committee Member | Ward 30 ANC | 6 | 4 | 1 | 1 |
| Msiza | Mothibe Rhodes | FT | <ul style="list-style-type: none"> EXCO Member Infrastructure | Ward 31 ANC | 13 | 13 | 1 | 0 |
| Tladi | Magetle David | FT | <ul style="list-style-type: none"> Mayor EXCO Member | PR1 ANC | 13 | 13 | 1 | 0 |
| Machipa | Toudi Aron | FT | <ul style="list-style-type: none"> EXCO | PR3 ANC | 13 | 8 | 4 | 1 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|-----------------|-----------------------|----------------------------|---|--------------------------------|-----------------------------|----------------------------------|-------------------------------------|-----------------------------|
| | | | Budget and Treasury | | | | | |
| Mashilo | Malope Samaria | PT | <ul style="list-style-type: none"> • MPAC Chairperson | PR4 ANC | 13 | 13 | 0 | 0 |
| Gededzha | Mushoni Mavis | FT | <ul style="list-style-type: none"> • Rules & Petition Committee Member • Ethics Committee Member • Executive Support Committee Member • Corporate Services Committee Member • Local Geographic Names Change Committee Member | PR5 ANC | 13 | 13 | 0 | 0 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|-----------------|-------------------------|-----------------------------------|--|---------------------------------------|------------------------------------|---|--|------------------------------------|
| Mahlangu | Julia | PT | <ul style="list-style-type: none"> Chairperson Corporate Services Rules & Petition Member | PR6 ANC | 13 | 13 | 0 | 0 |
| Ngobeni | Carpos Polly | PT | <ul style="list-style-type: none"> Executive Support Committee Member Local Geographic Names Change Committee Member | PR2 ANC | 13 | 11 | 2 | 0 |
| Mahlangu | Nomsa Ndazi | FT | MPAC Committee Member | PR7 ANC | 13 | 10 | 3 | 0 |
| Rahlogo | Mmadisele Gloria | FT | <ul style="list-style-type: none"> Community Services Committee Member Budget & Treasury | PR8 ANC | 08 | 08 | 0 | 0 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|-------------------|--------------------------|----------------------------|---|--------------------------------|-----------------------------|----------------------------------|-------------------------------------|-----------------------------|
| | | | Committee Member | | | | | |
| Phetla | Mannyana Grace | FT | <ul style="list-style-type: none"> EXCO Member Corporate Services | PR9 ANC | 13 | 12 | 1 | 0 |
| Koka | Petrus Thomo | PT | <ul style="list-style-type: none"> Local Geographic Names Change Committee Member Whippery Committee Member | PR1 AFC | 2 | 2 | 0 | 0 |
| Mokobane | Michael Kgopotse | PT | Local Geographic Names Committee | PR AFC | 11 | 6 | 1 | 4 |
| Gulube | April Lucky | PT | Whippery committee member | PR1 BPSA | 10 | 8 | 2 | 0 |
| Magoleko | Busisiwe Paulinah | PT | <ul style="list-style-type: none"> Rules and Petitions Committee Member | PR1 BPSA | 2 | 2 | 0 | 0 |
| Radingwana | Sentsho Herbert | PT | <ul style="list-style-type: none"> Community Services | PR2 BPSA | 13 | 10 | 3 | 0 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|------------------|-----------------------|-----------------------------------|---|---------------------------------------|------------------------------------|---|--|------------------------------------|
| | | | <ul style="list-style-type: none"> • Committee Member • Local Geographic Names Change Committee Member • Whippyry Committee Member | | | | | |
| Mmaboko | Sipho Hlabishi | PT | <ul style="list-style-type: none"> • Executive Support Committee Member • Corporate Services Committee Member | PR1 DA | 13 | 10 | 2 | 1 |
| Kotze | Johan Pieter | PT | <ul style="list-style-type: none"> • EXCO Member | PR2 DA | 13 | 11 | 2 | 0 |
| Matsomane | Shiko Tebogo | PT | <ul style="list-style-type: none"> • MPAC Member Ethics Committee Member | PR3 DA | 13 | 11 | 3 | 0 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|-----------------|-------------------------------|-----------------------------------|--|---------------------------------------|------------------------------------|---|--|------------------------------------|
| Ganedi | David Jack | PT | <ul style="list-style-type: none"> • Development Planning Committee Member • Local Geographic Names Change Committee Member • Whippery Committee Member | PR1 DRA | 11 | 9 | 02 | 0 |
| Malapela | Hope Mashego Constance | PT | <ul style="list-style-type: none"> • Rules and Petitions Committee Member • Ethics Committee Member | PR1 EFF | 13 | 7 | 5 | 1 |
| Mmotla | Sewisha Collen | PT | <ul style="list-style-type: none"> • Development Planning & LED Committee Member • Community Services | PR2 EFF | 13 | 7 | 4 | 2 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|------------------|-------------------------|-----------------------------------|---|---------------------------------------|------------------------------------|---|--|------------------------------------|
| | | | Committee Member | | | | | |
| Ngwenya | Zodwa | PT | <ul style="list-style-type: none"> Executive Support Committee Member | PR3 EFF | 13 | 8 | 2 | 3 |
| Mabelane | Kagiso | PT | <ul style="list-style-type: none"> Community Services Committee Member | PR4 EFF | 13 | 12 | 0 | 1 |
| Sithole | Virginia Morotse | PT | <ul style="list-style-type: none"> MPAC Committee Member | PR5 EFF | 13 | 10 | 2 | 1 |
| Mthimunye | Maremoshe Simon | PT | <ul style="list-style-type: none"> Community Services Committee Member | PR6 EFF | 13 | 12 | 1 | 0 |
| Ranala | Maselopi | PT | EXCO Member | PR7 EFF | 13 | 9 | 4 | 0 |
| Sithole | Maguwe Elias | PT | <ul style="list-style-type: none"> Corporate Services Committee | PR8 EFF | 13 | 10 | 2 | 1 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|-----------------|---------------------------|-----------------------------------|---|---------------------------------------|------------------------------------|---|--|------------------------------------|
| Maibelo | Legasa Sandy | PT | <ul style="list-style-type: none"> Corporate Services Committee | PR9 EFF | 13 | 7 | 4 | 2 |
| Segope | Godfrey Madingwane | PT | <ul style="list-style-type: none"> MPAC Committee Local Geographic Names Change Committee Whippery Committee | PR10 EFF | 13 | 13 | 0 | 0 |
| Komane | Legobole Sharon | PT | <ul style="list-style-type: none"> Rules and Petitions Committee | PR11 EFF | 13 | 9 | 3 | 1 |
| Ramphisa | Motiba William | PT | <ul style="list-style-type: none"> EXCO Member Executive Support | PR1 MP | 13 | 11 | 2 | 0 |
| Limakwe | Adelaide | PT | <ul style="list-style-type: none"> MPAC Committee Member Executive Support Committee | PR2 MP | 13 | 12 | 1 | 0 |

| Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represented | No of council meetings held | no. of council meetings attended | No. of apologies for non-attendance | No of Absence without leave |
|---------|------------|----------------------------|---|--------------------------------|-----------------------------|----------------------------------|-------------------------------------|-----------------------------|
| | | | <ul style="list-style-type: none"> Local Geographic Names Change Committee Whippery Committee | | | | | |
| DeBeer | Willem | PT | <ul style="list-style-type: none"> Ethics Committee Corporate Services Committee Local Geographic Names Change Committee Whippery Committee | PR1 VF | 13 | 10 | 3 | 0 |

APPENDIX B - COMMITTEE AND COMMITTEE PURPOSE

| Committees (other than Mayoral/Executive Committee) and Purposes of Committees | |
|---|--|
| Municipal Committee | Purpose of Committee |
| Corporate Services Committee | Addressing relevant issues and reports |
| Infrastructure Committee | Addressing relevant issues and reports |
| Finance Committee | Addressing relevant issues and reports |
| Social Development Committee | Addressing relevant issues and reports |
| Executive Support Management Committee | Addressing relevant issues and reports |
| Development Planning Committee | Addressing relevant issues and reports |
| Local labour forum | Address all employer and employee related matters |
| Municipal public accounts committee | Oversight committee addressing AG report, financial reporting investigating items delegated by council |
| Executive Committee | Give political direction to executive management and report to council |
| Rules and ethics | Investigates reports of unethical conduct, formulates rules and principles, and recommends actions on ethical issues |
| Programming | Deals with all items submitted and determines which items must serve in portfolio committees and which one must serve in council without serving in portfolio committees |
| Local geographical names change (LGNC): | Deals with changing of street names within the municipal area |

APPENDIX C- THIRD TIER ADMINISTRATIVE STRUCTURE

| Directorate | Designation | Initial and Surname | Gender |
|---------------------------------|--|----------------------------|---------------|
| Office of the Municipal Manager | Municipal Manager | Ms N.R Makgata | Female |
| | Manager in Municipal Manager's Office | Mr J Makunyane | Male |
| | Manager: Internal Audit | Mrs. P. Mailula | Female |
| | Acting Chief Risk Officer | Mr M. C Makitla | Male |
| | Manager: PMS | Ms R.P. Mdluli | Female |
| | Manager: Legal services | Ms S. Mahlangu | Female |
| | Manager IDP | Mr. K Motha | Male |
| | | | |
| Corporate Services | Senior manager: Corporate Services | Ms M.M Make | Female |
| | Manager: Human Resources and Development | Mr. L.M. Mafiri | Male |
| | Manager: Administration and Records | Ms. M Burger | Female |
| | Manager: ICT | Ms K.Mashipa | Female |
| | Manager Labour Relations | Mr J. Maboja | Male |
| | Manager Compliance | Mr H. Masemola | Male |
| | | | |
| Budget and Treasury | Chief Financial Officer | Mr. K Hutamo | Male |
| | Deputy CFO | Mr. M.L. Sebelemetja | Male |
| | Manager: Expenditure | Mr. C. Mtsweni | Male |
| | Manager: Budget and Treasury | Ms. K.U Sebelebele | Female |
| | Manager: Assets | Mr. M.C Tjiane | Male |
| | Manager: Supply Chain Management | Mr. V Masilela | Male |
| | Manager: Revenue | Ms M Namane | Female |
| | Manager: Property Management and Housing | Mr. R Palmer | Male |
| | | | |
| Infrastructure | Senior Manager: Infrastructure | Mr M. Malungana | Male |
| | Electrical Engineer | Mr K.K. Mametsa | Male |
| | Manager: PMU | Mr. F. Debeila | Male |
| | Manager Roads and storm water | Mr. J Malaka | Male |
| | Manager: Fleet | Mr M P. Mthimunye | Male |
| | | | |
| Community Services | Senior manager: Community Services | Mr M.W Mohlala | Male |
| | Manager: Environmental services | Ms M Mokhulwane | Female |
| | Manager: Licensing | Ms. P. Ntobeng | Female |
| | Manager: Traffic | Mr. C Coetzee | Male |
| | Manager Parks | Mr J. M Mathebe | Male |
| | | | |
| Executive Support | Manager: Communications | Mr. S. T Makua | Male |
| | Manager: Inter-Governmental | Ms V Matlala | Female |
| | Manager Council Support | Ms M Mauoane | Female |
| | Manager in Mayors office | Mr L. Nkadimeng | Male |
| | | | |
| Development Planning | Senior manager: Development Planning | Mr. B. Sethojoa | Male |
| | Manager: Development and Town Planning | Vacant | |

| Directorate | Designation | Initial and Surname | Gender |
|-------------|------------------------------------|---------------------|--------|
| | Manager: LED | Mr Sebei | Male |
| | Manager: Motetema satellite office | Mr. C. C. Masemola | Male |
| | Manager: Hlogotlou | Mr. P Tau | Male |
| | Manager: Roossenekal | Mr. M. Mahlangu | Male |
| | Manager: Elandsdoorn | Mr J. Manganyi | Male |

APPENDIX D - FUNCTIONS OF MUNICIPALITY/ENTITY

| Municipal/Entity Functions | | |
|---|---|--|
| Municipal Functions | Function Applicable to Municipality (Yes/No)* | Function Applicable to Entity (yes/no) |
| Constitution, Schedule 4, Part B Functions | | |
| Air pollution | yes | No |
| Building regulations | yes | No |
| Child-care facilities | yes | No |
| Electricity and gas reticulation | yes | No |
| Fire-fighting services | No | Sekhukhune District Municipality |
| Local tourism | yes | No |
| Municipal airports | yes | No |
| Municipal planning | yes | No |
| Municipal health services | yes | No |
| Municipal public transport | yes | No |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other | yes | No |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and related matters | No | No |
| Storm water management systems in built-up areas | yes | No |
| Trading regulations | yes | No |
| Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems | No | Sekhukhune District Municipality |
| Beaches and amusement facilities | no | no |
| Billboards and the display of advertisements in public places | yes | no |
| Cemeteries, funeral parlours and crematoria | yes | no |
| Cleansing | yes | no |
| Control of public nuisances | yes | no |
| Control of undertakings that sell liquor to the public | yes | no |

| Municipal/Entity Functions | | |
|--|--|---|
| Municipal Functions | Function Applicable to Municipality (Yes/No)* | Function Applicable to Entity (yes/no) |
| Constitution, Schedule 4, Part B Functions | | |
| Facilities for the accommodation, care and burial of animals | yes | no |
| Fencing and fences | yes | no |
| Licensing of dogs | no | no |
| Licensing and control of undertakings that sell food to the public | yes | no |
| Local amenities | yes | no |
| Local sport facilities | yes | no |
| Markets | yes | no |
| Municipal abattoirs | yes | no |
| Municipal parks and recreation | yes | no |
| Municipal roads | yes | no |
| Noise pollution | yes | no |
| Pounds | yes | no |
| Public places | yes | no |
| Refuse removal, refuse dumps, and solid waste disposal | yes | no |
| Street trading | yes | no |
| Street lighting | yes | no |
| Traffic and parking | yes | n/a |

APPENDIX E - WARD REPORTING

WARD BASED MEETINGS

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| Ward No 01 | CLLR J.S THETHE | Yes | 12 | 12 | 04 |
| | Ward Committee | | | | |
| | TSHEPO D MOKOENA | | | | |
| | NAPE S MOKGABUDI | | | | |
| | JAN K MAHLANGU | | | | |
| | LUCAS MAIMELA | | | | |
| | PORTIA MOILOA | | | | |
| | NKHENSANI O MAKHUBELE | | | | |
| | EDDY M MASOLA | | | | |
| | MALEFUFU L NKADIMENG | | | | |
| | STOFFEL H MALAPANE THUTO RAMPHISA | | | | |
| Ward No 02 | CLLR T.P KGAGARA | Yes | 12 | 12 | 04 |
| | Ward Committee | | | | |
| | MMINA PHETLA | | | | |
| | KENNETH T MTHIMIUNYE | | | | |
| | DOLLY RALEKWE | | | | |
| | NGAWANAMOTIBANE M CHEGO | | | | |
| | SAMUEL O MAKUA | | | | |
| | HERMANS P MANKGE | | | | |
| | MATEBO G MMAKO | | | | |
| | MOROKOLO MMATABANE | | | | |
| | SEGOPOTSO PHATLANE BOIKY SELLO MOLOI | | | | |
| Ward No 03 | CLLR S.M MALAPELA | Yes | 12 | 12 | 04 |
| | Ward Committee | | | | |
| | EPHRAIM MATHEBELE | | | | |
| | MARIA T SELALA MMATSHIMA D DITSHEGO | | | | |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|---|--------------------------------|---|---|---|
| | MATETE E MAMPANNA LUCY KGAPHOLA SAM M MOLALA MOSES S LETSOALO JOB MAMAHLODI NTHEPANE THOBANE NKELE MABASA | | | | |
| Ward No 04 | CLLR M.P MSIZA Ward Committee MONAGENG TOBIE MARIA KOMANE CONSTANCE DIBOLELO LECHELELE MATHIBELA PATRICK MAEPA ELAH SEBOTHOMA JOHANNES MADIMETJA MALEMONE MORARE BADNEY KGOETE ELLEN RAMMABELE MAKOPO MAHLODI SEIPATI JOSEPHINAH MALAPELA ISRAEL JAMES RIBA BABA GEOGE | Yes | 12 | 12 | 04 |
| Ward No 05 | CLLR T.E MOHLAMONYANE Ward Committee MOIPONE DITSHEGO CHRISTOPHEL M MALEMONE MAMA A MOKWENA HOSIA M MOTAU VIOLET M MASHIGO NELSON M MOGANO THOMAS PHASHA THANDI SIBANYONI MAMSY RAMPHISA LESHATE MASHABELA | Yes | 12 | 12 | 04 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| Ward No 06 | CLLR N.R NDLOVU | Yes | 12 | 12 | 04 |
| | Ward Committee | | | | |
| | SIBONGILE SKOSANA | | | | |
| | JOHN M NCONGWANE | | | | |
| | HAZEL S MAGAGULA | | | | |
| | JONAS S SANDLANA | | | | |
| | JOHANNA MOGOLA | | | | |
| | SARAH M NTIMANE | | | | |
| | DIMPHO MABONA | | | | |
| | NTOMBI MAHLABA | | | | |
| | NTHOMENG NKOSI | | | | |
| | | | | | |
| Ward No 07 | CLLR T.C SITHOLE | Yes | 12 | 12 | 04 |
| | Ward Committees: | | | | |
| | SUZAN SKOSANA | | | | |
| | MMAPATENG MATHUPA | | | | |
| | OLGA DUNGE | | | | |
| | NKEKO MPHAKE | | | | |
| | CYNTHIA T LANGA | | | | |
| | COMFORT MATHOTHO | | | | |
| | KHOLIWE MSIZA | | | | |
| | KEDIBONE RASEROKA | | | | |
| | JACOB MOKWENA | | | | |
| JOHANNES MATHEBULA | | | | | |
| | | | | | |
| Ward No 08 | CLLR M.G MATHABATHA | Yes | 12 | 12 | 04 |
| | Ward committees | | | | |
| | ISAIAH P MAHLANGU | | | | |
| | SKHUMBUZO TSHABALALA | | | | |
| | SANNAH M PHOHU | | | | |
| | ANNA M MAGADI | | | | |
| | ANNA WESSELS | | | | |
| | NTHABISENG MPHAGA | | | | |
| | WINNIE MOYANA | | | | |
| | MAHLOMOLA MAKOLA | | | | |
| | MOLEBELEDI NTOBENG | | | | |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | PETER CHOMA | | | | |
| Ward No 09 | CLLR J.S MOGOTLANA Ward Committees: ZANELE MSIZA ELIZABETH MANASWE JONAS MOEPYA ELIJAH NTOMBELA OBED G MAHLANGU MORONGWE MASHILO EMILY MSIZA GETRUDE CHABA FLORENCE SKHOSANA TLAKALE MAHUBANE | Yes | 12 | 12 | 04 |
| Ward No 10 | CLLR N.J RAMONGANA Ward Committees: KALUDI MOHLAMONYANE SYLVIA MONAGENG IVY MATHABATHE TUMELO BOROKO MMAMOGOLWANE MONAGENG MMULEDI MALEMONE MAPULE MAKITLA GERMINAH MAKITLA NTLHANE MOHLAMONYANE SHIRLEY NAMANE | Yes | 12 | 12 | 04 |
| Ward No 11 | CLLR M.A MAFIRI Ward Committees: KATE MOKWENA KHULELAPHI MDLULI CONNY NTOBENG MAGOMARELA NKOPODI MAFATA MASHU KGORI TSARO BELLA MTHIMUNYE HELLEN MALAPELA ZANELE KINIDA SIBUSISO MBANYELA | Yes | 12 | 12 | 04 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|---|--------------------------------|---|---|---|
| Ward No 12 | CLLR TA PHOROTHLOE Ward Committees KGETLANE PHORA KHOMOTSO KOTLELO KGATWANE MATHEBE SENTANANA RATLHOGO MACESELA NDLOVU CATHERINE KABINI MAROPENG MONARENG ELIZABETH MONAGENG SELLO MONAGENG MATLOKOLO MOEKETSI | Yes | 12 | 12 | 04 |
| Ward No 13 | CLLR W OOSTHUIZEN Ward Committees: SARA HESSELS KAREN OOSTHUIZEN ARNOLDUS SCHOOMBEE FRANCINA KLENHANS MARIA FOURIE SHAUN MELLORS JOSHUA MMAKOLA NICOLETTE PRETORIUS CORNEL BOTHA ZACHARIAS SAAYMAN | Yes | 12 | 12 | 04 |
| Ward No 14 | CLLR M.C PHOKWANE Ward Committees: SEBOTHOMA RUTH LEOGANG MAPEA MAHLODI JOYCE UQUELO MIKE PHETLA MANTWA KELLY | Yes | 12 | 12 | 04 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|---|--------------------------------|---|---|---|
| | CHEGO ROIDA MPHO PHETLA TEREMIA KATISI APHANE LEHLOGONOLO NKADIMENG INNOCENTIA SEMELA MPHAHLELE MANIE QUEEN RYAN LEGWAI | | | | |
| Ward No 15 | CLLR S.B NKOSI Ward Committees: BONGINKOSI MAHLANGU MPOROME MAPHAKA LUCAS MOHLAHLA ELIZABETH MHLONGO LIZZY SINDANE BONGANI NDULI MASEBOTSANA MOKWANA SIBONGILE MASILELA JOHANNAH MASHIYA | Yes | 12 | 12 | 04 |
| Ward No 16 | CLLR Z. B BUTA Ward Committees LOMUSA SKHOSANA KHOMOTSO MAPHOSA TLAMAGA ROSI PATRICIA XELIBOKWE AMOS SKHOSANA SARA MOKWENA POPPIE MAHLANGU JEREMIA ZULU KLEINBOOI MAHLANGU THEMBA MATEBULA | Yes | 12 | 12 | 04 |
| Ward No 17 | CLLR T. S MALAU Ward Committees: JANNIE MAREDI PABALLO SEOPELA | Yes | 12 | 12 | 04 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | TSHEPHANG MASEMOLA | | | | |
| | MAKGOPANE MOHLAPE | | | | |
| | RANKEPILE MABELANE | | | | |
| | SELLO NKOANA | | | | |
| | TEBOGO MOSOHLAWE | | | | |
| | MOKWAZI MOKWANA | | | | |
| | THABANG MOTSEDI | | | | |
| | MOTSHANA SARAH | | | | |
| | | | | | |
| Ward No 18 | CLLR J. LETAGENG | Yes | 12 | 12 | 04 |
| | Ward Committees: | | | | |
| | KGOTHATSO J MAKUA | | | | |
| | TUMISHI A MOHLAHLLO | | | | |
| | RANGOATO MNGUNI | | | | |
| | NGWANAMOKWENENG CHEGO | | | | |
| | NTENENG MANKGE | | | | |
| | PETRUS MAKUWE | | | | |
| | MAPULE MOTAU | | | | |
| | MOSES MAGANE | | | | |
| | DORCUS T PHETLA | | | | |
| | KATLEGO C MAKEKE | | | | |
| | | | | | |
| Ward No 19 | CLLR P. MASIMULA | Yes | 12 | 12 | 04 |
| | Ward Committees: | | | | |
| | MASHIFANE WINDY SESI | | | | |
| | NEZZY MAHLANGU | | | | |
| | MTHOMBENI BENZANI ANDRIES | | | | |
| | MAHLANGU THANDAZILE CECILIA | | | | |
| | MABULA PAULINE TSHIDI | | | | |
| | NTULI SIVUYILE AYANDA | | | | |
| | MAHLANGU KENNETH | | | | |
| | SEGAFI KENNETH | | | | |
| | MABUTANA JOHANNES MAHLANGU | | | | |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | LYDIA MAILE | | | | |
| Ward No 20 | CLLR M.E TSHEHLA Ward Committees: Mokoana Felicia Moremadi Sumani Sydney Dimakatso Mokoana Bafana Lucas Makola Abram Semopo Tshehla Eunic Ntebaleng Mabogoane Sylvester Thulani Chego Piet Butie Machika Themba Joseph Gama Elizabeth Morder Mathupane Napo John | No | 12 | 12 | 04 |
| Ward No 21 | CLLR C M. MAPHOPHA Ward Committees: MAKUWA MASHALANE LAZARUS MAKUA MONOCCA NKELE MAKUWA MOROKA MARIA MOHOSANA KENEILWE MAPOME MTHIMUNYE JANE MALI MAPULE MABELANE MTHIMUNYE THEMBA FRANCE NKGUDI MOTLAPELE EDWARD SITHOLE CAIPHUS NGINI TSHELA ZODWA LEAH | Yes | 12 | 12 | 04 |
| Ward No 22 | CLLR M.E NDULI Ward Committees: | Yes | 12 | 12 | 04 |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | MAKENA KATLEGO BEAUTY | | | | |
| | TLOU JOHANNES CAIPHUS | | | | |
| | MAHLOKO LEBOGANG PHASWANE | | | | |
| | TSHOMA PHASUDI OTTO | | | | |
| | MASHILE NANA MARIA | | | | |
| | NTOBENG MPHO ROSE | | | | |
| | SKOSANA TSHWARELO OBED | | | | |
| | MOHLALA KOKETSO J | | | | |
| | MALEKA MAMMILENG LINDIWE | | | | |
| | RANDINGOANE THABO | | | | |
| | | | | | |
| Ward No 23 | CLLR N.P MOHLALA | Yes | 12 | 12 | 04 |
| | Ward Committees: | | | | |
| | NTULI NOMTHANDAZO REGINAH | | | | |
| | DIKOTOPE THABO | | | | |
| | MAHLANGU DUMISANI KLAAS | | | | |
| | NKABINDE ANTHONIA | | | | |
| | MAHLANGU BRENDA ELDA | | | | |
| | MKONENI MANDLA MXOLISI | | | | |
| | MORENA LUCY MPUKANA | | | | |
| | MOKGAJANE BETTY MAKGOLONYANA | | | | |
| | MAHLANGU EDWARD NICOLAS | | | | |
| | MAHLANGU ELIAS THENJWA | | | | |
| | | | | | |
| Ward No 24 | CLLR F.K LEHUNGWANE | Yes | 12 | 12 | 04 |
| | Ward Committees: | | | | |
| | MALOPE WILLIAM | | | | |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | MOGOLA ELIAS MOTSHAKANE | | | | |
| | NKADIMENG MMATAU MARTHA | | | | |
| | MOGOLA EVA RAMOLAPO | | | | |
| | MASEMOLA TEMANA KAGISO | | | | |
| | SIBEKO WESSEL KGOHATSO | | | | |
| | THOKWANE MATSIE SINAH | | | | |
| | MADIHLABA RAMODUBJANE RINKIE | | | | |
| | SEKWATI MORATO JANE | | | | |
| | MAEPA MACDONALD CLEMENT | | | | |
| | | | | | |
| Ward No 25 | CLLR N.S MAKUWA | Yes | 12 | 12 | 04 |
| | Ward Committees: | | | | |
| | MOHLALA MOJALEFA JOSEPH | | | | |
| | MNGUNI SIPHO | | | | |
| | MASHILO MAKASHWELA BEAUTY | | | | |
| | MPUBANE KENNETH NKHWENG | | | | |
| | MATSIPE THOBOLÉ PATRICK | | | | |
| | MABASA LEBO MARIA | | | | |
| | MATLOU MATLOLE DANIEL | | | | |
| | MOKGOATJANE MAGAVE DAVID | | | | |
| | MOHLALA MAKOBOTSENG ALPHINA | | | | |
| | MATHONYANE GRACE | | | | |
| | | | | | |
| Ward No 26 | CLLR S.D MORARE | Yes | 12 | 12 | 04 |
| | Ward Committees: | | | | |
| | MAHLANGU SMANGALISO GIFT | | | | |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | SKOSANA LEHLOGONOLO PATRICK | | | | |
| | MAMARIGA INNOCENT | | | | |
| | MAABA ANNA MALOPE | | | | |
| | SEFOLOSHI SEKWALA JAN | | | | |
| | MAGAMPA SENGALELA DITAU | | | | |
| | MAGAMPE PESHIWA BOITUMELO | | | | |
| | MAMPURU TEBOGO MAKGOFE | | | | |
| | MAGANE PUSELETSO | | | | |
| | MATHEBE NTHABISENG DORCAS | | | | |
| | | | | | |
| Ward No 27 | CLLR K.W TLAKA | Yes | 12 | 12 | 04 |
| | Ward Committees: MALAPANE LERATO CHARITY | | | | |
| | MABALANGANYE SEKANAH REGINAH | | | | |
| | MASHILO WALTER TSHAKA | | | | |
| | THABANG MARCUS SEAGE | | | | |
| | MAKUWA THANDI SEGOPOTSE | | | | |
| | TSHEHLO THATA JERRY | | | | |
| | HLAKUDI MALETSI MAGDELINE | | | | |
| | MOKGANYETSI ROBERT KHUPE | | | | |
| | KHAKA MARGARETT NCAZANA | | | | |
| | MATENTSI THABO LAZARUS | | | | |
| | | | | | |
| Ward No 28 | CLLR P.K TLADI | Yes | 12 | 12 | 04 |
| | Ward Committees: MATULUDI MAMOTALANE EVE | | | | |
| | MOKOANA CONSTANCE | | | | |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | KGOPUTSO KABELO SHAUN | | | | |
| | TSHEHLA ANNA PHELADI | | | | |
| | SKOSANA ANGELINA | | | | |
| | SKOSANA GOODNESS NTOMBIZODWA | | | | |
| | FENYANE MODUPI DANIEL | | | | |
| | MAREDI LEDWABA KLAAS | | | | |
| | DIKOTOPE JERREN MASHIANOKE | | | | |
| | MOKONE BIGBOY SYDNEY | | | | |
| | | | | | |
| Ward No 29 | CLLR R.M MAKUWA | Yes | 12 | 12 | 04 |
| | Ward Committees: | | | | |
| | MOHLALA STEPHINAH RAMPHAHLELE | | | | |
| | MOKABANE LUCAS MAUPE | | | | |
| | MATJOMANE CAROL | | | | |
| | MAKAU JEANETTE MUMSY | | | | |
| | FENYANE THABANG BREADLY | | | | |
| | RATAU NICOLADE | | | | |
| | MASHILO KWETEPE MAGDELINE | | | | |
| | MAKWANA ALFRED NYEREDI | | | | |
| | CHOMA CHISTOPH MACHENG | | | | |
| | THABANG KADING SALTHIEL | | | | |
| | | | | | |
| Ward No 30 | CLLR M. MAMPANE | Yes | 00 | 00 | 01 |
| | Ward Committees: | | | | |
| | LEKHULENG LEONA | | | | |
| | MAMOKABI OLIVIA | | | | |
| | MADIHLABA LOSTA | | | | |
| | TSHEHLA MAREMA | | | | |
| | MAGOLEGO MEISIE | | | | |
| | ISAAH PHAMANE | | | | |

| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee Established (Yes/No) | Number of Monthly Committee Meetings Held During Year | Number of Monthly Reports Submitted to Speakers 'Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
|--------------------|--|--------------------------------|---|---|---|
| | NTOMBI LEDIMO | | | | |
| | PHETLA | | | | |
| | MOHLABANENG | | | | |
| | WALTER MAKUWA | | | | |
| | JEANETH | | | | |
| | MASOMBUKA | | | | |
| Ward 31 | CLLR M R. MSIZA | | | | |
| | Ward Committee | Yes | 12 | 12 | 04 |
| | SETHOPANE T RIBA | | | | |
| | MAHLASE TSOKELA | | | | |
| | ABRAHM MASHAO | | | | |
| | GLADYS MAAKE | | | | |
| | MARIA MONOGE | | | | |
| | NTOMBAZANA | | | | |
| | MASHIANE | | | | |
| | PRINCE B THOBEJANE | | | | |
| | KATLEGO KGONYANE | | | | |
| | NGWATOMOSADI | | | | |
| | KHUMALO | | | | |
| | NELSON J NTULI | | | | |

