



# **GREATER GIYANI MUNICIPALITY ANNUAL REPORT 2024-25**

**Taking the lead in service delivery**

**Vision: “A Municipality where environmental sustainability, tourism and agriculture, and mineral resources thrive for economic growth”**

**Mission: A democratic and accountable municipality that ensures the provision of services through sound environmental management practices, local economic development and community participation**

Shawela upgrading from gravel to paving



Mavalani Indoor Sports Centre



| No | ITEM                |   | PAGE                           |
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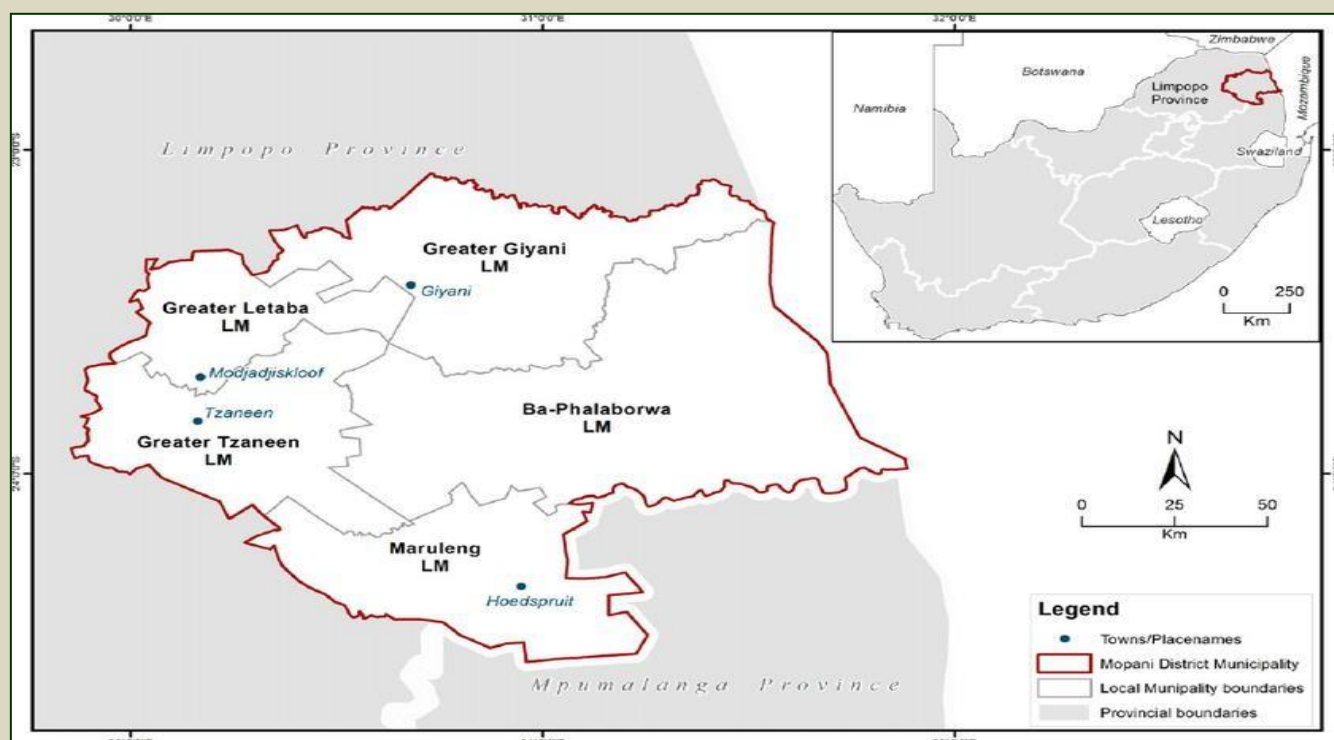
## TABLE OF ACRONYMS

|               |   |
|---------------|---|
| <b>AG</b>     | <b>Auditor-General</b>                            |
| <b>GGM</b>    | Greater Giyani Municipality                       |
| <b>MDM</b>    | Mopani District Municipality                      |
| <b>COMM</b>   | Communications Division                           |
| <b>CWP</b>    | Community Works Programme                         |
| <b>DMP</b>    | Disaster Management Plan                          |
| <b>DoE</b>    | Department of Energy                              |
| <b>DoHS</b>   | Department of Human Settlement                    |
| <b>Strats</b> | Strategic Planning and Local Economic Development |
| <b>EMP</b>    | Environmental Management Plan                     |
| <b>EPWP</b>   | Expanded Public Works Programme                   |
| <b>FBW</b>    | Free Basic Water                                  |
| <b>FY</b>     | Financial Year                                    |
| <b>IDP</b>    | Integrated Development Plan                       |
| <b>IGR</b>    | Intergovernmental Relation                        |
| <b>LED</b>    | Local Economic Development                        |
| <b>MFMA</b>   | Municipal Finance Management Act, No, 56 of 2003  |
| <b>MIG</b>    | Municipal Infrastructure Grant                    |
| <b>MM</b>     | Municipal Manager                                 |
| <b>MPAC</b>   | Municipal Public Account Committee                |
| <b>MSIG</b>   | Municipal Systems Improvement Grant               |
| <b>MW</b>     | Municipal Wide                                    |
| <b>N/A</b>    | Not applicable                                    |
| <b>SLA</b>    | Service Level Agreement                           |
| <b>PIA</b>    | Project Implementing Agent                        |
| <b>PMS</b>    | Performance Management System                     |
| <b>PMU</b>    | Project Management Unit                           |
| <b>SCM</b>    | Supply Chain Management                           |
| <b>SLP</b>    | Social and Labour Plan                            |
| <b>SDBIP</b>  | Service Delivery and Budget Implementation Plan   |

| GENERAL INFORMATION  |  |
|----------------------|--|
| NAME OF ORGANIZATION | GREATER GIYANI MUNICIPALITY              |
| TYPE OF ORGANIZATION | LOCAL GOVERNMENT/MUNICIPALITY CATEGORY B |
| PROVINCE             | LIMPOPO                                  |
| DISTRICT             | MOPANI                                   |

|   |  |
|---|--|
| <b>REGISTERED ADDRESS</b>                   | <b>CIVIC CENTRE<br/>GIYANI MAIN<br/>ROADGIYANI<br/>0826</b>            |
| <b>POSTALADDRESS</b>                        | PRIVATE BAG X<br>9559GIYANI<br>0826                                    |
| <b>TELEPHONE</b>                            | 015 811 5500   |
| <b>FAX</b>                                  | 015 812 2068   |
| <b>EMAIL</b>                                | INFO@GREATERGIYANI.GO<br>V.ZA  |
| <b>WEBSITE</b>                              | <a href="http://www.greatergiyani.gov.za">www.greatergiyani.gov.za</a> |
| <b>BANKERS</b>                              | ABSA BANK LIMITED  |
| <b>AUDITORS</b>                             | AUDITOR-GENERAL OF<br>SOUTHAFRICA                                      |
| <b>MAYOR</b>                                | CLR ZITHA T  |
| <b>ACCOUNTING OFFICER MUNICIPAL MANAGER</b> | KHOZA VD   |

## LOCATIONAL MAP



## Chapter One: Mayor's Foreword and Executive Summary



The Greater Giyani Municipality hereby, in terms of section 127 subsection 2 of the MFMA Act no 56 of 2003. Presented to council the Annual Report 2024/2025 which outlines achievements and challenges for the year under review.

Greater Giyani is a municipality where environmental sustainability, tourism, agriculture, and mineral resources thrives for economic growth.

As municipality, we are committed to continuously search for mechanism to identify priorities and problems in the quest for efficient and effective alternatives towards maximum and sustainable fulfilment of our mandate as enshrined in the Constitution of the Republic of South Africa. The mandates as highlighted in Section 152 (objects of local government):

- Provision of democratic and accountable government for our communities
- Provision of basic services in a sustainable manner
- Promotion of social and economic development
- Promotion of safe and healthy environment
- Encourage the involvement of communities in matters of local government
- Involvement of communities and community organizations in matters of local government.

The municipality also engaged in a strategic planning session which took place in Sasavona Game Lodge during the second quarter of the financial year. This exercise is part of the IDP review processes which look into the current vision, mission, and strategic objectives of the municipality. This process is also guided by:

- The need to set out the core principles, mechanisms and processes that give meaning to development and to empower the municipality to move progressively towards social and economic upliftment of communities and the provision of basic services to all communities.
- The democratic operative for local government to actively involve and engage communities.

The review process which facilitates planning and delivery, also informs decisions on issues that include budgeting, local economic development, and institutional transformation. This process was done in a consultative, systematic and strategic manner. The IDP processes also guided all the activities during the integration phase regarding all projects from other spheres of government, corporate service providers, NGOs, and the private sector institutions.

Furthermore, the municipality has developed and reviewed its policies in the 2024/25 financial year to align with new legislations.

Greater Giyani Municipality has complied with all the phases of the IDP in line with the adopted process plan. We engaged communities in the form of clusters which has been adopted by the municipality. The municipality also consulted widely, key stakeholders and the private sector organizations, religious organizations, instruments of traditional leadership etc. This process has assisted the municipality in the compilation of the basket of developmental issues which remain endowed to our communities.

These developmental issues range from electricity, roads, water, sanitation, housing, access to health facilities, sporting amenities, crime, unemployment etc. The consultative processes are also informed by the National Development Plan (NDP) 2030 with its central focus on the Reducing of poverty and unemployment.

This is supported by the Local Government, Municipal System Act no 32 of 2000 which stipulate that the municipality must undertake developmental oriented planning so that to ensure that it, (a) strives to achieve the objectives of local government as set out in in section 152 of the constitution. (b) to give effect to its developmental duties as required by section 152 of the constitution.

The municipality, in line with the legislated imperatives has developed an annual report which gives account to municipal performance in terms of its own set pre-determined objectives which set target that need to be achieved at the end of that financial year. The annual report also indicates challenges for the targets not achieved and the reasons for non-achievement.

These are some of the achievements for the year under review:

- Hlomela Upgrading from gravel to paving for 2.6 km
- Shawela Upgrading from gravel to paving for 3.6 km
- Mavalani Indoor Sport Centre
- Electrification of 223 units at Mageva Village
- Electrification of 100 units at Matsotsosela Village
- Electrification of 100 units at Loloka Village
- Electrification of 100 units at Mahlathi Village
- Electrification of 100 units at Xikukwani Village
- Electrification of 150 units at Munghonghoma Village
- Digging of holes for 154 energy saving streetlights at Giyani section A, C, CBD, D1, D2, E and F
- Installation of 4 high mast lights



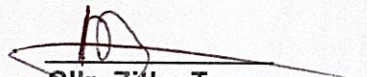
These are just the highlight of some of the projects which were achieved in the financial year under review. There were many projects which are implemented in a multiyear set up and projects that are undertaken by the sector departments.

Some of the projects which experienced challenges during the year under review include and amongst others; Waste Disposal Site.

The municipality will continue improving the lives of the people of Giyani by amongst others electrifying the following communities (Xikukwani, Risinga View and Nhambhi Villages)

It will further install energy saving streetlights, construct market stalls, refurbish Mageva Sports Centre and Giyani Stadium. Furthermore, the municipality will upgrade roads at Khakhala, Babangu and N'wa-Mankena, from gravel to paving.

We want to urge all Greater Giyani residents, stakeholders, NGOs, and the private sector institutions to maximumly participate in community IDP consultative meetings to assist the municipality to plan better for the realisation of its predetermined objectives.

  
**Cllr. Zitha T**  
**Mayor**

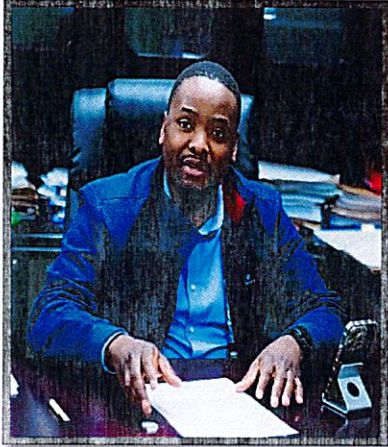
29/01/2026  
**Date**



## Chapter One: Overview by the Municipal Manager

### Component B: Executive Summary

#### 1.1 Overview by the Municipal Manager



Greater Giyani Municipality is an organization that derives its pride on environmental sustainability, tourism, mining and agriculture for economic growth. The 2024/25 Financial Year came with a lot of hard work from the municipal workforce and the collective commitments which resulted in significant achievement recorded in the period under reporting. The Municipality has been able to improve the lives of the Greater Giyani communities through infrastructure development such as electricity connections, paved roads, building of community halls, a sport centre, the provision of energy saving streetlights. These will assist in reduction of crime, encourage social cohesion, and facilitate economic development within the affected communities.

The municipality has also managed to assist SMME's financially and by exposing them to various markets where their products were showcased to larger audiences. The markets include Rand Easter Show, Durban Indaba, Marula Festival, and pop-up markets. The overall performance of the municipality has improved from 80% in the 2023/24 financial year to 81% in the current year. It is highly encouraging that our core business department, Basic Service Delivery, and Infrastructure Development, was able to achieve 87% on the planned targets which is an improvement compared to the 73% achieved in the 2023/24 financial year. Local Economic Development achieved 100% on the LED targets. Our bid specification, evaluation and adjudication committees sit regularly to ensure timeous appointment of service providers, regardless of the overwhelming number of bids we attract. However, high vacancy rate is a challenge due to limited financial resources and high personnel turnover. We also developed policies that guided the municipality's day to day functions and the policies are reviewed at least once per year.

In conclusion, the municipality has received an Unqualified Audit opinion for the fourth consecutive time, with notable improvements, including no material findings. We aim to build on this momentum to achieve a clean audit. Our recent audit report shows significant improvements, and we have devised strategies to ensure a successful audit process. We appreciate your continued support as we work towards achieving our goals. Furthermore, the Municipality made improvements on its project expenditure by increasing spending of MIG and INEG to 100% in 2024/25 financial year and therefore realise its objectives.

Khoza VD  
Municipal Manager

29/01/2026  
Date



## Municipal Functions, Population, Environmental, Service Delivery, Financial Health, Organizational Development Overview and Auditor General Report

### 1.2.1 Municipal Functions

|                                   | Responsible Department                            | Definition  |
|-----------------------------------|---|---|
| <b>Municipal Planning</b>         | Strategic Planning & LED                          | Development of the integrated development plan in terms of the municipal Systems Act, 32 of 2000.   |
| <b>Local Tourism</b>              | Strategic Planning & LED                          | The promotion, marketing and, if applicable, the development of any tourism attraction within the area of the municipality with a view to attract Tourist; to ensure access, and municipal services to such attraction, and to regulate structure and control                 |
| <b>Markets</b>                    | Community Services and Strategic planning and LED | The establishment, operations, management, conduct, regulations and / or control of markets other than fresh produce markets including market permits, location, times, conduct, etc.   |
| <b>Trading Regulations</b>        | Strategic Planning & LED                          | To regulate of any facility and /or activity related to the trading of goods and services within the municipal area not already regulated by National and provincial legislation  |
| <b>Municipal Parks</b>            | Technical Services and Community Services         | The provision, management, control and maintenance of any land, garden or facility set aside for recreation, sightseeing and / or tourism and including playground, but exclude sport facilities.   |
| <b>Open places</b>                | Community Services                                | The management, maintenance, and control of any or facility owned by the municipality for public use.   |
| <b>Noise pollution</b>            | Community Services                                | The control and monitoring of noise that adversely affects the well-being of human health or the eco-system that is useful to maintain, now or in the future.   |
| <b>Control of public nuisance</b> | Community Services                                | The regulation, control and monitoring of any facility or activity.   |
| <b>Municipal Airport</b>          | Technical Services                                | A demarcation area on land or water or a building which is used or intended to be used, either completely or in part, for the arrival or departure of aircraft which includes the establishment and maintenance of such a facility, including all infrastructure and services |
| <b>Municipal Public Transport</b> | Technical Services                                | The regulation and control and where applicable, the provision of services for the carriage of passengers, whether scheduled, operated on demand along a specific route or routes or, where applicable, within a particular area.   |
| <b>Storm Water drainage</b>       | Technical Services                                | The Management Systems to deal with storm water in building-up areas.   |

|                                       |                    |  |
|---------------------------------------|--------------------|--|
| <b>Portable Water</b>                 | Technical Services | The establishment, operation, management, and regulation of a potable water supply system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation, and distribution; bulk supply to local supply. |
| <b>Sanitation District function</b>   | Technical Services | The establishment, operation, management and maintenance and regulation of a system, including infrastructure, for the collection of human excreta and domestic wastewater to ensure minimum standard of service.  |
| <b>Refuse Removals, refuse dumps,</b> | Community Services | Removal of any household or other waste and the disposal of such waste in an area, space or facility established for such purpose, and include the provision, maintenance and control  |

|  |                    |   |
|--|--------------------|---|
| <b>solid waste disposable</b>  |                    | of any infrastructure or facility to ensure a clean and healthy environment.  |
| <b>Street Trading</b>  | Community Services | The control, regulation, and monitoring of the selling of goods and services along a public pavement or road reserve.   |
| <b>Billboards and the display of advertisements in public places</b> | LED                | The display of written or descriptive material, any sign or symbol or light that is not intended solely for illumination or as a warning against danger which: promotes the sale and / or encourages the used of goods and services found on the streets.                 |
| <b>Amusement facilities/ beaches</b>                                 | Community Services | A public place for entertainment. The area for recreational opportunities and facilities along the seashore available for public use and any other aspect in this regard which falls outside the competency of the National and provincial government.                    |
| <b>Cemeteries, Funeral Parlor, and crematoria</b>                    | Community Services | The establishment, conduct, control facilities for the purpose of disposing of human and animal remains   |
| <b>Municipal Roads</b>   | Technical Services | The construction, maintenance, and control of all public roads  |
| <b>Street Lighting</b>   | Technical Service  | The provision and maintenance of lighting for the illumination of streets.  |
| <b>Local Amenities</b>   | Technical services | The provision, management, preservation and maintenance of any municipal place, land and building reserved for the protection of places or objects of scenic, natural, historical, and cultural value or interest and the provision and control of any of such amenities. |
| <b>Traffic and parking</b>   | Community Services | The management and regulation of traffic and parking within the area of the municipality including but not limited to the control over the operating speed of vehicles on municipal roads.  |
| <b>Municipal Public works</b>  | Technical Services | Any supporting infrastructure or services to empower a municipality to perform its functions  |

|                             |                    |   |
|-----------------------------|--------------------|---|
| <b>Building regulations</b> | Technical Services | The regulation, through by-laws, of any temporary or permanent structure attached to, or to be attached to, the soil within the area of Jurisdiction of a municipality, which must at least provide for approval of building plans, building inspections. |
|-----------------------------|--------------------|---|

### 1.2.2 Population

According to SATSSA of 2022 census, the total population of Greater Giyani is 316, 841 with a total number of households of 79 735. This is a significant increase since the last full-blown census's that was last conducted in 2011 which was 242 311 population and 63 900 households. Greater Giyani now is the second biggest municipality in the Mopani District after Greater Tzaneen. These figures are as a result of the current population growth rate which has also increased to 2,6% per annum as compared to 0,4% growth rate in 2011. The table below shows population per ward information.

Population per ward

| Ward | Black African | Coloured | Indian or Asian | White | Other | Total |
|------|---------------|----------|-----------------|-------|-------|-------|
| 1    | 8690          | 11       | 15              | 6     | 4     | 8726  |
| 2    | 6338          | 9        | 6               | 6     | 3     | 6362  |
| 3    | 10201         | 15       | 26              | 3     | 6     | 10251 |
| 4    | 9653          | 8        | 26              | 2     | 1     | 9690  |
| 5    | 10412         | 25       | 6               | 11    | -     | 10454 |
| 6    | 8628          | 5        | 6               | 6     | 4     | 8649  |
| 7    | 10642         | 8        | 5               | 1     | 3     | 10659 |
| 8    | 8712          | 3        | 6               | 2     | 10    | 8733  |
| 9    | 11907         | 12       | 16              | 6     | -     | 11941 |
| 10   | 8442          | 10       | 11              | 17    | -     | 8480  |
| 11   | 9068          | 14       | 1488            | 23    | 164   | 10757 |
| 12   | 15694         | 56       | 299             | 24    | 13    | 16086 |
| 13   | 20157         | 44       | 32              | 37    | 56    | 20326 |
| 14   | 11811         | 22       | 11              | 1     | 10    | 11855 |
| 15   | 8624          | 6        | 15              | 6     | 14    | 8665  |
| 16   | 8650          | 9        | 6               | 2     | -     | 8667  |
| 17   | 10202         | 9        | 1               | 6     | 1     | 10219 |
| 18   | 9836          | 18       | 7               | 15    | 7     | 9883  |
| 19   | 8936          | 24       | 10              | 8     | 5     | 8983  |
| 20   | 9548          | 8        | 11              | 1     | 1     | 9569  |
| 21   | 8886          | 8        | 706             | 141   | 11    | 9752  |
| 22   | 7378          | 11       | 1               | 1     | -     | 7391  |
| 23   | 8855          | 7        | 12              | 20    | -     | 8894  |
| 24   | 12475         | 17       | 16              | 11    | 5     | 12524 |
| 25   | 12259         | 16       | 1               | 7     | -     | 12283 |
| 26   | 6736          | 9        | 6               | 2     | 1     | 6754  |
| 27   | 8874          | 32       | 19              | 7     | 3     | 8935  |
| 28   | 14517         | 15       | 17              | 18    | 16    | 14583 |
| 29   | 10282         | 7        | 31              | 7     | -     | 10327 |
| 30   | 9922          | 16       | 1               | 16    | 10    | 9965  |
| 31   | 6468          | 4        | 5               | 2     | -     | 6479  |
|      |               |          |                 |       |       |       |



### **1.2.3 Environmental Overview**

The Greater Giyani Municipality adheres to the provision of the National Environmental Management Act to prevent pollution and ecological degradation and ensure sustainable development. The municipality vision also makes specific reference to environmental sustainability as the core of our business.

Section 152 of the Constitution also prescribes to municipalities that they must ensure that communities live in a safe and healthy environment. Our environment is characterized by different environmental factors e.g., Climate, geomorphology, terrain, and soil suitability.

There are some environmental challenges that the municipality is having which need strong intervention from all stakeholders e.g., illegal dumping, deforestation, overstocking, veld fires and water pollution. These environmental challenges have serious impacts in terms of sound environmental management practices that will ensure environmental sustainability as enshrined in our vision. GGM is currently implementing various projects that are in line with sustainable development to prevent global warming.

### **1.3 Service Delivery Overview**

The Greater Giyani municipality is required to deliver necessary basic services to its populace as specified in section 52 of the constitution of the Republic of South Africa of 1996, which is the object of local government. The municipality has managed to execute the mandate by delivering services to the community of Giyani. For the year under review the municipality met the target on MIG projects within SDBIP. However, the completion was at the planned targets not final completion since the projects are

Multi- Year Projects. The municipality is working hard to ensure that extra high mastlights are provided to communities where there is high crime rate to fight crime. Gravel Roads were upgraded to paving and Culvert bridges were also refurbished. The following are the list of projects and expenditure completed in the 2024/25 financial year:

| Project name  | Expenditure    |
|---|----------------|
| Construction of subbase layer for 4.8 km Upgrading of internal streets at Nwa- Mankena  | R33 549 032.60 |
| 3.6km upgrading from gravel to paving at Shawela  | R27 995 799.40 |
| 2.6 km Upgrading from gravel to paving at Hlomela   | R23 281 267.21 |
| Construction of Waste Disposal Site   | R6 988 015.25  |
| Electrification of 100 units at Loloka Village  | R2 033 500.00  |
| Electrification of 310 units at Mageva Village  | R6 303 849.99  |
| Electrification of 100 units at Mahlathi Village  | R2 033 500.00  |
| Electrification of 100 units at Matsotsela Village  | R2 033 500.00  |
| Electrification of 100 units at Xikukwani Village   | R2 033 500.00  |
| Electrification of 150 units at Mnghonghoma Village   | R3 053 250.00  |
| Installation of 4 high mast at Giyani Section A and C   | R2 199 559.00  |
| Digging of holes and planting of poles for 154 energy saving streetlights phase 3 at Giyani section A, C, CBD, D1, D2, E and F. | R11 447 368.00 |

#### 1.4 Financial Health Overview

Greater Giyani Municipality continues to maintain a healthy financial position and the year under review was no exception. The municipality was able to maintain a positive bank balance (R269,8 million at year-end) throughout the whole financial year with its current ratio sitting at a ratio of 2.59 at year-end. The municipality remains financially viable and a going concern, the municipality has developed a Revenue Enhancement Strategy to improve its revenue collection and revenue base with the aim of using such financial resources to sustain service delivery. The strategy aims to address the revenue collection challenges the municipality is currently facing.

The municipality plans to target customers who can afford to pay for services in implementing its credit control policies with the aim of improving the debtors' collection ratio. The municipality continues to implement its Cost Containment Policy to ensure that spending is kept within the required norms as prescribed by National Treasury. The continuous implementation of the Revenue Enhancement Strategy and Cost Containment Policy assist the municipality to main the positive bank balance. The municipality continues to spend the Municipal Infrastructure Grant (MIG) and Integrated National Electrification Grant (INEG) to accelerate service delivery and ultimately improve the standard of living within the communities of Giyani. The municipality spent 100% (MIG) and 100% (INEG) in the 2023/24 financial year, the municipality

managed to maintain its spending in the 2024/25 financial year spending 100% in MIG and 100% in INEG.

## **1.5 Organizational Development Overview**

The Municipality approved its Organizational Structure, and the structure is aligned with the IDP and the powers and functions to be conducted by the municipality, however there is a high vacancy rate of 39.4% and 61.6% of the positions have been filled (231 positions were vacant and 355 positions were filled). Most of the vacancies were not funded, however 25 positions were budgeted for 2024/25 financial year. The municipality is in the process of reviewing its organizational structure to make sure that the structure is realistic to the financial resources of the municipality and that critical positions are funded. The organizational structure was reviewed with the 2024/25 IDP.

## **1.6 Auditor General Report**

Legislation mandates that upon closure of the financial year the municipality must prepare Annual Performance Report in terms of section 46 of the MSA and Annual Financial statements in terms of section 122 of the MFMA and submit to the Auditor General of South Africa for auditing. For Financial year 2024/25 the Municipality prepared and submitted the Annual Financial Statement and Annual Performance Report to the Auditor General of South Africa and the Municipality obtain Unqualified Audit Opinion.

### Component A: Political and Administrative Governance

#### 2.1 Political Governance (Public Participation)

Greater Giyani Council constitutes of 62 Councilors of which 40 are males and 22 are females, 31 Ward councilors and 31 Proportional Representatives. It is comprised of 7 full time councilors that are the Mayor, the Chief whip, the Speaker, MPAC Chairperson, Head of Infrastructure Development, Head of Budget, and Treasury and Head of Corporate and Shared Services. Ward councilors represents communities inwards they are voted in ensuring that service delivery is brought to the people. Proportional Representative play political roles in wards they are deployed together with respective ward councilors. Ward councilors and Proportional Representative Councilors both form council committees. They all attend quarterly arranged council meetings and monthly portfolio committee meetings and special meetings if arranged. The Municipality had 310 ward committee members.

## **Political decision taking**

Political decisions are taken from the submissions of portfolio committee based on administration report generated by management led by the accounting officer. The municipality consist of six directorates namely, Office of the Municipal Manager; Community Services; Technical Services; Corporate Services; Budget and Treasury and Planning and Economic Development. Each of the six directorates is linked to portfolio committees which are chaired by councilors. Community Services Directorate is linked with Health & Social Development Portfolio Committee, Sports Recreation Arts & Culture and part of Public Transport and Roads.

Technical Services Directorate is linked with Water, Sanitation and Energy Portfolio Committee, Infrastructure Development Portfolio Committee and Public Transport and Roads. Corporate Services Directorate is linked with Portfolio Committee of Corporate and Shared Services. Budget and Treasury Directorate is linked with Finance Portfolio Committee. Planning and Economic Development directorate is linked with Portfolio Committee of Planning and Economic Development. All reports of portfolio committees originate from administration and after the portfolio committee has interrogated the report, such reports are recommended to Executive committee which with delegated powers the Executive Committee took decisions and other matters are referred to council as the council is the highest decision-making body. The council appointed the Audit Committee which assist, advice and alerting the municipality on issues of compliance. The council established the MPAC committee which plays an oversight role on the functions of council as well as compliance to all applicable legislations. The MPAC is comprised of 8 councilors namely: Cllr Makondo Risimati Eric (Chairperson), Cllr Chaka Thomas Patrick, Cllr Maluleke Msisinyane Respect, Cllr Maswanganyi Nxalati Nyanisi, Cllr Sambo Sharon, Cllr Mahasha Elia, Cllr Ngobenzi Katekani Lawrance and Cllr Mhangwani Soyaphi Mackson.



## Political Management Team

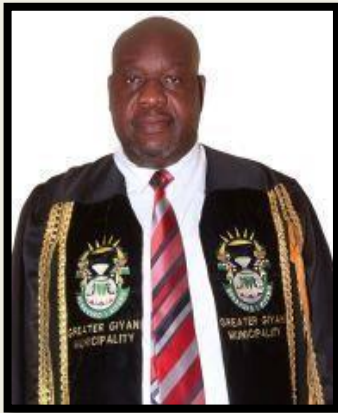
**Cllr Thandi Zitha: Mayor**



### Powers and functions of the mayor

- Promote the image of the municipality.
- To ensure that the executive committee meetings perform its functions properly.
- To lead and promotes social and economic development in the municipality.
- To preside over public meetings and hearings
- To promote inter- governmental and inter institutional relations.
- To ensure in consultation with the municipalmanager, that a proper committee service responsible

## **Cllr Mboweni AE: Speaker**



### **The speaker of Municipal Council Must**

- Preside at meetings of council.
- Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of The local Government: Municipal System Act, 2000 (Act 32 of 2000):
- Must ensure that the council meets at least quarterly.
- Must ensure compliance in the council and council committee with the code of conduct set out in Schedule 1 to the Local Government: Municipal System Act, 2000 (Act 32 of 2000); and must ensure that council meetings are conducted in accordance with the rules and orders of the council.

## **Cllr Makondo T: Chief Whip**



### **Duties of the Chief Whip to Municipal Council:**

- Political Management of Council meetings and Committee Meetings
- Maintains discipline of Councilors
- Advice the Speaker on the amount of time to be allocated to the speaker and the order of such speakers addressing the council.
- Ensures that Councilors motions are prepared and timeously tabled in terms of the procedural rules of council.

## Executive Committee

**Cllr Ndaba NHP**  
**Head: Finance**



**Cllr Mashale MR**  
**Head: Public Roads &**



**Cllr Zitha TC**  
**Head: Sports, Recreation, Arts & Culture**



**Cllr Mabunda TJJ**  
**Head: Infrastructure Development**



**Cllr Manganyi TC**  
**Head: Health & Social Development**



**Cllr Baloyi C**  
**Head: Planning & Economic Development**



**Cllr Nghunyule Mabunda RB**  
**Head: Corporate & Shared Services**



**Cllr Maluleke GA**  
**Head: Water & Sanitation**



## 2.2 Administrative Governance

### Top Administrative Structure

**Municipal Manager: Khoza VD**



**Chief Financial Officer: Nkuna F**



**Acting Director: Corporate  
Services:  
Rapelego M.F**



**Acting Director: Technical  
Services:  
Mathonsi D.L**



**Director: Community  
Services: Chabalala R.T**



**Acting Director: Planning &  
LED: Nkuna N.J**



By the end of the financial year, 3 positions of section 54 and 56 managers were filled: Municipal Manager, Chief Financial Officer and Director Community Services. The position of the Director Technical Services was vacant and the Deputy Director responsible for Project Management Unit and Deputy Director responsible for Property Management Services each acting in the position for a period of three months. The position of the Director Planning and LED was vacant and the Deputy Director responsible for LED acted on the position for a period of 6 months. Furthermore, the position of the Director Corporate Services and the Deputy Director responsible for ICT acted on the position for a period of 6 months.

| No | Initials and Surname | Position  | Duration                |
|----|----------------------|---|-------------------------|
| 1. | Khoza VD             | Municipal Manager                                       | 01/06/2023 - 31/05/2028 |
| 2. | Nkuna F              | Chief Financial Officer                                 | 01/02/2023-31/01/2028   |
| 3. | Rapelego MF          | Acting Director Corporate Services                      | 18/01/2025-30/06/2025   |
| 4. | Mathonsi DL          | Acting Director Technical Services                      | 01/04/2025 - 30/06/2025 |
| 5. | Nkuna NJ             | Acting Director Planning and Local Economic Development | 01/01/2025 – 30/06/2025 |
| 6. | Chabalala RT         | Director Community Services                             | 01/09/2022 - 31/08/2027 |

## INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

### COMPONENT B: INTERGOVERNMENTAL RELATIONS

#### Component B: Intergovernmental Relations

For the period under review the municipality participated in various Co- Operative Governance and Intergovernmental structures at all levels from the local sphere, district sphere, provincial and national sphere. Participation in such forums and IGR structures assisted service delivery in the sense that integration and alignment of various role players is realized to avoid the silo mentality existing in the public sector. Greater Giyani Municipality has benefitted in the IGR structure in the sense of best.



practice. While remarkable progress has been realized in IGR structures challenges still existed in the 2024/25 financial year with regard to the provision of reliable and accurate information from other public sector players and this affected the municipality 's planning especially the accuracy of the information in the IDP. Provision of progress in the implementation of sector departments within municipal boundaries is also still a challenge.

## **2.3 Intergovernmental Relations**

### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

The municipality participates in national intergovernmental structures such as the following:

- National municipal manager's forum
- South African Local Government Association sessions including working groups
- Parliamentary Projects oversight visit (1 visit)

### **PROVINCIAL INTERGOVERNMENTAL STRUCTURES**

The municipality participates in the following provincial intergovernmental structures:

- Provincial Premier-IGR forum (4x Meeting)
- provincial Chief whips Forum (1x meeting)
- Provincial Speakers Forum (1 x meeting)
- Provincial Monitoring and Evaluation forum (4 x meetings)
- Provincial Planning Forum (4 x meetings)
- Provincial CFOs Forum (4x meetings)
- Provincial Municipal Manager's forum (4X meetings)

### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

**The municipality participated in the following District IGR structures during the period under review:**

- District Speakers Forum (4 x meetings)
- District Mayors' Forum (4 x meetings)
- District Chief whips Forum (1 x meeting)
- District Municipal Manager's Forum (3 x meetings)
- District CFOs Forum (4x meetings)
- District Planning Forum (4x meetings)
- District Monitoring and Evaluation Forum (6x meetings)

The existence of the above IGR structures has assisted in the sharing of challenges, best practices, and resource mobilization. Alignment of programs and standardization of activities were also achieved from the district IGR structures.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality also used its local IGR structures such as sector forums to ensure sector specific programs are aligned with those of other role players in the sectors. All forums were functional and holding their meetings.

### COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

#### 2.4 PUBLIC MEETINGS

##### COMMUNICATION, PARTICIPATION AND FORUMS

The Municipality established six clusters for public participation. Council meetings are held in public venues that are accessible to members of the public. Other forms of communication and public participation during the 2024/25 financial years include the usage of ward public meetings for the 31 wards wherein ward councilors provide feedback and progress report to ward members.

Apart from ward public meetings, the Quarterly Mayoral Imbizos were conducted during 2024/25 financial year. All issues raised which were related to the municipality were attended to and those related to sector departments were referred to relevant sector departments.

The municipal website, social media (WhatsApp & Facebook) as well as media houses are also useful tools which the municipality employed to communicate with its stakeholders to cover the cyberspace community.

The Municipal Newsletter RITO is published quarterly to communicate municipal programs.

**ISSUES RAISED DURING THE MAYOR'S INTERACTION WITH THE COMMUNITIES THROUGH MAYORAL IMBIZO**

| VENUE   | DATE       | EVENT DESCRIPTION | ISSUES RAISED   | PROGRESS  |
|---------|------------|-------------------|---|---|
| Makhuva | 25/09/2024 | Mayoral imbizo    | <ul style="list-style-type: none"> <li>• Water</li> <li>• Apollo lights</li> <li>• Access roads</li> <li>Internal streets maintenance</li> </ul>  | <ul style="list-style-type: none"> <li>• The water challenges had been reported to mopani for intervention.</li> <li>• The road issue had been referred to the Department of Public Works, Roads and Infrastructure</li> <li>• The demand of the internal street and apollo lights had been packaged for future project consideration in IDP</li> </ul> |
| Silawa  | 29/11/2024 | Mayoral imbizo    | <ul style="list-style-type: none"> <li>• Poor maintenance of Access roads</li> <li>• Water</li> <li>• Potholes for the provincial road</li> </ul> | <ul style="list-style-type: none"> <li>• Water challenges has been referred to Mopani District Municipality</li> <li>• The poor road maintenance challenges had been referred to technical service department for intervention.</li> <li>• Main road potholes challenges had been referred to relevant departments.</li> <li>•</li> </ul>               |

|         |            |                |   |   |
|---------|------------|----------------|---|---|
| Muyexe  | 14/03/2025 | Mayoral imbizo | <ul style="list-style-type: none"> <li>• Maintenance of infrastructure build by the national departments.</li> <li>• Gawula sport center</li> <li>• Community hall at khakhala</li> <li>• Water challenges</li> </ul> | <ul style="list-style-type: none"> <li>• Water challenges has been referred to Mopani District Municipality</li> <li>• Infrastructure challenges had been referred to relevant departments.</li> <li>• Gawula sport Centre had been earmarked for renovation during the financial year under review.</li> <li>• The demand of the internal streets and community halls challenges had been packaged for future projects consideration in IDP</li> </ul> |
| Ntshuxi | 24/06/2025 | Mayoral imbizo | <ul style="list-style-type: none"> <li>• Access road</li> <li>• Electricity extension</li> <li>• RDP houses</li> <li>• Water</li> </ul>   | <ul style="list-style-type: none"> <li>• The water challenges had been reported to mopani district municipality for intervention.</li> <li>• The road, RDPs issue had been referred to the Department of Public Works, Roads and Infrastructure and COGHSTA</li> <li>• The demand of the internal streets and electricity extension challenges had been packaged for future project consideration in IDP</li> </ul>                                     |

## Ward Committees

The municipality has a fully functional ward committee system. All the 31 wards have 310 ward committee members

## IDP PARTICIPATION AND ALIGNMENT

The IDP is reviewed annually and in-house. The IDP is reviewed in line with the required standard and template, and it is aligned to the budget. The IDP Process plan is developed and approved by the council as the road map for the review of the IDP/Budget. The IDP Steering committee is responsible for the review of the IDP and Budget. The draft IDP/Budget is tabled before the council for public participation process to unfold to wards and the municipality established six clusters for the purpose of the community accessibility and inputs. The IDP representative's forum where all the stake holders are represented is also conducted to interrogate the IDP document.

The other stakeholders that are consulted are the Traditional Authorities, NGO's, Businesses, Traditional Healers, and Pastors' Fraternity. Inputs to the IDP are also submitted physically to the office of the accounting officer.

All the inputs and comments are consolidated, and the report is developed based on the inputs. The process of prioritization takes place considering the available resources and capacity of the municipal.

| 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 54/56 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



## COMPONENT D: OVERVIEW OF CORPORATE GOVERNANCE

For the 2024/25 financial year Greater Giyani Municipality took leaf from the King IV report on good governance by including in its operations the functionality of risk function as well as the development and implementation of corruption and anti-fraud strategies. The risk register was developed, and its focus was on Strategic Risks, Operational Risks and Human Resources risks.

### 2.5 RISK MANAGEMENT

The Municipality regards risk management as one of the pillars required for the sustainability and corporate management. In compliance with the MFMA which S62 (i) (c) requires a municipality to have and maintain an effective, efficient, and transparent system of risk management. For financial year 2024/25 the municipality had a dedicated risk unit to deal with risk matters. Risk assessment sessions were conducted with the assistance of the provincial Treasury and COGHSTA to help the municipal management with the identification and profiling of risks within the municipality.

| Risk                                    | Action Plan  | Progress   |
|---|--|--|
| 1. Insufficient infrastructure networks | Updating the stakeholders regarding the projects through ward councilors.                        | Updating of stakeholders (PSC) regarding projects are being done to the community and Chief with the councilors on going |
|   | Development of an agreement in terms of scope of work to be implemented with the community       | Agreement of scope of work is being developed as and when there is a new project and is being signed by both parties     |
|   | Submission of procurement plan (2025/26 fy)  | Procurement plan for 2025/26 has been submitted  |
|   | Implementation of procurement plan   | Procurement plan is being implemented on going   |
|   | Penalize or terminate service provider contracts for poor performance (Enforcement of contracts) | No service provider has been penalized for poor performance during the quarter   |
|   | Monitoring of projects through the internal project steering committee.                          | Monitoring of projects is being done monthly through site meeting, consultant meetings and weekly random site visit      |
|   | Submission of progress report  | Monthly progress report is being   |

|                     |  |   |
|---------------------|--|---|
|                     | <p>to management committee.</p> <p>Engage other sector departments to partner with the municipality on implementation of projects.</p>   | <p>prepared and submitted to audit committee meeting, PMS and portfolio committee meeting</p> <p>Sector departments such as RAL is being engaged as and when there is a project to be implemented.</p>  |
| 2. Stalled projects | <p>Implementation of a 3 year plan on stalled projects signed by CFO and MM</p> <p>Project handover in consultation with office of the Mayor</p> <p>Conduct proper Consultation with the community before the designs are approved</p> | <p><b>Section E Sports Centre:</b><br/>The project is in the process of advertising.</p> <p><b>Giyani stadium and Section A Tennis Court:</b><br/>The memo to appoint a consultant has been approved. However, the previous service providers must be released to allow for new appointments.</p> <p><b>Mageva sports Centre:</b><br/>The contractor has been appointed and the project is under construction.</p> <p><b>Giyani waste disposal site:</b><br/>The project is not yet finalized as the contractor failed to meet the project schedule.</p> <p>Hlomela and Shawela paving was handed over to the community in consultation with the office of the Mayor.</p> <p>Workshop to the community on a new project is being done during project initiation as and when there is a new project.</p> |

|                                      |   |   |
|--------------------------------------|---|---|
| 3. Dilapidated/ageing infrastructure | Establishment of the committee to review the infrastructure designs | Committee has not been established however the end-user department and legal services if there will be a need are being engaged on every stage.   |
|                                      | Design and implementation of maintenance plan                       | Maintenance plan has been developed and is being implemented on going.  |
|                                      | Full implementation of maintenance plan.                            | <p><b>Implementation of maintenance plan on property and building:</b><br/>Construction of guardroom and erection of fence at dumping site is at 90% completion. Giyani Cemetery at 93%. Pound station 100% completed. Testing ground renovations is at 100% completed. All the maintenance as per job cards are at 100% completed.</p> <p><b>Implementation of maintenance plan on roads and stormwater:</b><br/>657m<sup>2</sup> of potholes have been patched. 604m on road marking has been done. Maintenance of surfaced road i.e., stormwater has been done. Maintenance of gravel roads have been done and the funeral job cards maintenance has been done.</p> <p><b>Implementation of maintenance plan on electrical:</b><br/>The maintenance of traffic lights is at 100% completed. High mast light maintenance at 90%. Streetlights maintenance is at 70%. The building maintenance is at 85%. The maintenance of electrical matters as per job card is at 100% maintained.</p> |
|                                      | Monitoring the effectiveness of security personnel                  | Memo for the procurement of security patrol system has been approved by the MM, and security personnel are being monitored regularly.   |

|                                 |  |  |
|---------------------------------|--|--|
| 4. Environmental degradation    | Completion of landfill site development (phase 1)  | Landfill site has not yet been completed. The contractor failed to complete the project as per schedule.   |
|                                 | Implementation of waste management by laws   | Waste management by-laws is being implemented on going. Compliance notices has been issued in the CBD. Refuse collection services rendered in accordance with the by-laws. |
|                                 | Conduct waste management education/awareness   | 3 waste awareness has been conducted.  |
|                                 | Utilization of landfill site.  | Landfill site not yet utilized as there are some outstanding works to be finalized by the contractor.  |
|                                 | Reinstating of pound station (Refurbishment of pound station)  | Renovations at guard room, storage facility, office building and water reticulation has been done. Repairing of palisade fence has been done.                              |
|                                 | Draft animal management by-law   | Implementation of animal management by-law is on-going.  |
|                                 | Draft Integrated Waste Management Plan.  | Integrated waste management plan is being implemented on going (20 skip bins to address illegal dumping challenges has been procured)                                      |
| 5. Loss of potential investors. | Implementation of council resolution to demolishing/removal of illegal structures (Removal of illegal hawkers) | Illegal structures has not yet been demolished/removed however Legal Services indicated that they will assist Planning in obtaining the court order.                       |
|                                 | Relocating Street vendors to new market stalls   | The contractor for construction of Section A market stalls has been appointed and the project is under construction. Vendors not yet relocated.                            |
|                                 | Maintenance of the existing new market stalls  | Maintenance of the existing market stalls has not been done.   |
|                                 | Engagement with traditional authority to acquire land for future development                                   | Engagement with Ngove to acquire land has been done and is on-going  |
|                                 | Effectiveness of the implementation of LIBRA and SPLUMA  | LIBRA and SPLUMA is being implemented on going.  |

|                                      |  |  |
|--------------------------------------|--|--|
|                                      | <p>Review and Gazetting of street trading by-laws</p> <p>Full implementation of LED strategy.</p>  | <p>Street trading by-law has been reviewed and gazetted.</p> <p>LED strategy is being implemented on going. Agro-processing master plan at procurement stage.</p>  |
| 6. Poor financial sustainability     | <p>Implementation of revenue enhancement strategy</p> <p>Enforcement of revenue policy and by-laws.</p>  | <p>Revenue enhancement strategy is being implemented on-going</p> <p>Revenue policy, property rates by-law and credit control by-law is being implemented on-going.</p>  |
| 7. Fraud and Corruption              | <p>Conducting fraud awareness workshop to all officials</p> <p>Implementation of anti-fraud corruption strategy</p> <p>Procurement of supplier verification system</p> <p>Quarterly report on whistle blowing</p> <p>Develop a compliment and complains register.</p>                                | <p>Fraud awareness has been conducted to officials under BTO and MM's Office.</p> <p>Anti-corruption strategy is being implemented on going.</p> <p>Procurement of supplier verification system to be re-advertised.</p> <p>Monitoring of hotline has been done and there was no report of whistleblowing reported during the quarter.</p> <p>Cases of complaints and compliments register is being addressed and monitored.</p> |
| 8. Inappropriate land use management | <p>Implementation of SDF (Spatial development framework)</p> <p>Feasibility and research on town expansion. (Ngove town expansion, Application for township establishment)</p> <p>Continuous awareness on SPLUMA and LUMS with traditional leaders</p> <p>Training of Tribunal committee members</p> | <p>SDF i.e., the control and guide in development is being done as and when there are developments to be made.</p> <p>Land negotiations and community resolutions are being implemented on going.</p> <p>Distribution of SPLUMA and LUMS application forms to traditional authority has been done</p> <p>Tribunal committee members have been trained.</p>   |



|   |   |  |
|---|---|--|
| 9. Business continuity                    | Review and implementation of disaster recovery plan                                     | Consultant for disaster recovery plan has been appointed and the project plan has been submitted to the consultant.  |
|   | Finalization of business continuity plan  | Business continuity plan to be finalized as soon as the disaster recovery plan is finalized.   |
|   | Implementation of business continuity plan  | Business continuity to be implemented after finalization and implementation of disaster recovery plan.   |
| 10. Inadequate organizational performance | Filling of vacant positions in line with our recruitment policy                         | 30 positions have been appointed   |
|   | Implementation of individual performance management to lower level                      | Individual performance management has been cascaded to lower level. Mid-year score card has been assessed. The submissions of the annual score card 2024/25 and the performance agreement for 2025/26 closing date was the 15th of July 2025. Most departments have submitted. |
|   | Implementation AGSA action plan, risk mitigation plans and internal audit action plans. | 17% of AGSA action plan has been implemented, 82.77% internal audit action plan and risk mitigation plans are being implemented on-going.  |
|   | Effectiveness of the audit steering committee   | 2 steering committee meeting has been conducted.   |

**Risk Management Committee meetings are held on a quarterly basis.**

## **2.1 Anti-Corruption, Anti-Fraud and ANTI-CORRUPTION STRATEGY**

The municipality has a Fraud and Corruption policy as well as Risk Management Policy in place. Risk Management Unit has been established and has two personnel, Deputy Director Risk and Security Management and Assistant Director Risk Management.

**Fraud and Corruption awareness campaigns are conducted quarterly.**

## 2.2 SUPPLY CHAIN MANAGEMENT OVERVIEW

### SUPPLY CHAIN MANAGEMENT

During the 2024/25 financial year the Supply Chain Management policy was tabled to council for revision alongside other budget related policies. The revision considered the BBBEEE codes and changing supply chain regime.

SCM has two policies in place. They have been reviewed together with other budget related policies.

1. Supply Chain management Policy
2. Inventory management policy

#### Supply Chain Management Policy

The following list entails the deficiencies or limitations regarding the current policy.

| 1. Definitions  |
|---|
| <ol style="list-style-type: none"><li>1. Added definitions for the following words which are used frequently in the SCM Policy namely:<ul style="list-style-type: none"><li>- Accounting Officer</li><li>- CFO</li><li>- Delegation</li><li>- Emergency</li><li>- Financial Interest</li><li>- Single Provider</li><li>- CSD</li></ul></li><li>2. Changed year 2011 to 2017 on the Preferential Procurement Regulations as the latest regulations were promulgated now in year 2017.</li></ol>  |
| <ol style="list-style-type: none"><li>3. “Long term contract” means a contract with a duration period exceeding one year changed to exceeding 3 years.</li><li>4. ““The Act” means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) has been changed to “Act” or “MFMA” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);</li><li>5. Added the following acts/regulations under ‘Other applicable regulations namely.<ol style="list-style-type: none"><li>(a) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).</li><li>(b) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998</li></ol></li></ol> |
| 2. Supply Chain Management Policy   |

|   |
|---|
| <ol style="list-style-type: none"> <li>1. Paragraph 2(7) (a) states that the Policy states that the municipality is exempt from requesting three formal written quotations when procuring repairs and maintenance of Property, Plant and Equipment. Not all instances of the repairs and maintenance of Property, Plant and Equipment will be an emergency or the municipality can't source three quotations.</li> <li>2. Added the following on paragraph 2(6) on instances of procurement for goods and services which are exempt from the SCM policy. <ol style="list-style-type: none"> <li>(i) Periodic or quarterly security assessments of political office bearers and key officials (as per paragraph 13(6) of the Municipal Cost Containment Regulations 2019)</li> </ol> </li> </ol> |
| <b>3. AMENDMENT AND ADOPTION OF THE SUPPLY CHAIN MANAGEMENT POLICY</b>  |
| <ol style="list-style-type: none"> <li>1. Changed the following words from <ol style="list-style-type: none"> <li>(ii) Reviewed the policy as and when required but within a cycle of 5 years to 'Review at least annually the implementation of this policy.</li> </ol> </li> </ol>  |
| <b>4. Sub delegations</b>   |
| <ol style="list-style-type: none"> <li>1. Paragraph 5(4) (b) (i) refers to paragraph 5(2) (c) (iii) of the policy and the policy does not have such paragraph. It should be amended to the correct paragraph. (Paragraph 5(2) (c)).</li> <li>2. On paragraph 4.2 and paragraph 5.1 the words Sections 79 and 106 of the Act have been changed to Section 79 of the Act because Sec 106 relates to Municipal Entities of which Greater Giyani Local Municipality does not have hence the Section is not applicable.</li> </ol>   |
| <b>5. Range of procurement process</b>  |
| <ol style="list-style-type: none"> <li>1. Paragraph 12(4) was incomplete and below were the additions.</li> <li>2. The following wording has been changed from "The Accounting Officer may, after consulting with the municipal council and Heads of Departments, in writing change the different values" have been changed to "The accounting officer may, in writing –</li> </ol>   |

|  |
|--|
| <p>a) Lower, but not increase, the different threshold values specified in sub-clause</p> <p>b) direct that –</p> <p>(i) written or verbal quotations be obtained for any specific procurement of a tr value lower than R2 000 (VAT included);</p> <p>(ii) formal written price quotations be obtained for any specific procurement of a t value lower than R30 000 (VAT included); or</p> <p>(iii) a competitive bidding process be followed for any specific procurement of a tr value lower than R200 000 (VAT included).</p> <p>3. The following paragraph has been added on panel appointments:</p> <p>- The Municipality reserves the rights to appoint a panel of Service Providers or Contractors for period not more than 36 months and allocation of work must be done on rotational basis considering the final ranking and the satisfactory performance of the service provider.</p> |
| <p><b>6. GENERAL PRE-CONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONSOR BIDS</b></p>   |
| <p>1. On Paragraph 13(1), the following items to be furnished by the prospective bidders when submitted quotations or bids:</p> <p>(i) Tax Pin</p> <p>(ii) CSD Registration Number</p> <p>2. On Paragraph 13(1)b, the following items to be furnished by the prospective bidders when submitted quotations or bids:</p> <p>whether any Municipal staff member is a close family member of an owner, his/her partner serves on the board of directors, or are members or trustees, of the tendering enterprise.</p> <p>The above changes have also been affected under item 6 of the General Preconditions to be aligned with legislation.</p>  |
| <p><b>7. CENTRAL SUPPLIER DATABASE</b></p>   |
| <p>1. On Paragraph 14(1) d, the following words have been added 'which are currently not validated by the CSD'.</p>  |
| <p><b>8. PETTY CASH</b></p>  |
| <p>1. The following sentence has been added on paragraph 15 Petty cash purchases with threshold value from an amount of R1.00 up to an amount of R2 000 (VAT included) to be authorized by the Chief Financial Officer or his delegate.</p>  |
| <p><b>9. VERBAL QUOTATIONS PROHIBITED</b></p>  |
| <p>1. The following has been documented under paragraph 16:</p>  |

The conditions for the procurement of goods or services through written quotations for amounts under the threshold for formal quotations as stated in clause 12(1)(c) & (d) are as follows:

- a) quotations for transactions up to a value of R 2 000 (VAT Included) must be obtained from at least two different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in clause 14(1) (b), c) and (d) of this Policy;
  - b) providers must be requested to submit such quotations in writing.
  - c) if it is not possible to obtain at least two quotations, the reasons must be recorded and reported quarterly to the Supply Chain Manager.
  - d) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.
  - e) any other conditions determined by the Accounting Officer.
2. No orders may be placed based on verbal price quotations.
  3. No quotation, written or verbal, may be made available by an official to a prospective bidder.

## **10. THE PROCEDURE FOR THE PROCUREMENT OF GOODS OR SERVICES THROUGH INFORMAL AND FORMAL WRITTEN QUOTATIONS**

1. Paragraph 18 (i) added and deals with the composition of the quotation committee as follows.

"procurement requirements exceeding a value of R 30 000 (VAT Inclusive) must be submitted to the Quotations Evaluation Committee which comprises of Supply Chain Manager or his delegate, End User Representative and Secretary. The Quotations Evaluation Committee must make recommendation to the Chief Financial Officer or delegated official for approval".

## **11. PROCESS FOR COMPETITIVE BIDDING**

1. Paragraph 20 (i) added and deals with the need for Cost Containment Measures before any procurement is done as follows:
  - a. " Cost containment determination (Needs analysis reports which necessitated the tender to be advertised).
  - b. The CFO to formally confirm in writing the availability of budget for adverts above R10m.

## **12. Bid documentation for competitive bids**



1. Paragraph 21(5) does not state that the winning bidder's account for municipal rates and taxes and municipal service charges must not be in arrears for more than 3 months at the time of awarding.
2. Column headings for the 80/20 points system have been corrected from (<R30->R50m) to (R30K-<R50m)
3. Column headings for the 90/10 points system have been corrected from (<R50m) to (>R50m)
4. The following paragraphs have been added to paragraph 21:
  9. Pre-qualification criteria for preferential procurement:
    - a. If the municipality decides to apply pre-qualifying criteria to advance certain designated groups, the municipality must a. advertise the tender with a specific tendering condition that only one or more of the following tenderers may respond.
    - b. specify tenderer having a stipulated minimum B-BBEE status level of contributor.
  11. Subcontracting as condition of tender
 

If feasible to subcontract for a contract above R30 million, the municipality must apply subcontracting to advance designated groups.

(2) If the municipality applies subcontracting as contemplated in sub-regulation the municipality must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract to (a) an EME or QSE.

### **13. PUBLIC INVITATION FOR COMPETITIVE BIDS**

1. Added the following on paragraph 22(1) on public invitation of bids.
  - Whether the briefing session/site inspection session is compulsory or not
  - Municipality reserves the right to accept or reject any bid or part thereof and is not obliged to accept the lowest bid.
  - No bid will be accepted from the person in the service of the state.
  - Municipality reserves the right to accept a bid in part.
  - The tender validity periods.
  - Council reserves the right to appoint more than one bidder.
2. On paragraph 22.1.1, the words newspapers commonly circulating locally have been removed as it is not applicable anymore. The municipality advertises on the website and on e-portal as well as the CIDB.
3. Advertising on the CIDB website has been included as well.

### **14. NEGOTIATIONS WITH PREFERRED BIDDERS AND COMMUNICATION WITH PROSPECTIVE PROVIDERS AND BIDDERS**

1. Paragraph 24(1) (e) (ii) Should be rephrased as it is still referring to the tenderer who scored the highest points. It should refer to a bidder that scored second highest points.

|   |
|---|
| <ol style="list-style-type: none"> <li>Paragraph 24(4) (C) refers to paragraph 25(3) (b) of the policy and the policy does not have that paragraph. It should be amended to the correct paragraph. (Paragraph 24(4)(b))</li> <li>Paragraph 24(4) (d) refers to paragraph 25(3) (C) of the policy and the policy does not have that paragraph. It should be amended to the correct paragraph. (Paragraph 24(4) (C).</li> <li>The last paragraph 24 (e) iv which reads that " If a market related price is not agreed as envisaged in paragraph (e) (iii), the accounting officer must re- advertise the tender", the words re-advertise must be replaced by the words 'CANCEL'.</li> <li>The following has been added on paragraph 24 (1) 'does not lead to a lower price in respect of sale of land / goods'.</li> </ol>  |
| <b>15. COMMITTEE SYSTEM FOR COMPETITIVE BIDS</b>  |
| <ol style="list-style-type: none"> <li>Paragraph 26(4)(A) should be amended to paragraph 27,28 and 29 of the SCM policy, and</li> </ol>   |
| <b>16. BID SPECIFICATION COMMITTEE</b>  |
| <ol style="list-style-type: none"> <li>The composition of the bid specification committee added to include.<br/>Composition of Bid Specification Committee.<br/>A Bid Specification Committee must be composed of the following. <ol style="list-style-type: none"> <li>Chairperson</li> <li>At least 2 members one of which is a manager or delegated official from the user department requesting goods or services.</li> <li>One official from SCM Unit providing also secretarial duties</li> </ol> </li> </ol>   |
| <b>17. Bid Evaluation Committee</b>   |
| <ol style="list-style-type: none"> <li>The policy did not indicate the minimum number of members that the committee must have.<br/>The policy was added as follows: The evaluation committee shall comprise not less than three people. The chairperson shall be an employee of Greater Giyani Municipality with requisite skills. Other members shall include a supply chain management practitioner and where relevant, include an official from the department requiring the goods and services.</li> <li>Paragraph 28(a) (ii) refers to paragraph 28(2) (F) which is not in the policy. The correct paragraph should be quoted (Paragraph 21(9)(h)<br/>A paragraph should be added on the policy to provide more details on administrative requirements which will lead to disqualification such as, initialing of all pages by an authorized signatory, signing of all places where the signature is required, proof of purchase of bid document.</li> </ol> |
| <b>18. Locality</b>   |

|   |
|---|
| <p>1. The following wording has been removed from paragraph 34 as it refers to locality which is now outlawed:</p> <p>(a) Firstly, suppliers and businesses within the municipality/municipal district.</p> <p>(b) Secondly, suppliers and businesses within the relevant province; and</p> <p>(c) Thirdly, suppliers and businesses within the Republic of South Africa.</p> <p>2. These principles are to be embodied in the points allocated in terms of the Preferential Procurement Policy of the municipality.</p>  |
| <p><b>19. APPOINTMENT OF PANEL OF CONSULTANTS</b></p>   |
| <p>1. The following has been added on paragraph 35 (9) on remuneration of consultants. The Accounting Officer must follow a fair and reasonable remuneration framework for consultants considering the rates:</p> <p>(a) Determined in the Guideline on fees for audits undertaken on behalf of the Auditor General of South Africa, issued by the South African Institute of Chartered Accountants</p> <p>(b) Set out in the 'Guide for Hourly fees for Consultants, issued by the Department of Public Service and Administration</p> <p>(c) Where the consultant belongs to a professional body, the rate of remuneration as stipulated by that body; and</p> <p>(d) In any other case, the rate stipulated as per competitive process.</p> <p>2. The following has been added on the minimum clauses of service level agreements with consultants. The service level agreement between the municipality and the consultant must include as a minimum the following clauses namely:</p> <p>a) How the consultant will transfer skills to the officials of the municipality</p> <p>b) objective for transfer of skills, including the nature, scope, and goals of the training Programme.</p> <p>c) The list of employees to be trained.</p> <p>d) Contents of the skills to be transferred.</p> <p>e) Fee retention or penalty clause for poor performance</p> |
| <p><b>20. Procurement of goods and services under contracts secured by other organs of state</b></p>  |
| <p>1. Consideration is given to regulation 32 once there has been update from National Treasury from time to time in line with Circulars.</p>   |
| <p><b>21. Deviation from, and ratification of minor breaches of, procurement Processes</b></p>  |

1. Paragraph 36(2) refers to paragraph 37(1) (a) and (b) of the policy and the policy does not have such paragraph. The correct paragraph was corrected to be quoted as follows. (Paragraph 36(1)(a) and (b))
2. Paragraph 36(3) refers to paragraph 37(2) of the policy and it does not relate to the matter on paragraph 36(3). The correct paragraph should be quoted. (Paragraph 36(2).
3. On paragraph 36 (a)i, details of emergency examples have been added as follows  
Circumstances that warrant emergency dispensation, includes but are not limited to.
  - a) the possibility of human injury or death.
  - b) the prevalence of human suffering or deprivation of rights.
  - c) the possibility of damage to property or suffering and death of livestock and animals.
  - d) the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality.
  - e) the possibility of serious damage occurring to the natural environment.
  - f) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service.
  - g) the possibility that the security of the state could be compromised.
  - h) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.

## **22. UNSOLICITED BIDS**

1. Paragraph 37(3) refers to paragraph 38(2) for unsolicited bid which was incorrect, The correct paragraph should be 37(2)
2. Paragraph 37(4) refers to paragraph 38(3) for unsolicited bid which is incorrect, the correct paragraph should be 37(3)
3. The following has been added on paragraph 37.
  - (1) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer depending on its delegations.
  - (2) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
  - (3) When considering the matter, the adjudication committee must take into account –
    - a) any comments submitted by the public; and

b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.

(4) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

(5) Closed bids shall only be accepted after the municipality failed to attract potential service providers through normal competitive bidding processes.

### **23. PAYMENT OF SUB-CONTRACTORS OR JOINT VENTURE PARTNERS**

1. The following has been added on paragraph 55.

2. Payment of sub-contractors or joint venture partners

The Chief Financial Officer or an official designated by the Chief Financial Officer may consent to the direct payment of sub-contractors or joint venture partners by way of -

- (a) an approved cession; or
- (b) an agreement for direct payment.

3. Cessionary payment

The municipality shall accept cessionary payment under the following conditions:

- a) Signed agreement between the parties involved.
- b) Provided that the cede submit original and valid tax clearance certificate and pin.
- c) The cede is not blacklisted in the National Treasury database.
- d) The cede is listed on the Central Supplier Database
- e) The cede signs the MDB 4' Independence Declaration.

Cessionary payments shall be approved by delegated officials in terms of approved delegations.

- 4. Cession can only enter into if it is for purchase of the material or stock by the appointed service provider or financing cession to the appointment service provider.
- 5. No official other than the Accounting Officer shall enter into cession on behalf of the municipality



|  |
|--|
| <b>24. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM</b>  |
| 1. Paragraph 38(2) refers to paragraph 39(1) (b) (ii), (e), or F of the policy and the policy does not have that paragraph. The correct paragraph should be quoted. (Paragraph 38(1)(b)(ii),(e)or F  |
| <b>25. DISPOSAL MANAGEMENT</b>   |
| 1. Paragraph 40(5) (b) (ii) refers to paragraph (41) (4) (b) (ii) for property development which is in incorrect section. The correct paragraph to be quoted is paragraph 40(5) (b) (i).   |
| <b>26. Risk Management</b>   |
| 1. The municipality should have a fraud helpline or suggestion box to report fraud. This has been added as point no 41.3.9   |
| <b>27. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER</b>   |
| 1. The policy should also include that the tax status of a bidder should be verified at the time of appointment.   |
| <b>28. ETHICAL STANDARDS</b>   |
| 1. Paragraph 46(2) (d) refers to paragraph 47(2) (C) regarding rewards, gift, favour, hospitality or other benefits which is an incorrect paragraph. The correct paragraph should be quoted. (Paragraph 46(2) (c).<br>Paragraph 46(3) refers to paragraph 47(2) (d) and (e) of the policy. The paragraph quoted is incorrect. The correct paragraph to be quoted is paragraph 46(2)(d) and (e) |
| <b>29. INDUCEMENTS, REWARDS, GIFTS, AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS</b>  |
| 1. Paragraph 47(2) and (3) refers to paragraph 48(1) which is incorrect paragraph. The correct paragraph should be quoted. (Paragraph 47(1)).  |
|  |

## 2.9. By-laws-New By –Laws introduced in 2024/25

There were no new by-laws introduced.

## 2.10 WEBSITES (ICT)

| Municipal Publishing   | website: date | content and currency of material |
|------------------------|---------------|----------------------------------|
| IDP                    |               | 24 July 2024                     |
| Mayor's cup            |               | 24 July 2024                     |
| Pictures on the slider |               | 22 July 2024                     |
| Public notice          |               | 24 July 2024                     |

|  |                     |
|--|---------------------|
| <b>Tender advertisement for competitive bidding mayor's cup</b>            | <b>18 July 2024</b> |
| <b>Annual women's celebration</b>  | 30 August 2024      |
| <b>Performance agreement document</b>                                      | 21 August 2024      |
| <b>Promotional materials</b>   | 1 August 2024       |
| <b>Readvertisement of competitive bidding</b>                              | 30 August 2024      |
| <b>Slider pictures</b>   | 30 August 2024      |
| <b>Special adjusted</b>  | 30 August 2024      |
| <b>Supply and delivery of promotional materials</b>                        | 30 August 2024      |
| <b>Supply and delivery of steel drums</b>                                  | 30 August 2024      |
| <b>Arts and culture festival</b>   | 25 September 2024   |
| <b>Debt collection</b>   | 02 September 2024   |
| <b>Fourth quarter reports</b>  | 25 September 2024   |
| <b>Management restructuring</b>  | 02 September 2024   |
| <b>Performance agreements</b>  | 20 August 2024      |
| <b>Tender advertisements for competitive bidding</b>                       | 25 September 2024   |
| <b>Service providers for roads and stormwater tools materials</b>          | 15 October 2024     |
| <b>Tender documents</b>  | 09 October 2024     |
| <b>Tender documents</b>  | 03 October 2024     |
| <b>Various tenders</b>   | 03 October 2024     |
| <b>Advertisement post</b>  | 26 November 2024    |
| <b>Final SDBIP</b>   | 08 July 2024        |
| <b>First quarter back to basics</b>  | 26 November 2024    |
| <b>First quarter SDBIP report</b>  | 26 November 2024    |
| <b>Makhado local aids council</b>  | 26 November 2024    |
| <b>Makhado mayor's engages Elim hospital board</b>                         | 26 November 2024    |
| <b>Makhado mayor launches senior traditional leaders</b>                   | 26 November 2024    |
| <b>Makhado municipality business registration</b>                          | 26 November 2024    |
| <b>Opening of GIS hardware</b>   | 25 November 2024    |
| <b>Public notice electricity meter update</b>                              | 26 November 2024    |
| <b>December days advertisement</b>   | 03 December 2024    |
| <b>December days advertisement</b>   | 03 December 2024    |
| <b>General valuation roll</b>  | 27 January 2025     |
| <b>Hiring of honey sucker for a period not longer than 10 working days</b> | 27 January 2025     |
| <b>Indigent public notice</b>  | 27 January 2025     |
| <b>January 2025 7 days advertisement</b>                                   | 27 January 2025     |
| <b>Procurement of water and sewerage related materials</b>                 | 27 January 2025     |
| <b>Public notice of inspection of the general valuation roll</b>           | 27 January 2025     |
| <b>Settlement incentive</b>  | 27 January 2025     |
| <b>Tender validity letter</b>  | 27 January 2025     |
| <b>Erratum</b>   | 13 February 2025    |
| <b>Hiring of heavy-duty dozer</b>  | 11 February 2025    |
| <b>Midyear report</b>  | 7 February 2025     |
| <b>Procurement of water and sewerage related materials</b>                 | 11 February 2025    |

|  |                  |
|--|------------------|
| Promotional materials  | 13 February 2025 |
| Supply and delivery of cleaning materials                    | 11 February 2025 |
| Second Quarter reports (SDBIP & Back to Basics)              | 11 February 2025 |
| Budget resolution revised 2025 x3                            | 24 March 2025    |
| Competitive Bidding  | 18 March 2025    |
| Competitive bud documents x7                                 | 18 March 2025    |
| Hiring of occupational medical practitioner                  | 20 March 2025    |
| Signed oversight report on AR 23/24                          | 26 March 2025    |
| Suppl and delivery of cleaning materials                     | 20 March 2025    |
| Banking details  | 04 April 2025    |
| Adjusted SDBIP 2024/25                                       | 04 April 2025    |
| Revised performance agreements 2024/25                       | 19 May 2025      |
| Third quarter reports (SDBIP & Back to Basics)               | 30 May 2025      |
| Tender document x13  | 19 May 2025      |
| 7 days notice  | 10 June 2025     |
| Approved tariff's structure                                  | 26 June 2025     |
| Bid advertisement for Khakhala upgrading of internal streets | 10 June 2025     |
| Final reviewed IDP   | 10 May 2025      |
| Special Adjusted SDBIP                                       | 04 June 2025     |
| Various tenders  | 10 June 2025     |

Most of the prescribed key content was published on the municipal website. The publication dates are reflected in the table above, including the IDP, Budget, Annual Report, Performance Agreements, budget-related policies, tender advertisements, and vacancy advertisements.

## **MUNICIPAL WEBSITE CONTENT AND ACCESS**

### **2.10. PUBLIC SATISFACTION ON MUNICIPAL SERVICE**

#### **PUBLIC SATISFACTION LEVELS**

Public Participation surveys were conducted during the period under review. Forms were distributed at various municipal strategic points such as Giyani Library, testing grounds and Civic center. We received relatively balanced responses from the public. The municipality further relied on public participation as well as the usage of the Premier and Presidential Hotlines to gauge the level of satisfaction and / dissatisfaction with municipal services.

Key general areas of satisfaction/ dissatisfaction include:

- State of roads conditions (Tarred Roads)
- water
- health and education services (Clinics, Hospitals and Schools)
- unemployment
- RDP houses
- Revenue services
- Long ques at the testing ground

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### COMPONENT A: BASIC SERVICES DELIVERY

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

#### 3.1 WATER PROVISION

##### 3.1.1 INTRODUCTION TO WATER PROVISION

The Water Services Act 108 of 1997 provides that all residents have a right to access of Water. Mopani District Municipality has been issued with a License to become the Water Services Authority for all its Local municipalities, in terms of the National Water Act 36 of 1998. It has appointed such Local Municipalities to become its Water Services Provider whereby a Budget for Operations and Maintenance is allocated to ensure that the Water Infrastructure is well functional. MDM is responsible for distributing water to the main pipeline. New Water Infrastructure projects remain the responsibility of the District Municipality. The report below provides information in terms of Households with water services and those that still remain with the backlog the municipality.

| Sanitation Service Delivery Levels Households      |             |            |             |
|--|-------------|------------|-------------|
| Description  | 2022/23     | 2023/24    | 2024/25     |
|  | Outcome No. | Actual No. | Outcome No. |
| Sanitation/sewerage; (above minimum level)         | 6430        | 6430       | 6430        |
| Flush toilet (connected to sewerage)               |             |            |             |
| Flush toilet (with septic tank) Chemical toilet    | 6430        | 6430       | 6430        |
| Pit toilet (ventilated)                            |             |            |             |
| Other toilet provisions (above min. service level) |             |            |             |
| Minimum service level and above sub-total          |             |            |             |
| Minimum service level and above Percentage         |             |            |             |
|  |             |            |             |
|  |             |            |             |
|  |             |            |             |
|  |             |            |             |

### 3.2 WASTEWATER

| Households; Sanitation service delivery levels below the minimum |                     |                       |            |                     |                       |            | Households |
|--|---------------------|-----------------------|------------|---------------------|-----------------------|------------|------------|
| Description  | 2023/2024           |                       |            | 2024/25             |                       |            |            |
|  | Original Budget No. | Adjustment Budget No. | Actual No. | Original Budget No. | Adjustment Budget No. | Actual No. |            |
| <b>Formal Settlements</b>  |                     |                       |            |                     |                       |            |            |
| <b>Total Households below minimum service level</b>              | MDM                 | MDM                   | MDM        | MDM                 | MDM                   | MDM        |            |
| <b>Proportion of households below minimum Service Level</b>      |                     |                       |            |                     |                       |            |            |
| <b>Informal Settlements</b>                                      |                     |                       |            |                     |                       |            |            |
| <b>Total Households below minimum service level</b>              | MDM                 | MDM                   | MDM        | MDM                 | MDM                   | MDM        |            |
| <b>Proportion of household's below Minimum service Level</b>     |                     |                       |            |                     |                       |            |            |

| Employees: Electricity Services |           |                 |                                      |                                     |           |                 |                                      |                                     |
|---------------------------------|-----------|-----------------|--------------------------------------|-------------------------------------|-----------|-----------------|--------------------------------------|-------------------------------------|
| Job Level                       | 2023/24   |                 |                                      |                                     | 2024/25   |                 |                                      |                                     |
|                                 | Posts No. | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % | Posts No. | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0-3                             | 0         | 0               | 0                                    | 0%                                  | 1         | 0               | 1                                    | 100%                                |
| 4-6                             | 5         | 2               | 3                                    |                                     | 3         | 2               | 1                                    | 33%                                 |
| 7-9                             | 3         | 1               | 2                                    |                                     | 2         | 1               | 1                                    | 50%                                 |
| 10-12                           | 0         | 0               | 0                                    | 0%                                  | 0         | 0               | 0                                    | 0                                   |
| 13-15                           | 5         | 2               | 3                                    | 60%                                 | 4         | 2               | 2                                    | 50%                                 |



|              |    |   |   |        |    |   |   |     |
|--------------|----|---|---|--------|----|---|---|-----|
| <b>16-18</b> | 0  | 0 | 0 | 0%     | 0  | 0 | 0 | 0   |
| <b>19-20</b> | 0  | 0 | 0 | 0%     | 0  | 0 | 0 | 0   |
| <b>Total</b> | 13 | 5 | 8 | 61.53% | 10 | 5 | 5 | 50% |

| Employees: Water Services |           |                 |                                     |                                     |           |                 |                                    |                                      |
|---------------------------|-----------|-----------------|-------------------------------------|-------------------------------------|-----------|-----------------|------------------------------------|--------------------------------------|
| Job Level                 |           | 2023/24         |                                     |                                     |           | 2024/25         |                                    |                                      |
|                           | Posts No. | No of Employees | Vacancies fulltime equivalence) No. | Vacancies (as a % of total posts) % | Posts No. | No of Employees | Vacancies Fulltime Equivalence No. | Vacancies (as at % of total posts %) |
|                           |           |                 |                                     |                                     |           |                 |                                    |                                      |
| <b>0-3</b>                | 0         | 0               | 0                                   | 0%                                  | 0         | 0               | 0                                  | 0%                                   |
| <b>4-6</b>                | 0         | 0               | 0                                   | 0%                                  | 0         | 0               | 0                                  | 0%                                   |
| <b>7-9</b>                | 1         | 0               | 0                                   | 0%                                  | 8         | 4               | 4                                  | 50%                                  |
| <b>10-12</b>              | 5         | 5               | 0                                   | 0%                                  | 1         | 1               | 0                                  | 0                                    |
| <b>13 -15</b>             | 13        | 8               | 5                                   | 38.46%                              | 19        | 10              | 9                                  | 47%                                  |
| <b>19-20</b>              | N/A       | N/A             | N/A                                 | N/A                                 | N/A       | N/A             | N/A                                | N/A                                  |
| <b>Total</b>              | 19        | 13              | 5                                   | 31.57%                              | 28        | 13              |                                    | 43%                                  |
|                           |           |                 |                                     |                                     |           |                 |                                    |                                      |

| Solid waste service delivery levels |            |            |            |
|-------------------------------------|------------|------------|------------|
| Households                          |            |            |            |
| Description                         | 2022/23    | 2023/24    | 2024/25    |
|                                     | Actual No. | Actual No. | Actual No. |

|   |   |  |  |
|---|---|--|--|
| <b>Solid waste removal: (minimum level)</b><br>Removed at least once a week.<br>Minimum service level and above sub-total<br>Minimum service level and above percentage<br>Solid waste removal: (below minimum level)<br><br>Removed less frequently than once a week.<br>Using communal refuse dump<br>Using own refuse dump<br>Other rubbish disposal<br>No rubbish disposal<br><br>Below minimum service level sub-total<br>Below minimum service level percentage<br>Total number of households | households in townships in rural areas<br>Total:  | households in townships in rural areas<br>Total: 6560<br>households in townships   | Total number of serviced households in townships 6449  |
|   |   |  |  |
|   | 48 weeks per annum (once per week)  | 48 weeks per annum (once per week)   | 47 weeks per annum   |
|   | Refuse collected once per week.<br><br>All General Waste Disposed at a municipal disposal site. Refuses are collected on a daily basis in the CBD.<br>10955 Household in rural area<br>Backyard refuse collection in rural area | Refuse collected once per week.<br><br>All General Waste Disposed at a municipal disposal site. Refuses are collected on a daily basis in the CBD. | Refuse collected twice per week in 6 zones.<br><br>Refuse collected on a daily basis in the CBD. |

| Employees; Solid Waste management services |           |                 |                                     |                                     |           |                 |                                     |                                     |
|--|-----------|-----------------|-------------------------------------|-------------------------------------|-----------|-----------------|-------------------------------------|-------------------------------------|
| Job Level                                  | Posts No  | 2023/24         |                                     |                                     | 2024/25   |                 |                                     |                                     |
|  |           | No of Employees | Vacancies (fulltime equivalent) No. | Vacancies (as a % of total posts) % | Posts No. | No of Employees | Vacancies (fulltime equivalent) No. | Vacancies (as a % of total posts) % |
| 0-3  | 1         | 1               | 0                                   | 100%                                | 1         | 1               | 0                                   | 0                                   |
| 4-6  | 3         | 1               | 2                                   | 66.67 %                             | 4         | 2               | 2                                   | 50%                                 |
| 7-9  | 1         | 0               | 1                                   | 100%                                | 1         | 1               | 0                                   | 0                                   |
| 10-12                                      | 11        | 6               | 5                                   | 45.45 %                             | 13        | 8               | 5                                   | 38%                                 |
| 13-15                                      | 31        | 28              | 3                                   | 9.67%                               | 34        | 25              | 9                                   | 26%                                 |
| 16-18                                      | 0         | 0               | 0                                   | 100%                                | 0         | 0               | 0                                   | 0                                   |
| 19-20                                      | 0         | 0               | 0                                   | 100%                                | 0         | 0               | 0                                   | 0                                   |
| <b>Total</b>                               | <b>48</b> | <b>36</b>       | <b>11</b>                           | <b>25%</b>                          | <b>53</b> | <b>37</b>       | <b>16</b>                           | <b>30%</b>                          |

### WASTE MANAGEMENT (THIS SECTION INCLUDES: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Greater Giyani Municipality Collect refuses from residential units in all townships, Businesses, Schools, Churches and industrial. Litter picking is conducted in all main roads, internal streets, and CBD. The municipality currently has one waste disposal site in use.

| Financial performance 2022/23,2023/24 and 2024/25 Electricity ServicesR' 00 |                 |                   |         |                 |                   |               |                 |                   |               |
|---|-----------------|-------------------|---------|-----------------|-------------------|---------------|-----------------|-------------------|---------------|
| Details   | 2022/23         |                   |         | 2023/24         |                   |               | 2024/25         |                   |               |
|   | Original Budget | Adjustment Budget | Actual  | Original Budget | Adjustment Budget | Actual        | Original Budget | Adjustment Budget | Actual        |
| Total operational revenue (excluding tariffs)                               | 0               | 0                 | 0       | 0               | 0                 | 0             | 0               | 0                 | 0             |
| Expenditure   |                 |                   |         | 17 376 907.82   | 12 243 370.96     | 69 248 101.55 |                 |                   |               |
| Employees   | 3 745 033       | 2322              | 854 327 | 3 800 407.82    | 2 979 981.96      | 2 334 475.14  | 3 728 998.66    | 3 372 340.03      | 2 624 798.00  |
| Repairs and Maintenance   | 6 000 000       | 6000              | 0       | 10 000 000      | 5 146 889.00      |               | 13 000 000      | 9 500 000         | 237 577.45    |
| Other   | 2 802 137       | 2024              | 1005    |                 | 3 576 500         | 4 116 500     | 4 646 000       | 5 963 000         | 15 627 325.06 |
| Total operational   | 12 547 170      | 10 346            | 2332    |                 | 17 376 907.82     | 12 243 370.96 | 21 374 998.66   | 18 835 640.03     | 18 489 700.51 |

| Expenditure   |                 |                 |           |                 |                 |               |                 |                 |               |
|---|-----------------|-----------------|-----------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| Financial performance 2020/21, 2021/22, 2022/23 Refuse Solid Waste Management Services (Community Services) |                 |                 |           |                 |                 |               |                 |                 |               |
| Details   | 2022/23         |                 |           | 2023/24         |                 |               | 2024/25         |                 |               |
|   | Original Budget | Adjusted Budget | Actual    | Original Budget | Adjusted Budget | Actual        | Original Budget | Adjusted Budget | Actual        |
| <b>Total operational revenue</b>  | 11 200 000      | 9 040 000       | 8 276 420 | 9 524 350       | 8 776 242       |               | 9 283 554       | 12 630 900      | 13 672 629.76 |
| <b>Employees</b>  | 11 126 875      | 8 578 222       | 6 989 783 | 12 569 661.01   | 9 319 882.65    | 12 045 035.97 | 13 028 161 .08  | 14 995 968.58   | 19 832 376.77 |
| <b>Repairs and maintenance</b>  | 200 000         | 200 000         | 0         | 250 000         | 250 000         | 0             | 500 000         | 1 000 000       | 987 900.00    |
| <b>Other</b>  | 3 223 640       | 1 085 167       | 538 676   | 4 106 000       | 1 651 000       | 4 630 897.40  | 5 261 200       | 3 917 100       | 6 389 272.34  |
| <b>Total operational Expenditure</b>  | 14 550 514      | 9 863 389       | 7 528 459 | 16 925 661.01   | 11 220 882.65   | 16 675 933.37 | 18 789 361 .08  | 19 913 068.58   | 27 209 549    |

## Roll Out and Backlogs

| WARD         | AVAILABLE                             | BACKLOG  |
|--------------|---------------------------------------|--|
| 1            | Ad hoc                                | Blinkwater, Ximausa, Noblehoek                     |
| 2            | 0                                     | Phikela, Rivala, Maxavela, Mavhuza                 |
| 3            | 0                                     | Babangu, Ndengeza RDP, Ntshunxi                    |
| 4            | 0                                     | Basani, N'wamankena, Maswanganyi                   |
| 5            | 0                                     | Sifasonke, Zamani, Tomu                            |
| 6            | 0                                     | Gon'on'o, Hlaneki, Khani                           |
| 7            | 0                                     | Siyandhani, Bode                                   |
| 8            | 0                                     | Silawa, Shimange, Dingamazi, Skhiming, Botshabelo  |
| 9            | 0                                     | Homu 14A, Homu 14B                                 |
| 10           | 0                                     | Glja-Ngove, Nkomo C, Nkomo B                       |
| 11           | Giyani E, D1                          | 0  |
| 12           | Giyani A                              | Homu 14 C  |
| 13           | Giyani D2 and Giyani F                | B9   |
| 14           | Unstructured services                 | Makosha, Shikukwani                                |
| 15           | Unstructured services                 | Nwadzekudzeku and Shivulani                        |
| 16           | Unstructured services                 | Mninginisi B2, B3, Mhlava Willem                   |
| 17           | Unstructured services                 | Thomo  |
| 18           | Unstructured services                 | Gawula, Khakhala, Muyexe                           |
| 19           | Mahlathi unstructured services        | Hlomela, Ndindani, Mahlathi, Shingwedzi Camp       |
| 20           | 0                                     | Bonwani, Mavalani, Mbatlo                          |
| 21           | Krematart, Ngove unstructured Service | Ngove, Dzingi-Dzingi                               |
| 22           | 0                                     | Shawela, Shikhumba                                 |
| 23           | 0                                     | Mbhedle, Guwela, Kheyi, Mushiyan, Nsavulani        |
| 24           | 0                                     | Mnghonghoma, Loloka, Mageva                        |
| 25           | 0                                     | Daniel Rabalelo, Mageva township, Dzumeri          |
| 26           | 0                                     | Maphata, Sikhunyani, Nkomo A, Bambeni              |
| 27           | 0                                     | Mayephu, Mzilela, Matsotsosela, Xitlakati, Khaxani |
| 28           | 0                                     | Mphagani, Zava                                     |
| 29           | 0                                     | Makhuva, Mbaula, Phalaubeni                        |
| 30           | 0                                     | Mapuve, Jim Nghalalume                             |
| 31           | 0                                     | Mapayeni, N'wakhwani, Vuhehli, Mnyangani           |
| <b>TOTAL</b> |                                       |  |

### 3.6.1 CHALLENGES

There is a huge backlog of refuse removal services as the service is yet to be extended to rural communities. Lack of proper waste management infrastructure is also a challenge as waste disposal is not meeting the minimum requirements for safe disposal of waste. The municipality also does not have sufficient funds to initiate recycling initiatives. There is shortage of personnel, as a result the municipality relies on contract workers to render the waste management services. Insufficient resources to extend refuse removal services to rural communities is a challenge. Lack of law enforcers to enforce by laws. The dumping site is due for rehabilitation and closure.

### 3.6.2 INTERVENTIONS

A landfill site development project is under way. The Buyback Centre constructed to support recycling initiatives. Budget set aside under the EPWP Program to appoint personnel on a contract basis to work on waste. installed no dumping sign as part of awareness. Waste management by-law is Gazetted and implemented. Skip bins are rented as per the approved tariff structure. Skip bins are placed in strategic areas to combat dumping waste in open spaces. Intensification of environmental education

awareness to school and community members. Development of Robust Clean-up plan for all villages. Waste disposal closure license extended by two years, thus 2024.

**The table below reflects availability and backlog of standard sports facilities within wards.**

| WARD | AVAILABLE      | BACKLOG  |
|------|----------------|--|
| 1    | 0              | Blinkwater, Ximawusa, Noblehoek                    |
| 2    | Mavhuza        | Rivala, Phikela, Mashavela                         |
| 3    | 0              | Babangu, Nden'eza, RDP, Ntshuxi                    |
| 4    | 0              | Basani, Nwamankena, Maswanganyi                    |
| 5    | 0              | Sifasonke, Zamani, Tomu                            |
| 6    | Khani          | Gon'on'o, Hlaneke                                  |
| 7    | 0              | Siyandhani, Bode                                   |
| 8    | 0              | Dingamazi, Shimange, Silawa, Sekhimini, Botshabelo |
| 9    | Homu 14B       | Homu 14 A  |
| 10   | 0              | Nkomo B, Nkomo C, Gija-Ngove                       |
| 11   | Section E      | Giyani D1  |
| 12   | Giyani A       | Homu 14C   |
| 13   | 0              | Giyani D2, Giyani F, B9                            |
| 14   | 0              | Makosha, Shikukwani                                |
| 15   | Shivulani      | Nwadzekudzekukl                                    |
| 16   | 0              | Mninginisi B3, Mninginisi B2, Mhlava Willem        |
| 17   | 0              | Thomo  |
| 18   | Gawula, Muyexe | Khakhala   |



|    |         |  |
|----|---------|--|
| 19 | 0       | Hlomela, Ndindani, Mahlathi, Shingwedzi Camp |
| 20 | 0       | Bonwani, Mavalani, Mbatlo                    |
| 21 | 0       | Ngove, Kremetart, Dzingi-Dzingi              |
| 22 | Shawela | Shawela RDP, Shikhumba                       |
| 23 | 0       | Mbhedle, Guwela, Kheyi, Mushiyani, Nsavulani |
| 24 | Mageva  | Mnghonghoma, Loloka                          |
| 25 | 0       | Daniel Rabalelo, Mageva Township, Dzumeri    |
| 26 | 0       | Maphata, Sikhunyani, Bambeni, Nkomo A        |
| 27 | Mzilela | Mayephu, Matsotsosela, Khaxani, Xitlakati    |
| 28 | 0       | Mphagani, Zava                               |
| 29 | 0       | Makhuva, Mbaula, Phalaubeni                  |
| 30 | 0       | Mapuve, Nghalalume                           |
| 31 | 0       | Mapayeni, N'wakhuwani, Vuhehli, Mnyangani    |

The report reflects only halls built by the municipality. Excluded are privately owned halls and those built by another sector department.

#### THE TABLE BELOW REFLECTS THE AVAILABILITY AND BACKLOG OF COMMUNITY HALLS WITHIN WARDS

##### WARD COMMUNITY HALLS

| WARD | AVAILABLE             | BACKLOG  |
|------|-----------------------|--|
| 1    | 0                     | Blinkwater, Ximawusa, Noblehoek                    |
| 2    | 0                     | Rivala, Phikela, Mashavela, Mavhuza                |
| 3    | 0                     | Babangu, Nden'eza, RDP, Ntshuxi                    |
| 4    | 0                     | Basani, Nwamankena, Maswanganyi                    |
| 5    | 0                     | Sifasonke, Zamani, Tomu                            |
| 6    | 0                     | Gon'on'o, Hlaneki, Khani                           |
| 7    | 0                     | Siyandhani, Bode                                   |
| 8    | 0                     | Dingamazi, Shimange, Silawa, Sekhimini, Botshabelo |
| 9    | 0                     | Homu 14 A, Homu 14B                                |
| 10   | 0                     | Gija-Ngove, Nkomo B, Nkomo C                       |
| 11   | Giyani Community Hall | Giyani E, Giyani D1                                |
| 12   | 0                     | Giyani A, Homu 14C                                 |
| 13   | 0                     | Giyani D2, Giyani F                                |
| 14   | 0                     | Makosha, Shikukwani                                |
| 15   | Nwadzekudzeku         | Shivulani  |
| 16   | 0                     | Mninginisi B2, Mninginisi B3, Mhlava Willem        |
| 17   | Thomo Community Hall  | N/A  |

|    |                |  |
|----|----------------|--|
| 18 | 0              | Gawula, Muyexe, Khakhala                           |
| 19 | 0              | Hlomela, Ndindani, Mahlathi, Shingwedzi Camp       |
| 20 | 0              | Bonwani, Mavalani, Mbatlo                          |
| 21 | 0              | Ngove, Kremetart, Dzingi-Dzingi                    |
| 22 | 0              | Shawela, Shikhumba                                 |
| 23 | 0              | Mbhedle, Guwela, Kheyi, Mushiyani, Nsavulani       |
| 24 | 0              | Mnghonghoma, Loloka, Mageva                        |
| 25 | 0              | Daniel Rabalelo, Dzumeri, Mageva Township          |
| 26 | 0              | Maphata, Sikhunyani, Nkomo A, Bambeni              |
| 27 | 0              | Mzilela, Mayephu, Matsotsosela, Khaxani, Xitlakati |
| 28 | 0              | Mphagani, Zava                                     |
| 29 | 0              | Makhuva, Mbaula, Phalaubeni                        |
| 30 | Jim Nghalalume | Mapuve,  |
| 31 | 0              | Mapayeni, N'wakhuwani, Vuhehli, Mnyangani          |

### 3.6.4 Housing

The powers and functions for the provision and construction of housing lies with the provincial government under the Department of Co-operative Governance, Human Settlements and Traditional Affairs. The role of the municipality is to identify housing demands needs through the development of the Housing Chapter and identification of beneficiaries. For the 2024/25 financial year a total of 230 houses were allocated to Greater Giyani Municipality. The implementing agent was the Department of Co-operative Governance, Human Settlements and Traditional Affairs.

### 3.6.5 Free Basic Services and Indigent Support Introduction to

#### Free Basic Services and Indigent Support

| Free basic services to low-income households |                      |  |                  |   |                       |   |                        |   |                   |   |
|--|----------------------|--|------------------|---|-----------------------|---|------------------------|---|-------------------|---|
|  | Number of households |  |                  |   |                       |   |                        |   |                   |   |
|  | Total                | Household's earnings less than R2000 per month |                  |   |                       |   |                        |   |                   |   |
|  |                      |  | Free basic water |   | Free basic sanitation |   | Free basic electricity |   | Free basic refuse |   |
|  |                      | Total  | Accesses         | % | Accesses              | % | Accesses               | % | Accesses          | % |
| 2022/23                                      |                      |  | 390              |   | 0                     |   | 6834                   |   | 390               |   |
| 2023/24                                      |                      |  | MDM              |   | MDM                   |   | 4518                   |   | 201               |   |
| 2024/25                                      |                      |  | MDM              |   | MDM                   |   | 2176                   |   | 118               |   |

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The municipality is faced with numerous applications of indigents; however, municipality is doing everything in its powers to support local communities with the need of free basic services.

## Component B: Roads and Transport

### 3.7 Introduction to Roads

#### Gravel road infrastructure Kilometers

|                | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Gravel roads graded/maintained |
|----------------|--------------------|------------------------------|------------------------------|--------------------------------|
| <b>2022/23</b> | 2 889              | 1.6 km                       | 11.4 km                      | 2 538km                        |
| <b>2023/24</b> | 2 880.2            | 0km                          | 8.8km                        | 2 600km                        |
| <b>2024/25</b> | 2 872              | 0km                          | 8km                          | 2 600km                        |

| ROADS AND TRANSPORT Employees | Posts No.      | No of Employees. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % | Posts No.      | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
|-------------------------------|----------------|------------------|--------------------------------------|-------------------------------------|----------------|-----------------|--------------------------------------|-------------------------------------|
|                               | <b>2023/24</b> |                  |                                      |                                     | <b>2024/25</b> |                 |                                      |                                     |
| <b>0-3</b>                    | 1              | 1                | 0                                    | 100%                                | 1              | 1               | 0                                    | 100%                                |
| <b>4-6</b>                    | 1              | 1                | 0                                    | 100%                                | 1              | 1               | 0                                    | 100%                                |
| <b>7-9</b>                    | 1              | 1                | 0                                    | 100%                                | 4              | 2               | 2                                    | 50%                                 |
| <b>10-12</b>                  | 20             | 13               | 7                                    | 65%                                 | 18             | 15              | 3                                    | 16%                                 |
| <b>13-15</b>                  | 33             | 16               | 17                                   | 48.5%                               | 30             | 13              | 17                                   | 56%                                 |
| <b>16-18</b>                  | 0              | 0                | 0                                    | 0%                                  | 0              | 0               | 0                                    | 0                                   |
| <b>19-20</b>                  | 0              | 0                | 0                                    | 0%                                  | 0              | 0               | 0                                    | 0                                   |
| <b>Total</b>                  | <b>56</b>      | <b>32</b>        | <b>24</b>                            | <b>57.14%</b>                       | <b>54</b>      | <b>32</b>       | <b>22</b>                            | <b>41%</b>                          |

#### Asphalted Road Infrastructure

|                | Total Asphalted roads | New asphalt roads | Existing asphalt roads re-Asphalted | Existing asphalt roads re-sheeted | Asphalt roads maintained |
|----------------|-----------------------|-------------------|-------------------------------------|-----------------------------------|--------------------------|
| <b>2023/24</b> | 10.81 km              | 0km               | 9.31km                              | 0km                               | 1.5km                    |
| <b>2024/25</b> | 14.8km                | 8km               | 6.8 km                              | 0km                               | 0.km                     |

**Financial performance 2022/23,2023/24 and 2024/25: Road Services**  
**R` 000**

| Details                               | 2022/23         |                   |           | 2023/24         |                   |               | 2024/25         |                   |               |
|---------------------------------------|-----------------|-------------------|-----------|-----------------|-------------------|---------------|-----------------|-------------------|---------------|
|                                       | Original Budget | Adjustment budget | Actual    | Original Budget | Adjustment budget | Actual        | Original Budget | Adjustment budget | Actual        |
| Employees                             |                 |                   |           |                 |                   |               |                 |                   |               |
| Repair & Maintenance                  | 10 064 669      | 8 492 620         | 7 928 690 | 12 079 881.21   | 10 400 449.25     | 14 963 903.99 | 12 328 212.16   | 12 815 295.56     | 18 434 391.59 |
| Other                                 | 37 500 000      | 55 200 000        | 0         | 34 000 000      | 46 196 977        | 0             | 45 000 000      | 88 505 325        | 2 929 343,63  |
| Total operational expenditure         | 246 265         | 543 265           | 525 131   | 650 000         | 940 000           | 12 548 353.27 | 960 000         | 1 030 000         | 278112 6.56   |
| Net operational (service) expenditure | 47 810 934      | 64 235 885        | 8 453 821 | 46 729 881      | 57 537 426        | 27 512 257.26 | 58 288 212.16   | 102 350 620.56    | 24 144 861.78 |

Capital expenditure 2023/24 and 2024/25 Road Services  
R`000

| Capital project   | 2023/24    |                   |                    |                               | 2024/25        |                   |                    |                                 |
|---|------------|-------------------|--------------------|-------------------------------|----------------|-------------------|--------------------|---------------------------------|
|   | Budget     | Adjustment Budget | Actual Expenditure | Variance from original budget | Budget         | Adjustment Budget | Actual Expenditure | Variance from adjustment budget |
| Mavalani Indoor Sports Centre   | 16 313 679 | 9 263 679         | 7 672 665.02       | 1 591 013.98                  | R8,365,834.63  | R11.725.785.91    | R11 372 361.77     | 353 424.14                      |
| Development of 5.15km Babangu detailed design for upgrading from gravel to paving     | 0          | 0                 | 0                  | 0                             | R1,300,000.00  | R1,300,000.00     | 3 833 377.37       | -2 533 377.37                   |
| Development of a tender document for extension of Mageva soccer pitch                 | 2,000,000  | 250,000           | 250,000            |                               | R4,500,000.00  | R1.400.000.00     | R1 400 000         | 00                              |
| Settlement of payment for detailed design services rendered for Section F, 539 sites  |            |                   |                    |                               | R500,000.00    | R92.000.00        | R92.000.00         | 00                              |
| Construction of subbase layer for 4.8 km Upgrading of internal streets at Nwa-Mankena | 500.000    | 500.000           | 500.000            |                               | R24,472,367.47 | R26.263.910.52    | R26 350 229.73     | -86 319.21                      |

|  |              |           |              |   |                |                |               |              |
|--|--------------|-----------|--------------|---|----------------|----------------|---------------|--------------|
| 3.6km upgrading from gravel to paving at Shawela   | 1,000,000    | 1,000,000 | 1,000,000    |   | R31,650,844.03 | R32.651.435.51 | 31 389 950.09 | 1 261 485.42 |
| 2.6 km Upgrading from gravel to paving at Hlomela  | 2,527,159.41 | 1,027,159 | 4,327,159.41 |   | R21,681,638.50 | R19.889.503.97 | 20 621 467.89 | -731 963.92  |
| Appointment of contractor for Construction of market stalls at Giyani section A (10 market stalls) | 0            | 0         | 0            | 0 | R5,000,000.00  | R1.908.000.00  | R773 235.72   | 1 134 764.28 |
| Construction of Waste Disposal Site  | 2 500 000    | 8 592 480 | 6 740 471.29 |   | R2,705,000.00  | R12.428.712.49 | R7 400 409.59 | 5028302.90   |
| Electrification of 100 units at Xikukwani Village  | 0            | 0         | 0            |   | R3,100,000     | R3.800.000     | R2 033 500.01 | 1 766 499.99 |
| Electrification of 100 units at Matsotso sela Village  | 230 000      | 230 000   | 152 678.89   |   | R2,500,000     | R2,500,000     | R2 203 614.39 | 296 385.61   |



|   |               |               |                |             |             |               |               |             |
|---|---------------|---------------|----------------|-------------|-------------|---------------|---------------|-------------|
| Electrification of 150 units at Mnghon ghoma Village  | 290 000       | 290 000       | 218 634.79     | 71 365.21   | R3,450,000  | R3.568.792.5  | R3 317 362.48 | 251 430.02  |
| Electrification of 100 units at Mahlathi village      | 230 000       | 230 000       | 150 782.61     | 79 217.39   | R2,400,000  | R2,400,000    | R2 205 795    | 194 205     |
| Electrification of 223 units at Mageva Village        | 230 000       | 230 000       | 389 109.60     | 159 109.60  | R5,803,000  | R7.375.504.5  | R6 713 888.41 | 661 616.09  |
| Electrification of 100 units at Loloka village        | 230 000       | 230 000       | 125 652.17     | 104 247.83  | R2,400,000  | R2,400,000    | R2 234 695    | 165 305     |
| Installation of High Mast Lights in 93 Villages (CBD) | 2 500 000     | 1 000 000     | 0              | 1 000 000   | R3,000,000  | R2.200.000.00 | R2 199 559.00 | 441         |
| MIG Spending  | 68 712 550.00 | 77 952 433.21 | 77 952 4303.21 | 0           | R67,604,850 | R67,604,850   | R67,604,850   | 0           |
| Environmental Awareness Campaign                      | Operational   | Operational   | Operational    | Operational | Operational | Operational   | Operational   | Operational |

|  |             |             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Environmental Awareness Campaign         | Operational | Operational | Operational | Operational | Operational | Operational | Operational | Operational |
| Scholar Patrol                           | Operational | Operational | Operational | Operational | Operational | Operational | Operational | Operational |
| Speed Checks                             | Operational | Operational | Operational | Operational | Operational | Operational | Operational | Operational |
| Traffic summonses Issued                 | Operational | Operational | Operational | Operational | Operational | Operational | Operational | Operational |
| Driver's License Card Agency             | Operational | Operational | Operational | Operational | Operational | Operational | Operational | Operational |
| Road Traffic Management Corporation Fees | Operational | Operational | Operational | Operational | Operational | Operational | Operational | Operational |
| Vehicle Testing Station Calibration      | Operational | Operational | Operational | Operational | Operational | Operational | Operational | Operational |
| 80% Agency fees                          | Operational | Operational | Operational | Operational | Operational | Operational | Operational | Operational |
| Road Blocks                              | Operational | Operational | Operational | Operational | Operational | Operational | Operational | Operational |

### 3.8 Transport (Including Vehicle Licensing & Public Bus Operation)

#### Introduction to Transport

The municipality has a fully established licensing unit with the vehicle testing station, driver's license testing center and registering authority. However, these functions belong to the Department of Transport, therefore the municipality operates under a Service Level

Agreement. The municipality also has a law enforcement and traffic services unit responsible for public transport management and community safety. The key activities under this function are vehicle roadworthy compliance, vehicle speed control, scholar patrols, traffic escorts and pound services amongst others.

The majority of the Greater Giyani Municipality residents rely on public transport, this is evidenced by the number of buses and taxis on our roads. The municipality usually experiences road congestion during peak hours and in festive seasons. This is due to the lack of bus rank facilities, heavily congested Giyani taxi rank and public road infrastructure such as offloading and loading zones. To resolve this, the municipality needs secure land from Public Works or traditional leaders to develop taxi rank holding facility and bus rank facility. Land negotiation process is under way.

## Public Transport

### Status of Taxi Rank Facilities

| LOCATION              | STATUS      | DESTINATIONS  |
|-----------------------|-------------|---|
| Old Spar              | Operational | Bushbuckridge, Polokwane, Tzaneen and Phalaborwa, Witbank                     |
| Shoprite              | Operational | Malamulele  |
| New Boxer Supermarket | Operational | Mooketsi, Vuhehli, Gawula   |
| Ndhambi Taxi Rank     | Operational | Giyani, Tzaneen   |
| OBC (Main Taxi Rank)  | Operational | Phalaborwa, Acornhoek, Tzaneen, Polokwane, Pretoria, Rustenburg, Johannesburg |

## Public Transport Challenges

The major challenge experienced by the municipality is the lack of space for loading passengers. The municipality currently does not have an integrated transport plan which would then be used for management of Public Transport within area of municipal's jurisdiction.

### 3.9 Wastewater (Stormwater Drainage)

Actions that have been taken  
Plans in place to develop the town.

The Municipality developed Stormwater Master Plan which will be implemented to eliminate flooding around town and townships.

## Component C: Planning and Development

### 3.10 Planning

| Applications for land use development |                           |         |          |         |                   |         |
|---------------------------------------|---------------------------|---------|----------|---------|-------------------|---------|
| Detail                                | Formalization of township |         | Rezoning |         | Built Environment |         |
|                                       | 2023-24                   | 2024-25 | 2023-24  | 2024-25 | 2023-24           | 2024-25 |
|                                       | 2                         | 0       | 29       | 9       | 21                | 37      |

### 3.11 Local Economic Development (Including Tourism and Marketplaces)

| Financial performance 2022/23, 2023/24 and 2024/25: Planning services<br>R`000 |                 |                 |           |                 |                 |               |                 |                 |               |
|--|-----------------|-----------------|-----------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| Details  | 2022/23         |                 |           | 2023/24         |                 |               | 2024/25         |                 |               |
|  | Original Budget | Adjusted budget | Actual    | Original Budget | Adjusted budget | Actual        | Original Budget | Adjusted budget | Actual        |
| Total Operational Revenue  | 1025 000        | 685 000         |           | 840 000         | 2 321 315       | 558 315,09    | 3 230 000       | 6 133 478       | 895 825.56    |
| Employee S   | 8 821 077.57    | 7 433 571.83    | 1 105 136 | 8 589 443.42    | 7 507 353.85    | 7 251 792.98  | 8 592 077.60    | 8 325 499.44    | 7 389 618.41  |
| Repairs & Maintenance  | 0               | 0               | 0         | 0               | 0               | 0             | 0               | 0               | 0             |
| Other  | 704 500         | 909 500         | 66 743    | 1 057 600       | 1 923 800       | 6 547 521.57  | 5 556 000.00    | 4 151 000.00    | 3 599 205.14  |
| Total Operational Expenditure  | 9 525 578       | 8 343 071       | 1 171 879 | 9 647 043       | 9 431 154       | 13 799 314.55 | 14 148 077.60   | 12 476 499.44   | 10,988,823.55 |

#### Comment on Local Economic Development Performance Overall:

4 SMMEs were supported financially in the 2024/25 financial year.

4 SMMEs were exposed to LED market.

12 SMMEs were exposed pop-up market.

### Component D: Community & Social Services

| Employees: Local Economic Development Services |           |                 |                                      |                                     |           |                 |                                      |                                     |
|--|-----------|-----------------|--------------------------------------|-------------------------------------|-----------|-----------------|--------------------------------------|-------------------------------------|
| Job level                                      | 2023/24   |                 |                                      |                                     | 2024/25   |                 |                                      |                                     |
|  | Posts No. | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % | Posts No. | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0-3  | 1         | 1               | 0                                    | 100%                                | 1         | 1               | 0                                    | 100%                                |
| 4-6  | 2         | 0               | 2                                    | 100%                                | 12        | 4               | 8                                    | 67%                                 |
| 7-9  | 0         | 0               | 0                                    | 0%                                  | 0         | 0               | 0                                    | 0                                   |
| 10-12  | 6         | 4               | 2                                    | 33.33%                              | 12        | 8               | 4                                    | 33%                                 |
| 13-15  | 0         | 0               | 0                                    | 0%                                  | 0         | 0               | 0                                    | 0                                   |
| 16-18  | 0         | 0               | 0                                    | 0%                                  | 0         | 0               | 0                                    | 0                                   |
| 19-20  | 0         | 0               | 0                                    | 0%                                  | 0         | 0               | 0                                    | 0                                   |
| <b>Total</b>                                   | <b>9</b>  | <b>5</b>        | <b>4</b>                             | <b>44.44%</b>                       | <b>25</b> | <b>13</b>       | <b>12</b>                            | <b>48%</b>                          |
|  |           |                 |                                      |                                     |           |                 |                                      |                                     |

#### 3.12 Libraries; Archives; Museums; Galleries; Community Facilities; Other (Theaters, Zoos, etc.)

- The municipality has one functional Library in Giyani

#### 3.13 Cemeteries and Crematoriums

##### Introduction to Cemeteries & Crematoriums

| Employees: Cemeteries and Crematoriums |         |         |         |
|--|---------|---------|---------|
| Job level                              | 2022/23 | 2023/24 | 2024/25 |

|              | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies(as a % of total posts) % |
|--------------|-----------------|--------------------------------------|-------------------------------------|-----------------|--------------------------------------|------------------------------------|
| 0-3          | 1               | 0                                    | 100%                                | 1               | 0                                    | 0                                  |
| 4-6          | 0               | 0                                    | 0%                                  | 1               | 0                                    | 0                                  |
| 7-9          | 0               | 0                                    | 0%                                  | 0               | 0                                    | 0                                  |
| 10-12        | 1               | 1                                    | 100%                                | 1               | 1                                    | 100%                               |
| 13-15        | 11              | 41                                   | 73%                                 | 30              | 15                                   | 50%                                |
| 16-18        | 0               | 0                                    | 0%                                  | 0               | 0                                    | 0                                  |
| 19-20        | 0               | 0                                    | 0%                                  | 0               | 0                                    | 0                                  |
| <b>Total</b> | <b>13</b>       | <b>42</b>                            | <b>69.05%</b>                       | <b>33</b>       | <b>16</b>                            | <b>48%</b>                         |

**The municipality has one cemetery under its control; communal cemeteries are yet to be audited. There is no crematorium services within the jurisdiction of the municipality.**

**Comment on the Performance of Cemeteries & Crematoriums Overall: Ensure all funded position are appointed.**

The municipality is experiencing a challenge of space for the development of future cemetery site since most of the available land is under the control of the traditional leadership. Cemetery by-laws are Gazetted and implemented. Private security personnel deployed at the cemetery.