APPENDIX F - WARD INFORMATION

| Ward Title: Ward Name (Number) | | | | |
|---|--|-------------------|-----------------|--------------------|
| Capital Projects: Seven Largest in 2024/2025 (Full List in Appendix L) | | | | |
| R'000 | | | | |
| Ward No | Project Name & Detail | Start Date | End Date | Total Value |
| 15 | Upgrading of Maraganeng Internal Access Road | 01-July-23 | 30-Sep-25 | R31 431 849.90 |
| 27 & 28 | Upgrading of Tafelkop Sports Stadium | 01-July-23 | 30-Sep-25 | R10 293 795.00 |
| 8 | Upgrading of Malaeneng A Ntwane Access Road and Stormwater | 01-July-23 | 30-Sep-25 | R34 404 286.41 |
| 29 | Upgrading of Mokumong Access Road to Marateng Taxi Rank | 01-July-23 | 30-Sep-25 | R51 746 943.55 |
| 13 | Refurbishment of Groblersdal landfill site | 01-July-23 | 30-Sep-25 | R33 000 000.00 |
| 03 | Upgrading Kgobokwane/Kgaphamadi | 01-July-23 | 30-Sep-25 | R55 000 000.00 |
| 21 | Construction of the Motsephiri/Jerusalem storm water control on both LHS and RHS 5km long | 01-Mar-2025 | 30-Mar-2026 | R12 350 000.00 |
| 08 | Fill protection on the road edge LHS&RHS (Gabions) fill embankment on the bridge at Marapong | 01-Mar-2025 | 30-Mar-2026 | R1200 000.00 |
| 02 | Upgrading of 1.2 km Moteti road from gravel to 800mm paving and storm water control | 01-Mar-2025 | 30-Mar-2026 | R10 600 000.00 |
| 03 | Re-construction of the Kgobokwane low-level bridge | 01-Mar-2025 | 30-Mar-2026 | R3 500 000.000 |
| 14 | Electrification of Phooko (216HH) | 01-July-24 | 30-June-25 | R3 000 000.00 |
| 18 | Electrification of Maganagobuswa (226HH) | 01-July-24 | 30-June-24 | R5 542 000.00 |
| 25 | Electrification of Magukubjana (212HH) | 01-July-24 | 30-June-24 | R4 340 000.00 |
| 09 | Electrification of Matrombi (100) | 01-July-24 | 30-June-24 | R2 000 000.00 |
| 31 | Electrification of Motetema Highview (100HH) | 01-July-24 | 30-June-24 | R2 000 000.00 |

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE



1st Quarter Audit
Committee Report to



2nd Quarter Audit
Committee Report to



3rd Quarter Audit
Committee Report to



4th Quarter Audit
Committee Report to

APPENDIX H – LONG-TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

| Long-Term Contracts (20 Largest Contracts Entered into 2024/2025) | | | | | | |
|---|---|---|-------------------|------------------------|-------------------------|----------------|
| Number | Description of services rendered by service provider | Name of service provider (entity of municipal department) | Contract value | PERIOD | | End User Dept. |
| | | | | Start date of contract | Expiry date of contract | |
| 1. | Upgrading of Kgobokwane/Kgaphamadi Road and Stormwater Access Control | Ralema Consulting Engineers Democratic Construction and Security Services | R 55 000 000.00 | 01-July-2023 | 30 Sept 2025 | Infrastructure |
| 2. | Upgrading of Tafelkop Stadium Access Road | Afri-tec Consulting Engineers SDVK construction and Projects | R 10 293 795.00 | 01-July-2023 | 30 Sept 2025 | Infrastructure |
| 3. | Upgrading of Mokumong Internal Access Road to Marateng Taxi Rank | Sejagobe Consulting Engineers Pheladi Noko Funerals and Construction | R51 746 943.55 | 01-July-2023 | 30 Sept 2025 | Infrastructure |
| 4. | Upgrading Maraganeng Internal Access Road | Tha-Mot Consulting Engineers Mwelase Tobs Construction | R31 431 849.90 | 01-July-2023 | 30 Sept 2025 | Infrastructure |
| 5. | Upgrading of Malaeneng A Ntwane Access Roads and Stormwater Control | Marungane Projects Umjantsi Esporweni Trading | R34 404 286.41DZ` | 01-July-2023 | 30 Sept 2025 | Infrastructure |
| 6. | Refurbishment of Groblersdal landfill site | Grandmonda Consulting Engineers | R33 000 000.00 | | 30 Sept 2025 | Infrastructure |
| 7. | Electrification of Phooko (216HH) | Ntlepo Corporate Ftec-Services | R3 000 000.00 | 01 July 23 | 30 – June - 2024 | Infrastructure |
| 8. | Electrification of Maganagobuswa (226HH) | APS Innovation KNM Civils | R5 542 000.00 | 01 Jul 23 | 30 – June - 2024 | Infrastructure |
| 9. | Electrification of Magukubjana (212HH) | Reliant Consulting Lephata la basha | R4 340 000.00 | 01 Jul 23 | 30 June 2024 | Infrastructure |
| 10. | Electrification of Matrombi (100) | Reliant Consulting Anew Awakening Trading | R2 000 000.00 | 01 Jul 23 | 30 June 2024 | Infrastructure |

| | | | | | | |
|-----|---------------------------------------|--|---------------|--------------|--------------------|----------------|
| 11. | Electrification of Motetema High View | Reliant Consulting Lephata la basha | R2 000 000.00 | 01 Jul 23 | 30 June 2024 | Infrastructure |
|-----|---------------------------------------|--|---------------|--------------|--------------------|----------------|

APPENDIX I - MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Not applicable

APPENDIX J - DISCLOSURES OF FINANCIAL INTERESTS

| Disclosures of Financial Interests | | |
|---|---------------------|--|
| Period 1 July 2024- 30 June 2025 | | |
| Position | Name | Description of Financial Interest* |
| | | (Nil/or details) |
| (Mayor) | Cllr: Tladi MD | Nil |
| Speaker | Cllr: Thete JS | Nil |
| EXCO members | | |
| | Cllr: Phetla G | Nil |
| | Cllr: Mzisa MR | Salary R19 025 Department of Health |
| | Cllr: Machipa TA | Farming |
| | Cllr: Ramphisa MW | Nil |
| | Cllr: Ramonyana NJ | Nil |
| | Cllr: Matjomane GD | 50% Shareholder of Shaizo |
| | Cllr: Kotze J.P | Nil |
| | Cllr: Mathabathe MG | Nil |
| | Cllr: Malapela HMC | Nil |
| | | |
| Municipal Manager | Makgata N. R | Forever living business (commission) |
| Chief Financial Officer | Hutamo K | Hutamo and associates R156 600 |
| | | |
| Other S57 Officials | | |
| Senior Manager Community Services | Mohlala M | Divine Inspiration Ministries R6000. |
| Senior Manager Corporate Services | Make MM | NIL |
| Senior Manager Infrastructure | Malungana ME | Director MEM Projects (Pty) Ltd Remuneration is variable |
| Senior Manager Development Planning and LED | Sethojoa BO | Nil |
| Acting Senior Manager Executive Support | Maboa J | Nil |

APPENDIX K – REVENUE COLLECTION PERFORMANCE

| Description | 2023/24 | Budget Year 2024/25 | | | | | | | |
|--|-----------------|---------------------|-----------------|----------------|----------------|----------------|---------------|--------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| Revenue By Source | | | | | | | | | |
| Property rates | 59,158 | 67,168 | 61,818 | 5,169 | 61,762 | 61,818 | (56) | 0% | 61,818 |
| Service charges - electricity revenue | 105,796 | 133,515 | 147,578 | 9,525 | 136,751 | 147,578 | (10,828) | -7% | 147,578 |
| Service charges - refuse revenue | 12,225 | 12,488 | 14,276 | 1,059 | 13,014 | 14,276 | (1,262) | -9% | 14,276 |
| Rental of facilities and equipment | 1,217 | 2,855 | 1,886 | 86 | 1,357 | 1,886 | (529) | -28% | 1,886 |
| Interest earned - external investments | 6,121 | 9,404 | 10,989 | 643 | 6,956 | 10,989 | (4,033) | -37% | 10,989 |
| Interest earned - outstanding debtors | 16,894 | 19,888 | 13,635 | 1,667 | 20,141 | 13,635 | 6,506 | 48% | 13,635 |
| Fines, penalties and forfeits | 90,047 | 113,999 | 98,497 | 49,800 | 114,094 | 98,497 | 15,597 | 16% | 98,497 |
| Licences and permits | - | - | - | - | - | - | - | - | - |
| Agency services | 6,344 | 7,302 | 7,302 | 422 | 5,939 | 7,302 | (1,363) | -19% | 7,302 |
| Transfers and subsidies | 378,980 | 383,099 | 383,099 | 463 | 400,643 | 400,643 | (0) | 0% | 383,099 |
| Other revenue | 37,936 | 2,994 | 4,296 | 97 | 14,833 | 4,296 | 10,537 | 245% | 4,296 |
| Gains | | | | | - | | - | | - |
| Total Revenue (excluding capital transfers and contributions) | 714,718 | 752,712 | 743,376 | 68,932 | 775,490 | 760,920 | 14,570 | 2% | 743,376 |

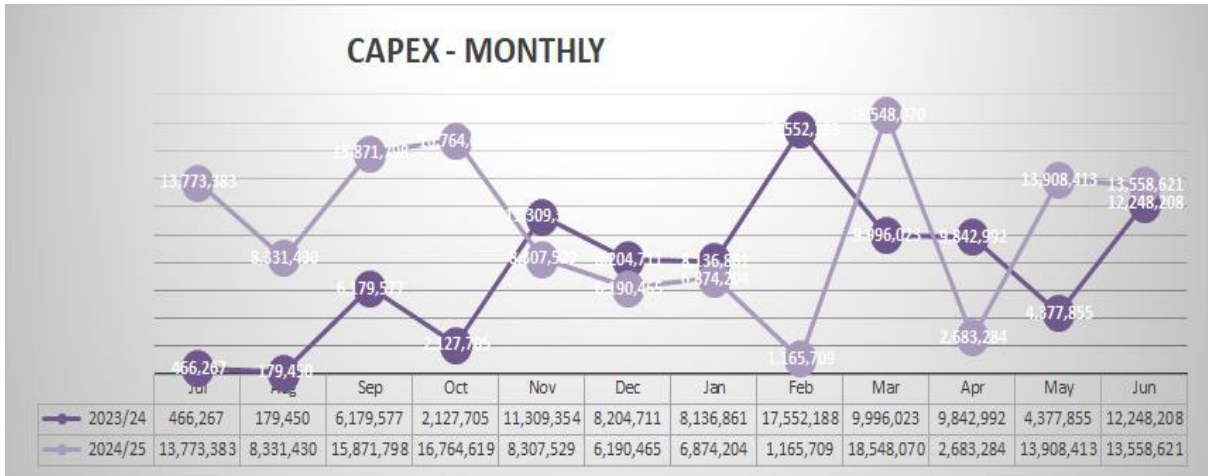
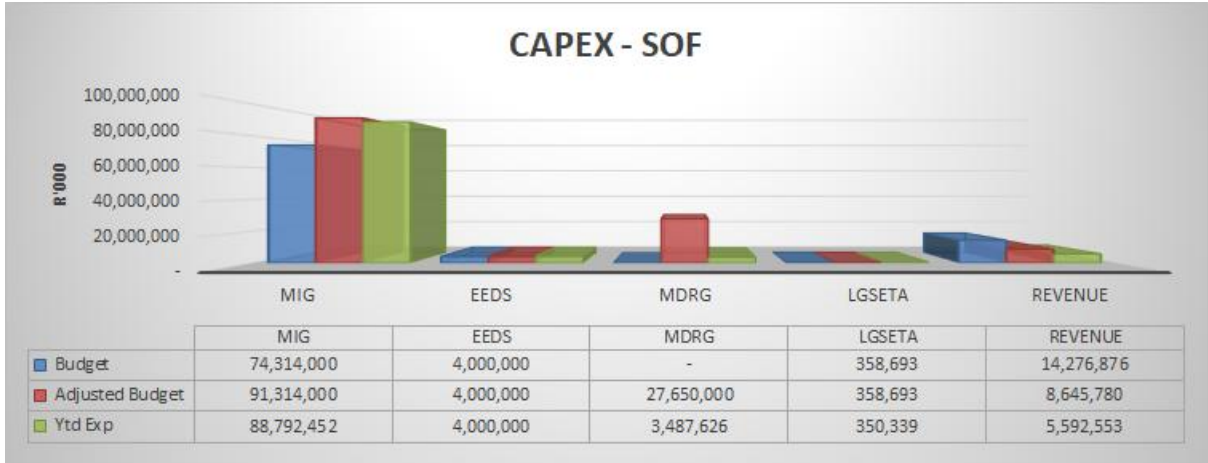
APPENDIX L - CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

| Description | 2023/24 | Budget Year 2024/25 | | |
|--|-----------------|---------------------|-----------------|----------------|
| | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual |
| RECEIPTS: | | | | |
| Operating Transfers and Grants | | | | |
| National Government: | 363,612 | 400,460 | 400,643 | 400,643 |
| Local Government Equitable Share | 358,519 | 377,690 | 377,690 | 377,690 |
| Finance Management | 2,850 | 2,850 | 2,800 | 2,800 |
| Intergrated National Electrification Grant | - | 17,544 | 17,544 | 17,544 |
| EPWP Incentive | 2,243 | 2,376 | 2,609 | 2,609 |
| Other grant providers: | 968 | - | - | - |
| LGSETA Learnership and Development | 968 | - | - | - |
| Total Operating Transfers and Grants | 364,580 | 400,460 | 400,643 | 400,643 |
| Capital Transfers and Grants | | | | |
| National Government: | 14,400 | 4,000 | 31,650 | 7,487 |
| Intergrated National Electrification Grant | 14,400 | - | - | - |
| Energy Efficiency and Demand Side Management Grant | - | 4,000 | 4,000 | 4,000 |
| Municipal Disaster Recovery Grant | - | - | 27,650 | 3,488 |
| Other grant providers: | - | 359 | 359 | 350 |
| LGSETA Learnership and Development | - | 359 | 359 | 350 |
| Total Capital Transfers and Grants | 14,400 | 4,359 | 32,009 | 7,837 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 378,980 | 404,819 | 432,652 | 408,480 |

APPENDIX M CAPITAL EXPENDITURE NEW AND UPGRADE /RENEWAL PROGRAMMES INCLUDING MIG

CAPITAL EXPENDITURE

GRAPH 5: CAPITAL EXPENDITURE 2024/2025



APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2024/2025

| Capital Programme by Project 2024/2025 (R`000) | | | | | |
|---|------------------------|------------------------|---------------------------|-----------------------------|----------------------------|
| Capital Project | Original Budget | Adjusted Budget | Actual Expenditure | Variance (Act-Adj) % | Variance (Act-OB) % |
| Water | n/a | n/a | n/a | n/a | n/a |
| District function | | | | | |
| Sanitation/Sewerage | n/a | n/a | n/a | n/a | n/a |
| District function | | | | | |
| Electricity | | | | | |
| Electrification of Phooko (216HH) | R3 000 | R1 942 | R1 942 | 100% | 63.69% |
| Electrification of Maganagobuswa (226HH) | R5 277 | R 6 262 | R 6 262 | 100% | 100% |
| Electrification of Magukubjana (212HH) | R4 267 | R 4 340 | R 4 340 | 100% | 100% |
| Electrification of Matrombi (100) | R2 000 | R 2 000 | R2 000 | 100% | 100% |
| Electrification of Motetema Highview (100HH) | R2 000 | R 2 000 | R2 000 | 100% | 100% |
| Roads and Storm Water | | | | | |
| Upgrading of Kgobokwane/Kgaphama di Road and Stormwater Access Control | R11 000 | R26 063 | R26 468 | 101.55% | 240,62% |
| Upgrading and Refurbishment of Tafelkop Sports Stadium | R10 000 | R10 000 | R12 191 | 121.91% | 121.91% |
| Upgrading of Mokumong Internal Access Road to Marateng Taxi Rank | R10 990 | R22 892 | R19 965 | 87.21% | 81.67% |
| Upgrading Maraganeng Internal Access Road | R16 574 | R11 055 | R11 055 | 100% | 66.70% |
| Upgrading of Malaeneng A Ntwane Access Roads and Stormwater Control | R17 750 | R21 304 | R21 304 | 100% | 120.02% |
| Refurbishment of Groblersdal landfill site | R33 000 | R0 | R0 | 0% | 0% |
| Roads and Storm Water (Disaster Management Recovery Grants) | | | | | |
| Construction of the Motsephiri/Jerusalem storm water control on both LHS and RHS 5km long | R12 350 | R12 350 | R 492 | 3.99% | 3.99% |

| Capital Programme by Project 2024/2025 (R`000) | | | | | |
|--|-----------------|-----------------|--------------------|----------------------|---------------------|
| Capital Project | Original Budget | Adjusted Budget | Actual Expenditure | Variance (Act-Adj) % | Variance (Act-OB) % |
| Fill protection on the road edge LHS&RHS (Gabions) fill embankment on the bridge at Marapong | R1 200 | R1 200 | R1 200 | 100% | 100% |
| Upgrading of 1.2 km Moteti road from gravel to 800mm paving and storm water control | R10 600 | R10 600 | R1 411 | 13,31% | 13.31% |
| Re-construction of the Kgoobokwane low-level bridge | R 3 500 | R 3 500 | R385 | 10.99 | 10.99% |

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) |
| Water | | |
| District function | | |
| Sanitation/sewerage | | |
| District function | | |
| Electricity | | |
| Electrification of Phooko (216 HH) | 09 | Yes |
| Electrification of Lukau Maganagobuswa (226 HH) | 24 | Yes |
| Electrification of Magukubjana(212 HH) | 18 | Yes |
| Electrification of Mantrombi section (100 HH) | 23 | Yes |
| Electrification of Motetema High View(100 HH) | 31 | Yes |
| Housing | | |
| | | |
| Cemeteries | | |
| Fencing of Elandsdoorn/ Ntwane cemeteries | 10 | Yes |
| Cemeteries | | |
| Roads & stormwater | | |

| Capital Programme by Project by Ward 2024/2025 | | |
|---|-------------------------|---|
| R`000 | | |
| Capital Project | Ward(s) affected | Works completed (Yes/No) |
| Upgrading of Malaeneng A Ntwane Internal Access Road | 08 | No (Multiyear project) |
| Upgrading of Tafelkop Stadium Internal Access Road | 27 & 28 | No (Contractor is behind the schedule) |
| Groblersdal refurbishment of landfill site | 13 | No |
| Upgrading of Kgobokwane/Kgapamadi Access Road and Storwater Control. | 3 | No (Multiyear project) |
| Upgrading of Maraganeng Internal Access Road and Stormwater Control | 15 | No (Multiyear Project) |
| Upgrading of Mokumong Internal Access Road to Marateng Taxi Rank | 29 | No (Multiyear project) |
| Construction of the Motsephiri/Jerusalem storm water control on both LHS and RHS 5km long | 21 | No |
| Fill protection the road edge LHS&RHS (Gabions) fill embankment on the bridgess at Marapong | 08 | Yes Project is complete |
| Upgrading of 1.2 km Moteti road from gravel to 800mm paving and storm water control | 02 | No Project at construction stage |
| Re-construction of the Kgobokwane low-level bridge | 03 | No |

| Capital Programme by Project by Ward 2024/2025 | | |
|--|------------------|-------------------------------------|
| R`000 | | |
| Capital Project | Ward(s) affected | Works completed (Yes/No) |
| | | Project at site establishment stage |

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

| Service Backlogs: Schools & Clinics | | | | |
|--|-------|------------|-------------|------------------------|
| Establishments lacking basic services | Water | Sanitation | Electricity | Solid Waste Collection |
| Schools (Names, Locations) | | | | |
| Primary and primary schools combined schools | 01 | 131 | 0 | 0 |

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

| Service Backlogs Experienced by Community Where Another Sphere of Government is the Service Provider (Whether or Not Municipality Acts on Agency Basis) | | |
|---|--|---|
| Services and locations | Scale of backlogs | Impact of backlogs |
| Clinics | 09 clinics | Travelling distance to receive health service |
| Housing | 24230 | Lack of proper and decent housing |
| Licensing and testing centre | none | none |
| Reservoirs | none | none |
| Schools (primary & high) | Primary schools= 06 High schools = 03 | <ul style="list-style-type: none"> • Travelling long distance • Overcrowding in schools |
| Sports fields | None | none |

APPENDIX R - DECLARATION OF LOANS AND GRANTS MADE BY MUNICIPALITY

Declaration of Loans And Grants Made by Municipality 2024/2025

| All organisations or persons in receipt of loans*/Grants* provided by the municipality | Nature of project | Conditions attached to funding | Value 2024/2025 R`000 | Total amount committed over previous and future years |
|---|--------------------------|---------------------------------------|----------------------------------|--|
| No grants and loans granted during the year under review | | | n/a | |

APPENDIX S - DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

| MFMA Section 71 Returns Not Made During 2024/2025 According to Reporting Requirements | |
|--|--|
| Return | Reason return not properly made on due date |
| All MFMA Section 71 returns were made according to reporting requirements, and submitted in time | n/a |

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

Not applicable:

OVERSIGHT REPORT FOR THE 2024/2025 ANNUAL REPORT

Please use the below link:

[Elias Motsoaledi](#)



ELIAS MOTSOLEDI LOCAL MUNICIPALITY
(Registration number LIM 472)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Auditor General South Africa - Auditors

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

General Information

| | |
|--|--|
| Legal form of entity | Municipality (LIM 472) Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the Republic of South Africa (Act 108 of 1996) |
| Nature of business and principal activities | South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998) |
| Councillors List | |
| Mayor | Cllr MD Tladi |
| Chief Whip | Cllr ME Nduli (Chief Whip) |
| Speaker | Cllr JS Thethe |

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

General Information

Council:

Cllr MD Tladi (Mayor and Exco Member)
Cllr JS Thethe(Speaker)
Cllr ME Nduli (Chief Whip) March 2024 to date
Cllr RN Ndlovu (Exco member)
Cllr NJ Ramongana (Exco member)
Cllr SB Nkosi (Exco member)
Cllr JP Kotze (Exco member)
Cllr MG Mathabathe (Exco member)
Cllr M Ranala (Exco member)
Cllr MW Ramphisa (Exco member)
Cllr MR Msiza (Exco member)
Cllr MG Phetla (Exco member)
Cllr TP Kgagara
Cllr SM Malapela
Cllr MP Msiza
Cllr TS Mathabathe
Cllr TC Sithole
Cllr JS Mogotlana
Cllr MA Mafiri
Cllr TA Phorothoe
Cllr MC Phokwane
Cllr MZ Buta
Cllr TS Malau
Cllr J Letageng
Cllr P Masimula
Cllr ME Tshehla
Cllr NP Mohlala
Cllr FK Lehungwane
Cllr NS Makuwa
Cllr SD Morare
Cllr KW Tlaka
Cllr PK Tladi
Cllr RM Makuwa
Cllr TY Malope
Cllr TA Machipa
Cllr MS Mashilo
Cllr J Mahlangu
Cllr MM Gedezha
Cllr CP Ngobeni
Cllr MG Rahlogo
Cllr TP Koka
Cllr SH Radingwana
Cllr PB Magolego
Cllr WNS Oosthuizen
Cllr SH Mmaboko
Cllr ST Matsomane
Cllr DJ Genedi
Cllr CM Maphopha
Cllr HMC Malapela
Cllr SC Mmotla
Cllr SZ Ngwenya
Cllr K Mabelane
Cllr VM Sithole
Cllr MS Mthimunye
Cllr ME Sithole
Cllr LS Maibelo
Cllr GM Segope
Cllr LS Komane
Cllr A Limakwe
Cllr W DeBeer
Cllr NN Mahlangu
Cllr AL Gulube
Cllr JS Mogotlana

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

General Information

Cllr M Mampana
Cllr MK Mokobane
Cllr MP Riza
Cllr SW Ratlou
Cllr De Beer

Grading of local authority

Grade 3

Accounting Officer

Ms. N. R. Makgata, Pr. Tech. Eng.

Chief Finance Officer (CFO)

Mr K L E Hutamo

Business address

2nd Grobler Avenue - Civic Centre
Groblerdal
0470

Postal address

PO Box 48
Groblerdal
0470

Bankers

Nedbank

Auditors

Auditor General South Africa

Legislation governing the municipality's operations

Constitution of the Republic of South Africa (Act 108 of 1996)
Local Government: Municipal Finance Management Act (Act no.56 of 2003)
Local Government: Municipal Systems Act (Act 32 of 2000)
Local Government: Municipal Structures Act (Act 117 of 1998)
Municipal Property Rates Act (Act of 6 2004)
Division of Revenue Act (Act 1 of 2007)

Grading of the Municipality

Grade 3

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Index

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

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Abbreviations

| | |
|-------|--|
| SETA | Sector Education and Training Authority |
| PPPFA | Preferential Procurement Policy Framework Act |
| GRAP | Generally Recognised Accounting Practice |
| WCA | Workmen's Compensation Act |
| PAYE | Pay As You Earn |
| IAS | International Accounting Standards |
| INEP | Integrated National Electrification Programme |
| EPWP | Expanded Public works programme |
| UIF | Unemployment Insurance Fund |
| VAT | Value Added Tax |
| MFMA | Municipal Finance Management Act |
| MIG | Municipal Infrastructure Grant (Previously CMIP) |
| MSCOA | Municipal Standard Chart Of Accounts |
| FMG | Finance Management Grant |
| AGSA | Auditor General South Africa |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 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 were given unrestricted access to all financial records and related data.

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

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

The accounting officer acknowledges that she 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 deficiency..

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

I certify that the salaries, allowances and benefits of councillors as disclosed in note 27 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

The external auditor, being the Auditor General of South Africa, is responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors.

The annual financial statements set out on pages 344 to 457, which have been prepared on the going concern basis, were approved by the accounting officer on August 28, 2025.

Ms. N R Makgata Pr Tech Eng
Accounting officer

Thursday, August 28, 2025

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Audit Committee Report

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Accounting Officer's Report

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

1. Review of activities

Main business and operations

The municipality is engaged in local governance activities, which includes planning and promotion of integrated development planning, land, economic and environmental development and delivery of municipal services to the community.

The operating results and state of affairs of the municipality are fully set out in the attached annual financial statements and fully elaborated in the Statement of Comparison of Budget and Actual Amounts.

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.

Increased economic hardships negatively affected the municipality's cash flow due to decreasing debt collection.

Net surplus of the municipality was R 125,218,580 (2024: surplus R 31,024,207).

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

Property rates and services revenue collection is highly vulnerable to defaulting by households as a result of increased economic challenges.

3. Subsequent events

The accounting officer is aware of events arising since the end of the financial year which resulted in adjusting subsequent event. The events are disclosed under note 42, events after the reporting date.

4. Accounting Officers' interest in contracts

The Accounting Officer does not have any interest in contracts of the Municipality.

5. Accounting policies

The annual financial statements are prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

6. Non-current assets

Details of major changes in the nature of the non-current assets of the municipality during the year are set out in the notes to the financial statements.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Accounting Officer's Report

7. Accounting Officer

The accounting officer of the municipality during the financial year and to the date of this report is :

| Name | Nationality |
|-----------------------------------|---------------|
| Ms. N. R. Makgata, Pr. Tech. Eng. | South African |

8. 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.

Councillors

The councillors:

- retains full control over the municipality, its plans and strategy;
- acknowledges their responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the municipality;
- are of a unitary structure comprising;
 - Mayor
 - Speaker
 - Executive committee councillors, and
 - Councillors.

Mayor and Municipal Manager

The roles of the Mayor and Accounting Officer are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion. The Council and Mayor performs their oversight role and duties in terms of the prescribed legislation and delegated authorities.

Audit committee

The Audit Committee met during the financial year to review matters necessary to fulfil its role.

In terms of Section 166 of the Municipal Finance Management Act, the municipality must appoint members of the Audit Committee.

Internal audit

The internal audit operates under section 165 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA).

9. Bankers

The municipality banks primarily with Nedbank.