### **3.14 Childcare; Aged Care; Social Programmes Introduction to**

#### **Childcare; Aged Care and Social Programmes**

The municipality has coordinators who focuses on social programs such HIV and AIDS, Women and Children, Youth, Old age, Gender, and Disability. There are also several forums as Aids council and technical committee, Men's forum, Disability's forum, and gender forum which champions the interest of these social sectors. At the core of it is that the oversight monitoring is done through the Health and Social Development Portfolio Committee. The municipality works closely with provincial and district departments that deals with social issues such as the Department of Social Development, Department of Health, South African Police Services and Chapter Nine institutions such as Human Rights and Gender Commissions as well as nongovernmental organizations.



The municipality is working together with Mopani District, LEDET and DEFF to raise awareness on the need to protect and conserve the environment.

## Component E: Environmental Protection

### 3.15 Pollution Control

The municipality has a functional waste management service, providing refuse removal services to the Giyani township households twice per week and daily in the CBD. Due to capacity challenges, the municipality is yet to extend waste management services to rural areas. The municipality is currently developing a landfill site and the current waste disposal site in compliance with the National Environmental Management: Waste Act and the GN No.636 National Norms and Standards for Disposal of Waste to landfill.

### 3.16 Biodiversity; Landscape; (Incl. Open Spaces)

GGM works in collaboration with DEA and LEDET to ensure biodiversity conservation construction in line with the climate change response strategy of the province. There are also municipal community parks that are well maintained, though there are vandalization taking place in all parks.

## Component F: Health

- The clinics and ambulance services are rendered by the provincial department of Health and Social Development.

## Component G: Security and Safety Police, Fire, and Other (Disaster Management, Animal Licensing and Control, Control of Public Nuisances and Other)

### Introduction to Disaster Management, Animal Licensing and Control, Control of Public Nuisances, etc.

- The Police and Fire services are rendered by the provincial department and National Department. And fire rendered by the District Municipality. The municipality has an animal pound station to be used for impoundment of animals. The development of by-laws for keeping animals to deal with licensing and control of animals is in progress.

| Financial performance 2022/23, 2023/24 and 2024/25: Traffic<br>R`000 |         |         |         |
|--|---------|---------|---------|
| Details  | 2022/23 | 2023/24 | 2024/25 |
|  |         |         |         |

|                               | Original budget | Actual     | Original Budget | Adjustment Budget | Actual        | Original Budget | Adjusted Budget | Actual        |
|-------------------------------|-----------------|------------|-----------------|-------------------|---------------|-----------------|-----------------|---------------|
| Total operational revenue     | 8 300 000       | 8 262 877  | 8 700 000       | 8 225 000         | 8 061 372     | 8 800 000       | 8 830 000       | 2 012 946     |
| Police Officers               |                 |            |                 |                   |               |                 |                 |               |
| Other Employees               | 20 290 642      | 20 631 112 | 22 266 008.79   | 19 861 273.63     | 20 317 080.00 | 22 763 257.77   | 21 570 817.48   | 19 729 300.31 |
| Repairs & Maintenance         | 500 000         | 500 000    | 468 924         | 500 000           | 500 000       | 500 000         | 100 000         | 0             |
| Other                         | 16 790 3        | 850 981    | 460 609         | 1 283 000         | 437 000       | 1 589 000       | 654 500         | 457 337.10    |
| Total operational expenditure | 20 830 091      | 21 641 623 | 20 667 946      | 24 049 009        | 20 798 274    | 24 852 257.77   | 22 325 317.48   | 20 186 637.41 |

## Component H: Sport and Recreation

### Introduction to Sport and Recreation

#### 3.17 Sport.

The table below reflects availability and backlog of standard Sports facilities within Wards.

| Ward | Available | Backlog                         |
|------|-----------|---------------------------------|
| 1    | 0         | Blinkwater, Ximawusa, Noblehoek |
| 2    | 0         | Rivala, Phikela, Mashavela      |

|              |                |  |
|--------------|----------------|--|
| 3            | 0              | Babangu, Nden'eza, RDP, Ntshuxi                    |
| 4            | 0              | Basani, Nwamankena, Maswanganyi                    |
| 5            | 0              | Sifasonke, Zamani, Tomu                            |
| 6            | Khani          | Gon'on'o, Hlaneki                                  |
| 7            | 0              | Siyandhani, Bode                                   |
| 8            | 0              | Dingamazi, Shimange, Silawa, Sekhimini, Botshabelo |
| 9            | Homu 14B       | Homu 14 A  |
| 10           | 0              | Nkomo B, Nkomo C, Gija-Ngove                       |
| 11           | Section E      | Giyani D1  |
| 12           | Giyani A       | Homu 14C   |
| 13           | D2 and F       | Giyani D2, Giyani F, B9                            |
| 14           | 0              | Makosha, Shikukwani                                |
| 15           | Shivulani      | Nwadzekudzeku                                      |
| 16           | 0              | Mninginisi B3, Mninginisi B2, Mhlava Willem        |
| 17           | 0              | Thomo  |
| 18           | Gawula, Muyexe | Khakhala   |
| 19           | 0              | Hlomela, Ndindani, Mahlathi, Shingwedzi Camp       |
| 20           | 0              | Bonwani, Mavalani, Mbatlo                          |
| 21           | 0              | Ngove, Kremetart, Dzingi-Dzingi                    |
| 22           | Shawela        | Shawela RDP, Shikhumba                             |
| 23           | 0              | Mbhedle, Guwela, Kheyi, Mushiyan, Nsavulani        |
| 24           | Mageva         | Mnghonghoma, Loloka                                |
| 25           | 0              | Daniel Rabalelo, Mageva Township, Dzumeri          |
| 25           | 0              | Maphata, Sikhunyani, Bambeni, Nkomo A              |
| 26           | Mzilela        | Mayephu, Matsotsosela, Khaxani, Xitlakati          |
| 27           | 0              | Mphagani, Zava                                     |
| 28           | 0              | Makhuva, Mbaula, Phalaubeni                        |
| 29           | 0              | Mapuve, Nghalalume                                 |
| 30           |                |  |
| 31           | 0              | Mapayeni, N'wakhuwani, Vuhehli, Mnyangani          |
| <b>TOTAL</b> |                |  |

### 3.18 RECREATION

THE TABLE BELOW REFLECTS THE AVAILABILITY AND BACKLOG OF COMMUNITY HALLS WITHIN WARDS

#### WARD COMMUNITY HALLS

| WARD | AVAILABLE             | BACKLOG  |
|------|-----------------------|--|
| 1    | 0                     | Blinkwater, Ximawusa, Noblehoek                    |
| 2    | 0                     | Rivala, Phikela, Mashavela, Mavhuza                |
| 3    | 0                     | Babangu, Nden'eza, RDP, Ntshuxi                    |
| 4    | 0                     | Basani, Nwamankena, Maswanganyi                    |
| 5    | 0                     | Sifasonke, Zamani, Tomu                            |
| 6    | 0                     | Gon'on'o, Hlaneki, Khani                           |
| 7    | 0                     | Siyandhani, Bode                                   |
| 8    | 0                     | Dingamazi, Shimange, Silawa, Sekhimini, Botshabelo |
| 9    | 0                     | Homu 14 A, Homu 14B                                |
| 10   | 0                     | Gija-Ngove, Nkomo B, Nkomo C                       |
| 11   | Giyani Community Hall | Giyani E, Giyani D1                                |
| 12   | 0                     | Giyani A, Homu 14C                                 |
| 13   | 0                     | Giyani D2, Giyani F                                |
| 14   | 0                     | Makosha, Shikukwani                                |
| 15   | Nwadzekudzeku         | Shivulani  |
| 16   | 0                     | Mninginisi B2, Mninginisi B3, Mhlava Willem        |
| 17   | Thomo Community Hall  | N/A  |
| 18   | 0                     | Gawula, Muyexe, Khakhala                           |
| 19   | 0                     | Hlomela, Ndindani, Mahlathi, Shingwedzi Camp       |
| 20   | 0                     | Bonwani, Mavalani, Mbatlo                          |
| 21   | 0                     | Ngove, Kremetart, Dzingi-Dzingi                    |
| 22   | 0                     | Shawela, Shikhumba                                 |
| 23   | 0                     | Mbhedle, Guwela, Kheyi, Mushiyani, Nsavulani       |
| 24   | 0                     | Mnghonghoma, Loloka, Mageva                        |
| 25   | 0                     | Daniel Rabalelo, Dzumeri, Mageva Township          |
| 26   | 0                     | Maphata, Sikhunyani, Nkomo A, Bambeni              |
| 27   | 0                     | Mzilela, Mayephu, Matsotsosela, Khaxani, Xitlakati |
| 28   | 0                     | Mphagani, Zava                                     |

|              |                       |  |
|--------------|-----------------------|--|
| <b>29</b>    | <b>0</b>              | <b>Makhuva, Mbaula, Phalaubeni</b>               |
| <b>30</b>    | <b>Jim Nghalalume</b> | <b>Mapuve</b>                                    |
| <b>31</b>    | <b>0</b>              | <b>Mapayeni, N'wakhuwani, Vuhehli, Mnyangani</b> |
| <b>Total</b> |                       |  |

| Employees: Sport and Recreation |           |                 |                                      |                                     |           |                 |                                      |                                     |
|---------------------------------|-----------|-----------------|--------------------------------------|-------------------------------------|-----------|-----------------|--------------------------------------|-------------------------------------|
| Job level                       | 2023/24   |                 |                                      |                                     | 2024/25   |                 |                                      |                                     |
| Job Level                       | Posts No. | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % | Posts No. | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0-3                             | 1         | 1               | 0                                    | 100 %                               | 1         | 1               | 0                                    | 100%                                |
| 4-6                             | 2         | 2               | 0                                    | 100 %                               | 3         | 2               | 1                                    | 33%                                 |
| 7-9                             | 0         | 0               | 0                                    | 0%                                  | 1         | 1               | 0                                    | 100%                                |
| 10-12                           | 1         | 1               | 0                                    | 100 %                               | 2         | 2               | 0                                    | 100%                                |
| 13-15                           | 43        | 17              | 26                                   | 72.08%                              | 40        | 17              | 22                                   | 55%                                 |
| 16-18                           | 0         | 0               | 0                                    | 0%                                  | 0         | 0               | 0                                    | 0                                   |
| 19-20                           | 0         | 0               | 0                                    | 0%                                  | 0         | 0               | 0                                    | 0                                   |
|                                 |           |                 |                                      |                                     |           |                 |                                      |                                     |
| Total                           | 47        | 21              | 26                                   | 55%                                 | 47        | 23              | 23                                   | 49%                                 |



3.18.2 CHALLENGES: Insufficient funds

3.18.3 INTERVENTIONS: Ensure that there is budget, and all funded position are appointed.

Component I: Corporate Policy Offices and Other Services

Corporate Policy Offices and Other Services

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

3.19 Introduction to Corporate Policy Offices, Executive and Council

This component includes Executive office (mayor; councilors; and municipalmanager).

Comment on the Performance of the Executive and Council:

Introduction to Executive and Council:

| Financial performance 2022/23,2023/24 and 2024/25 The Executive and CouncilR`000 |                 |                   |        |                 |                   |        |                 |                   |        |
|--|-----------------|-------------------|--------|-----------------|-------------------|--------|-----------------|-------------------|--------|
| Details  | 2022/23         |                   |        | 2023/24         |                   |        | 2024/25         |                   |        |
|  | Original Budget | Adjustment Budget | Actual | Original Budget | Adjustment Budget | Actual | Original Budget | Adjustment Budget | Actual |
|  |                 |                   |        |                 |                   |        |                 |                   |        |

|  |               |               |               |                  |                   |                  |                   |               |               |
|--|---------------|---------------|---------------|------------------|-------------------|------------------|-------------------|---------------|---------------|
| <b>Total<br/>operat<br/>ional<br/>revenu<br/>e</b>     | N/A           | N/A           | N/A           | N/A              | N/A               | N/A              | N/A               | N/A           | N/A           |
| <b>Other<br/>Empl<br/>oyees</b>                        | 24 024<br>711 | 24 932<br>744 | 25 184<br>214 | 32 310<br>934.35 | 33 539 158<br>.49 | 26 274<br>100.20 | 32 677 960.<br>03 | 37 104 266.41 | 29 764 284.72 |
| <b>Repair<br/>s&amp;<br/>Maint<br/>enanc<br/>e</b>     | 0             | 0             | 0             | 0                | 0                 | 0                | 0                 | 0             | 0             |
| <b>Other</b>   | 10 055<br>514 | 10 283<br>873 | 10 422<br>086 | 13 211<br>500    | 14 812 000        | 12 738<br>057.87 | 15 580 000        | 15 765 000    | 14 732 411.38 |
| <b>Total<br/>operat<br/>ional<br/>expen<br/>diture</b> | 34 080<br>225 | 35 216<br>616 | 35 606<br>300 | 45 522<br>435    | 48 351 158        | 39 012<br>158.07 | 48 257 960.<br>03 | 52 869 266.41 | 44 496 696.10 |

### 3.20 Financial Services

|  | Debt recovery  |   |  |                |   |  |
|--|----------------|---|--|----------------|---|--|
| Details of the types of account raised and recovered | 2023/24        |   |  | 2024/25        |   |  |
|  | Billed in year | Estimated outturn for accounts billed in year | Estimated proportion of accounts billed that were collected. | Billed in year | Estimated outturn for accounts billed in year | Estimated proportion of accounts billed that were collected. |
| <b>Property Rates</b>                                | 84 268 633.32  | 6351  | 54.60%   | 85842591       | 6076  | 25.67%   |
| <b>Electricity – B</b>                               | N/A            |   |  |                |   |  |
| <b>Water – B</b>                                     | N/A            | N/A   | N/A  |                |   |  |
| <b>Water – C</b>                                     | N/A            | N/A   | N/A  |                |   |  |
| <b>Sanitation</b>                                    | N/A            | N/A   | N/A  |                |   |  |
| <b>Refuse</b>  | 10 066 737.45  | 6541  | 88.26%   | 14332531.6     | 6464  | 22.37%   |

| Job level | 2023/24   |                 |                                      |                                    | 2024/25   |                 |                                      |                                    |
|-----------|-----------|-----------------|--------------------------------------|------------------------------------|-----------|-----------------|--------------------------------------|------------------------------------|
| Job Level | Posts No. | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of totalposts) % | Posts No. | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of totalposts) % |
| 0-3       | 4         | 4               | 0                                    | 100%                               | 4         | 4               | 0                                    | 100%                               |
| 4-6       | 18        | 13              | 5                                    | 27%                                | 34        | 20              | 14                                   | 41%                                |
| 7-9       | 2         | 1               | 1                                    | 50%                                | 2         | 2               | 0                                    | 0                                  |
| 10-12     | 13        | 7               | 6                                    | 46%                                | 38        | 22              | 16                                   | 42%                                |
| 13-15     | 3         | 1               | 2                                    | 66%                                | 0         | 0               | 0                                    | 0                                  |
| 16-18     | 0         | 0               | 0                                    | 0%                                 | 0         | 0               | 0                                    | 0                                  |
| 19-20     | 0         | 0               | 0                                    | 0%                                 | 0         | 0               | 0                                    | 0                                  |
| Total     | <b>36</b> | <b>22</b>       | <b>14</b>                            | <b>38.88%</b>                      | <b>78</b> | <b>48</b>       | <b>30</b>                            | <b>38%</b>                         |

### 3.21 Human Resource Services Introduction to Human Resource

#### Services

#### Statistics for Human Resource Service

| Human Resource Services Policy objectives taken from IDP   |                                  |                      |                          |                      |                          |                     |                          |
|--|----------------------------------|----------------------|--------------------------|----------------------|--------------------------|---------------------|--------------------------|
| Service Objectives   | Outline service targets          | 2022/23              |                          | 2023/23              |                          | 2024/25             |                          |
|  |                                  | Target               | Actual                   | Target               | Actual                   | Target              | Actual                   |
| To develop and retain best human capital, effective and efficient administrative and operational support system Service Indicators | Submit Employment equity report. |                      |                          |                      |                          |                     |                          |
| To submit the employment equity report to Dept. of Labor by 15 January 2024  |                                  | Submit Equity report | Equity report submitted. | Submit Equity report | Equity report submitted. | SubmitEquity report | Equity report submitted. |

| Employees: Human Resource Services |           |                 |                                       |                                     |          |                |                                       |                                    |
|------------------------------------|-----------|-----------------|---------------------------------------|-------------------------------------|----------|----------------|---------------------------------------|------------------------------------|
| Job Level                          | 2023/24   |                 |                                       |                                     | 2024/25  |                |                                       |                                    |
| Job Level                          | Posts No. | No of Employees | Vacancies (fulltime equivalent s) No. | Vacancies (as a % of total posts) % | PostsNo. | No of Employee | Vacancies (fulltime equivalent s) No. | Vacancies (asa % of total posts) % |
| 0-3                                | 1         | 1               | 0                                     | 0%                                  | 1        | 1              | 0                                     | 0                                  |
| 4-6                                | 8         | 7               | 1                                     | 12,5%                               | 16       | 12             | 4                                     | 25%                                |
| 7-9                                | 0         | 0               | 0                                     | 0%                                  | 0        | 0              | 0                                     | 0                                  |
| 10-12                              | 4         | 2               | 2                                     | 50%                                 | 12       | 09             | 3                                     | 25%                                |
| 13-15                              | 0         | 0               | 0                                     | 0%                                  | 20       | 12             | 8                                     | 40%                                |
| 16-18                              | 0         | 0               | 0                                     | 0%                                  | 0        | 0              | 0                                     | 0                                  |
| 19-20                              | 0         | 0               | 0                                     | 0%                                  | 0        | 0              | 0                                     | 0                                  |
| Total                              | 13        | 10              | 3                                     | 23,07%                              | 49       | 34             | 15                                    | 31%                                |

Comments on the Performance of Human Resource Services overall: Ensure all funded positions are appointed.

### 3.22 Information Communication and Technology (ICT) Services

This component includes Information and Communication Technology (ICT) services.

### Introduction to Information and Communication Technology (ICT)

**Information and Communication Technology ensure provision of services such as Network connectivity, information management, Email messaging for communicating with the internal stakeholders and the outside world, enhancing service delivery by providing reliable systems. Enabling the integration of systems within the municipality to achieve Municipal objectives. ICT operates under the guidance of ICT policies and frameworks as mandated by corporate governance of ICT. There's also an ICT committee that ensures good governance.**

### Services

#### Service statistics for ICT Services

For the period under review 2024/25, Information and Communication Technology provided and supplied ICT equipment e.g., computers and printers. The Unit also updated the Municipal website on a continuous basis and maintained network infrastructure for ease of communication. The Unit provided IT systems, user maintenance and support.

### ICT Services Policy objectives taken from IDP.

| ICT Services Policy objectives taken from IDP |                        |         |        |         |        |         |        |
|---|------------------------|---------|--------|---------|--------|---------|--------|
| Service Objectives                            | Outline service target | 2022/23 |        | 2023/24 |        | 2024/25 |        |
|   |                        | Target  | Actual | Target  | Actual | Target  | Actual |
|   |                        |         |        |         |        |         |        |



|   |  |  |  |   |  |   |   |
|---|--|--|--|---|--|---|---|
| To Develop and retain best human capital ,effective And efficient administrative And operational Support system | 12 payments for leased desktop and laptop computers and procurement of IT equipment.         | 7 Payments for leased desktop and lap Top computers and Procurement of IT equipment. | 7 Payments for leased desktop and lap Top computers and Procurement of IT equipment. | 108 laptops procured                    | 108 laptops procured                               | Procure 162 laptops<br><br>Procure 6 printers | 162 laptops procured<br><br>6 printers procured   |
| To Develop and retain best human capital ,effective And efficient administrative And operational Support system | Maintenance , support and provide connectivity to network (LAN and WAN). 12 Payments for 3Gs | Maintenanc e And support of ICT network  | Maintenanc e and support of ICT network performed.                                   | Maintenanc e And support of ICT network | Maintenanc e and support of ICT network performed. | Maintenance And support of ICT network        | Maintenance and support of ICT network performed. |
| To Develop and retain best human capital, effective and efficient administrative                                | Number of IT Steering Committee meetings coordinated   | Co-ordinate 4x IT steering committee   | 4xIT Steering Committee meetings coordinated .                                       | Co-ordinate 4x IT steering committee    | 4xIT Steering Committee meetings coordinated .     | Co-ordinate 4x IT steering Committee          | 4xIT Steering Committee meetings coordinated.     |

|   |                               |                               |                                |                               |                                |                                |                                |
|---|-------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| And operational Support system  |                               |                               |                                |                               |                                |                                |                                |
| To Develop and retain best human capital ,effective And efficient administrative And operational Support system | % update of Municipal website | 100% Municipal website update | 100% Municipal website updated | 100% Municipal website update | 100% Municipal website updated | 100% Municipal website updated | 100% Municipal website updated |

The unit maintained and supported LAN/WAN connectivity within the Municipality and its remote sites.

The municipality appointed a Service Provider to assist with its ICT Security and Support. The municipality further uploaded the following documents on the website:

- Adverts for Tenders
- Performance Agreements
- SDBIP
- Performance Reports
- Adverts for Vacancies
- Annual Budget and related policies
- SPLUMA By-Laws

| Employees: ICT Services |           |                 |                                      |                                     |           |                 |                                      |                                     |
|-------------------------|-----------|-----------------|--------------------------------------|-------------------------------------|-----------|-----------------|--------------------------------------|-------------------------------------|
| Job level               | 2023/24   |                 |                                      |                                     | 2024/25   |                 |                                      |                                     |
|                         | Posts No. | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of Total posts) % | Posts No. | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of Total posts) % |
| <b>0-3</b>              | 1         | 1               | 0                                    | 0%                                  | 1         | 1               | 0                                    | 100                                 |
| <b>4-6</b>              | 2         | 2               | 0                                    | 0%                                  | 2         | 1               | 1                                    | 50%                                 |
| <b>7-9</b>              |           |                 |                                      |                                     | 1         | 1               | 0                                    | 100%                                |
| <b>10-12</b>            | 2         | 2               | 0                                    | 0%                                  | 8         | 7               | 1                                    | 88%                                 |
| <b>13-15</b>            | 0         | 0               | 0                                    | 0%                                  | 0         | 0               | 0                                    | 0                                   |
| <b>16-18</b>            | 0         | 0               | 0                                    | 0%                                  | 0         | 0               | 0                                    | 0                                   |
| <b>19-20</b>            | 0         | 0               | 0                                    | 0%                                  | 0         | 0               | 0                                    | 0                                   |
| <b>Total</b>            | <b>5</b>  | <b>5</b>        | <b>0</b>                             | <b>100%</b>                         | <b>12</b> | <b>10</b>       | <b>2</b>                             | <b>83%</b>                          |

Comment on the performance of ICT Services overall:

The user support turnaround for the year under review 2024/25 was satisfactory even though the Unit was unable to meet all their planned targets due to a shortage of staff.

### 3.23 Legal and Risk Management

| Employees: legal and Risk Management |           |                 |                                      |                                     |            |                |  |                                     |
|--------------------------------------|-----------|-----------------|--------------------------------------|-------------------------------------|------------|----------------|--|-------------------------------------|
| Job level                            | 2023/24   |                 |                                      |                                     | 2024/25    |                |  |                                     |
|                                      | Posts No. | No of Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % | Post s No. | No of Employee | Vaca ncies (fullti me equi vale nts) No. | Vacancies (as a % of total posts) % |
| 0-3                                  | 2         | 1               | 1                                    | 50%                                 | 2          | 2              | 0  | 100%                                |
| 4-6                                  | 2         | 1               | 1                                    | 50%                                 | 2          | 2              | 0  | 100%                                |
| 7-9                                  | N/A       |                 |                                      |                                     |            |                |  |                                     |
| 10-12                                | N/A       |                 |                                      |                                     | 2          | 2              | 0  | 100%                                |
| 13-15                                | N/A       |                 |                                      |                                     | 50         | 35             | 15                                       | 30%                                 |
| 16-18                                | N/A       |                 |                                      |                                     | 0          | 0              | 0  | 0                                   |

## **Annual Performance Information**

### **Summary of Performance for the 2024/25 financial year**

#### **1. Introduction**

The Greater Giyani Municipality 2024/25 annual performance report reflects the institution's service delivery and developmental achievements, as well as challenges, in recognition of the municipality's obligation to be an accountable, transparent, and efficient organization. The compilation of this annual performance reports is done in compliance to various pieces of legislation. Key amongst such legislation is local Government: municipal system Act No. 32 of 2000, local Government: municipal finance management Act No 56 of 2003, and National Treasury circulars (especially circular 11 and 63.) The MSA and MFMA state that every municipality and entity must prepare an annual performance report which must form part of the annual report for each financial year in terms of the Act.

This annual performance report reflects the municipality's actual performance in relation to what was planned for in the IDP and SDBIP. It is therefore a post-reflection of planned targets and their actual with a provision for reasons for variance as well as mitigating\corrective measures taken. The annual performance report of the Greater Giyani municipality is aligned to the municipal IDP and Budget for the 2024/25 financial year and that it is aligned to the service delivery and Budget implementation plan and in-year reports.

#### **2. PURPOSE**

This annual performance report seeks to attain the following purpose:

- The provision of a report on performance in service delivery and budget implementation plan for the 2024/25 financial year
- To promote transparency and accountability for the activities and programs of the municipality vis-a-vis the six key performance areas
- To provide a record of activities of the municipality for the 2024/25 financial year to which this report relates.

The table below indicates progress per KPA.

| KPA  | Annual Indicators Assessed | Total Achieved | Total Not Achieved | Percentages of achieved perKPA |
|--|----------------------------|----------------|--------------------|--------------------------------|
| KPA-1: Spatial Rational                              | 20                         | 8              | 12                 | 40%                            |
| KPA-2: Institutional Development and Transformation  | 18                         | 15             | 3                  | 83%                            |
| KPA-3: Infrastructure Development and Basic Services | 47                         | 41             | 6                  | 87%                            |
| KPA-4: Local Economic Development                    | 6                          | 6              | 0                  | 100%                           |
| KPA-5: Financial Viability                           | 11                         | 11             | 0                  | 100%                           |
| KPA-6: Public Participation and Good Governance      | 22                         | 19             | 3                  | 86%                            |
| <b>TOTAL</b>   | <b>124</b>                 | <b>100</b>     | <b>24</b>          | <b>81%</b>                     |

### 3. The Road Map

The attached Annual Performance Report of GGM is a product of in-year reports which have been consistently submitted to Council Committees and Council. Upon the signing of the SDBIP 2024/25 on the 23 June 2025, the Municipality facilitated the signing of performance agreements by Senior Managers led by the Accounting Officer. Reports on the implementation of the SDBIP were sent to the Council Committees and Council on a quarterly basis.

The Greater Giyani Municipality was responsible for a total number of 124 Key Performance Indicators inclusive of projects for 2024/2025 financial year. The institution managed to achieve 100 indicators inclusive of projects ,24 targets were not achieved.

The overall institutional performance for 2024/2025 is at 81% as compared to the 80% for 2023/2024 financial year, which shows that the municipality has improved compared to the performance of the previous financial year.



## COMPONENT K

### Chapter 4– Organizational Development Performance

#### Introduction

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The municipal Organizational structure is aligned to IDP and budget. The structure was also adopted by the council. All skills gaps that were crucial in work performance were identified and training interventions were made to address the skills gap. The institution complies with the national legislation.

#### 4.1 Employee totals, turnover and vacancies

| Employees   |               |              |                  |              |                |
|-------------|---------------|--------------|------------------|--------------|----------------|
| Description | 2023/24       |              | 2024/25          |              |                |
|             | No. Employees | Terminations | No. of Employees | Terminations | Staff turnover |
| Total Staff | 352           | 40           | 339              | 12           | 3.54%          |
|             |               |              |                  |              |                |

#### 4.2 Injuries, sickness, and suspensions

##### Comment on injury and sick leave:

- 2 Injuries on-duty
- Employees who are on sick leave attach their medical certificates.

**Comment on suspensions and cases of financial misconduct:**

**0** official suspended.

**Performance Rewards**

Assessments for 2024/25 have not yet been conducted.

**5 POLICIES**

**Comment on Workforce Policy Development:**

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**Over the years the Municipality has managed to develop all priority human resource policies, procedures, and systems in line with the MSA 2000 (S67) to ensure fair, efficient, effective, and transparent personnel administration. During 2024/25 emphasis was placed on improving implementation of the policies and amendment of those policies that were outdated. The implementation of the policies is monitored through Council resolution implementation report.**

| <b>HR Policies &amp; Plans</b> |   |                    |                   |  |
|--------------------------------|---|--------------------|-------------------|--|
|                                | <b>Name of Policy</b>                       | <b>Completed %</b> | <b>Reviewed %</b> | <b>Date adopted by council<br/>comment on failure to adopt</b> |
| <b>1</b>                       | <b>Bursary of the members of the public</b> | 100%               | 100%              | 29 May 2025  |
| <b>2</b>                       | <b>Car allowance</b>                        | 100%               | 100%              | 29 May 2025  |
| <b>3</b>                       | <b>Cost Containment</b>                     | 100%               | 100%              | 29 May 2025  |
| <b>4</b>                       | <b>Fleet Management</b>                     | 100%               | 100%              | 29 May 2025  |
| <b>5</b>                       | <b>Human Resource Strategy</b>              | 100%               | 100%              | 29 May 2025  |
| <b>6</b>                       | <b>IT Change Management</b>                 | 100%               | 100%              | 29 May 2025  |
| <b>7</b>                       | <b>Inventory and store management</b>       | 100%               | 100%              | 29 May 2025  |
| <b>8</b>                       | <b>IT Governance Framework</b>              | 100%               | 100%              | 29 May 2025  |
| <b>9</b>                       | <b>IT Internet and email usage</b>          | 100%               | 100%              | 29 May 2025  |
| <b>10</b>                      | <b>IT Network access</b>                    | 100%               | 100%              | 29 May 2025  |
| <b>11</b>                      | <b>IT Security</b>                          | 100%               | 100%              | 29 May 2025  |
| <b>12</b>                      | <b>IT Service request</b>                   | 100%               | 100%              | 29 May 2025  |
| <b>13</b>                      | <b>Remuneration</b>                         | 100%               | 100%              | 29 May 2025  |
| <b>14</b>                      | <b>Budget Policy</b>                        | 100%               | 100%              | 29 May 2025  |
| <b>15</b>                      | <b>Public participation</b>                 | 100%               | 100%              | 29 May 2025  |
| <b>16</b>                      | <b>Occupational Health &amp; Safety</b>     | 100%               | 100%              | 29 May 2025  |
| <b>18</b>                      | <b>PMS Framework</b>                        | 100%               | 100%              | 29 May 2025  |
| <b>19</b>                      | <b>Career Management and retention</b>      | 100%               | 100%              | 29 May 2025  |
| <b>20</b>                      | <b>Cash Management and investment</b>       | 100%               | 100%              | 29 May 2025  |

|    |   |      |      |             |
|----|---|------|------|-------------|
| 21 | Condition of service                            | 100% | 100% | 29 May 2025 |
| 22 | Credit Control                                  | 100% | 100% | 29 May 2025 |
| 23 | Employment Assistant Program                    | 100% | 100% | 29 May 2025 |
| 24 | Employee Bereavement                            | 100% | 100% | 29 May 2025 |
| 25 | EPWP  | 100% | 100% | 29 May 2025 |
| 26 | Establishment and operation of ward committees' | 100% | 100% | 29 May 2025 |
| 27 | BCM Framework                                   | 100% | 100% | 29 May 2025 |
| 28 | Fraud and corruption prevention                 | 100% | 100% | 29 May 2025 |
| 29 | Risk Management framework                       | 100% | 100% | 29 May 2025 |
| 30 | Whistle blowing                                 | 100% | 100% | 29 May 2025 |
| 31 | ICT equipment                                   | 100% | 100% | 29 May 2025 |
| 32 | Indigent  | 100% | 100% | 29 May 2025 |
| 33 | Internships and learnership                     | 100% | 100% | 29 May 2025 |
| 34 | Payroll   | 100% | 100% | 29 May 2025 |
| 35 | Personal Protective Equipment                   | 100% | 100% | 29 May 2025 |
| 36 | Placement                                       | 100% | 100% | 29 May 2025 |
| 37 | Property Rates                                  | 100% | 100% | 29 May 2025 |
| 38 | Records Management                              | 100% | 100% | 29 May 2025 |
| 39 | Recruitment                                     | 100% | 100% | 29 May 2025 |
| 40 | Revenue enhancement strategy                    | 100% | 100% | 29 May 2025 |
| 41 | Subsistence and travel                          | 100% | 100% | 29 May 2025 |
| 42 | Tariff  | 100% | 100% | 29 May 2025 |
| 43 | Telecommunication                               | 100% | 100% | 29 May 2025 |
| 44 | Training and                                    | 100% | 100% | 29 May 2025 |

|    |             |      |      |             |
|----|-------------|------|------|-------------|
|    | Development |      |      |             |
| 45 | Virement    | 100% | 100% | 29 May 2025 |

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

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### 4.1. INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality has taken into cognizance the history of apartheid laws and practices with the resultant disparities and inequalities, in the spirit of Employment Equity Act is geared towards achieving employment equity across all occupational levels and categories and therefore in order to redress the imbalance of the past and move towards a human and representative Labor market underpinned by Equity, Equity redress and Affirmative Action. The Municipality has Employment Equity Plan and active/functional Employment Equity Committee. 2024/25 Employment Equity report was timeously submitted to the Department of Labour. HR Policies are in place.

## COMPONENT C: CAPACITING THE MUNICIPAL WORKFORCE

### SKILLS

The Work Skills Plan and Annual Training Report were developed and submitted to LGSETA within time frame. The municipality complies with the plan. Mandatory and discretionary grants were claimed and received to assist training interventions.

| Skills Matrix        |           |                                      |  |        |                                      |        |                                |        |       |
|----------------------|-----------|--------------------------------------|--|--------|--------------------------------------|--------|--------------------------------|--------|-------|
| Management           | Gender    | Employees in post as of 30 June 2025 | Number of skilled employees required and actual as of 30 June 2025 |        |                                      |        |                                |        |       |
|                      |           | NO:                                  | Learnerships   |        | Skills program & other short courses |        | Other forms of training        |        | Total |
|                      |           |                                      | Actual   | Target | Actual                               | Target | Actual                         | Target |       |
|                      |           |                                      | From 1 July 2024- 30 June 2025                                     |        | From 1 July 2024- 30 June 2025       |        | From 1 July 2024- 30 June 2025 |        |       |
| MM                   | 1M        | 1                                    | N/A  | N/A    | 2                                    | 1      | 5                              | 4      | 7     |
| S57 & Managers below | 14M & 5F  | 19                                   | N/A  | N/A    | 32                                   | 19     | 12                             | 19     | 44    |
| Councilors,          | 8F & 19 M | 62                                   | N/A  | N/A    | 39                                   | 20     | N/A                            | N/A    | 39    |

|  |               |    |     |     |    |    |     |     |    |
|--|---------------|----|-----|-----|----|----|-----|-----|----|
| Senior Officials<br>senior officials<br>Managers | 16M<br>& 7F   | 23 | N/A | N/A | 21 | 21 | N/A | N/A | 21 |
| Technicians<br>& associate<br>professionals      | 06 M<br>& 2 F | 09 | N/A | N/A | 8  | 8  | 5   | 4   | 13 |
| Professionals                                    | 4 M           | 4  | N/A | N/A | 4  | 4  | N/A | N/A | 4  |
| Clerical<br>Sub Total                            | 21M<br>& 29F  | 60 | N/A | N/A | 41 | 41 | 2   | 3   | 44 |

| Competency Level Requirement |                           |           |
|------------------------------|---------------------------|-----------|
| 2022/2023                    | 2023/24                   | 2024/25   |
| <b>Snr Managers</b>          | Senior Managers           |           |
| 2F& 3 M                      | 2F& 3 M                   | 2 F & 3 M |
| <b>Managers</b>              | <b>Managers</b>           |           |
| 3F & 13 M                    | 3F & 11 M                 | 3F & 11 M |
| <b>Middle Managers</b>       | <b>Middle Managers</b>    |           |
| 1F& 2M                       | 4F& 5M                    | 5 F& 6 M  |
| <b>Admin</b>                 | <b>Admin</b>              |           |
| O                            | 9F& 7M                    | 9F & 7M   |
| <b>Skills Development</b>    | <b>Skills Development</b> |           |
|                              |                           |           |
| <b>2022/23</b>               | <b>2023/24</b>            |           |
| 1M                           | 65M & 55 F                | 55F & 65M |





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GREATER GIYANI MUNICIPALITY

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ANNEXTURE A  
ANNUAL PERFORMANCE REPORT

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2024/2025)



**ANNUAL PERFORMANCE REPORT 2024/25**

## 1. Introduction and Legislation

The purpose of this report is to give feedback regarding the performance of the Greater Giyani Municipality as required by the Municipal Systems Act No 32 of 2000, section 41(e) and the Municipal Finance Management Act 56 of 2003, section 52(d). This report emanates from the Integrated Development Plan (IDP) and the Adjusted Service Delivery, Budget and Implementation Plan (SDBIP). The scorecards were developed to reflect cumulative performance; therefore, the status of indicators is a reflection of the overall performance level achieved year to date.

### METHODOLOGY FOLLOWED IN COMPILING THE REPORT

In terms of Section 46 of the Municipal Systems Act 32 of 2000, Municipalities are required to prepare for each financial year an annual performance report reflecting the performance of the municipality and of each external service provider during that financial year.

a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year and Measures taken to improve performance.

According to the provisions of the Municipal Systems Act, 32 of 2000, municipalities must monitor and measure the progress of their performance by preparing quarterly and mid-year performance reports and annual performance report, in terms of Chapter 6 of the MSA, on performance management systems. These quarterly and mid-year reports make up the municipality's annual performance reports (Section 46 report), which are submitted to the Auditor-General, together with the Annual financial statements, for auditing.

| 2. ACRONYMS AND ABBREVIATIONS |   |
|-------------------------------|---|
| AARTO                         | Administrative Adjudication of Road Traffic Offences              |
| AC                            | Audit Committee   |
| AG                            | Auditor General   |
| COGHSTA                       | Cooperative Governance, Human Settlements and Traditional Affairs |
| CWP                           | Community Works Programme   |
| DLCA                          | Driving Licence Card Account                                      |
| DMP                           | Disaster Management Plan  |
| DoE                           | Department of Energy  |
| DoHS                          | Department of Human Settlement                                    |
| EIA                           | Environmental Impact Assessment                                   |
| EMP                           | Environmental Management Plan                                     |
| EPWP                          | Expanded Public Works Programme                                   |
| EXCO                          | Executive Committee   |
| GGM                           | Greater Giyani Municipality                                       |
| IA                            | Internal Audit  |
| IDP                           | Integrated Development Plan                                       |
| IGR                           | Inter-Governmental Relations                                      |
| LED                           | Local Economic Development  |
| MDM                           | Mopani District Municipality                                      |
| MEC                           | Member of the Executive Council                                   |
| MFMA                          | Municipal Finance Management Act                                  |
| MIG                           | Municipal Infrastructure Grant                                    |
| MM                            | Municipal Manager   |

|       |   |
|-------|---|
| MPAC  | Municipal Public Account Committee              |
| MPT   | Municipal Planning Tribunal                     |
| MSIG  | Municipal Systems Improvement Grant             |
| N/A   | Not Applicable                                  |
| NDP   | National Development Plan                       |
| NTP   | National Treasury Portal                        |
| PMS   | Performance Management System                   |
| PMU   | Project Management Unit                         |
| RMC   | Risk Management Committee                       |
| RTMC  | Road Traffic Management Corporation             |
| SCM   | Supply Chain Management                         |
| SDBIP | Service Delivery and Budget Implementation Plan |
| SG    | Surveyor General                                |
| SLA   | Service Level Agreement                         |
| SP    | Service Provider                                |

### 3. VISION AND MISSION

#### **Vision**

A municipality where environmental sustainability, Agriculture and Tourism thrives for economic growth.

#### **Mission**

Democratic and accountable Municipality that ensures the provision of quality and sustainable services through sound environmental management practices, local economic development and community participation.

### 4. DEPARTMENTS

**Greater Giyani Municipality administration is composed of the following departments: 1. Office of the Municipal Manager, 2. Corporate Services, 3. Planning & Development, 4. Budget and Treasury Office, 5. Technical Services, 6. Community Services**

|   |  |
|---|--|
| <b>Municipal Manager</b>                    | To lead, direct and manage a motivated and inspired Administration and account to the Greater Giyani Municipality Council as Accounting Officer for long term Municipal sustainability to achieve a good creditor rating within the requirements of the relevant legislation and whereas the following sections within the department, i.e., Performance Management, Risk Management and Internal Auditing is managed for integration, efficient, economic and effective communication and service delivery. |
| <b>Budget and Treasury Office (Finance)</b> | To secure sound and sustainable management of the financial affairs of Greater Giyani Municipality by managing the budget and treasury office and advising and if necessary, assisting the accounting officer and other directors in their duties and delegation contained in the MFMA. Ensuring that the Greater Giyani Municipality is 100% financially viable when it comes to Cost Coverage and to manage the Grant Revenue of the municipality so that no grant funding is foregone                     |
| <b>Community Services</b>                   | To coordinate Sports, Arts and culture, Library services, Traffic and Licensing Services, Community Safety, Environmental and Waste management, Parks and Cemeteries.  |
| <b>Technical Services</b>                   | To ensure that the service delivery requirements for roads are met and maintenance of water, sewerage and electricity are conducted for access to basic services as well as no less than an average of 100% MIG expenditure.   |
| <b>Planning and Development</b>             | To direct the Greater Giyani Municipality's resources for advanced economic development and investment growth through appropriate town and infrastructure planning in order that an environment is created whereby all residents will have a sustainable income  |
| <b>Corporate Services</b>                   | To ensure efficient and effective operation of council services, human resources and management, Communication, Events and the provision of high-quality customer orientated administrative systems. Ensuring 100% compliance to the Skills Development Plan   |

## 5. MUNICIPAL MANAGER'S OVERVIEW

The 2024/25 financial year marked another important step in the Greater Giyani Municipality's commitment to delivering on its mandate as set out in the Constitution of the Republic of South Africa, 1996, the Municipal Systems Act (Act 32 of 2000), and the Municipal Finance Management Act (Act 56 of 2003). Guided by the strategic objectives of the Integrated Development Plan (IDP), our work over the past year has contributed directly to the National Development Plan (NDP) 2030 priorities, the Limpopo Provincial Development Plan (PDP) 2020–2025, and our local vision of fostering environmental sustainability, agricultural and tourism growth, and community well-being. Greater Giyani municipality has been able to improve the lives of the Greater Giyani communities through infrastructure development which include among others:

- electricity connections
- high masts
- sports centers
- rehabilitation of roads
- culvert bridges
- pavement milling
- Upgrading of roads from gravel to paving

In view of the massive backlog on service delivery - exacerbated by low revenue collection on some of our projects, the municipality needs to accelerate implementation of the revenue enhancement strategy. This, to boost revenue collection.

The institutional capacity of Greater Giyani remains the central pillar of service delivery enablers. Meanwhile the high vacancy rate remains a serious challenge due to limited financial resources and high personnel turnover.

This report is based on information received from each department. This in view of the municipal performance in the 2024/25 financial year ending on the 30<sup>th</sup> of June 2025. It is a high-level report based on scores obtained through a process whereby actual information related to Key Performance Area (KPA), Strategic Objective, Programme and the aligned Key Performance Indicators are compared to the approved 2024/25 IDP and Special Adjusted SDBIP scorecards.

### OVERVIEW OF SERVICE DELIVERY ACHIEVEMENTS

Through the integrated application of national, provincial, and local plans — and adherence to legislative requirements — the Greater Giyani Municipality remains committed to building a capable, accountable, and people-centred local government that realises the developmental vision of the NDP and the aspirations of our communities as captured in the IDP.

#### **Water**

The municipality provides 6 kiloliters of free basic water to all households with piped water. Boreholes are also used in communities where there is an acute shortage of water to augment the supply; the municipality is paying for diesel and electricity used for pumping water to the communities.



## **Electricity**

Electricity is generated and distributed by Eskom. Electricity and energy are provided by means of the following sources: Grid electricity, which is supplied from power stations. Non-Grid electricity generated from solar panels, petrol and diesel generators, as well as other sources of energy which include batteries, paraffin, coal, wood, candles, gas, etc. The municipality also provides free basic electricity to all qualifying household by providing electricity tokens worth 50kwh.

## **Sanitation**

Sanitation is a major problem, which also contributes to health hazards and underground water pollution. Most of the people within the municipal jurisdiction area use pit latrines (28% in 2022) without ventilation while others have no sanitation facilities at all (50% in 2022). 36% of Households had RDP standard sanitation in 2022 with 41 108 (62%) households still below the RDP standard. The department of water and sanitation is in the planning process of constructing new sewer treatment works to augment the existing plant. (STATS SA 2022)

## **Refuse removal / solid waste.**

The municipality has two solid waste disposal sites. The legal status of the old site is challenged since it does not adhere to the requirements of the Department of Environmental Affairs and Tourism. The site is located at the confluence of Murhogolo and Klein Letaba rivers and waste material overflows and contaminate rivers, causing health hazards. Littering and illegal dumping is also a major problem, particularly in the CBD area of Giyani Town and along the main roads. There are no proper refuse removal systems in the rural areas (69% use their own dump site) therefore, causing a health hazard. The municipality is intending to extend this service to rural areas (8 villages). A new land fill site has been established and has acquired the related legal status. The site is not functional. Fencing is completed and this financial year, the second phase will commence. The municipality currently is responsible for maintenance of the Waste Disposal Site.

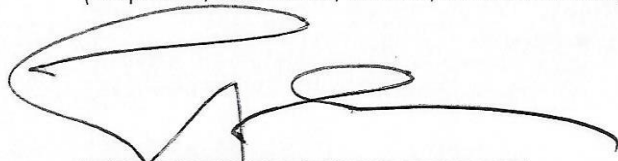
## **Roads and stormwater**

The roads network within the jurisdiction of the municipality has continuously been maintained and or rehabilitated to ensure safe and usable roads. The maintenance works that have been carried out have drastically reduced the backlog alleviating the burden on the municipal maintenance budgets. The completed street milling projects have seen a further 14km of tarred roads rehabilitated to excellent standards. Rehabilitation and or construction of low-level bridges continues to enable access to places of interest in the various communities. Giyani has 79km of provincial tarred roads and 414 km of gravel roads.

## Project Management

For the 2024/25 financial year, the Municipality successfully completed 10 projects across the building, roads, and electrification sectors. One project remained unfinished, while 12 multi-year projects are scheduled for completion in the 2025/26 financial year.

Furthermore, the municipality has managed to spend 100% of Municipal Infrastructure Grant (MIG) budget which demonstrates compliance with the MFMA requirements for effective and efficient use of resources. Our financial management practices, coupled with targeted local economic development initiatives, supported NDP Outcome 9 (Responsive, accountable, effective, and efficient local government system) and Outcome 7 (Vibrant, equitable, sustainable rural communities)



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MUNICIPAL MANAGER  
KHOZA VD

31/08/2025  
DATE

## **Institutional Performance**

The institution was responsible for a total of 124 indicators in the SDBIP. The municipality did not fully achieve its planned targets on Spatial Rationale and Basic Service Delivery which contributed to the municipality not achieving 100% of planned targets in the approved Service Delivery and Budget Implementation Plan. The overall institutional performance on Service Delivery for 2024/2025 financial year as of 30 June 2025 was at 81%. All the assessed KPI's and Projects contribute to the overall performance level of the combined IDP and SDBIP Scorecards as reflected in this report.

### **Comparison of Institutional Performance Levels 2024/2025 – 2023/2024 Financial Year**

In terms of Section 46 of the Municipal Systems Act, paragraph (b): the municipality must prepare for each financial year a performance report reflecting a comparison of performance referred to in paragraph (a) with targets set for and performances in the previous financial year.

The Municipality had 132 KPIs prior to the adjustment. Following the budget adjustment, it became necessary to revise the SDBIP to ensure alignment between the available budget and the planned performance targets. The adjustment was therefore undertaken to maintain credibility, accuracy, and compliance with legislative requirements.

The Greater Giyani Municipality was responsible for a total number of 124 Key Performance Indicators inclusive of projects for 2024/2025 financial year after the adjustment. The institution managed to achieve 100 targets inclusive of projects ,24 targets were not achieved.

The overall institutional performance for 2024/2025 is at **81%** as compared to the **80%** for 2023/2024 financial year, which shows that the municipality has Improved compared to the performance of the previous financial year.

| SUMMARY OF PERFORMANCE TARGETS ACHIEVED AND NOT ACHIEVED PER STRATEGIC OBJECTIVE |   |                              |                               |                                   |                         |                              |                               |                                   |                          |
|--|---|------------------------------|-------------------------------|-----------------------------------|-------------------------|------------------------------|-------------------------------|-----------------------------------|--------------------------|
|  |   | 2023/24                      |                               |                                   |                         | 2024/2025                    |                               |                                   |                          |
| No.  | Strategic Objective   | Number of Indicators Planned | Number of Indicators Achieved | Number of Indicators Not Achieved | %of Indicators Achieved | Number of Indicators Planned | Number of Indicators Achieved | Number of Indicators Not Achieved | % of Indicators Achieved |
| 1.   | KPA 1: Spatial Rationale                                      | 16                           | 16                            | 0                                 | 100%                    | 20                           | 8                             | 12                                | 40%                      |
| 2.   | KPA 2: Institutional Development and Municipal Transformation | 18                           | 13                            | 5                                 | 72%                     | 18                           | 15                            | 3                                 | 83%                      |
| 3.   | KPA 3: Basic Services and Infrastructure Development          | 52                           | 38                            | 14                                | 73%                     | 47                           | 41                            | 6                                 | 87%                      |
| 4.   | KPA 4: Local Economic Development                             | 7                            | 6                             | 1                                 | 86%                     | 6                            | 6                             | 0                                 | 100%                     |
| 5.   | KPA 5: Municipal Financial and Management Viability           | 12                           | 11                            | 1                                 | 92%                     | 11                           | 11                            | 0                                 | 100%                     |
| 6.   | KPA 6: Good Governance & Public Participation                 | 23                           | 19                            | 4                                 | 83%                     | 22                           | 19                            | 3                                 | 86%                      |
| Overall Performance  |   | 128                          | 103                           | 25                                | 80%                     | 124                          | 100                           | 24                                | 81%                      |

| Measurable Objective   | Program                   | KPI   | Baseline /Status  | Annual Target   | Actual performance  | Variance | Reason for variance | Corrective measure | Program Owner | Evidence Required                           |
|--|---------------------------|---|---|---|---|----------|---------------------|--------------------|---------------|---|
| <b>KPA 1: SPATIAL RATIONALE</b>  |                           |   |   |   |   |          |                     |                    |               |   |
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Number of Tribunal Sittings held                                      | 6 Tribunal sittings held  | 4 Tribunal Sittings held by 30 June 2025  | Target achieved (4 Tribunal Sittings held)  | None     | None                | None               | P&DEV         | Invitation, agenda, and attendance register |
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Submit land application to Tribunal for town establishment (Ndengeza) | Draft land use application for town establishment compiled Ndengeza | Submit land application to Tribunal for town establishment (Ndengeza) by 30 June 2025 | Target achieved (Land application has been submitted to Tribunal for town establishment (Ndengeza)) | None     | None                | None               | P&DEV         | Proof of submission                         |

|  |                           |   |  |   |  |      |      |      |       |                     |
|--|---------------------------|---|--|---|--|------|------|------|-------|---------------------|
| To develop an effective spatial framework that promotes integrated and | Spatial and Town Planning | Submit Golf Course subdivision diagrams to Surveyor | Land application to Rezone and subdivide Golf Course submitted to Tribunal | Submit Golf Course subdivision diagrams to Surveyor General | Target achieved (Golf Course subdivision diagrams has been submitted to Surveyor General office for approval | None | None | None | P&DEV | Proof of submission |
|--|---------------------------|---|--|---|--|------|------|------|-------|---------------------|

| Measurable Objective   | Program                   | KPI   | Baseline /Status   | Annual Target   | Actual performance  | Variance | Reason for variance | Corrective measure | Program Owner | Evidence Required                        |
|--|---------------------------|---|--|---|---|----------|---------------------|--------------------|---------------|--|
| sustainable development  |                           | General office for approval   |  | office for approval 30 June 2025  |   |          |                     |                    |               |  |
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Submit application for Formalisation of Makosha Risinga Extension to Tribunal | Application for Formalisation of Makosha Risinga Extension submitted | Submit application for Formalization of Makosha Risinga Extension to Tribunal by 30 June 2025 | Target achieved (Application for Formalization of Makosha Risinga Extension has been submitted to Tribunal) | None     | None                | None               | P&DEV         | Land Application and Proof of submission |

|  |                           |   |   |   |   |   |   |   |       |                 |
|--|---------------------------|---|---|---|---|---|---|---|-------|-----------------|
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Approval of Street Naming boards (Including Registration) at Giyani section A, B, C, D, E, F and BA from Surveyor General | Draft Street names submitted to Council | Approval of Street Naming boards (Including Registration) at Giyani section A, B, C, D, E, F and BA from Surveyor General by 30 June 2025 | Target not achieved (Street Naming boards (Including Registration) at Giyani section E approved and acknowledgement letter has been received from Surveyor General) | Approval of Street Naming boards (Including Registration) at Giyani section A, B, C, D, F and BA has not yet been received from | The delay in the implementation of the street naming project for Giyani section A, B, C, D, F and BA is due to the pending approval | The municipality will follow up regularly with the Office of the Surveyor General to expedite the approval process. A formal letter of inquiry will be submitted in the first | P&DEV | Approval letter |
|--|---------------------------|---|---|---|---|---|---|---|-------|-----------------|



| Measurable Objective | Program | KPI | Baseline /Status | Annual Target | Actual performance | Variance         | Reason for variance  | Corrective measure  | Program Owner | Evidence Required |
|----------------------|---------|-----|------------------|---------------|--------------------|------------------|--|---|---------------|-------------------|
|                      |         |     |                  |               |                    | Surveyor General | from the Office of the Surveyor General. This approval is essential for the official recognition and registration of street names, and its absence has resulted in the postponement of subsequent project activities | quarter, and further engagements will be scheduled to ensure prioritization of the application. |               |                   |

| Measurable Objective  | Program                   | KPI   | Baseline /Status   | Annual Target   | Actual performance  | Variance   | Reason for variance  | Corrective measure  | Program Owner | Evidence Required |
|---|---------------------------|---|--|---|---|--|--|---|---------------|-------------------|
| develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Approval of street names for Giyani Section A from Surveyor General | Street names for Giyani Section A to Surveyor General submitted) | Approval of street names for Giyani Section A from Surveyor General by 30 June 2025 | Target not achieved (Acknowledgement letter of Street Names for Giyani Section A has been received from the Surveyor General) | The approval for street naming in Giyani Section A has not yet been received from the Office of the Surveyor General | The delay in the implementation of the street naming project for Giyani section A, is due to the pending approval from the Office of the Surveyor General. This approval is essential for the official recognition and registration of street names, and its absence has resulted in | The municipality will follow up regularly with the Office of the Surveyor General to expedite the approval process. A formal letter of inquiry will be submitted in the first quarter, and further engagements will be scheduled to ensure prioritization of the application. | P&DEV         | Approval Letter   |

|   |                                 |  |   |   |   |                                  |   |                                       |       |                 |
|---|---------------------------------|--|---|---|---|----------------------------------|---|---------------------------------------|-------|-----------------|
|   |                                 |  |   |   |   |                                  | the<br>postponem<br>e nt of<br>subsequen<br>t project<br>activities |                                       |       |                 |
| To develop<br>an effective<br>spatial<br>framework that | Spatial and<br>Town<br>Planning | Approval of<br>street names<br>for<br>Giyani BA from | Street names<br>for Giyani BA<br>to<br>Surveyor | Approval of<br>street names<br>for Giyani<br>BA from Surveyor | Target not achieved<br>(Acknowledgement<br>letter of Street Names | The<br>approval<br>for<br>Street | The delay in<br>the<br>implementa<br>t                              | The<br>municipality<br>will follow up | P&DEV | Approval Letter |

| Measurable Objective                            | Program | KPI              | Baseline /Status  | Annual Target           | Actual performance   | Variance  | Reason for variance   | Corrective measure  | Program Owner | Evidence Required |
|---|---------|------------------|-------------------|-------------------------|--|---|---|---|---------------|-------------------|
| promotes integrated and sustainable development |         | Surveyor General | General submitted | General by 30 June 2025 | for Giyani BA has been received from the Surveyor General) | naming in Giyani Section BA has not yet been received from the Office of the Surveyor General | ion of the street naming project for Giyani section BA is due to the pending approval from the Office of the Surveyor General. This approval is essential for the official recognition and registration of street names, and its absence has resulted in the postponement of subsequent | regularly with the Office of the Surveyor General to expedite the approval process. A formal letter of inquiry will be submitted in the first quarter, and further engagements will be scheduled to ensure prioritization of the application. |               |                   |

|                      |         |     |                  |               |                    |          |                      |                    |               |                   |
|----------------------|---------|-----|------------------|---------------|--------------------|----------|----------------------|--------------------|---------------|-------------------|
|                      |         |     |                  |               |                    |          | t project activities |                    |               |                   |
| Measurable Objective | Program | KPI | Baseline /Status | Annual Target | Actual performance | Variance | Reason for variance  | Corrective measure | Program Owner | Evidence Required |

|  |                           |   |   |   |   |   |  |   |       |                 |
|--|---------------------------|---|---|---|---|---|--|---|-------|-----------------|
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Approval of street names for Giyani Section E from Surveyor General | Street names for Giyani Section E to Surveyor General submitted | Approval of street names for Giyani Section E from Surveyor General by 30 June 2025 | Target achieved (Street names for Giyani Section E has been approved from Surveyor General)                           | None  | None   | None  | P&DEV | Approval Letter |
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Approval of street names for Kemetart from Surveyor General         | Street names for Kemetart to Surveyor General submitted         | Approval of street names for Kemetart from Surveyor General by 30 June 2025         | Target not achieved (Acknowledgement letter of Street Names for Kemetart has been received from the Surveyor General) | The approval for street naming for Kemetart has not yet been received from the Office of the Surveyor General | The delay in the implementation of the street naming project for Kemetart is due to the pending approval from the Office of the Surveyor General. This approval is essential for the official recognition and registration of street | The municipality will follow up regularly with the Office of the Surveyor General to expedite the approval process. A formal letter of inquiry will be submitted in the first quarter, and further engagements will be scheduled to ensure prioritization of the application. | P&DEV | Approval Letter |

|                         |         |     |                     |               |                    |          |   |                       |                  |                      |
|-------------------------|---------|-----|---------------------|---------------|--------------------|----------|---|-----------------------|------------------|----------------------|
|                         |         |     |                     |               |                    |          | names,<br>and its<br>absence<br>has<br>resulted in<br>the<br>postponem<br>ent nt of |                       |                  |                      |
| 1easurable<br>Objective | Program | KPI | Baseline<br>/Status | Annual Target | Actual performance | Variance | Reason<br>for<br>variance   | Corrective<br>measure | Program<br>Owner | Evidence<br>Required |
|                         |         |     |                     |               |                    |          | subsequent<br>project<br>activities   |                       |                  |                      |

|  |                           |  |   |  |   |   |  |  |       |  |
|--|---------------------------|--|---|--|---|---|--|--|-------|--|
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Submit subdivision and rezoning application of 3 Municipal Properties (Thomo, Homu & Mageva) to Surveyor General | Subdivision and Rezoning application of 3 Municipal Properties (Thomo, Homu & Mageva) to Tribunal submitted | Submit subdivision and rezoning application of 3 Municipal Properties (Thomo, Homu & Mageva) to Surveyor General by 30 June 2025 | Target not achieved (Subdivision and rezoning application of 3 Municipal Properties (Thomo, Homu & Mageva) not submitted to Surveyor General) | Subdivision and rezoning application of 3 Municipal Properties (Thomo, Homu & Mageva) not submitted to Surveyor General | Inadequate monitoring of the of the KPI to ensure timely implementation. | Full assessments of the nonperformance will be conducted to implement appropriate Consequence management. The KPI has been included for implementation and reporting on the 2025/26 SDBIP. | P&DEV | Proof of Submission and subdivision and rezoning application               |
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Submit rezoning and subdivision application for municipal parks to Surveyor General                              | Rezoning and subdivision application for municipal parks to Tribunal submitted                              | Submit rezoning and subdivision application for municipal parks to Surveyor General by 30 June 2025                              | Target not achieved (Rezoning and subdivision application for municipal parks has not been submitted to Surveyor General)                     | Rezoning and subdivision application for municipal parks not submitted to Surveyor General                              | Inadequate monitoring of the of the KPI to ensure timely implementation. | Full assessments of the nonperformance will be conducted to implement appropriate Consequence management. The KPI has been included for  | P&DEV | Draft layout, Proof of submission and subdivision and rezoning application |



|  |  |  |  |  |  |  |  |                   |  |  |
|--|--|--|--|--|--|--|--|-------------------|--|--|
|  |  |  |  |  |  |  |  | implementati<br>o |  |  |
|--|--|--|--|--|--|--|--|-------------------|--|--|

| Measurable Objective   | Program                   | KPI   | Baseline /Status | Annual Target   | Actual performance  | Variance   | Reason for variance   | Corrective measure   | Program Owner | Evidence Required  |
|--|---------------------------|---|------------------|---|---|--|---|--|---------------|--------------------|
|  |                           |   |                  |   |   |  |   | n and reporting on the 2025/26 SDBIP.  |               |                    |
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Appointment of consultant for Review of Spatial Development Framework | New Indicator    | Appointment of consultant for Review of Spatial Development Framework by 30 June 2025 | Target not achieved (Memo for appointment of professional town planners (pool) has been approved) | Appointme<br>n t of<br>consultan<br>t for<br>Review of<br>Spatial<br>Developm<br>e nt<br>Framewor<br>k | Delay in the appointment of pool of consultants due to late advertisement | An advert for appointment of pool of consultants will be issued in the first quarter of 2025/26 FY | P&DEV         | Appointment letter |

|  |                           |   |                         |   |  |   |   |   |                      |                          |
|--|---------------------------|---|-------------------------|---|--|---|---|---|----------------------|--------------------------|
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Appointment of consultant for Review of Land use scheme | New Indicator           | Appointment of consultant for Review of Land use scheme by 30 June 2025 | Target not achieved (Memo for appointment of professional land surveyors (pool) has been approved) | Appointment of consultant for Review of Land use scheme | Delay in the appointment of pool of consultants due to late advertisement | An advertisement for appointment of pool of consultants will be issued in the first quarter of 2025/26 FY | P&DEV                | Appointment letter       |
| <b>Measurable Objective</b>  | <b>Program</b>            | <b>KPI</b>  | <b>Baseline /Status</b> | <b>Annual Target</b>  | <b>Actual performance</b>  | <b>Variance</b>   | <b>Reason for variance</b>  | <b>Corrective measure</b>   | <b>Program Owner</b> | <b>Evidence Required</b> |
|  |                           |   |                         |   |  |   |   |   |                      |                          |

|  |                           |   |               |   |  |  |  |  |       |  |
|--|---------------------------|---|---------------|---|--|--|--|--|-------|--|
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Submit application for Site Demarcation in Mageva & Sikhunyani villages to Tribunal | New Indicator | Submit application for Site Demarcation in Mageva & Sikhunyani villages to Tribunal by 30 June 2025 | Target not achieved (application for Site Demarcation in Sikhunyani villages has been submitted to Tribunal) | Site Demarcation in Mageva village not submitted to Tribunal | Mageva still waiting for the approval of EIA report from Dept of LEDET | To fast-track the process with LEDET for Mageva's EIA's approval | P&DEV | Land Application and Proof of submission |
| To develop an effective spatial framework that promotes integrated and                         | Spatial and Town Planning | Proclamation Program  | New Indicator | Proclamation Programme for Morogolo at Giyani Section A by 30 June 2025                             | Target not achieved (Proclamation Programme for Morogolo at Giyani Section A not done)                       | Proclamation Programme for Morogolo at Giyani                | Inadequate monitoring of the of the KPI to ensure timely               | Full assessments of the nonperformance will be conducted to      | P&DEV | Invitation, Register, Minutes, & agenda. |

| Measurable Objective   | Program                   | KPI   | Baseline /Status | Annual Target  | Actual performance   | Variance                                      | Reason for variance  | Corrective measure  | Program Owner | Evidence Required |
|--|---------------------------|---|------------------|--|--|---|--|---|---------------|-------------------|
| sustainable development  |                           |   |                  |  |  | Section A not done                            | implementation.  | implement appropriate Consequence management . The KPI has been included for implementation and reporting on the 2025/26 SDBIP. |               |                   |
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Number of Deeds Registration of Sites to be completed | New Indicator    | 12 Deeds Registration of Sites completed by 30 June 2025 | Target overachieved (24 Deeds Registration of Sites completed) | 12 more deeds registration of Sites completed | There were more applications forwarded to municipality to process for registration and transfer from private clients | None  | P&DEV         | Deeds Register    |

|  |                           |   |   |   |   |   |  |   |                      |  |
|--|---------------------------|---|---|---|---|---|--|---|----------------------|--|
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Submit land use application for Sikhunyani township establishment to Tribunal | land use application for Sikhunyani township establishment compiled | Submit land use application for Sikhunyani township establishment to Tribunal by 30 June 2025 | Target achieved (land use application for Sikhunyani township establishment has been submitted to Tribunal) | None  | None   | None  | P&DEV                | Land use application Proof of submission |
| To develop an effective spatial framework that promotes integrated and                         | Spatial and Town Planning | Conduct community resolution for Siyandani township establishment             | New Indicator   | Conduct community resolution for Siyandani township   | Target not achieved (Community resolution for Siyandani township establishment not conducted)               | Community resolution for Siyandani township establishme | Inadequate monitoring of the of the KPI to ensure timely | Full assessments of the nonperformance will be conducted to   | P&DEV                | Community resolution                     |
| <b>Measurable Objective</b>  | <b>Program</b>            | <b>KPI</b>  | <b>Baseline /Status</b>   | <b>Annual Target</b>  | <b>Actual performance</b>   | <b>Variance</b>   | <b>Reason for variance</b>                               | <b>Corrective measure</b>   | <b>Program Owner</b> | <b>Evidence Required</b>                 |
| sustainable development  |                           |   |   | establishment by 30 June 2025   |   | not not conducted                                       | implementation.  | implement appropriate Consequence management . The KPI has been included for implementation and reporting on the 2025/26 SDBIP. |                      |  |

|  |                           |  |                         |  |   |   |   |  |                      |  |
|--|---------------------------|--|-------------------------|--|---|---|---|--|----------------------|--|
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Conduct feasibility study and compile a report for Dzingidzingi Township establishment | New Indicator           | Conduct feasibility study and compile a report for Dzingidzingi Township establishment by 30 June 2025 | Target not achieved (Feasibility study not conducted for Dzingidzingi Township establishment and report not compiled) | Feasibility study not conducted for Dzingidzingi Township establishment and report not compiled | Delay in the appointment of pool of consultants due to late advertisement | An advert for appointment of pool of consultants will be issued in the first quarter of 2025/26 FY | P&DEV                | feasibility study and Dzingidzingi Township establishment report |
| <b>Measurable Objective</b>  | <b>Program</b>            | <b>KPI</b>   | <b>Baseline /Status</b> | <b>Annual Target</b>   | <b>Actual performance</b>   | <b>Variance</b>   | <b>Reason for variance</b>  | <b>Corrective measure</b>  | <b>Program Owner</b> | <b>Evidence Required</b>   |
| To develop an effective spatial framework that promotes integrated and sustainable development | Spatial and Town Planning | Conduct feasibility study and compile a report for Ngove township Establishment        | New Indicator           | Conduct feasibility study and compile a report for Ngove township Establishment by 30 June 2025        | Target achieved Feasibility study and report for Ngove township Establishment was conducted and compiled)             | None  | None  | None   | P&DEV                | feasibility study and Ngove township Establishment report        |
| <b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT</b>                          |                           |  |                         |  |   |   |   |  |                      |  |

|  |                                 |   |  |  |   |                            |   |      |      |  |
|--|---------------------------------|---|--|--|---|----------------------------|---|------|------|--|
| To have an effective and productive workforce  | Wellness Program                | Coordinate wellness events  | 2 Wellness events coordinated              | 2 Wellness events coordinated by 30 June 2025  | Target achieved (2 Wellness events coordinated)   | None                       | None  | None | CORP | Invitations and attendance register              |
| Development of policies to ensure good governance  | Reviewal of Governance Policies | Review Governance policies Framework  | Reviewed 53 Governance policies            | Review 51 Governance policies by 30 June 2025  | Target overachieved (71 Governance policies reviewed)   | 20 more policies reviewed) | Due to new policies which have been developed | None | CORP | list of approved policies and council resolution |
| To ensure that the public is informed about the affairs of the municipality                                | Information Technology          | % of municipal website updated  | 100% of municipal website updated          | 100% of municipal website updated by 30 June 2025  | Target achieved (100% of municipal website updated)   | None                       | None  | None | MM   | Website Report                                   |
| To ensure good governance of ICT   | Information Technology          | Number of IT Steering Committee Meetings to be conducted                              | 4 IT Steering Committee meetings conducted | 4 IT Steering Committee meetings conducted by 30 June 2025   | Target achieved (4 IT Steering Committee meetings conducted)  | None                       | None  | None | CORP | Invitation, Register, Minutes, & agenda.         |
| To enhance security, supporting operational oversight, and promoting safety for all employees and visitors | Security of Municipal Premises  | Coordination and facilitation of installation of Cameras at Old Civic Centre Building | security cameras not installed             | Coordinate and facilitate the installation of 16 security Cameras at Old Civic Centre Building by 30 June 2025 | Target achieved (Installation of 16 security Cameras at Old Civic Centre Building has been coordinated and facilitated) | None                       | None  | None | MM   | Approved Memo, Advert, Delivery Note and Invoice |

| Measurable Objective  | Program  | KPI  | Baseline /Status  | Annual Target   | Actual performance  | Variance                                  | Reason for variance   | Corrective measure                                      | Program Owner | Evidence Required                                |
|---|--|--|---|---|---|---|---|---|---------------|--|
| To enhance security, supporting operational oversight, and promoting safety for all employees and visitors                | Installation of Walkthrough Metal Detector and X-Ray Machine at Civic Centre | Coordination and facilitation of Walkthrough mental detector and X-Ray Machine at Civic Centre | Mental detector and X- Ray Machine not acquired and installed | Coordinate and facilitate the Acquisition and installation of Walkthrough mental detector and X-Ray Machine at Civic Centre by 30 June 2025 | Target achieved (Acquisition and installation of Walkthrough mental detector and X-Ray Machine at Civic Centre has been coordinated and facilitated)                  | None                                      | None  | None  | MM            | Approved Memo, Advert, Delivery Note and Invoice |
| To develop governance structures and systems that will ensure effective public consultation and organizational discipline | Risk Management  | Procurement of supplier verification system  | New Indicator   | Procurement of supplier verification system by 30 June 2025   | Target not achieved (An advertisement was issued, and the procurement process was duly conducted in accordance with the applicable supply chain management policies.) | supplier verification system not procured | No suitable supplier could be identified after a thorough evaluation of all received bids | Re-advertising the tender and conduct briefing sessions | MM            | Approved memo, advert and appointment letter     |
| To develop and retain the best human capital, effective and efficient administrative and operational support system       | Human Resources and Organizational Development                               | Develop Work Skills Plan (WSP) and Annual Training Report (ATR)and submit to LGSETA            | Developed WSP and ATR submitted to LGSETA                     | Develop WSP and ATR submitted to LGSETA by 30 April 2025  | Target achieved (WSP and ATR has been developed and submitted to LGSETA   | None                                      | None  | None  | CORP          | WSP & ATR, Proof of submission                   |



|   |  |  |   |  |  |  |   |                           |                      |  |
|---|--|--|---|--|--|--|---|---------------------------|----------------------|--|
| To develop and retain the best human capital, effective and efficient administrative and operational support system | Human Resources and Organizational Development | Submit the Employment Equity report to Department of Labor (DoL) | Employment Equity Report submitted to DoL | Employment Equity Report submitted to DoL by 15 January 2025     | Target achieved (Employment Equity Report submitted to DoL)      | None   | None  | None                      | CORP                 | Proof of submission  |
| <b>Measurable Objective</b>   | <b>Program</b>                                 | <b>KPI</b>   | <b>Baseline /Status</b>                   | <b>Annual Target</b>   | <b>Actual performance</b>  | <b>Variance</b>                                | <b>Reason for variance</b>                            | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>   |
| operational support system  |  |  |   |  |  |  |   |                           |                      |  |
| To improve efficiency and effectiveness of the municipality   | Human Resources and Organizational Development | Review the Organizational Structure                              | Reviewed Organizational Structure         | Reviewed organizational structure by 30 June 2025                | Target achieved (Organizational structure has been reviewed)     | None   | None  | None                      | CORP                 | Draft Organizational Structure and Council Resolution, Council resolution of approved organizational structure |
| To develop and retain the best Human Capital, Effective and Efficient Administrative and Operational Support System | Human Resources and Organizational Development | Number of posts filled in terms of the organogram                | 45 posts filled                           | 22 posts to be Filled in terms of the organogram by 30 June 2025 | Target overachieved (30 posts Filled in terms of the organogram) | 8 more posts Filled in terms of the organogram | Due to replacement of retired municipal staff members | None                      | CORP                 | Appointment letters  |

|  |  |   |  |  |  |                         |  |   |                      |                                      |
|--|--|---|--|--|--|-------------------------|--|---|----------------------|--------------------------------------|
| To maintain harmony in the workplace   | Human Resources and Organizational Development | Number of Local Labor Forum meetings held | 10 LLF meetings held                   | 12 LLF meetings to be held by 30 June 2025           | Target not achieved (8 LLF meetings held)                      | 4 LLF meetings not held | The Greater Municipality has two unions, IMATU and SAMWU. IMATU is represented by a single recognized shop steward; if the steward is unavailable to attend, | To schedule the meeting to the first two weeks of each month, so that in case of postponement will still have time within the same month as a second attempt. | CORP                 | invitations and attendance register  |
| <b>Measurable Objective</b>  | <b>Program</b>                                 | <b>KPI</b>                                | <b>Baseline /Status</b>                | <b>Annual Target</b>                                 | <b>Actual performance</b>                                      | <b>Variance</b>         | <b>Reason for variance</b>   | <b>Corrective measure</b>   | <b>Program Owner</b> | <b>Evidence Required</b>             |
|  |  |   |  |  |  |                         | the meeting cannot proceed and must be rescheduled   |   |                      |                                      |
| To safeguard municipal interests in all legal related matters and to ensure that all municipal operations are conducted within | Management of litigation                       | % of litigation cases attended to         | 100% (69/69) litigation cases attended | 100% of litigation cases attended to by 30 June 2025 | Target achieved (100% (62/62) of litigation cases attended to) | None                    | None   | None  | CORP                 | Signed Quarterly Litigation Register |

|  |  |                                     |   |   |   |                                   |  |                           |                      |   |
|--|--|-------------------------------------|---|---|---|-----------------------------------|--|---------------------------|----------------------|---|
| the parameters of the law  |  |                                     |   |   |   |                                   |  |                           |                      |   |
| To create a conducive working environment  | Occupational Health and Safety Program | Conduct inspection on OHS           | 4 OHS onsite inspection conducted at Civic Centre, Unigaz, Testing Station and brick yard | 4 OHS onsite inspection conducted at Civic Centre, Unigaz, Testing Station and brick yard by 30 June 2025 | Target achieved (4 OHS onsite inspection conducted at Civic Centre, Unigaz, Testing Station and brick yard) | None                              | None   | None                      | CORP                 | OHS Reports   |
| To make decisions concerning the exercise of all the powers and performance of all the functions of the municipality | Council Services                       | Number of Council Meetings convened | 13 council meetings coordinated and supported   | 7 Council Meetings Convened by 30 June 2025   | Target overachieved (17 Council Meetings Convened)  | 10 more Council Meetings Convened | Due to urgent matters that needed council approval | None                      | CORP                 | Notices of Invitations, Agenda, and Attendance Register |
| To advise Council on policy matters and make   | Council Services                       | Number of Executive Committee       | 11 Executive committee meeting convened   | 12 Executive Committee Meetings   | Target overachieved (13 Executive Committee Meetings convened)  | 1 more Executive Committee        | Due to urgent matters that needed                  | None                      | OFFICE OF THE MAYOR  | Notices of Invitations, Agenda, Minutes and             |
| <b>Measurable Objective</b>  | <b>Program</b>                         | <b>KPI</b>                          | <b>Baseline /Status</b>   | <b>Annual Target</b>  | <b>Actual performance</b>   | <b>Variance</b>                   | <b>Reason for variance</b>                         | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>                                |
| recommendations to Council   |  | Meetings convened                   |   | convened by 30 June 2025  |   | Meetings convened)                | EXCO approval                                      |                           |                      | Attendance Register                                     |

|   |                           |   |   |   |  |   |                                       |                                    |      |   |
|---|---------------------------|---|---|---|--|---|---------------------------------------|------------------------------------|------|---|
| To advise EXCO on policy matters and make recommendations to EXCO   | Council Services          | Number of Portfolio Committee Meetings held   | 97 Portfolio Committee Meetings held  | 96 Portfolio Committee Meetings held by 30 June 2025  | Target not achieved (94 Portfolio Committee Meetings held)   | 2 Portfolio Committee Meetings not held | Due to clashes with other commitments | Adherence to the approved schedule | CORP | Notices of Invitations, Agenda, Minutes and Attendance Register |
| To monitor and assess implementation of Council resolutions   | Council Services          | Number of reports developed on implementation of council resolutions  | 4 Progress reports on implementation of council resolution developed                        | 4 progress reports on implementation of council resolutions to be developed by 30 June 2025   | Target achieved (4 progress reports on implementation of council resolutions developed)  | None                                    | None                                  | None                               | CORP | Council implementation reports                                  |
| <b>KPA: 3 BASIC SERVICE DELIVERY</b>  |                           |   |   |   |  |   |                                       |                                    |      |   |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Building and Construction | Completion of pumphouse, water reticulation, combi courts, vinyl flooring and ablution facilities for Mavalani Indoor Sports Centre | Substructure main hall and guard house has been completed for Mavalani Indoor Sports Centre | Completion of pumphouse, water reticulation, combi courts, vinyl flooring and ablution facilities for Mavalani Indoor Sports Centre by 30 June 2025 | Target achieved (pumphouse, water reticulation, combi courts, vinyl flooring and ablution facilities for Mavalani Indoor Sports Centre has been completed) | None                                    | None                                  | None                               | TECH | Progress Reports and Practical Completion                       |
| To develop sustainable infrastructure networks which promotes economic growth                             | Building and Construction | Development of 5.15km Babangu detailed design for upgrading from gravel to paving   | New Indicator   | Development of 5.15km Babangu detailed design for upgrading from gravel to paving by 30 June 2025   | Target achieved (5.15km Babangu detailed design for upgrading from gravel to paving has been developed)  | None                                    | None                                  | None                               | TECH | Detailed design And Draft Tender Document "                     |

| and improve quality of life   |                                |  |   |  |  |          |                     |                    |               |   |
|---|--------------------------------|--|---|--|--|----------|---------------------|--------------------|---------------|---|
| Measurable Objective  | Program                        | KPI  | Baseline /Status  | Annual Target  | Actual performance   | Variance | Reason for variance | Corrective measure | Program Owner | Evidence Required   |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Roads, Bridges and Storm water | Appointment of consultant for Section E Phase 1 (3km) of upgrading of 13km from gravel to paving | New Indicator   | Appointment of consultant for Section E Phase 1 (3km) of upgrading of 13km from gravel to paving by 30 June 2025 | Target achieved (Consultant for Section E Phase 1 (3km) of upgrading of 13km from gravel to paving has been appointed) | None     | None                | None               | TECH          | Appointment letter, Detailed design and Draft Tender Document               |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Building and Construction      | Development of a tender document for extension of Mageva soccer pitch                            | Approved Terms of Reference to appoint consultant for Mageva Soccer pitch extension | Development of a tender document for extension of Mageva soccer pitch by 30 June 2025                            | Target achieved (Tender document for extension of Mageva soccer pitch has been developed)                              | None     | None                | None               | TECH          | Appointment Letter , Draft Tender, Detail design Report and Tender document |
| To develop sustainable infrastructure networks which promotes economic                                    | Roads, Bridges and Storm water | Settlement of payment for detailed design services rendered for Section F,                       | Detailed Design for Servicing of 539 sites at Section F has been submitted          | Settlement of payment for detailed design services rendered for Section F, 539 sites by 30                       | Target achieved (Settlement of payment for detailed design services rendered for Section F, 539 sites done)            | None     | None                | None               | TECH          | Proof of payment  |

|   |                                |   |   |   |  |                 |                            |                           |                      |  |
|---|--------------------------------|---|---|---|--|-----------------|----------------------------|---------------------------|----------------------|--|
| growth and improve quality of life  |                                | 539 sites   |   | June 2025   |  |                 |                            |                           |                      |  |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Roads, Bridges and Storm water | Construction of subbase layer for 4.8 km Upgrading of internal streets at Nwa-Mankena | Preliminary Design for 4,2km Upgrading from gravel to paving Giyani Nwama nkenka has been developed | Construction of subbase layer for 4.8 km Upgrading of internal streets at Nwa-Mankena by 30 June 2025 | Target achieved (Subbase layer for 4.8 km Upgrading of internal streets at Nwa-Mankena has been constructed) | None            | None                       | None                      | TECH                 | Appointment letter, Progress reports and Progress report |
| To develop sustainable infrastructure   | Roads, Bridges and Storm water | 3.6km upgrading from  | Contractor for 3.6km upgrading from   | 3.6km upgrading from gravel to  | Target achieved (3.6km upgrading from gravel)  | None            | None                       | None                      | TECH                 | Progress Reports   |
| <b>Measurable Objective</b>   | <b>Program</b>                 | <b>KPI</b>  | <b>Baseline /Status</b>   | <b>Annual Target</b>  | <b>Actual performance</b>  | <b>Variance</b> | <b>Reason for variance</b> | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>                                 |
| networks which promotes economic growth and improve quality of life                                       |                                | gravel to paving at Shawela   | gravel to paving at Shawela has been appointed  | paving at Shawela by 30 June 2025   | to paving at Shawela has been completed)   |                 |                            |                           |                      | And Practical Completion Certificate                     |

|   |                                |   |  |   |   |      |      |      |      |   |
|---|--------------------------------|---|--|---|---|------|------|------|------|---|
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Roads, Bridges and Storm water | 2.6 km Upgrading from gravel to paving at Hlomela                               | Contractor for 2.6km upgrading from gravel to paving at Hlomela has been appointed             | 2.6 km Upgrading from gravel to paving at Hlomela by 30 June 2025                           | Target achieved (2.6 km Upgrading from gravel to paving at Hlomela has been completed)            | None | None | None | TECH | Progress Reports and Practical Completion Certificate   |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Building and Construction      | Development of tender document for refurbishment of Section E Sports Centre     | Approved Terms of Reference to appoint consultant for refurbishment of Section E Sports Centre | Development of tender document for refurbishment of Section E Sports Centre by 30 June 2025 | Target achieved (Tender document for refurbishment of Section E Sports Centre has been developed) | None | None | None | TECH | Appointment letter, Scoping Report, Preliminary, Design Detail design And Draft Tender Document |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Building and Construction      | Appointment of consultant for Refurbishment of Giyani Community Hall            | New Indicator  | Appointment of consultant for Refurbishment of Giyani Community Hall by 30 June 2025        | Target achieved (Consultant for Refurbishment of Giyani Community Hall has been appointed)        | None | None | None | TECH | Appointment Letter, Scoping Report, Preliminary design and Detailed design                      |
| To develop sustainable infrastructure networks which promotes   | Building and Construction      | Appointment of contractor for Construction of market stalls at Giyani section A | New Indicator  | Appointment of contractor for Construction of market stalls at Giyani                       | Target achieved (Contractor for construction of market stalls at Giyani Section                   | None | None | None | TECH | Appointment Letter, Detail design report, Tender document,                                      |

|   |                           |   |   |  |   |                                      |   |   |                      |   |
|---|---------------------------|---|---|--|---|--------------------------------------|---|---|----------------------|---|
|   |                           |   |   | Section A  |   |                                      |   |   |                      |   |
| <b>Measurable Objective</b>   | <b>Program</b>            | <b>KPI</b>  | <b>Baseline /Status</b>   | <b>Annual Target</b>   | <b>Actual performance</b>   | <b>Variance</b>                      | <b>Reason for variance</b>  | <b>Corrective measure</b>   | <b>Program Owner</b> | <b>Evidence Required</b>                                      |
| economic growth and improve quality of life   |                           | (10 market stalls)  |   | (10 market stalls) by 30 June 2025   | A (10 market stalls) has been appointed)  |                                      |   |   |                      | and Appointment letter  |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Building and Construction | Construction of Waste Disposal Site   | Approved Terms of Reference to appoint contractor for Waste Disposal Site   | Construction of Waste Disposal Site by 30 June 2025                                  | Target not achieved (site establishment, cleaning of the cells, removal of vegetation in the cells, installation of aggregate, emptying of the leachate dam, unblocking of the pipes and placement of geo-textile membrane.). | Constructi on of Waste Disposal Site | Due to break-down of aggregate crusher machine that led to delay in the delivery of aggregate material. | To get new budget for 2025/26 FY.<br><br>Alternative supply of material | TECH                 | Appointment Letter, Progress reports and Practical Completion |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Building and Construction | Number of quarterly reports on fleet fuel and maintenance expenditure to be submitted | 4 drafts Quarterly Fleet Fuel and Maintenance Expenditure Management Report | Submit 4 quarterly reports on fleet fuel and maintenance expenditure by 30 June 2025 | Target achieved (4 quarterly reports on fleet fuel and maintenance expenditure submitted)   | None                                 | None  | None  | TECH                 | Fleet Fuel and Maintenance reports                            |



|  |                       |  |                         |  |  |   |  |  |                      |   |
|--|-----------------------|--|-------------------------|--|--|---|--|--|----------------------|---|
| To improve financial management systems to enhance venue base  | PMU                   | % MIG Budget spent   | 100% MIG budget spent   | 100% MIG Budget spent by 30 June 2025  | Target achieved (100% MIG Budget spent)  | None  | None                                   | None   | TECH                 | MIG Spending Report                             |
| To develop sustainable infrastructure networks which promotes economic growth                              | Electricity Provision | Develop a detailed design for electrification of 539 units at Section F        | New Indicator           | Development of a detailed design for electrification of 539 units at Section F by 30 June 2025 | Target not achieved (The Memo for the appointment of the Consultant to develop the designs has been signed and is in place.) | Detailed design for connection of 539 units at Section F has not                            | Delay in the appointment of consultant | Expediate the appointment of the Consultant. | TECH                 | Appointment letters And Detailed Design Report" |
| <b>Measurable Objective</b>  | <b>Program</b>        | <b>KPI</b>   | <b>Baseline /Status</b> | <b>Annual Target</b>   | <b>Actual performance</b>  | <b>Variance</b>   | <b>Reason for variance</b>             | <b>Corrective measure</b>                    | <b>Program Owner</b> | <b>Evidence Required</b>                        |
| and improve quality of life  |                       |  |                         |  |  | been developed  |  |  |                      |   |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life? | Electricity Provision | Develop a detailed design for electrification of 100 units at Ndhambhi Village | New Indicator           | Develop a detailed design for electrification of 100 units at Ndhambhi Village by 30 June 2025 | Target overachieved (Detailed design for electrification of 142 units at Ndhambhi Village has been developed)                | Detailed design (electrification) with 42 more units at Ndhambhi Village has been developed | None                                   | None   | TECH                 | Appointment letter and Detailed Design Report   |

|   |                       |  |                         |  |   |   |  |   |                      |  |
|---|-----------------------|--|-------------------------|--|---|---|--|---|----------------------|--|
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Develop a detailed design for electrification of 100 units at Risinga View Village | New Indicator           | Develop a detailed design for electrification of 100 units at Risinga View Village by 30 June 2025 | Target not achieved (Consultant has been appointed)   | Detailed design for electrification of 100 units at Risinga View Village has not been developed | Delay due to ESKOM approval processes as Risinga falls within two ESKOM suppliers.                                   | To roll over the project to 2025/26 Financial year.<br><br>To ensure presentation are done earlier to ESKOM for areas which falls within two ESKOM suppliers. | TECH                 | Appointment letter and Detailed Design |
| <b>Measurable Objective</b>   | <b>Program</b>        | <b>KPI</b>   | <b>Baseline /Status</b> | <b>Annual Target</b>   | <b>Actual performance</b>   | <b>Variance</b>   | <b>Reason for variance</b>   | <b>Corrective measure</b>   | <b>Program Owner</b> | <b>Evidence Required</b>               |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Develop a detailed design for electrification of 100 units at Ndindani Village     | New Indicator           | Develop a detailed design for electrification of 100 units at Ndindani Village by 30 June 2025     | Target overachieved (Detailed design for electrification of 170 units at Ndindani Village has been developed) | Detailed design (electrification) with 70 more units at Ndindani Village has been developed     | During development of the detailed design, it was identified that there are new stands which require electrification | None  | TECH                 | Appointment letter and Detailed Design |

|   |                       |   |                         |   |  |  |  |                           |                      |  |
|---|-----------------------|---|-------------------------|---|--|--|--|---------------------------|----------------------|--|
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Develop a detailed design for electrification of 100 units at Makosha Village | New Indicator           | Develop a detailed design for electrification of 100 units at Makosha Village by 30 June 2025 | Target overachieved (Detailed design for electrification of 156 units at Makosha Village has been developed) | Detailed design (electrification) with 56 more units at Makosha Village has been developed Village | During development of the detailed design, it was identified that there are new stands which require electrification | None                      | TECH                 | Appointment letter and Detailed Design |
| <b>Measurable Objective</b>   | <b>Program</b>        | <b>KPI</b>  | <b>Baseline /Status</b> | <b>Annual Target</b>  | <b>Actual performance</b>  | <b>Variance</b>  | <b>Reason for variance</b>   | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>               |
|   |                       |   |                         |   |  |  |  |                           |                      |  |

|   |                       |   |                         |   |  |   |  |  |                      |  |
|---|-----------------------|---|-------------------------|---|--|---|--|--|----------------------|--|
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Develop a detailed design for electrification of 100 units at Maswanganyi Village | New Indicator           | Develop a detailed design for electrification of 100 units at Maswanganyi Village by 30 June 2025       | Target overachieved (Detailed design for electrification of 348 units at Maswanganyi Village has been developed) | Detailed design (electrification) with 248 more units at Maswanganyi Village has been developed | During development of the detailed design, it was identified that there are new stands which require electrification | None   | TECH                 | Appointment letter and Detailed Design |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Develop a detailed design for electrification of 160 units at Botshabelo Village  | New Indicator           | Development of a detailed design for electrification of 160 units at Botshabelo Village by 30 June 2025 | Target not achieved (Detailed design for electrification of 64 units at Botshabelo Village has been developed)   | A detailed electrification design has been developed, with 96 fewer units at                    | Vacant and unsecured stands were erroneously included in the initial estimates                                       | Consultation with stakeholders involved (ward councilors and chiefs) to identify | TECH                 | Appointment letter and Detailed Design |
| <b>Measurable Objective</b>   | <b>Program</b>        | <b>KPI</b>  | <b>Baseline /Status</b> | <b>Annual Target</b>  | <b>Actual performance</b>  | <b>Variance</b>   | <b>Reason for variance</b>   | <b>Corrective measure</b>  | <b>Program Owner</b> | <b>Evidence Required</b>               |

|   |                       |  |                         |  |   |   |  |                           |                      |  |
|---|-----------------------|--|-------------------------|--|---|---|--|---------------------------|----------------------|--|
|   |                       |  |                         |  |   | Maswanga<br>n yi<br>Village   |  | preliminary<br>estimates. |                      |  |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Develop a detailed design for electrification of 170 units at Dingamanzi Village | New Indicator           | Develop a detailed design for electrification of 170 units at Dingamanzi Village by 30 June 2025 | Target overachieved (Detailed design for electrification of 223 units at Dingamanzi Village has been developed) | Detailed design (electrification) with 53 more units at Dingamanzi Village has been developed | During development of the detailed design, it was identified that there are new stands which require electrification | None                      | TECH                 | Appointment letter and Detailed Design |
| <b>Measurable Objective</b>   | <b>Program</b>        | <b>KPI</b>   | <b>Baseline /Status</b> | <b>Annual Target</b>   | <b>Actual performance</b>   | <b>Variance</b>   | <b>Reason for variance</b>   | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>               |

|   |                       |  |   |  |   |  |   |   |      |  |
|---|-----------------------|--|---|--|---|--|---|---|------|--|
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Electrification of 100 units at Loloka Village   | Detail design for connection of 100 units at Loloka Village developed     | Electrification of 100 units at Loloka Village by 30 June 2025   | Target achieved (100 units at Loloka Village electrified)     | None                                       | None  | None  | TECH | Appointment letter, Progress reports, and Practical Completion Certificate |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Electrification of 310 units at Mageva Village   | Detail design for connection of 306 units at Mageva Village developed     | Electrification of 310 units at Mageva Village by 30 June 2025   | Target not achieved (223 units at Mageva Village electrified) | 87 units not electrified at Mageva village | Due to incomplete structures and vacant stands. | 87 units will be connected using ESKOM post connection at no cost | TECH | Appointment letter, Progress reports And Practical Completion Certificate  |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Electrification of 100 units at Mahlathi Village | Detailed design for connection of 100 units at Mahlathi Village developed | Electrification of 100 units at Mahlathi Village by 30 June 2025 | Target achieved (100 units at Mahlathi Village electrified)   | None                                       | None  | None  | TECH | Appointment letter, Progress Reports and Practical Completion Certificate  |
| To develop sustainable  | Electricity Provision | Electrification of 100 units at                  | Detailed design for connection of 100 units at                            | Electrification of 100 units at                                  | Target achieved (100 units at Matsotsela Village electrified) | None                                       | None  | None  | TECH | Appointment letter, Progress Reports                                       |

|   |                       |   |  |   |  |                 |                            |                           |                      |  |
|---|-----------------------|---|--|---|--|-----------------|----------------------------|---------------------------|----------------------|--|
| Infrastructure  |                       |   |  |   |  |                 |                            |                           |                      |  |
| <b>Measurable Objective</b>   | <b>Program</b>        | <b>KPI</b>  | <b>Baseline /Status</b>  | <b>Annual Target</b>  | <b>Actual performance</b>                                      | <b>Variance</b> | <b>Reason for variance</b> | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>   |
| networks which promotes economic growth and improve quality of life                                       |                       | Matsotsela Village                                  | Matsotsosela Village developed   | Matsotsela Village by 30 June 2025                                  |  |                 |                            |                           |                      | and Practical Completion certificate                                       |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Electrification of 100 units at Xikukwani Village   | New Indicator  | Electrification of 100 units at Xikukwani Village by 30 June 2025   | Target achieved (100 units at Xikukwani Village electrified)   | None            | None                       | None                      | TECH                 | Appointment letter, Progress reports, and Practical Completion Certificate |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Electrification of 150 units at Mnghonghoma Village | Development of a detailed design for connection of 145 units at Mnghonghom a Village | Electrification of 150 units at Mnghonghoma Village by 30 June 2025 | Target achieved (150 units at Mnghonghoma Village electrified) | None            | None                       | None                      | TECH                 | Progress reports and Practical Completion Certificate                      |

|   |                       |   |   |   |  |                 |                            |                           |                      |   |
|---|-----------------------|---|---|---|--|-----------------|----------------------------|---------------------------|----------------------|---|
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Installation of 4 high mast at Giyani Section A and C (ward 12)93 villages including CBD  | Installation of 4 high mast at Giyani Section A and C (ward 12 not done | Installation of 4 high mast at Giyani Section A and C by 30 June 2025   | Target achieved (4 high mast at Giyani Section A and C has been installed)   | None            | None                       | None                      | TECH                 | Progress Reports and Practical Completion Certificate |
| <b>Measurable Objective</b>   | <b>Program</b>        | <b>KPI</b>  | <b>Baseline /Status</b>   | <b>Annual Target</b>  | <b>Actual performance</b>  | <b>Variance</b> | <b>Reason for variance</b> | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>                              |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Development of detailed design for Installation of solar rooftop in municipal buildings   | New Indicator   | Development of detailed design for installation of Solar rooftop in municipal buildings by 30 June 2025   | Target achieved (Detailed design for installation of Solar rooftop in municipal buildings has been developed)  | None            | None                       | None                      | TECH                 | Preliminary Design Report and Detailed Design Report  |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Electricity Provision | Digging of holes and planting of poles for 154 energy saving streetlights phase 3 at Giyani section A, C, CBD, D1, D2, E and F. | 124 energy saving streetlights installed)                               | Digging of holes and planting of poles for 154 energy saving streetlights phase 3 at Giyani section A, C, CBD, D1, D2, E and F. by 30 June 2025 | Target achieved (Digging of holes and planting of poles for 154 energy saving streetlights phase 3 at Giyani section A, C, CBD, D1, D2, E and F. done) | None            | None                       | None                      | TECH                 | Appointment letter and Progress Report                |



|   |   |   |  |  |   |  |   |                           |                      |                                   |
|---|---|---|--|--|---|--|---|---------------------------|----------------------|-----------------------------------|
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Parks and Cemetery Management and Maintenance | Number of parks and cemetery management           | New Indicator                              | 4 parks (Section A, B, E & Ka-Jiwawa) and 1 cemetery (Homu 14c) maintained by 30 June 2025 | Target overachieved (6 parks and 1 cemetery maintained)   | 2 more parks maintained                      | Overgrown trees, weeds, shrubs, and vandalism posing health and safety threats to residents | None                      | COMM                 | Maintenance reports               |
| To develop sustainable infrastructure networks which  | Environmental Awareness Campaign              | Number of environmental awareness and educational | 16 environmental awareness and educational | 12 environmental awareness campaigns and educational                                       | Target overachieved (13 environmental awareness campaigns | 1 more environmental awareness               | Request from Ward 07 Siyandhani   | None                      | COMM                 | Schedule and Attendance Registers |
| <b>Measurable Objective</b>   | <b>Program</b>                                | <b>KPI</b>  | <b>Baseline /Status</b>                    | <b>Annual Target</b>   | <b>Actual performance</b>                                 | <b>Variance</b>                              | <b>Reason for variance</b>  | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>          |
| promotes economic growth and improve quality of life  |   | programs to be conducted                          | programs conducted                         | programs conducted by 30 June 2025   | and educational programs conducted)                       | campaigns and educational programs conducted | Cllr and residents due to mushrooming illegal dumping spots.                                |                           |                      |                                   |

|   |                          |   |                              |  |   |                                 |  |                           |                      |                          |
|---|--------------------------|---|------------------------------|--|---|---------------------------------|--|---------------------------|----------------------|--------------------------|
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Scholar Patrol           | Number of scholar patrol to be conducted      | 25 scholar patrols conducted | 20 scholar patrols conducted by 30 June 2025 | Target overachieved (21 scholar patrols conducted)                        | 1 more scholar patrol conducted | Request from schools due to high enrollment of learners for safety purposes<br><br>Adherence and support to the Department scholar patrols Programme | None                      | COMM                 | Reports                  |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Speed Checks             | Number of speed checks conducted              | 40 speed checks conducted    | 40 Speed checks conducted by 30 June 2025    | Target achieved (40 Speed checks conducted)                               | None                            | None   | None                      | COMM                 | Reports                  |
| To develop sustainable infrastructure networks which  | Traffic summonses issued | Percentage of (sec 56) traffic summons issued | 1541 summonses issued        | 100% of traffic summons (Section 56)         | Target achieved (100% (2657/2657) of traffic summons (Section 56) issued) | None                            | None   | None                      | COMM                 | Reports                  |
| <b>Measurable Objective</b>   | <b>Program</b>           | <b>KPI</b>                                    | <b>Baseline /Status</b>      | <b>Annual Target</b>                         | <b>Actual performance</b>   | <b>Variance</b>                 | <b>Reason for variance</b>   | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b> |

|   |                       |   |                               |   |   |      |      |      |      |         |
|---|-----------------------|---|-------------------------------|---|---|------|------|------|------|---------|
| promotes economic growth and improve quality of life  |                       |   |                               | issued by 30 June 2025                                |   |      |      |      |      |         |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Payment of AARTO fees | Number of Payment of AARTO fees facilitated | 12 AARTO payments facilitated | 12 payments of AARTO fees facilitated by 30 June 2025 | Target achieved (12 payments of AARTO fees facilitated) | None | None | None | COMM | Reports |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Payment of DLCA fees  | Number of Payment of DLCA fees facilitated  | 12 DLCA payments facilitated  | 12 payments of DLCA fees facilitated by 30 June 2025  | Target achieved (12 payment of DLCA fees facilitated)   | None | None | None | COMM | Reports |

|   |                        |                                     |  |   |   |                 |                            |                           |                      |                          |
|---|------------------------|-------------------------------------|--|---|---|-----------------|----------------------------|---------------------------|----------------------|--------------------------|
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | RTMC payments          | Number of RTMC payments facilitated | 12 RTMC payments facilitated           | 12 payments of RTMC fees facilitated by 30 June 2025    | Target achieved (12 payments of RTMC fees facilitated)    | None            | None                       | None                      | COMM                 | Reports                  |
| <b>Measurable Objective</b>   | <b>Program</b>         | <b>KPI</b>                          | <b>Baseline /Status</b>                | <b>Annual Target</b>                                    | <b>Actual performance</b>                                 | <b>Variance</b> | <b>Reason for variance</b> | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b> |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Calibration of VTS     | Number of Calibration of VTS done   | calibration of VTS test equipment done | 1calibration of VTS test equipment done by 30 June 2025 | Target achieved (1calibration of VTS test equipment done) | None            | None                       | None                      | COMM                 | Report                   |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Payment of Agency fees | Number of Agency fees facilitated   | 12 Agency payment facilitated          | 12 payments for Agency fees facilitated by 30 June 2025 | Target achieved (12 payments for Agency fees facilitated) | None            | None                       | None                      | COMM                 | Reports                  |

|   |   |  |  |   |  |                 |                            |                           |                      |                          |
|---|---|--|--|---|--|-----------------|----------------------------|---------------------------|----------------------|--------------------------|
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Road safety Operations                          | Number of Roadblocks held  | 12 Roadblocks conducted                                  | 12 Roadblocks held by 30 June 2025  | Target achieved (12 Roadblocks held)   | None            | None                       | None                      | COMM                 | Attendance Registers     |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | Municipal Facilities Management and Maintenance | Number of municipal facilities maintained                        | New indicator  | 4 municipal facilities maintained (2 halls N'wa-dzekudzeku & multi-purpose) and (2 sports areas TP Khuvutlu & Giyani Stadium) | Target achieved (4 municipal facilities maintained (2 halls N'wa-dzekudzeku & multi-purpose) and (2 sports areas TP Khuvutlu & Giyani Stadium) | None            | None                       | None                      | COMM                 | Maintenance report       |
| <b>Measurable Objective</b>   | <b>Program</b>                                  | <b>KPI</b>   | <b>Baseline /Status</b>                                  | <b>Annual Target</b>  | <b>Actual performance</b>  | <b>Variance</b> | <b>Reason for variance</b> | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b> |
|   |   |  |  | Stadium) maintained by 30 June 2025   |  |                 |                            |                           |                      |                          |
| Accessible basic and infrastructure services  | Waste Management                                | Number of zones and Town to have access to weekly refuse removal | 4 wards (11, 12, 13 and 21) had access to refuse removal | 06 zones (A, B, C, D, E.F and 1 town CBA) have access to weekly refuse removal by 30 June 2025                                | Target achieved (06 zones (A, B, C, D, E.F and 1 town CBA) have access to weekly refuse removal)   | None            | None                       | None                      | COMM                 | Billing Report           |

|   |                                |   |  |   |  |                 |                            |                           |                      |                          |
|---|--------------------------------|---|--|---|--|-----------------|----------------------------|---------------------------|----------------------|--------------------------|
|   |                                | Services  |  |   |  |                 |                            |                           |                      |                          |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | EPWP Infrastructure            | Number of EPWP workers contract extended through the EPWP Infrastructure Program. | 200 People appointed through EPWP Infrastructure Program | Contract extension for 191 EPWP workers through the EPWP Infrastructure Program.by 30 June 2025 | Target achieved (191 EPWP workers through the EPWP Infrastructure Program contract extended) | None            | None                       | None                      | TECH                 | Signed extension Memo    |
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | EPWP Environmental and Culture | Number of EPWP workers contract extended through the EPWP Environmental Program.  | 150 people appointed through EPWP Environmental program  | Contract extension for 138 EPWP workers through the EPWP Environmental Program. by 30 June 2025 | Target achieved (138 EPWP workers through the EPWP Environmental Program contract extended)  | None            | None                       | None                      | COMM                 | Signed extension Memo.   |
| <b>Measurable Objective</b>   | <b>Program</b>                 | <b>KPI</b>  | <b>Baseline /Status</b>                                  | <b>Annual Target</b>  | <b>Actual performance</b>  | <b>Variance</b> | <b>Reason for variance</b> | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b> |

|   |  |  |  |  |  |                               |  |   |                |   |
|---|--|--|--|--|--|-------------------------------|--|---|----------------|---|
| To develop sustainable infrastructure networks which promotes economic growth and improve quality of life | EPWP Social                            | Number of EPWP workers appointed through the EPWP Social Program                   | 8 people appointed through EPWP Social program                             | 34 EPWP workers appointed through the EPWP Social Program. By 30 June 2025                 | Target not achieved (24 EPWP workers appointed through the EPWP Social Program)              | 10 EPWP workers not appointed | Other facilities are secured by private security | To wait for the new intake of EPWP on the next financial year | MM             | Signed appointment Memo   |
| <b>KPA 4: LOCAL ECONOMIC DEVELOPMENT</b>  |  |  |  |  |  |                               |  |   |                |   |
| To Create an Enabling Environment for Sustainable Economic Growth   | LED Forum                              | Number of LED Forums held  | 4 LED Forums held  | 4 LED Forums held by 30 June 2025  | Target achieved (4 LED Forums held)  | None                          | None   | None  | PLANNING & LED | Invitation, Minutes and Attendance Register                                       |
| To Create an Enabling Environment for Sustainable Economic Growth   | LIBRA                                  | Number of Business Registration and Licensing adjudication committee meetings held | 4 Business Registration and Licensing adjudication committee meetings held | 4 Business Registration and Licensing adjudication committee meetings held by 30 June 2025 | Target achieved (4 Business Registration and Licensing adjudication committee meetings held) | None                          | None   | None  | PLANNING & LED | Invitation, Minutes and Attendance Register                                       |
| To Create an Enabling Environment for Sustainable Economic Growth   | SMME Support (Projects & Cooperatives) | Number of SMME's Supported financially   | 4 SMME'S Supported financially   | 4 SMME'S Supported financially by 30 June 2025   | Target achieved (4 SMME'S Supported financially)   | None                          | None   | None  | PLANNING & LED | Call for proposals, Application Form, Acknowledgement letter and proof of payment |
| To Create an Enabling Environment for   | SMME Exposed to LED                    | Number of SMME's   | 5 SMME's exposed to LED market   | 4 SMMEs exposed to LED   | Target achieved (4 SMMEs exposed to LED market)  | None                          | None   | None  | PLANNING & LED | Invitation, Attendance register   |

|   | market                        |   |   |   |  |   |   |                    |                |  |
|---|-------------------------------|---|---|---|--|---|---|--------------------|----------------|--|
| Measurable Objective  | Program                       | KPI   | Baseline /Status                                      | Annual Target   | Actual performance   | Variance                                | Reason for variance                                     | Corrective measure | Program Owner  | Evidence Required  |
| Sustainable Economic Growth                                       |                               | exposed to LED market                                 |   | market by 30 June 2025  |  |   |   |                    |                |  |
| To Create an Enabling Environment for Sustainable Economic Growth | SMME Exposed to pop up market | Number of SMME's exposed to pop up market             | 8 SMME's exposed to pop up market                     | 4 SMME's exposed to pop up market by 30 June 2025                     | Target overachieved (12 SMME's exposed to pop up market)                 | 8 more SMME's exposed to pop up market) | Due to GGM were the host for 2 (two) consecutive events | None               | PLANNING & LED | Invitation, Attendance register                              |
| To Create an Enabling Environment for Sustainable Economic Growth | Planning and LED awareness    | Number of Planning and LED Awareness to be conducted  | 4 Planning and LED Awareness conducted                | 4 Planning and LED Awareness conducted by 30 June 2025                | Target achieved (4 Planning and LED Awareness conducted)                 | None                                    | None  | None               | PLANNING & LED | Invitation, Attendance register                              |
| <b>KPA 5: MUNICIPAL FINANCIAL VIABILITY</b>                       |                               |   |   |   |  |   |   |                    |                |  |
| To improve financial management systems to enhance venue base     | Revenue Management            | Revenue enhancement strategy reviewed and implemented | Revenue enhancement strategy reviewed and implemented | Revenue enhancement strategy reviewed and implemented by 30 June 2025 | Target achieved ( Revenue enhancement strategy reviewed and implemented) | None                                    | None  | None               | BTO            | Report on Implementation of the Revenue Enhancement Strategy |
| To improve financial management systems to enhance revenue base   | Budget and Reporting          | Draft budget tabled to council                        | Draft budget was tabled to council                    | 2025/26 FY Draft budget tabled to council by 31 March 2025            | Target achieved (2025/26 FY Draft budget tabled to council)              | None                                    | None  | None               | BTO            | Draft budget and Council Resolution                          |



|   |                      |   |  |   |   |                 |                            |                           |                      |   |
|---|----------------------|---|--|---|---|-----------------|----------------------------|---------------------------|----------------------|---|
| To improve financial management systems to enhance revenue base | Budget and Reporting | Submit the final budget to council  | Final budget was submitted to council                    | Final budget for the 2025/26 FY submitted to council by 31 May 2025                   | Target achieved (Final budget for the 2025/26 FY submitted to council)                                  | None            | None                       | None                      | BTO                  | Approved Final budget and Council Resolution                    |
| <b>Measurable Objective</b>                                     | <b>Program</b>       | <b>KPI</b>  | <b>Baseline /Status</b>                                  | <b>Annual Target</b>  | <b>Actual performance</b>   | <b>Variance</b> | <b>Reason for variance</b> | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>  |
| To improve financial management systems to enhance revenue base | Budget and Reporting | Submit the Annual Financial statements to AG  | Annual Financial statements compiled and submitted to AG | 2023/24 FY Annual Financial Statements compiled and submitted to AG by 31 August 2024 | Target achieved (2023/24 FY Annual Financial Statements compiled and submitted to AG by 31 August 2024) | None            | None                       | None                      | BTO                  | Copy of Annual Financial Statement Financial statements         |
| To improve financial management systems to enhance revenue base | Budget and Reporting | Number of section 71 reports submitted to Treasury within 10 working days after the end of the month                    | 12 Section 71 Reports submitted to Treasury              | 12 Section 71 Reports submitted to Treasury for the 2024/25 FY                        | Target achieved (12 Section 71 Reports submitted to Treasury for the 2024/25 FY)                        | None            | None                       | None                      | BTO                  | Proof of submission to Treasury                                 |
| To improve financial management systems to enhance revenue base | Budget and Reporting | Compile the section 72 report and submit to the Mayor and Treasury on or before 25 January 2025 as per the legislation. | 1 Section 72 Report submitted to Mayor and Treasury      | 1 Section 72 Report submitted to Mayor and Treasury on or before 25 January 2025.     | Target achieved (1 Section 72 Report submitted to Mayor and Treasury on or before 25 January 2025.)     | None            | None                       | None                      | BTO                  | Sec 72 Report, Mayor's, and Treasury acknowledgment of receipt. |