10. Auditors

The Auditor General South Africa will continue in office for the next financial period.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Statement of Financial Position

| Figures in Rand | Note(s) | 2025 | 2024 Restated |
|---|---------|----------------------|----------------------|
| Assets | | | |
| Current Assets | | | |
| Inventories | 9&9.1 | 37,578,534 | 31,509,439 |
| Conditional grants receivables | 56 | 3,239,443 | 5,761,684 |
| Receivables from exchange transactions | 10 | 77,118,532 | 72,212,363 |
| Receivables from non-exchange transactions | 11 | 23,517,450 | 9,121,857 |
| Consumer debtors - From Exchange Transactions | 12 | 59,875,122 | 49,063,865 |
| Consumer debtors - From Non Exchange Transactions | 12 | 92,668,004 | 81,137,981 |
| Cash and cash equivalents | 13 | 64,907,747 | 22,673,939 |
| | | 358,904,832 | 271,481,128 |
| Non-Current Assets | | | |
| Investment property | 3 | 133,812,659 | 120,933,586 |
| Property Plant and Equipment | 4 | 1,077,804,706 | 1,022,984,238 |
| Heritage Assets | 5 | 463,363 | 463,363 |
| Eskom security deposit | 8 | 19,582,729 | 18,475,124 |
| | | 1,231,663,457 | 1,162,856,311 |
| Total Assets | | 1,590,568,289 | 1,434,337,439 |
| Liabilities | | | |
| Current Liabilities | | | |
| Deferred income | 16 | 192,983 | 192,983 |
| Finance lease obligation | 14 | 4,086,631 | 7,636,923 |
| Landfill Site Provision | 17 | 9,912,854 | 9,539,983 |
| Payables from exchange transactions | 18 | 124,805,210 | 149,871,888 |
| Consumer deposits | 19 | 5,363,802 | 5,518,249 |
| Employee benefit obligation | 7 | 1,339,000 | 1,283,000 |
| Unspent conditional grants and receipts | 15 | 24,936,844 | 766,308 |
| Provision for Long Service Awards | 17 | 1,506,000 | 601,000 |
| | | 172,143,324 | 175,410,334 |
| Non-Current Liabilities | | | |
| Deferred income | 16 | 2,364,035 | 2,557,017 |
| Finance lease obligation | 14 | 8,917,823 | - |
| Landfill Site Provision | 17 | 104,463,909 | 84,261,467 |
| Employee benefit obligation | 7 | 32,247,000 | 27,611,000 |
| Provision for Long Service Awards | 17 | 8,926,000 | 8,210,000 |
| | | 156,918,767 | 122,639,484 |
| Total Liabilities | | 329,062,091 | 298,049,818 |
| Net Assets | | 1,261,506,198 | 1,136,287,621 |
| Net Assets | | | |
| Accumulated surplus | | 1,261,506,189 | 1,136,287,607 |

* See Note 38

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Statement of Financial Performance

| Figures in Rand | Note(s) | 2025 | 2024 Restated |
|---|---------|----------------------|----------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Interest revenue | 22 | 12,035,704 | 9,856,927 |
| Agency fees | 48 | 5,939,379 | 6,344,437 |
| Other income | 21 | 1,954,013 | 880,889 |
| Rental of facilities and equipment | 32 | 1,356,773 | 1,216,927 |
| Service charges | 20 | 149,764,756 | 118,020,586 |
| Total revenue from exchange transactions | | 171,050,625 | 136,319,766 |
| Revenue from non-exchange transactions | | | |
| Taxation revenue | | | |
| Property rates | 23 | 61,761,984 | 59,157,929 |
| Interest charged on consumer debtors | 22 | 15,061,766 | 13,157,983 |
| Transfer revenue | | | |
| Government grants & subsidies | 25 | 497,272,917 | 445,727,111 |
| Public contributions and donations | 53 | 7,676,250 | 37,567,445 |
| Fines, Penalties and Forfeits | 11 | 114,093,566 | 90,046,637 |
| Investment property fair value adjustment | 3 | 5,202,822 | (512,296) |
| Total revenue from non-exchange transactions | | 701,069,305 | 645,144,809 |
| Total revenue | | 872,119,930 | 781,464,575 |
| Expenditure | | | |
| Fair value adjustments - actuarial losses | 7&17 | (2,099,194) | (3,556,124) |
| Bulk purchases | 30 | (129,796,388) | (109,782,561) |
| Debt Impairment | 29 | (97,213,289) | (90,674,903) |
| Depreciation and amortisation | 4&6&52 | (58,775,286) | (54,835,170) |
| Employee related costs | 26 | (205,011,366) | (186,504,500) |
| Finance costs | 28 | (976,442) | (1,766,186) |
| General Expenses | 31 | (146,352,358) | (141,682,545) |
| (Impairment loss)/ Reversal of impairments | 4&6 | (4,089,305) | (11,422,087) |
| Lease rentals on operating lease | 34 | (6,532,915) | (4,696,579) |
| Gain/(Loss) on disposal of assets | 4&6 | 401,981 | (23,221,010) |
| Remuneration of councillors | 27 | (28,192,224) | (26,661,797) |
| Repairs and maintenance | 54 | (42,095,296) | (80,190,949) |
| Transfers and Subsidies | 24 | (26,169,268) | (15,445,957) |
| Total expenditure | | (746,901,350) | (750,440,368) |
| Operating surplus | | 125,218,580 | 31,024,207 |
| Surplus for the year | | 125,218,580 | 31,024,207 |

* See Note 38

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus | Total net assets |
|--|----------------------|----------------------|
| Balance at July 1, 2023 | 1,105,263,400 | 1,105,263,400 |
| Surplus for the year | 31,024,207 | 31,024,207 |
| Total changes | 31,024,207 | 31,024,207 |
| Opening balance as previously reported | 1,245,712,531 | 1,245,712,531 |
| Adjustments | | |
| Prior period errors | (109,424,924) | (109,424,924) |
| Balance at July 1, 2024 as restated | 1,136,287,609 | 1,136,287,609 |
| Changes in net assets | | |
| Surplus for the year | 125,218,580 | 125,218,580 |
| Total changes | 125,218,580 | 125,218,580 |
| Balance at June 30, 2025 | 1,261,506,189 | 1,261,506,189 |
| Note(s) | 38 | |

Cash flow statement

| Figures in Rand | Note(s) | 2025 | 2024 Restated* |
|---|---------|-----------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Fines | | 17,272,897 | 7,394,242 |
| Sale of goods and services | | 189,251,284 | 155,349,748 |
| Grants | | 523,965,694 | 418,630,569 |
| Interest income | | 6,956,409 | 6,121,139 |
| Other receipts | | 5,067,306 | 2,177,641 |
| Agency fees | | 5,939,379 | 6,344,437 |
| | | <u>748,452,969</u> | <u>596,017,775</u> |
| Payments | | | |
| Employee costs | | (230,669,457) | (208,433,233) |
| Suppliers | | (349,637,729) | (283,517,066) |
| Finance costs | | (976,442) | (1,766,186) |
| Transfers and Subsidies | | (8,799,616) | (6,015,901) |
| | | <u>(590,083,244)</u> | <u>(499,732,386)</u> |
| Net cash flows from operating activities | 33 | <u>158,369,725</u> | <u>96,285,389</u> |
| Cash flows from investing activities | | | |
| Purchase of property plant and equipment | 4 | (112,455,811) | (96,296,631) |
| Proceeds from sale of property plant and equipment | 4 | 5,031,041 | - |
| Net cash flows from investing activities | | <u>(107,424,770)</u> | <u>(96,296,631)</u> |
| Cash flows from financing activities | | | |
| Finance lease payments | | (8,711,125) | (10,407,678) |
| Net increase/(decrease) in cash and cash equivalents | | 42,233,831 | (10,418,918) |
| Cash and cash equivalents at the beginning of the year | | 22,673,941 | 33,092,864 |
| Cash and cash equivalents at the end of the year | 13 | <u>64,907,772</u> | <u>22,673,946</u> |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|--------------------|-------------------|----------------------|------------------------------------|--|-----------|
| Figures in Rand | | | | | | |
| Statement of Financial Performance | | | | | | |
| Revenue | | | | | | |
| Revenue from exchange transactions | | | | | | |
| Agency fees | 7,302,194 | - | 7,302,194 | 5,939,379 | (1,362,815) | 16 |
| Interest revenue | 19,329,000 | (3,622,510) | 15,706,490 | 12,035,704 | (3,670,786) | 1 |
| Other income | 4,296,000 | - | 4,296,000 | 1,954,013 | (2,341,987) | 2 |
| Rental of facilities and equipment | 1,886,000 | - | 1,886,000 | 1,356,773 | (529,227) | 3 |
| Service charges | 146,003,000 | 15,851,114 | 161,854,114 | 149,764,756 | (12,089,358) | |
| Total revenue from exchange transactions | 178,816,194 | 12,228,604 | 191,044,798 | 171,050,625 | (19,994,173) | |
| Revenue from non-exchange transactions | | | | | | |
| Taxation revenue | | | | | | |
| Property rates | 67,168,000 | (5,349,879) | 61,818,121 | 61,761,984 | (56,137) | |
| Interest charged on consumer debtors | 9,962,836 | 4,850,950 | 14,813,786 | 15,061,766 | 247,980 | |
| Transfer revenue | | | | | | |
| Government grants & subsidies | 479,317,000 | 44,650,405 | 523,967,405 | 497,272,917 | (26,694,488) | |
| Public contributions and donations | - | - | - | 7,676,250 | 7,676,250 | 4 |
| Fines, Penalties and Forfeits | 113,999,000 | 4,494,566 | 118,493,566 | 114,093,566 | (4,400,000) | |
| Investment property fair value adjustment | - | - | - | 5,202,822 | 5,202,822 | 6 |
| Total revenue from non-exchange transactions | 670,446,836 | 48,646,042 | 719,092,878 | 701,069,305 | (18,023,573) | |
| Total revenue | 849,263,030 | 60,874,646 | 910,137,676 | 872,119,930 | (38,017,746) | |
| Expenditure | | | | | | |
| Fair Value Adjustments - Acturial Losses | - | - | - | (2,099,194) | (2,099,194) | 14 |
| Bulk purchases | (121,123,000) | (9,444,157) | (130,567,157) | (129,796,388) | 770,769 | |
| Debt Impairment | (124,419,000) | 26,930,255 | (97,488,745) | (97,213,289) | 275,456 | |
| Depreciation and amortisation | (59,690,000) | (10,154,313) | (69,844,313) | (58,775,286) | 11,069,027 | 7 |
| Employee related costs | (213,757,000) | 7,437,961 | (206,319,039) | (205,011,366) | 1,307,673 | |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|----------------------|---------------------|----------------------|------------------------------------|--|-----------|
| Figures in Rand | | | | | | |
| Finance costs | (406,000) | (10,237,548) | (10,643,548) | (976,442) | 9,667,106 | 9 |
| General Expenses | (177,338,000) | 7,454,905 | (169,883,095) | (146,352,358) | 23,530,737 | 5 |
| Impairment loss/ Reversal of impairments | - | - | - | (4,089,305) | (4,089,305) | 15 |
| Lease rentals on operating lease | - | - | - | (6,532,915) | (6,532,915) | 10 |
| Profit/(Loss) on disposal of assets | (50,000) | (6,386,979) | (6,436,979) | 401,981 | 6,838,960 | 11 |
| Remuneration of councillors | (28,178,000) | 154,739 | (28,023,261) | (28,192,224) | (168,963) | |
| Repairs and maintenance | - | (38,233,171) | (38,233,171) | (42,095,296) | (3,862,125) | 30 |
| Transfers and Subsidies | (9,403,876) | (1,909,203) | (11,313,079) | (26,169,268) | (14,856,189) | 13 |
| Total expenditure | (734,364,876) | (34,387,511) | (768,752,387) | (746,901,350) | 21,851,037 | |
| Surplus | 114,898,154 | 26,487,135 | 141,385,289 | 125,218,580 | (16,166,709) | |
| Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement | 114,898,154 | 26,487,135 | 141,385,289 | 125,218,580 | (16,166,709) | |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|----------------------|-------------------|----------------------|------------------------------------|--|-----------|
| Figures in Rand | | | | | | |
| Statement of Financial Position | | | | | | |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | 76,076,000 | (11,359,192) | 64,716,808 | 64,907,747 | 190,939 | |
| Conditional grants receivables | - | - | - | 3,239,443 | 3,239,443 | 18 |
| Consumer debtors | - | - | - | 152,543,126 | 152,543,126 | 19(a), 17 |
| Inventories | 41,956,000 | (4,001,366) | 37,954,634 | 37,578,534 | (376,100) | |
| Receivables from exchange transactions | 64,757,000 | 6,161,045 | 70,918,045 | 77,118,532 | 6,200,487 | 19(b), 29 |
| Receivables from non-exchange transactions | 80,447,000 | 39,037,131 | 119,484,131 | 23,517,450 | (95,966,681) | 20 |
| VAT receivable | 13,993,000 | 7,987,316 | 21,980,316 | - | (21,980,316) | 29 |
| | 277,229,000 | 37,824,934 | 315,053,934 | 358,904,832 | 43,850,898 | |
| Non-Current Assets | | | | | | |
| Investment property | 47,492,489 | - | 47,492,489 | 133,812,659 | 86,320,170 | 22 |
| Property Plant and Equipment | 1,405,874,000 | 45,654,000 | 1,451,528,000 | 1,077,804,706 | (373,723,294) | 31 |
| Heritage Assets | 463,363 | - | 463,363 | 463,363 | - | |
| Intangible assets | 663,325 | - | 663,325 | - | (663,325) | 21 |
| Eskom security deposit | 19,693,215 | 500,000 | 20,193,215 | 19,582,729 | (610,486) | |
| | - | - | - | - | - | |
| | 1,474,186,392 | 46,154,000 | 1,520,340,392 | 1,231,663,457 | (288,676,935) | |
| Total Assets | 1,751,415,392 | 83,978,934 | 1,835,394,326 | 1,590,568,289 | (244,826,037) | |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Consumer deposits | 6,653,000 | 157,112 | 6,810,112 | 5,363,802 | (1,446,310) | 12 |
| Deferred income | - | - | - | 192,983 | 192,983 | 23 |
| Employee benefit obligation | - | - | - | 1,339,000 | 1,339,000 | 24 |
| Finance lease obligation | 8,895,000 | (506,551) | 8,388,449 | 4,086,630 | (4,301,819) | 27 |
| Landfill Rehabilitation Provision | 6,565,000 | (1,561,588) | 5,003,412 | 9,912,854 | 4,909,442 | 25 |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|----------------------|---------------------|----------------------|------------------------------------|--|-----------|
| Figures in Rand | | | | | | |
| Payables from exchange transactions | 90,033,000 | 6,921,332 | 96,954,332 | 124,805,210 | 27,850,878 | 28 |
| Provision for Long Service Awards | - | - | - | 1,506,000 | 1,506,000 | 26 |
| Unspent conditional grants and receipts | 12,228,000 | 12,708,845 | 24,936,845 | 24,936,844 | (1) | |
| | 124,374,000 | 17,719,150 | 142,093,150 | 172,143,323 | 30,050,173 | |
| Non-Current Liabilities | | | | | | |
| Deferred income | - | - | - | 2,364,035 | 2,364,035 | 23 |
| Employee benefit obligation | 43,541,156 | - | 43,541,156 | 32,247,000 | (11,294,156) | 24 |
| Finance lease obligation | 27,548,000 | 18,054,410 | 45,602,410 | 8,917,823 | (36,684,587) | 27 |
| Landfill Site Rehabilitation provision | 90,302,000 | (43,540,747) | 46,761,253 | 104,463,909 | 57,702,656 | 25 |
| Provision for Long Service Awards | - | - | - | 8,926,000 | 8,926,000 | 26 |
| | 161,391,156 | (25,486,337) | 135,904,819 | 156,918,767 | 21,013,948 | |
| Total Liabilities | 285,765,156 | (7,767,187) | 277,997,969 | 329,062,090 | 51,064,121 | |
| Net Assets | 1,465,650,236 | 91,746,121 | 1,557,396,357 | 1,261,506,199 | (295,890,158) | |
| Net Assets | | | | | | |
| Net Assets | | | | | | |
| Reserves | | | | | | |
| Accumulated surplus | 1,465,650,236 | 91,746,121 | 1,557,396,357 | 1,261,506,199 | (295,890,158) | |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Approved budget | Adjustments | Final Bu |
|--------------------|-------------|----------|
|--------------------|-------------|----------|

Figures in Rand

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Approved budget | Adjustments | Final Budget |
|-----------------|-------------|--------------|
|-----------------|-------------|--------------|

Figures in Rand

Budget and Actual Amounts variance explanation : Material difference between budget and actual amounts

The comparison of the municipality's financial performance with that budgeted is set out in the statement of comparison of budget and actual amounts.

The budget and accounting basis are the same.

The budget is approved on accrual basis using a classification based on the nature of the transaction. The approved budget covers the period from 01 July 2024 to 30 June 2025.

The changes between the approved final budget and adjusted budget are as a consequence of identified overs and unders in the budget performance during mid-year.

Variances of 10% or more are explained as set out below:

1. Interest revenue - exchange transactions

The variance is as a result of several investments made by the municipality which were not as anticipated

2. Other income

The budget amount includes budget for public contributions and donations and investment property fair value adjustment which National Treasury template does not make provision for this component to be budgeted for, therefore the actual year to date for other income, public contributions and donations and investment property fair value adjustment amounts to R15 million. The variance is 1% after taking into account the three items which doesn't warrant an explanation.

3. Rental of facilities and equipment

The variance is as a result of rentals from the public was not as anticipated.

4. Public contributions and donations

National Treasury template does not make provision for this component to be budgeted for therefore it is budgeted for under other income (refer to 2).

5. General expenses

The budget amount includes budget for lease rentals on operating lease and repairs and maintenance which National Treasury template does not make provision for this component to be budgeted for, therefore the actual year to date for lease rentals on operating lease and general expenses amounts to R195 million. The variance is 15% after taking into account the two items which emanates from fewer delivery of operating lease fleet.

6. Investment fair value adjustments

National Treasury template does not make provision for this component to be budgeted for.

7. Depreciation and amortization

The budget amount includes budget for impairment loss/ reversal of impairments which National Treasury template does not make provision for this component to be budgeted for, therefore the actual year to date for impairment loss/ reversal of impairments and depreciation and amortization amounts to R64 million. The variance is 8% after taking into account the two items which doesn't warrant an explanation.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Approved budget | Adjustments | Final Bu |
|-----------------|-------------|----------|
|-----------------|-------------|----------|

Figures in Rand

9. Finance Costs

The underperformance on finance lease is mainly attributable to the late delivery of fleet, which only took place in April 2025. The delay impacted the full utilisation of the leased assets during the year under review resulting in lower than anticipated performance.

10. Lease Rentals On Operating Lease

National Treasury template does not make provision for this component to be budgeted for therefore it is budgeted for under general expenses (refer to 5)

11. Loss on disposal of assets

The variance on loss disposal of property, plant and equipment is primarily attributable to the auctioning of selected assets during the reporting period. Anticipating that these assets would be disposed of at proceeds lower than their respective carrying amounts, resulting in a higher recognized loss on disposal. However the results of the auction was profit on sale of assets.

12. Consumer deposits

The variance is due to the transition from conventional electricity to prepaid meters which reduced the requirement for deposits from consumers.

13. Transfers and subsidies

The variance is as a result of high rate of configuration of registered indigents by Eskom as compared to prior year and budget.

14. Fair value adjustments - actuarial losses

National Treasury template does not make provision for this component to be budgeted for.

15. (Impairment loss)/ Reversal of impairments

National Treasury template does not make provision for this component to be budgeted for therefore it is budgeted for under depreciation

16. Agency fees

The variance is as a result licences and permits from the public was not as anticipated.

17. Consumer debtors - From Exchange Transactions

National Treasury template does not make provision for consumer debtors exchange transactions component to be budgeted for under receivables from exchange transactions. Please see explanation 20.

18. Conditional grants receivables

National Treasury template does not make provision for this component to be budgeted for.

19(a). Consumer debtors - From Exchange Transactions

National Treasury template does not make provision for consumer debtors exchange transactions component to be budgeted for under receivables from exchange transactions. Please see explanation 19(b).

19(b). Receivables from exchange transaction

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Approved budget | Adjustments | Final Bu |
|-----------------|-------------|----------|
|-----------------|-------------|----------|

Figures in Rand

National Treasury template does not make provision for consumer debtors - exchange transactions component to be budgeted for therefore it is budgeted under receivables from exchange transactions.

Adding receivables from both receivables - exchange, VAT receivables and consumer debtors - exchange transactions we remain with under-performance variance of 19% that is caused by under-performance on service charges as consumption was not as anticipated.

20. Receivables from non-exchange transactions

National Treasury template does not make provision for consumer debtors non-exchange transactions component to be budgeted for therefore it is budgeted for under receivables from non-exchange transactions.

Adding receivables from both receivables non-exchange and consumer debtors non-exchange transactions we remain with under-performance variance of 3% which is less than 10%.

21. Intangible assets

The asset is fully amortised

22. Investment property

The variance is due to fair value adjustment and oversight during adjustment budget

23. Deferred income

National Treasury template does not make provision for this component to be budgeted for therefore it is budgeted for under payables (refer to 28).

24. Employee benefit obligation

The primary reason for this variance is that the municipality over-budgeted for the Employee Benefit Obligation due to an oversight during the budget preparation process. The budget for the Employee Benefit Obligation will be corrected in the next financial year. Future budgeting will be aligned more closely with updated actuarial valuations, prior-year performance, and realistic projections.

25. Landfill Rehabilitation Provisions

The expected remaining life of the landfill is critically important for determining for how long the landfill can still be used and for planning the replacement of the landfill. The expected remaining life of the landfill is used in the discounting calculations of the provision for closure. The current expected remaining life of the landfill is estimated at 5 years. This is based on the extended license.

26. Provision for Long Service Awards

National Treasury template does not make provision for this component to be budgeted for therefore it is budgeted for under provisions (refer to 25)

27. Finance lease obligation

The underperformance is mainly attributable to the late delivery of fleet, which only took place in April 2025. The delay impacted the full utilisation of the leased assets during the year under review resulting in lower than anticipated performance.

28. Payables from exchange transactions

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Approved budget | Adjustments | Final Bu |
|-----------------|-------------|----------|
|-----------------|-------------|----------|

Figures in Rand

National Treasury template does not make provision for deferred income component to be budgeted for therefore they are budgeted for under payables from exchange transactions.

Adding payables from both payables non-exchange transactions, deferred income and VAT payables we remain with over-performance variance of 25% which is as a result of reclassified VAT payable to payable from exchanged transactions in terms of SALGA circular 38/2025

29. VAT receivables

The actual performance has been reclassified of VAT receivables to receivables from exchanged transactions in terms of SALGA circular 38/2025

30. Repairs and maintenance

National Treasury template does not make provision for this component to be budgeted for therefore it is budgeted for under operational expenditure and contracted services (refer to 5).

31. Property Plant and Equipment

The difference is due to sale of property plant and equipment, restatement of prior year amount resulting in reduction. Furthermore there was a change in treatment on projects funded by INEP, where those projects needs to be expensed as opposed to being capitalised.

The accounting policies on pages 357 to 387 and the notes on page 388 form an integral part of the annual financial statements.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines, and directives issued by the Accounting Standards Board. In situations where the application of GRAP is not practicable, the International Financial Reporting Standards (IFRS) will apply.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand. Amounts are rounded to the nearest Rand.

1.2 Going concern assumption

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

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgements 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 judgments include:

Useful lives and residual values of property plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and other assets. This estimation should be based on the expected pattern in which an asset's future economic benefits or service potential are to be consumed by the municipality.

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

Trade receivables

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

The impairment for trade receivables is calculated based on the historical collection rate and the risk matrix established by the management.

Allowance for slow moving, damaged and obsolete stock

The Municipality conducts an assessment of the net realizable value of its inventory at each reporting date.

In accordance with this assessment, inventory is written down to the lower of cost or net realizable value. Management relies on estimates of selling prices and direct costs associated with selling for certain inventory items to determine this valuation.

The write-down of inventory is reflected in the Statement of Financial Performance.

Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period.

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.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Impairment testing

The recoverable amounts of assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

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. 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 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.

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.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 7.

Effective interest rate

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

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus or 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.

Landfill site

The provision for rehabilitation site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value of the expected future cash flows to rehabilitate the landfill site at year-end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the related asset are charged to the Statement of Financial Performance.

Provision of rehabilitation of landfill site is determined by :

- Calculating the cost of rehabilitation of landfill sites and assessing the useful life of each land fill site as done by an Specialist
- The effect of time value of money is calculated using interest rates (investment rate) linked to the prime rate.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.4 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
- 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, and only when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the enterprise, 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 at no cost or for a nominal cost, 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.

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be measurable when construction is complete. It measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the municipality determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the municipality measure that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The municipality applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or services potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

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

1.5 Property Plant and Equipment

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

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

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

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Property Plant and Equipment is initially measured at cost on acquisition date.

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

Where an asset is acquired at no cost, or for a nominal cost, 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 municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property plant and equipment are accounted for as property plant and equipment.

Property Plant and Equipment is carried at cost less accumulated depreciation and any impairment losses.

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 | Average useful life |
|--------------------------------|----------------------------|
| Land | Indefinite |
| Buildings | 3 - 80 years |
| Community Assets | 2 - 75 years |
| Computer Equipment | 5 - 30 years |
| Electrical Infrastructure | 5 - 50 years |
| Furniture and Office Equipment | 3 - 30 years |
| Machinery and Equipment | 2 - 20 years |
| Leased assets capitalised | 2 - 12 years |
| Roads Infrastructure | 2 - 80 years |
| Solid Waste Infrastructure | 3 - 40 years |
| Transport Assets | 2 - 12 years |

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

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 charge for each period is recognised on the straight line basis 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.

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

The gain or loss arising from the derecognition of an item of property plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held 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.

1.6 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

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.

Intangible assets are initially recognised at cost on acquisition.

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

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

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

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

| Item | Useful life |
|-------------------|-------------|
| Computer Software | 3-5 years |

Intangible assets are derecognised:

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

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.7 Heritage assets

Class of heritage assets means a grouping of heritage assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a heritage asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that a municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of the heritage asset's net selling price and its value in use.

Value in use of the heritage asset is the present value of the asset's remaining service potential.

Recognition

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

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Initial measurement

Heritage assets are measured at cost on acquisition.

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

Subsequent measurement

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

Impairment

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

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.8 Financial instruments

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

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.

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 the municipality's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment) 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 municipality 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.

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

A financial asset is:

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

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 municipality.

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

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

Long term advance payments 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 counterpart has failed to make a payment when contractually due.

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 municipality 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 municipality 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 do not meet the definition of financial instruments at amortised cost or financial liabilities at fair value through surplus or deficit.

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Classification

The Municipality has the following types of financial assets as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|--|--|
| Eskom security deposit | Financial Asset measured at amortised cost |
| Investments - Call accounts | Financial Asset measured at amortised cost |
| Consumer Debtors | Financial Asset measured at amortised cost |
| VAT Accruals | Financial Asset measured at amortised cost |
| Receivables from exchange transactions | Financial Asset measured at amortised cost |

The Municipality has the following types of financial liabilities as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|-------------------------------------|--|
| Consumer deposits | Financial liability measured at amortised cost |
| Payables from exchange transactions | Financial liability measured at amortised cost |
| Accruals | Financial liability measured at amortised cost |
| Finance lease obligation | Financial liability measured at amortised cost |

Initial recognition

The Municipality recognises a financial asset or a financial liability in its statement of financial position when the Municipality becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

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

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Subsequent measurement of financial assets and financial liabilities

The Municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the effective interest rate.

Derecognition

Financial assets

The municipality derecognises a financial asset only when:

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

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

Financial liabilities

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

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, is recognised in surplus or deficit.

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Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Presentation

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

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

1.9 Statutory receivables

Identification

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

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

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

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

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

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Accrued interest

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

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

Other charges

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

Impairment losses

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Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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

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

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

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

In estimating the future cash flows, a 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 is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

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

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

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

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

1.10 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 municipality assess the classification of each element separately.

Finance leases - lessee

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

At the commencement of the lease term, municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the statement of financial position. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to used by the municipality in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the municipalities incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount recognised as an asset.

Subsequently, minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

A finance lease gives rise to a depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets is consistent with that for other assets that are owned by the municipality, and the depreciation recognised is calculated in accordance with the depreciation and amortisation policy.

If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

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

Operating leases - lessor

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

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

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

The municipality recognises Inventories as an asset if, and only if,

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

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, 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.

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

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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.

When the municipality transfer assets from inventories to investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in surplus or deficit.

For a transfer from investment property carried at fair value to inventories, the property's deemed cost for subsequent accounting in inventory shall be its fair value at the date of change in use.

When inventory is transferred to property, plant, and equipment, the municipality follows a measurement approach based on cost. The closing cost at which inventory is recorded remains the same cost when these items are reclassified as property, plant, and equipment.

1.12 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets as defined above.

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.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

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 municipality also test 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.

Value in use

Value in use of an asset is the present value of the asset's remaining service potential.

The present value of the remaining service potential of an asset is determined using the following approach:

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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 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.

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

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

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

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

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

1.13 Electricity distribution losses

The electricity distribution losses are as a result of technical losses caused by the nature of electricity and the manner of its distribution, via the network, status / condition and age of the network, weather conditions and load on the system as well as non-technical losses, e.g theft and vandalism, as a result, the losses are not recoverable.

Cost of units purchased include all costs incurred as a result of buying electricity or that are directly attributable to purchasing electricity.

The rand value of distribution loss is calculated per month using the unit cost of purchasing electricity in that month.

At the end of the year total distribution loss is calculated by adding up distribution losses for the 12 months.

1.14 Employee benefits

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

Termination benefits are employee benefits payable as a result of either:

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

- a municipality'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.

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.

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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 municipality during a reporting period, the municipality recognise 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 municipality recognise 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 municipality measure the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

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 municipality provides post-employment benefits for one or more employees.

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Post-employment benefits: Defined benefit plans

Defined contribution plans are post-employment benefit plans under which the municipality 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.

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 municipality recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

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 municipality recognise past service cost as an expense in the reporting period in which the plan is amended.

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

The 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 municipality determine 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 municipality 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;
- actuarial gains and losses;
- past service cost;

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 municipality 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.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (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.

Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits 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.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and

1.15 Provisions, Contingent Liabilities and Assets

Provisions

Provisions are recognised when:

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

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

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

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

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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 deficits.

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

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a 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

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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.

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 judgements. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, the 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.

Contingent liabilities

On initial recognition, contingent liabilities are recorded as a disclosure only, if the definition of contingent liabilities is fully satisfied. A contingent liability is disclosed unless if the possibility of an outflow of resources embodying economic benefits or service potential is remote.

The municipality shall not recognise a contingent liability.

In the context of the municipality, the definition of a contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

An obligating event is an event that creates a legal or constructive obligation that results in the municipality having no realistic alternative to settling that obligation.

Where the municipality is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability.

The amount recognised as a contingent liability shall be the best estimate of the expenditure required to settle the possible obligation at the reporting date. The best estimate of the expenditure required to settle the contingent matter is the amount that the municipality would rationally pay at the reporting date.