|   |                         |   |   |  |   |                 |                            |                           |                      |   |
|---|-------------------------|---|---|--|---|-----------------|----------------------------|---------------------------|----------------------|---|
| To improve financial management systems to enhance venue base | Supply Chain Management | Number of Quarterly UIF report/ Letter submitted to MEC for local government and AGSA | 2 Quarterly UIF letters/ report submitted on UIF identified per quarter | 4 Quarterly UIF report/ Letter submitted to MEC for local government and AGSA by 30 June 2025              | Target achieved (4 Quarterly UIF report/ Letter have been submitted to MEC for local government and AGSA)           | None            | None                       | None                      | BTO                  | Proof of submission to MEC and AGSA             |
| To improve financial management                               | Supply Chain Management | Number of Quarterly SCM reports   | 4 Quarterly SCM reports   | 4 Quarterly SCM reports submitted to MM for the  | Target achieved (4 Quarterly SCM reports  | None            | None                       | None                      | BTO                  | Quarterly SCM reports and MM's                  |
| <b>Measurable Objective</b>                                   | <b>Program</b>          | <b>KPI</b>  | <b>Baseline /Status</b>   | <b>Annual Target</b>   | <b>Actual performance</b>   | <b>Variance</b> | <b>Reason for variance</b> | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>                        |
| systems to enhance venue base                                 |                         | submitted to the MM per quarter   | submitted to MM   | 2024/25 FY by 30 June 2025   | have been submitted to MM for the 2024/25 FY)   |                 |                            |                           |                      | Acknowledgment of receipt                       |
| To improve financial management systems                       | Asset Management        | Number of Quarterly Insurance Report submitted to Risk Management unit                | 4 Quarterly Insurance reports be submitted to Risk Management Unit      | 4 Quarterly Insurance reports be submitted to Risk Management Committee for the 2024/25 FY by 30 June 2025 | Target achieved (4 Quarterly Insurance reports have been submitted to Risk Management Committee for the 2024/25 FY) | None            | None                       | None                      | BTO                  | Insurance Report & Proof of submission          |
| To improve financial management systems                       | Asset Management        | Number of Quarterly Assets Management Report submitted to MM                          | 4 Quarterly asset Management report developed                           | 4 Quarterly Assets management reports to be submitted to MM 2024/25 FY by 30 June 2025                     | Target achieved (4 Quarterly Assets management reports have been submitted to MM 2024/25 FY)                        | None            | None                       | None                      | BTO                  | Asset Management Report and proof of submission |

|   |                                 |   |   |  |  |                 |                            |                           |                      |  |
|---|---------------------------------|---|---|--|--|-----------------|----------------------------|---------------------------|----------------------|--|
| To improve financial management systems to enhance venue base           | Asset Management                | Number of Asset verification report submitted to MM       | 1 Asset verification report submitted to MM     | 1 Asset verification report submitted to MM for 2024/25 FY by 30 June 2025 | Target achieved (1 Asset verification report has been submitted to MM for 2024/25 FY)              | None            | None                       | None                      | BTO                  | Signed Asset Verification Report and Proof of submission   |
| To improve financial management systems to enhance venue base           | Budget and Reporting            | Obtaining Unqualified Audit Opinion with no other matters | Unqualified Audit Opinion obtained              | Obtaining Unqualified Audit Opinion for the 2023/24 FY by 30 November 2024 | Target achieved (Unqualified Audit Opinion for the 2023/24 FY obtained)                            | None            | None                       | None                      | BTO                  | AGSA Audit Report  |
| <b>KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>                  |                                 |   |   |  |  |                 |                            |                           |                      |  |
| To develop governance structures and systems that will ensure effective | Integrated Development Planning | Review the IDP for 2024/2025 and development of           | Review the IDP for 2023/2024 and development of | Review the IDP for 2024/2025 and development of 2025/26 IDP                | Target achieved (IDP for 2024/2025 has been reviewed and 2025/26 IDP financial year was developed) | None            | None                       | None                      | PLANNING & LED       | Council Resolution (Adopted Process Plan), Draft Analysis  |
| <b>Measurable Objective</b>   | <b>Program</b>                  | <b>KPI</b>  | <b>Baseline /Status</b>                         | <b>Annual Target</b>   | <b>Actual performance</b>  | <b>Variance</b> | <b>Reason for variance</b> | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>   |
| public consultation and organizational discipline                       |                                 | 2025/26 IDP financial year                                | 2024/25 IDP financial year                      | financial year by 31 May 2025  |  |                 |                            |                           |                      | phase (Chapter) ,Council Resolution (Draft IDP) and Attendance Registers and Council Resolution (Final IDP) and attendance |

|   |                 |   |   |  |   |   |   |  |    |                                 |
|---|-----------------|---|---|--|---|---|---|--|----|---------------------------------|
|   |                 |   |   |  |   |   |   |  |    | registers                       |
| To develop governance structures and systems that will ensure effective public consultation and organizational discipline | Risk Management | Number of risk management committee meeting held  | 4 Risk management Committee meeting held                    | 4 Risk management Committee meeting held by 30 June 2025             | Target achieved (4 Risk management Committee meeting held)  | None  | None  |  | MM | Minutes and Attendance Register |
| To develop governance structures and systems that will ensure effective public consultation and organizational discipline | Risk Management | % of risk implemented (Strategic and Operational) | 59% (136/236) of risk implemented Strategic and Operational | 100% of risk implemented (Strategic and Operational) by 30 June 2025 | Target not achieved. ( 67% (228/340) strategic and operational risks actions have been implemented) | 33% (112/340) strategic and operational risks | Some of the actions to improve management of the risk could not be implemented due to inadequate finding, obtaining court order and slow implementation | At year-end, non-implemented risk mitigation strategies will be formally reviewed, documented, and addressed as part of the organization's risk management | MM | Updated Risk register           |

|   |                   |  |   |   |   |                 |                            |   |                      |                                  |
|---|-------------------|--|---|---|---|-----------------|----------------------------|---|----------------------|----------------------------------|
|   |                   |  |   |   |   |                 |                            | and   |                      |                                  |
| <b>Measurable Objective</b>   | <b>Program</b>    | <b>KPI</b>   | <b>Baseline /Status</b>                                   | <b>Annual Target</b>  | <b>Actual performance</b>   | <b>Variance</b> | <b>Reason for variance</b> | <b>Corrective measure</b>                       | <b>Program Owner</b> | <b>Evidence Required</b>         |
|   |                   |  |   |   |   |                 | procurement processes      | governance processes for 2025/26 financial year |                      |                                  |
| To develop governance structures and systems that will ensure effective public consultation and organizational discipline | Internal Auditing | Develop Audit Committee Charter and submit to council for approval | Audit Committee Charter developed and approved by council | Audit Committee Charter developed and submitted to council for approval by 30 June 2025 | Target achieved (Audit Committee Charter developed and submitted to council for approval) | None            | None                       | None  | MM                   | Approved Audit Committee Charter |

|  |                   |  |   |   |   |   |   |  |                      |  |
|--|-------------------|--|---|---|---|---|---|--|----------------------|--|
| To develop governance structures and systems that will ensure effective public consultation and organizational discipline  | Internal Auditing | Develop the 3- year Internal Audit Plan, and Internal Audit Charter and submit to Audit Committee for approval | 3-year Internal Audit plan and Internal Audit Charter was developed and submitted to Audit Committee for approval | 3-year Internal Audit plan and Internal Audit Charter developed and submitted to Audit Committee for approval by 30 June 2025 | Target achieved (3-year Internal Audit plan and Internal Audit Charter developed and submitted to Audit Committee for approval) | None  | None  | None   | MM                   | Approved 3-year Internal Audit plan, Internal Audit Charter, |
| "To develop governance structures and systems that will ensure effective public consultation and organizational discipline | Internal Auditing | % of findings resolved in the Internal Audit Action Plan   | 60.45% of findings (133 out of 220) resolved in the Internal Audit action Plan                                    | 100% of findings resolved in the Internal Audit Action Plan by 30 June 2025   | Target not achieved (82.77% (197/ 238) of findings resolved in the Internal Audit Action Plan                                   | 17,23% of findings not resolved in the Internal Audit Action Plan | Some findings were raised during the 4th quarter and were still in progress | Continuous follow ups                              | MM                   | Updated Internal Audit Action Plan                           |
| To develop governance structures and systems that will ensure effective  | Internal Auditing | % of findings resolved in the AG(SA) Action Plan   | 14% of findings (07 out of 49) resolved in the AG(SA) Action Plan   | 100% of findings resolved in the AG(SA) Action Plan by 30 June 2025   | Target not achieved 17% (10 out of 57) of findings resolved in the AGSA's Action Plan   | 82% of findings not resolved in the AGSA's Action Plan            | Delays in updating the progress in the National portal                      | Reminder to all departments to update the progress | MM                   | Updated Audit Action Plan                                    |
| <b>Measurable Objective</b>  | <b>Program</b>    | <b>KPI</b>   | <b>Baseline /Status</b>   | <b>Annual Target</b>  | <b>Actual performance</b>   | <b>Variance</b>   | <b>Reason for variance</b>  | <b>Corrective measure</b>                          | <b>Program Owner</b> | <b>Evidence Required</b>                                     |
| public consultation and organizational discipline.   |                   |  |   |   |   |   |   | made on the NT portal                              |                      |  |

|  |   |   |   |   |  |  |  |                           |                      |   |
|--|---|---|---|---|--|--|--|---------------------------|----------------------|---|
| "To develop governance structures and systems that will ensure effective public consultation and organizational discipline       | Internal auditing                           | Number of Audit and Performance Audit Committee meetings to be held   | 9 Audit and Performance Committee meetings held | 4 Audit and Performance Committee meeting held by 30 June 2025  | Target overachieved. (10 Audit Performance Committee meeting held.)  | 6 more Audit and Performance Committee meeting to be held  | There was a need for special audit Committee meetings  | None                      | MM                   | Attendance Register, and Minutes              |
| "To develop governance structures and systems that will ensure effective public consultation and organizational discipline.      | Internal Auditing                           | Number of Audit and Performance Audit Committee Reports developed and submitted to Council                                | 4 Audit and Performance Audit Committee Reports | 4 Audit and Performance Audit Committee Reports developed and submitted to Council by 30 June 2025                                  | Target achieved (4 Audit and Performance Audit Committee Reports developed and submitted to Council)   | None   | None   | None                      | MM                   | Report to Council, Council Resolution         |
| "To develop governance structures and systems that will ensure effective public consultation and organizational discipline.<br>" | Promote community and environmental welfare | Number of activities conducted on special programs (Disability awareness, women's month, youth programmes, older persons, | 21 Special Programs organized                   | 16 activities conducted on special programs (Disability awareness, women's month, youth programmers, older persons, men's forum and | Target overachieved (23 activities conducted on special programs (Disability awareness, women's month, youth programmers, older persons, men's forum and HIV and Aids) | 7 more activities conducted on special programs (Disability awareness, women's month, youth programmer | Due to invitations from other sectors and NGOs that Municipality has partnered with for special programs | None                      | OFFICE OF THE MAYOR  | Invitations, Program and Attendance Registers |
| <b>Measurable Objective</b>  | <b>Program</b>                              | <b>KPI</b>  | <b>Baseline /Status</b>                         | <b>Annual Target</b>  | <b>Actual performance</b>  | <b>Variance</b>  | <b>Reason for variance</b>   | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>                      |

|  |                              |   |  |   |   |  |                            |                           |                      |   |
|--|------------------------------|---|--|---|---|--|----------------------------|---------------------------|----------------------|---|
|  |                              | men's forum and HIV and Aids)             |  | HIV and Aids) by 30 June 2025                           |   | s, older persons, men's forum and HIV and Aids |                            |                           |                      |   |
| To develop governance structures and systems that will ensure effective public consultation and organizational discipline  | Newsletter                   | Number of Rito newsletters to be produced | 3 Rito newsletter edition produced       | 4 Rito newsletter edition produced by 30 June 2025      | Target achieved (4 Rito newsletter edition produced)      | None   | None                       | None                      | OFFICE OF THE MAYOR  | Rito Newsletter Editions                      |
| To develop governance structures and systems that will ensure effective public consultation and organizational discipline. | Customer Satisfaction Survey | Review Customer Satisfaction Survey       | 1 Customer satisfaction Survey conducted | 1 Customer satisfaction Survey reviewed by 30 June 2025 | Target achieved (1 Customer satisfaction Survey reviewed) | None   | None                       | None                      | OFFICE OF THE MAYOR  | Reports and Questionnaires                    |
| To develop governance structures and systems that will ensure effective public consultation and organizational discipline. | Public Participation         | Number of imbizos to be convened          | 4 Imbizos held                           | 4 imbizos convened by 30 June 2025                      | Target achieved (4 imbizos convened)                      | None   | None                       | None                      | OFFICE OF THE MAYOR  | Invitation, Attendance Register and Programme |
| <b>Measurable Objective</b>  | <b>Program</b>               | <b>KPI</b>                                | <b>Baseline /Status</b>                  | <b>Annual Target</b>                                    | <b>Actual performance</b>                                 | <b>Variance</b>                                | <b>Reason for variance</b> | <b>Corrective measure</b> | <b>Program Owner</b> | <b>Evidence Required</b>                      |



|   |                        |   |  |  |   |      |      |      |      |   |
|---|------------------------|---|--|--|---|------|------|------|------|---|
| To develop governance structures and systems that will ensure effective public consultation and organizational discipline | Public Participation   | Number of MPAC Public Hearing to be coordinated<br>3  | 1 MPAC Public hearing conducted on 31 March 2024   | 1 MPAC Public Hearing coordinated by 31 March 2025   | Target achieved (1 MPAC Public Hearing coordinated)   | None | None | None | CORP | Public Notice and Attendance Registers                  |
| To develop governance structures and systems that will ensure effective public consultation and organizational discipline | Performance Management | Develop and submit the 2025/2026 SDBIP to the Mayor for signature within 28 days after approval of the budget | Developed and submitted the 2024/2025 SDBIP to the Mayor for signature within 28 days after approval of the budget | Development and submission of the 2025/2026 SDBIP to the Mayor for signature within 28 days after approval of the budget by 30 June 2025 | Target achieved (The 2025/2026 SDBIP has been developed and submitted to the mayor for signature within 28 days after approval of the budget) | None | None | None | MM   | Signed SDBIP and Proof of Submission                    |
| To develop governance structures and systems that will ensure effective public consultation and organizational discipline | Performance Management | Number of institutional performance reports developed and submitted to Council                                | 4 institutional performance reports developed  | 4 Institutional performance reports developed and submitted to Council by 30 June 2025   | Target achieved (4 Institutional performance reports developed and submitted to Council)  | None | None | None | MM   | Institutional Performance Report and Council Resolution |
| To develop governance structures and systems that will ensure effective public consultation and                           | Performance Management | Number Project performance Monitoring   | New Indicator  | 2 Project performance Monitored by 30 June 2025  | Target achieved (2 Project performance Monitored)   | None | None | None | MM   | Report and attendance register                          |

| Measurable Objective   | Program                  | KPI  | Baseline /Status                           | Annual Target   | Actual performance  | Variance   | Reason for variance   | Corrective measure | Program Owner | Evidence Required                      |
|--|--------------------------|--|--|---|---|--|---|--------------------|---------------|--|
| organizational discipline  |                          |  |  |   |   |  |   |                    |               |  |
| To promote Arts, Culture and Heritage within the community members | Arts and Culture Support | Number of Arts, Culture Festival and Heritage Day Celebration to be hosted | 1 Arts, Culture and Heritage Festival held | 1 Arts, Culture and Heritage festival held by 30 June 2025  | Target achieved (1 Arts, Culture and Heritage festival held)  | None   | None  | None               | COMM          | Q1- Invitation and Attendance Register |
| To develop Sports programs within the community members            | Sport Development        | Number of sports development events coordinated                            | 6 sports development events coordinated    | Coordinate 1 sports development event, including conducting a capacity- building sports workshop, by 30 June 2025 | Target overachieved (3 sports development event, including conducting a capacity- building sports workshop developed) | 2 more sports development event, including conducting a capacity- building sports workshop developed | Large number of target teams of 8 sporting codes in 96 villages | None               | COMM          | Attendance register                    |
| To promote the Indigenous games within the community members       | Indigenous games         | Number of local indigenous games conducted                                 | 1 Local Indigenous game conducted          | 1 local indigenous game conducted by 30 June 2025   | Target achieved (1 local indigenous game conducted)   | None   | None  | None               | COMM          | Attendance Register                    |

|   |                          |  |   |   |   |      |      |      |      |                      |
|---|--------------------------|--|---|---|---|------|------|------|------|----------------------|
| To develop governance structures and systems that will ensure effective public consultation and organizational discipline | Library Outreach Program | Number of library outreach and awareness conducted | 14 Library Outreach conducted at Gidela High, Noblehoek High, Ximuwini Primary, Nwamavimbi High and Khomisani Primary | 12 library outreach and awareness conducted by 30 June 2025 | Target achieved (12 library outreach and awareness conducted) | None | None | None | COMM | Attendance Registers |
|---|--------------------------|--|---|---|---|------|------|------|------|----------------------|

### Measures taken to improve performance.

| SPATIAL RATIONALE |   |   |   |  |   |
|-------------------|---|---|---|--|---|
| No.               | PROJECT NAME.   | TARGET  | STATUS  | CHALLENGES   | INTERVENTIONS   |
| 1                 | Street Naming boards (Including Registration) at Giyani section A, B, C, D, E, F and BA | Approval of Street Naming boards (Including Registration) at Giyani section A, B, C, D, E, F and BA from Surveyor | Target not achieved (Street Naming boards (Including Registration) at Giyani section E approved and acknowledgement letter has been received from Surveyor General) | The delay in the implementation of the street naming project for Giyani section A, B, C, D, F and BA is due to the pending approval from the Office of the Surveyor General. This approval is essential for the official recognition and registration of street names, and its absence has resulted in the postponement of subsequent project activities | The municipality will follow up regularly with the Office of the Surveyor General to expedite the approval process. A formal letter of inquiry will be submitted in the first quarter, and further engagements will be scheduled to ensure prioritization of the application. |

|   |                                    |   |   |  |   |
|---|------------------------------------|---|---|--|---|
| 2 | Street names for Giyani Section A  | Approval of street names for Giyani Section A from Surveyor General by 30 June 2025 | Target not achieved (Acknowledgement letter of Street Names for Giyani Section A has been received from the Surveyor General) | The delay in the implementation of the street naming project for Giyani section A, is due to the pending approval from the Office of the Surveyor General. This approval is essential for the official recognition and registration of street names, and its absence has resulted in the postponement of subsequent project activities | The municipality will follow up regularly with the Office of the Surveyor General to expedite the approval process. A formal letter of inquiry will be submitted in the first quarter, and further engagements will be scheduled to ensure prioritization of the application. |
| 3 | Street names for Giyani Section BA | Approval of street names for Giyani BA from Surveyor General by 30 June 2025        | Target not achieved (Acknowledgement letter of Street names for Giyani Section BA has been received from Surveyor General)    | The delay in the implementation of the street naming project for Giyani section BA is due to the pending approval from the Office of the Surveyor General. This approval is essential for the official recognition and registration of street names, and its absence has resulted in the postponement of subsequent project activities | The municipality will follow up regularly with the Office of the Surveyor General to expedite the approval process. A formal letter of inquiry will be submitted in the first quarter, and further engagements will be scheduled to ensure prioritization of the application. |
| 4 | Street names for Giyani Kremetart  | Approval of street names for Kremetart from Surveyor General by 30 June 2025        | Target not achieved (Acknowledgement letter of Street names for Kremetart has been received from Surveyor General)            | The delay in the implementation of the street naming project for Kremetart is due to the pending approval from the Office of the Surveyor General. This approval is essential for the official recognition and registration of street names, and its absence has resulted in the postponement of subsequent project activities         | The municipality will follow up regularly with the Office of the Surveyor General to expedite the approval process. A formal letter of inquiry will be submitted in the first quarter, and further engagements will be scheduled to ensure prioritization of the application. |

|   |   |  |   |   |   |
|---|---|--|---|---|---|
| 5 | Subdivision and rezoning of 3 Municipal Properties (Thomo, Homu & Mageva) | Submit subdivision and rezoning application of 3 Municipal Properties (Thomo, Homu & Mageva) to Surveyor General by 30 June 2025 | Target not achieved (Subdivision and rezoning application of 3 Municipal Properties (Thomo, Homu & Mageva) not submitted to Surveyor General) | Inadequate monitoring of the of the KPI to ensure timely implementation.  | Full assessments of the nonperformance will be conducted to implement appropriate consequence management.<br>The KPI has been included for implementation and reporting on the 2025/26 SDBIP. |
| 6 | Rezoning and subdivision for municipal parks                              | Submit rezoning and subdivision application for municipal parks to Surveyor General by 30 June 2025                              | Target not achieved (Rezoning and subdivision application for municipal parks has not been submitted to Surveyor General)                     | Inadequate monitoring of the of the KPI to ensure timely implementation.  | Full assessments of the nonperformance will be conducted to implement appropriate consequence management.<br>The KPI has been included for implementation and reporting on the 2025/26 SDBIP. |
| 7 | Review of Spatial Development Framework                                   | Appointment of consultant for Review of Spatial Development Framework by 30 June 2025  | Target not achieved (Memo for appointment of professional town planners (pool has been approved)  | Delay in the appointment of pool of consultants due to late advertisement | An advert for appointment of pool of consultants will be issued in the first quarter of 2025/26 FY  |
| 8 | Review of Land use scheme   | Appointment of consultant for Review of Land use scheme by 30 June 2025  | Target not achieved (Memo for appointment of professional land surveyors (pool has been approved)   | Delay in the appointment of pool of consultants due to late advertisement | An advert for appointment of pool of consultants will be issued in the first quarter of 2025/26 FY  |
| 9 | Site Demarcation  | Site Demarcation in Mageva village not submitted to Tribunal   | Target not achieved (application for Site Demarcation in Sikhunyani villages has been submitted to Tribunal)                                  | Mageva still waiting for the approval of EIA report from Dept of LEDET    | To fast-track the process with LEDET for Mageva's EIA's approval  |

|           |                                     |  |   |   |   |
|-----------|-------------------------------------|--|---|---|---|
| <b>10</b> | Proclamation Programme              | Proclamation Programme for Morogolo at Giyani Section A  | Target not achieved (Proclamation Programme for Morogolo at Giyani Section A not done)                                | Inadequate monitoring of the of the KPI to ensure timely implementation.  | Full assessments of the nonperformance will be conducted to implement appropriate consequence management.<br>The KPI has been included for implementation and reporting on the 2025/26 SDBIP. |
| <b>11</b> | Siyandani township establishment    | Conduct community resolution for Siyandani township establishment by 30 June 2025                      | Target not achieved (community resolution for Siyandani township establishment not conducted)                         | Inadequate monitoring of the of the KPI to ensure timely implementation.  | Full assessments of the nonperformance will be conducted to implement appropriate consequence management.<br>The KPI has been included for implementation and reporting on the 2025/26 SDBIP. |
| <b>12</b> | Dzingidzingi Township establishment | Conduct feasibility study and compile a report for Dzingidzingi Township establishment by 30 June 2025 | Target not achieved (Feasibility study not conducted for Dzingidzingi Township establishment and report not compiled) | Delay in the appointment of pool of consultants due to late advertisement | An advert for appointment of pool of consultants will be issued in the first quarter of 2025/26 FY  |

| MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT |  |  |   |   |   |
|---|--|--|---|---|---|
| No.   | PROJECT NAME.  | TARGET   | STATUS  | CHALLENGES  | INTERVENTIONS   |
| 1.  | Procurement of supplier verification system                | Procurement of supplier verification system by 30 June 2025                                    | Target not achieved (Procurement of supplier verification system not concluded)   | No suitable supplier could be identified after a thorough evaluation of all received bids   | Re-advertising the tender and conduct briefing sessions   |
| 2   | Local Labour Forum   | 12 LLF meetings to be held by 30 June 2025   | Target not achieved (8 LLF meetings held)   | The Greater Municipality has two unions, IMATU and SAMWU. IMATU is represented by a single recognized shop steward; if the steward is unavailable to attend, the meeting cannot proceed and must be rescheduled | To schedule the meeting to the first two weeks of each month, so that in case of postponement will still have time within the same month as a second attempt. |
| 3   | Portfolio Committee  | 2 Portfolio Committee Meetings not held  | Target not achieved (94 Portfolio Committee Meetings held)  | Due to clashes with other commitments   | Adherence to the approved schedule  |
| BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT   |  |  |   |   |   |
| No.   | PROJECT NAME.  | TARGET   | STATUS  | CHALLENGES  | INTERVENTIONS   |
| 1   | Waste Disposal Site  | Construction of Waste Disposal Site by 30 June 2025  | Target not achieved (site establishment, cleaning of the cells, removal of vegetation in the cells, installation of aggregate, emptying of the leachate dam, unblocking of the pipes and placement of geo-textile membrane.). | Due to break-down of aggregate crusher machine that led to delay in the delivery of aggregate material.   | To get new budget for 2025/26 FY. Alternative supply of material  |
| 2   | Detailed design for electrification 539 units at Section F | Development of a detailed design for electrification of 539 units at Section F by 30 June 2025 | Target not achieved (Detailed design for electrification of 539 units at Section F not developed)   | Delay in the appointment of consultant  | Expediate the appointment of the Consultant.  |

|          |  |   |  |  |   |
|----------|--|---|--|--|---|
| <b>3</b> | Detailed design for electrification of 100 units at Risinga View Village | Develop a detailed design for electrification of 100 units at Risinga View Village by 30 June 2025      | Target not achieved (Consultant has been appointed)  | Delay due to ESKOM approval processes as Risinga falls within two ESKOM suppliers. | To roll over the project to 2025/26 Financial year.<br><br>To ensure presentation are done earlier to ESKOM for areas which falls within two ESKOM suppliers. |
| <b>4</b> | Detailed design for electrification of 160 units at Botshabelo           | Development of a detailed design for electrification of 160 units at Botshabelo Village by 30 June 2025 | Target not achieved (Detailed design for electrification of 64 units at Botshabelo Village has been developed) | Vacant and unsecured stands were erroneously included in the initial estimates     | Consultation with stakeholders involved (ward councilors and chiefs) to identify preliminary estimates  |
| <b>5</b> | Electrification of 310 units at Mageva Village                           | Electrification of 310 units at Mageva Village by 30 June 2025  | Target not achieved (223 units at Mageva Village electrified)  | Due to incomplete structures and vacant stands.                                    | 87 units will be connected using ESKOM post connection at no cost   |
| <b>6</b> | EPWP Social Program.   | 34 EPWP workers appointed through the EPWP Social Program. By 30 June 2025                              | Target not achieved (24 EPWP workers appointed through the EPWP Social Program)                                | Other facilities are secured by private security                                   | To wait for the new intake of EPWP on the next financial year   |



| GOOD GOVERNANCE AND PUBLIC PARTICIPATION |                            |   |   |   |  |
|--|----------------------------|---|---|---|--|
| No.                                      | PROJECT NAME               | TARGET  | STATUS  | CHALLENGES  | INTERVENTIONS  |
| 1  | Strategic and Operational  | 100% of risk implemented (Strategic and Operational) by 30 June 2025        | Target not achieved. ( 67% (228/340) strategic and operational risks actions have been implemented) | Some of the actions to improve management of the risk could not be implemented due to inadequate finding, obtaining court order and slow implementation procurement processes | At year-end, non-implemented risk mitigation strategies will be formally reviewed, documented, and addressed as part of the organization's risk management and governance processes for 2025/26 financial year |
| 2  | Internal Audit Action Plan | 100% of findings resolved in the Internal Audit Action Plan by 30 June 2025 | Target not achieved (82.77% (197/ 238) of findings resolved in the Internal Audit Action Plan       | Some findings were raised during the 4 <sup>th</sup> quarter and were still in progress   | Continuous follow ups  |
| 3  | AG(SA) Action Plan         | 100% of findings resolved in the AG(SA) Action Plan by 30 June 2025         | Target not achieved 17% (10 out of 57) of findings resolved in the AGSA's Action Plan               | Delays in updating the progress in the National portal  | Reminder to all departments to update the progress made on the NT portal   |

Signed by

Khoza VD  
Municipal Manager

Date: 31/08/2025



GREATER GIYANI MUNICIPALITY

ANNEXETURE B

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Audit Action Plan  
for the Year Ended 30 June 2025

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(2024/2025)



**GREATER GIYANI MUNICIPALITY**

**Audit Action Plan**

Year Ended 30 June 2025

|  |   |  |  |   |                                      |                      |   |                                   |                        |   |                                 |                                 |
|--|---|--|--|---|--------------------------------------|----------------------|---|-----------------------------------|------------------------|---|---------------------------------|---------------------------------|
| Province: Limpopo  |   |  |  |   |                                      |                      |   |                                   |                        |   |                                 |                                 |
| Municipality: Greater Giyani (LIM 331)   |   |  |  |   |                                      |                      |   |                                   |                        |   |                                 |                                 |
| Financial Year: 2024/25  |   |  |  |   |                                      |                      |   |                                   |                        |   |                                 |                                 |
| Annexure: All  |   |  |  |   |                                      |                      |   |                                   |                        |   |                                 |                                 |
| Audit Action Plan Status: All  |   |  |  |   |                                      |                      |   |                                   |                        |   |                                 |                                 |
| Implementation Status: Not Yet Started In Progress Completed Agreed Findings Addressed |   |  |  |   |                                      |                      |   |                                   |                        |   |                                 |                                 |
|  |   |  |  |   |                                      |                      |   |                                   |                        |   |                                 |                                 |
| <b>CO<br/>MA<br/>F<br/>No.</b>   | <b>Finding</b>  | <b>Finding<br/>Details</b>   | <b>Recomm<br/>endation</b>   | <b>Management<br/>Response</b>  | <b>Auditor's<br/>conclusi<br/>on</b> | <b>Reso<br/>lved</b> | <b>Respo<br/>nsible<br/>Perso<br/>n</b> | <b>Acti<br/>on<br/>own<br/>er</b> | <b>Root<br/>causes</b> | <b>Action Plan</b>  | <b>St<br/>art<br/>Da<br/>te</b> | <b>Comp<br/>letion<br/>Date</b> |
| 1  | 1. Limitation of scope – Refurbishment of Sporting Facilities (Gawula) (RFI 29) | Information request number No. 29 of 2024/2025 relating to Refurbishment of Sporting Facilities (Gawula) project was submitted to the municipality on 25 September 2025. However, to date, not all the information has been submitted. | The Accounting Officer must ensure that there is proper record keeping of all the financial affairs of the municipality. Furthermore, we recommend that information should be submitted within the three-day | Yes, Because Project was implemented 8 years ago and by then the information was not stored correctly as currently we have created a correct method of storing project information. Management agrees as 8 years ago when the project was implemented there were no proper Internal control but currently, we have improved |                                      | No                   | Baloyi H                                | Mashele B                         | Poor record keeping    | Develop a register for all stalled projects (retrieval of information based on the RFI issued by AGSA)<br><br>Create a project file with supporting documents (hard copy and soft copy) | 23 - 01 - 2026                  | 30-Jun-26                       |



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| 2 | 1. High level financial statement report | Through the high level review of the financial statement submitted for audit it was noted that the municipality omitted the financial instruments note on the financial statements. | It is recommended that accounting officer should ensure that the preparation and review processes are designed to ensure that accurate and complete information are disclosed in the financial statements. These processes should make provision for sufficient time for the production and internal review of | Management does not agree with the audit finding. Financial Instrument Note was not omitted on the submitted Annual Financial Statements. Please refer to Note 55. | Management's response is noted. Note 55 will be assessed against the requirement of GRAP 104 – Financial instruments and any non-compliance with the financial reporting framework communicated to management. | No | Masha u N | Muhl ari N | Inadequate review of AFS due to late finalisation of some components below;<br><br>Non adherence to timeframes | Utilizing of the GRAP checklist for reviews<br><br>Review the current AFS process plan to include of 2nd review process<br><br>Submission of written representation for non compliance (reasons, action plan, commitment - template developed by CFO) | 23 - 2026 | 30-Jun-26 |
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|   |                                      |  | the financial statements prior to submission thereof to audit.   |  |  |    |         |          |  |  |                |           |
| 3 | 2. Incomplete segment reporting note | Through the high level review of the financial statement submitted for audit it was noted that note 63 – Segment information the note is incomplete as it does not include the financial statements of the four reportable segments identified | It is recommended that accounting officer should ensure that the preparation and review processes are designed to ensure that accurate and complete information are disclosed in the financial statement | Management does not agree with the audit finding that says the segment reporting is incomplete, Segment reporting was submitted as part of the Annual Financial Statements and it has included all the four reportable segments, as stipulated on Note 63. Management agrees that there was no | Management's response is acknowledged. The annexure will be assessed for correctness in relation to GRAP requirements and the amended to the index page of the financial statement | No | Mashaun | Muhlarin | Inadequate review of AFS due to late finalisation of some components below;<br><br>Non adherence to timeframes | Utilizing of the GRAP checklist for reviews<br><br>Review the current AFS process plan to include of 2nd review process<br><br>Submission of written representation for non compliance (reasons, action plan, commitment - template developed by CFO)<br><br>Training on | 23 - 01 - 2026 | 30-Jun-26 |

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|  |  | by the municipality being : 1. Finance and administration. 2.Community service, 3.Planning and development and 4.Technical services. Furthermore it was noted that the note refers to the Gauteng province instead of Limpopo province. | s. These processes should make provision for sufficient time for the production and internal review of the financial statements prior to submission thereof to audit. | reference to the Annexure for Segment Reporting. | t is noted. |  |  |  |  |  | segment reporting by 31 March |  |  |
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| 4 | 4. Applicability of borrowing cost accounting policy note | Through the high level review of the financial statement submitted for audit it was noted that the municipality included a borrowing cost accounting policy note ( Accounting policy note.21) although the borrowing cost does not apply to the municipality has the municipality has no borrowing cost.Through the high level review of the | It is recommended that accounting officer should ensure that only accounting policies applicable to the municipality have been included in the financial statements submitted for audit. | YesThe management agrees with the audit findings. | Management's response is acknowledged. The correctness of the proposed adjustment will be evaluated by the auditors once the adjusted AFS are submitted. The impact of any uncorrected misstatements will be assessed for its impact on the audit report. The finding will be reported in the | No | Masha u N | Muhl ari N | Inadequate review of AFS due to late finalisation of some components below;Non adherence to timeframes | Review the Accounting policies to ensure that it complies with GRAP by 30 April (Interim financials)Compare the disclosure in the AFS to the GRAP standard.Cross referencing of the accounting policies to the relevant disclosure notes.Independent reviewer to express an opinion on the Alignment between the AFS accounting policies, disclosure notes & the GRAP standards. | 23 - 01 - 20 26 | 30-Jun-26 |
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|  |  | <p>financial statement submitted for audit it was noted that the municipality did not account for INEP in accordance with GRAP 11. The municipality is appointed, by way of a binding arrangement by Eskom, to construct the electrification infrastructure to the specification of Eskom. The municipality does not own, operate or maintain the</p> |  |  |  |  |  |  |  |  |  |  |  |
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|  |  | <p>electriciation infrastructure. The municipality is reimbursed for allowable costs. The municipality subcontracted the electrification projects to other service providers as stated in the requirement above. The municipality is thus a contractor as defined in GRAP 11 and applies the accounting for cost-based contracts contained therein.</p> |  |  |  |  |  |  |  |  |  |  |
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| 5 | 5. Incorrect inclusion of amounts in the risk management note. | Through the high level review of the financial statement submitted for audit it was noted that the municipality included the following amounts as financial instruments in the risk management note which should have been excluded in terms of GRAP 104:<br>• VAT receivables<br>• Accrued leave pay<br>• Accrued 13th cheque<br>• Payroll creditors<br>• Accrued overtime | It is recommended that accounting officer should ensure that only amount which should be accounted for in accordance with GRAP 104 are included as financial instruments. | Yes<br>The management agrees to the audit finding. | Management's response is acknowledged. The correctness of the proposed adjustment will be evaluated by the auditors once the adjusted AFS are submitted. The impact of any uncorrected misstatements will be assessed for its impact on the audit report. The finding will be reported in the | No | Masha u N | Muhl ari N | Inadequate review of AFS due to late finalisation of some components below;<br><br>Non adherence to timeframes | Review the Accounting policies to ensure that it complies with GRAP by 30 April (Interim financials)<br><br>Compare the disclosure in the AFS to the GRAP standard.<br><br>Cross referencing of the accounting policies to the relevant disclosure notes.<br><br>Independent reviewer to express an opinion on the Alignment between the AFS accounting policies, disclosure notes & the GRAP standards. | 23 - 20 26 | 30-Jun-26 |
|---|--|---|---|--|---|----|-----------|------------|--|--|------------|-----------|

|   |   |  |  |  |  |     |            |              |   |   |                                |                   |
|---|---|--|--|--|--|-----|------------|--------------|---|---|--------------------------------|-------------------|
|   |   |  |  |  | manage<br>ment<br>report to<br>note the<br>internal<br>control<br>deficienc<br>y that led<br>to the<br>finding<br>so as to<br>avoid<br>repetition<br>of similar<br>findings<br>in the<br>future. At<br>these<br>stage the<br>audit<br>finding<br>remains<br>valid. |     |            |              |   | Inclusion of<br>the Risk<br>Management<br>disclosure<br>note in the<br>training.            |                                |                   |
| 6 | 6.<br>Incorrect<br>accounti<br>ng<br>treatmen<br>t of<br>INEP<br>grants | Through<br>the high<br>level<br>review of<br>the<br>financial<br>statement<br>submitted<br>for audit it<br>was noted<br>that the<br>municipalit<br>y did not<br>account for<br>INEP in | It is<br>recomme<br>nded that<br>accountin<br>g officer<br>should<br>ensure<br>that INEP<br>grant is<br>accounted<br>for in<br>accordanc<br>e with<br>GRAP 11. | Management<br>Aknowaladge<br>the<br>finding.Manag<br>ement will<br>make<br>adjustments to<br>ensure that<br>INEP is<br>accounted for<br>in accordance<br>with GRAP 11<br>subject to<br>AGSA<br>approval. | Manage<br>ment's<br>response<br>is<br>acknowle<br>dged. The<br>correctne<br>ss of the<br>proposed<br>adjustme<br>nt has<br>been<br>evaluate<br>d by the  | Yes | Khosa<br>G | Khos<br>a VD | New<br>circulars<br>issued by<br>Treasury | The<br>Municipality to<br>schedule a<br>physical<br>meeting with<br>AGSA before<br>31 March | 23<br>-<br>01<br>-<br>20<br>26 | 31-<br>Mar-<br>26 |







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| 7 | AOPO Indicator s not relevant to the mandate of the Municip ality. | During the audit of the predetermi ned objectives, we noted that there were indicators included in the Annual Performan ce Report for the 2024/25 audit year which were not relevant. The following are the indicators which were deemed irrelevant as they do not link to the mandate of the Greater Giyani Municipali ty of provision of basic services to the local | Managem ent should ensure that the indicators reported on in the Annual Performan ce Report are relevant as to relate to the mandate of the auditee. | Management should ensure that the indicators reported on in the Annual Performance Report are relevant as to relate to the mandate of the auditee. | We acknowle dge manage ment's response ; however, our finding remains that the indicator s identified do not directly measure the achieve ment of the municipa lity's primary objective s as required by the Framewo rk for Managin g Program me Performa nce Informati | No | Mtileni R | Khos a VD | Inadequate review of the KPI's | Review the KPI's related to service delivery against the mandate of the Municipality during the SDBIP adjustment (Refer to sec 152 of the constitution that give rise to the Municipal Systems act and demarcation act. | 23 - 01 - 20 26 | 31- Mar- 26 |
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|  |  | community:<br><ul style="list-style-type: none"> <li>• Settlement of payment for detailed design services rendered for Section F, 539 sites by 30 June 2025</li> <li>• Number of quarterly reports on fleet fuel and maintenance expenditure to be submitted</li> <li>• Development of detailed design for installation of Solar rooftop in municipal buildings by 30 June 2025</li> <li>• Number of scholar patrol to be conducted</li> </ul> |  |  | on. While activities such as settlement of payment for design services, fleet maintenance reporting, solar rooftop design, and MIG expenditure are operational or financial in nature, they do not demonstrate service delivery outcomes or strategic impact. |  |  |  |  |  |  |  |  |
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|  |  | <ul style="list-style-type: none"> <li>• Number of speed checks conducted</li> <li>• Percentage of (sec 56) traffic summons issued</li> <li>• Number of Payment of AARTO fees facilitated</li> <li>• %MIG budget spent</li> <li>• Number of Payment of DLCA fees facilitated</li> <li>• 12 payments of RTMC fees facilitated by 30 June 2025</li> <li>• 1 calibration of VTS test equipment done by 30 June 2025</li> <li>• 12 payments</li> </ul> |  |  |  |  |  |  |  |  |  |  |
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|--|--|---|--|--|--|--|--|--|--|--|--|--|
|  |  | for Agency fees facilitated by 30 June 2025<br>• 12 Roadblocks held by 30 June 2025 |  |  |  |  |  |  |  |  |  |  |
|--|--|---|--|--|--|--|--|--|--|--|--|--|

|   |                        |   |  |  |   |    |           |           |                          |   |                |           |
|---|------------------------|---|--|--|---|----|-----------|-----------|--------------------------|---|----------------|-----------|
| 8 | Contingent liabilities | Section 122(1)(a) of the MFMA states the following, "every municipality must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial | It is recommended that accounting officer should ensure that the preparation and review processes are designed to ensure that accurate and complete information are disclosed in the financial statements. These processes should make provision for sufficient time for the production and internal review of | Management disagrees with the finding as Contingent Liabilities was not understated. Management agrees that the Prior period error note is understated and is proposing an adjustment of the Prior Period Error note subject to the AG's proposal. Management disagrees with the finding as Contingent Liabilities was not understated. There was an intention to sue to municipality, but the case never went to court. The Maluleke/GG | Management's response is acknowledged. The correctness of the proposed adjustment will be evaluated by the auditors once the adjusted AFS are submitted. The impact of any uncorrected misstatements will be assessed for its impact on the audit report. The finding will be reported in the | No | Masha u N | Muhlari N | Inadequate review of AFS | Develop a template to compare the prior year AFS to the current year AFS and any differences noted should be cross referenced to a prior year note. | 23 - 01 - 2026 | 30-Apr-26 |
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|  |  | results and its financial position as at the end of the financial year and (3) the annual financial statements must be prepared in accordance with generally recognized accounting practice as prescribed' | the financial statements prior to submission thereof to audit. | M case should've not been part of contingent liabilities in the first place. Management agrees that the Prior period error note is understated and is proposing an adjustment of the Prior Period Error note subject to the AG's proposal. The proposed adjustment is to remove the case from the 2024/25 comparatives in the 2024/25 Annual Financial Statements. | management report to note the internal control deficiency that led to the finding so as to avoid repetition of similar findings in the future. At these stage the audit finding remains valid |  |  |  |  |  |  |  |  |
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|---|--------------------|--|---|--|--|----|----------|-----------|--|---|----------------|-----------|
| 9 | AOPO Verifications | During the audit of the AoPO, we selected a sample of beneficiaries to verify whether the electrical infrastructure had been installed as reported. To facilitate this, we requested and were provided with a beneficiary listing. Upon performing our verification procedures, we identified discrepancies between the information contained in the beneficiary listing and | Management should revisit the population of listings to ensure the accuracy of information captured in beneficiary listings, whether for audit or operational purposes. This can be achieved by implementing a formal review process to validate the listings upon preparation, prior to their use or | Management agrees with the finding, There were errors when capturing the final beneficiary list. However, only qualifying beneficiaries have actual benefited from Electrification project and were verified by the Municipality and the Auditors. | We acknowledge management's response. The identified internal control deficiency will be included in the management report, and corrective actions will be monitored and tracked going forward | No | Baloyi E | Mashele B | Inadequate review of beneficiary registerLate submission of beneficiary list | Reconcile the captured beneficiary list against the verification forms and supporting documentsThe final payment certificate should be accompanied with the verified beneficiary list | 23 - 01 - 2026 | 30-Jun-26 |
|---|--------------------|--|---|--|--|----|----------|-----------|--|---|----------------|-----------|

|           |  |   |  |   |   |     |           |            |  |   |                 |           |
|-----------|--|---|--|---|---|-----|-----------|------------|--|---|-----------------|-----------|
|           |  | the supporting source documentation. Upon investigations, we became aware that there was no reviewer to the listing to ensure that the information contained therein is accurate. | submission   |   |   |     |           |            |  |   |                 |           |
| <b>10</b> | Issue 01: Cash flow differences .<br><br>Issue 02: Cash flows from financing activities .<br><br>Issue 03: | During the audit of the cash flow statement the following differences were noted.<br><br>During the audit of the cash flow statement the following differences were not           | Management should ensure annual financial statements submitted for audit are subjected to adequate review to ensure that the financial statements comply | Management agrees with finding, However, the proposed adjustment for the cash flow will be submitted when all adjustments have been accounted for, with permission from AGSA. | Management's response is acknowledged. The correctness of the proposed adjustment has been evaluated by the auditors, and it has been correctly | Yes | Masha u N | Muhl ari N | Inadequate technical capacity to prepare the Cashflow statement. | Capacity building on Cashflow statement preparation 31 March<br>Utilise the GRAP cash flow template | 23 - 01 - 20 26 | 30-Apr-26 |



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|    | Comparative figures prior period disclosure | disclosed under Note 62: Prior Period Adjustments:  | with GRAP requirements  |  | adjusted. The finding will be reported in the management report to note the internal control deficiency that led to the finding so as to avoid repetition of similar findings in the future. Finding is resolved. |    |           |           |   |  |                 |           |
| 11 | Commitments                                 | Through the audit of commitments it was noted that the figure disclosed is understated by R 1 550 051 | It is recommended that accounting officer should ensure that the preparation and review processes | Management agrees with the audit finding, However, commitments disclosed at R124 744 874.07 is actually overstated by R1 547 | Management's response is acknowledged. The correctness of the proposed adjustment will be   | No | Masha u N | Muhlari N | Not comparing the commitment register to the contract register. | Development a register for project cessations, variation orders and extensions.by 31 March<br><br>Reconcile the commitment register to the | 23 - 01 - 20 26 | 30-Jun-26 |

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|  |  |  | are designed to ensure that accurate and complete information are disclosed in the financial statements. These processes should make provision for sufficient time for the production and internal review of the financial statements prior to submission thereof to audit. | 051.12.<br>It has been realised that Order PO14473 for Mopani Crusher had already been paid through a cession. | evaluated by the auditors once the adjusted AFS are submitted. The impact of any uncorrected misstatements will be assessed for its impact on the audit report. The finding will be reported in the management report to note the internal control deficiency that led to the finding so as to avoid repetition |  |  |  | register for project cessions, variation orders and extensions. |  |  |
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|    |                        |   |   |   | of similar findings in the future. At these stage the audit finding remains valid.   |    |          |            |   |   |                 |           |
| 12 | Contingent liabilities | Through the audit of contingent liabilities it was noted that the figure disclosed is misstated by an amount of R 1 1 984 824 . | It is recommended that accounting officer should ensure that the preparation and review processes are designed to ensure that accurate and complete information are disclosed in the financial statements. These processes should | Management agrees with the audit finding. With the permission of the AGSA, Management is proposing to adjust the contingent liability note. | Management's response is acknowledged. The correctness of the proposed adjustment has been evaluated by the auditors, and it has been correctly adjusted. The finding will be reported in the management report to | No | Mnguni S | Rapelego M | Misalignment of the legal confirmation and the summons. | Develop a contingent liability register from the summons by 31 March                | 23 - 01 - 20 26 | 30-Jun-26 |
|    |                        |   |   |   |  |    |          |            |   | Reconcile the contingent liability register to the summons and legal confirmations. |                 |           |

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|    |   |   | make provision for sufficient time for the production and internal review of the financial statements prior to submission thereof to audit.                        |  | note the internal control deficiency that led to the finding so as to avoid repetition of similar findings in the future. Finding is resolved. |    |           |            |  |  |            |           |
| 13 | Non - Municipal budget and reporting regulation 26(1) / 52(1) | In terms of Municipal budget and reporting regulation 26(1) / 52(1) (GN 393 of 17 April 2009), the municipal manager should make public the approved adjustment budget within 10 working days after | Adjustment budget should be made public by the municipal manager within 10 days after approval by council as required by Municipal budget and reporting regulation | Management agrees with the audit finding. There was an oversight on the side of management on uploading the budget document. | Management response noted. The audit finding remains and will be assessed further for reporting .  | No | Masha u N | Muhl ari N | Lack of service standard for publishing of documents on the municipal website. | Development a standard turnaround time for publicising information on the municipality's website by 31 March<br><br>Integrate the developed standard into the performance agreements of the communications unit. | 23 - 20 26 | 31-Mar-26 |