Where an outflow of economic benefits or service potential is probable, the municipality shall disclose a brief description of the nature of the contingent liability at the reporting date, and, where practicable, an estimate of their financial effect, measured using the best estimate including possible obligation towards legal fees

After their initial recognition:

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Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

contingent liabilities are assessed continually to determine whether an outflow or inflow of resources embodying economic benefits or service potential has become probable.

If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets

On initial recognition, contingent assets are recorded as a disclosure only, if the definition of contingent assets is fully satisfied. A contingent Asset is disclosed unless if the possibility of an inflow of resources embodying economic benefits or service potential is remote.

The municipality shall not recognise a contingent asset.

A contingent asset is disclosed, where an inflow of economic benefits or service potential is probable.

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

The amount recognised as a contingent asset shall be the best estimate of the revenue that will probably be received if the matter is settled at the reporting date. The best estimate of the revenue required to settle the contingent matter is the amount that the municipality would rationally receive at the reporting date.

Where an inflow of economic benefits or service potential is probable, the municipality shall disclose a brief description of the nature of the contingent assets at the reporting date, and, where practicable, an estimate of their financial effect, measured using the best estimate including possible obligation towards legal fees that will be recovered if applicable.

After their initial recognition:

Contingent assets are assessed continually to determine whether an inflow of resources embodying economic benefits or service potential has become probable.

If it becomes probable that an inflow of future economic benefits or service potential will be received for an item previously dealt with as a contingent asset, an asset is recognised in the financial statements of the period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognised in financial statements since this may result in the recognition of revenue that may never be realised. However, when the realisation of revenue is virtually certain to the municipality, then the related asset is not a contingent asset and it is then recognised as an asset.

Decommissioning, restoration and similar liability

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

- if the adjustment results in an addition to the cost of an asset, the municipality consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the municipality test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy and 1.12.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.16 Commitments

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

A commitment arises when a decision is made to incur a liability e.g. purchase order, delivery schedules or contract for construction of Infrastructure assets. A commitment becomes a liability when the intention to agree to an outflow of resources outflow of resources becomes a present obligation.

Notes to the financial statements are disclosed in respect of unrecognised and unspent contractual commitments.

Amounts for commitments are disclosed VAT inclusive in the notes to the financial statements.

The commitments are not recognised as a liability in the statement of financial position but are disclosed in the notes to the financial statements

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 municipality – therefore salary commitments relating to employment contracts commitments are excluded.

Commitments are derecognised upon contract fulfillment, cancellation and when contract amount is fully spent.

1.17 Revenue from exchange transactions

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

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

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

Interest levied on transactions arising from exchange transactions is classified based on the nature of the underlying transaction, i.e. if the underlying transaction is an exchange transaction then any interest levied is also classified as exchange.

Measurement

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

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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

Interest

Revenue arising from the use by others of municipality assets yielding interest recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest revenue from debtors is recognized in surplus or deficit using the prime interest rate plus one method.

1.18 Revenue from non-exchange transactions

Fines are economic benefits or service potential received or receivable by municipality, 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.

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.

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Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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

Interest levied on transactions arising from non-exchange transactions is classified based on the nature of the underlying transaction, i.e. if the underlying transaction is a non-exchange transaction then any interest levied is also classified as non-exchange.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

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.

Measurement

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

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

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Transfers

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 when it is probable that future economic benefits will flow to the municipality, the costs can be reliably measured and all restrictions have been complied with. Revenue is recognised when fines or summons are issued.

The amount due by a particular offender is specified on the notice, summons or equivalent document. The municipality issuing the traffic fine may indicate that reductions are available, subject to further processes being undertaken.

Fines reductions reduce the asset (receivable) and revenue for the year.

Relevant disclosures should be made on the assumptions used to estimate revenue and any other relevant information.

The municipality is able to reliably measure the fair value of fines issued. The value of the fine that can be imposed on the offender is usually stipulated in legislation, regulation or equivalent, and will vary depending on the nature and severity of the offence. The amount due by a particular offender is usually indicated on the notice, summons or similar document issued. In these instances, the asset (receivable) can be measured reliably.

Impairment on all traffic fines outstanding is calculated on a basis of the average of uncollectable rate over the full period of traffic fines per type of traffic fine.

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

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Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Levies/Property rates

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 municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

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 and disclosed in the surplus net of rebates.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised on receipt probable that the economic benefits or service potential associated with the transaction will flow to the municipality. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis or when the conditions are satisfied. Where there is no restriction on the period., such revenue is recognised on receipt or when the Act becomes effective, which-ever is earlier.

Conditional grants

Receipts from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Grants are included in Non exchange transactions revenue.

Unconditional grants.

Receipts from unconditional grants, donations and funding are recognised as revenue, since there are no conditions attached.

Commitments

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

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

If the municipality enters into any significant contractual commitments that will result in the outflow of financial sources after the balance sheet date, it must be disclosed in the notes to the annual financial statements as a non-adjusting event.

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Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Commitments include:

- Capital commitments (to acquire PPE and intangible assets)
- Lease commitments
- Other financial commitments

The value of the planned outflow of financial resources shall be disclosed per category of commitments

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

Value added tax

VAT is accounted for on an accrual basis and payable on the cash basis.

The municipality is registered for VAT on the payments (cash) basis under the VAT Act (section 15(2A)), declaring output tax upon receipt from customers and claiming input tax upon payment to suppliers. However, the annual financial statements are prepared on the accrual basis per GRAP 1 (paragraph .03), recognizing VAT rights and obligations when underlying transactions occur.

Input and output VAT accruals arise from contractual exchange transactions and are classified as receivables/payables from exchange transactions. Upon cash settlement, amounts transfer to the VAT control account, reclassified as statutory receivables or payables with SARS, arising from legislation.

Accruals are measured at the transaction amount per the VAT Act. Statutory items in the VAT control are measured net (output less input) as specified in legislation excluding time value.

Input/output VAT accruals are presented separately as current assets/liabilities without offsetting, reflecting distinct transactions

The net VAT control balance is presented as a statutory receivable/payable from exchange transactions if applicable.

Donations

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.

Donations are non exchange revenue.

1.19 Materiality

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

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

The municipality does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.20 Investment income

Investment income is recognised on a time-proportion basis using the effective interest rate method.

1.21 Accounting by principals and agents

Identification

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Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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 an municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.22 Comparative figures

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

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.23 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.

All expenditure relating to operational unauthorised expenditure is initially recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure relating to capital expenditure is initially recognised as an asset in the statement of financial position in the year the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense or asset, and where council resolves on recovery, it is subsequently accounted for as revenue in the statement of financial performance and debtors in the statement of financial position. When the payment is subsequently received, they payment is receipted against the debtor.

For operational expenditure and capital assets the amounts are recognised excluding VAT.

The unauthorised expenditure note to the financial statements is disclosed excluding VAT.

1.24 Fruitless and wasteful expenditure

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

Expenditure relating to fruitless and wasteful expenditure is initially recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where subsequently recovered, it is accounted for as revenue and debtor in the statement of financial performance and statement of financial position respectively.

For operational expenditure and capital assets the amounts are recognised excluding VAT.

Fruitless and wasteful expenditure note to the financial statements is disclosed excluding VAT

1.25 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) Municipal Finance Management Act (Act No.56 of 2003); or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

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 that was incurred and identified during the current financial year and which was written off before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which write off is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only written off in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount written off.

Irregular expenditure that was incurred and identified during the current financial year and which was not written off by council must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer may account for it as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been written off and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue and debtor in the Statement of Financial Performance and Statement of Financial Position respectively.

Irregular expenditure note to the financial statements is disclosed including VAT.

1.26 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.27 Accounting Policies, Changes in Accounting Estimates and Errors

Accounting policies are the specific principles, bases, conventions, rules and practices applied by a municipality in preparing and presenting financial statements. A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors.

Prior period errors are omissions from, and misstatements in, the municipality's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- (a) was available when financial statements for those periods were authorised for issue; and
- (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Prospective application of a change in an accounting policy and of recognising the effect of a change in an accounting estimate, respectively, are:

- (a) applying the new accounting policy to transactions, other events and conditions occurring after the date as at which the policy is changed; and
- (b) recognising the effect of the change in the accounting estimate in the current and future periods affected by the change.

Retrospective application is applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied.

The effect of a change in an accounting estimate shall be recognised prospectively.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.28 Expenditure

The municipality uses the accrual basis of accounting and recognises expenditures when they occur and are recognised in the period to which they relate and not only recognised when cash is paid.

Expenditure is decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

1.29 Segmental reporting

A segment is an activity of a municipality:

- 1 - that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same municipality);
- 2 - whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- 3 - 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.

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 municipality'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 municipality's financial statements.

Two or more segments of a municipality are aggregated into a single segment if aggregation is consistent and the segments have similar economic characteristics, and the segments share a majority of the following:

- (a) the nature of the goods and/or services delivered;
- (b) the type or class of customer or consumer to which goods and services are delivered;
- (c) the methods used to distribute the goods or provide the services; or
- (d) the nature of the regulatory environment that applies to the segment.

The municipality combine segments with similar economic characteristics and share a majority of the aggregation criteria per municipality policy or are individually insignificant and a practical limit has been reached.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.30 Budget information

The annual budget figures have been prepared in accordance with the GRAP standards, and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements. The amounts are scheduled as a separate additional financial statement, called the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial statements.

The annual budget figures included in the financial statements are for the Municipality and these figures are those approved by the Council at the beginning and during the year.

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

The approved budget covers the fiscal period from beginning of July to end of June.

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.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting.

Comparative information is not required.

1.31 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

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 considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

The municipality discloses notes to the annual financial statements 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 -

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state
- (c) the amount of the award.

1.32 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.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Significant Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.33 Consumer Deposits

Consumer Deposits represents funds received by the municipality as security for payment of consumer accounts. The amount represent the actual cash received and can either be paid back or set off against an consumer account. The gross un-utilised deposit amount is indicated. No interest is paid to the consumers on the deposits held by the municipality.

1.34 Trade payables

A liability is a present obligation of a municipality arising from past events, the settlement of which is expected to result in an outflow from the municipality of resources embodying economic benefits or service potential.

Payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier (and include payments in respect of social benefits where formal agreements for specified amounts exist).

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

2. New standards and interpretations

2.1 Standards and Interpretations early adopted

The municipality has chosen to early adopt the following standards and interpretations:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|----------------------------------|--|-------------------------|
|----------------------------------|--|-------------------------|

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after July 1, 2025 or later periods:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|--|--|--|
| • GRAP 2023 Improvements to the Standards of GRAP 2023 | April 1, 2099 | Unlikely there will be a material impact |
| • GRAP 1 (amended): Presentation of Financial Statements (Going Concern) | April 1, 2099 | Unlikely there will be a material impact |
| • GRAP 103 (as revised): Heritage Assets | April 1, 2027 | Unlikely there will be a material impact |
| • iGRAP 22 Foreign Currency Transactions and Advance Consideration | April 1, 2025 | Unlikely there will be a material impact |
| • GRAP 104 (as revised): Financial Instruments | April 1, 2025 | Unlikely there will be a material impact |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand

3. Investment property

| | 2025 | | | 2024 | | |
|---------------------|------------------|------------------------|----------------|------------------|------------------------|----------------|
| | Cost / Valuation | Accumulated impairment | Carrying value | Cost / Valuation | Accumulated impairment | Carrying value |
| Investment property | 133,812,659 | - | 133,812,659 | 120,933,586 | - | 120,933,586 |

Reconciliation of investment property - June 2025

| | Opening balance | Additions | Fair value adjustments | Total |
|---------------------|-----------------|-----------|------------------------|-------------|
| Investment property | 120,933,586 | 7,676,251 | 5,202,822 | 133,812,659 |

Reconciliation of investment property - June 2024

| | Opening balance | Additions | Transfers received | Fair value adjustments | Total |
|---------------------|-----------------|-----------|--------------------|------------------------|-------------|
| Investment property | 103,830,743 | 2,101,735 | 15,513,404 | (512,296) | 120,933,586 |

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. None of the assets of the municipality has been pledged as security for any purposes.

The valuation of the Investment properties was performed by an independent valuator, Uniqueco Property Valuers (Pty) Ltd. Year-on-year increases were calculated based on the average sales data collected for each township within the larger municipal area.

Amounts recognised in surplus or deficit

There were no direct operating expenses and repairs and maintenance for Investment property that generated rental revenue for the 2024 and 2025 financial year.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand

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 | 177,591,838 | - | 177,591,838 | 177,596,541 | - | 177,596,541 |
| Buildings | 122,297,954 | (83,963,702) | 38,334,252 | 121,575,872 | (81,167,528) | 40,408,344 |
| Leased assets capitalised | 14,078,655 | (375,759) | 13,702,896 | 19,329,969 | (6,962,831) | 12,367,138 |
| Roads Infrastructure | 957,966,943 | (485,035,898) | 472,931,045 | 962,293,668 | (452,901,398) | 509,392,270 |
| Solid Waste Infrastructure | 62,944,146 | (19,407,878) | 43,536,268 | 50,847,212 | (17,447,068) | 33,400,144 |
| Electrical Infrastructure | 122,052,780 | (59,449,554) | 62,603,226 | 120,346,651 | (54,679,266) | 65,667,385 |
| Community | 31,550,156 | (19,984,370) | 11,565,786 | 29,314,265 | (19,488,563) | 9,825,702 |
| Furniture and Office Equipment | 16,923,590 | (9,258,207) | 7,665,383 | 16,637,914 | (8,206,256) | 8,431,658 |
| Machinery and Equipment | 36,315,862 | (20,864,096) | 15,451,766 | 34,346,825 | (18,870,815) | 15,476,010 |
| Computer Equipment | 9,326,861 | (4,757,308) | 4,569,553 | 9,427,816 | (5,093,276) | 4,334,540 |
| Transport Assets | 26,312,759 | (14,401,470) | 11,911,289 | 50,802,202 | (40,506,664) | 10,295,538 |
| Capital - Work in Progress | 218,157,471 | (216,067) | 217,941,404 | 136,005,035 | (216,067) | 135,788,968 |
| Total | 1,795,519,015 | (717,714,309) | 1,077,804,706 | 1,728,523,970 | (705,539,732) | 1,022,984,238 |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand

Reconciliation of property plant and equipment - June 2025

| | Opening balance | Additions | Disposals | Transfers | Donations | Changes in Landfill site valuation | Depreciation | Impairment loss | Total |
|--------------------------------|----------------------|--------------------|--------------------|---------------------|-----------|------------------------------------|---------------------|--------------------|----------------------|
| Land | 177,596,541 | - | (4,703) | - | - | - | - | - | 177,591,838 |
| Buildings | 40,408,344 | 1,258,623 | (99,467) | - | - | - | (3,094,914) | (138,334) | 38,334,252 |
| Leased assets capitalised | 12,367,138 | 14,078,655 | - | (11,355,328) | - | - | (1,387,569) | - | 13,702,896 |
| Roads Infrastructure | 509,392,270 | 3,585,722 | (2,087,765) | 44,263 | - | - | (35,672,463) | (2,330,982) | 472,931,045 |
| Solid Waste Infrastructure | 33,400,144 | 81,300 | (7,231) | 1,000,000 | - | 11,035,330 | (1,962,481) | (10,794) | 43,536,268 |
| Electrical Infrastructure | 65,667,385 | 3,217,685 | (630,264) | - | - | - | (4,775,288) | (876,292) | 62,603,226 |
| Community | 9,825,702 | - | (8,066) | 2,660,766 | - | - | (737,365) | (175,251) | 11,565,786 |
| Furniture and Office Equipment | 8,431,658 | 1,236,586 | (103,759) | - | - | - | (1,868,264) | (30,838) | 7,665,383 |
| Machinery and Equipment | 15,476,010 | 650,515 | (719,073) | 4,057,038 | - | - | (3,850,709) | (162,015) | 15,451,766 |
| Computer Equipment | 4,334,540 | 1,647,802 | (112,112) | - | - | - | (1,275,829) | (24,848) | 4,569,553 |
| Transport Assets | 10,295,538 | - | (1,192,187) | 7,298,522 | - | - | (4,150,632) | (339,952) | 11,911,289 |
| Capital - Work in Progress | 135,788,968 | 101,068,854 | - | (18,916,418) | - | - | - | - | 217,941,404 |
| | 1,022,984,238 | 126,825,742 | (4,964,627) | (15,211,157) | - | 11,035,330 | (58,775,514) | (4,089,306) | 1,077,804,706 |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

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Reconciliation of property plant and equipment - June 2024

| | Opening balance | Additions | Disposals | Transfers | Donations | Changes in Landfill site valuation | Depreciation | Impairment loss | Total |
|--------------------------------|----------------------|-------------------|---------------------|------------------|---------------|------------------------------------|---------------------|---------------------|----------------------|
| Land | 171,624,006 | - | - | 5,972,535 | - | - | - | - | 177,596,541 |
| Buildings | 50,587,126 | - | (68,444) | 9,000 | - | - | (3,565,196) | (6,554,142) | 40,408,344 |
| Leased assets capitalised | 15,402,569 | - | - | - | - | - | (3,035,431) | - | 12,367,138 |
| Roads Infrastructure | 512,490,694 | - | (23,347,662) | 53,993,732 | - | - | (33,073,300) | (671,194) | 509,392,270 |
| Solid Waste Infrastructure | 39,937,446 | - | (8,369) | - | - | (4,011,066) | (2,230,887) | (286,980) | 33,400,144 |
| Electrical Infrastructure | 68,096,019 | - | (387,585) | 2,406,866 | - | - | (4,662,361) | 214,446 | 65,667,385 |
| Community | 14,727,740 | - | (8,164) | - | - | - | (897,584) | (3,996,290) | 9,825,702 |
| Furniture and Office Equipment | 3,439,777 | 5,739,210 | (7,731) | 121,182 | - | - | (833,993) | (26,787) | 8,431,658 |
| Machinery and Equipment | 12,154,464 | 330,803 | (90,826) | 5,775,238 | - | - | (2,685,483) | (8,186) | 15,476,010 |
| Computer Equipment | 3,220,864 | 2,035,254 | (34,789) | 160,234 | 19,595 | - | (978,634) | (87,984) | 4,334,540 |
| Transport Assets | 13,166,409 | - | - | - | - | - | (2,865,901) | (4,970) | 10,295,538 |
| Capital - Work in Progress | 117,150,699 | 83,842,213 | - | (65,203,944) | - | - | - | - | 135,788,968 |
| | 1,021,997,813 | 91,947,480 | (23,953,570) | 3,234,843 | 19,595 | (4,011,066) | (54,828,770) | (11,422,087) | 1,022,984,238 |

Donations

During the 2025 financial year 45 trading stalls and ablution facilities were received as a donation from Sekhukhune TVET college for R7 676 250 situated at portion 51 (A portion 31) of farm Klipbank 36 in Acquaville

During the 2024 financial year computer equipment was received as a donation from the provincial government for R19 595. The municipality received donations in kind from the Roads Agency Limpopo in relation to repairs and maintenance of roads that belonged to the municipality for the value of R37,547,850.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand

Property, plant and equipment in the process of being constructed or developed

Below are property, plant and equipment projects that construction is **Halted**.

| WIP Classification | Project Name | Reason for delaying the project | Impairment losses recognised | 2025 NET CARRY VALUE | 2024 NET CARRY VALUE | PROJECT STATUS |
|----------------------|-----------------------|---------------------------------|------------------------------|----------------------|----------------------|----------------|
| Community Facilities | Cemeteries/Crematoria | Community disruption | Yes | - | - | HALTED |
| Total | | | | | | |

Below are halted property, plant and equipment that are taking a significantly longer period of time to complete than expected (**Delayed**)

| WIP Classification | Project Name | Reason for delaying the project | Impairment losses recognised | 2025 NET CARRY VALUE | NET CARRY VALUE | PROJECT STATUS |
|--------------------|---|--|------------------------------|----------------------|-------------------|----------------|
| Roads | Upgrading Maraganeng Access Access Road | Project has on site delays including rain | No | 652,150 | 652,150 | DELAYED |
| Roads | Upgrading of Maraganeng internal Access roa | Project has on site delays including rain | No | 1,004,230 | | DELAYED |
| Roads | Upgrading of Maraganeng internal Access roa | Project has on site delays including rain | No | 15,819,762 | 7,306,937 | DELAYED |
| Roads | Upgrading of Tafelkop stadium Access Road | Unforeseen Site conditions- Wetland and Hard rock | No | 23,366,298 | 23,366,298 | DELAYED |
| Roads | Upgrading of Tafelkop stadium Access Road | Unforeseen Site conditions- Wetland and Hard rock | No | 7,286,469 | 7,286,469 | DELAYED |
| Roads | Upgrading of Tafelkop stadium | Unforeseen Site conditions- Wetland and Hard rock | No | 16,621,048 | 16,621,048 | DELAYED |
| Landfill Sites | Groblersdal Landfill site | Designs not compliant with new Department of Water and Sanitation standards/requirements on Landfill Sites | No | 20,196,075 | 20,196,075 | DELAYED |
| Total | | | | 84,946,032 | 75,428,977 | |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand

During the preparation of the 2025 Annual Financial Statements, management identified an error in the disclosure of work in progress in the 2024 audited Annual Financial Statements. The error arose due to reclassification of electrification projects from CAPEX to OPEX implemented in unlicensed areas (Zenzele and Nyakelang) and upgrading of Stompo and Masoing projects which were completed

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 | 36,002,750 | 38,630,246 |
|---------------------|------------|------------|

Reconciliation of Work-in-Progress

June 2025

| Category | Opening Balance | Expenditure | Transfers | Closing Balance |
|----------------------------|--------------------|--------------------|--------------------|--------------------|
| Community Assets | 1,964,766 | 11,296,845 | -2,660,766 | 10,600,846 |
| Electrical Infrastructure | 7,796,592 | 15,255,652 | -15,255,652 | 7,796,592 |
| Roads Infrastructure | 104,126,537 | 73,516,357 | | 177,642,894 |
| Solid Waste Infrastructure | 21,901,075 | 1,000,000 | -1,000,000 | 21,901,075 |
| Grand Total | 135,788,970 | 101,068,855 | -18,916,418 | 217,941,406 |

June 2024

| Category | Opening Balance | Expenditure | Transfers | Closing Balance |
|----------------------------|--------------------|-------------------|--------------------|--------------------|
| Community Assets | 1,964,766 | | | 1,964,766 |
| Electrical Infrastructure | 3,517,658 | 16,277,627 | -11,998,696 | 7,796,589 |
| Roads Infrastructure | 97,689,063 | 59,642,721 | -53,205,248 | 104,126,537 |
| Solid Waste Infrastructure | 13,979,210 | 7,921,865 | | 21,901,075 |
| Grand Total | 117,150,697 | 83,842,213 | -65,203,944 | 135,788,966 |

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|-----------------|------|------|
|-----------------|------|------|

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. None of the assets of the municipality has been pledged as security for any purposes.

Certain assets were impaired during the year, based on physical verification that was performed during current year and comparative year.

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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5. Heritage Assets

| | 2025 | | | 2024 | | |
|-----------------|---------------------|---------------------------|----------------|---------------------|---------------------------|----------------|
| | Cost / Valuation | Accumulated impairment | Carrying value | Cost / Valuation | Accumulated impairment | Carrying value |
| Heritage Assets | 463,363 | - | 463,363 | 463,363 | - | 463,363 |

Reconciliation of heritage assets - June 2025

| | | |
|-----------------|--------------------|---------|
| Heritage Assets | Opening balance | Total |
| | 463,363 | 463,363 |

Reconciliation of heritage assets - June 2024

| | | |
|-----------------|--------------------|---------|
| Heritage Assets | Opening balance | Total |
| | 463,363 | 463,363 |

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6. Intangible assets

| | 2025 | | | 2024 | | |
|-------------------|---------------------|---|----------------|---------------------|---|----------------|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software | - | - | - | 1,554,591 | (1,554,591) | - |

Reconciliation of intangible assets - June 2024

| | Opening balance | Amortisation | Total |
|-------------------|--------------------|--------------|-------|
| Computer software | 6,400 | (6,400) | - |

Other information

The residual value, and the useful life and amortisation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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7. Employee benefit obligations

Defined benefit plan

The municipality provides a Defined Benefit Plan to its employees. A defined contribution plan is a type of retirement plan in which the municipality and the employee both make contributions on a monthly basis.

The Municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependents may continue membership of the medical scheme.

Members contribute according to sliding tables of contribution rates which differentiate between them on the type and number of dependents. Some options also differentiate on the basis of income.

Eligible employees will receive a post-employment subsidy of either 60% or 70% of the contribution payable should they be a member of a medical scheme at retirement. Continuation members and their eligible dependents receive a subsidy of either 60% or 70%. Upon a member's death-in-service, surviving dependents are not allowed to commence receipt of the subsidy. Upon a member's death-in-retirement, surviving dependents are allowed to continue to receive the same subsidy.

Eligible employees will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement. Continuation members and their eligible dependants receive a 60% subsidy.

Upon a member's death-in-service, surviving dependants are not entitled to commence receipt of the subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

All post-employment subsidies are subject to a maximum subsidy. The maximum for the year ending 30 June 2025 is an assumed value of R5,277 per member per month.

The maximum subsidy is R 5,791 per principal member per month for the year ending 30 June 2026, and has been assumed to increase annually on 1 July at 75% of salary inflation.

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

Carrying value

| | | |
|--|---------------------|---------------------|
| Present value of the Post Employment Medical Health Care obligation -Opening | (28,894,000) | (23,914,000) |
| Interest charge | (3,463,000) | (2,930,000) |
| Net actuarial gains or losses recognised | (1,191,399) | (2,057,808) |
| Current Service Cost | (1,197,000) | (991,000) |
| Benefits paid out of the fund | 1,159,399 | 998,808 |
| | (33,586,000) | (28,894,000) |
| Non-current liabilities | (32,247,000) | (27,611,000) |
| Current liabilities | (1,339,000) | (1,283,000) |
| | (33,586,000) | (28,894,000) |

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

| | | |
|--|-------------------|-------------------|
| Opening balance | 19,761,002 | 14,781,002 |
| Net expense recognised in the statement of financial performance | 4,692,000 | 4,980,000 |
| | 24,453,002 | 19,761,002 |

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|---|------------------|------------------|
| Net expense recognised in the statement of financial performance | | |
| Current service cost | 1,197,000 | 991,000 |
| Interest cost | 3,463,000 | 2,930,000 |
| Actuarial (gains) losses | 1,191,399 | 2,057,808 |
| Paid out to current members | (1,159,399) | (998,808) |
| | 4,692,000 | 4,980,000 |
| Calculation of actuarial gains and losses | | |
| Actuarial (gains) losses – Obligation | 1,191,399 | 2,057,808 |
| Key assumptions used | | |
| Assumptions used at the reporting date: | | |
| Discount rates used: Long service awards | 9.70 % | 11.13 % |
| General salary inflation (Long Term) | 4.70 % | 6.28 % |
| Nett effective discount rate - Long service awards | 4.80 % | 4.57 % |
| Discount rate used: Post employment benefits | 11.20 % | 12.25 % |
| Health care inflation rate | 7.00 % | 7.72 % |
| Net effective discount rate - Post employment benefits | 3.90 % | 4.21 % |

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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 for 2025 financial year.:

| | One percentage point increase | One percentage point decrease |
|--|-------------------------------------|--|
| Effect on the aggregate of the service cost and interest cost (defined benefit obligation) | 4,321,000 | 5,066,000 |
| Effect on defined benefit obligation | 29,693,000 | 38,368,000 |

| | One percentage point increase | One percentage point decrease |
|--|-------------------------------------|--|
| Effect on the aggregate of the service cost and interest cost (Long service awards) | 1,767,000 | 1,808,000 |
| Effect on Long service awards obligation | 9,914,000 | 11,003,000 |

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 for 2024 financial year:

| percentage | One percentage point increase | One point decrease |
|--|----------------------------------|-----------------------|
| Effect on the aggregate of the service cost and interest cost (defined benefit obligation) | 4,217,000 | 3,555,000 |
| Effect on defined benefit obligation | 30,774,000 | 26,595,000 |

| percentage | One percentage point increase | One point decrease |
|--|----------------------------------|-----------------------|
| Effect on the aggregate of the service cost and interest cost (Long service awards) | 1,808,000 | 1,599,000 |
| Effect on Long service awards obligation | 8,337,000 | 9,336,000. |

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|------------|------------|------------|------------|-------------|
| Defined benefit obligation | 33,586,000 | 28,894,000 | 23,914,000 | 24,531,000 | 24,324,000 |
| Experience adjustments on plan liabilities | 80,000 | 2,459,000 | (450,000) | (957,000) | (2,118,000) |
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| Long service award | 10,432,000 | 8,811,000 | 8,835,000 | 8,099,000 | 7,416,000 |
| Experience adjustments on plan liabilities | 958,795 | 1,581,316 | 341,553 | 750,854 | 774,714 |

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|-----------------|------|------|
|-----------------|------|------|

During preparation of the 2024 audited financial statements, the amounts disclosed for experience adjustments on plan liabilities contained typographical errors and did not agree to the underlying actuarial valuation reports. The comparative information has been corrected to align with the actuaries' figures.

Line item Experience adjustments on plan liabilities: corrected from R2,366,000 to R2,459,000 (increase of R93,000).

Line item Experience adjustments on plan liabilities: corrected from R71,000 to R1,581,316 (increase of R1,510,316).

The above corrections have been treated as a prior-period error and the 2024 comparatives have been restated accordingly. The correction affects only the disclosure/remeasurement amounts; there is no cash flow impact.

-
-
-
-

8. Eskom security deposit

A security deposit is held by Eskom who is the bulk electricity supplier to the municipality. The Municipality occasionally pays additional deposits as required by the supplier. The deposit attracts interest at rates determined by the supplier on an annual basis. The annual interest is accounted for in the additional deposit amounts held and the relevant interest earned amount on the statement of financial performance. The amount equals approximately twice the monthly account and will be held until the service is no longer required.

Eskom Deposits

| | | |
|------------------|------------|------------|
| Security deposit | 19,582,729 | 18,475,124 |
|------------------|------------|------------|

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9. Inventories

| | | |
|-----------------------------------|-------------------|-------------------|
| Consumables | 25,542,031 | 19,472,936 |
| Unsold Properties Held for Resale | 12,036,503 | 12,036,503 |
| | 37,578,534 | 31,509,439 |

9.1 Consumables expenses

Inventories recognised as expenses during the year are included in different expenditure line items in the statement of financial performance as illustrated below.

| Statement of Financial Position | | |
|---|-------------------|-------------------|
| Opening Stock : | 19,472,936 | 14,817,191 |
| Add: Purchases | 19,842,075 | 20,555,147 |
| Less :consumed | (13,692,210) | (15,615,233) |
| Adjustments: | (80,722) | (284,168) |
| Closing stock | 25,542,030 | 19,472,936 |
| | | |
| Statement of Financial Performance | | |
| Materials and Supplies | 4,112,747 | 4,396,244 |
| Repairs and Maintenance | 4,480,920 | 7,975,873 |
| Printing, Publications and books | 1,880,856 | 1,992,825 |
| | | |
| | | |
| | | |
| Inventories Recognised as an Expense during the year | 10,474,523 | 14,364,942 |
| Inventories Recognised as Non Current Assets during the year | 3,217,686 | 1,250,291 |
| Total inventory consumed | 13,692,210 | 15,615,233 |

Inventory pledged as security

There is no Inventory pledged as security.

Properties held for resale consist of municipal land intended for disposal through sale or development, and are measured at the lower of cost and net realisable value.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

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| Figures in Rand | 2025 | 2024 |
|---|-------------------|-------------------|
| 10. Receivables from exchange transactions | | |
| Trade debtors | 2,251,969 | 3,078,817 |
| Input VAT Accrual | 74,866,563 | 67,816,977 |
| VAT receivable from SARS (Cash basis) | - | 1,316,569 |
| | 77,118,532 | 72,212,363 |

VAT receivable

Input VAT accruals represent the municipality's right to claim VAT on purchases of goods and services from suppliers, recognized on an accrual basis in the financial statements in accordance with GRAP 1 (paragraph .03), even though the municipality is registered on the payments (cash) basis for VAT purposes under the VAT Act (section 15(2A)). These accruals arise from contractual arrangements with suppliers and are initially classified as receivables from exchange transactions under GRAP 104 (paragraph .11), as they stem from enforceable contractual rights to recover VAT once payment is made. VAT accrual is not netted off with output VAT.

Cash basis input VAT refers to the deductible input tax claimed from SARS upon actual payment to suppliers, as permitted for municipalities under the VAT Act (section 15(2A); SARS VAT 419 Guide, Chapter 2.1). In the financial statements, this is recognized on transfer from the input VAT accrual account to the VAT control account, reclassified as a statutory receivable under GRAP 108 (paragraph .01), arising directly from legislation requiring SARS to refund the amount in cash.

Cash basis input VAT is included in the net VAT receivable from SARS, presented above.

Statutory Receivables - VAT

VAT receivable Cash basis is a statutory receivable per GRAP 108.

In terms of the VAT Act, 1991 (Act No. 89 of 1991) and its amendments, municipalities must be VAT registered and must declare Output tax on the taxable supply of goods and services and claim Input tax credits on expenses incurred in the course or furtherance of the enterprise (the taxable supplies).

That VAT balance accumulates every time the municipality transact in taxable supplies.

The transaction amount is determined by multiplying the standard-rated supplies by 15% and Zero-rated supplies by 0%. Statutory receivable (VAT) is written off only when SARS reduces an assessment, and the municipality objection is denied by SARS.

There are no VAT balances that are past due as at year end.

The municipality is registered on the cash basis and the timing of payments to/from SARS is at the end of each month.

Balance of Statutory receivables at year end:

| | | |
|---------------------------------------|---|-----------|
| VAT receivable from SARS (Cash basis) | - | 1,316,569 |
|---------------------------------------|---|-----------|

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|-----------------|------|------|

Net VAT receivable accrual

The net VAT accrual receivable represents the municipality's potential net position with the South African Revenue Service (SARS), calculated as the difference between input VAT accruals (potential claims on purchases) and output VAT accruals (potential obligations on supplies), prior to cash settlements. This disclosure provides users with insight into the estimated net refund or payable to SARS if all underlying transactions were settled in cash, reflecting the economic substance of accrued VAT positions under the accrual basis of accounting. However, actual claims or payments to SARS occur only upon cash movements, as the municipality is registered on the payments basis.

The net position does not represent an immediate statutory receivable or payable but illustrates liquidity implications and future cash flows related to VAT. Components are presented separately in the statement of financial position (input as current asset, output as current liability), with this note reconciling to the potential net for enhanced transparency.

Net VAT Accrual Receivable (potential net refund from SARS)

| | | | |
|---|---------|-------------------|-------------------|
| Input VAT Accrual (potential claims) | | 74,866,563 | 67,816,977 |
| Output VAT Accrual (potential obligations) | Note 18 | (50,361,956) | (49,660,105) |
| Output VAT Accrual allowance for impairment | Note 18 | 3,281,368 | 2,773,431 |
| | | 27,785,975 | 20,930,303 |

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|---|-------------------|------------------|
| 11. Receivables from non-exchange transactions | | |
| Traffic fines | 295,094,090 | 198,273,422 |
| Less: Provision for irrecoverable debt traffic fines | (271,684,836) | (189,278,675) |
| Debit orders to be recovered | 108,196 | 127,110 |
| | 23,517,450 | 9,121,857 |

Statutory receivables - Fines

Traffic fines are statutory receivables arising from penalties for traffic violations. They are classified as non-exchange transactions.

Recognized when enforceable, inflows probable, and measurable reliably. Initially measured at transaction amount. Subsequently measured at cost and adjusted for impairments.

Impairment is assessed annually for indicators using expected credit losses and are derecognized on payment, write-off, or cancellation.

Fines are presented as current assets under non-exchange receivables.

Reconciliation of provision for impairment of receivables from non-exchange transactions

| | | |
|--------------------------|--------------------|--------------------|
| Opening balance | 189,278,674 | 111,085,316 |
| Provision for impairment | 82,406,162 | 78,193,358 |
| | 271,684,836 | 189,278,674 |

As of 30 June 2025, traffic fines debtors of R295 094 090 (2024: R198 273 422) were impaired and provided for.

The amount of the provision was R271 684 836 as at 30 June 2025, (2024: R189 278 675).

Bad debts written off against allowance amounted to R0 as at 30 June 2025 and R0 in the year 2024.

Fines, Penalties and Forfeits revenue

The breakdown of traffic fine revenues is as follows.

| | | |
|-----------------------|--------------------|-------------------|
| Traffic fines revenue | 112,610,640 | 90,016,375 |
| Other penalties | 1,482,926 | 30,261 |
| | 114,093,566 | 90,046,636 |

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|---------------------------------------|----------------------|---------------------|
| 12. Consumer debtors | | |
| Gross balances | | |
| Rates | 96,636,303 | 84,108,494 |
| Electricity | 22,390,304 | 18,653,719 |
| Refuse | 38,013,359 | 31,513,564 |
| Interest exchange | 18,092,895 | 14,639,998 |
| Interest non-exchange | 70,449,682 | 60,720,802 |
| VAT | 9,698,919 | 8,255,124 |
| Other | 2,872,183 | 2,605,599 |
| | 258,153,645 | 220,497,300 |
| Less: Allowance for impairment | | |
| Rates | (41,133,134) | (35,126,780) |
| Electricity | (2,494,072) | (2,297,345) |
| Refuse | (17,812,304) | (14,464,283) |
| Interest exchange | (6,602,630) | (6,157,189) |
| Interest non-exchange | (33,284,847) | (28,564,535) |
| VAT | (3,281,368) | (2,773,431) |
| Other | (1,002,164) | (911,891) |
| | (105,610,519) | (90,295,454) |
| Net balance | | |
| Rates | 55,503,169 | 48,981,714 |
| Electricity | 19,896,232 | 16,356,374 |
| Refuse | 20,201,055 | 17,049,281 |
| Interest exchange | 11,490,265 | 8,482,809 |
| Interest non-exchange | 37,164,835 | 32,156,267 |
| VAT | 6,417,551 | 5,481,693 |
| Other | 1,870,019 | 1,693,708 |
| | 152,543,126 | 130,201,846 |
| Rates | | |
| Current (0 -30 days) | 4,920,477 | 4,858,063 |
| 31 - 60 days | 2,623,945 | 2,564,520 |
| 61 - 90 days | 1,975,540 | 2,008,195 |
| 91 - 120 days | 1,898,451 | 1,797,406 |
| 121 - 365 days | 16,019,871 | 13,698,375 |
| > 365 days | 69,198,019 | 59,181,935 |
| | 96,636,303 | 84,108,494 |
| Electricity | | |
| Current (0 -30 days) | 14,445,879 | 11,820,956 |
| 31 - 60 days | 1,836,225 | 1,903,437 |
| 61 - 90 days | 557,491 | 269,458 |
| 91 - 120 days | 770,058 | 201,526 |
| 121 - 365 days | 1,068,687 | 822,583 |
| > 365 days | 3,711,964 | 3,635,759 |
| | 22,390,304 | 18,653,719 |

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|----------------------|-------------------|-------------------|
| Refuse | | |
| Current (0 -30 days) | 1,081,880 | 1,077,002 |
| 31 - 60 days | 732,091 | 778,001 |
| 61 - 90 days | 619,421 | 658,185 |
| 91 - 120 days | 601,757 | 635,208 |
| 121 - 365 days | 5,710,348 | 4,871,352 |
| > 365 days | 29,267,862 | 23,493,816 |
| | 38,013,359 | 31,513,564 |
| Interest | | |
| Current (0 -30 days) | 1,804,514 | 1,471,690 |
| 31 - 60 days | 1,680,090 | 1,465,520 |
| 61 - 90 days | 1,642,210 | 1,390,453 |
| 91 - 120 days | 1,603,801 | 1,358,858 |
| 121 - 365 days | 13,106,413 | 9,877,668 |
| > 365 days | 68,705,550 | 59,796,612 |
| | 88,542,578 | 75,360,801 |
| VAT | | |
| Current (0 -30 days) | 2,359,303 | 1,954,085 |
| 31 - 60 days | 398,307 | 417,508 |
| 61 - 90 days | 185,622 | 147,461 |
| 91 - 120 days | 214,089 | 132,435 |
| 121 - 365 days | 1,080,238 | 926,576 |
| > 365 days | 5,461,360 | 4,677,060 |
| | 9,698,919 | 8,255,125 |
| Other | | |
| Current (0 -30 days) | 182,772 | 176,183 |
| 31 - 60 days | 77,216 | 55,080 |
| 61 - 90 days | 60,953 | 45,606 |
| 91 - 120 days | 530,618 | 40,297 |
| 121 - 365 days | 502,009 | 657,073 |
| > 365 days | 1,518,615 | 1,631,360 |
| | 2,872,183 | 2,605,599 |

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|---|----------------------|---------------------|
| Summary of debtors by customer classification | | |
| Consumers | | |
| Current (0 -30 days) | 13,795,997 | 11,358,416 |
| 31 - 60 days | 3,954,955 | 3,927,791 |
| 61 - 90 days | 2,843,452 | 2,582,345 |
| 91 - 120 days | 3,510,387 | 2,466,948 |
| 121 - 365 days | 23,967,417 | 19,056,806 |
| > 365 days | 122,568,501 | 99,418,018 |
| | <hr/> | <hr/> |
| | 170,640,709 | 138,810,324 |
| Less: Allowance for impairment | (71,989,490) | (58,644,791) |
| | <hr/> | <hr/> |
| | 98,651,219 | 80,165,533 |
| Industrial/ commercial | | |
| Current (0 -30 days) | 9,341,846 | 8,916,457 |
| 31 - 60 days | 3,171,786 | 2,912,250 |
| 61 - 90 days | 1,997,966 | 1,749,633 |
| 91 - 120 days | 1,908,473 | 1,508,078 |
| 121 - 365 days | 11,950,928 | 10,627,245 |
| > 365 days | 51,107,970 | 49,148,346 |
| | <hr/> | <hr/> |
| | 79,478,969 | 74,862,009 |
| Less: Allowance for impairment | (30,719,567) | (29,153,755) |
| | <hr/> | <hr/> |
| | 48,759,402 | 45,708,254 |
| National and provincial government | | |
| Current (0 -30 days) | 1,656,984 | 1,083,105 |
| 31 - 60 days | 221,132 | 344,025 |
| 61 - 90 days | 199,820 | 187,321 |
| 91 - 120 days | 199,914 | 190,702 |
| 121 - 365 days | 1,569,222 | 1,169,576 |
| > 365 days | 4,186,897 | 3,850,159 |
| | <hr/> | <hr/> |
| | 8,033,969 | 6,824,888 |
| Less: Allowance for impairment | (2,901,463) | (2,496,909) |
| | <hr/> | <hr/> |
| | 5,132,506 | 4,327,979 |
| Total | | |
| Consumers | 170,640,709 | 138,810,323 |
| Commercial / industrial / agricultural | 79,478,969 | 74,862,070 |
| National, Provincial and other government organisations | 8,033,969 | 6,824,889 |
| | <hr/> | <hr/> |
| | 258,153,647 | 220,497,282 |
| Less: Allowance for impairment | (105,610,521) | (90,295,436) |
| | <hr/> | <hr/> |
| | 152,543,126 | 130,201,846 |
| Reconciliation of allowance for impairment | | |
| Balance at beginning of the year | (90,295,454) | (77,352,318) |
| Contributions to allowance | (15,315,065) | (12,943,136) |
| | <hr/> | <hr/> |
| | (105,610,519) | (90,295,454) |

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|-----------------|------|------|

Consumer debtors impaired

As of June 30, 2025, consumer debtors of R258 153 646 (2024: 220 497 282) were impaired and provided for.

The amount of the provision was R105 610 520 as at June 30, 2025 (2024: 90 295 454). The basis of the calculation of debt impairment is based on the risk assessment required in terms of GRAP 19.

Debt impairment written off against allowance amounted to R0 as at 30 June 2025 and R0 as at 30 June 2024.

Consumer debtors breakdown

The carrying amount of consumer debtors consist of the following:

| | | |
|---|--------------------|--------------------|
| Consumer debtors from non-exchange transactions | 92,668,004 | 81,137,981 |
| Consumer debtors from exchange transactions | 59,875,122 | 49,063,865 |
| Total | <u>152,543,126</u> | <u>130,201,846</u> |

Statutory receivables - Property rates

| | | |
|--------------------------------|-------------------|-------------------|
| Net property rates | 55,503,169 | 48,981,714 |
| Net interest on property rates | 37,164,835 | 32,156,267 |
| | <u>92,668,004</u> | <u>81,137,981</u> |

Property rates is tax levied in terms of Local Government Property Rates Act, Act No. 6 of 2004. The Act empowers the municipality to adopt by-laws to give effect to the implementation of its rates policy i.e., levying of property rates on all rateable property in its area (except as provided otherwise within law).

The municipality recognise statutory receivables using GRAP 23 at their transaction amount per approved tariffs through billing.

The municipality measure 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:

- (a) interest or other charges that may have accrued on the receivable;
- (b) impairment losses; and
- (c) any amounts derecognised

The municipality derecognise a statutory receivable, or a part thereof, when the rights to the cash flows from the receivable are settled, expire or are waived.

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13. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------------|-------------------|-------------------|
| Cash on hand | 68,800 | 68,801 |
| Bank balances | 7,516,883 | 22,605,138 |
| Short-term deposits | 57,322,064 | - |
| | 64,907,747 | 22,673,939 |

The municipality had the following bank accounts

| Account number / description | Bank statement balances | | Cash book balances | |
|---|-------------------------|---------------------|--------------------|---------------------|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| Nedbank Limited: Cheque Account (Acc no 1137278765) | 7,238,661 | - 23,384,905 | 7,516,883 | - 22,605,138 |
| Absa (Acc no 93 9651 9964) | 57,322,064 | - | 57,322,064 | - |
| Total | 64,560,725 | - 23,384,905 | 64,838,947 | - 22,605,138 |

14. Finance lease obligation

Minimum lease payments due

| | | |
|--|-------------------|------------------|
| - within one year | 5,876,253 | 7,103,352 |
| - in second to fifth year inclusive | 10,283,442 | - |
| | 16,159,695 | 7,103,352 |
| less: future finance charges | (3,155,243) | (379,886) |
| Present value of minimum lease payments | 13,004,452 | 6,723,466 |

| | | |
|-------------------------|-------------------|------------------|
| Non-current liabilities | 8,917,823 | - |
| Current liabilities | 4,086,631 | 7,636,923 |
| | 13,004,454 | 7,636,923 |

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases were secured by the lessor's charge over the leased assets. Refer note 4.

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|--|------|------|

15. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

| | | |
|--|-------------------|----------------|
| Land Affairs Grant | 466,250 | 466,250 |
| Municipal Infrastructure Grant | (395) | 297 |
| CoGHSTA - Development of Masakaneng | 299,762 | 299,762 |
| Education Training and Development Practices SETA | 8,354 | - |
| Municipal Disaster Recovery Grant | 24,162,374 | - |
| Energy Efficiency and Demand Side Management Grant | 500 | - |
| | 24,936,845 | 766,309 |

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 25 for reconciliation of grants from National/Provincial Government.

16. Deferred income

At amortised cost

| | | |
|-------------------------------------|-----------|-----------|
| Deferred income - Long term portion | 2,364,035 | 2,557,017 |
|-------------------------------------|-----------|-----------|

At amortised cost

| | | |
|--------------------------------------|---------|---------|
| Deferred income - Short term portion | 192,983 | 192,983 |
|--------------------------------------|---------|---------|

The municipality received R 5 500 000 in advance for the market related lease of a business property. As part of the lease agreement these payments are amortised over 25 years lease term. No escalation is applicable on the lease and the lease payments are amortised utilising the straight line method. The lease amounts to R 192 983 per annum excluding VAT (value added tax).

The total obligation as at year end is R2 557 018 (2025) and R2 750 000 (2024)

Non-current liabilities

| | | |
|-----------------|-----------|-----------|
| Deferred income | 2,364,035 | 2,557,017 |
|-----------------|-----------|-----------|

Current liabilities

| | | |
|-----------------|---------|---------|
| Deferred income | 192,983 | 192,983 |
|-----------------|---------|---------|

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17. Provisions

Reconciliation of provisions - June 2025

| | Opening Balance | Current Service Cost/Change in provision | Benefit Vested | Interest | Change in discount factor | Total |
|---|--------------------|--|--------------------|-------------------|---------------------------|--------------------|
| Environmental rehabilitation - Landfill | 93,801,450 | 11,035,330 | - | 9,539,983 | - | 114,376,763 |
| Provision for Long Service Awards | 8,811,000 | 839,000 | (1,073,795) | 948,000 | 907,795 | 10,432,000 |
| | 102,612,450 | 11,874,330 | (1,073,795) | 10,487,983 | 907,795 | 124,808,763 |

Reconciliation of provisions - June 2024

| | Opening Balance | Current Service Cost/Change in provision | Benefit Vested | Interest Cost | Actuarial Loss / (Gain) | Total |
|---|-------------------|--|--------------------|-------------------|-------------------------|--------------------|
| Environmental rehabilitation - Landfill | 88,234,725 | (4,011,066) | - | 9,577,791 | - | 93,801,450 |
| Provision for Long Service Awards | 8,835,000 | 803,000 | (3,221,316) | 896,000 | 1,498,316 | 8,811,000 |
| | 97,069,725 | (3,208,066) | (3,221,316) | 10,473,791 | 1,498,316 | 102,612,450 |

| | | |
|--|--------------------|--------------------|
| Non Current Portion Landfill site provision | 104,463,909 | 84,261,467 |
| Current Portion Landfill site provision | 9,912,854 | 9,539,983 |
| Non-current portion of Long Service Awards provision | 8,926,000 | 8,210,000 |
| Current portion of Long Service Awards provision | 1,506,000 | 601,000 |
| | 124,808,763 | 102,612,450 |

Employee benefit cost provision

long service awards are a defined benefit employee benefit that the Municipality grants to employees for long, continuous service.

An actuarial valuation was performed on the long service awards - current and non current - liability for the purpose of reporting under the statement of Generally Recognised Accounting Practice 25 (GRAP 25) of the Accounting Standards Board (ASB) Directive 5, which is based on the International Accounting Standards 19 (IAS 19) was performed.

In terms of the basic conditions of employment long service accumulated leave must be wholly or partially converted to payment on the date on which the employee qualifies for it or at any stage thereafter subject to budget provisions.

Detailed assumptions are disclosed under note 7

Environmental rehabilitation provision

An actuarial valuation was performed on the environmental rehabilitation - current and non current - liability. The municipality appointed external experts to perform the rehabilitation review and estimation for the 2025 and 2024 financial year. The appropriate procedures were followed to ensure that the provision is appropriate for the landfill sites operated.

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Key financial assumptions used

Discount Rate Assumption

Accounting Standard GRAP19 defines the determination of the investment return assumption to be used as the rate that can be determined by reference to market yields (at the balance sheet date) on government bonds. The currency and term of the government bonds should be consistent with the currency and estimated term/life of the landfill site.

the discount rate shall be the pre-tax rate that reflects current market assessments of the time value of money, and the risks specific to the liability, government bond rates are considered a more appropriate indicator of the risk associated with the municipality.

The government bond rate most consistent with the estimated term of the liability should be used. As inflation-linked RSA retail bond rates have longer terms than fixed RSA retail bond rates, inflation-linked rates are used.

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

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 6.1716%.

Rates and information used:

Net present value calculations based on the Government Bond Yield Rates.

The landfill closure provision is calculated as the net present value of future cash flows.

| Assumption | Roosenekal and Groblersdal landfills | Dennilton landfill |
|------------------------------------|--------------------------------------|--------------------|
| CPI | 3.2095% | 3.2095% |
| Discount rate | 8.7095% | 8.4595% |
| Net effective discount rate | 5% | 5.25% |

| Landfill site | Date License Issued | Date of License Expiry | Years valid | Remaining life in yrs on 30 June 2025 | Remaining life in yrs on 30 June 2024 |
|---------------|---------------------|------------------------|-------------|---------------------------------------|---------------------------------------|
| Groblersdal | 7/4/2011 | 7/4/2027 | 16 | 1.77 | 2.77 |
| Roosenekal | 17/12/2020 | 20/4/2030 | 10 | 4.88 | 0.88 |

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| 18. Payables from exchange transactions | | |
| Trade payables | 16,314,733 | 40,802,224 |
| Credit balances on consumer debtors | 4,041,654 | 2,799,146 |
| Employee costs accrual | 333,013 | 8,287,725 |
| Accrued leave pay | 23,212,496 | 23,627,887 |
| Accrued bonus | 5,575,287 | 4,950,285 |
| Retention Creditors | 24,611,299 | 18,998,678 |
| Unallocated deposits | 2,783,966 | 2,666,903 |
| Output VAT Accrual | Note 10 50,361,956 | 49,660,105 |
| Output VAT Accrual allowance for impairment | Note 10 (3,281,368) | (2,773,431) |
| Other received in advance | 852,174 | 852,174 |
| Licensing | - | 192 |
| | 124,805,210 | 149,871,888 |

Credit balances on debtors is now renamed to Credit balances on consumer debtors

Output VAT Accrual

| | | |
|---|-------------------|-------------------|
| Output VAT Accrual | 50,361,956 | 49,660,105 |
| Output VAT Accrual allowance for impairment | (3,281,368) | (2,773,431) |
| | 47,080,588 | 46,886,674 |

Output VAT accruals represent the municipality's obligation to remit VAT collected on taxable supplies to customers, recognized on an accrual basis in the financial statements per GRAP 1 (paragraph .03), despite the payments basis registration under the VAT Act (section 15(2A)). These accruals arise from contractual sales arrangements and are classified as payables from exchange transactions under GRAP 104 (paragraph .11), reflecting the obligation to collect and hold VAT until customer payment.

Offsetting against input VAT accruals is not permitted, as they lack a direct settlement mechanism (GRAP 1, paragraph .40). The Output VAT accrual impairment include impairments on related receivables

Please refer to note 10 for further details.

19. Consumer deposits

| | | |
|-------------|-----------|-----------|
| Electricity | 5,363,802 | 5,518,249 |
|-------------|-----------|-----------|

The electricity deposit relates to the guarantees or amounts paid by consumers on initial connection to municipal services. The deposit will be used to settle the debt in case of disconnection of services or payment default by the customer.

20. Service charges

| | | |
|---------------------|--------------------|--------------------|
| Sale of electricity | 136,750,576 | 105,796,078 |
| Refuse removal | 13,014,180 | 12,224,508 |
| | 149,764,756 | 118,020,586 |

Revenue Recognition Basis

Sale of electricity includes both prepaid and conventional (postpaid) billing to consumers. Revenue is recognised at the time of consumption for conventional billing, and at the point of sale for prepaid electricity. Refuse removal charges are billed monthly based on the municipality's approved tariff structure, in accordance with the applicable by-laws and council-approved rates.

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| 21. Other income | | |
| Other income | 1,954,013 | 880,889 |
| Other income comprises of income from different sources as follows: Tender Documents, Plan Printing and Duplicates, Administrative fees, Cemetery and Burial, Clearance Certificates, Insurance Refund, Bad Debts Recovered, General recoveries, Valuation Services, Building Plan Approval, Photocopies and Faxes, Application Fees for Land Usage, Photocopies, Facilities and Advertisements. | | |
| 22. Interest revenue | | |
| Revenue from exchange transactions | | |
| Bank and investments | 6,956,409 | 6,121,139 |
| Interest received on Eskom deposits | 1,107,605 | 1,194,487 |
| Interest charged on exchange consumer debtors | 3,971,690 | 2,541,301 |
| | 12,035,704 | 9,856,927 |
| Revenue from non-exchange transactions | | |
| Interest charged on non-exchange consumer debtors | 15,061,766 | 13,157,983 |
| | 27,097,470 | 23,014,910 |
| 23. Property rates | | |
| Rates billed | | |
| Rates levied | 80,203,866 | 73,590,507 |
| Less: Income forgone (Property rates rebates) | (18,441,882) | (14,432,578) |
| | 61,761,984 | 59,157,929 |
| Valuations | | |
| Residential | 3,152,876,100 | 3,127,660,100 |
| Commercial | 1,401,670,602 | 1,426,490,602 |
| State | 919,924,947 | 678,934,945 |
| Municipal | 305,644,955 | 295,371,954 |
| Small holdings and farms | 4,936,768,505 | 4,979,396,503 |
| Social | 80,400,000 | 73,545,000 |
| | 10,797,285,109 | 10,581,399,104 |
| The municipality implemented the new valuation roll effective on 1 July 2022. Supplementary valuations will be processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. | | |
| 24. Grants and subsidies paid | | |
| Other subsidies | | |
| Assets transferred to Eskom | 15,255,652 | 8,383,056 |
| Electricity Subsidies | 8,330,616 | 5,755,901 |
| Bursaries | 469,000 | 260,000 |
| Post Employment Medical Aid Benefits - Interest Charge | 2,114,000 | 1,047,000 |
| | 26,169,268 | 15,445,957 |

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|---|--------------------|--------------------|
| 25. Government grants and subsidies | | |
| Operating grants | | |
| Equitable share | 377,690,000 | 358,519,000 |
| Expanded Public Works Programme Integrated Grant for Municipalities | 2,609,000 | 2,243,000 |
| Local Government Financial Management Grant | 2,800,000 | 2,850,000 |
| Integrated National Electrification Programme (Municipal Grant) | 17,544,000 | 14,400,000 |
| Education Training and Development Practices SETA | - | 968,427 |
| | 400,643,000 | 378,980,427 |
| Capital grants | | |
| Municipal Infrastructure Grant (MIG) | 88,792,452 | 66,746,684 |
| Energy Efficiency and Demand Side Management Grant | 3,999,500 | - |
| Municipal Disaster Recovery Grant | 3,487,626 | - |
| Education Training and Development Practices SETA | 350,339 | - |
| | 96,629,917 | 66,746,684 |
| | 497,272,917 | 445,727,111 |
| Municipal Infrastructure Grant (MIG) | | |
| Balance unspent at beginning of year | (5,761,387) | 20,710,297 |
| Current-year receipts | 91,314,000 | 60,985,000 |
| Conditions met - transferred to revenue | (88,792,452) | (66,746,684) |
| Amount transferred to NRF | - | (20,710,000) |
| Conditions met - remain receivable | (3,239,839) | (5,761,387) |
| Included in the current year receipts for 2025 is an additional allocation for Municipal Infrastructure Grant of R17 000 000 which was received during March 2025. The additional allocation was not originally gazetted. | | |
| Conditions still to be met - remain liabilities (see note 15). | | |
| Financial Management Grant (FMG) | | |
| Current-year receipts | 2,800,000 | 2,850,000 |
| Conditions met - transferred to revenue | (2,800,000) | (2,850,000) |
| | - | - |
| Land Affairs Grant | | |
| Balance unspent at beginning of year | 466,250 | 466,250 |
| Conditions still to be met - remain liabilities (see note 15). | | |

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|--|------|------|
|--|------|------|

INEP-Integrated national Electrification Programme Grant

| | | |
|---|--------------|--------------|
| Current-year receipts | 17,544,000 | 14,400,000 |
| Conditions met - transferred to revenue | (17,544,000) | (14,400,000) |
| | <u>-</u> | <u>-</u> |

Expanded Public Works Programme Integrated Grant for Municipalities (EPWP)

| | | |
|---|-------------|-------------|
| Current-year receipts | 2,609,000 | 2,243,000 |
| Conditions met - transferred to revenue | (2,609,000) | (2,243,000) |
| | <u>-</u> | <u>-</u> |

Education Training and Development Practices SETA

| | | |
|---|----------------|-----------|
| Balance unspent at beginning of year | - | 624,858 |
| Current-year receipts | 358,693 | 343,569 |
| Conditions met - transferred to revenue | (350,339) | (968,427) |
| | <u>(8,354)</u> | <u>-</u> |

Conditions still to be met - remain liabilities (see note 16).

COGHSTA - Development of Masakaneng

| | | |
|--------------------------------------|----------------|----------------|
| Balance unspent at beginning of year | <u>299,762</u> | <u>299,762</u> |
|--------------------------------------|----------------|----------------|

Conditions still to be met - remain liabilities (see note 15).