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|  |  | budget was uploaded on 24 March 2025 which is more than 10 business days after the council has approved the adjustment . |  |  |  |  |  |  |  |  |  |  |
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| 14 | 1. Lack of safeguarding of municipal assets | In contravention of the above requirement, during physical verification we have noted certain Municipal community assets are not adequately safeguarded, resulting in instances of vandalism and exposure to theft. This situation increases the risk of loss in value, as it diminishes the municipality's ability to derive future economic | The municipality should strengthen safeguarding and security measures for all buildings, especially vacant or underutilized ones. | Management disagrees with the audit finding. While we acknowledge the concerns raised during the physical verification, the conclusion that municipal community assets are "not adequately safeguarded" and that vandalism is due solely to lack of safeguarding does not fully consider the age, lifecycle stage, and contextual realities surrounding these assets.1. Assets are well within their lifecycle and were constructed almost two decades | Management comment noted, however the safeguarding from the EPWP workers is not sufficient to safeguard the assets of the Municipality, The EPWP workers are not hired by the municipality to guard asset, and they are not trained to execute this service, but they are hired to clean | No | Mchavi M | Khosa VD | Insufficient security personnel at Community assets. Insufficient human capacity to guard all community assets. Inadequate security infrastructure to house security personnel. | Deployment of additional personnel to guard community assets by 31 March. Construction of at least 2 Guard houses at Community assets. | 23 - 01 - 2026 | 30-Jun-26 |
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|  |  | benefits or service potential from these assets. Furthermore. Upon inspection of disposal listing, it was noted that for Infrastructure and community assets, the disposals were related to vandalism, this is due to lack of safeguarding the Municipal assets.NB// Physical verification was done based on a sample |  | ago.The majority of the community and recreational assets listed were brought into the asset register nearly 20 years ago. For instance, the take-on dates for the MuYEXE Sports Centre, Makhuva MPCC, Amon Ngulele Sports Centre, Cyril Ramaphosa Sports Centre, Dingani Peter Rikhotso Sports Centre and JB Chauke Sports Centre were 30/06/2011, 30/06/2007, 30/06/2006, 30/06/2006, 03/06/2006 and 30/06/2006 respectively. As a result, the | the premises . Again, the EPWP workers are not always present at the premises , Times such as weekends, at night and the days they are off as per the attached EPWP schedule , Therefore the control of EPWP workers are not implementing fully safeguarding of these assets.Age and |  |  |  |  |  |  |  |  |
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|  |  |  |  | <p>who provide ongoing security presence, cleaning, and upkeep services across various community facilities. These workers support the safeguarding of premises and reduce vandalism risks within the constraints of municipality-wide coverage needs. The presence of municipal staff demonstrates that the municipality has implemented safeguarding measures, contrary to the assertion that no safeguarding exists.<sup>3</sup> Community assets are actively used</p> | <p>and will be reported in the Management report and Auditors report.</p> |  |  |  |  |  |  |  |  |  |
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|  |  |  |  | <p>by local residents. It is important to highlight that the assets are actively used by the surrounding communities, including sports grounds, community centres, and multipurpose centres. Usage by locals inherently exposes assets to wear and tear, yet this usage confirms that the municipality continues to derive service potential and community value from the assets. Therefore, the claim that the assets “are not contributing to service delivery or</p> |  |  |  |  |  |  |  |  |  |
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|  |  |  |  | <p>generating value” does not align with the practical reality on the ground.4. Disposals linked to potential vandalism are not evidence of poor safeguarding alone. Management notes that infrastructure and community asset disposals arising from potential vandalism cannot be exclusively attributed to lack of safeguarding, especially considering:• the age of the assets,• rural geographic dispersion,• limited available security</p> |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  | <p>budget, and the community's free public access to open community facilities such as sports fields. These factors inherently expose community assets to environmental, usage-related, and behavioural risks.<sup>5</sup>. Compliance with MFMA Section 63(1). The Municipality continues to comply with Section 63(1) of the MFMA by maintaining an asset register, monitoring asset condition, redeploying EPWP workers, and</p> |  |  |  |  |  |  |  |  |  |
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|  |  |  |  | <p>conducting routine facility inspections. The deterioration observed at certain sites is therefore not due to failure to safeguard, but rather the combined effect of ageing infrastructure and community usage patterns. Conclusion. Given the above, management maintains that:</p> <ul style="list-style-type: none"> <li>• The assets are within their expected lifecycle given their age;</li> <li>• Safeguarding and maintenance measures are in place through EPWP support</li> </ul> <p>(Kindly refer to the attached</p> |  |  |  |  |  |  |  |  |  |
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|  |  |  |  | <p>registers);•<br/> The assets<br/> continue to<br/> serve the local<br/> communities;<br/> andManagem<br/> ent therefore<br/> requests<br/> reconsideratio<br/> n of the finding<br/> based on<br/> these<br/> substantiated<br/> facts.Name:<br/> Maluleke<br/> GPPosition:<br/> Asset and<br/> SCM<br/> ManagerDate:<br/> 19 November<br/> 2025</p> |  |  |  |  |  |  |  |  |  |
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| 15 | Segment Information | Issue 01: Through the audit of contingent liabilities it was noted that the figure disclosed is misstated by an amount of R 1 1 984 824 . Refer to details below:Line item Amount of segment reporting - total column Auditors conclusion Operating revenue 56992792 558613300 Issue 02 :Note 63 indicated that Greater Giyani provides primary, secondary | It is recommended that accounting officer should ensure that the preparation and review processes are designed to ensure that accurate and complete information are disclosed in the financial statements. These processes should make provision for sufficient time for the production and internal review of | Issue number 1 to 7Management agrees with the audit finding raised on issue 1 to issue 7, the formular missed one amount of R1 620 508.00.The amount will be corrected with the permission of the AGSA.The segment reporting is attached.The management will correct the identification of segment and segment report as well as the goods and services. The proposed adjustment is attached. | Management's response is acknowledged. The correctness of the proposed adjustment will be evaluated by the auditors once the adjusted AFS are submitted. The impact of any uncorrected misstatements will be assessed for its impact on the audit report. The finding will be reported in the | No | Masha u N | Muhl ari N | Inadequate review of AFS due to late finalisation of some components below;Non adherence to timeframes | Utilizing of the GRAP checklist for reviewsReview the current AFS process plan to include of 2nd review processSubmission of written representation for non compliance (reasons,action plan,commitment - template developed by CFO)Training on segment reporting by 31 March | 23 - 01 - 20 26 | 30-Jun-26 |
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|  |  | and tertiary educational services however Giyani does not provide the following primary, secondary and tertiary educational service as it is not a educational institution therefore incorrect basis was used to identify the major areas.Issue 03:The municipality stated that the municipality indicated that it operates in the Gauteng province however this is incorrect as Greater | the financial statements prior to submission thereof to audit. |  | management report to note the internal control deficiency that led to the finding so as to avoid repetition of similar findings in the future. At these stage the audit finding remains valid. |  |  |  |  |  |  |  |  |
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|  |  | <p>Giyani is located in the Limpopo province. Issue 04: Through inspection of the segment information it was noted that greater Giyani did not indicate with good and service each segments provide furthermore the municipality indicated that it has the following segment:</p> <ol style="list-style-type: none"> <li>1. Finance and administration</li> <li>2Community service</li> <li>3.Planning and developme</li> </ol> |  |  |  |  |  |  |  |  |  |  |
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|  |  | <p>nt 4.<br/>Technical<br/>serviceIssu<br/>e<br/>05However<br/>through<br/>inspection<br/>of the<br/>segmented<br/>financial<br/>statements<br/>it was<br/>noted that<br/>the<br/>municipalit<br/>y did not<br/>include the<br/>following<br/>segments<br/>information<br/>on the<br/>disclosure :</p> <p>1.<br/>Technical<br/>serviceIssu<br/>es 06The<br/>municipalit<br/>y included<br/>the<br/>financial<br/>statements<br/>for the<br/>following<br/>divisions<br/>which had<br/>not been<br/>identified<br/>as</p> |  |  |  |  |  |  |  |  |  |  |  |
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|  |  | Reportable<br>segment in<br>note 63 : 1.<br>Executive<br>and council<br>2.<br>Infrastructu<br>relssue<br>07Through<br>inspection<br>of note<br>63.Segmen<br>t reporting<br>information<br>it was<br>noted that<br>the type of<br>good or<br>service<br>provided<br>by each<br>segment<br>was not<br>disclosed |  |  |  |  |  |  |  |  |  |  |
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| 16 | Refurbishment of Gawula Sports Centre | The project has experienced a delay of approximately 1,907 days (about 5.2 years) from its original planned completion date of 22 February 2018 to the date of the site visit on 10 October 2025. The contractor took possession of the site on 14 September 2017, with work commencing on 03 October 2017. The project duration was scheduled for four (4) months, | The municipality should: <ul style="list-style-type: none"> <li>• enforce approval protocols that strictly enforce procedures requiring prior written approval for any additional or variation work before execution.</li> <li>• strengthen consultant oversight and hold consultants accountable for contract administration by including clear performance</li> </ul> | Management acknowledges the observations made above. The prolonged delay of approximately 1,907 days (about 5.2 years) from the original planned completion date of 22 February 2018 was not intentional, but resulted from budget constraints and the need to prioritise other projects identified as higher priorities in the municipality's IDP and SDBIP. The zinc roofing sheets and ceiling boards were blown off by strong winds in previous |  |  | Baloyi H | Mashele B | Poor record keeping | Develop a register for all stalled projects (retrieval of information based on the RFI issued by AGSA) Create a project file with supporting documents (hard copy and soft copy) | 23 - 01 - 2026 | 30-Jun-26 |
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|  |  | targeting 22 February 2018. However, the project has significantly exceeded its planned timeline and remains incomplete and has been abandoned. During the site visit, it was observed that the Ablution Block and Dressing Rooms had sustained severe structural and material damage due to vandalism. The zinc roofing sheets and ceiling | obligations in their appointment letters and monitoring compliance. • implement change control system and introduce a formal change management process with documented variation orders, cost implications and municipal authorization. • Implement regular progress audits that covers periodic site and financial | financial years, leaving the timber rafters and trusses exposed to moisture and causing severe structural damage to the Ablution Block and Dressing Rooms. Through the annual asset verification process, management became aware of the shattered ceramic sanitary fixtures and the corrosion of metal fittings resulting from the prolonged lack of roofing protection and subsequently developed a refurbishment plan to restore the sports centre to a |  |  |  |  |  |  |  |  |  |
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|  |  | boards were removed, leaving the timber rafters and trusses fully exposed to moisture. This prolonged exposure has resulted in significant warping, cracking, and fungal decay of the timber components, compromising their structural integrity. Electrical wiring was stripped, and all doors and windowpanes were broken, leaving openings that | audits to ensure compliance with contract terms and detect unauthorized work early. • provide training for project managers and consultants on municipal procurement regulations and contract management best practices as part of capacity building. | usable condition for the community. The municipality has budgeted funds to resume the project in the 2025/26 financial year to mitigate the risk of additional costs required to revive and complete the project. In addition, the municipality has requested supplementary funding from the Department of Sports, Arts and Culture to support project completion in the 2026/27 financial year, and the Department has ring-fenced sufficient |  |  |  |  |  |  |  |  |  |
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|  |  |  |  | <p>demolition and the incomplete works worth R661 525.00, no financial outflow occurred as the structure has since been rebuilt. The deterioration of materials and structures on site therefore represents a contingent loss which will only be an actual loss should the municipality pay for the unauthorised work done. Thus far, the municipality has no intentions of settling the amount as the consultant unilaterally instructed the contractor to deviate from the scope of</p> |  |  |  |  |  |  |  |  |  |  |
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| 17 | Inadequate monitoring of KPI to ensure timely implementation. | Below are the KPI's where there was inadequate monitoring of KPI to ensure timely implementation.<br><br>KPI<br>1. Submit subdivision and rezoning application of 3 Municipal Properties (Thomo, Homu & Mageva) to Surveyor General<br>2. Submit rezoning and subdivision application for municipal parks to Surveyor General.<br>3. Appointment | Management should formalize and rigorously enforce a structured system for the continuous monitoring and reporting of all Key Performance Indicators (KPIs) associated with strategic objectives and project implementation. | Management agrees with the audit finding. | Management's response is acknowledged. The finding will be reported in the management report to note the internal control deficiency that led to the finding so as to avoid repetition of similar findings in the future | No | Bamuz a A | Mahatlani TCF | Inadequate project planning and monitoring | Develop a checklist to determine the readiness of the project (land availability, stakeholders engagement, funding)<br><br>Project Managers to submit monthly progress report to the Director for approval (progress made, challenges and corrective measures)<br><br>Review of the projects during the SDBIP adjustment by 31 March | 23 - 01 - 2026 | 30-Apr-26 |
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|    |                                 | nt of consultant for Review of Spatial Development Framework 4. Appointment of consultant for Review of Land use scheme.<br>5. Proclamation Program<br>6. Conduct community resolution for Siyandani township establishment |  |   |  |    |           |            |                     |   |                 |            |
| 18 | Non-compliance with the VAT Act | Based on the record of work done on VAT, management did not submit VAT201's timeously as required   | Management should ensure that the VAT201's are submitted timeously to avoid interest | Management agrees with the audit finding. | Management response noted. The finding remains and will be reported in the | No | Masha u N | Muhl ari N | Inadequate personel | Appointment of senior reporting clerk VAT | 23 - 01 - 20 26 | 28-Feb- 26 |

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|  |  | by the VAT Act for the following months:              | and penalties. |  | Management Report. |  |  |  |  |  |  |  |  |
|  |  | No. Period<br>Date of submission<br>Transaction value |                |  |                    |  |  |  |  |  |  |  |  |
|  |  | 1 December 2024 26                                    |                |  |                    |  |  |  |  |  |  |  |  |
|  |  | March 2025 4 386 016.71                               |                |  |                    |  |  |  |  |  |  |  |  |
|  |  | 2 January 2025 26                                     |                |  |                    |  |  |  |  |  |  |  |  |
|  |  | March 2025 1 320 287.42                               |                |  |                    |  |  |  |  |  |  |  |  |
|  |  | 3 February 2025 03                                    |                |  |                    |  |  |  |  |  |  |  |  |
|  |  | April 2025 3 175 545.45                               |                |  |                    |  |  |  |  |  |  |  |  |
|  |  | 4 March 2025 06                                       |                |  |                    |  |  |  |  |  |  |  |  |
|  |  | May 2025 1 727 130.39                                 |                |  |                    |  |  |  |  |  |  |  |  |
|  |  | 5 May 2025 02   |                |  |                    |  |  |  |  |  |  |  |  |
|  |  | July 2025 4 640 026.88                                |                |  |                    |  |  |  |  |  |  |  |  |

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| 19 | NON-COMPLIANCE WITH GRAP 108 | Based on the record of work done on VAT, we have noted that the receivable of R11 396 990 from SARS was not disclosed separately in financials as per the requirement of GRAP 108. | It is recommended that Accounting Officer should ensure that the preparation and review processes are designed to ensure that accurate and complete information are disclosed in the financial statements. | Management agrees with the audit finding. There is non-compliance with GRAP 108, however there is no misstatement on VAT receivable from SARS. | Management response noted. However, the audit finding will remain valid until we have tested the revised AFS and we are satisfied with the revision. | Yes | Masha u N | Muhl ari N | Inadequate review of AFS due to late finalisation of some components below; Non adherence to timeframes | Review the Accounting policies to ensure that it complies with GRAP by 30 April (Interim financials) Compare the disclosure in the AFS to the GRAP standard. Cross referencing of the accounting policies to the relevant disclosure notes. Independent reviewer to express an opinion on the Alignment between the AFS accounting policies, disclosure notes & the GRAP standards. | 23 - 20 26 | 30-Jun-26 |
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|----|---|---|---|---|--|-----|---------|----------|--|--|------------|-----------|
| 20 | Work in Progress Note—prior period error recognized in incorrect year | During the audit of WIP disclosed in Note 4 – Reconciliation of WIP, we identified a prior period error of R27,613,324 relating to projects completed in previous years but still included in WIP for 2024. The error was discovered in 2025 and corrected in the 2025 reconciliation note. However, the 2024 opening balance was not restated to include the correction at the | Management should ensure that prior period errors are corrected in accordance with GRAP 3 by adjusting the opening balance of the earliest comparative period presented and disclosing the restatement appropriately. | Management agrees with the audit finding. The note to be prepared as per GRAP 3.44. | Management's response is acknowledged. The auditors confirm that the proposed adjustments have been correctly processed in the amended AFS and are satisfied with the corrections made. As the misstatements have now been fully resolved, they will not impact the audit opinion. The | Yes | Mashaun | Muhlarin | Limitations of caseware system template to make amendments | Whenever there is a system limitation include a narration to achieve fair presentation | 23-01-2026 | 30-Jun-26 |
|----|---|---|---|---|--|-----|---------|----------|--|--|------------|-----------|

|  |  |  |  |  |   |  |  |  |  |  |  |  |
|--|--|--|--|--|---|--|--|--|--|--|--|--|
|  |  | beginning of the earliest prior period presented, which should have been reflected in the 2024 reconciliation. As a result, the 2024 reconciliation omits the adjustment . |  |  | finding will, however, still be included in the management report to highlight the internal control deficiency that resulted in the misstatement, to prevent recurrence in future periods. With the adjustments implemented, the audit matter is now considered resolved. |  |  |  |  |  |  |  |
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|    |                                 |   |  |  |  |  |           |            |  |   |                 |           |
|----|---------------------------------|---|--|--|--|--|-----------|------------|--|---|-----------------|-----------|
| 21 | Contingent liability disclosure | During the audit of contingent liabilities it was noted that management did not include the following in the disclosure : (b) an indication of the uncertainties relating to the amount or timing of any outflow; and (c) the possibility of any reimbursement. | It is recommended that accounting officer should ensure that the preparation and review processes are designed to ensure that accurate and complete information are disclosed in the financial statements. Furthermore ensure that the financial statements are prepared in accordance to GRAP 19. |  |  |  | Masha u N | Muhl ari N | Inadequate review of AFS due to late finalization of componets | Review of AFS process plan to include 2nd review<br><br>Training on GRAP 19 by 31 March | 23 - 01 - 20 26 | 30-Jun-26 |
|----|---------------------------------|---|--|--|--|--|-----------|------------|--|---|-----------------|-----------|

|    |   |   |  |  |   |    |            |            |                           |   |                |           |
|----|---|---|--|--|---|----|------------|------------|---------------------------|---|----------------|-----------|
| 22 | Failure to prevent Fruitless and Wasteful Expenditure | <p>Contrary to the above requirements, during the audit of Expenditure management we noted the following:</p> <ul style="list-style-type: none"> <li>Reasonable steps as required by Section 62(1)(d) were not taken to prevent Fruitless and Wasteful Expenditure amounting to R3 711 314</li> </ul> | <p>The SCM Manager, Expenditure Manager, Budget Manager, and the CFO should take necessary steps to ensure that fruitless and wasteful expenditures are prevented.</p> | <p>Management agrees with the audit finding.</p> <p>However, it is worth mentioning that the fruitless and wasteful expenditure incurred and disclosed in the AFS was reported to council. Council is currently processing (investigate, recover, write-off) the expenditure in terms of section 32 of the MFMA. The findings and resolutions of council will kickstart the process of consequence management.</p> | <p>Management's response is acknowledged. The finding will be reported in the management report to note the internal control deficiency that led to the finding so as to avoid repetition of similar findings in the future. Furthermore the finding will be reported in the auditor's report as a material</p> | No | Shivambu J | Muhliari N | Ineffective UIFW strategy | <p>Review of UIFW strategy by 20 February 2026</p> <p>Compile and submit all fruitless and wasteful expenditure documents to MPAC for further investigation</p> | 23 - 01 - 2026 | 31-Mar-26 |
|----|---|---|--|--|---|----|------------|------------|---------------------------|---|----------------|-----------|

|    |                                    |  |  |  |  |    |             |           |  |   |                 |           |
|----|------------------------------------|--|--|--|--|----|-------------|-----------|--|---|-----------------|-----------|
|    |                                    |  |  |  | non-compliance.  |    |             |           |  |   |                 |           |
| 23 | Fruitless and wasteful expenditure | We identified that the irregular expenditure amounting to R R 7981 274 and fruitless and wasteful expenditure of R 3 120 000 was not investigated. | The accounting officer should ensure that all instances of irregular and fruitless and wasteful expenditure identified are investigated. | Business Process - Management reports to council (through Finance portfolio committee and EXCO) on the quarterly basis regarding identified UIFWEs. Upon receiving the reports, Council refers the UIFWEs to Municipal Public Accounts Committee (MPAC) for investigation. An amount of R3 453 432.40 for fruitless and wasteful expenditure | Management's response is noted. Based on the additional submitted by management it can not be concluded that MPAC investigated R 7 959 831 and R 3 453 432 as the evidence illustrates that MPAC had requested | No | Maluleke GP | Muhlarini | inadequate record keeping which leads to non submission of documents to MPAC for investigationFruitless and wasteful expenditure were incurred at year end | Management writing back to MPAC indicating the impracticability of getting the documents for investigationManagement to request MPAC through office of the Mayor to conclude on long outstanding irregular expenditure investigations Compile and submit all fruitless and wasteful expenditure documents to MPAC for further investigation | 23 - 01 - 20 26 | 31-Mar-26 |

|  |  |  |  |   |   |  |  |  |  |  |  |  |  |  |
|--|--|--|--|---|---|--|--|--|--|--|--|--|--|--|
|  |  |  |  | <p>was incurred during the fourth quarter of the financial year and reported to council on the 30th July 2025. Therefore investigation could not be conducted during the year under review since it was reported to council in the first quarter of 2025/26 financial year. The above fruitless and wasteful expenditure and balance of R7 959 831 for Irregular expenditure was reported to council by management and is being investigated by the council committee. An amount of R15</p> | <p>management to submit information relating to the R 7 959 831 in order to commence with the investigation. No further evidence has been submitted to illustrate that management submitted the information requested by MPAC and the investigation has commenced. Based on the</p> |  |  |  |  |  |  |  |  |  |
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|  |  |  |  | <p>038 218 for irregular expenditure was investigated By MPAC and written off by council during the 2024/25 fourth council meeting. Matters that amount to R7 959 831 is still under investigation and there were not yet concluded by year end. There is no timeline for investigations. Other cases take longer while others are concluded within a short period depending on their complexities.</p> | <p>above the finding remains and will be reported in the management report and the audit report.</p> |  |  |  |  |  |  |  |  |  |
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|----|---|---|---|---|---|----|-----------|-----------|---|---|----------------|-----------|
| 24 | Indigent support provided to unqualifying beneficiaries | Section 62(1)(b) of the MFMA states that “the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed | Management should ensure that the Indigent Policy is complied with. | Ø Management agrees with the audit finding.<br>Ø The two beneficiaries qualified as indigents at the time of applications and did not disclose their employment status during the 2024/2025 financial year. | Management response noted. The finding remains and will be reported in the Management Report. | No | Muhlari N | Muhlari N | Lack of system to validate indigent beneficiaries | Finalize the procurement indigent verification system | 23 - 01 - 2026 | 30-Jun-26 |
|----|---|---|---|---|---|----|-----------|-----------|---|---|----------------|-----------|



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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  | <p>norms and standards". Standard of generally recognised accounting practice 1-paragraph 17 states that "financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and</p> |  |  |  |  |  |  |  |  |  |  |  |
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|  |  | <p>recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures , when necessary, is presumed to result in financial statements that achieve a fair presentation.” Section 6 of the Indigent Policy states “Whilst the municipality recognises that there are various methods</p> |  |  |  |  |  |  |  |  |  |  |  |
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|  |  | that can be utilised to define an indigent, the following method is most appropriate to the municipality and will be applied in determining whether an applicant qualifies as an indigent and is therefore entitled to indigent support: (a) A household income of or not more than R5 000,00 irrespective of the source of income. (b) A household is defined |  |  |  |  |  |  |  |  |  |  |
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|  |  | <p>as the applicant plus 6 dependants living together under the same house or dwelling.</p> <p>(c) In the event that there are other persons including family members living in the same house or dwelling who are income earners but not dependants on the applicant with the exception of tenants, their income shall be included in the calculation</p> |  |  |  |  |  |  |  |  |  |  |  |
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|           |   |   |   |  |   |    |           |           |   |  |                 |           |
|-----------|---|---|---|--|---|----|-----------|-----------|---|--|-----------------|-----------|
|           |   | of household income.”<br>Surname<br>Names<br>House<br>Number.<br>Place<br>Income<br>Chauke<br>Dzunani<br>Enos 758<br>Zamani<br>Village R31<br>304<br>Zitha Nelly<br>169<br>Maphata<br>Village R 5<br>099.57 |   |  |   |    |           |           |   |  |                 |           |
| <b>25</b> | Free Basic Electricity – Households that are not on the indigent register | Based on the record of work done on Free Basis Electricity, we have noted that there were a number  | It is recommended that Accounting Officer should ensure that the Indigent register is | Management acknowledges the audit finding. The municipality has disclosed an amount of R 1 187 311.29 which is still under | Management response noted. The finding remains and will be reported | No | Muhlari N | Muhlari N | Misalignment between indigent register and Eskom list | Reconcile the indigent register against Eskom beneficiary claim list | 23 - 01 - 20 26 | 31-Mar-26 |

|  |   |   |   |   |                           |  |  |  |  |  |  |  |  |
|--|---|---|---|---|---------------------------|--|--|--|--|--|--|--|--|
|  | benefited from the Free Basic Electricity | of households that benefited from FBE and the households were not on the indigent register: No . Number of households Average number of months benefitted Rate for 50kw Total 1 3 534 3 R111.78 R1 185 091.56 | updated timeously and sent to Eskom for updating. | investigation since they are not in the FBE register. Ref to the Note 10 of the Annual Financial Statements. Working as per Annexure 36A Management has already started with the purification of the ID Numbers in the Indigent register. | in the Management Report. |  |  |  |  |  |  |  |  |
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|----|---------------------------------|---|---|---|---|-----|-----------|------------|--|---|----------------|-----------|
| 26 | Overtime not paid as per policy | <p>1) Contrary to the above, the following employee was paid overtime above the 30% threshold which is not as per the Approved Overtime Policy:</p> <p>Name<br/>Code<br/>Date<br/>Amount paid<br/>(a)<br/>Auditors recalculation<br/>(b) 30% of Salary<br/>(c)<br/>Difference a-b<br/>Difference a-c<br/>KS<br/>Nkwinika<br/>34520<br/>24-Oct-24<br/>15522,56<br/>5820,86</p> | Management should ensure that overtime is paid as per the Approved Overtime Policy. | <p>Management disagrees with the finding.</p> <p>1. This was a special or isolated case. Mr KS Nkwinika (Code 34520) as referred to by the auditor was retiring and leaving the municipality. He could not be given leave days as he was retiring, hence the payment of the total amount of remunerated overtime owed to him. Again, payment of the total amount for overtime compensation owed to the employee was on the 24th of October 2024. The approved policy that the</p> | <p>Management response .</p> <p>Through inspection of council resolution, it was confirmed that was a special or isolated case. Mr KS Nkwinika (Code 34520) as referred to by the auditor was retiring and leaving the municipality noted. There are staff members who performe</p> | Yes | Chauke HD | Rapelego M | Non-compliance with the overtime policy. | <p>Rotation of employees working overtime.</p> <p>Holding overtime awareness sessions by 31 March</p> <p>Create a checklist that will be attached to the overtime memo by 28 February (The checklist should include the Maximum hours and the monetary value applicable to a employee)</p> <p>The memorandum should have an undertaking by the director indicating that only 30% of the overtime will be paid by 31 January</p> | 23 - 01 - 2026 | 31-Mar-26 |
|----|---------------------------------|---|---|---|---|-----|-----------|------------|--|---|----------------|-----------|

|  |  |  |  |  |   |  |  |  |  |  |   |  |  |
|--|--|--|--|--|---|--|--|--|--|--|---|--|--|
|  |  | 6063,4<br>9701,7<br>9459,16<br><br>2) It was noted that the Municipality accrued overtime of R 2 401 956 which is not in accordance with the Approved Overtime Policy. |  | auditor quoted was approved by Council on the 29th of October 2024 (CR16-29/10/24).<br><br>2. There are staff members who performed overtime in terms of the approved overtime policy before year end but did not receive any remuneration for the overtime performed at year end. Such unpaid overtime becomes a liability for the municipality. Calculations of the overtime performed was done and a liability is recorded for the overtime worked as the | d overtime in terms of the approved overtime policy before year end but did not receive any remuneration for the overtime performed at year end. Such unpaid overtime becomes a liability for the municipality. Calculations of the overtime performed was done and a liability is recorded |  |  |  |  |  | Configure the payroll system to curb the payment at 30% of an employee monthly gross by 28 February |  |  |
|--|--|--|--|--|---|--|--|--|--|--|---|--|--|



|    |   |   |  |  |  |    |           |           |                          |  |                 |           |
|----|---|---|--|--|--|----|-----------|-----------|--------------------------|--|-----------------|-----------|
|    |   |   |  | staff members were not remunerated at year end. The unpaid overtime is then recorded as payables in the AFS. The auditor did not quote any employee who worked more than the permissible or required overtime hours and did show any errors in the calculations of accrued overtime recorded in the AFS. | for the overtime worked as the staff members were not remunerated at year end. Based on the above the findings are resolved. |    |           |           |                          |  |                 |           |
| 39 | Inaccurate information on the Indigent Register | Based on the record of work done on indigents, we have noted from the sample selected that information on the application | Management should formalize and rigorously enforce a structured system for the continuous monitoring and | Management agrees with the audit finding   | Management response noted. The finding remains and will be reported in the Manage  | No | Muhlari N | Muhlari N | Human error in capturing | Reconcile the indigent register against Eskom beneficiary claim list | 23 - 01 - 20 26 | 31-Mar-26 |



|  |  |                                   |  |  |  |  |  |  |  |  |  |  |
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|  |  | below for<br>the CAATS<br>report: |  |  |  |  |  |  |  |  |  |  |
|--|--|-----------------------------------|--|--|--|--|--|--|--|--|--|--|



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GREATER GIYANI MUNICIPALITY

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ANNEXTURE C

Annual Financial Statements and Financial Performance for the Year Ended 30 June 2025

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(2024/2025)

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## General Information

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### GREATER GIYANI MUNICIPALITY

Greater Giyani Municipality (Registration number LIM331) Audited Annual Financial Statements  
for the year ended 30 June 2025

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## General Information

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### Legal form of entity

Greater Giyani Municipality

### Nature of business and principal activities

Greater Giyani Municipality is a municipality performing functions set out in the Constitution (Act 108 of 1996) of service provisions. The services are referred to as basic services, including water, sanitation and refuse removal.

### Legislation governing the municipality's operations

Constitution of the Republic of South Africa (Act 108 of 1998)  
Municipal Finance Management Act (Act 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)

### Mayoral committee

Mayor

Cllr T Zitha

Speaker

Cllr AE Mboweni

Chief Whip

Cllr T Makondo

EXCO Member

Cllr NHP Ndaba (Finance)

EXCO Member

Cllr RB Ngunyule - Mabunda (Corporate and Shared Services)

EXCO Member

Cllr TJJ Mabunda (Infrastructure Development)

EXCO Member

Cllr C Baloyi (Planning and Economic Development)

EXCO Member

Cllr GA Maluleke (Water, Sanitation and Energy)

EXCO Member

Cllr TC Manganyi (Health and Social Development)

EXCO Member

Cllr MR Mashale (Public Roads and Transport)

EXCO Member

Cllr TC Zitha (Sports, Recreation, Arts and Culture)

Cllr RN Sekgobela (Office of the Mayor)

Cllr M Shiviti (Chairperson of Chairperson)

Cllr RE Makondo (MPAC Chairperson)

Cllr RG Ngunyula (Chairperson of Finance)

Cllr PT Mokgobi (Chairperson of Corporate and Shared Services)

Cllr MC Chabalala (Chairperson of Infrastructure)

Cllr TE Nkuna (Chairperson of Planning and Economic Development)

Cllr CS Rikhotso (Chairperson of Water, Sanitation and Energy)

Cllr JN Mashele (Chairperson of Health and Social Development)

Cllr TN Shirinda (Chairperson of Public Roads and Transport)

Cllr XL Ngobeni (Chairperson of Sports, Recreation, Arts and Culture)

Cllr NR Shilowa (Chairperson of Ethics Committee)

Cllr NP Mlambo

Cllr NS Monyipote

Cllr VS Makamu

Cllr MC Machipi

Cllr SS Mavasa

Cllr RC Mabunda

Cllr NN Maswanganyi

Cllr MA Khosa

Cllr TE Rikhotso

Cllr MR Maluleke

Cllr SS Mathebula

Cllr S Sambo

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## General Information

Cllr SC Mahlawule

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# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## General Information

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|                                    |   |
|------------------------------------|---|
|                                    | Cllr PH Makhuvela<br>Cllr TA Mathonsi<br>Cllr RE Ngoveni<br>Cllr KO Maswanganyi<br>Cllr P Rikhotso<br>Cllr JP Shibambu<br>Cllr L Nkuna<br>Cllr RT Mabunda<br>Cllr E Mahasha<br>Cllr A Rabothata<br>Cllr BA Shibambu<br>Cllr KS Dlamini<br>Cllr MD Hlungwani<br>Cllr ML Chauke<br>Cllr TN Baloyi<br>Cllr TP Mashaba<br>Cllr PP Mkhari<br>Cllr MS Hlongwane<br>Cllr DJ Hlongwane<br>Cllr TP Mashaba<br>Cllr SM Mhangwane<br>Cllr MM Mathonsi<br>Cllr SR Nkuna<br>Cllr IN Shivambu (Resigned)<br>Cllr KT Ngobeni<br>Cllr S Ngobeni<br>Cllr. MP Chaka<br>Cllr. JS Masingi |
| <b>Grading of local authority</b>  | 3   |
| <b>Accounting Officer</b>          | V D Khoza   |
| <b>Chief Finance Officer (CFO)</b> | Acting N Muhlari  |
| <b>Business address</b>            | BA 59<br>Civic Centre<br>Giyani CBD<br>0826   |
| <b>Postal address</b>              | Private Bag X9559<br>Giyani<br>0826   |
| <b>Bankers</b>                     | ABSA<br>Giyani Branch   |
| <b>Auditors</b>                    | Auditor General South Africa (AGSA)   |
| <b>Level of assurance</b>          | These audited financial statements have been prepared in line with the requirements of Generally Recognised Accounting Practices (GRAP) and all other applicable legislations.  |



# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## General Information

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**Preparer**

The audited annual financial statements were internally compiled by:  
N Muhlari (Acting Chief Financial Officer)

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

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# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Index

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### Abbreviations used:

|          |  |
|----------|--|
| AC       | Audit Committee  |
| AGSA     | Auditor General of South Africa                          |
| AO       | Accounting Officer                                       |
| ASB      | Accounting Standards Board                               |
| CFO      | Chief Financial Officer                                  |
| COIDA    | Compensation for Occupational Injuries and Diseases Act  |
| COVID-19 | Coronavirus 2019   |
| CPI      | Consumer Price Index                                     |
| EPWP     | Expanded Public Works Program                            |
| FMG      | Finance Management Grant                                 |
| GRAP     | Generally Recognised Accounting Practice                 |
| IAS      | International Accounting Standards                       |
| IASB     | International Accounting Standards Boards                |
| INEG     | Integrated National Electrification Grant                |
| IT       | Information Technology                                   |
| LGSETA   | Local Government Sector Education and Training Authority |
| LSA      | Long Service Awards                                      |
| MDRF     | Municipal Disaster Relief Grant                          |
| MFMA     | Municipal Finance Management Act                         |
| MSCOA    | Municipal Standards Charts Of Accounts                   |
| MIG      | Municipal Infrastructure Grant                           |
| PAYE     | Pay As You Earn  |
| PEMA     | Post Employment Medical Aid                              |
| SDL      | Skills Development Levy                                  |
| SME      | Small Medium Enterprise                                  |
| UIF      | Unemployment Insurance Fund                              |
| VAT      | Value Added Tax  |

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Accounting Officer's Responsibilities and Approval

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the audited annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the audited annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the 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 endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

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

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

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

Although the are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's audited annual financial statements. The audited annual financial statements have been examined by the municipality's external auditors and their report is presented on page 9.

The audited annual financial statements set out on page 9 to 120 which have been prepared on the going concern basis, were approved on 31 August 2025 and were signed on its behalf by:

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**V D Khoza**  
**Accounting Officer**

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Audit Committee Report

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

### Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet x times per annum as per its approved terms of reference. During the current year x number of meetings were held.

### Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 38(10)(1) of the PFMA and Treasury Regulation 3.1.

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

### The effectiveness of internal control

The system of internal controls applied by the municipality over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the audited annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act.

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the of the municipality during the year under review. It was however noted that..... (e.g. suspense accounts were not cleared on a monthly basis).

### Evaluation of audited annual financial statements

The audit committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the ;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices (delete if not applicable);
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

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

### Internal audit

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

### Auditor-General of South Africa

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

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**Chairperson of the Audit Committee**

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Audit Committee Report

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Date: \_\_\_\_\_



## Report of the Auditor General

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To the Provincial Legislature of Greater Giyani Municipality

Auditor General South Africa (AGSA)

Partner's name  
Additional description  
Additional description

31 August 2025

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Accounting Officer's Report

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

### 1. Review of activities

#### Main business and operations

The municipality is engaged in Greater Giyani Municipality is a Municipality performing functions set out in the constitution (act 108 of 1996) of service provisions. The services are referred to as basic services, including water, sanitation and refuse removal and operates principally in South Africa.

The operating results and state of affairs of the municipality are fully set out in the attached audited annual financial statements and do not in our opinion require any further comment.

### 2. Going concern

We draw attention to the fact that at 30 June 2025, the Municipality had an accumulated surplus (deficit) of 1 574 686 307 and that the Municipality's total assets exceed its liabilities by 1 574 686 307.

The audited 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.

### 3. Subsequent events

Ms. Mahatlani T and Ms. Mashele B were appointed as Planning & Local Economic Development and Technical Services respectively on the 1st of July 2025.

Mr. F Nkuna has resigned as the CFO on the 31th of July 2025 and Mr. N Muhlari was appointed as the acting CFO from the 1st August 2025.

### 4. Accounting Officer

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

|           |               |
|-----------|---------------|
| Name      | Nationality   |
| V D Khoza | South African |

### 5. Auditors

Auditor General South Africa (AGSA) will continue in office for the next financial period.

The audited annual financial statements set out on page 9 to 101, which have been prepared on the going concern basis, were approved on 31 August 2025 and were signed on its behalf by:

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**V D Khoza**  
**Accounting Officer**



# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Position as at 30 June 2025

| Figures in Rand                              | Note(s) | 2025                 | 2024<br>Restated*    |
|--|---------|----------------------|----------------------|
| <b>Assets</b>                                |         |                      |                      |
| <b>Current Assets</b>                        |         |                      |                      |
| Inventories                                  | 9       | 33 374 382           | 33 517 017           |
| Other financial assets                       | 7       | -                    | -                    |
| Receivables from exchange transactions       | 10      | 53 761 845           | 50 530 509           |
| Receivables from non-exchange transactions   | 11      | 51 028 895           | 53 838 597           |
| Statutory receivable                         | 12      | 11 396 991           | -                    |
| Other receivables from exchange transactions | 13      | 47 640 350           | 53 660 251           |
| Cash and cash equivalents                    | 14      | 269 868 504          | 250 549 884          |
|  |         | <b>467 070 967</b>   | <b>442 096 258</b>   |
| <b>Non-Current Assets</b>                    |         |                      |                      |
| Investment property                          | 3       | 76 082 936           | 62 096 612           |
| Property, plant and equipment                | 4       | 1 265 263 737        | 1 166 943 094        |
| Intangible assets                            | 5       | 1 580 591            | 2 065 181            |
| Heritage assets                              | 6       | 339 867              | 339 867              |
|  |         | <b>1 343 267 131</b> | <b>1 231 444 754</b> |
| <b>Total Assets</b>                          |         | <b>1 810 338 098</b> | <b>1 673 541 012</b> |
| <b>Liabilities</b>                           |         |                      |                      |
| <b>Current Liabilities</b>                   |         |                      |                      |
| Payables from exchange transactions          | 18      | 151 157 375          | 133 857 585          |
| Employee benefit obligation                  | 8       | 2 323 000            | 1 435 000            |
| Unspent conditional grants and receipts      | 15      | -                    | 2 333                |
| Deferred income                              | 16      | 26 845 803           | 25 210 968           |
| Bank overdraft                               | 14      | -                    | 1 684 163            |
|  |         | <b>180 326 178</b>   | <b>162 190 049</b>   |
| <b>Non-Current Liabilities</b>               |         |                      |                      |
| Employee benefit obligation                  | 8       | 30 625 000           | 27 159 000           |
| Provisions - rehabilitation of dumping site  | 17      | 24 700 613           | 23 862 903           |
|  |         | <b>55 325 613</b>    | <b>51 021 903</b>    |
| <b>Total Liabilities</b>                     |         | <b>235 651 791</b>   | <b>213 211 952</b>   |
| <b>Net Assets</b>                            |         | <b>1 574 686 307</b> | <b>1 460 329 060</b> |
| Accumulated surplus                          |         | 1 574 686 307        | 1 460 329 060        |
| <b>Total Net Assets</b>                      |         | <b>1 574 686 307</b> | <b>1 460 329 060</b> |

\* See Note 64

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Performance

| Figures in Rand  | Note(s) | 2025                 | 2024<br>Restated*    |
|--|---------|----------------------|----------------------|
| <b>Revenue</b>   |         |                      |                      |
| <b>Revenue from exchange transactions</b>              |         |                      |                      |
| Service charges  | 19      | 12 704 039           | 9 321 962            |
| Construction contracts                                 | 20      | 18 029 000           | 32 220 000           |
| Rental of facilities and equipment                     | 21      | 641 711              | 273 811              |
| Interest received on overdue accounts (other services) | 22      | 6 491 760            | 3 992 553            |
| Agency services  | 23      | 508 248              | 557 560              |
| Licenses and permits                                   | 24      | 7 520 857            | 7 307 730            |
| Gains on provisions                                    | 25      | 25 306 457           | 20 494 409           |
| Recoveries   | 26      | 29 437 490           | -                    |
| Actuarial gains  | 27      | 253 000              | 2 882 000            |
| Gain on assets disposal                                | 28      | -                    | 545 223              |
| Other income   | 29      | 3 616 353            | 2 859 938            |
| Interest received - investment                         | 30      | 25 852 972           | 25 579 179           |
| <b>Total revenue from exchange transactions</b>        |         | <b>130 361 887</b>   | <b>106 034 365</b>   |
| <b>Revenue from non-exchange transactions</b>          |         |                      |                      |
| <b>Taxation revenue</b>                                |         |                      |                      |
| Property rates   | 31      | 85 842 591           | 86 839 750           |
| Traffic fines  | 33      | 2 012 946            | 899 042              |
| Interest-overdue accounts (property rates)             | 34      | 44 408 998           | 40 708 966           |
| <b>Transfer revenue</b>                                |         |                      |                      |
| Government grants & subsidies                          | 32      | 478 398 831          | 471 327 104          |
| Donations received                                     | 35      | 14 246 788           | 28 368 394           |
| <b>Total revenue from non-exchange transactions</b>    |         | <b>624 910 154</b>   | <b>628 143 256</b>   |
| <b>Total revenue</b>                                   | 36      | <b>755 272 041</b>   | <b>734 177 621</b>   |
| <b>Expenditure</b>                                     |         |                      |                      |
| Employee related costs                                 | 37      | (194 392 839)        | (180 625 749)        |
| Remuneration of councilors                             | 38      | (30 000 904)         | (26 480 050)         |
| Depreciation and amortisation                          | 39      | (97 512 886)         | (95 106 235)         |
| Impairments loss                                       | 40      | (7 731 630)          | (8 469 274)          |
| Finance costs  | 41      | (5 901 916)          | (5 358 908)          |
| Lease rentals on operating lease                       | 42      | (1 925 234)          | (2 011 139)          |
| Debt Impairment  | 43      | (107 120 233)        | (87 735 572)         |
| Bad debts written off                                  | 44      | (25 306 457)         | -                    |
| Contracted Services                                    | 45      | (52 753 028)         | (92 884 874)         |
| Transfers and Subsidies                                | 46      | (1 600 000)          | (1 500 000)          |
| Loss on assets written off and disposal                | 47      | (2 643 111)          | (2 419 156)          |
| Damaged and Obsolete inventory written off             | 48      | (341)                | (39 553)             |
| Repairs and maintenance                                | 49      | (8 653 501)          | (11 767 328)         |
| General Expenses                                       | 50      | (105 372 714)        | (80 226 012)         |
| <b>Total expenditure</b>                               |         | <b>(640 914 794)</b> | <b>(594 623 850)</b> |
| <b>Surplus for the year</b>                            |         | <b>114 357 247</b>   | <b>139 553 771</b>   |

\* See Note 64

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Statement of Changes in Net Assets

| Figures in Rand                             | Accumulated<br>surplus / deficit | Total net<br>assets  |
|---|----------------------------------|----------------------|
| Opening balance as previously reported      | 1 318 415 045                    | 1 318 415 045        |
| Adjustments                                 |                                  |                      |
| Prior year adjustments 64                   | 2 360 244                        | 2 360 244            |
| <b>Balance at 01 July 2023 as restated*</b> | <b>1 320 775 289</b>             | <b>1 320 775 289</b> |
| Changes in net assets                       |                                  |                      |
| Surplus for the year                        | 139 553 771                      | 139 553 771          |
| Total changes                               | 139 553 771                      | 139 553 771          |
| <b>Restated* Balance at 01 July 2024</b>    | <b>1 460 329 060</b>             | <b>1 460 329 060</b> |
| Changes in net assets                       |                                  |                      |
| Surplus for the year                        | 114 357 247                      | 114 357 247          |
| Total changes                               | 114 357 247                      | 114 357 247          |
| <b>Balance at 30 June 2025</b>              | <b>1 574 686 307</b>             | <b>1 574 686 307</b> |
| Note(s)                                     |                                  |                      |

\* See Note 64

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Cash Flow Statement

| Figures in Rand   | Note(s) | 2025                        | 2024<br>Restated*           |
|---|---------|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>                 |         |                             |                             |
| <b>Receipts</b>   |         |                             |                             |
| Cash receipts from customers                                |         | 63 363 444                  | 81 748 584                  |
| Grants  |         | 478 396 498                 | 467 570 675                 |
| Interest income   |         | 25 977 767                  | 25 481 658                  |
| Other income  |         | 34 688 678                  | 3 278 658                   |
|   |         | <u>602 426 387</u>          | <u>578 079 575</u>          |
| <b>Payments</b>   |         |                             |                             |
| Employee costs  |         | (218 747 742)               | (201 990 098)               |
| Suppliers   |         | (145 635 090)               | (183 071 460)               |
| Finance costs   |         | (3 474 963)                 | (3 246 579)                 |
| Grants and subsidies  |         | (1 600 000)                 | (1 500 000)                 |
|   |         | <u>(369 457 795)</u>        | <u>(389 808 137)</u>        |
| <b>Net cash flows from operating activities</b>             | 52      | <b><u>232 968 592</u></b>   | <b><u>188 271 438</u></b>   |
| <b>Cash flows from investing activities</b>                 |         |                             |                             |
| Purchase of property, plant and equipment                   | 4       | (207 044 835)               | (183 942 931)               |
| Purchase of investment property                             | 3       | (773 236)                   | -                           |
| Purchase of other intangible assets                         | 5       | (4 147 738)                 | (3 906 846)                 |
| Purchase of heritage assets                                 | 6       | -                           | (246 114)                   |
| Proceeds from sale of assets                                | 6       | -                           | 676 715                     |
| <b>Net cash flows from investing activities</b>             |         | <b><u>(211 965 809)</u></b> | <b><u>(187 419 176)</u></b> |
| <b>Cash flows from financing activities</b>                 |         |                             |                             |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |         | <b>21 002 783</b>           | <b>852 262</b>              |
| Cash and cash equivalents at the beginning of the year      |         | 248 865 721                 | 248 013 459                 |
| <b>Cash and cash equivalents at the end of the year</b>     | 14      | <b><u>269 868 504</u></b>   | <b><u>248 865 721</u></b>   |

\* See Note 64

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

| Budget on Accrual Basis | Approved<br>budget | Adjustments | Final Budget | Actual amounts<br>on comparable<br>basis | Difference<br>between final<br>budget and<br>actual | Reference |
|-------------------------|--------------------|-------------|--------------|--|---|-----------|
|-------------------------|--------------------|-------------|--------------|--|---|-----------|

Figures in Rand

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

|   |                   |                   |                    |                    |                   |     |
|---|-------------------|-------------------|--------------------|--------------------|-------------------|-----|
| Service charges                                 | 9 183 556         | 3 420 444         | 12 604 000         | 12 704 039         | 100 039           | 1   |
| Construction contracts                          | 18 029 000        | -                 | 18 029 000         | 18 029 000         | -                 |     |
| Rental of facilities and equipment              | 710 000           | (488 600)         | 221 400            | 641 711            | 420 311           | A&2 |
| Interest received (trading)                     | 1 522 365         | -                 | 1 522 365          | 6 491 760          | 4 969 395         | B   |
| Agency services                                 | 6 000 000         | (5 000 000)       | 1 000 000          | 508 248            | (491 752)         | C&3 |
| Licenses and permits                            | 8 570 000         | 340 000           | 8 910 000          | 7 520 857          | (1 389 143)       | D   |
| Gain on provisions                              | -                 | -                 | -                  | 25 306 457         | 25 306 457        | E   |
| Recoveries                                      | -                 | 28 505 325        | 28 505 325         | 29 437 490         | 932 165           | 4   |
| Actuarial gains                                 | -                 | -                 | -                  | 253 000            | 253 000           | F   |
| Other income                                    | 4 781 895         | 3 444 647         | 8 226 542          | 3 616 353          | (4 610 189)       | G&5 |
| Interest received - investment                  | 27 215 640        | (4 937 640)       | 22 278 000         | 25 852 972         | 3 574 972         | H&6 |
| <b>Total revenue from exchange transactions</b> | <b>76 012 456</b> | <b>25 284 176</b> | <b>101 296 632</b> | <b>130 361 887</b> | <b>29 065 255</b> |     |

##### Revenue from non-exchange transactions

##### Taxation revenue

|  |            |           |            |            |            |     |
|--|------------|-----------|------------|------------|------------|-----|
| Property rates                                 | 84 316 418 | -         | 84 316 418 | 85 842 591 | 1 526 173  |     |
| Traffic fines                                  | 355 275    | (213 275) | 142 000    | 2 012 946  | 1 870 946  | I&7 |
| Interest -overdue accounts<br>(Property rates) | 23 811 790 | -         | 23 811 790 | 44 408 998 | 20 597 208 | J   |

##### Transfer revenue

|   |                    |               |                    |                    |                   |   |
|---|--------------------|---------------|--------------------|--------------------|-------------------|---|
| Government grants & subsidies                       | 478 079 000        | 230 000       | 478 309 000        | 478 398 831        | 89 831            |   |
| Donations   | -                  | -             | -                  | 14 246 788         | 14 246 788        | K |
| <b>Total revenue from non-exchange transactions</b> | <b>586 562 483</b> | <b>16 725</b> | <b>586 579 208</b> | <b>624 910 154</b> | <b>38 330 946</b> |   |

|                      |                    |                   |                    |                    |                   |  |
|----------------------|--------------------|-------------------|--------------------|--------------------|-------------------|--|
| <b>Total revenue</b> | <b>662 574 939</b> | <b>25 300 901</b> | <b>687 875 840</b> | <b>755 272 041</b> | <b>67 396 201</b> |  |
|----------------------|--------------------|-------------------|--------------------|--------------------|-------------------|--|

#### Expenditure

|  |               |              |               |               |              |      |
|--|---------------|--------------|---------------|---------------|--------------|------|
| Personnel                                      | (203 647 361) | 1 106 187    | (202 541 174) | (194 392 839) | 8 148 335    |      |
| Employee costs - Remuneration<br>of councilors | (25 799 710)  | (3 457 573)  | (29 257 283)  | (30 000 904)  | (743 621)    | 8    |
| Depreciation and amortisation                  | (104 000 000) | -            | (104 000 000) | (97 512 886)  | 6 487 114    |      |
| Impairment loss/ Reversal of<br>impairments    | -             | -            | -             | (7 731 630)   | (7 731 630)  | L    |
| Finance costs                                  | -             | -            | -             | (5 901 916)   | (5 901 916)  | M    |
| Lease rentals on operating lease               | (2 400 000)   | -            | (2 400 000)   | (1 925 234)   | 474 766      | N    |
| Debt Impairment                                | (125 000 000) | -            | (125 000 000) | (107 120 233) | 17 879 767   | O    |
| Bad debts written off                          | -             | -            | -             | (25 306 457)  | (25 306 457) | P    |
| Contracted Services                            | (77 635 500)  | 9 707 422    | (67 928 078)  | (52 753 028)  | 15 175 050   | Q&9  |
| Transfers and Subsidies                        | (1 600 000)   | -            | (1 600 000)   | (1 600 000)   | -            |      |
| Repairs and maintenance                        | (76 030 000)  | (39 905 325) | (115 935 325) | (8 653 501)   | 107 281 824  | R&10 |
| General Expenses                               | (94 957 682)  | (1 344 670)  | (96 302 352)  | (105 372 714) | (9 070 362)  |      |
| Loss on assets written off                     | -             | -            | -             | (2 643 111)   | (2 643 111)  | S    |

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

| Budget on Accrual basis  | Approved             | Adjustments         | Final Budget         | Actual amounts       | Difference                      | Reference |
|--|----------------------|---------------------|----------------------|----------------------|---------------------------------|-----------|
|  | budget               |                     |                      | on comparable basis  | between final budget and actual |           |
| Figures in Rand  |                      |                     |                      |                      |                                 |           |
| Damaged and obsolete inventory written off   | -                    | -                   | -                    | (341)                | (341)                           | T         |
| <b>Total expenditure</b>   | <b>(711 070 253)</b> | <b>(33 893 959)</b> | <b>(744 964 212)</b> | <b>(640 914 794)</b> | <b>104 049 418</b>              |           |
| <b>Surplus before taxation</b>   | <b>(48 495 314)</b>  | <b>(8 593 058)</b>  | <b>(57 088 372)</b>  | <b>114 357 247</b>   | <b>171 445 619</b>              |           |
| <b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b> | <b>(48 495 314)</b>  | <b>(8 593 058)</b>  | <b>(57 088 372)</b>  | <b>114 357 247</b>   | <b>171 445 619</b>              |           |
| <b>Reconciliation</b>  |                      |                     |                      |                      |                                 |           |

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 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

|   |                    |                    |                      |                    |                        |      |
|---|--------------------|--------------------|----------------------|--------------------|------------------------|------|
| Inventories                                 | 33 593 000         | (75 982)           | 33 517 018           | 33 374 382         | (142 636)              |      |
| Receivables from exchange transactions      | 117 177 853        | 112 949 487        | 230 127 340          | 53 761 845         | (176 365 495)          | U&11 |
| Receivables from non-exchange transactions  | 554 017 289        | 323 473 982        | 877 491 271          | 51 028 895         | (826 462 376)          | V&12 |
| VAT receivable                              | 62 376 423         | 42 178 483         | 104 554 906          | -                  | (104 554 906)          | W&13 |
| Other receivable from exchange transactions | -                  | -                  | -                    | 59 067 401         | 59 067 401             | X    |
| Cash and cash equivalents                   | 167 118 828        | 85 840 934         | 252 959 762          | 269 868 504        | 16 908 742             | 14   |
|   | <b>934 283 393</b> | <b>564 366 904</b> | <b>1 498 650 297</b> | <b>467 101 027</b> | <b>(1 031 549 270)</b> |      |

##### Non-Current Assets

|                               |                      |                     |                      |                      |                   |      |
|-------------------------------|----------------------|---------------------|----------------------|----------------------|-------------------|------|
| Investment property           | 4 322 546            | 39 884 611          | 44 207 157           | 76 082 936           | 31 875 779        | Y&15 |
| Property, plant and equipment | 1 345 258 229        | (106 078 868)       | 1 239 179 361        | 1 265 263 737        | 26 084 376        |      |
| Intangible assets             | 11 583 077           | (8 367 896)         | 3 215 181            | 1 580 591            | (1 634 590)       | 16   |
| Heritage assets               | -                    | 339 867             | 339 867              | 339 867              | -                 | Z&17 |
|                               | <b>1 361 163 852</b> | <b>(74 222 286)</b> | <b>1 286 941 566</b> | <b>1 343 267 131</b> | <b>56 325 565</b> |      |

#### Total Assets

**2 295 447 245    490 144 618    2 785 591 863    1 810 368 158    (975 223 705)**

#### Liabilities

##### Current Liabilities

|   |                    |                   |                    |                    |                     |       |
|---|--------------------|-------------------|--------------------|--------------------|---------------------|-------|
| VAT payable                                 | (3 044 318)        | 22 811 666        | 19 767 348         | -                  | (19 767 348)        | AA&18 |
| Payables from exchange transactions         | 184 113 577        | (49 698 313)      | 134 415 264        | 151 157 377        | 16 742 113          | AB&19 |
| Employee benefit obligation                 | -                  | -                 | -                  | 2 323 000          | 2 323 000           | AC    |
| Unspent conditional grants and Receipts     | -                  | 2 333             | 2 333              | -                  | (2 333)             | AD&20 |
| Provisions - rehabilitation of dumping site | -                  | 56 323 176        | 56 323 176         | -                  | (56 323 176)        | AE&21 |
| Deferred income                             | -                  | -                 | -                  | 26 845 803         | 26 845 803          | AF    |
|   | <b>181 069 259</b> | <b>29 438 862</b> | <b>210 508 121</b> | <b>180 326 180</b> | <b>(30 181 941)</b> |       |

##### Non-Current Liabilities

|   |                  |          |                  |                   |                   |  |
|---|------------------|----------|------------------|-------------------|-------------------|--|
| Employee benefit obligation                 | 1 091 000        | -        | 1 091 000        | 30 625 000        | 29 534 000        |  |
| Provisions - rehabilitation of dumping site | -                | -        | -                | 24 700 613        | 24 700 613        |  |
|   | <b>1 091 000</b> | <b>-</b> | <b>1 091 000</b> | <b>55 325 613</b> | <b>54 234 613</b> |  |

#### Total Liabilities

**182 160 259    29 438 862    211 599 121    235 651 793    24 052 672**

#### Net Assets

**2 113 286 986    460 705 756    2 573 992 742    1 574 716 365    (999 276 377)**

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

| Budget on Accrual basis | Approved<br>budget | Adjustments | Final Budget | Actual amounts<br>on comparable<br>basis | Difference<br>between final<br>budget and<br>actual | Reference |
|-------------------------|--------------------|-------------|--------------|--|---|-----------|
|-------------------------|--------------------|-------------|--------------|--|---|-----------|

Figures in Rand

### Net Assets

#### Net Assets Attributable to Owners of Controlling Entity

#### Reserves

|                     |               |             |                      |               |                      |  |
|---------------------|---------------|-------------|----------------------|---------------|----------------------|--|
| Accumulated surplus | 2 113 286 986 | 460 705 756 | <b>2 573 992 742</b> | 1 574 686 307 | <b>(999 306 435)</b> |  |
|---------------------|---------------|-------------|----------------------|---------------|----------------------|--|



# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 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   |                      |                     |                      |                                    |  |           |
| <b>Cash Flow Statement</b>                              |                      |                     |                      |                                    |  |           |
| <b>Cash flows from operating activities</b>             |                      |                     |                      |                                    |  |           |
| <b>Receipts</b>   |                      |                     |                      |                                    |  |           |
| Cash Receipts from customers                            | 46 974 976           | 2 526 236           | <b>49 501 212</b>    | 45 231 213                         | <b>(4 269 999)</b>                         |           |
| Grants  | 496 108 000          | 230 000             | <b>496 338 000</b>   | 496 430 164                        | <b>92 164</b>                              | AG        |
| Interest income   | 27 215 640           | (4 937 640)         | <b>22 278 000</b>    | 25 852 972                         | <b>3 574 972</b>                           |           |
| Other income  | 16 880 385           | 28 027 882          | <b>44 908 267</b>    | 34 688 678                         | <b>(10 219 589)</b>                        | AH        |
|   | <b>587 179 001</b>   | <b>25 846 478</b>   | <b>613 025 479</b>   | <b>602 203 027</b>                 | <b>(10 822 452)</b>                        |           |
| <b>Payments</b>   |                      |                     |                      |                                    |  |           |
| Employee costs  | (229 447 071)        | (2 351 386)         | <b>(231 798 457)</b> | (219 625 032)                      | <b>12 173 425</b>                          |           |
| Suppliers   | (284 257 902)        | (36 760 095)        | <b>(321 017 997)</b> | (131 930 259)                      | <b>189 087 738</b>                         | AI        |
| Finance costs   | -                    | -                   | -                    | (3 474 963)                        | <b>(3 474 963)</b>                         | AJ        |
| Transfers and subsidies                                 | (1 600 000)          | -                   | <b>(1 600 000)</b>   | (1 600 000)                        | -  |           |
|   | <b>(515 304 973)</b> | <b>(39 111 481)</b> | <b>(554 416 454)</b> | <b>(356 630 254)</b>               | <b>197 786 200</b>                         |           |
| <b>Net cash flows from operating Activities</b>         | <b>71 874 028</b>    | <b>(13 265 003)</b> | <b>58 609 025</b>    | <b>245 572 773</b>                 | <b>186 963 748</b>                         |           |
| <b>Cash flows from investing activities</b>             |                      |                     |                      |                                    |  |           |
| Purchase of property, plant and Equipment               | (222 552 982)        | 24 854 605          | <b>(197 698 377)</b> | (221 283 851)                      | <b>(23 585 474)</b>                        | AK        |
| Purchase of intangible assets                           | -                    | -                   | -                    | (4 147 738)                        | <b>(4 147 738)</b>                         | AL        |
| Proceeds from sale of investment property               | -                    | -                   | -                    | (773 236)                          | <b>(773 236)</b>                           | AM        |
| <b>Net cash flows from investing Activities</b>         | <b>(222 552 982)</b> | <b>24 854 605</b>   | <b>(197 698 377)</b> | <b>(226 204 825)</b>               | <b>(28 506 448)</b>                        |           |
| <b>Cash flows from financing activities</b>             |                      |                     |                      |                                    |  |           |
| Deferred income receipts                                | -                    | -                   | -                    | 1 634 835                          | <b>1 634 835</b>                           |           |
| Net increase/(decrease) in cash and cash equivalents    | (150 678 954)        | 11 589 602          | <b>(139 089 352)</b> | 21 002 783                         | <b>160 092 135</b>                         |           |
| Cash and cash equivalents at the beginning of the year  | 317 755 282          | 74 278 832          | <b>392 034 114</b>   | 248 865 721                        | <b>(143 168 393)</b>                       |           |
| <b>Cash and cash equivalents at the end of the year</b> | <b>167 076 328</b>   | <b>85 868 434</b>   | <b>252 944 762</b>   | <b>269 868 504</b>                 | <b>16 923 742</b>                          |           |
| <b>Reconciliation</b>                                   |                      |                     |                      |                                    |  |           |

Referencing:

More than 10% variance between final budget and actual amounts is referenced alphabetically.