MDRG-Municipal Disaster Recovery Grant

| | | |
|---|-------------------|----------|
| Current-year receipts | 27,650,000 | - |
| Conditions met - transferred to revenue | (3,487,626) | - |
| | <u>24,162,374</u> | <u>-</u> |

Energy Efficiency and Demand Side Management Grant

| | | |
|---|--------------|----------|
| Current-year receipts | 4,000,000 | - |
| Conditions met - transferred to revenue | (3,999,500) | - |
| | <u>(500)</u> | <u>-</u> |

Conditions still to be met - remain liabilities (see note 15)

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|---|--------------------|--------------------|
| 26. Employee related costs | | |
| Acting allowances | 749,245 | 1,028,930 |
| Bargaining Council | 57,905 | 48,795 |
| Basic salary | 131,652,900 | 115,033,721 |
| Bonus | 10,424,204 | 9,448,729 |
| Car allowance and travel | 18,404,681 | 17,178,156 |
| Cellphone and uniform allowances | 2,521,900 | 2,218,200 |
| Contribution to provision for Leave | 434,327 | 4,380,188 |
| Defined contribution plans | 23,578,933 | 21,452,006 |
| Housing benefits and allowances | 307,576 | 283,666 |
| Medical aid - company contributions | 8,073,272 | 6,975,629 |
| Overtime payments | 1,999,857 | 1,661,801 |
| Post Employment Medical Aid Benefits and Long Service Awards - Current Service Charge | 2,036,001 | 1,794,001 |
| Post Employment Medical Aid Benefits and Long Service Awards - Interest Charge | 2,297,000 | 2,779,000 |
| SDL | 1,610,917 | 1,450,693 |
| UIF | 862,648 | 770,985 |
| | 205,011,366 | 186,504,500 |

The line item previously presented as "Contribution to provision for Leave and bonus pay" has been renamed to "Contribution to provision for Leave" as it relates solely to leave provision movements.

The bonus accrual movement, previously incorrectly classified under "Contribution to provision for Leave and bonus pay", has been corrected as a prior period error and is now disclosed separately under "Bonus". Comparative figures have been restated accordingly

Included in the above balances is (unless stated otherwise) the remuneration for the following 57 municipal employees:

Remuneration of Acting CFO

| | | |
|--|-----|-------|
| Acting allowance (M L Sebelemetja - Oct 2023 to June 2024) | 897 | 5,811 |
|--|-----|-------|

Remuneration of executive directors

Remuneration of former Municipal Manager - M M Kgware

| | | |
|--|---|----------------|
| Annual Remuneration | - | 312,551 |
| Car and other allowances | - | 27,000 |
| Contributions to Medical and Pension Funds | - | 36,521 |
| Contribution to UIF and SDL | - | 3,603 |
| Annual Bonus | - | 48,350 |
| Contribution to Bargaining Council | - | 34 |
| Cellphone and other allowance | - | 7,500 |
| | - | 435,559 |

Remuneration of Municipal Manager - N R Makgata

| | | |
|--------------------------|-----------|--------|
| Annual Remuneration | 1,307,192 | 79,145 |
| Car and other allowances | 131,656 | 13,239 |

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|--|------------------|----------------|
| Contributions to Medical and Pension Funds | 131,360 | 9,628 |
| Contribution to UIF and SDL | 16,111 | 1,047 |
| Contribution to Bargaining Council | 137 | 11 |
| Cellphone and other allowance | 30,000 | 2,500 |
| | 1,616,456 | 105,570 |

Remuneration of Directors Director Planning and Development - B Sethoja

| | | |
|---|------------------|----------------|
| Annual Remuneration | 989,383 | 312,205 |
| Car Allowance | 196,484 | 95,597 |
| Contributions to Medical and Pension Funds | 143,232 | 65,166 |
| Contribution to UIF and SDL | 14,585 | 5,233 |
| Contribution to Bargaining Council | 137 | 68 |
| Acting allowance (B Sethoja - July 2022 to June 2023) | - | 26,110 |
| Cellphone allowance | 27,600 | 13,800 |
| Annual Bonus | 50,046 | - |
| | 1,421,467 | 518,179 |

Remuneration of CFO - K L E Hutamo

| | | |
|--|------------------|----------------|
| Annual Remuneration | 1,058,008 | 298,217 |
| Car Allowance | 158,780 | 65,389 |
| Contributions to Medical and Pension Funds | 85,005 | 29,453 |
| Contribution to UIF and SDL | 14,352 | 4,342 |
| Contribution to Bargaining Council | 137 | 57 |
| Cellphone allowance | 27,600 | 11,500 |
| Annual Bonus | 52,525 | - |
| | 1,396,407 | 408,958 |

Remuneration of Director of Community Services - M Mohlala

| | | |
|--|------------------|------------------|
| Annual Remuneration | 724,293 | 730,980 |
| Car Allowance | 109,078 | 122,529 |
| Acting Allowances (Municipal manager) | - | 120,673 |
| Cellphone and other allowance | 27,600 | 27,600 |
| Contribution to UIF and SDL | 11,027 | 12,259 |
| Contribution to Bargaining Council | 137 | 136 |
| Contributions to Medical and Pension Funds | 107,342 | 102,455 |
| Annual Bonus | 58,787 | 55,326 |
| | 1,038,264 | 1,171,958 |

Director of Infrastructure Services - M Malungana

| | | |
|--|----------------|----------------|
| Annual Remuneration | 446,141 | 508,017 |
| Car Allowance | 98,743 | 120,000 |
| Annual Bonus | - | 38,723 |
| Cellphone allowance | 13,800 | 18,400 |
| Contributions to UIF and SDL | 5,244 | 7,731 |
| Contribution to Bargaining Council | 23 | 90 |
| Contributions to Medical and Pension Funds | 60,495 | - |
| | 624,446 | 692,961 |

Remuneration of Director of Corporate Services - MM Make

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| Annual Remuneration | 471,589 | - |
| Car Allowance | 103,457 | - |
| Contributions to UIF, Medical and Pension Funds | 24,927 | - |
| Contribution to UIF and SDL | 5,164 | - |
| Cellphone allowance | 13,800 | - |
| Contribution to Bargaining Council | 23 | - |
| | 618,960 | - |

Remuneration of Acting Director Infrastructure

| | | |
|--|--------------|--------------|
| Acting Allowance (J Malaka) (July 2024- December 2024) | 5,327 | - |
| Acting Allowance (J Malaka) (March 2024 - June 2024) | - | 3,667 |
| | 5,327 | 3,667 |

Remuneration of Acting Directors Executive Support

| | | |
|---|-------|---|
| Acting Allowance (J Maboja)(February 2025-March 2025) | 4,363 | - |
|---|-------|---|

Remuneration of Acting Director of Corporate Services

| | | |
|---|--------------|---------------|
| Acting Allowance (J Maboja) (July 2024- December 2024) | 5,666 | - |
| Acting Allowance (J Maboja) (July 2023- September 2023 and January 2024 to June 2024) | - | 10,467 |
| Acting Allowance (S Mahlangu) (Oct 2023- Dec 2023) | - | 3,486 |
| | 5,666 | 13,953 |

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|--|-------------------|-------------------|
| 27. Remuneration of councillors | | |
| Mayor | 1,096,536 | 1,010,207 |
| Speaker | 806,043 | 782,724 |
| Executive Committee Councillors | 2,504,663 | 3,057,722 |
| Ordinary Councillors | 22,956,193 | 21,291,391 |
| Chief Whip | 828,788 | 519,753 |
| | 28,192,221 | 26,661,797 |

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2025

2024

In-kind benefits

The Mayor, Speaker, Chief Whip and four full time Exco councillors (MMC Finance, MMC Infrastructure, MMC Corporate services and MMC Development planning) are provided with an office and administrative support at the cost of the Council

It is certified in the accounting officer's report that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 27 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The additional disclosures as required by the Municipal Finance Management Act of 2003 as part of the MFMA disclosure note 51.

Remuneration of Mayor

| | | |
|--|------------------|------------------|
| Car Allowance | 259,397 | 238,913 |
| Annual Remuneration | 681,663 | 623,251 |
| Contributions to Medical and Pension Funds | 96,527 | 92,917 |
| SDL | 11,945 | 8,122 |
| Cellphone and other | 47,004 | 47,004 |
| | 1,096,536 | 1,010,207 |

Remuneration of Speaker

| | | |
|--|----------------|----------------|
| Car Allowance | 188,332 | 191,508 |
| Annual Remuneration | 494,005 | 458,279 |
| Contributions to Medical and Pension Funds | 70,990 | 82,305 |
| Subsistence Allowance | 3,401 | - |
| SDL | 6,229 | 6,279 |
| Cellphone and other | 43,087 | 44,352 |
| | 806,044 | 782,723 |

Remuneration of Executive Committee

| | | |
|--|------------------|------------------|
| Annual bonus | - | 60,000 |
| Car Allowance | 548,690 | 743,844 |
| Annual Remuneration | 1,570,214 | 1,757,221 |
| Contributions to Medical and Pension Funds | 130,855 | 250,713 |
| Subsistence Allowance | 10,626 | - |
| SDL | 21,008 | 25,984 |
| Cellphone and other | 223,269 | 219,960 |
| | 2,504,662 | 3,057,722 |

Remuneration of Chief Whip

| | | |
|--|----------------|----------------|
| Car Allowance | 193,019 | 126,222 |
| Annual Remuneration | 506,642 | 311,625 |
| Contributions to Medical and Pension Funds | 72,415 | 46,321 |
| Subsistence Allowance | 3,288 | - |
| Cellphone and other | 47,004 | 31,336 |
| SDL | 6,420 | 4,248 |
| | 828,788 | 519,752 |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

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Remuneration of Ordinary Councilors

| | | |
|--|-------------------|-------------------|
| Car Allowance | 5,020,544 | 4,830,562 |
| Annual Remuneration | 13,210,580 | 11,989,112 |
| Contributions to Medical and Pension Funds | 1,854,221 | 1,776,930 |
| Travelling | 17,167 | - |
| Cellphone and other | 2,478,798 | 2,519,288 |
| Subsistence Allowance | 197,932 | - |
| SDL | 176,951 | 175,499 |
| | 22,956,193 | 21,291,391 |

28. Finance costs

| | | |
|---------------------------|----------------|------------------|
| Finance leases | 976,442 | 1,756,946 |
| Late payment of creditors | - | 9,240 |
| | 976,442 | 1,766,186 |

Total Lease interest expense for 2025 financial year and 2024 financial year are calculated using the effective interest rate linked to prime.

29. Debt impairment

| | | |
|--|-------------------|-------------------|
| Contributions to debt impairment consumers | 14,807,127 | 12,481,545 |
| Contributions to debt impairment traffic fines | 82,406,162 | 78,193,358 |
| | 97,213,289 | 90,674,903 |

30. Bulk purchases

| | | |
|-------------|-------------|-------------|
| Electricity | 129,796,388 | 109,782,561 |
|-------------|-------------|-------------|

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| Figures in Rand | 2025 | 2024 |
|---|--------------------|--------------------|
| 31. General expenses | | |
| Administration and management fees | 9,213,376 | 4,566,358 |
| Advertising | 800,448 | 424,492 |
| Assets expensed | 108,188 | 122,714 |
| Audit Committee | 1,045,587 | 1,922,291 |
| Auditors remuneration | 7,156,628 | 5,714,033 |
| Bank charges | 675,788 | 558,165 |
| Bursaries | 648,973 | 868,934 |
| Community services - developmental and outreach programmes | 692,500 | 282,802 |
| Conferences and seminars | 10,163,696 | 6,880,251 |
| Consulting and professional fees | 18,350,746 | 17,514,494 |
| Fuel and oil | 7,871,998 | 10,830,652 |
| Discount Allowed | 4,006,103 | 3,754,589 |
| Electricity Water and Refuse - Municipal Consumption | 14,167,732 | 14,524,755 |
| Entertainment | 4,111 | 11,194 |
| IT expenses | 10,127,574 | 9,725,891 |
| Insurance | 5,141,656 | 2,760,153 |
| Landfill site - interest landfill rehabilitation provision | 9,539,983 | 9,577,791 |
| Motor vehicle expenses | 1,121,570 | 1,000,402 |
| Operation of landfill site | - | 1,889,565 |
| Postage and courier | 62,430 | 59,110 |
| Printing and stationery | 4,707,284 | 7,678,330 |
| Remuneration to Ward Committees | 5,019,196 | 5,545,485 |
| Security (Guarding of municipal property) | 18,405,918 | 18,995,197 |
| Staff welfare | 2,472,425 | 2,162,573 |
| Subscriptions and membership fees | 2,099,105 | 2,185,401 |
| Telephone and fax | 2,526,386 | 3,044,967 |
| Town planning - Valuation costs | 3,264,590 | 730,750 |
| Travel and Subsistence reimbursement | 4,066,828 | 4,160,733 |
| Uniforms | 2,891,539 | 4,190,473 |
| | 146,352,358 | 141,682,545 |
| 32. Operating lease Income | | |
| Operating leases - as lessor (income) | | |
| Minimum lease payments due | | |
| - within one year | 146,482 | 95,019 |
| - in second to fifth year inclusive | 60,044 | 102,480 |
| | 206,526 | 197,499 |
| Revenue for the year included Rental income from facilities and equipment | 1,356,773 | 1,216,927 |

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| Figures in Rand | 2025 | 2024 |
|---|--------------------|-------------------|
| 33. Cash generated from operations | | |
| Surplus/(deficit) | 125,218,580 | 31,024,207 |
| Adjustments for: | | |
| Depreciation and amortisation | 58,775,286 | 54,835,170 |
| Public contributions and donations - Donations received | (7,676,274) | (37,567,445) |
| Landfill site - interest landfill rehabilitation provision | 9,539,983 | 9,577,791 |
| Loss/(Gain) on sale of assets | (401,981) | 23,221,010 |
| Fair value adjustments - actuarial gains and losses | 2,099,194 | 3,556,124 |
| Fines withdrawn/reduced | 7,127,860 | 2,773,775 |
| Repairs and maintenance | - | 37,547,850 |
| Assets expensed/Transferred assets | 15,255,652 | 8,383,056 |
| Impairment fixed assets | 4,089,305 | 11,422,087 |
| Debt impairment | 97,213,289 | 90,674,903 |
| Discount allowed | 4,006,103 | 3,754,589 |
| Movements in retirement benefit assets and liabilities | (1,159,399) | (998,808) |
| Movements in provision for long service awards | (1,073,795) | (3,221,316) |
| Eskom interest | (1,107,605) | (1,194,487) |
| Deferred Income movement | (192,983) | (192,983) |
| Post Employment Medical Aid Benefits and Long Service Awards interest | 4,411,000 | 3,826,000 |
| Employee costs contribution to provision for Leave | 434,326 | 4,380,187 |
| Post Employment Medical Aid Benefits and Long Service Awards current service cost | 2,036,001 | 1,794,001 |
| Fair Value Adjustments | (5,202,822) | 512,296 |
| Changes in working capital: | | |
| Inventories | (6,069,095) | (4,655,784) |
| Receivables from exchange transactions | 1,949,503 | 272,808 |
| Consumer debtors | (41,154,465) | (37,288,649) |
| Receivables from non-exchange transactions | (103,948,529) | (85,426,170) |
| Payables from exchange transactions | (32,356,653) | 6,633,936 |
| Unspent conditional grants and receipts | 26,692,777 | (27,096,542) |
| Consumer deposits | (154,447) | (239,402) |
| Debit orders to be recovered | 18,914 | (22,814) |
| | 158,369,725 | 96,285,389 |

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34. Commitments

Authorised capital expenditure

Already contracted for but not provided for

| | | |
|---------------------------------|------------|-------------|
| • Property, plant and equipment | 66,332,959 | 109,469,852 |
|---------------------------------|------------|-------------|

Total capital commitments

| | | |
|---|------------|-------------|
| Already contracted for but not provided for | 66,332,959 | 109,469,852 |
|---|------------|-------------|

Total commitments

Total commitments

| | | |
|--------------------------------|------------|-------------|
| Authorised capital expenditure | 66,332,959 | 109,469,852 |
|--------------------------------|------------|-------------|

This committed expenditure relates to property, plant and equipment and will be financed by available grants, retained surpluses, existing cash resources and funds internally generated. The commitments disclosed amounts are VAT inclusive.

During the preparation of the 2025 Annual Financial Statements, management identified an error in the disclosure of capital commitments in the 2024 audited Annual Financial Statements. The error arose due to reclassification of electrification projects from CAPEX to OPEX implemented in unlicensed areas (Zenzele and Nyakelang) and upgrading of Stompo and Masoing projects which were completed

The opening balance of capital commitments per the register was not correctly calculated and disclosed resulting in a misstatement of the comparative disclosure.

The correction of this error has been accounted for retrospectively by restating the comparative amounts.

| | | | |
|--------------------------------|------------------------|---------------|------------|
| Effect on comparative figures: | Previously stated 2024 | Restated 2024 | Adjustment |
| Capital commitments | 109 155 461 | 109 469 852 | 314 390 |

Finance leases - as lessee (expense)

Finance lease payments represent rentals payable by the municipality for its fleet. These rentals are negotiated for a three year term. No contingent rent is payable.

Minimum lease payments due

| | | |
|-------------------------------------|-------------------|------------------|
| - within one year | 5,876,253 | 7,103,352 |
| - in second to fifth year inclusive | 10,283,442 | - |
| | 16,159,695 | 7,103,352 |

Operating leases - as lessee (expense)

Minimum lease payments due

| | | |
|-------------------------------------|-------------------|------------------|
| - within one year | 11,404,335 | 1,469,850 |
| - in second to fifth year inclusive | 6,571,704 | 182,609 |
| | 17,976,039 | 1,652,459 |

Operating lease payments represent rentals payable by the municipality for leased assets used in the day to day operations of the municipality. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years.

Operating lease expense of R6 532 915 has been included in expenditure for the year ended 30 June 2025 (year ended 30 June 2024: R4 696 579)

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35. Contingent Liabilities

Litigation is in the process against the municipality relating to disputes with stakeholders.

The estimate of the contingent liability is +/- R2,913,352 (June 2025); +/- R4,686,644 (June 2024)

The litigation matters for the year under review are detailed below as follows:

| Type | Attorneys | Parties | Report or Management's description of matter (including current status; amount claimed and legal counsel's reference if known) | Status | Estimated claim 2025 | Estimated claim 2024 |
|-----------|-------------------------|---|--|--|----------------------|----------------------|
| Liability | None | Elias Motsoaledi Local Municipality // Mohlala Leonox | Description: High Court matter: The plaintiff is suing the municipality for alleged contravention of its own by-laws. | Matter pending: The municipality visited the court to follow up on the matter which has been abandoned by the plaintiff since 2020. The attempt at mediation was unsuccessful. The matter remains pending the respondent to pursue. | 550,000 | 550,000 |
| Liability | SENNE TSHWANA ATTORNEYS | Peri Formwork Scaffolding And Engineering (Pty) Ltd // Elias Motsoaledi Local Municipality Eli1/0016/Ys | The plaintiff claims an amount of R1 133 352.46 against the municipality and one of its contractors, jointly and severally. | Matter pending: The municipality visited the court and found a duplicate online file in where it remains cited as a party. Documents were retrieved online, and the pre-trial minutes indicate that the plaintiff continues to hold the municipality jointly and severally liable with other defendants. The matter is defended and awaits a trial date. | 1,633,352 | 1,133,352 |

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| Type | Attorneys | Parties | Report or Management's description of matter (including current status; amount claimed and legal counsel's reference if known) | Status | Estimated claim 2025 | Estimated claim 2024 |
|-----------|---------------------------|---|--|--|----------------------|----------------------|
| Liability | SETSOALO MAHUBE ATTORNEYS | Maboe Rachidi //Elias Motsoaledi Local Municipality // C Coetzee / Melinda Marshall | Rachidi is suing the municipality for unlawful arrest under Case Number: MRCC 104/2011. The plaintiff Mr. Maboe Rachidi is suing the municipality and two traffic officers in their personal capacity for damages he suffered as a result of an alleged assault. He alleged that he was assaulted by two traffic officials who were on duty on the date in question. The matter proceeded to trial and was partly heard. | Matter pending: The matter was postponed sine die (without date). We are still awaiting judgment from court, the magistrate that was allocated the matter is on retirement and we await the court to re-appoint a new magistrate for finalisation of the matter. The plaintiff is also not actively pursuing the matter, the municipality stayed the matter and awaits the plaintiff to pursue it. | 450,000 | 450,000 |
| Liability | None | Mphela Attorneys// Emlm Case 374/2020 | The plaintiff alleges that the municipality owes legal fees for work performed on its behalf in January 2013. Payment voucher nr: EF 12531-0001 | The municipality settled the matter with an amount of R14 484.00, matter finalised. | | 33,483 |
| Liability | None | Mphela Attorneys// Emlm Case 384/2020 | The plaintiff alleges that the municipality owes legal fees for work performed on its behalf in September 2013. Payment voucher nr: EF 12531-0001 | The municipality settled the matter with an amount of R4 230.00, matter finalised. | | 39,809 |
| Liability | PK LEGODI | Masakwameng Trading// Emlm | The plaintiff claims that the municipality appointed them on the tender and could not commence work. The tender was re-advertised and awarded to a different company. | Matter finalised. | | 2,200,000 |

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| Type | Attorneys | Parties | Report or Management's description of matter (including current status; amount claimed and legal counsel's reference if known) | Status | Estimated claim 2025 | Estimated claim 2024 |
|-----------|-----------------------------|-----------------|---|---|----------------------|----------------------|
| Liability | MPHOKE MAGANE P.K INC | M MABHENA /EMLM | The municipality was served with summons by Mphela & Associates Attorneys on behalf of Maria Mabhena (Applicant) on the 22 December 2023. Cause of Action: The Applicant alleges that on the 26 January 2021 while at the Municipality (licensing department) she fell off a chair and sustained lumbar spine injuries. She is claiming R80 000 for general damages, medical expenses and future medical costs. Following Auditor-General finding COMAF 16 of 2023—which raised concern about incurring excessive legal fees on low-value claims, potentially constituting fruitless and wasteful expenditure—the matter was referred to Council to consider an out-of-court settlement to reduce legal costs. However, Council rejected the settlement proposal, citing concerns that doing so may set an undesirable precedent and encourage similar small claims against the municipality. | Matter pending: matter defended, parties are still discovering documents. | 280,000 | 280,000 |
| | | | | | 2,913,352 | 4,686,644 |

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Contingent assets

Litigation is in progress in favour of the municipality relating to disputes with employees and members of the public. The municipality is likely to receive an amount of +/- R 850 000 (June 2025); +/- R 850,000 (June 2024). According to Council's legal advisors, it is probable that the proceedings will result in the recovery of the full amount.

| Type | Attorneys | Parties | Report or Management's description of matter (including current status; amount claimed and legal counsel's reference if known) | Status | Estimated claim 2025 | Estimated claim 2024 |
|-------|------------------------|--|---|---|----------------------|----------------------|
| Asset | MPHOKE MAGANE PK | Emlm/ Mepf | The municipality filed an application to compel the respondent to remove an erected fence on the pedestrian walk way, as this makes it difficult for the pedestrians to walk through. | The municipality is awaiting a trial date, however the respondent recently filed an application for condonation to oppose the matter. | 500,000 | 500,000 |
| Asset | MPOYANA LEDWABA INC | Emlm//Joseph Nkoagatse | The municipality filed an application to compel the respondent to remove the animals he is grasing on the municipal farm | The municipality is still engaging with the respondent on exiting the property without taking further legal action and a meeting was scheduled with him and his attorney for 22 July 2025. The meeting did not materialise and a new date has not yet been scheduled. | 200,000 | 200,000 |
| Asset | MPOYANA LEDWABA INC | EMLM/ Maphochsgrone and Vlaklaagte Illegal dwellers | The municipality appointed attorneys to obtain an eviction order against the Maphochsgronde and Vlaklaagte illegaldwellers. | The municipality's Plannig department is in the process of organising the meeting with Nkangala District to sort out the issue of dermacation challenges. The matter stayed pending finalisation of the challenges. | 100,000 | 100,000 |

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| Type | Attorneys | Parties | Report or Management's description of matter (including current status; amount claimed and legal counsel's reference if known) | Status | Estimated claim 2025 | Estimated claim 2024 |
|-------|------------------------|--|---|--|----------------------|----------------------|
| Asset | MPOYANA LEDWABA INC | Mohlala and Others vs EMLM and others | The office of the municipal manager received a letter from Bolshevik Party informing the municipality that Mr. Mohlala is expelled from the party and further requesting the Municipality to declare a vacancy. The Municipality declared a vacancy and Mr. Mohlala filed an application disputing the dismissal and requesting reinstatement. The municipality successfully defended the matter and costs were granted in favour of the municipality, the applicant is to pay costs. | Bill of taxation is set down to 10 November 2025 for taxation. | 50,000 | 50,000 |
| | | | | | 850,000 | 850,000 |

36. Related parties

Relationships

Accounting Officer

All Councillors

Refer to accounting officers' report note

Refer to note 52 and 28 . Public Office Holders

Remuneration

s57 municipal employees

Refer to note 26

Nature of related party transactions:

Remuneration of Councillors and Employee costs paid to permanent and acting section 57 managers during the year.

Related party transactions

Remuneration to Councillors and s57 Managers

| | | | |
|---|----|------------|------------|
| Councillors - Councillor remuneration | 27 | 28,192,221 | 26,661,797 |
| Section 57 Acting Managers remuneration | 26 | 16,253 | 170,215 |
| Section 57 Managers remuneration | 26 | 6,716,001 | 3,186,401 |

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37. Bids awarded to family of employees in service of state

In terms of SCM regulation 45 – 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 -

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state
- (c) the amount of the award.

The following is a list as recorded for the 2025 and 2024 financial years.

| Number | Company information | | Description of serv | Person in employ of state | | | Financial Year | |
|--------|----------------------------------|------------------------------|--|------------------------------------|---|----------|----------------|-----------|
| | Service Provider | Director of the company | | Department | Employee | Capacity | 2025 | 2024 |
| 1 | Makgonatsohle Trading Enterprise | Gift Nkabang Mawela | Repairs & Maintenance of Municipal Fleet | Gauteng Department of Education | Masehoane Mildred Mawela (Teacher) | Wife | 364,903 | 1,159,610 |
| 2 | Sejagobe Engineers | Sejagobe Daniel Masekela | Infrastructure Consulting Services | Gauteng Department of Public Works | Kgadi Ledile Mamakoa (Candidate Engineering Technician) | Wife | 2,400,306 | 1,046,493 |
| 3 | Dzangi Consulting Services | Aluwani Lorraine Mathavhathe | Event Management | Department of Human Settlement | Gumani Joseph Mathavhathe (Financial Planner) | Husband | | 1,328,252 |
| 4 | Mogalemole Consulting Engineers | Njipa Herman Mankga | Infrastructure Consulting Services | Road Agency Limpopo | Paulina Mankga (Project Manager) | Wife | | 466,267 |
| 5 | Nedbank | Stanley Subramoney | Banking Services | Department of Education | Venisha Subramoney (Teacher) | Wife | 8,502,963 | 5,727,760 |
| 6 | F-Tech Services | Martin Mufanebadza | Electrification Project Implementation | SAPS | Tselahale Faith Mufanebadza (Administrative Clerk) | Wife | 1,605,716 | 3,087,307 |

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| Number | Company information | | - | Person in employ of state | | | Financial Year | |
|---------------------------|-------------------------------------|------------------------------|--|--|---|---------|-------------------|-------------------|
| 7 | Nkanivo Development Consulting | Samuel Chauke | Town Planning Subdivision Services | Department of Home Affairs | Azwidali Elelwani Chauke (Administrative Officer) | Wife | 748,000 | 621,565 |
| 8 | Vision Print | Spumendo Mberudo Mokgabudi | Printing Services | Limpopo Department of Education | Johanna Mmanoko Mokgabudi (Teacher) | Wife | 770,140 | 3,047,276 |
| 9 | Matimusaki Enterprise | Mokolotedi Verity Mathebane | Catering Service & Tent Provision | Gauteng: Social Development | Famanda Erick Mathebane | Husband | 29,400 | 29,250 |
| 10 | Spectrum Utility Management | Nakedi Mathews Phosa | Provision of Prepaid Electricity Vending Service | International Relations and Cooperation | Yvonne Phosa | Wife | 1,238,468 | 1,115,794 |
| 11 | Bakhunguleni Trading & Projects | Mxolisi Mnguni | Supply of First Aid Boxes & Refills | Mpumalanga: Agriculture, Rural Development, Land and Environmental Affairs | Nonhlanhla Patricia Mnguni | Wife | 24,750 | |
| 12 | Zanokuhle Logistics | Mgiyelwa Moses Msiza | Tents, Chairs & Tables | Department of Correctional Services | Thulisile Msiza | Wife | 28,800 | |
| 13 | Unique Enterprise Solution | Mabe Pontsho | Finance Valuer | Department of Service & Admin | Mpho Mabe | Wife | 915,920 | |
| 14 | TJM Greentech | Tshepo James Matjeke | Energy Efficiency | National Basic Education | Lindiwe Matjeke | Wife | 3,477,826 | |
| 15 | State Information Technology Agency | Dzengwa Simphiwe | Website Maintenance | EC Sport Recreation Arts & Culture | Ruth Dzengwa | Wife | 185,097 | |
| 16 | Mashingwana Projects | Amos Kgotelelo Mashingwana | Pest Control | Gauteng Education | Mashingwana Johanna | Wife | 270,300 | |
| 17 | Wilson Guesthouse | Aluwani Lorraine Mathavhathe | Event Management | Department of Human Settlement | Gumani Joseph Mathavhathe (Financial Planner) | Husband | 790,180 | |
| Total Award Amount | | | | | | | 21,352,769 | 17,629,574 |

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38. Prior period errors

The following prior year errors were identified and adjusted retrospectively:

1. Property, Plant, and Equipment:

During the current financial year, management identified and corrected errors relating to prior periods. These arose mainly from the asset verification process and further investigations. The following adjustments were made to ensure the fair presentation of the municipality's fixed assets:

Assets with indicators of impairment were identified and impaired in line with GRAP requirements.

Newly identified assets were added to the asset register.

Certain assets previously recognised in error (including roads not under the municipality's control) were derecognised.

Reclassifications were made to correctly align assets with their nature and use, such as printers reclassified to furniture and office equipment, and certain buildings transferred to investment property.

Certain land parcels were transferred to investment property, while additional land was recognised as newly identified assets.

Capital projects previously recorded incorrectly were corrected, including road designs and work-in-progress items that did not meet the recognition criteria.

Expenditure of an operational nature and assets transferred to external entities (e.g., Eskom) were derecognised to reflect the correct treatment under GRAP.

The impact on .Property, Plant, and Equipment is as follows per category

| | |
|--------------------------------|-----------------------|
| Land | (3,761,155.00) |
| Buildings | 11,584,329.00 |
| Roads Infrastructure | 66,165,645.00 |
| Solid Waste Infrastructure | 226,818.00 |
| Electrical Infrastructure | (282,244.00) |
| Community | 4,586,160.00 |
| Furniture and Office Equipment | (469,125.00) |
| Machinery and Equipment | (129,954.00) |
| Computer Equipment | 52,244.00 |
| Transport Assets | 140,456.00 |
| Capital - Work in Progress | 54,326,653.00 |
| Total | 132,439,827.00 |

2. Investment Property

During the preparation of the 2025 Annual Financial Statements, management identified errors in the classification of certain assets in the 2024 audited Annual Financial Statements:

A stadium was previously classified under Property, Plant and Equipment (PPE) instead of Investment Property.

An RDP house was incorrectly included in Investment Property, even though it did not meet the recognition criteria..

3. Revenue:

Certain transactions were recorded in the incorrect financial period, resulting in a cut-off error. The misstatement was subsequently identified and corrected, with the adjustment processed as a prior period error.

4. Payables from exchange transactions, accrual was recognised.

Trade payable that was erroneously omitted during the 2023/2024. It was identified that the expense relates to prior year under Consulting and Professional Fees to the amount of R235 875.78 and should have been accrued in the prior year. It was identified and corrected in the current year.

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5. Municipal Infrastructure Grant (MIG)

A prior period error occurred due to exceeding the condition requirements for municipal infrastructure grants on two projects. Expenditures exceeding the DoRA allocation were not identified in a timely manner, resulting in the municipality omitting to recognise the MIG grant receivable in the 2024 annual financial statements.

This led to an understatement of statutory receivables and grant revenue by R5 761 684.45.

6. Cash flow:

Note 34. Cash generated from operations and cash flow statement was restated to reflect the errors above.

During the preparation of the 2025 Annual Financial Statements, management identified errors in the 2024 audited Cash Flow Statement and Note 34 (Cash generated from operations).

The errors were primarily the result of incorrect treatment of non-cash transactions relating to public contributions and donations:

In the 2024 audited AFS, only R19,595 (Provincial Government donation) was subtracted as non-cash donations in the reconciliation, while the full amount of R37,567,445 (including Roads Agency Limpopo repairs of R37,547,850) should have been adjusted.

Furthermore, the non-cash repairs of R37,547,850 were not added back in the reconciliation, resulting in a misstatement of cash generated from operations and the cash flow statement.

7. Receivables from exchange transactions

The prior period error arose from the recognition of a prior period debtor relating to fruitless and wasteful expenditure.

8. Finance lease obligation

The prior period error is due to recognition of the finance lease obligation resulting from a changes in interest rate.

9. VAT Receivable

During the current financial year, the municipality identified that in prior periods the input VAT accrual and output VAT accrual were incorrectly netted off and presented as a single "Net VAT Receivable" line item in the statement of financial position. This treatment did not comply with the requirements of GRAP, as the input VAT accrual (right arising from purchases) and output VAT accrual (obligation arising from supplies) represent separate transactions with different counterparties and do not meet the criteria for offsetting.

Furthermore, the netting obscured the fact that, under the municipality's payments-basis registration with SARS, no statutory receivable or payable exists until actual cash is paid to suppliers or received from customers

The error has been corrected retrospectively by restating the comparative figures for the prior year.

10. Trade payables: Bonus accrual

In prior periods, the municipality accrued the annual bonus on a full 12-month basis. In terms of the applicable collective agreement and municipal policy, the bonus is earned proportionally and is payable only to employees in service every december. Accordingly, the accrual at 30 June should reflect six months' proportion for qualifying employees only. This resulted in an overstatement of the bonus provision and employee-related costs in the affected periods.

The bonus accrual movement, previously incorrectly classified under "Contribution to provision for Leave and bonus pay", has been corrected as a prior period error and is now disclosed separately under "Bonus". Comparative figures have been restated accordingly

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The correction number is indicated in brackets next to the item adjusted.

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year adjustments:

Accordingly, the comparatives presented in these Annual Financial Statements have been restated to reflect the corrected balances.

| Statement of financial position 2024 | As previously reported | Correction of error | Restated | Prior period error note reference |
|---|------------------------|---------------------|---------------|-----------------------------------|
| Accumulated surplus | 1,245,712,531 | (109,424,924) | 1,136,287,607 | ALL |
| Investment property | 110,603,586 | 10,330,000 | 120,933,586 | 2 |
| Payables from exchange transactions | 107,278,528 | 42,593,360 | 149,871,888 | 4, 9, 10 |
| Receivables from exchange transactions | 1,268,163 | 70,944,200 | 72,212,363 | 7, 9 |
| VAT receivable | 19,442,291 | (19,442,291) | | 4, 9 |
| Consumer debtors - From Exchange Transactions | 49,141,707 | (77,842) | 49,063,865 | 3 |
| Consumer debtors - From Non Exchange Transactions | 82,132,000 | (994,019) | 81,137,981 | 3 |
| Property Plant and Equipment | 1,155,424,065 | (132,439,827) | 1,022,984,238 | 1 |
| Finance lease obligation ST | 6,723,466 | 913,457 | 7,636,923 | 8 |
| Conditional grants receivables | | 5,761,684 | 5,761,684 | 5 |

| Statement of financial performance 2024 | As previously reported | Correction of error | Restated | Prior period error note reference |
|--|------------------------|---------------------|--------------|-----------------------------------|
| Debt Impairment | (92,120,744) | 1,445,841 | (90,674,903) | 3, 9 |
| Depreciation and amortisation | (61,876,949) | 7,041,779 | (54,835,170) | 1 |
| Government grants & subsidies | 439,965,427 | 5,761,684 | 445,727,111 | 5 |
| Property rates | 59,511,400 | (353,471) | 59,157,929 | 3 |
| Rental of facilities and equipment | 1,301,492 | (84,565) | 1,216,927 | 3 |
| Service charges | 118,023,138 | (2,552) | 118,020,586 | 3 |
| Consulting and professional fees | 17,309,385 | 205,109 | 17,514,494 | 4 |
| Interest charged on consumer debtors | 13,213,939 | (55,956) | 13,157,983 | 3 |
| Transfers and Subsidies | (16,891,450) | 1,445,493 | (15,445,957) | 1 |
| Investment property fair value adjustment | 6,772,843 | (7,285,139) | (512,296) | 2 |
| Bonus | 8,980,233 | 468,496 | 9,448,729 | 10 |
| (Impairment loss)/ Reversal of impairments | (566,223) | (10,855,864) | (11,422,087) | 1 |
| Gain/(Loss) on disposal of assets | (1,119,500) | (22,101,510) | (23,221,010) | 1 |
| Contribution to provision for Leave | 4,881,474 | (501,286) | 4,380,188 | 10 |

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39. Change in estimate

Property Plant and Equipment

During the fiscal year, management reassessed the estimated useful life of assets, resulting in a revision of our accounting estimate. This revision had the effect of reducing depreciation expenses.

The effect of this revision has decreased the depreciation expense and accumulated depreciation by R53 003 for the current and future periods. The effect per category is as follows:

| Category | Old Estimate | New Estimate | Change of Estimate |
|--------------------------------|-------------------|-------------------|--------------------|
| Community Assets | 839,718 | 838,988 | (730) |
| Computer Equipment | 1,329,449 | 1,285,567 | (43,882) |
| Electrical Infrastructure | 4,750,168 | 4,774,178 | 24,009 |
| Furniture and Office Equipment | 1,902,849 | 1,869,696 | (33,153) |
| Machinery and Equipment | 3,902,985 | 3,851,130 | (51,855) |
| Other Assets | 3,378,548 | 3,271,594 | (106,954) |
| Roads Infrastructure | 39,402,347 | 39,415,530 | 13,182 |
| Solid Waste Infrastructure | 1,858,870 | 1,983,690 | 124,820 |
| Transport Assets | 4,129,491 | 4,151,049 | 21,558 |
| Total | 62,881,994 | 62,828,990 | (53,003) |

40. Risk management

Capital risk management

The municipality's objectives when managing capital are to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality as disclosed in the cash and cash equivalents note, 13.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk is the risk that the municipality will not be able to meet its obligations as they fall due. The municipality's approach is to ensure that sufficient liquidity is available to meet its liabilities when due. 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. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored. The municipality analyses its 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 are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. All items of financial liabilities are less than one year from settlement.

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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.

The municipality have insignificant interest risk exposure in the form of finance costs from finance lease obligation, however the fluctuation in interest rates will not hinder any of the municipality operations.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Receivables and consumer debtors comprise a widespread customer base and amounts owing by consumers and are presented net of impairment loss. The municipality has a credit control policy in place and the exposure to credit risk is monitored continuously. The municipality establishes an allowance for doubtful debts that represents its estimate of anticipated losses in respect of receivables. Payments of accounts of consumer debtors who are unable to pay are negotiated in line with the credit control policy and terms of payments are agreed upon with the consumer.

Cash and cash equivalents - The municipality limits its exposure to credit risk by investing with only reputable financial institutions and within specific guidelines set in accordance with council's approved investment policy. The municipality does not consider that to be any significant exposure to credit risk.

Financial instruments exposed to credit risk at year end were as follows positive for assets and negative for Liabilities:

| Financial instrument | 2025 | 2024 |
|---|---------------|---------------|
| Receivables - From Exchange Transactions | 77,118,532 | 72,212,363 |
| Receivables - From Non Exchange Transactions | 23,517,450 | 9,121,857 |
| Consumer Debtors - From Exchange Transactions | 59,875,122 | 49,063,865 |
| Consumer Debtors - From Non Exchange Transactions | 92,668,004 | 81,137,981 |
| Deposit (Security held in advance) | 19,582,729 | 18,475,124 |
| Payables from exchange transactions | (124,805,210) | (149,871,888) |
| Consumer deposits. | (5,363,802) | (5,518,249) |
| Finance lease obligation | (13,004,454) | (7,636,923) |
| Cash and cash equivalents | 64,907,747 | 22,673,939 |

The above financial instruments are measured at amortised cost.

Other risks

Property rates and services revenue collection is highly vulnerable to defaulting by households as a result of of general economic hardships.

41. Going concern

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

The collection of property rates and service charges is susceptible to defaults by households due to prevailing economic hardships. However, this does not pose a material risk to the municipality's ability to continue as a going concern as a significant majority of the municipal funding is derived from the Division of Revenue Act, 24 of 2024 through the municipality's equitable share. Furthermore, there are no indicators of serious financial problem as defined in section 138 of the MFMA.

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42. Events after the reporting date

As at the date of approval of the financial statements, the municipality is aware of the following events that occurred after the reporting date and before the financial statements were authorised for issue.

Adjusting events:

1. The case of Masakwameng Trading vs Elias Motsoaledi Local Municipality, plaintiff claims that the municipality appointed them on the tender and could not resume work and the tender was advertised and someone else was appointed. The plaintiff sought damages amounting to R2 200,000. This matter was finalized after the reporting date but before the financial statements were authorized for issue. Consequently, the estimate for this claim was initially included in the financial statements for the 2025 financial year, has been adjusted and removed from the Annual Financial Statements.

2. The case of Elias Motsoaledi Local Municipality vs LEMOS EMMANUEL MARQUES, the respondent has erected multiple shacks on his property and leased them to tenants who are using nearby farm water sources, resulting in contamination of water used for crops. This constitutes non-compliance with SPLUMA. Despite several contravention notices, the Respondent has failed to comply, and the Municipality is seeking a court order to enforce compliance. The claim amount is R500 000. This matter was finalized after the reporting date but before the financial statements were authorized for issue. Consequently, the estimate for this claim was initially included in the financial statements for the 2025 financial year, has been adjusted and removed from the Annual Financial Statements.

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43. Unauthorised expenditure

| | | |
|--|-------------|------------------|
| Opening balance | 1,118,829 | 48,008,203 |
| Written off: 2019/20 - Resolution: MPAC 23/24-02 | - | (5,943,450) |
| Written off: 2020/21 - Resolution: MPAC 23/24-09 | - | (40,945,924) |
| Written off: 2023/24 - Resolution: MPAC25/26-02 | (1,118,829) | - |
| | <u>-</u> | <u>1,118,829</u> |

44. Fruitless and wasteful expenditure

| | | |
|--|------------------|------------------|
| Opening balance | 3,808,226 | 7,384,379 |
| Incurred during the year | 79,757 | 222,354 |
| To be recovered- Resolution: MPAC25/26-01 | 71,123 | - |
| To be recovered- Resolution: MPAC25/26-01 | 237,595 | - |
| To be recovered- Resolution: MPAC25/26-01 | 655,668 | - |
| Recovered during the year -2024/25 | (65,512) | - |
| Recovered during the year - 2023/24 | - | (213,266) |
| Recovered during the year - 2022/23 | - | (35,556) |
| Recovered during the year 2021/22 | - | (512,080) |
| Written off: 2021/22 - Resolution: MPAC 23/24-01 | - | (747,853) |
| Written off- 2017/18 - Resolution: MPAC 24/25-01 | - | (421,359) |
| Written off- 2020/21 - Resolution: MPAC 23/24-09 | - | (1,318,818) |
| Written off- 2019/20- Resolution: MPAC 23/24-02 | - | (57,578) |
| Written off- 2022/23 - Resolution: MPAC 24/25-01 | - | (491,999) |
| | <u>4,786,857</u> | <u>3,808,226</u> |

Fruitless and wasteful expenditure resulted from unauthorised debit orders, late payments of invoices, double payments,

The status for 2025 is: Investigations not yet conducted.

The status for 2024 is: Investigations completed.

During the preparation of the 2025 Annual Financial Statements, management identified errors in the disclosure of fruitless and wasteful expenditure in the 2024 audited Annual Financial Statements.

Elansdoorin Cemetery R864,269 – classified as fruitless and wasteful expenditure due to asset safeguarding failure, impacting the opening balance.

Erroneous debit order (R22,813) – incorrectly recognised as fruitless and wasteful expenditure in 2024, impacting the movement for that year.

The correction of this error has been accounted for retrospectively by restating the comparative amounts.

| | | | |
|------------------------------------|------------------------|---------------|------------|
| Effect on comparative figures: | Previously stated 2024 | Restated 2024 | Adjustment |
| Fruitless and wasteful expenditure | 2,966,770 | 3,808,226 | 841,455 |

Details of fruitless and wasteful expenditure

| | | |
|---------------------------|---------------|----------------|
| Unauthorised debit orders | 3,900 | 213,114 |
| Over payment | 75,857 | - |
| Late payment | - | 9,240 |
| | <u>79,757</u> | <u>222,354</u> |

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45. Irregular expenditure

| | | |
|--|--------------------|--------------------|
| Opening balance | 177,320,236 | 403,056,801 |
| Add: Irregular Expenditure - current year | 29,847,960 | 46,404,045 |
| Written off: 2017/18 - Resolution: MPAC 24/25-01 | - | (64,024,772) |
| Written off: 2019/20 - Resolution: MPAC 23/24-02 | - | (43,269,721) |
| Written off: 2022/23 - Resolution: MPAC 24/25-03 | - | (75,859,810) |
| Written off: 2020/21 - Resolution: MPAC 23/24-09 | - | (88,986,307) |
| Written off: 2023/24 - Resolution: MPAC 25/26-02 | (46,404,046) | - |
| Written off: 2022/23 - Resolution: MPAC 25/26-02 | (1,075,000) | - |
| Written off: 2017/18 - Resolution: M25/26-18 | (10,082,877) | - |
| Written off: 2018/19 - Resolution: M25/26-18 | (6,363,568) | - |
| Written off: 2019/20 - Resolution: M25/26-18 | (11,873,861) | - |
| | 131,368,844 | 177,320,236 |

| Reason for irregular | Jun-25 | Jun-24 |
|---|-------------------|-------------------|
| Bidder did not meet minimum requirements | 192,390 | 52,716 |
| Incorrect allocation of functionality points | 1,609,314 | 9,568,187 |
| Technical expert not part of BAC | | 528,473 |
| Failure to address subcontracting | 27,415,706 | 34,524,185 |
| Procurement conducted without competitive bidding | | 1,194,278 |
| Bids were not evaluated in accordance with the bid specification | | |
| Split into two items which the value of the two items exceeds the minimum threshold for the competitive bidding process | 314,520 | |
| Bid awarded to family of employee in service of state | 28,950 | |
| Preferential points for specific goals were not awarded in terms of the specifications in the bidding documents | 287,000 | |
| Non-compliance with minimum requirements threshold for local content | | 536,207 |
| Total | 29,847,960 | 46,404,046 |

The status for 2025 is: Investigations not yet conducted.

The status for 2024 is: Investigations completed.

Amount disclosed are inclusive of VAT in terms of MFMA circular 68.

During the preparation of the 2025 Annual Financial Statements, management identified errors in the disclosure of irregular expenditure in the audited 2024 Annual Financial Statements.

The error related to the reconciliation and roll-forward of opening balances, which resulted in the understatement of the irregular expenditure opening balance. The misstatement arose from irregular expenditure relating to non-compliance with local content requirements on the fencing of the game farm projects amounting to R1 075 000 and overstatement of previous write off amounting to R10 869 914

The correction of this error has been accounted for retrospectively by restating the comparative amounts.

| | | | |
|--|------------------------|---------------|-------------|
| Effect on comparative figures: | Previously stated 2024 | Restated 2024 | Adjustment |
| Opening balance of irregular expenditure | 391 111 887 | 403,056,801 | 11,944,914. |

46. Additional disclosure in terms of Municipal Finance Management Act

Electricity distribution losses

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| | | |
|------------------------------|---------------|---------------|
| Losses incurred - units | 6,859,848 | 11,134,928 |
| % loss incurred | 11.000 % | 19.000 % |
| Purchased units | (60,980,788) | (58,430,729) |
| Sold units | 54,120,940 | 47,295,801 |
| | - | - |
| Losses incurred - Rand value | 14,603,809 | 20,929,386 |
| % Losses loss incurred | 11.000 % | 19.000 % |
| Purchased units Rand value | (129,796,886) | (109,782,561) |
| Sold units Rand value | 115,193,077 | 88,853,175 |
| | - | - |

The losses mentioned above stem from both technical factors inherent to electricity and its distribution network, such as network status, condition, and age, as well as external factors like weather conditions and system load. In addition to these technical losses, non-technical factors like theft and vandalism also contribute to these losses, which unfortunately are not recoverable.

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SALGA Fees

| | | |
|---------------------------------|-------------|-------------|
| Current year subscription / fee | 2,232,995 | 2,145,350 |
| Amount paid - current year | (1,643,273) | (1,597,592) |
| Amount accrued to creditors | (589,722) | (547,758) |
| | <u>-</u> | <u>-</u> |

PAYE, SDL and UIF

| | | |
|---------------------------------|--------------|--------------|
| Current year subscription / fee | 36,940,234 | 33,685,350 |
| Amount paid - current year | (36,940,234) | (33,685,350) |
| | <u>-</u> | <u>-</u> |

In 2024, the PAYE, SDL and UIF was erroneously recorded as R39 708 466 instead of R33 685 350. The difference is R6,023,116. The error is confined to this disclosure note only.

Pension and Medical Aid Deductions

| | | |
|---------------------------------|--------------|--------------|
| Current year subscription / fee | 51,484,560 | 46,317,901 |
| Amount paid - current year | (51,484,560) | (42,273,460) |
| Amount paid - previous years | - | (4,044,441) |
| | <u>-</u> | <u>-</u> |

In 2024, the Pension and Medical Aid Deductions was erroneously recorded as R30 664 137 instead of R46 317 901. The difference is R15 653 764. The error is confined to this disclosure note only.

VAT

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year. The municipality is registered on the cash basis and the timing of payments to/from SARS is at the end of each month.

Due to the accrual basis of accounting applied the amount disclosed for VAT include the total movement of VAT accounts. The basis includes a set of accounts that indicate the amount accrued for VAT in debtors and creditors separate from the amount receivable or owed to SARS. The basis of accounting does not lend itself to the separate disclosure of vat movement items. In terms of the prescribed guidelines only the nett VAT receivable or payable are disclosed.

Councillors arrears

The following councilor had arrear accounts outstanding for more than 90 days as at 30 June 2025:

1. MNS Oosthuizen :No arrangement was made as at 30 June 2025.
2. ST Motsamane :An arrangement to settle the account was made - the payment agreement term is for nine months.
3. SH Radingwana :The outstanding amount was settled in full after year end on 07 July 2025.

| Name | Description | Amount |
|----------------|-------------------------------|--------|
| MNS Oosthuizen | Rates | 36,160 |
| ST Matsomane | Rates, Electricity and Refuse | 1,050 |
| SH Radigwana | Electricity | 524 |

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Non-compliance with MFMA

Section 18(1) of the Municipal budget and reporting regulations
2024/25 annual budget was not uploaded to the municipal website within 10 working days

Section 26(1) of the Municipal budget and reporting regulation
2024/25 special adjustment budget was not uploaded to the municipal website within 10 working days

Supply chain management regulation 13 (c)
The municipality appointed a supplier whose director was in service of the state within the 12 months of resignation.

Supply chain Management regulation 13 (3) (a)
Two quotations were split into two items which the value of the two items exceeds the minimum threshold for the competitive bidding process.

Supply chain Management regulation 2(1)(b)
Preferential points for specific goals were not awarded in terms of the specifications

Circular 71 of the MFMA
The municipality has recorded 11% of distribution loss which exceed the upper threshold of 10% by 1%.

Section 65 (2)(i) of the MFMA
Irregular expenditure re-occurred from the prior year tenders.

Audit Fees

Audit fees are listed below.

There are no outstanding amounts owed to Auditors as at 30 June 2025 and 30 June 2024

| | | |
|------------|-----------|-----------|
| Audit fees | 7,156,628 | 5,714,033 |
|------------|-----------|-----------|

47. Deferred income

| | | |
|--|-----------|-----------|
| Operating lease payments received in advance | 2,557,018 | 2,750,000 |
|--|-----------|-----------|

Operating lease payment received in advance have been utilized in accordance with the Municipal Finance Management Act. Sufficient resources are set aside to ensure that the liability can be serviced in the future.

48. Accounting by principals and agents

1. Municipality as Agent

(a) Description of the Arrangement

The municipality is the Agent in the Principal-Agent arrangement with the Provincial Department of Transport, and collects licencing fees on behalf of the Provincial Department of Transport. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance as Licences and permits.

The amounts due to the Provincial Department at year end is included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The retained amount is recorded as revenue in **Agency fees** in the Statement of Financial Performance.

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(b) Resources Held on Behalf of the Principal

The municipality does not hold assets on behalf of the Provincial Department.

(c) Revenue Recognised

The municipality retained R 5,939,379 as agency income in 2025 (R 6,344,437 in 2024).

(d) Liabilities Incurred

Liabilities incurred on behalf of the principal were R0.00 at 30 June 2025 (R192 at 30 June 2024).

(e) Revenue and Expenses Relating to Third-Party Transactions

Total revenue collected on behalf of the principal: R25 954 063.42

No expenses were incurred on behalf of the principal.

(f) Payables Reconciliation

Opening Payables (1 July 2024): -R192.

Revenue collected during the year: -R 25 954 063.24

Cash remitted to the Department during the year: R 17 750 461.30

Agency fees recognised (inc VAT): R 5 939 379

Closing Payables (30 June 2025): R0.00

(g) Significant Terms and Conditions

Revenue-sharing arrangement: 20% retained by the municipality and 80% remitted to the Department.

There were no changes in the arrangement in the current year under review

(h) Significant risks together with benefits

Benefit: Efficient collection of licensing fees on behalf of the Provincial Department of Transport results in more cash inflows for the municipality.

Risks: Late remittance or reporting discrepancies, mitigated by regular reconciliations and adherence to agreed terms.

Other than above there are no significant risks associated with the relationship.

(l) Termination Cost Implications

Termination of the **Principal-Agent Agreement** with the Department of Transport would result in:

-Revenue Loss: Loss of future licensing revenue

-Operational Disruptions: Staff redeployment or layoffs and service delivery adjustments.

-Alternative Systems: Costs to establish new systems or services to replace lost revenue.

-Administrative Costs: Legal and reconciliation costs, including settling outstanding payables.

-Reputational Risks: Reduced public access to licensing services and potential damage to the municipality's reputation.

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2. Municipality as Principal

(a) Description of the Arrangement

Municipality is the Principal in arrangements with service providers who sell prepaid electricity on their behalf. Prepaid vendors earn commission on the value of each transaction.

Spectrum is responsible for providing at least two vending points per area, maintaining a dedicated vending account, and delivering ongoing system support.

(b) Resources Under Custodianship of Agents

Spectrum collected prepaid electricity revenue of R 16 463 517 on behalf of the municipality during the reporting period.

(c) Fee Paid to Agents

Commission paid to agents was R1 042 227.14 in 2025 (R715,356 in 2024) (Amounts Excluding VAT).

.These amounts are disclosed under general expenses - Administration and management fees.

(d) Significant Terms and Conditions

Scope of Services: Spectrum Utility Management is responsible for installing, operating, and maintaining a prepaid electricity vending system, with a requirement to provide at least two vending points per area.

Fees and Payments: The municipality pays a 4.5% until 30 November 2024 and a new contract was signed and amended to 2.10% transaction fee, a monthly license fee of **R15 000.00 (excluding VAT)**

Maintenance and Support: Spectrum ensures system maintenance, technical support, and compliance with NERSA-approved tariffs.

Termination: Termination provisions include rights for Spectrum to suspend access for non-payment and arbitration under South African law for disputes.

(e) Termination Implications

Terminating the arrangement with Spectrum would require the municipality to develop an alternative vending system or appoint new service provider.

Costs include:

Development of new software.

Procurement of new vending hardware.

Training of staff and vendors.

revenue opportunity cost as a result of the disruption in service

(f) Significant risks together with benefits

Benefit: Broaden community access to prepaid electricity through a vendor system.

Risks: System downtime or vendor non-performance, addressed through SLA terms on performance. Additional text

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49. 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.

There was no procurement that deviated from the provisions of paragraph 12(1)(d)(i) as stated above during the year.

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50. Segment reporting

General information

Identification of segments

The municipality is organised and reports to management on the basis of major functional areas. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Some segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The municipality operates throughout the LIM 472 demarcation. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout LIM 472 were sufficiently similar to warrant aggregation.

The following segments were aggregated:

| | |
|----|---|
| 1 | Core Function:Roads |
| 2 | Core Function:Solid Waste Removal |
| 3 | Electricity:Electricity - 601 |
| 4 | Pollution Control:Pollution Control - 505 |
| 5 | Project Management Unit:PMU - 603 |
| 6 | Roads:Roads - 600 |
| 7 | Solid Waste Removal:Solid Waste Removal - 500 |
| 8 | Cemeteries Funeral Parlours and Crematoriums:Cemeteries - 501 |
| 9 | Community Parks (including Nurseries):Parks - 502 |
| 10 | Core Function:Police Forces Traffic and Street Parking Control |
| 11 | Libraries and Archives:Libraries - 504 |
| 12 | Police Forces Traffic and Street Parking Control: Police Forces Traffic - 507 |
| 13 | Road and Traffic Regulation:Traffic Regulation - 508 |
| 14 | Sports Grounds and Stadiums:Sports Grounds and Stadiums - 506 |
| 15 | Asset Management:Asset Management - 301 |
| 16 | Core Function:Finance |
| 17 | Municipal Manager Town Secretary and Chief Executive:Municipal Manager - 200 |
| 18 | Finance:Default |
| 19 | Finance:Finance - 300 |
| 20 | Fleet Management:Fleet Management - 602 |
| 21 | Human Resources:Human Resources - 400 |
| 22 | Information Technology:Information Technology - 401 |
| 23 | Property Services:Property Services - 402 |
| 24 | Mayor and Council:Chief Whip 6.1 |
| 25 | Mayor and Council:Council General - 101 |
| 26 | Mayor and Council:Executive committee 6.1 |
| 27 | Mayor and Council:Mayor - 100 |
| 28 | Mayor and Council:Speaker - 102 |
| | |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

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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 | Nature of Goods and/or services |
|---------------------|--|
| Finance | Finance, human resource and IT services to facilitate service delivery |
| Community services | Police, parks and libraries |
| Basic services | Basic services, roads, sewage, refuse, electricity |
| Executive & Council | Community outreach |

There are no non reportable segments.

The following information will enable users of financial statements to evaluate the nature and financial effects of the activities in which it engages and the economic environments in which it operates.