More than 10% variance between approved budget and final budget is referenced numerically.

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

| Figures in Rand | Note(s) | 2025 | 2024 |
|-----------------|---------|------|------|
|-----------------|---------|------|------|

### 1. Significant accounting policies

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

#### 1.1 Basis of preparation

The audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These audited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

#### 1.2 Presentation currency

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

#### 1.3 Going concern assumption

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

#### 1.4 Materiality

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

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

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

#### 1.5 Significant judgements and sources of estimation uncertainty

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

##### 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, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

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

##### Fair value estimation

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.5 Significant judgements and sources of estimation uncertainty (continued)

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) 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. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the 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.

The carrying amount of available-for-sale financial assets would be an estimated - lower or - higher were the discounted rate used in the discount cash flow analysis to differ by 10% from management's estimates.

#### Impairment testing

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

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

#### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 17 - Provisions.

#### Post-retirement benefits

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

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 8.

#### Effective interest rate

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

#### Allowance for doubtful debts

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

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.6 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.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost.

The useful lives of items of investment property has been assessed as follows:

Straight line method 30 years

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

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.

### 1.7 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

### 1.7 Property, plant and equipment (continued)

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

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

| Item                           | Depreciation method | Average useful life                         |
|--------------------------------|---------------------|---|
| Buildings                      | Straight-line       | 30 Years                                    |
| Graders                        | Straight-line       | 5 - 15 years                                |
| Tractors                       | Straight-line       | 5 - 15 years                                |
| Lawn mowers                    | Straight-line       | 5 -15 years                                 |
| Compressors                    | Straight-line       | 5 -15 years                                 |
| Radio equipment                | Straight-line       | 5 -15 years                                 |
| Tippers                        | Straight-line       | 5 - 15 years                                |
| Chairs                         | Straight-line       | 5 -10 years                                 |
| Tables and desks               | Straight-line       | 5 -10 years                                 |
| Cabinets and cupboards         | Straight-line       | 5 -10 years                                 |
| Truck and light vehicles       | Straight-line       | 5 - 15 years                                |
| Ordinary motor vehicles        | Straight-line       | 5 - 10 years                                |
| Office machines                | Straight-line       | 3 - 5 years                                 |
| Air conditioners               | Straight-line       | 5 - 8 years                                 |
| Computer hardware              | Straight-line       | 3 - 9 years                                 |
| Cemeteries                     | Straight-line       | 25 - 30 years                               |
| Community halls (Center)       | Straight-line       | 20 - 30 years                               |
| Libraries                      | Straight-line       | 25 -30 years                                |
| Parks                          | Straight-line       | 30 years                                    |
| Sports and related stadiums    | Straight-line       | 20 - 30 years                               |
| Tennis courts                  | Straight-line       | 25 -30 years                                |
| Golf courses                   | Straight-line       | 10 - 30 years                               |
| Outdoor sports facilities      | Straight-line       | 10 - 30 years                               |
| Flood lighting                 | Straight-line       | 10 -30 years                                |
| Roads and road furniture       | Straight-line       | 5 - 20 years                                |
| Other roads                    | Straight-line       | 20 years                                    |
| Traffic lights                 | Straight-line       | 20 years                                    |
| Traffic islands                | Straight-line       | 20 - 25 years                               |
| Streets lights                 | Straight-line       | 20 - 25 years                               |
| Storm water drains             | Straight-line       | 10 - 80 years                               |
| Bridges, subways and culverts  | Straight-line       | 30 - 80 years                               |
| Car parks                      | Straight-line       | 20 years                                    |
| Bus terminals                  | Straight-line       | 20 years                                    |
| Bulk refuse containers (skips) | Straight-line       | 5 - 10 years                                |
| Household refuse bins          | Straight-line       | 5 - 15 years                                |
| Fire horses                    | Straight-line       | 5 - 15 years                                |
| Other fire fighting equipments | Straight-line       | 5 - 15 years                                |
| Emergency equipment            | Straight-line       | 5 years                                     |
| Mayoral Chain                  |                     | No asset life as no depreciation is charged |
| Mace                           |                     | No asset life as no depreciation is charged |
| Mayoral gown                   |                     | No asset life as no depreciation is charged |

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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Audited Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.7 Property, plant and equipment (continued)

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note ).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note ).

### 1.8 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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

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

---

| Item                         | Depreciation method | Average useful life |
|------------------------------|---------------------|---------------------|
| Computer software - Licenses | Straight-line       | 12 months           |

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### 1.9 Heritage assets

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. No assets lives are allocated

# Greater Giyani Municipality

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## Significant Accounting Policies

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### 1.9 Heritage assets (continued)

#### Recognition

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

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

#### Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

### 1.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.



# Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.10 Financial instruments (continued)

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment.

#### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

#### Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

#### Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

##### Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

##### Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

##### Reclassifications

The entity does not reclassify a financial instrument while it is issued or held unless it is:  
combined instrument that is required to be measured at fair value; or

- a residual interest of another entity; or
- an investment in a residual interest that meets the requirements for reclassification.



# Greater Giyani Municipality

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## Significant Accounting Policies

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### 1.10 Financial instruments (continued)

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

#### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

#### Impairment on uncollectable financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced 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 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.

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

- the entity designates at fair value at initial recognition; or
- are held for trading.

### 1.11 Statutory receivables

#### Identification

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

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

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

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

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

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.11 Statutory receivables (continued)

#### Recognition

The municipality recognises statutory receivables as follows:

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

#### Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

#### Subsequent measurement

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

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

#### Accrued interest

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

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

#### Other charges

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

#### Impairment losses

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

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

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

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

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### 1.11 Statutory receivables (continued)

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

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

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

### Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

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

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

### 1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

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

### Operating leases - 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.

### 1.13 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

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

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.

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### 1.13 Inventories (continued)

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.14 Construction contracts

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by completion of a physical proportion of the contract work.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

### 1.15 Cash and cash equivalents

Cash and cash equivalents comprise bank balances and deposits held at call with banks which are available on demand.

### 1.16 Impairment of cash-generating assets

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

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

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

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### 1.16 Impairment of cash-generating assets (continued)

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

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

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

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

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

Useful life is either:

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

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

#### Identification

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

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

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

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

#### Basis for estimates of future cash flows

In measuring value in use the municipality:

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

#### Composition of estimates of future cash flows

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### 1.16 Impairment of cash-generating assets (continued)

Estimates of future cash flows include:

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

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

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

#### Discount rate

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

#### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Cash-generating units

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

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

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

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

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



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### 1.16 Impairment of cash-generating assets (continued)

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

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

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

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

### Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

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

### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

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### 1.17 Impairment of non-cash-generating assets

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

Non-cash-generating assets are assets other than cash-generating assets.

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

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

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

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

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

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

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

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

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.



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### 1.17 Impairment of non-cash-generating assets (continued)

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

### 1.18 Employee benefits

#### Identification

##### Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

##### Short-term employee benefits

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### 1.18 Employee benefits (continued)

#### Recognition and measurement

##### All short-term employee benefits

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

(a) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

(b) As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

##### Bonus, incentive and performance related payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

(a) the entity has a present legal or constructive obligation to make such payments as a result of past events; and

(b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

##### Post-employment benefits: Distinction between defined contribution plans and defined benefit plans

##### Insured benefits

The entity may pay insurance premiums to fund a post-employment benefit plan. The entity treats such a plan as a defined contribution plan unless the entity will have (either directly or indirectly through the plan) a legal or constructive obligation either to:

(a) pay the employee benefits directly when they fall due; or

(b) pay further amounts if the insurer does not pay all future employee benefits relating to employee service in the current and prior reporting periods. If the entity retains such a legal or constructive obligation, the entity treats the plan as a defined benefit plan.

##### Post-employment benefits: Defined contribution plans

##### Recognition and measurement

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

(a) as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

(b) as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset. When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, they are discounted using the discount rate as specified.

##### Post-employment benefits: Defined benefit plans

##### Recognition and measurement

The entity determines the net defined benefit liability (asset) with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

##### Statement of financial position

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### 1.18 Employee benefits (continued)

The entity recognises the net defined benefit liability (asset) in the statement of financial position. When the entity has a surplus in a defined benefit plan, it measures the net defined benefit asset at the lower of:

- (a) the surplus in the defined benefit plan; and
- (b) the asset ceiling, determined using the discount rate specified. Any adjustments arising from the limit is recognised in surplus or deficit.

### Recognition and measurement: Present value of defined benefit obligations and current service cost

#### Actuarial valuation method

The entity uses the projected unit credit method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost.

#### Attributing benefit to periods of service

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the entity attributes benefit on a straight-line basis from:

- (a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- (b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the end of the reporting period, for the period over which the obligations are to be settled.

#### Actuarial assumptions: Mortality

The entity determines its mortality assumptions by reference to its best estimate of the mortality of plan members both during and after employment.

#### Actuarial assumptions: Discount rate

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

#### Actuarial assumptions: Salaries, benefits and medical costs

The entity measures its defined benefit obligations on a basis that reflects:

- (a) the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the end of the reporting period;
- (b) any estimated future salary increases that affect the benefits payable;
- (c) the effect of any limit on the employer's share of the cost of the future benefits;
- (d) contributions from employees or third parties that reduce the ultimate cost to the entity of those benefits; and

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### 1.18 Employee benefits (continued)

(e) estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:

(i) those changes were enacted before the end of the reporting period; or

(ii) historical data, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs takes account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

### Past service cost and gains and losses on settlement

When determining past service cost, or a gain or loss on settlement, the entity remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices), reflecting:

(a) the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and

(b) the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement.

### Past service cost

The entity recognises past service cost as an expense at the earlier of the following dates:

(a) when the plan amendment or curtailment occurs; and

(b) when the entity recognises related restructuring costs or termination benefits.

### Gains and losses on settlement

The entity recognises a gain or loss on the settlement of a defined benefit plan when the settlement occurs.

### Recognition and measurement: Plan assets

#### Fair value of plan assets

The fair value of any plan assets is deducted from the present value of the defined benefit obligation in determining the deficit or surplus.

#### Reimbursements

When, and only when, it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the entity:

(a) Recognises its right to reimbursement as a separate asset. The entity measures the asset at fair value.

(b) Disaggregate and recognise changes in the fair value of its right to reimbursement in the same way as for changes in the fair value of plan assets. The components of defined benefit cost recognised as below (see section on Components of defined benefit cost), may be recognised net of amounts relating to changes in the carrying amount of the right to reimbursement.

#### Components of defined benefit cost

The entity recognises the components of defined benefit cost in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset, as follows:

(a) service cost;

(b) net interest on the net defined benefit liability (asset); and

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### 1.18 Employee benefits (continued)

(c) remeasurements of the net defined benefit liability (asset).

#### Current service cost

The entity determines current service cost using actuarial assumptions determined at the start of the reporting period. However, if the entity remeasures the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement, it determines current service cost for the remainder of the reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement (part b).

#### Net interest on the net defined benefit liability (asset)

The entity determines net interest on the net defined benefit liability (asset) by multiplying the net defined benefit liability (asset) by the discount rate specified.

To determine net interest, the entity uses the net defined benefit liability (asset) and the discount rate determined at the start of the reporting period. However, if the entity remeasures the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement, the entity determines net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement using:

(a) the net defined benefit liability (asset) determined in accordance with the section on Past service cost gains and losses on settlement (part b); and

(b) the discount rate used to remeasure the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement (part b).

In applying this, the entity also takes into account any changes in the net defined benefit liability (asset) during the period resulting from contributions or benefit payments.

#### Remeasurements of the net defined benefit liability (asset)

Remeasurements of the net defined benefit liability (asset) comprise:

(a) actuarial gains and losses;

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

#### Presentation

##### Offset

The entity offsets an asset relating to one plan against a liability relating to another plan when, and only when, the entity:

(a) has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and

(b) intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

##### Current/non-current distinction

The entity offsets an asset relating to one plan against a liability relating to another plan when, and only when, the entity:

(a) has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and

(b) intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

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### 1.18 Employee benefits (continued)

#### Components of defined benefit cost

The entity recognises service cost, net interest on the net defined benefit liability (asset) and remeasurements in surplus or deficit.

#### Other long-term employee benefits

##### Recognition and measurement

For other long-term employee benefits, the entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- (a) service cost;
- (b) net interest on the net defined benefit liability (asset); and
- (c) remeasurements of the net defined benefit liability (asset).

#### Termination benefits

##### Recognition

The entity recognises a liability and expense for termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of GRAP 19 and involves the payment of termination benefits.

##### Measurement

The entity measures termination benefits on initial recognition, and measures and recognise subsequent changes, in accordance with the nature of the employee benefit, provided that if the termination benefits are an enhancement to post-employment benefits, the entity applies the requirements for post-employment benefits. Otherwise:

- (a) If the termination benefits are expected to be settled wholly before twelve months after the end of the reporting period in which the termination benefit is recognised, the entity applies the requirements for short-term employee benefits.
- (b) If the termination benefits are not expected to be settled wholly before twelve months after the end of the reporting period, the entity applies the requirements for other long-term employee benefits.

### 1.19 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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## Significant Accounting Policies

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### 1.19 Provisions and contingencies (continued)

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

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

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

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

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

A constructive obligation to restructure arises only when an entity:

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

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

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

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 54.

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

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

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

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.



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## Significant Accounting Policies

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### 1.19 Provisions and contingencies (continued)

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, and 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.

Provision for rehabilitation for dumping site

Provision for rehabilitation of landfill site is determined by the expert and it is initially and subsequently recognised at cost.

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.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

### 1.20 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.21 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

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

#### 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



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## Significant Accounting Policies

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### 1.21 Revenue from exchange transactions (continued)

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.

#### Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

The revenue is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Collection charges are recognised when such amounts are incurred.

#### Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

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

#### Deferred Income

Deferred income (also known as deferred revenue, unearned revenue, or unearned income) is, in accrual accounting, money received for goods or services which has not yet been earned.

Deferred income is recorded as a liability until delivery of goods and services is made, at which time it is converted into revenue.

### 1.22 Revenue from non-exchange transactions

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

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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

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

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

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## Significant Accounting Policies

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### 1.22 Revenue from non-exchange transactions (continued)

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

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

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

#### Taxes

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

#### Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

#### Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Fines are recognised when traffic fines are issued or when the date to appear in court per traffic fine arrive or on cash received by municipality

#### Gifts and donations, including goods in-kind

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## Significant Accounting Policies

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### 1.22 Revenue from non-exchange transactions (continued)

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

#### Grants

##### Unconditional Grants

Equitable share and LGSETA allocations are recognised as revenue as and when they are received.

##### Conditional Grants

Conditional grants are recognized as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits, or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor.

### 1.23 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

### 1.24 Comparative figures

Where necessary, comparative figures have been reclassified 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.

### 1.25 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 unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.26 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.27 Irregular expenditure

Irregular expenditure that was incurred and identified during the current financial 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.

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## Significant Accounting Policies

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### 1.27 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and for which writing 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 wrote off by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements.

The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been 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.

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 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 in the Statement of Financial Performance

### 1.28 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

#### Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

### 1.29 Budget information

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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## Significant Accounting Policies

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### 1.29 Budget information (continued)

The approved budget is prepared on accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/07/01 to 2025/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

#### Explanation of Variances

Differences between budget and actuals which are less than 10% are considered immaterial and will be accepted without further explanation.

Differences between Original Budget and Adjustment budget which are less than 10% are considered immaterial and will be accepted without further explanation.

Explanations will be provided for all variances which exceeds 10% of budget versus actuals and Original Budget versus Adjustment Budget.

Comparative information is not required.

### 1.30 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favorable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its audited annual financial statements.

### 1.31 Events after reporting date

Events after reporting date are those events, both favorable and unfavorable, 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

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## Significant Accounting Policies

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### 1.31 Events after reporting date (continued)

- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.32 Value Added Tax

Input VAT not yet claimed from SARS and VAT receivable from SARS are disclosed under Other receivable from exchange transactions and Output VAT is disclosed under payable from exchange transaction in the Statement of Financial Position.

The municipality is a registered VAT vendor and account for VAT on a payment basis.

The following rates are applicable:

Standard rated supplies (15%)

Zero rated supplies (0%)

Exempted supplies (-)

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## Notes to the Audited Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 2. New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2025 or later periods:

##### GRAP 2023 Improvements to the Standards of GRAP 2023

The Board undertakes periodic revisions of the Standards of GRAP in line with best practice internationally among standard setters. The Improvements to the Standards of GRAP include changes resulting from amendments to the International Public Sector Accounting Standards and the International Financial Reporting Standards, as well as general improvements identified through consultation with stakeholders. The Improvements to the Standards of GRAP (2023) was approved by the Board and issued in November 2023.

##### GRAP1 - Presentation of Financial Statements

###### Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

###### General Improvements

- Provide clarity to the terms "publicly available" and "publicly accountable".
- Remove encouraged disclosures with limited information value.

##### GRAP2 - Cash Flow Statements

###### General Improvements

Amend disclosures to read as "useful additional information that may be disclosed" as opposed to "encouraged disclosures".

##### GRAP3 - Accounting Policies, Changes in Accounting Estimates and Errors

###### Narrow scope amendments to IAS 8 Feb 2021

Change in the definition of an accounting estimate because the previous definition was not sufficiently clear.

###### General Improvements

Clarify that the requirements only apply to Standards of GRAP that are not yet effective for which the Minister of Finance has already determined an effective date.

##### GRAP5 - Borrowing Costs

###### Amendments to the IPSAS on Borrowing Costs (IPSAS 5) – Non-authoritative Guidance 2021

Add the Illustrative Examples in IPSAS 5 to GRAP 5.

##### GRAP13 - Leases

###### General Improvements

Remove encouraged disclosures with limited information value.

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## Notes to the Audited Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### GRAP17 - Property, Plant and Equipment

##### Improvements to IPSAS 2021

Amendments are made to prohibit proceeds from selling items produced before that asset is available, to be deducted from the cost of property, plant and equipment.

#### GRAP19 - Provisions, Contingent Liabilities and Contingent Assets

##### General Improvements

Remove encouraged disclosures with limited information value.

#### GRAP20 - Related Party Disclosures

##### General Improvements

Update the definition of "significant influence" to align with the Standard of GRAP on Investments in Associates and Joint Ventures (GRAP 36).

#### GRAP23 - Revenue from Non-exchange Transactions (Taxes and Transfers)

##### General Improvements

Remove encouraged disclosures with limited information value.

#### GRAP24 - Presentation of Budget Information in Financial Statements

##### Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

##### General Improvements

- Provide clarity to the terms "publicly available" and "publicly accountable".
- Simplify the disclosures on the presentation of a reconciliation to improve the quality of reporting, by not prescribing the line items to reconcile to.
- Re-instate the Illustrative Examples that were deleted when GRAP 24 became effective.

#### GRAP27 - Agriculture

##### General Improvements

Remove encouraged disclosures and repackage it as "useful information" in another section of the Standard.

#### GRAP31 - Intangible Assets

##### General Improvements

- Clarify when the Standard of GRAP on Service Concession Arrangements: Grantor (GRAP 32) is applicable.
- Remove reference to fully depreciated assets.
- Remove encouraged disclosures with limited information value.



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## Notes to the Audited Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### GRAP104 - Financial Instruments

##### Improvements to IPSAS 2021

- Interest Rate Benchmark Reform - Amendments to provide a practical expedient not to treat changes in contractual cash flows as a modification.

- Amendments to clarify the fees that an entity includes when it applies the "10 percent" test to derecognise a financial liability.

##### Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

##### General Improvements

Remove encouraged disclosures with limited information value.

#### iGRAP20 - Accounting for Adjustments to Revenue

##### Narrow scope amendments to IAS 8 Feb 2021

Change in the definition of an accounting estimate because the previous definition was not sufficiently clear.

#### Directive 12 - The Selection of an Appropriate Reporting Framework by Public Entities

##### Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

##### Guideline on The Application of Materiality to Financial Statements

##### Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

##### General Improvements

Amendments resulting from the review of the Standard of GRAP on Cash Flow Statements (GRAP 2) and the Standard of GRAP on Presentation of Budget Information in Financial Statements (GRAP 24).

The effective date of these improvements have not yet been set.

The municipality expects to adopt the standard for the first time in the 2098/2099 audited annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's audited annual financial statements.

#### GRAP 1 (amended): Presentation of Financial Statements (Going Concern)

The Board undertook a project in 2021 to consider the guidance and disclosure requirements on going concern in the relevant Standards of GRAP. As an outcome of this project, the Board agreed to include additional guidance and disclosures on going concern in this Standard. Consequential amendments are also made to the Standard of GRAP on Events After the Reporting Date.

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Notes to the Audited Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### Applicability of going concern in the public sector

An entity prepares its financial statements on a going concern basis unless there is an intention to liquidate the entity, to cease operating, or if there is no realistic alternative but to do so. A liquidation or cessation of an entity's operations will result in the termination of all its functions.

In South Africa, specific legislative requirements need to be followed before a decision is taken to liquidate a public sector entity, to cease or scale back its operations, to transfer some or all of its functions to another entity, or to merge one or more entities. The "intention" to liquidate an entity, to cease or scale back its operations, to transfer some or all of its functions to another entity, or to merge one or more entities needs to be established. This intention can be reflected in a number of ways and may encompass legislation passed in Parliament or a provincial legislature, cabinet decision, ministerial order, a decision made by a municipal council, board, council or equivalent, a regulation or a notice, or other official means.

The liquidation or cessation of a public sector entity's operations is rare, and only in the case of dissolution without any continuation of the entity's operations will the going concern basis cease to apply. When all, or some of the functions of an entity are transferred to another entity, or when a decision is taken to merge one or more entities, the application of the going concern basis remains appropriate. This is because the entity's functions will continue to be provided in a modified form, even though they are executed by another entity.

The Board agreed to include explanatory guidance in this Standard on the application of the going concern assumption by public sector entities.

Where some of an entity's functions are transferred in a transfer of functions, and the remaining functions are discontinued, there are two separate transactions. The Board concluded that management should assess these transactions separately based on the functions transferred, those to be discontinued (if any), and those that may be retained and continued (if any), to determine if preparing the entity's financial statements on a going concern basis remains appropriate.

#### Disclosure on going concern

The Board's project highlighted a need for specific disclosures on going concern, material uncertainties relating to going concern, and actions taken by management to mitigate these uncertainties. Consideration was also given to the practices, guidance and requirements in other countries and/or from other standard-setting bodies on these matters.

To address the diversity in the information disclosed on going concern, the Board agreed to expand the disclosure requirements in this Standard to ensure that consistent disclosures are provided.

The effective date of these revisions have not yet been set.

The municipality expects to adopt the standard for the first time when the minister sets the effective date of the standards.

The impact of this standard is currently being assessed.

It is unlikely that the standard will have a material impact on the municipality's audited annual financial statements.

#### GRAP 103 (amended): Heritage Assets

##### Background

The Accounting Standards Board (the Board) completed its post-implementation review of the Standard of GRAP on Heritage Assets (GRAP 103) (hereafter referred to as "the review") in 2020. Based on the feedback received as part of the review, the Board agreed to reconsider certain principles in GRAP 103.

The objective of the project was to revise and clarify principles in GRAP 103 following feedback received from the review and actions agreed by the Board.

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Notes to the Audited Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### Key amendments to GRAP 103

The Board agreed that the definition of a heritage asset in GRAP 103 should be reconsidered to better align it with the legislative explanation of a heritage resource in the National Heritage Resources Act, 1999, and the classification by the South African Heritage Resources Agency.

The proposed definition focuses on assets that have “cultural significance” and defines a heritage asset as “an asset that has cultural significance, and is held indefinitely for the benefit of present and future generations”. “Cultural significance” has also been defined and described in GRAP 103 based on legislation.

The characteristics displayed by heritage assets, and the range of assets that could be heritage assets, have also been aligned with legislation.

The amendments further relate to the Classification of dual purpose heritage assets, determining a reliable value for a heritage asset, Protective rights imposed on heritage assets, Re-assessing if a reliable value becomes available subsequently, Aggregation of individually insignificant heritage assets, Impairment of heritage assets, Mandatory disclosures of heritage assets borrowed or on loan.

The effective date of these revisions have not yet been set.

The municipality expects to adopt the standard for the first time when the minister sets the effective date of the standards.

The impact of this standard is currently being assessed.

It is unlikely that the standard will have a material impact on the municipality's audited annual financial statements.

#### 2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2025 or later periods but are not relevant to its operations:

##### GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the revisions is 01 April 2025.

It is unlikely that the standard will have a material impact on the municipality's audited annual financial statements.

## Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

### Notes to the Audited Annual Financial Statements

Figures in Rand

#### 3. Investment property

|                     | 2025                |   |                | 2024                |   |                |
|---------------------|---------------------|---|----------------|---------------------|---|----------------|
|                     | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value |
| Investment property | 77 450 337          | (1 367 401)   | 76 082 936     | 63 386 023          | (1 289 411)   | 62 096 612     |

#### Reconciliation of investment property - Contingent liabilities

|                     | Opening<br>balance | Additions  | Donations to<br>TUT | WIP     | Depreciation | Total      |
|---------------------|--------------------|------------|---------------------|---------|--------------|------------|
| Investment property | 62 096 612         | 13 996 788 | (705 710)           | 773 236 | (77 990)     | 76 082 936 |

## Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2025

### Notes to the Audited Annual Financial Statements

Figures in Rand

#### 3. Investment property (continued)

##### Reconciliation of investment property - 2024

|                     | Opening<br>balance | Additions  | Prior period<br>correction | Impairments | Depreciation | Total      |
|---------------------|--------------------|------------|----------------------------|-------------|--------------|------------|
| Investment property | 26 234 421         | 28 368 393 | 8 092 653                  | (507 812)   | (91 043)     | 62 096 612 |

The following properties are not in the name of the Municipality:

Greater Giyani Municipality is in the process of registering these in its name. As at 30 June 2025, 4 of these had been successfully registered in the name of the Municipality and the Investment Property register updated accordingly.

ERF 655

ERF 656

ERF 662

ERF 666

##### Recognition of investment properties

The municipality has registered the investment properties (land and houses) in the Deeds Office and were recognised in the investment property register.

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Notes to the Audited Annual Financial Statements

| Figures in Rand                           | 2025             | 2024             |
|---|------------------|------------------|
| <b>3. Investment property (continued)</b> |                  |                  |
| GIYANI A ERF 121                          | 600 000          | 600 000          |
| GIYANI A ERF 123                          | 200 000          | 200 000          |
| GIYANI E ERF 401                          | 400 000          | 400 000          |
| GIYANI A ERF 149                          | 200 000          | 200 000          |
| GIYANI E ERF 655                          | -                | 240 000          |
| GIYANI E ERF 656                          | -                | 240 000          |
| GIYANI E ERF 662                          | -                | 400 000          |
| GIYANI E ERF 666                          | -                | 400 000          |
| GIYANI A ERF 187                          | 440 000          | 440 000          |
| GIYANI A ERF 188                          | 520 000          | 520 000          |
| GIYANI A ERF 189                          | 600 000          | 600 000          |
| GIYANI A ERF 190                          | 460 000          | 460 000          |
| GIYANI A ERF 195                          | 200 000          | 200 000          |
| GIYANI A ERF 1989                         | 500 000          | 500 000          |
| GIYANI A ERF 236                          | 200 000          | 200 000          |
| GIYANI A ERF 518                          | 200 000          | 200 000          |
| GIYANI A ERF 561                          | 200 000          | 200 000          |
| GIYANI A ERF 562                          | 500 000          | 500 000          |
| GIYANI A ERF 736                          | 200 000          | 200 000          |
| GIYANI A ERF 741                          | 320 000          | 320 000          |
| GIYANI A ERF 741                          | 360 000          | 360 000          |
| GIYANI A ERF 744                          | 200 000          | 200 000          |
| GIYANI A ERF 86                           | 200 000          | 200 000          |
|   | <b>6 500 000</b> | <b>7 780 000</b> |

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.

# Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2025

## Notes to the Audited Annual Financial Statements

Figures in Rand

### 4. Property, plant and equipment

|                        | 2025                 |   |                      | 2024                 |   |                      |
|------------------------|----------------------|---|----------------------|----------------------|---|----------------------|
|                        | Cost /<br>Valuation  | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value       | Cost /<br>Valuation  | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value       |
| Land                   | 43 416 035           | -   | 43 416 035           | 43 416 035           | -   | 43 416 035           |
| Buildings              | 176 752 992          | (47 099 589)  | 129 653 403          | 174 096 877          | (39 233 883)  | 134 862 994          |
| Plant and machinery    | 61 946 425           | (18 593 261)  | 43 353 164           | 58 089 475           | (14 225 193)  | 43 864 282           |
| Furniture and fixtures | 9 204 363            | (4 417 773)   | 4 786 590            | 8 058 630            | (3 619 027)   | 4 439 603            |
| Motor vehicles         | 20 270 008           | (9 924 010)   | 10 345 998           | 15 009 196           | (8 542 618)   | 6 466 578            |
| Office equipment       | 1 639 754            | (1 096 619)   | 543 135              | 1 534 486            | (956 467)   | 578 019              |
| IT equipment           | 22 126 291           | (8 881 161)   | 13 245 130           | 13 721 482           | (6 083 875)   | 7 637 607            |
| Infrastructure         | 1 362 410 477        | (619 402 470)   | 743 008 007          | 1 260 114 820        | (602 143 892)   | 657 970 928          |
| Community              | 319 853 603          | (44 921 582)  | 274 932 021          | 303 507 551          | (38 105 212)  | 265 402 339          |
| Air conditioners       | 4 606 556            | (2 626 302)   | 1 980 254            | 4 469 192            | (2 164 483)   | 2 304 709            |
| <b>Total</b>           | <b>2 022 226 504</b> | <b>(756 962 767)</b>  | <b>1 265 263 737</b> | <b>1 882 017 744</b> | <b>(715 074 650)</b>  | <b>1 166 943 094</b> |

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Notes to the Audited Annual Financial Statements

Figures in Rand

### 4. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2025

|                        | Opening<br>balance   | Additions          | WIP              | Derecognition      | Depreciation        | Impairment<br>loss | Total                |
|------------------------|----------------------|--------------------|------------------|--------------------|---------------------|--------------------|----------------------|
| Land                   | 43 416 035           | -                  | -                | -                  | -                   | -                  | 43 416 035           |
| Buildings              | 134 862 994          | 1 683 659          | 972 456          | -                  | (6 547 606)         | (1 318 100)        | 129 653 403          |
| Plant and machinery    | 43 864 282           | 3 913 822          | -                | (3 881)            | (4 413 324)         | (7 735)            | 43 353 164           |
| Furniture and fixtures | 4 439 603            | 1 199 067          | -                | (4 316)            | (818 042)           | (29 722)           | 4 786 590            |
| Motor vehicles         | 6 466 578            | 5 260 812          | -                | -                  | (1 381 392)         | -                  | 10 345 998           |
| Office equipment       | 578 019              | 124 037            | -                | (1 344)            | (157 577)           | -                  | 543 135              |
| IT equipment           | 7 637 607            | 8 553 348          | -                | (80 581)           | (2 865 244)         | -                  | 13 245 130           |
| Infrastructure         | 657 970 928          | 149 555 921        | 8 240 890        | (2 394 941)        | (69 379 860)        | (984 931)          | 743 008 007          |
| Community              | 265 402 339          | 28 066 814         | (6 252 377)      | (157 707)          | (6 735 906)         | (5 391 142)        | 274 932 021          |
| Air conditioners       | 2 304 709            | 179 500            | -                | (341)              | (503 614)           | -                  | 1 980 254            |
|                        | <b>1 166 943 094</b> | <b>198 536 980</b> | <b>2 960 969</b> | <b>(2 643 111)</b> | <b>(92 802 565)</b> | <b>(7 731 630)</b> | <b>1 265 263 737</b> |



# Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2025

## Notes to the Audited Annual Financial Statements

Figures in Rand

### 4. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2024

|                        | Opening<br>balance   | Additions          | Disposals        | WIP               | Derecognition      | Prior period<br>error | Depreciation        | Impairment<br>loss | Total                |
|------------------------|----------------------|--------------------|------------------|-------------------|--------------------|-----------------------|---------------------|--------------------|----------------------|
| Land                   | 43 416 035           | -                  | -                | -                 | -                  | -                     | -                   | -                  | 43 416 035           |
| Buildings              | 125 470 052          | 14 568 453         | -                | -                 | (33 656)           | (38 107)              | (4 343 071)         | (760 677)          | 134 862 994          |
| Plant and machinery    | 33 710 931           | 15 150 927         | (7 505)          | -                 | (1 315 197)        | (2 674)               | (3 672 200)         | -                  | 43 864 282           |
| Furniture and fixtures | 5 087 898            | 110 563            | (7 734)          | -                 | -                  | (548)                 | (743 852)           | (6 724)            | 4 439 603            |
| Motor vehicles         | 8 409 416            | -                  | -                | -                 | (625 944)          | 146                   | (1 317 040)         | -                  | 6 466 578            |
| Office equipment       | 484 013              | 199 069            | (2 413)          | -                 | -                  | (276)                 | (102 374)           | -                  | 578 019              |
| IT equipment           | 4 395 268            | 4 433 924          | (113 840)        | -                 | (19 430)           | -                     | (1 041 345)         | (16 970)           | 7 637 607            |
| Infrastructure         | 621 475 028          | 108 201 520        | -                | 11 397 058        | (1 792 702)        | -                     | (75 261 557)        | (6 048 419)        | 657 970 928          |
| Community              | 242 893 606          | 17 505 117         | -                | 11 669 790        | -                  | (357 276)             | (5 180 229)         | (1 128 669)        | 265 402 339          |
| Air conditioners       | 2 232 111            | 588 000            | -                | -                 | -                  | 94                    | (515 496)           | -                  | 2 304 709            |
|                        | <b>1 087 574 358</b> | <b>160 757 573</b> | <b>(131 492)</b> | <b>23 066 848</b> | <b>(3 786 929)</b> | <b>(398 641)</b>      | <b>(92 177 164)</b> | <b>(7 961 459)</b> | <b>1 166 943 094</b> |

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Notes to the Audited Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 4. Property, plant and equipment (continued)

#### Reconciliation of assets impaired of 30 June 2025

|                        | Carrying Value   | Deemed Replacement Cost | Impairment loss  |
|------------------------|------------------|-------------------------|------------------|
| Plant and machinery    | 26 757           | (19 022)                | 7 735            |
| Furniture and fittings | 33 182           | (3 461)                 | 29 721           |
| Buildings              | 4 804 697        | (3 486 598)             | 1 318 099        |
| Community Assets       | 930 838          | (795 394)               | 135 444          |
| Infrastructure         | 1 585 370        | (600 438)               | 984 932          |
|                        | <b>7 380 844</b> | <b>(4 904 913)</b>      | <b>2 475 931</b> |

#### Reconciliation of assets written off of 30 June 2025

|                        | Cost              | Accumulated depreciation | Accumulated Impairment | Carrying Value   |
|------------------------|-------------------|--------------------------|------------------------|------------------|
| IT Equipment           | 148 539           | (66 152)                 | (1 807)                | 80 580           |
| Furniture and Fittings | 53 334            | (44 797)                 | (4 222)                | 4 315            |
| Plant and Machinery    | 56 872            | (52 991)                 | -                      | 3 881            |
| Office equipment       | 18 770            | (17 426)                 | -                      | 1 344            |
| Aircons                | 42 136            | (40 805)                 | (989)                  | 342              |
| Infrastructure         | 55 501 155        | (50 710 766)             | (2 395 447)            | 2 394 942        |
| Community              | 212 687           | (42 440)                 | (12 540)               | 157 707          |
|                        | <b>56 033 493</b> | <b>(50 975 377)</b>      | <b>(2 415 005)</b>     | <b>2 643 111</b> |

#### Reconciliation of Work-in-Progress 2025

|                                | Included within Infrastructure | Included within Community | Included within Other PPE | Total              |
|--------------------------------|--------------------------------|---------------------------|---------------------------|--------------------|
| Restated Opening balance       | 40 495 439                     | 116 720 139               | -                         | 157 215 578        |
| Additions/capital expenditure  | 156 178 155                    | 22 111 361                | 4 029 969                 | 182 319 485        |
| Transferred to completed items | (147 937 262)                  | (28 363 738)              | (3 057 513)               | (179 358 513)      |
| Impairment                     | -                              | (5 255 699)               | -                         | (5 255 699)        |
|                                | <b>48 736 332</b>              | <b>105 212 063</b>        | <b>972 456</b>            | <b>154 920 851</b> |

#### Reconciliation of Work-in-Progress 2024

|                                | Included within Infrastructure | Included within Community | Included within Other PPE | Total              |
|--------------------------------|--------------------------------|---------------------------|---------------------------|--------------------|
| Opening balance                | 71 064 387                     | 135 482 865               | 30 105 343                | 236 652 595        |
| Additions/capital expenditure  | 119 598 577                    | 29 174 907                | 14 358 655                | 163 132 139        |
| Prior period error             | (19 136 498)                   | (4 844 748)               | -                         | (23 981 246)       |
| Transferred to completed items | (131 031 027)                  | (43 092 885)              | (44 463 998)              | (218 587 910)      |
|                                | <b>40 495 439</b>              | <b>116 720 139</b>        | <b>-</b>                  | <b>157 215 578</b> |

# Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2025

## Notes to the Audited Annual Financial Statements

| Figures in Rand   | 2025              | 2024              |
|---|-------------------|-------------------|
| <b>4. Property, plant and equipment (continued)</b>   |                   |                   |
| <b>List of halted projects / delayed</b>  |                   |                   |
| <b>Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s), including reasons and any impairment losses recognised in relation to these assets:</b> |                   |                   |
| A. Access road to tribal offices  | 998 176           | 998 176           |
| B. Access road to Xikukwane   | 2 976 618         | 2 976 618         |
| C. Alternative access road from R81 to Giyani   | 5 166 673         | 5 166 673         |
| D. Refurbishment of Giyani Stadium  | -                 | 1 800 823         |
| E. Makosha- Upgrading from gravel to paving   | 1 688 179         | 1 688 179         |
| F. Refurbishment of Sporting Facilities (Gawula)  | 2 997 527         | 4 238 167         |
| G. Refurbishment of Arts and Culture Centre   | 1 066 420         | 1 066 420         |
| H. Development of Giyani waste disposal site  | 69 348 925        | -                 |
|   | <b>84 242 518</b> | <b>17 935 056</b> |

The halted projects were assessed for impairment and no impairment was recognised, with the exception of the refurbishment Gavula Sports Centre.

Reasons for project being halted or delayed:

### A. Access road to tribal offices:

A consultant was appointed to prepare preliminary designs for Blinkwater, Ngove, Nkuri, Makhuva, and Thomo at a total cost of R2 982 099. Designs valued at R998 175.66 for Makhuva remain under Work in Progress (WIP) as construction has not yet commenced. These designs are archived by the municipality for future use, remain relevant, and carry no impairment (R0).

### B. Access road to Xikukwane

A consultant was appointed to prepare preliminary designs, which have not yet been implemented as the project was found to be excessively costly. The municipality is engaging with RAL to complete the project, and the available designs will be donated to RAL once funding is secured. The designs are safely archived, remain relevant, and carry no impairment (R0).

# Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2025

## Notes to the Audited Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 4. Property, plant and equipment (continued)

#### C. Alternative access road from R81 to Giyani

A consultant was appointed to prepare preliminary designs, which have not yet been utilised as the project was found to be excessively costly. The municipality is liaising with SANRAL to complete the project, and the designs will either be donated to SANRAL or used for an alternative road project once funding becomes available. The designs are safely archived by the municipality, remain relevant, and carry no impairment (R0).

#### D. Refurbishment of Giyani Stadium

The community has resolved to have the project reinstated and refurbish the outstanding items. Greater Giyani Municipality has put allocated budget to resume with the project, to refurbish the combi courts and ablution facilities and construction of the clear view boundary wall.

On the 16th of May 2025, Greater Giyani Municipality officially gave access to site to the contractor to continue with the refurbishments of this facility. The work performed thus far is to the satisfaction of the municipality.

#### E. Makosha- Upgrading from gravel to paving

The project is currently on hold due to funding constraints, as COGHSTA rejected the municipality's funding application on the basis that the road falls under the custodianship of RAL. The municipality is engaging with the Department of Public Works and Infrastructure (DPWI) to transfer the Makosha Road (D3809) to enable the project to proceed.

#### F. Refurbishment of Sporting Facilities (Gawula)

The project was impacted by scope creep, resulting in over-expenditure of the allocated budget to complete the approved scope of work. Due to budget constraints, following third-quarter budget adjustments, the implementation plan was revised. The project is scheduled to resume in the 2025/26 financial year.

#### G. Tourism Information centre Phase 3 (Refurbishment of Arts and Culture)

The project for a second community hall/conference centre and café/restaurant is currently on hold due to funding constraints. A consultant was appointed for preliminary designs, which indicated that the project would be excessively costly. The municipality is still assessing funding options. The designs are safely archived for future use, remain relevant, and carry no impairment (R0).

#### H. Development of Giyani waste disposal site

The project was affected by scope creep and poor contractor performance, which contributed to delays. The municipality remains committed to completing the project and has revised the implementation plan to address the outstanding scope of work. Practical strategies include strengthening project management controls, and enforcing stricter performance measures on contractors. The project is planned to proceed to completion.

# Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2025

## Notes to the Audited Annual Financial Statements

Figures in Rand

### 5. Intangible assets

|                   | 2025                |   |                | 2024                |   |                |
|-------------------|---------------------|---|----------------|---------------------|---|----------------|
|                   | Cost /<br>Valuation | Accumulated<br>amortisation<br>and<br>accumulated<br>impairment | Carrying value | Cost /<br>Valuation | Accumulated<br>amortisation<br>and<br>accumulated<br>impairment | Carrying value |
| Computer software | 21 113 821          | (19 533 230)  | 1 580 591      | 16 966 083          | (14 900 902)  | 2 065 181      |

#### Reconciliation of intangible assets - 2025

|                   | Opening<br>balance | Additions | Amortisation | Total     |
|-------------------|--------------------|-----------|--------------|-----------|
| Computer software | 2 065 181          | 4 147 738 | (4 632 328)  | 1 580 591 |

#### Reconciliation of intangible assets - 2024

|                   | Opening<br>balance | Additions | Amortisation | Total     |
|-------------------|--------------------|-----------|--------------|-----------|
| Computer software | 996 253            | 3 906 846 | (2 837 918)  | 2 065 181 |

# Greater Giyani Municipality

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## Notes to the Audited Annual Financial Statements

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### 6. Heritage assets

|   | 2025                |                                     |                | 2024                |                                     |                |
|---|---------------------|-------------------------------------|----------------|---------------------|-------------------------------------|----------------|
|   | Cost /<br>Valuation | Accumulated<br>impairment<br>losses | Carrying value | Cost /<br>Valuation | Accumulated<br>impairment<br>losses | Carrying value |
| Heritage assets which fair values cannot be reliably measured: (Para .94) |                     |                                     |                |                     |                                     |                |
| Council related assets  | 339 867             | -                                   | 339 867        | 339 867             | -                                   | 339 867        |

#### Reconciliation of heritage assets - 2025

|   | Opening<br>balance | Total   |
|---|--------------------|---------|
| Heritage assets which fair values cannot be reliably measured: (Para .94) |                    |         |
| Council related assets  | 339 867            | 339 867 |

#### Reconciliation of heritage assets 2024

|   | Opening<br>balance | Additions | Derecognition<br>of damaged<br>assets | Total   |
|---|--------------------|-----------|---------------------------------------|---------|
| Heritage assets which fair values cannot be reliably measured: (Para .94) |                    |           |                                       |         |
| Council related assets  | 206 303            | 246 114   | (112 550)                             | 339 867 |

#### Age and/or condition of heritage assets

All heritage assets have a condition grading of 3, which translate to be FAIR in terms of the municipality's generic condition assessment methodology.

Council related assets are not held for sale.

Council related assets are not held for security at year end.

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## Notes to the Audited Annual Financial Statements

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|---------------------------------------|----------------------------------|--------------------|
|                                       | <b>7. Other financial assets</b> |                    |
| <b>Designated at fair value</b>       |                                  |                    |
| Other financial assets                | 120 029 557                      | 148 534 882        |
| <b>Residual interest at cost</b>      |                                  |                    |
| Impairments                           | (120 029 557)                    | (148 534 882)      |
| <b>Total other financial assets</b>   | -                                | -                  |
| <b>Current assets</b>                 |                                  |                    |
| Designated at fair value              | 120 029 557                      | 148 534 882        |
| Residual interest at cost             | (120 029 557)                    | (148 534 882)      |
|                                       | -                                | -                  |
| <b>Financial assets at fair value</b> |                                  |                    |
| <b>Reconciliation</b>                 |                                  |                    |
| Opening Balance                       | 148 534 882                      | 148 534 882        |
| Amount paid during the year           | (28 505 325)                     | -                  |
|                                       | <b>120 029 557</b>               | <b>148 534 882</b> |

The municipality has since recovered an amount of R 28 505 325 in the period under review from VBS.

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### 8. Employee benefit obligations

#### Defined benefit plans

The effective date of the valuation is 30 June 2025 (the "Valuation Date 30 June 2025).

The valuation considers all employees, retirees and their dependents whose participation in the health care arrangements entitles them to a post-employment medical aid subsidy. The post-employment health care liability is not a funded arrangement, i.e. no separate assets have been set aside to meet this liability.

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. All subsidies are subject to a maximum of R 5 277.38 for the year ending 30 June 2025. The maximum subsidy amount has been assumed to increase in the future at 6.3%% of salary inflation.

Table below shows the development of the accrued liability over the current period, and projects the Municipality's Unfunded Accrued Liability and periodic costs over the two-year period following the Valuation Date.

| Past year and future projected liability | Year ending<br>30 June 2021 | Year ending<br>30 June 2022 | Year ending<br>30 June 2023 | Year ending<br>30 June 2024 | Year ending<br>30 June 2025 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening accrued liability                | 14 421 000                  | 16 755 000                  | 16 968 000                  | 16 233 000                  | 16 585 000                  |
| Current service cost                     | 832 000                     | 1 164 000                   | 1 325 000                   | 1 226 000                   | 1 381 000                   |
| Interest cost                            | 1 639 000                   | 1 798 000                   | 2 009 000                   | 2 044 000                   | 2 034 000                   |
| Actuarial loss/(gain)                    | (137 000)                   | (2 749 000)                 | (4 069 000)                 | (2 918 000)                 | (1 072 000)                 |
|  | <b>16 755 000</b>           | <b>16 968 000</b>           | <b>16 233 000</b>           | <b>16 585 000</b>           | <b>18 928 000</b>           |

#### Notes

- These projections assume that the Municipality's health care arrangements and subsidy policy will remain as outlined above, and that all the actuarial assumptions made are borne out in practice. In addition, it is assumed that no contributions are made by the Municipality towards prefunding its liability via an off-balance sheet vehicle.
- Contributions or benefits paid refer to medical scheme contributions made by the Municipality with respect to its subsidy of current continuation members.
- There are no Past Service Costs, Curtailments or Settlements to reflect.

#### Key Assumptions

|                                 |         |         |
|---------------------------------|---------|---------|
| Discount rate                   | 11,40 % | 12,00 % |
| Health care cost inflation rate | 5,40 %  | 7,00 %  |
| Maximum subsidy inflation rate  | 4,80 %  | 5,00 %  |



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### 8. Employee benefit obligations (continued)

#### Long service awards

The Municipality offers employees Long service award for every five years of service completed, from ten years of service to 45 years of service.

The salaries used in the valuation include an assumed increase on 1 July 2025 of 5.4% as per the SALGBC Circular No.: 01/2024. The next salary increase was assumed to take place on 1 July 2025.

The accrued liabilities and the plan assets for the current period and the previous four periods.

| <b>Past year and future projected liability</b> | 30 June 2021     | 30 June 2022     | 30 June 2023     | 30 June 2024        | 30 June 2025        |
|---|------------------|------------------|------------------|---------------------|---------------------|
| Opening accrued balance                         | 5 434 000        | 5 891 000        | 6 377 000        | 6 418 000           | 10 144 000          |
| Current service cost                            | 546 000          | 623 000          | 653 000          | 4 282 000           | 1 126 000           |
| Interest cost                                   | 372 000          | 518 000          | 659 000          | 655 000             | 1 072 000           |
| Payment made during the year                    | (669 000)        | (623 000)        | (870 000)        | (1 247 000)         | (1 180 000)         |
| Actuarial loss/(gain)                           | 208 000          | (32 000)         | (401 000)        | 36 000              | 819 000             |
|   | <b>5 891 000</b> | <b>6 377 000</b> | <b>6 418 000</b> | <b>10 144 000</b>   | <b>11 981 000</b>   |
| Non-current liabilities                         |                  |                  |                  | (30 625 000)        | (27 159 000)        |
| Current liabilities                             |                  |                  |                  | (2 323 000)         | (1 435 000)         |
|   |                  |                  |                  | <b>(32 948 000)</b> | <b>(28 594 000)</b> |

#### Key Assumptions

Assumptions used at the reporting date:

|                                 |        |         |
|---------------------------------|--------|---------|
| Discount rate                   | 7,80 % | 12,33 % |
| Health care cost inflation rate | 3,80 % | 7,80 %  |
| Maximum subsidy inflation rate  | 4,80 % | 5,48 %  |

#### Key assumptions used

Assumptions used at the reporting date:

|                                 |         |         |
|---------------------------------|---------|---------|
| Discount rates used             | 11,22 % | 11,26 % |
| General earnings inflation rate | 6,54 %  | 6,54 %  |
| Expected increase in salaries   | 5,40 %  | 5,40 %  |

Employee obligations are assessed at the end of the financial period.

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## Notes to the Audited Annual Financial Statements

| Figures in Rand       | 2025              | 2024              |
|-----------------------|-------------------|-------------------|
| <b>9. Inventories</b> |                   |                   |
| Consumable stores     | 2 289 382         | 2 432 017         |
| Stands                | 31 085 000        | 31 085 000        |
|                       | <b>33 374 382</b> | <b>33 517 017</b> |

### Inventory Reconciliation

|  |                   |                   |
|--|-------------------|-------------------|
| Opening balance  | 33 517 017        | 33 043 090        |
| Add: purchases for the year                            | 6 980 739         | 12 055 269        |
| Less: consumables for the year                         | (4 577 059)       | (7 251 714)       |
| Less: inventory on hand (Mopani District Municipality) | (2 545 973)       | (2 290 075)       |
| Less: damaged and obsolete inventory written off       | (342)             | (39 553)          |
| <b>Closing balance</b>                                 | <b>33 374 382</b> | <b>35 517 017</b> |

There was no inventory held as collateral at year end.

In 2019/2020 financial year the municipality took a resolution to sell stands available for sale as per council resolution.

Included in the R 31 085 000 balance of the stands, there are stands which have already been sold amounting to R 26 696 152 (2025) and R 25 210 968 (2024) pending ownership transfer with Deeds Register. The amount has been disclosed under Note 16 of the Deferred income.

### 10. Receivables from exchange transactions

|  |                   |                   |
|--|-------------------|-------------------|
| Inter Municipal Account (Mopani District Municipality) | 42 191 820        | 39 328 586        |
| Agency fee (Mopani District Municipality)              | 7 641 085         | 7 132 837         |
| Sundry receivables                                     | 4 244 767         | 4 462 312         |
| Prepaid expenses                                       | 1 326 282         | 1 098 257         |
| Accrued interest receivables                           | 2 009 331         | 2 134 126         |
| Sundry receivables-Provision for doubtful debts        | (3 685 772)       | (3 685 772)       |
| Staff receivables                                      | 4 896             | 60 163            |
| Payroll debtors  | 29 436            | -                 |
|  | <b>53 761 845</b> | <b>50 530 509</b> |

Included in sundry debtors of R 4 244 767 is (R 3 596 581) which relates to sale of stands through an auction during 2009. The balance in this attorneys trust account is unknown. Due to the dispute with the auctioneer, the outstanding amount was never paid to the Municipality and as a result, it was provided for in full based on the credit control policy and Free basic electricity debtors who benefited illegally in the prior years.

An amount of R 1 187 311.29 included in sundry debtors is under investigation since they are not in the FBE Register

Staff receivables of R 4 896 (2025): R 60 163 (2024) relate to the overpayment of salaries to the councilors and employees. The amount is supposed to be paid back to the Municipality by the councilors. This is as per the council resolution taken by the Greater Giyani Municipal Council.

### Reconciliation for impairment on sundry receivables

|                 |             |             |
|-----------------|-------------|-------------|
| Opening Balance | (3 685 772) | (3 685 772) |
|-----------------|-------------|-------------|

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### 10. Receivables from exchange transactions (continued)

#### Reconciliation for Inter-municipal account MDM

|                                     |                     |                     |
|-------------------------------------|---------------------|---------------------|
| Accumulated Surplus - MDM           | 111 950 923         | 90 259 727          |
| Revenue - Water                     | 10 830 317          | 10 103 256          |
| Revenue - Sewerage                  | 4 232 684           | 4 051 725           |
| Revenue - Interest                  | 19 420 276          | 14 428 293          |
| Water and Sewerage connections      | 24 115              | 12 596              |
| Overheads -Employee related costs   | (5 770 553)         | (6 078 430)         |
| Overheads - Operational expenditure | (1 134 311)         | (826 245)           |
| Accounts Receivables - Water        | (131 097 943)       | (124 802 579)       |
| Accounts Receivables - Sewerage     | (32 774 486)        | (31 200 645)        |
| Account Receivable - Interest       | (143 967 304)       | (121 626 640)       |
| Inventory                           | (2 545 969)         | (2 290 076)         |
| Provision for doubtful debts        | 128 640 431         | 128 640 431         |
|                                     | <b>(42 191 820)</b> | <b>(39 328 587)</b> |

### 11. Receivables from non-exchange transactions

|  |                   |                   |
|--|-------------------|-------------------|
| Consumer debtors-Traffic Fines             | 3 254 080         | 27 225 087        |
| Consumer debtors- Rates                    | 448 586 992       | 361 790 906       |
| Provision for impairment- Traffic fines    | (2 956 357)       | (27 255 564)      |
| Provision for impairment- Consumer debtors | (397 855 820)     | (307 921 832)     |
|  | <b>51 028 895</b> | <b>53 838 597</b> |

Municipal Council has approved the write-off's, of traffic fines amounting to R 25 306 457 for the financial 2024/2025.