Below are the reconciliation's of the amounts in the statement of financial position and performance for reportable segments to the amounts in the municipality's statement of financial position and performance for **2025 financial year.**

| | Basic Services | Community Services | Executive and Council | Finance | Total |
|---|----------------------|----------------------|-----------------------|----------------------|----------------------|
| Statement of Financial Performance | | | | | |
| Revenue | 222,680,455 | 313,109,660 | 52,512,954 | 283,816,860 | 872,119,928 |
| Revenue from exchange transactions | 154,844,051 | 8,989,667 | - | 7,216,905 | 171,050,623 |
| Revenue from exchange transactions | 154,844,051 | 8,989,667 | - | 7,216,905 | 171,050,623 |
| Agency fees | - | 5,939,379 | - | - | 5,939,379 |
| Interest revenue | 5,079,295 | - | - | 6,956,409 | 12,035,704 |
| Other Income | - | 1,693,514 | - | 260,497 | 1,954,011 |
| Rental Of Facilities And Equipment | - | 1,356,773 | - | - | 1,356,773 |
| Service Charges | 149,764,756 | - | - | - | 149,764,756 |
| Revenue from non-exchange transactions | 67,836,404 | 304,119,993 | 52,512,954 | 276,599,954 | 701,069,305 |
| Taxation revenue | - | - | - | 76,823,750 | 76,823,750 |
| Interest charged on consumer debtors | - | - | - | 15,061,766 | 15,061,766 |
| Property Rates | - | - | - | 61,761,984 | 61,761,984 |
| Transfer revenue | 67,836,404 | 304,119,993 | 52,512,954 | 199,776,204 | 624,245,555 |
| Fines, Penalties And Forfeits | 1,298,239 | 112,795,327 | - | - | 114,093,566 |
| Government Grants & Subsidies | 66,538,165 | 183,648,416 | 52,512,954 | 194,573,382 | 497,272,917 |
| Investment property fair value adjustment | - | - | - | 5,202,822 | 5,202,822 |
| Public contributions and donations | - | 7,676,250 | - | - | 7,676,250 |
| Expenditure | - 218,212,258 | - 254,299,473 | - 50,349,773 | - 224,039,844 | - 746,901,348 |
| (Impairment loss)/ Reversal of impairments | - 1,210,353 | - 106,175 | - | - 2,772,778 | - 4,089,305 |
| Bulk Purchases | - 129,796,388 | - | - | - | - 129,796,388 |
| Debt Impairment | - 3,482,256 | - 83,004,371 | - | - 10,726,666 | - 97,213,294 |
| Depreciation and amortisation | - 7,521,207 | - 42,331,170 | - | - 8,922,907 | - 58,775,284 |
| Employee Related Costs | - 20,949,139 | - 90,473,962 | - 6,118,231 | - 87,470,037 | - 205,011,369 |
| Fair value adjustments - actuarial losses | - | - | - | - 2,099,194 | - 2,099,194 |
| Finance Costs | - | - | - | - 976,442 | - 976,442 |
| General expenses | - 24,936,943 | - 17,058,005 | - 13,012,517 | - 91,344,887 | - 146,352,353 |
| Lease Rentals On Operating Lease | - | - 1,549,287 | - | - 4,983,628 | - 6,532,915 |
| Gain/(Loss) on disposal of assets | 728,014 | 1,372,282 | - | 1,698,314 | 401,981 |
| Remuneration of councillors | - | - | - 28,192,220 | - | - 28,192,220 |
| Repairs And Maintenance | - 15,788,333 | - 21,148,784 | - 443,805 | - 4,714,375 | - 42,095,296 |
| Transfers And Subsidies | - 15,255,652 | - | - 2,583,000 | - 8,330,616 | - 26,169,268 |
| Surplus for the year | 4,468,197 | 58,810,187 | 2,163,181 | 59,777,015 | 125,218,581 |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

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Figures in Rand

| | Basic Services | Community Services | Executive and Council | Finance | Total |
|---|--------------------|----------------------|-----------------------|----------------------|----------------------|
| Statement of Financial Position | | | | | |
| Assets | 394,771,937 | 1,211,340,742 | 78,797,464 | - 94,341,853 | 1,590,568,291 |
| Current Assets | 251,533,929 | 277,887,998 | 78,796,420 | - 249,313,516 | 358,904,830 |
| Cash and cash equivalents | 90,389,483 | 155,507,851 | 65,615,513 | - 246,605,100 | 64,907,747 |
| Conditional grants receivables | - | 3,239,443 | - | - | 3,239,443 |
| Consumer debtors - From Exchange Transactions | 31,237,685 | 9,519,624 | 6,676,432 | 12,441,380 | 59,875,120 |
| Consumer debtors - From Non Exchange Transactions | 4,140,623 | - | 51,112 | 88,476,270 | 92,668,004 |
| Inventories | - 14,763,103 | - 6,142,389 | - 1,308,162 | 59,792,187 | 37,578,533 |
| Receivables from exchange transactions | 140,529,241 | 92,354,215 | 7,761,526 | - 163,526,449 | 77,118,532 |
| Receivables from non-exchange transactions | - | 23,409,254 | - | 108,196 | 23,517,450 |
| Non-Current Assets | 143,238,008 | 933,452,745 | 1,044 | 154,971,664 | 1,231,663,461 |
| Eskom security deposit | 19,582,729 | - | - | - | 19,582,729 |
| Heritage assets | - | 463,463 | - | - 100 | 463,363 |
| Intangible assets | - | - 12,783 | - | 12,783 | 0 |
| Investment property | - | 110,658,598 | - | 23,154,061 | 133,812,659 |
| Property Plant and Equipment | 123,655,279 | 822,343,467 | 1,044 | 131,804,920 | 1,077,804,710 |
| Liabilities | 249,561,064 | 53,941,653 | 3,415,216 | 22,144,159 | 329,062,092 |
| Current Liabilities | 145,097,155 | 51,577,618 | 3,415,216 | - 27,946,664 | 172,143,326 |
| Consumer deposits | 5,519,230 | - 1,597 | - | - 153,829 | 5,363,804 |
| Deferred income | - | 192,983 | - | - | 192,983 |
| Employee benefit obligation | - | - | - | 1,339,000 | 1,339,000 |
| Landfill Site Provision | 9,912,854 | - | - | - | 9,912,854 |
| Payables from exchange transactions | 129,664,571 | 26,458,242 | 3,415,216 | - 34,732,818 | 124,805,211 |
| Provision for Long Service Leave | - | - | - | 1,506,000 | 1,506,000 |
| Finance Lease Obligation | - | - | - | 4,086,630 | 4,086,630 |
| Unspent conditional grants and receipts | 500 | 24,927,991 | - | 8,354 | 24,936,845 |
| Non - Current Liabilities | 104,463,909 | 2,364,035 | - | 50,090,823 | 156,918,767 |
| Deferred income | - | 2,364,035 | - | 0 | 2,364,035 |
| Employee benefit obligation | - | - | - | 32,247,000 | 32,247,000 |
| Landfill Site Provision | 104,463,909 | - | - | - | 104,463,909 |
| Finance Lease Obligation | - | - | - | 8,917,823 | 8,917,823 |
| Provision for Long Service Leave | - | - | - | 8,926,000 | 8,926,000 |
| Net Assets | 145,210,873 | 1,157,399,089 | 75,382,248 | - 116,486,012 | 1,261,506,199 |
| | - | - | - | - | - |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand

2024 financial year.

| | Basic Services | Community Services | Executive and Council | Finance | Total |
|---|----------------------|----------------------|-----------------------|----------------------|----------------------|
| Statement of Financial Performance | | | | | |
| Revenue | 187,376,051 | 284,083,057 | 42,863,583 | 267,141,884 | 781,464,575 |
| Revenue from exchange transactions | 121,756,374 | 7,981,230 | - | 6,582,162 | 136,319,766 |
| Revenue from exchange transactions | 121,756,374 | 7,981,230 | - | 6,582,162 | 136,319,766 |
| Agency fees | - | 6,344,437 | - | - | 6,344,437 |
| Interest revenue | 3,735,788 | - | - | 6,121,139 | 9,856,927 |
| Other Income | - | 419,866 | - | 461,023 | 880,889 |
| Rental Of Facilities And Equipment | - | 1,216,927 | - | - | 1,216,927 |
| Service Charges | 118,020,586 | - | - | - | 118,020,586 |
| Revenue from non-exchange transactions | 65,619,678 | 276,101,826 | 42,863,583 | 260,559,722 | 645,144,809 |
| Taxation revenue | - | - | - | 72,315,912 | 72,315,912 |
| Interest charged on consumer debtors | - | - | - | 13,157,983 | 13,157,983 |
| Property Rates | - | - | - | 59,157,929 | 59,157,929 |
| Transfer revenue | 65,619,678 | 276,101,826 | 42,863,583 | 188,243,809 | 572,828,896 |
| Fines, Penalties And Forfeits | 5,740 | 90,040,897 | - | - | 90,046,636 |
| Government Grants & Subsidies | 65,613,938 | 148,493,484 | 42,863,583 | 188,756,106 | 445,727,111 |
| Investment property fair value adjustment | - | - | - | 512,296 | 512,296 |
| Public contributions and donations | - | 37,567,445 | - | - | 37,567,445 |
| Expenditure | - 250,579,933 | - 220,622,690 | - 45,643,832 | - 233,593,911 | - 750,440,367 |
| (Impairment loss)/ Reversal of impairments | - 6,485,102 | 84,998 | - | - 5,021,984 | - 11,422,087 |
| Bulk Purchases | - 109,782,561 | - | - | - | - 109,782,561 |
| Debt Impairment | - 7,823,400 | - 78,193,358 | - | - 4,658,145 | - 90,674,903 |
| Depreciation and amortisation | - 12,041,928 | - 36,168,624 | - | - 6,624,618 | - 54,835,171 |
| Employee Related Costs | - 22,549,629 | - 75,972,065 | - 3,600,117 | - 84,382,688 | - 186,504,499 |
| Fair value adjustments - actuarial losses | - | - | - | - 3,556,124 | - 3,556,124 |
| Finance Costs | - | - | - | - 1,766,186 | - 1,766,186 |
| General expenses | - 28,685,049 | - 9,427,127 | - 14,875,374 | - 88,694,993 | - 141,682,543 |
| Lease Rentals On Operating Lease | - | - 1,300,493 | - | - 3,396,086 | - 4,696,579 |
| Gain/(Loss) on disposal of assets | - 507,807 | 615,523 | - | - 23,328,726 | - 23,221,010 |
| Remuneration Of Councillors | - | - | - 26,661,797 | - | - 26,661,797 |
| Repairs And Maintenance | - 53,777,044 | - 20,261,544 | - 246,544 | - 5,905,817 | - 80,190,949 |
| Transfers And Subsidies | - 8,927,412 | - | - 260,000 | - 6,258,545 | - 15,445,957 |
| Surplus for the year | - 63,203,881 | 63,460,366 | - 2,780,249 | 33,547,973 | 31,024,208 |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand

| | Basic Services | Community Services | Executive and Council | Finance | Total |
|---|--------------------|----------------------|-----------------------|--------------------|----------------------|
| Statement of Financial Position | | | | | |
| Assets | 321,446,890 | 1,061,735,083 | 40,167,398 | 10,988,065 | 1,434,337,437 |
| Current Assets | 184,942,352 | 144,477,585 | 40,166,354 | 98,105,165 | 271,481,126 |
| Cash and cash equivalents | 74,934,143 | 47,535,561 | 27,032,191 | 126,827,957 | 22,673,939 |
| Conditional grants receivables | - | 5,761,684 | - | - | 5,761,684 |
| Consumer debtors - From Exchange Transactions | 2,260,175 | 10,638,856 | 6,676,432 | 29,488,402 | 49,063,865 |
| Consumer debtors - From Non Exchange Transactions | 1,401,857 | - | 51,112 | 79,685,012 | 81,137,981 |
| Inventories | 7,632,680 | 3,272,940 | 600,040 | 43,015,099 | 31,509,439 |
| Receivables from exchange transactions | 113,978,858 | 74,819,675 | 7,006,659 | 123,592,831 | 72,212,360 |
| Receivables from non-exchange transactions | - | 8,994,748 | - | 127,110 | 9,121,858 |
| Non-Current Assets | 136,504,538 | 917,257,498 | 1,044 | 109,093,230 | 1,162,856,310 |
| Eskom security deposit | 18,475,124 | - | - | - | 18,475,124 |
| Heritage assets | - | 463,463 | - | 100 | 463,363 |
| Intangible assets | - | 12,783 | - | 12,783 | 0 |
| Investment property | - | 110,658,598 | - | 10,274,989 | 120,933,587 |
| Property Plant and Equipment | 118,029,413 | 806,148,220 | 1,044 | 98,805,559 | 1,022,984,236 |
| Liabilities | 207,014,984 | 28,644,298 | 3,414,898 | 58,975,644 | 298,049,824 |
| Current Liabilities | 122,753,517 | 26,087,281 | 3,414,898 | 23,154,643 | 175,410,339 |
| Consumer deposits | 5,583,115 | 1,439 | - | 66,303 | 5,518,251 |
| Deferred income | - | 192,983 | - | - | 192,983 |
| Employee benefit obligation | - | - | - | 1,283,000 | 1,283,000 |
| Landfill Site Provision | 9,539,983 | - | - | - | 9,539,983 |
| Payables from exchange transactions | 107,630,419 | 25,126,549 | 3,414,898 | 13,700,024 | 149,871,890 |
| Finance Lease Obligation | - | - | - | 7,636,923 | 7,636,923 |
| Provision for Long Service Leave | - | - | - | 601,000 | 601,000 |
| Unspent conditional grants and receipts | 0 | 766,310 | - | 0 | 766,310 |
| Non - Current Liabilities | 84,261,467 | 2,557,017 | - | 35,821,000 | 122,639,485 |
| Deferred income | - | 2,557,017 | - | 0 | 2,557,018 |
| Employee benefit obligation | - | - | - | 27,611,000 | 27,611,000 |
| Landfill Site Provision | 84,261,467 | - | - | - | 84,261,467 |
| Finance Lease Obligation | - | - | - | - | - |
| Provision for Long Service Leave | - | - | - | 8,210,000 | 8,210,000 |
| Net Assets | 114,431,906 | 1,033,090,785 | 36,752,500 | 47,987,579 | 1,136,287,613 |
| | - | - | - | - | - |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

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51. Public Office Holders Remuneration

All public officers remuneration as at 30 June 2025

| All public officers | Annual Remuneration | Cellphone and Data | Medical Aid | Pension Fund | Skills contribution | Travelling and Car Allowance | Grand Total |
|---------------------|---------------------|--------------------|-------------|--------------|---------------------|------------------------------|-------------|
| Cllr AL Gulube | 198,371 | 43,087 | | 27,945 | 2,762 | 75,439 | 347,603 |
| Cllr AN Limakwe | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |
| Cllr CM Maphopha | 215,724 | 47,004 | | 30,548 | 3,005 | 83,395 | 379,675 |
| Cllr CP Ngobeni | 166,290 | 39,170 | | 24,944 | 2,336 | 66,235 | 298,975 |
| Cllr DJ Ganedi | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |
| Cllr DO Tjiane | 50,135 | 11,751 | | 7,520 | 704 | 19,218 | 89,328 |
| Cllr FK Lehungwane | 215,724 | 47,004 | | 30,548 | 3,011 | 92,181 | 388,467 |
| Cllr GM Segope | 215,724 | 47,004 | | 30,548 | 3,004 | 83,011 | 379,291 |
| Cllr HMC Malapela | 223,530 | 47,004 | | 31,342 | 3,098 | 84,957 | 389,931 |
| Cllr J Letageng | 215,724 | 47,004 | | 30,548 | 3,050 | 82,090 | 378,416 |
| Cllr J Mahlangu | 276,847 | 47,004 | | 39,203 | 3,724 | 107,207 | 473,985 |
| Cllr JP Kotze | 325,599 | 47,004 | | | 4,597 | 110,612 | 487,811 |
| Cllr JS Mogotlana | 276,847 | 47,004 | | 39,203 | 3,728 | 116,114 | 482,896 |
| Cllr JS Thethe | 515,099 | 47,004 | | 74,154 | 6,514 | 199,818 | 842,589 |
| Cllr K Mabelane | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |
| Cllr KW Tlaka | 269,663 | 47,004 | | 38,504 | 3,639 | 107,425 | 466,235 |
| Cllr LS Komane | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |
| Cllr LS Maibelo | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |
| Cllr M Mampana | 52,343 | 12,474 | | 7,396 | 742 | 21,502 | 94,457 |
| Cllr M Msiza | 511,736 | 47,004 | | 72,415 | 6,481 | 194,717 | 832,353 |
| Cllr M Ranala | 316,979 | 47,004 | | | 4,486 | 107,658 | 476,128 |
| Cllr MA Mafiri | 215,724 | 47,004 | | 30,548 | 3,007 | 86,948 | 383,230 |
| Cllr MC Phokwane | 215,724 | 47,004 | | 30,548 | 3,005 | 83,706 | 379,986 |
| Cllr MD Tladi | 681,663 | 47,004 | | 96,527 | 8,477 | 259,397 | 1,093,068 |
| Cllr ME Nduli | 506,642 | 47,004 | | 72,415 | 6,420 | 196,307 | 828,788 |
| Cllr ME Sithole | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |
| Cllr ME Tshehla | 215,724 | 47,004 | | 30,548 | 3,006 | 84,240 | 380,521 |
| Cllr MG Mathabathe | 285,212 | 47,004 | | 40,387 | 3,825 | 115,060 | 491,487 |
| Cllr MG Phetla | 511,736 | 47,004 | | 72,415 | 6,483 | 196,763 | 834,401 |
| Cllr MG Rahlogo | 133,418 | 31,336 | | 20,013 | 1,873 | 53,997 | 240,636 |
| Cllr MK Mokobane | 132,316 | 31,336 | | 19,847 | 1,860 | 50,721 | 236,082 |
| Cllr MM Gededzha | 182,727 | 43,087 | | 27,409 | 2,571 | 76,762 | 332,555 |
| Cllr MNS Oosthuizen | 235,860 | 47,004 | | 10,412 | 3,390 | 82,090 | 378,756 |
| Cllr MP Riza | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |
| Cllr MS Mashilo | 389,798 | 47,004 | | 56,425 | 5,041 | 148,741 | 647,009 |
| Cllr MS Mthimunye | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |
| Cllr MW Ramphisa | 285,212 | 47,004 | | 40,387 | 3,823 | 112,038 | 488,463 |
| Cllr MZ Buta | 276,847 | 47,004 | | 39,203 | 3,729 | 113,596 | 480,379 |
| Cllr NJ Ramongana | 285,212 | 47,004 | | 40,387 | 3,833 | 123,969 | 500,405 |
| Cllr NN Mahlangu | 182,727 | 43,087 | | 27,409 | 2,567 | 72,461 | 328,251 |
| Cllr NP Mohlala | 215,724 | 47,004 | | 30,548 | 3,017 | 98,542 | 394,835 |
| Cllr NS Makuwa | 276,847 | 47,004 | | 39,203 | 3,725 | 110,153 | 476,932 |
| Cllr P Masimula | 276,847 | 47,004 | | 39,203 | 3,726 | 111,399 | 478,179 |
| Cllr PB Magolego | 16,712 | 3,917 | | 2,507 | 235 | 6,406 | 29,776 |
| Cllr PK Tladi | 269,476 | 47,004 | | 38,504 | 3,636 | 106,217 | 464,837 |
| Cllr PT Koka | 16,712 | 3,917 | | 2,507 | 235 | 6,406 | 29,776 |
| Cllr RM Makuwa | 215,724 | 47,004 | | 30,548 | 3,009 | 89,110 | 385,394 |
| Cllr RN Ndlovu | 506,066 | 47,004 | | 71,730 | 6,429 | 211,115 | 842,343 |
| Cllr SB Nkosi | 478,184 | 47,004 | | 69,038 | 6,099 | 207,286 | 807,611 |
| Cllr SC Mmotla | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |
| Cllr SD Morare | 255,096 | 47,004 | | 36,409 | 3,470 | 104,267 | 446,245 |
| Cllr SH Mmaboko | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |

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| All public officers | Annual Remuneration | Cellphone and Data | Medical Aid | Pension Fund | Skills contribution | Travelling and Car Allowance | Grand Total |
|----------------------|---------------------|--------------------|--------------|------------------|---------------------|------------------------------|-------------------|
| Cllr SH Radigwana | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |
| Cllr SM Malapela | 215,724 | 47,004 | | 30,548 | 3,007 | 86,765 | 383,048 |
| Cllr ST Matsomane | 215,724 | 47,004 | | 30,548 | 3,006 | 84,194 | 380,475 |
| Cllr SW Ratlou | 99,000 | 11,751 | | 14,850 | 1,275 | 37,950 | 164,825 |
| Cllr SZ Ngwenya | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |
| Cllr TA Machipa | 269,058 | 47,004 | | 27,892 | 3,429 | 85,153 | 432,537 |
| Cllr TA Phorothhoe | 276,847 | 47,004 | | 39,203 | 3,727 | 112,218 | 479,000 |
| Cllr TC Sithole | 276,847 | 47,004 | | 39,203 | 3,722 | 105,350 | 472,126 |
| Cllr TM Phahlamohlak | 15,729 | 3,917 | 6,169 | 2,359 | 302 | 9,382 | 37,858 |
| Cllr TP Kgagara | 215,724 | 47,004 | | 30,548 | 3,015 | 96,563 | 392,853 |
| Cllr TS Malau | 215,724 | 47,004 | | 30,548 | 3,006 | 85,406 | 381,688 |
| Cllr TS Mathabathe | 215,724 | 47,004 | | 30,548 | 3,004 | 82,090 | 378,370 |
| Cllr VM Sithole | 215,724 | 47,004 | | 30,548 | 3,006 | 84,940 | 381,222 |
| Cllr W De Beer | 215,724 | 47,004 | | 30,548 | 3,050 | 82,090 | 378,416 |
| Cllr YMT Malope | 112,686 | 26,033 | | 15,040 | 1,590 | 45,932 | 201,280 |
| Grand Total | 16,459,188 | 2,843,079 | 6,169 | 2,218,854 | 222,559 | 6,442,389 | 28,192,223 |

All public officers remuneration as at 30 June 2024.

| All Office Bearers | Annual Remuneration | Cell phone and Data | Medical aid | Pension Funds | Skills contribution | Travelling and Car Allowance | Grand Total |
|----------------------|---------------------|---------------------|-------------|---------------|---------------------|------------------------------|-------------|
| Crll J Kotze | 299,884 | 47,004 | | | 4,470 | 99,962 | 451,320 |
| Crll T Phorothhoe | 253,119 | 47,004 | | 37,736 | 3,616 | 100,137 | 441,612 |
| Crll T Machipa | 475,264 | 47,004 | | 61,867 | 6,384 | 199,345 | 789,864 |
| Crll P Masimula | 253,119 | 47,004 | | 37,736 | 3,620 | 106,398 | 447,877 |
| Crll J Mahlangu | 253,119 | 47,004 | | 37,736 | 3,623 | 107,910 | 449,392 |
| Crll M Msiza | 664,674 | 94,008 | | 99,098 | 9,160 | 260,613 | 1,127,553 |
| Crll H Makunyane | 311,625 | 31,336 | | 46,321 | 4,248 | 126,222 | 519,752 |
| Crll M Mashilo | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll W Oosthuizen | 226,821 | 47,004 | | | 3,510 | 75,607 | 352,942 |
| Crll V Sithole | 204,632 | 47,004 | | 22,189 | 3,089 | 80,519 | 357,433 |
| Crll G Matjomane | 417,056 | 44,352 | 27,373 | 62,375 | 5,973 | 200,557 | 757,686 |
| Crll S Ngwenya | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll R Ndlovu | 453,725 | 47,004 | | 67,643 | 6,079 | 210,176 | 784,627 |
| Crll T Phahlamohlaka | 191,704 | 47,004 | 71,177 | 28,656 | 3,838 | 101,826 | 444,205 |
| Crll M Tladi | 623,251 | 47,004 | | 92,917 | 8,122 | 238,913 | 1,010,207 |
| Crll M Ramphisa | 260,769 | 47,004 | | 38,877 | 3,711 | 104,883 | 455,244 |
| Crll S Matsomane | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll A Gulube | 197,235 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,185 |
| Crll D Mashego | 458,279 | 44,352 | 13,787 | 68,519 | 6,279 | 191,508 | 782,724 |
| Crll M Phetla | 467,438 | 47,004 | | 69,693 | 6,222 | 179,184 | 769,541 |
| Crll M Mathabathe | 260,769 | 47,004 | | 38,877 | 3,711 | 103,892 | 454,253 |
| Crll M Mampana | 197,236 | 47,004 | | 29,405 | 2,936 | 78,465 | 355,046 |
| Crll J Letageng | 197,236 | 47,004 | | 29,405 | 2,978 | 75,607 | 352,230 |
| Crll S Radigwana | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll T Sithole | 253,119 | 47,004 | | 37,736 | 3,617 | 101,425 | 442,901 |
| Crll S Mmaboko | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll P Koka | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll L Maibelo | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll S Malapela | 197,236 | 47,004 | | 29,405 | 2,935 | 77,061 | 353,641 |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

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| | | | | | | | |
|--------------------|-------------------|------------------|----------------|------------------|----------------|------------------|-------------------|
| Crll H Malapela | 260,769 | 47,004 | | 38,877 | 3,710 | 104,534 | 454,894 |
| Crll G Segope | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll M Nduli | 324,559 | 47,004 | | 48,452 | 4,451 | 125,910 | 550,376 |
| Crllr W De Beer | 197,236 | 47,004 | | 29,405 | 2,978 | 75,607 | 352,230 |
| Crll P Tladi | 197,236 | 47,004 | | 29,405 | 2,936 | 78,880 | 355,461 |
| Crll M Phokwane | 197,236 | 47,004 | | 29,405 | 2,938 | 82,550 | 359,133 |
| Crll K Tlaka | 197,236 | 47,004 | | 29,405 | 2,938 | 83,537 | 360,120 |
| Crll N Makuwa | 253,119 | 47,004 | | 37,736 | 3,624 | 111,462 | 452,945 |
| Crll M Sithole | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll A Limakwe | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll K Mabelane | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll S Mmotta | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll L Komane | 197,236 | 47,004 | | 29,405 | 2,938 | 81,416 | 357,999 |
| Crll T Malau | 197,236 | 47,004 | | 29,405 | 2,938 | 81,906 | 358,489 |
| Crll N Mohlala | 197,236 | 47,004 | | 29,405 | 2,938 | 84,078 | 360,661 |
| Crll M Tshehla | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll N Ramongana | 260,769 | 47,004 | | 38,877 | 3,722 | 120,351 | 470,723 |
| Crll C Maphopha | 197,236 | 47,004 | | 29,405 | 2,935 | 77,358 | 353,938 |
| Crll R Makuwa | 197,236 | 47,004 | | 29,405 | 2,935 | 77,728 | 354,308 |
| Crll S Nkosi | 197,236 | 47,004 | | 29,405 | 2,940 | 84,912 | 361,497 |
| Crll M Mafiri | 197,236 | 47,004 | | 29,405 | 2,935 | 79,912 | 356,492 |
| Crll M Buta | 253,119 | 47,004 | | 37,736 | 3,624 | 110,728 | 452,211 |
| Crll T Kgagara | 197,236 | 47,004 | | 29,405 | 2,945 | 92,502 | 369,092 |
| Crll J Thethe | 253,119 | 47,004 | | 37,736 | 3,622 | 107,872 | 449,353 |
| Crll F Lehungwane | 197,236 | 47,004 | | 29,405 | 2,934 | 78,119 | 354,698 |
| Crll T Mathabathe | 197,236 | 47,004 | | 29,405 | 2,934 | 76,938 | 353,517 |
| Crll S Morare | 197,236 | 47,004 | | 29,405 | 2,934 | 76,323 | 352,902 |
| Crll J Mogotlana | 253,119 | 47,004 | | 37,736 | 3,618 | 102,337 | 443,814 |
| Crll M Mthimunye | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll D Genedi | 197,236 | 47,004 | | 29,405 | 2,934 | 75,607 | 352,186 |
| Crll M Ranala | 226,821 | 47,004 | | | 3,510 | 75,607 | 352,942 |
| Crll S Ratlou | 79,716 | 15,668 | | 11,957 | 1,089 | 30,558 | 138,988 |
| Grand Total | 15,199,500 | 2,861,940 | 112,337 | 2,136,853 | 220,131 | 6,131,047 | 26,661,808 |

52. Depreciation and amortisation

| | | |
|------------------------------|-------------------|-------------------|
| Property Plant and Equipment | 58,775,286 | 54,828,770 |
| Intangible assets | - | 6,400 |
| | 58,775,286 | 54,835,170 |

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

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53. Public contributions and donations

| | | |
|-------------------------|------------------|-------------------|
| Roads Agency Limpopo | - | 37,547,850 |
| Sekhukhune TVET College | 7,676,250 | - |
| Provincial government | - | 19,595 |
| | 7,676,250 | 37,567,445 |

During the 2025 financial year, 45 trading stalls and ablution facilities were received as a donation from Sekhukhune TVET College to the amount of R7 676 250. These are situated at portion 51 (A portion 31) of farm Klipbank 36 in Acquaville.

During 2024 year computer equipment was received as a donation from provincial government for R19 595.

During the 2024 financial year the municipality received donations in kind from the Roads Agency Limpopo in relation to repairs and maintenance of roads that belonged to the municipality for the value of R37,547,850.

2024 Public contributions line item is now renamed to Provincial Government for 19 595

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

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54. Repairs and maintenance

| | | |
|-------------------------|------------|------------|
| Repairs and maintenance | 42,095,296 | 80,190,949 |
|-------------------------|------------|------------|

For 2025 there are no donations in kind relating to repairs and maintenance.

During the 2024 year, the municipality received donations in kind from the Roads Agency Limpopo in relation to repairs and maintenance of roads that belonged to the municipality for the value of R37,547,850 included in the R80,190,949

55. Statutory receivables

Statutory receivables arise from legislation, supporting regulations, or similar means, and require settlement in cash or another financial asset. The municipality recognizes statutory receivables when enforceable claims arise, inflows are probable, and amounts are measurable reliably. They are initially measured at transaction amounts determined by relevant legislation, excluding time value of money. Subsequent measurement is at cost, adjusted for impairments based on expected credit losses.

The following classes of statutory receivables are recognized: VAT receivable, property rates, and traffic fines.

VAT Receivable: Arises from the Value-Added Tax Act 89 of 1991, representing net refunds due from SARS after cash settlements (payments to suppliers for input VAT, receipts from customers for output VAT). Transaction amount is net output less input per tax periods, calculated based on invoices and declarations. No interest levied.

Property Rates: Arises from the Local Government: Municipal Property Rates Act 6 of 2004, levied on property owners based on assessed market values. Transaction amount is determined by approved tariffs and valuations in the general valuation roll, with rebates/discounts applied per policy. Interest may be charged on overdue amounts at rates per municipal credit control policy.

Traffic Fines: Arises from the National Road Traffic Act 93 of 1996 and AARTO Act 46 of 1998, imposed for violations. Transaction amount is fixed penalties per schedules.

Impairment Basis: Impairments are assessed annually using a provision matrix based on historical collection rates, aging.

For details to the account balances below, please refer to the notes for 10 VAT receivable, 11 Traffic fines and 12 Property rates.

| | | |
|---------------------------------------|--------------------|-------------------|
| VAT receivable from SARS (Cash basis) | - | 1,316,569 |
| Traffic fines | 23,409,254 | 8,994,747 |
| Property Rates | 92,668,004 | 81,137,981 |
| | 116,077,258 | 91,449,297 |

56. Conditional grants receivables

Spending in progress at statement of financial position date

| | | |
|-----------------|-----------|-----------|
| MIG receivables | 3,239,443 | 5,761,684 |
|-----------------|-----------|-----------|

In 2024 financial year, the municipality omitted to recognise the MIG grant receivable (debtor). This resulted in understatement of debtors (statutory receivables) and understatement of revenue from grants for R5, 761 684.45. In 2025 financial year, an amount of R3 239 443.23 for 2026 financial year was utilised and statutory receivable was raised.