The write- off was based on section 56(5) of the Criminal Procedure Act 51 of 1977, requires that all warrant of arrests with a life span of two years from the date of issue.

#### Reconciliation of provision for impairment of receivables from non-exchange transactions

|   |                      |                      |
|---|----------------------|----------------------|
| Opening balance                           | (335 177 397)        | (263 420 703)        |
| Provision for impairment - property rates | (89 933 987)         | (70 935 694)         |
| Provision for impairment - traffic fines  | 24 299 207           | (821 000)            |
|   | <b>(400 812 177)</b> | <b>(335 177 397)</b> |

#### Age analysis for debtors with credit balances - rates

|                     |                    |                    |
|---------------------|--------------------|--------------------|
| Current (0-30 days) | (1 756 064)        | (23 450)           |
| 31-60 days          | (16 641)           | (1 461 096)        |
| 61-90 days          | (702 085)          | (2 031)            |
| 91-120 days         | (12 300)           | (81 097)           |
| 121-365 days        | (17 287)           | (1 342)            |
| >365 days           | (4 506 990)        | (3 461 371)        |
|                     | <b>(7 011 367)</b> | <b>(5 030 387)</b> |

#### Age Analysis for Rates

|                     |                    |                    |
|---------------------|--------------------|--------------------|
| Current (0-30 days) | 8 861 618          | 13 075 289         |
| 31-60 days          | 9 275 584          | 6 956 802          |
| 61-90 days          | 8 413 422          | 8 640 456          |
| 91-120 days         | 8 867 326          | 8 348 458          |
| 121-365 days        | 8 736 334          | 8 353 893          |
| >365 days           | 517 200 332        | 334 981 314        |
|                     | <b>561 354 616</b> | <b>380 356 212</b> |

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|---|---------------------|---------------------|
| <b>12. Statutory Receivables</b>                        |                     |                     |
| VAT receivable  | 11 396 991          | -                   |
| <b>13. Other receivables from exchange transactions</b> |                     |                     |
| <b>Gross balances</b>                                   |                     |                     |
| Debtors with credit balances                            | 1 964 999           | 1 871 714           |
| Input VAT Accrual                                       | 35 491 469          | 40 585 330          |
| Refuse  | 86 029 320          | 71 095 897          |
| Housing rental  | 975 970             | 1 183 285           |
| Cemeteries  | 3 403 357           | 2 969 795           |
|   | <b>127 865 115</b>  | <b>117 706 021</b>  |
| <b>Less: Allowance for impairment</b>                   |                     |                     |
| Refuse  | (76 321 786)        | (60 510 927)        |
| Housing rental  | (883 892)           | (1 007 554)         |
| Cemeteries  | (3 019 087)         | (2 527 289)         |
|   | <b>(80 224 765)</b> | <b>(64 045 770)</b> |
| <b>Net balance</b>                                      |                     |                     |
| Debtors with credit balances                            | 1 964 999           | 1 871 714           |
| Input VAT Accrual                                       | 35 491 469          | 40 585 330          |
| Refuse  | 9 707 534           | 10 584 970          |
| Housing rental  | 92 078              | 175 731             |
| Cemeteries  | 384 270             | 442 506             |
|   | <b>47 640 350</b>   | <b>53 660 251</b>   |
| <b>Refuse</b>   |                     |                     |
| Current (0 -30 days)                                    | 1 933 844           | 1 675 816           |
| 31 - 60 days  | 1 493 290           | 1 320 654           |
| 61 - 90 days  | 1 456 206           | 1 142 799           |
| 91 - 120 days   | 1 442 337           | 1 180 528           |
| 121 - 365 days  | 1 422 296           | 1 113 695           |
| > 365 days  | 61 559 987          | 63 975 482          |
|   | <b>69 307 960</b>   | <b>70 408 974</b>   |
| <b>Debtors with credit balances</b>                     |                     |                     |
| Current (0 -30 days)                                    | (57 227)            | (84 195)            |
| 31 - 60 days  | (42 277)            | (77 707)            |
| 61 - 90 days  | (50 291)            | (44 252)            |
| 91 - 120 days   | (40 342)            | (10 932)            |
| 121 - 365 days  | (36 817)            | (37 591)            |
| > 365 days  | (1 738 046)         | (1 617 033)         |
|   | <b>(1 965 000)</b>  | <b>(1 871 710)</b>  |
| <b>Housing rental</b>                                   |                     |                     |
| Current (0 -30 days)                                    | 22 087              | 7 564               |
| 31 - 60 days  | 21 905              | 8 877               |
| 61 - 90 days  | 21 725              | 7 875               |
| 91 - 120 days   | 21 546              | 7 916               |
| 121 - 365 days  | 21 369              | 7 901               |
| > 365 days  | 839 879             | 652 825             |
|   | <b>948 511</b>      | <b>692 958</b>      |

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### 13. Other receivables from exchange transactions (continued)

#### Cemeteries

|                      |                  |                  |
|----------------------|------------------|------------------|
| Current (0 -30 days) | 44 045           | 30 563           |
| 31 - 60 days         | 43 100           | 41 445           |
| 61 - 90 days         | 42 405           | 36 041           |
| 91 - 120 days        | 41 336           | 36 122           |
| 121 - 365 days       | 41 673           | 35 633           |
| > 365 days           | 2 502 906        | 2 569 416        |
|                      | <b>2 715 465</b> | <b>2 749 220</b> |

#### Reconciliation of allowance for impairment

|                 |                     |                     |
|-----------------|---------------------|---------------------|
| Opening balance | (64 045 771)        | (48 080 493)        |
| Refuse removal  | (15 810 859)        | (14 797 427)        |
| House rental    | 123 662             | (545 556)           |
| Cemetery        | (491 798)           | (622 295)           |
|                 | <b>(80 224 766)</b> | <b>(64 045 771)</b> |

### 14. Cash and cash equivalents

Cash and cash equivalents consist of:

|                     |                    |                    |
|---------------------|--------------------|--------------------|
| Bank balances       | 269 868 504        | 250 549 884        |
| Bank overdraft      | -                  | (1 684 163)        |
|                     | <b>269 868 504</b> | <b>248 865 721</b> |
| Current assets      | 269 868 504        | 250 549 884        |
| Current liabilities | -                  | (1 684 163)        |
|                     | <b>269 868 504</b> | <b>248 865 721</b> |

#### The municipality had the following bank accounts

| Account number / description                           | Bank statement balances |                    |                    | Cash book balances |                    |                    |
|--|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 30 June 2025            | 30 June 2024       | 30 June 2023       | 30 June 2025       | 30 June 2024       | 30 June 2023       |
| ABSA - Current Account - 4077078193 (Main Account)     | 26 018 038              | (1 856 637)        | 47 163 556         | 26 241 601         | (1 684 163)        | 44 841 634         |
| ABSA - Current Account - 4077078486 (Salaries Account) | 9 940 965               | 2 321 868          | 1 610 849          | 9 940 968          | 2 321 871          | 1 610 490          |
| ABSA - Call Deposit - 4078155655                       | 52 791 087              | 49 128 988         | 45 535 038         | 52 791 088         | 49 128 988         | 45 535 038         |
| ABSA - Current Account - 4093302071 (Traffic Account)  | 5 619 408               | 4 775 233          | 4 509 089          | 5 622 327          | 4 776 979          | 4 509 869          |
| ABSA - Call Deposit - 4078155744                       | 179 502 104             | 194 322 046        | 151 516 427        | 175 272 520        | 194 322 046        | 151 516 427        |
| <b>Total</b>   | <b>273 871 602</b>      | <b>248 691 498</b> | <b>250 334 959</b> | <b>269 868 504</b> | <b>248 865 721</b> | <b>248 013 458</b> |

Included in the balance for cash and cash equivalent, there is a balance of R 27 730 107 (2025) and R 24 455 584 (2024) collected on behalf of Mopani District Municipality for water and sanitation transactions.

### 15. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

|                                 |   |       |
|---------------------------------|---|-------|
| Municipal Disaster Relief Grant | - | 2 333 |
|---------------------------------|---|-------|

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|--|--------------|---------------|
| <b>15. Unspent conditional grants and receipts (continued)</b> |              |               |
| <b>Movement during the year</b>                                |              |               |
| Balance at the beginning of the year                           | 2 333        | 3 758 762     |
| Additions during the year                                      | 99 237 666   | 123 003 241   |
| Income recognition during the year                             | (99 239 999) | (126 759 670) |
|  | <b>-</b>     | <b>2 333</b>  |

The nature and extent of government grants recognised in the audited annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited.

See note 32 for reconciliation of grants from National/Provincial Government.

### 16. Deferred income

From the 2020/2021 financial year to the year under review the Municipality has sold stands/sites but the transfer of ownership of the stands to the customers has not been finalised with Deeds Registration office. As a result the income received is still deferred pending the finalising of the transfer.

Included in the balance of R 26 845 803, there is an amount of R 850 314 whose payers have not yet come to the municipality to open the sale of stand file.

|                 |            |            |
|-----------------|------------|------------|
| Deferred income | 26 845 803 | 25 210 968 |
|-----------------|------------|------------|

### 17. Provisions - rehabilitation of dumping site

#### Reconciliation of provisions - rehabilitation of dumping site - Contingent liabilities

|                                | Opening Balance | Interest costs | Change in discount factor | Closing Balances |
|--------------------------------|-----------------|----------------|---------------------------|------------------|
| Rehabilitation of dumping-site | 23 862 903      | 2 426 952      | (1 589 242)               | 24 700 613       |

#### Reconciliation of provisions - rehabilitation of dumping site - 2024

|                              | Opening Balance | Interest costs | Change in discount factor | Closing Balance |
|------------------------------|-----------------|----------------|---------------------------|-----------------|
| Environmental rehabilitation | 43 374 304      | 2 430 980      | (21 942 381)              | 23 862 903      |

The dumping site rehabilitation is created for the rehabilitation of the current operational site which is evaluated at each year end to reflect the best estimate at reporting date. The site under consideration is at Giyani Section C landfill site.

The 2025 discounted value of the dumping site closure provision of R 24 700 613, compared to the provision of R 23 862 903 in the previous financial year. Composition of this change relate to changes in the CPI, discount rate and unit costs. The interest charged was R 2 426 952.69 relating to the assessment, as a result the provision increased.

The dumping site closure provision is calculated as the net present value of future cash flows based on the expected remaining life of the dumping site and based on the size of the area that had been used for waste disposal as at 30 June 2025.

Provision for dumping site is assessed at the end of financial period.

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|--|--------------------|--------------------|
| <b>18. Payables from exchange transactions</b> |                    |                    |
| Trade payables                                 | 21 341 103         | 14 071 568         |
| Retentions                                     | 42 915 012         | 46 917 240         |
| Accrued leave pay                              | 23 599 837         | 22 345 278         |
| Accrued 13th cheque                            | 4 261 955          | 3 866 273          |
| Payroll Creditors                              | 776 803            | 497 074            |
| Accruals                                       | 25 528 642         | 15 377 578         |
| Unspecified direct deposits                    | 3 846 990          | 1 880 080          |
| Debtors with credit balances                   | 1 964 999          | 1 871 714          |
| Accrued overtime                               | 2 401 956          | 3 039 925          |
| VAT payable                                    | 24 520 078         | 23 990 855         |
|  | <b>151 157 375</b> | <b>133 857 585</b> |
| <b>19. Service charges</b>                     |                    |                    |
| Refuse removal                                 | 12 427 071         | 9 062 713          |
| Cemeteries                                     | 276 968            | 259 249            |
|  | <b>12 704 039</b>  | <b>9 321 962</b>   |
| <b>20. Construction contracts</b>              |                    |                    |
| Current year Receipts                          | 18 029 000         | 32 220 000         |
| Conditions met - transferred to revenue        | (18 029 000)       | (32 220 000)       |
|  | -                  | -                  |

The allocation was used to address the electrification backlog of villages. After the completion, projects are handed over to Eskom.

### Contract revenue recognised

The municipality recognised contract revenue of R18 029 000 (2023/24: R32 220 000) for the 2024/25 financial year relating to the construction of electrification work in progress funded by the Department of Mineral and Energy.

### Methods used to determine contract revenue

Contract revenue is determined based on costs incurred for obtaining goods and services from suppliers and sub-contractors engaged in the construction of bulk electrification infrastructure. These costs reflect the value of work completed in accordance with the terms of the funding agreements.

### Methods used to determine stage of completion

The stage of completion of contract in progress is determined using progress reports, where actual construction costs incurred to date are compared to the total contract amounts together with the technical reports prepared by the consultants.

### Contracts in progress at reporting date

### Aggregate costs incurred and recognised surpluses

The aggregate amount of costs incurred and recognised under surplus to date is R2 103 510.78 (2023/24: R911 205.89)

### Advances received

No advances were received for the electrification projects during the period

### Retentions

No retentions are withheld by the Department of Mineral and Energy in favour of the municipality

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## Notes to the Audited Annual Financial Statements

| Figures in Rand   | 2025              | 2024              |
|---|-------------------|-------------------|
| <b>21. Rental of facilities and equipment</b>                     |                   |                   |
| <b>Premises</b>   |                   |                   |
| Community facilities  | 199 411           | 106 883           |
| Housing rental  | 91 212            | 86 988            |
|   | <b>290 623</b>    | <b>193 871</b>    |
| <b>Facilities and equipment</b>                                   |                   |                   |
| Rental of facilities  | 351 088           | 79 940            |
|   | <b>641 711</b>    | <b>273 811</b>    |
| <b>22. Interest received on overdue accounts (other services)</b> |                   |                   |
| Interest received (other services)                                | 6 491 760         | 3 992 553         |
| <b>23. Agency services</b>  |                   |                   |
| Water and Sewer   | 508 248           | 557 560           |
| <b>24. Licenses and permits</b>                                   |                   |                   |
| Licenses and permits - motor vehicles                             | 7 269 529         | 7 164 402         |
| Business licenses   | 251 328           | 143 328           |
|   | <b>7 520 857</b>  | <b>7 307 730</b>  |
| <b>25. Gains on provisions</b>                                    |                   |                   |
| Gain on provision for rehabilitation site                         | -                 | 19 511 409        |
| Gain on provision for leave                                       | -                 | 983 000           |
| Debt impairment reversal  | 25 306 457        | -                 |
|   | <b>25 306 457</b> | <b>20 494 409</b> |
| <b>26. Recoveries</b>   |                   |                   |
| VBS refund  | 28 505 325        | -                 |
| Insurance claim   | 932 165           | -                 |
|   | <b>29 437 490</b> | <b>-</b>          |
| <b>27. Actuarial gains</b>  |                   |                   |
| Actuarial gains on PEMA and LSA                                   | 253 000           | 2 882 000         |
| <b>28. Gains on disposal of assets</b>                            |                   |                   |
| Gain on disposal of assets  | -                 | 545 223           |



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| Figures in Rand                           | 2025              | 2024              |
|---|-------------------|-------------------|
| <b>29. Other income</b>                   |                   |                   |
| Advertisements                            | 202 598           | 194 080           |
| Application fees                          | 196 996           | 116 721           |
| Building plans                            | 160 412           | 146 151           |
| Clearance certificates                    | 23 605            | 5 809             |
| Confirmation letters                      | 124 053           | 154 111           |
| Erection of tombstones                    | 137 661           | -                 |
| Escort fees                               | 14 513            | 6 910             |
| Library fees                              | 1 253             | 974               |
| Recoveries                                | 6 231             | 3 477             |
| Sale of grave plots                       | 221 522           | 151 685           |
| Sale of property                          | 30 812            | -                 |
| Sale of refuse bins                       | 26 053            | 44 879            |
| Tender documents                          | 553 320           | 1 973 874         |
| Transfer and registration                 | 317 785           | 61 267            |
| Usage of dumping site                     | 1 219 506         | -                 |
| Sundry income                             | 380 033           | -                 |
|   | <b>3 616 353</b>  | <b>2 859 938</b>  |
| <b>30. Interest received - investment</b> |                   |                   |
| <b>Interest revenue</b>                   |                   |                   |
| Bank                                      | 8 238 431         | 8 912 315         |
| Call accounts                             | 17 614 541        | 16 666 864        |
|   | <b>25 852 972</b> | <b>25 579 179</b> |

The Municipality has invested the VAT recoveries for the financial year under review in the Call account, which earned higher interest than a normal operating account.

The municipality maintained a positive bank balance in its bank accounts which earned interest

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| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 31. Property rates

#### Rates received

|                          |                   |                   |
|--------------------------|-------------------|-------------------|
| Residential              | 21 742 544        | 20 605 740        |
| Commercial               | 27 546 895        | 26 602 710        |
| State                    | 35 315 379        | 37 568 037        |
| Small holdings and farms | 30 279            | 655 826           |
| NPO                      | -                 | 88                |
| Industrial               | 1 207 494         | 1 407 349         |
|                          | <b>85 842 591</b> | <b>86 839 750</b> |

#### Valuations

|  |                      |                      |
|--|----------------------|----------------------|
| Residential  | 2 956 484 800        | 2 824 421 800        |
| Commercial   | 709 653 000          | 709 243 000          |
| State  | 760 476 000          | 636 306 000          |
| Institutes   | 32 842 000           | 32 842 000           |
| Agricultural   | 5 230 000            | 5 230 000            |
| Municipal and Public open space  | 161 089 000          | 161 019 000          |
| Public service infrastructure  | 452 000              | 452 000              |
| Industrial   | 129 746 000          | 129 042 000          |
| Churches   | 46 611 000           | 43 749 000           |
| Inconsistent with or in contravention of the permitted use of the property | 2 612 000            | 2 612 000            |
|  | <b>4 805 195 800</b> | <b>4 544 916 800</b> |

The valuation of land and buildings are performed every 5 years in terms of the Municipal Property Rates Act.

The municipality appointed a Municipal Valuer to compile the General Valuation Roll for implementation in the 2020-2025 financial years and to cause the Supplementary Valuation Roll in terms of section 78 of the Municipal Property Rates Act.

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| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 32. Government grants & subsidies

#### Operating grants

|   |                    |                    |
|---|--------------------|--------------------|
| Equitable share   | 396 848 000        | 376 486 000        |
| Expanded Public Works Program (EPWP)                            | 3 648 000          | 3 151 000          |
| Finance Management Grant (FMG)                                  | 2 400 000          | 2 400 000          |
| Local Government Sector Education & Training Authority (LGSETA) | 337 498            | 301 675            |
| Municipal Disaster Relief Grant (MDRG)                          | 2 334              | 7 997 432          |
|   | <b>403 235 832</b> | <b>390 336 107</b> |

#### Capital grants

|   |                    |                    |
|---|--------------------|--------------------|
| Municipal Infrastructure Grant (MIG)                      | 71 162 999         | 80 990 997         |
| Energy Efficiency and Demand Side Management Grant (EEDG) | 4 000 000          | -                  |
|   | <b>75 162 999</b>  | <b>80 990 997</b>  |
|   | <b>478 398 831</b> | <b>471 327 104</b> |

Government Grants and Subsidies consist of Conditional and Non conditional grants.

Non-conditional grants - No conditions are required for the municipality to meet on these category of grants. The following are non -conditional grants:

Equitable Share and EEDG

Conditional grants - Conditions are needed to be met after receiving these particular grants. The following are conditional grants:

EPWP, FMG, MDRG and MIG

Where conditions were not met, grants will remain as liabilities under Unspent conditional grants and receipts note 15.

Below are reconciliations of conditional grants:

#### Municipal Infrastructure Grant (MIG)

|   |              |              |
|---|--------------|--------------|
| Balance unspent at beginning of year    | -            | 258 759      |
| Not approved by National Treasury       | -            | (258 759)    |
| Current-year receipts                   | 71 163 000   | 80 991 000   |
| Conditions met - transferred to revenue | (71 163 000) | (80 991 000) |
|   | <b>-</b>     | <b>-</b>     |

#### Expanded Public Works Program (EPWP)

|   |             |             |
|---|-------------|-------------|
| Current-year receipts                   | 3 648 000   | 3 151 000   |
| Conditions met - transferred to revenue | (3 648 000) | (3 151 000) |
|   | <b>-</b>    | <b>-</b>    |

#### Municipal Disaster Relief Grant

|   |          |              |
|---|----------|--------------|
| Balance unspent at beginning of year    | 2 333    | 3 500 000    |
| Current-year receipts                   | -        | 4 500 000    |
| Conditions met - transferred to revenue | (2 333)  | (7 997 667)  |
|   | <b>-</b> | <b>2 333</b> |

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## Notes to the Audited Annual Financial Statements

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|---|--------------------|--------------------|
| <b>Finance Management Grant (FMG)</b>   |                    |                    |
| Current-year receipts   | 2 400 000          | 2 400 000          |
| Conditions met - transferred to revenue   | (2 400 000)        | (2 400 000)        |
|   | -                  | -                  |
| <b>Energy Efficiency and Demand Side Management Grant (EEDG)</b>  |                    |                    |
| Current-year receipts   | 4 000 000          | -                  |
| Conditions met-transferred to revenue   | (4 000 000)        | -                  |
|   | -                  | -                  |
| <b>33. Traffic fines</b>  |                    |                    |
| Traffic fines issued  | 1 635 360          | 899 042            |
| Vehicle pounding  | 377 586            | -                  |
|   | <b>2 012 946</b>   | <b>899 042</b>     |
| <b>34. Interest-overdue accounts (property rates)</b>   |                    |                    |
| Interest on overdue accounts (Property rates)   | 44 408 998         | 40 708 966         |
| The culture of non-payment still persist at the municipality hence the interest on overdue accounts still increase. |                    |                    |
| <b>35. Public contributions and donations</b>   |                    |                    |
| Department of CoGHSTA   | 14 246 788         | 28 368 394         |
| During the year land parcels were donated and registered in the name of the municipality through donation.          |                    |                    |
| <b>36. Revenue</b>  |                    |                    |
| Service charges   | 12 704 039         | 9 321 962          |
| Construction contracts  | 18 029 000         | 32 220 000         |
| Rental of facilities and equipment  | 641 711            | 273 811            |
| Interest received on overdue accounts (other services)  | 6 491 760          | 3 992 553          |
| Agency services   | 508 248            | 557 560            |
| Licenses and permits  | 7 520 857          | 7 307 730          |
| Gains on provisions   | 25 306 457         | 20 494 409         |
| Recoveries  | 29 437 490         | -                  |
| Actuarial gains   | 253 000            | 2 882 000          |
| Gain on assets disposal   | -                  | 545 223            |
| Other income  | 3 616 353          | 2 859 938          |
| Interest received - investment  | 25 852 972         | 25 579 179         |
| Property rates  | 85 842 591         | 86 839 750         |
| Traffic fines   | 2 012 946          | 899 042            |
| Interest-overdue accounts (property rates)  | 44 408 998         | 40 708 966         |
| Government grants & subsidies   | 478 398 831        | 471 327 104        |
| Donations received  | 14 246 788         | 28 368 394         |
|   | <b>755 272 041</b> | <b>734 177 621</b> |

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## Notes to the Audited Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
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|-----------------|------|------|

### 36. Revenue (continued)

**The amount included in revenue arising from exchanges of goods or services are as follows:**

|  |                    |                    |
|--|--------------------|--------------------|
| Service charges  | 12 704 039         | 9 321 962          |
| Construction contracts                                 | 18 029 000         | 32 220 000         |
| Rental of facilities and equipment                     | 641 711            | 273 811            |
| Interest received on overdue accounts (other services) | 6 491 760          | 3 992 553          |
| Agency services  | 508 248            | 557 560            |
| Licenses and permits                                   | 7 520 857          | 7 307 730          |
| Gains on provisions                                    | 25 306 457         | 20 494 409         |
| Recoveries   | 29 437 490         | -                  |
| Actuarial gains  | 253 000            | 2 882 000          |
| Gain on assets disposal                                | -                  | 545 223            |
| Other income   | 3 616 353          | 2 859 938          |
| Interest received - investment                         | 25 852 972         | 25 579 179         |
|  | <b>130 361 887</b> | <b>106 034 365</b> |

**The amount included in revenue arising from non-exchange transactions is as follows:**

#### **Taxation revenue**

|   |            |            |
|---|------------|------------|
| Property rates                                | 85 842 591 | 86 839 750 |
| Traffic fines                                 | 2 012 946  | 899 042    |
| Interest on overdue accounts (Property rates) | 44 408 998 | 40 708 966 |

#### **Transfer revenue**

|                                    |                    |                    |
|------------------------------------|--------------------|--------------------|
| Government grants & subsidies      | 478 398 831        | 471 327 104        |
| Public contributions and donations | 14 246 788         | 28 368 394         |
|                                    | <b>624 910 154</b> | <b>628 143 256</b> |

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## Notes to the Audited Annual Financial Statements

| Figures in Rand   | 2025               | 2024               |
|---|--------------------|--------------------|
| <b>37. Employee related costs</b>                           |                    |                    |
| Acting allowances   | 79 976             | 56 721             |
| Bargain council   | 46 980             | 42 493             |
| Basic   | 123 093 364        | 111 106 366        |
| Car allowance   | 13 903 635         | 13 273 712         |
| Cellphone Allowance   | 1 097 787          | 1 039 213          |
| Clothing Allowance  | 15 000             | 20 000             |
| Danger allowance  | 379 563            | 366 762            |
| Defined contribution plans                                  | 19 872 671         | 18 233 117         |
| Housing benefits and allowances                             | 411 482            | 396 705            |
| Leave and bonus provision                                   | 1 613 419          | -                  |
| Leave pay   | 928 321            | 1 167 930          |
| Long-service awards   | 646 788            | 1 744 637          |
| Long Service Awards and Post Employee Medical Aid provision | 4 433 000          | 6 960 000          |
| Medical aid - company contributions                         | 8 916 251          | 7 800 259          |
| Night Shift   | 332 644            | 328 663            |
| Overtime payments   | 6 296 980          | 6 744 729          |
| Rural Allowance   | 189 025            | 223 877            |
| Skills Development Levy                                     | 1 404 341          | 1 301 835          |
| Unemployment Insurance Fund                                 | 738 332            | 703 471            |
| Standby allowance   | 132 741            | 178 542            |
| Compensation Commission                                     | 1 603 194          | 1 413 396          |
| 13th Cheques  | 8 257 345          | 7 523 321          |
|   | <b>194 392 839</b> | <b>180 625 749</b> |

### Remuneration of Accounting Officer

|   |                  |                  |
|---|------------------|------------------|
| Annual Remuneration                             | 1 242 143        | 1 077 340        |
| Rural Allowance                                 | 41 848           | 41 948           |
| Car Allowance                                   | 108 000          | 108 000          |
| Contributions to UIF, Medical and Pension Funds | 16 552           | 12 727           |
| Subsistence and Travelling                      | 103 948          | 44 446           |
| Cellphone Allowance                             | 24 000           | 24 000           |
| Back-pay  | 247 047          | 2 897            |
| Non-pensionable allowance                       | 20 340           | 20 340           |
|   | <b>1 803 878</b> | <b>1 331 698</b> |

Mr VD Khoza was the Accounting Officer for the year ended 30 June 2025 .

### Remuneration of chief finance officer

|   |                  |                  |
|---|------------------|------------------|
| Annual Remuneration                             | 722 519          | 683 581          |
| Rural Allowance                                 | 43 504           | 40 456           |
| Car Allowance                                   | 390 000          | 344 334          |
| Contributions to UIF, Medical and Pension Funds | 11 331           | 10 948           |
| Subsistence and Travelling                      | 139 016          | 84 149           |
| Cellphone Allowance                             | 16 800           | 16 800           |
| Back-pay  | 38 882           | 67 653           |
| Non-pensionable allowance                       | 20 340           | 20 340           |
|   | <b>1 382 392</b> | <b>1 268 261</b> |

Mr F Nkuna was the Chief Finance Officer for the year ended 30 June 2025, until his resignation on the 31 July 2025.

### Remuneration of Directors-Corporate & Shared Services

|                     |         |         |
|---------------------|---------|---------|
| Annual Remuneration | 529 102 | 404 034 |
|---------------------|---------|---------|

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|---|------------------|----------------|
| <b>37. Employee related costs (continued)</b>   |                  |                |
| Car Allowance                                   | 250 000          | 110 000        |
| Cellphone Allowance                             | 15 000           | 8 400          |
| Contributions to UIF, Medical and Pension Funds | 9 706            | 6 727          |
| Subsistence & Travelling                        | 96 777           | 41 741         |
| Rural Allowance                                 | 31 164           | 21 122         |
| Leave pay                                       | -                | 67 808         |
| Acting Allowance                                | 9 090            | -              |
| Backpay   | 163 435          | 78 504         |
| Non-pensionable allowance                       | 16 950           | 11 865         |
|   | <b>1 121 224</b> | <b>750 201</b> |

Mr M.F Rapelego was appointed as the Acting Director on the position from 1 January 2024 to 31 August 2024 and subsequently appointed on a permanent basis in September 2024.

### Remuneration of Director Technical Services

|   |                |                  |
|---|----------------|------------------|
| Annual Remuneration                             | 161 268        | 811 855          |
| Rural Allowance                                 | 7 251          | 41 682           |
| Car Allowance                                   | 20 000         | 240 000          |
| Contributions to UIF, Medical and Pension Funds | 2 901          | 24 133           |
| Cellphone Allowance                             | 2 800          | 16 800           |
| Subsistence & Travelling                        | 10 411         | 63 299           |
| Backpay   | 38 882         | 82 705           |
| Non-pensionable allowance                       | 3 390          | 20 340           |
| Leave pay                                       | 69 607         | -                |
| Acting allowance                                | 3 896          | -                |
|   | <b>320 406</b> | <b>1 300 814</b> |

Mr. RH Mashamba was the Director for Technical Services up to 31 August 2024. Mr NT Mahani was appointed to act from 01 September 2024 to 31 March 2025. Mr. DL Mathonsi was appointed to act from 01 of April 2025 to 30 June 2025.

Ms. B Mashele was subsequently appointed as the Director Technical Services on permanent basis from the 1st of July 2025.

### Remuneration of Director Strategic Planning and LED

|   |                |                  |
|---|----------------|------------------|
| Annual Remuneration                             | 420 768        | 710 397          |
| Car Allowance                                   | 135 000        | 296 141          |
| Rural Allowance                                 | 21 752         | 41 681           |
| Contributions to UIF, Medical and Pension Funds | 6 795          | 48 452           |
| Cellphone Allowance                             | 8 400          | 16 800           |
| Subsistence & Travelling                        | 55 084         | 129 971          |
| Backpay   | 38 883         | 82 705           |
| Leave pay                                       | 85 386         | -                |
| Non-pensionable allowance                       | 10 170         | 20 340           |
| Performance bonus                               | -              | 65 257           |
|   | <b>782 238</b> | <b>1 411 744</b> |

The contract of Ms. KV Sithole ended on 31 December 2024. Mr NJ Nkuna was appointed as the Acting Director from 01 January 2025 to 30 June 2025.

Ms. T Mahatlani was appointed as the Director for Planning & Local Economic Development on permanent basis from the 1st of July 2025.

### Remuneration of Director Community Services

|                     |         |         |
|---------------------|---------|---------|
| Annual Remuneration | 817 519 | 806 103 |
| Car Allowance       | 300 000 | 212 000 |

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## Notes to the Audited Annual Financial Statements

| Figures in Rand                                 | 2025             | 2024             |
|---|------------------|------------------|
| <b>37. Employee related costs (continued)</b>   |                  |                  |
| Rural Allowance                                 | 43 504           | 37 087           |
| Contributions to UIF, Medical and Pension Funds | 11 607           | 26 118           |
| Cellphone Allowance                             | 16 800           | 16 800           |
| Non-pensionable allowance                       | -                | 1 074            |
| Subsistence & Travelling                        | 115 498          | 102 167          |
| Backpay   | 38 881           | 137 092          |
|   | <b>1 343 809</b> | <b>1 338 441</b> |

Ms RT Chabalala was the Director Community Services for the period under review.

### 38. Remuneration of councilors

|            |                   |                   |
|------------|-------------------|-------------------|
| Mayor      | 1 142 836         | 1 003 681         |
| Speaker    | 923 665           | 812 867           |
| Councilors | 26 828 240        | 23 692 387        |
| Chief Whip | 869 544           | 765 165           |
| SDL        | 236 619           | 205 950           |
|            | <b>30 000 904</b> | <b>26 480 050</b> |

### In-kind benefits

The Mayor, Speaker, Chief Whip and Three Executive Committee Members are full-time (Head of Finance, Head of Corporate and Shared Services and Head of Infrastructure Portfolios). The Mayor, Speaker and Chief Whip are provided offices and secretarial support at the cost of the Council.

The Mayor and the Speaker each have the use of separate Council owned vehicles for official duties.

### 39. Depreciation and amortisation

|                               |                   |                   |
|-------------------------------|-------------------|-------------------|
| Property, plant and equipment | 92 802 568        | 92 177 273        |
| Investment property           | 77 990            | 91 044            |
| Intangible assets             | 4 632 328         | 2 837 918         |
|                               | <b>97 512 886</b> | <b>95 106 235</b> |

### 40. Impairment loss

#### Impairments

|                               |           |           |
|-------------------------------|-----------|-----------|
| Property, plant and equipment | 7 731 630 | 8 469 274 |
|-------------------------------|-----------|-----------|

### 41. Finance costs

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| Interest on late payments           | 3 474 963        | 3 122 786        |
| Interest on compensation commission | -                | 123 793          |
| Rehabilitation of dumping site      | 2 426 953        | 2 112 329        |
|                                     | <b>5 901 916</b> | <b>5 358 908</b> |

### 42. Lease rentals on operating lease

#### Equipments

|                     |           |           |
|---------------------|-----------|-----------|
| Contractual amounts | 1 925 234 | 2 011 139 |
|---------------------|-----------|-----------|



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| Figures in Rand                                       | 2025               | 2024              |
|---|--------------------|-------------------|
| <b>43. Debt impairment</b>                            |                    |                   |
| Services  | 106 112 983        | 86 900 972        |
| Traffic fines   | 1 007 250          | 834 600           |
|   | <b>107 120 233</b> | <b>87 735 572</b> |
| <b>44. Bad debts written off</b>                      |                    |                   |
| Bad debts written off                                 | 25 306 457         | -                 |
| <b>45. Contracted services</b>                        |                    |                   |
| Infrastructure Services                               | 2 907 865          | 6 098 891         |
| Electrical Services                                   | 19 263 135         | 56 377 914        |
| Business and advisory services                        | 25 458 406         | 22 984 915        |
| Other Contractors                                     | 5 123 622          | 7 423 154         |
|   | <b>52 753 028</b>  | <b>92 884 874</b> |
| <b>46. Transfer and subsidies</b>                     |                    |                   |
| SMME support  | 1 600 000          | 1 500 000         |
| <b>47. Loss on assets written off</b>                 |                    |                   |
| Loss on assets written off                            | 2 643 111          | 2 419 156         |
| <b>48. Damaged and Obsolete inventory written off</b> |                    |                   |
| Damaged and Obsolete inventory written off            | 341                | 39 553            |
| <b>49. Repairs and maintenance</b>                    |                    |                   |
| Landscaping   | 303 305            | 51 500            |
| Equipment   | 33 045             | 59 403            |
| Cemeteries  | 16 000             | -                 |
| Vehicles  | 1 101 386          | 1 428 649         |
| Machinery   | 7 192 808          | 10 184 776        |
| Free Burial Services                                  | 6 957              | 43 000            |
|   | <b>8 653 501</b>   | <b>11 767 328</b> |

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| Figures in Rand                    | 2025               | 2024              |
|------------------------------------|--------------------|-------------------|
| <b>50. General expenses</b>        |                    |                   |
| Accommodations                     | 9 416 434          | 4 622 374         |
| Advertising                        | 2 418 763          | 1 513 335         |
| Auditors remuneration              | 6 043 142          | 5 465 477         |
| Bank charges                       | 326 421            | 347 554           |
| Cleaning                           | 1 437 720          | 1 210 611         |
| Community development and training | 9 915 668          | 9 114 760         |
| Consumables                        | 4 577 059          | 7 251 714         |
| Donations                          | 705 710            | -                 |
| Electricity                        | 4 041 640          | 2 078 360         |
| Free basis electricity             | 11 232 336         | 10 879 181        |
| Fuel and oil                       | 9 638 963          | 8 488 093         |
| Gifts                              | 534 158            | 70 531            |
| Hire                               | 1 975 392          | 1 394 224         |
| Insurance                          | 2 848 736          | 2 237 086         |
| Bursaries                          | 708 406            | 867 658           |
| IT expenses                        | 3 213 687          | 2 521 754         |
| Legal services                     | 15 491 589         | 4 124 926         |
| Mayor's tournament                 | -                  | 66 180            |
| Motor vehicle expenses             | 360 534            | 244 728           |
| Postage and courier                | 1 767              | 2 322             |
| Printing and stationery            | 734 754            | 563 722           |
| Protective clothing                | 2 975 148          | 1 625 634         |
| Seating allowance                  | 3 913 754          | 3 852 697         |
| Subscriptions and membership fees  | 5 108 293          | 3 923 862         |
| Telephone and fax                  | 253 231            | 484 902           |
| Travel - local                     | 6 924 637          | 6 426 647         |
| Uniforms                           | 121 328            | 847 680           |
| Sports achievements awards         | 453 444            | -                 |
|                                    | <b>105 372 714</b> | <b>80 226 012</b> |
| <b>51. Auditors' remuneration</b>  |                    |                   |
| Fees                               | 6 043 142          | 5 465 477         |

# Greater Giyani Municipality

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## Notes to the Audited Annual Financial Statements

| Figures in Rand                              | 2025               | 2024               |
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| <b>52. Cash generated from operations</b>    |                    |                    |
| Surplus                                      | 114 357 247        | 139 553 771        |
| <b>Adjustments for:</b>                      |                    |                    |
| Depreciation and amortisation                | 97 512 886         | 95 106 235         |
| Obsolete and damaged inventory written off   | 341                | 39 553             |
| Loss on assets written off                   | 2 643 111          | 2 419 156          |
| Actuarial gains                              | (253 000)          | (2 882 000)        |
| Gain on disposal                             | -                  | (545 223)          |
| Donations received                           | (14 246 788)       | (28 368 394)       |
| Donations paid                               | 705 710            | -                  |
| Gains on provision                           | (25 306 457)       | -                  |
| Reversal of impairments                      | 7 731 630          | 8 469 274          |
| Debt impairment                              | 107 120 233        | 87 735 572         |
| Bad debts written off                        | 25 306 457         | -                  |
| Movements in retirement benefit              | 4 607 000          | 7 232 000          |
| Movements in provisions                      | 837 710            | (19 511 401)       |
| <b>Changes in working capital:</b>           |                    |                    |
| Inventories                                  | 142 976            | (434 374)          |
| Receivables from exchange transactions       | (14 400 304)       | (18 331 877)       |
| Other receivables from exchange transactions | (10 159 094)       | (19 604 440)       |
| Receivables from non-exchange transactions   | (90 112 515)       | (63 446 797)       |
| Payables from exchange transactions          | 24 848 947         | 4 178 092          |
| Unspent conditional grants and receipts      | (2 333)            | (3 756 429)        |
| Deferred income                              | 1 634 835          | 418 720            |
|  | <b>232 968 592</b> | <b>188 271 438</b> |

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## Notes to the Audited Annual Financial Statements

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### 53. Commitments

#### Authorised capital expenditure

##### Contract approved and some services have been rendered

|                       |                   |                   |
|-----------------------|-------------------|-------------------|
| • Infrastructure      | 51 746 408        | 64 096 167        |
| • Community           | 6 417 881         | 6 840 590         |
| • Buildings           | 1 062 592         | 2 539 909         |
| • Electricity         | 572 940           | -                 |
| • Investment property | 1 480 692         | -                 |
|                       | <b>61 280 513</b> | <b>73 476 666</b> |

##### Contract approved but where services have not been rendered

|                       |                   |                  |
|-----------------------|-------------------|------------------|
| • Infrastructure      | 48 361 915        | -                |
| • Electricity         | -                 | 1 185 337        |
| • Community           | 2 484 383         | -                |
| • Investment property | 11 071 011        | -                |
|                       | <b>61 917 309</b> | <b>1 185 337</b> |

#### Total capital commitments

|   |                    |                   |
|---|--------------------|-------------------|
| Already contracted for but not provided for                 | 61 280 513         | 73 476 666        |
| Not yet contracted for and authorised by accounting officer | 61 917 309         | 1 185 337         |
|   | <b>123 197 822</b> | <b>74 662 003</b> |

#### Total commitments

##### Total commitments

|                                |             |            |
|--------------------------------|-------------|------------|
| Authorised capital expenditure | 123 197 822 | 74 662 003 |
|--------------------------------|-------------|------------|

#### Operating leases - as lessee (expense)

Operating lease payments represent rentals payable by the municipality with a minimum lease payments of R 1 017 699,24 (2025) (R 864 065.63: 2024) for photocopiers and radiophones(R 65 148) 2025 (R 69 148) (2024). Contingent rent is payable on the number of copies made for the month.

#### Rental expenses relating to operating leases

|                      |                  |                  |
|----------------------|------------------|------------------|
| Contractual payments | 1 281 233        | 1 016 957        |
| Contingent rents     | 644 001          | 994 922          |
|                      | <b>1 925 234</b> | <b>2 011 879</b> |

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### 54. Contingencies

The municipality has various claims of legal disputes with suppliers that are subject to mediation or legal process.

There is a possibility that the municipality will make some disbursement in the future, but the timing of the payments cannot be reliably estimated.

The table below indicates the details of the claims:

#### Case Description

|   |                   |                   |
|---|-------------------|-------------------|
| Mpongwa Heseke Emmanuel vs GGM. The plaintiff is suing the Municipality for damages he suffered as result of rain   | 1 000 000         | 1 000 000         |
| Dane Projects vs GGM. The municipality is being sued for outstanding invoices for work done.  | -                 | 7 140 000         |
| Lunnick Base Khoza vs GGM. The municipality is sued for damage to a car accident owing to its failure to fix potholes   | 66 531            | 66 531            |
| GGM vs TR construction & plant hire. The municipality is being sued for the claim of payment for the work allegedly done whilst claimant was a subcontractor. | 1 863 598         | 1 863 598         |
| PGN Civils (Pty) Ltd vs GGM. The municipality is being sued for outstanding invoices for work done  | 1 186 328         | 1 186 328         |
| Rev Dr Mafrecha F Chabalala vs GGM Land dispute   | -                 | 1 600 000         |
| SIDA Consulting & Projects (Pty) Ltd//GGM - Contractual dispute   | 1 658 578         | 1 658 578         |
| Mashimbye Witness//GGM  | 400 000           | 400 000           |
| Kulani Ngoveni vs GGM - Civil suit against GGM  | 38 757            | 38 757            |
| Maselesele//GGM The matter arose as a land dispute where Plaintiff is accusing the municipality of trespassing and removing belongings                        | -                 | 180 000           |
| Moses Tembe vs GGM-The matter arose as a land dispute where plaintiff is occupying municipal land.  | -                 | -                 |
| Mahomane Vinah. Civil claims for bodily injuries caused by an open electrical cable   | 2 000 000         | -                 |
| Thuso Financial Consultants. Service provider disputed SLA.   | 923 300           | -                 |
| Arocon vs GGM - The service provider is of the view that the municipality owes them money for expenses incurred by them on site without approval              | 2 451 027         | -                 |
| Setlwana Kamogelo Remand vs GGM - civil matter, inquiry into the transfer of the deceased estate.   | 200 000           | -                 |
| Caroline Manamela vs GGM  | 46 000            | -                 |
|   | <b>11 834 119</b> | <b>15 133 792</b> |

#### Contingent assets

|   |           |           |
|---|-----------|-----------|
| GGM vs Former MM. Recovery for fruitless and wasteful expenditure | 2 793 037 | 2 793 037 |
|---|-----------|-----------|

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55. Related parties

|                           |   |
|---------------------------|---|
| Relationships             |   |
| Accounting Officer        | Refer to accounting officers' report page 9 4   |
| Councillors               | Refer to general information on page 1 to 2   |
| Members of key personnel  | Refer to note 35  |
| Members of key management | Mr VD Khoza was the Accounting Officer during the year under review.<br>Mr F Nkuna was the CFO during the year under review and subsequently resigned on the 31 July 2025.<br>Mr. MF Rapelego was appointed as the Director Corporate and Shared Services from 01 September 2024<br>Mr RH Mashamba was the director Technical services up to 31 August 2024 when his contract expired and Mr NT Mahani was appointed as the acting director from 01 September 2024 and Mr DL Mathonsi was appointed as the acting director from 01 April 2025 to 30 June 2025.<br>Ms K V Sithole was the Director Strategic Planning and LED up to 31 December 2024 when her contract expired and Mr. NJ Nkuna was appointed as the acting director from 01 January 2025 to 30 June 2025.<br>Ms R T Chabalala was Director Community Services during the year under review. |

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### 55. Related parties (continued)

#### Remuneration of management

#### Management class: Councilors

#### 2025

| Name                      | Basic salary | Cellphone and<br>Data | Car Allowance | SDL   | Backpay | Total     |
|---------------------------|--------------|-----------------------|---------------|-------|---------|-----------|
| Cllr. T Zitha             | 722 254      | 47 004                | 240 751       | 8 870 | 132 825 | 1 151 704 |
| Cllr. AE Mboweni          | 577 803      | 47 004                | 192 601       | 7 190 | 106 257 | 930 855   |
| Cllr. T Makondo           | 541 857      | 47 004                | 180 619       | 6 776 | 100 064 | 876 320   |
| Cllr. RB Ngunyule Mabunda | 541 857      | 47 004                | 180 619       | 6 776 | 100 064 | 876 320   |
| Cllr. TJ Mabunda          | 541 857      | 47 004                | 180 619       | 6 776 | 100 064 | 876 320   |
| Cllr. NHP Ndaba           | 541 857      | 47 004                | 180 619       | 7 521 | 100 064 | 877 065   |
| Cllr. MR Mashale          | 302 194      | 47 004                | 100 731       | 3 986 | 55 645  | 509 560   |
| Cllr. C Baloyi            | 302 194      | 47 004                | 100 731       | 3 986 | 55 645  | 509 560   |
| Cllr. GA Maluleke         | 302 194      | 47 004                | 100 731       | 3 986 | 55 555  | 509 470   |
| Cllr. TC Zitha            | 302 194      | 47 004                | 100 731       | 4 400 | 55 555  | 509 884   |
| Cllr. TC Manganyi         | 302 194      | 47 004                | 100 731       | 4 400 | 55 555  | 509 884   |
| Cllr. RE Makondo          | 527 395      | 47 004                | 180 619       | 6 454 | 78 142  | 839 614   |
| Cllr. RN Sekgobela        | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. BA Shibambu         | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. RC Mabunda          | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. SS Mavasa           | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. NN Maswanganyi      | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. SS Mathebula        | 228 567      | 47 004                | 76 189        | 3 442 | 42 036  | 397 238   |
| Cllr. M Shiviti           | 293 328      | 47 004                | 97 778        | 3 882 | 53 948  | 495 940   |
| Cllr. GE Kobane           | -            | -                     | -             | 577   | 57 741  | 58 318    |
| Cllr. NP Mlambo           | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. XL Ngobeni          | 293 328      | 44 604                | 97 778        | 3 858 | 53 948  | 493 516   |
| Cllr. NS Monyipote        | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. VS Makamu           | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. MC Machipi          | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. MC Chabalala        | 293 328      | 47 004                | 97 778        | 3 882 | 53 948  | 495 940   |
| Cllr. RG Ngunyula         | 293 328      | 47 004                | 97 778        | 3 882 | 53 948  | 495 940   |
| Cllr. PT Mokgobi          | 293 328      | 47 004                | 97 778        | 3 882 | 53 948  | 495 940   |
| Cllr. MA Khosa            | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. TE Rikhotso         | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. MR Maluleke         | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. TE Nkuna            | 293 328      | 47 004                | 97 778        | 3 882 | 53 948  | 495 940   |
| Cllr. S Sambo             | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. SC Mahlawule        | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. TN Shirinda         | 293 328      | 47 004                | 97 778        | 3 882 | 53 948  | 495 940   |
| Cllr. PH Makhuvele        | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. TA Mathonsi         | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. NR Shilowa          | 293 328      | 47 004                | 97 778        | 3 882 | 53 948  | 495 940   |
| Cllr. RE Ngoveni          | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. KO Maswanganyi      | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. P Rikhotso          | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. JP Shibambu         | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. L Nkuna             | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. RT Mabunda          | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. E Mahasha           | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. A Rabothata         | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |
| Cllr. JN Mashele          | 293 328      | 47 004                | 97 778        | 3 882 | 53 948  | 495 940   |
| Cllr. CS Rikhotso         | 293 328      | 47 004                | 97 778        | 3 882 | 53 948  | 495 940   |
| Cllr. KS Dlamini          | 228 567      | 47 004                | 76 189        | 3 128 | 42 036  | 396 924   |

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| <b>55. Related parties (continued)</b> |                   |                  |                  |                |                  |                   |
| Cllr. MD Hlungwani                     | 228 567           | 47 004           | 76 189           | 3 128          | 42 036           | 396 924           |
| Cllr. ML Chauke                        | 228 567           | 47 004           | 76 189           | 3 128          | 42 036           | 396 924           |
| Cllr. TN Baloyi                        | 288 822           | 47 004           | 100 731          | 3 867          | 53 319           | 493 743           |
| Cllr. S Mongwe                         | -                 | -                | -                | 272            | 27 225           | 27 497            |
| Cllr. TP Mashaba                       | 228 567           | 47 004           | 76 189           | 3 128          | 42 036           | 396 924           |
| Cllr. PP Mkhari                        | 228 567           | 47 004           | 76 189           | 3 128          | 42 036           | 396 924           |
| Cllr. MS Hlongwane                     | 228 567           | 47 004           | 76 189           | 3 128          | 42 036           | 396 924           |
| Cllr. SM Mhangwane                     | 228 567           | 47 004           | 76 189           | 3 128          | 42 036           | 396 924           |
| Cllr MJ Nkuna                          | -                 | -                | -                | 272            | 27 225           | 27 497            |
| Cllr. DJ Hlongwane                     | 228 567           | 47 004           | 76 189           | 3 128          | 42 036           | 396 924           |
| Cllr. SR Nkuna                         | 228 567           | 47 004           | 76 189           | 3 674          | 30 874           | 386 308           |
| Cllr. MM Mathonsi                      | 228 567           | 44 604           | 76 189           | 3 687          | 34 594           | 387 641           |
| Cllr Ngobeni S                         | 228 567           | 32 400           | 76 189           | -              | 24 129           | 361 285           |
| Cllr. KL Ngobeni                       | 228 567           | 44 604           | 76 189           | 3 211          | 31 804           | 384 375           |
| Cllr. IN Shivambu                      | 54 612            | 11 151           | 18 204           | 1 550          | 74 695           | 160 212           |
| Cllr. MP Chaka                         | 226 805           | 47 004           | 76 189           | 3 454          | 10 639           | 364 091           |
| Cllr. Masingi JS                       | 173 954           | 35 253           | 57 985           | 2 140          | 3 233            | 272 565           |
| Cllr Mathebula MP                      | -                 | -                | -                | 173            | 17 325           | 17 498            |
| Cllr. MP Hlungwani                     | -                 | -                | -                | 272            | 27 264           | 27 536            |
|  | <b>17 640 302</b> | <b>2 891 844</b> | <b>5 889 984</b> | <b>236 604</b> | <b>3 342 170</b> | <b>30 000 904</b> |

### 2024

| Name                      | Basic salary | Cellphone and Data | Car allowance | SDL   | Backpay | Total     |
|---------------------------|--------------|--------------------|---------------|-------|---------|-----------|
| Cllr. T Zitha             | 686 073      | 46 570             | 228 691       | 7 607 | 42 348  | 1 011 289 |
| Cllr. AE Mboweni          | 548 859      | 46 570             | 182 953       | 6 185 | 34 485  | 819 052   |
| Cllr. T Makondo           | 514 556      | 46 570             | 171 519       | 5 836 | 32 521  | 771 002   |
| Cllr. RB Ngunyule Mabunda | 514 556      | 46 570             | 171 519       | 5 829 | 32 521  | 770 995   |
| Cllr. TJ Mabunda          | 514 556      | 46 570             | 171 519       | 5 829 | 32 521  | 770 995   |
| Cllr. NHP Ndaba           | 514 556      | 46 570             | 171 519       | 6 537 | 32 521  | 771 703   |
| Cllr. MR Mashale          | 287 060      | 46 570             | 95 687        | 3 483 | 19 486  | 452 286   |
| Cllr. C Baloyi            | 287 060      | 46 570             | 95 687        | 3 471 | 19 486  | 452 274   |
| Cllr. GA Maluleke         | 287 060      | 46 570             | 95 687        | 3 490 | 19 486  | 452 293   |
| Cllr. TC Zitha            | 287 060      | 46 570             | 95 687        | 3 871 | 19 486  | 452 674   |
| Cllr. TC Manganyi         | 287 060      | 46 570             | 95 687        | 3 471 | 19 486  | 452 274   |
| Cllr. RE Makondo          | 504 217      | 46 570             | 171 519       | 5 776 | 31 928  | 760 010   |
| Cllr. RN Sekgobela        | 216 492      | 46 570             | 72 372        | 2 776 | 18 919  | 357 129   |
| Cllr. BA Shibambu         | 216 492      | 46 570             | 72 372        | 2 742 | 15 478  | 353 654   |
| Cllr. RC Mabunda          | 216 492      | 46 570             | 72 372        | 2 742 | 15 478  | 353 654   |
| Cllr. SS Mavasa           | 216 492      | 46 570             | 72 372        | 2 742 | 15 478  | 353 654   |
| Cllr. NN Maswanganyi      | 216 492      | 46 570             | 72 372        | 2 742 | 15 478  | 353 654   |
| Cllr. SS Mathebula        | 216 492      | 46 570             | 72 372        | 3 040 | 15 478  | 353 952   |
| Cllr. M Shiviti           | 278 633      | 46 570             | 92 882        | 3 387 | 19 003  | 440 475   |
| Cllr. GE Kobane           | 188 305      | 42 653             | 66 304        | 2 432 | 15 478  | 315 172   |
| Cllr. NP Mlambo           | 217 117      | 46 570             | 72 372        | 2 744 | 15 478  | 354 281   |
| Cllr. XL Ngobeni          | 278 633      | 44 570             | 92 882        | 3 364 | 19 003  | 438 452   |
| Cllr. NS Monyipote        | 216 492      | 46 570             | 72 372        | 2 742 | 15 478  | 353 654   |
| Cllr. VS Makamu           | 216 492      | 46 570             | 72 372        | 2 742 | 15 478  | 353 654   |
| Cllr. MC Machipi          | 216 492      | 46 570             | 72 372        | 2 742 | 15 478  | 353 654   |
| Cllr. NC Chabalala        | 278 633      | 46 570             | 92 882        | 3 391 | 19 003  | 440 479   |
| Cllr.RG Ngunyula          | 278 633      | 46 570             | 92 882        | 3 384 | 19 003  | 440 472   |
| Cllr. PT Mokgobi          | 278 633      | 46 570             | 92 882        | 3 394 | 19 003  | 440 482   |
| Cllr. MA Khosa            | 216 492      | 46 570             | 72 372        | 2 742 | 15 478  | 353 654   |
| Cllr. TE Rikhotso         | 216 492      | 46 570             | 72 372        | 2 744 | 15 478  | 353 656   |
| Cllr. MR Maluleke         | 216 492      | 46 570             | 72 372        | 2 742 | 15 478  | 353 654   |
| Cllr. TE Nkuna            | 278 633      | 46 570             | 92 882        | 3 419 | 19 003  | 440 507   |



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| <b>55. Related parties (continued)</b> |                   |                  |                  |                |                  |                   |
| Cllr. S Sambo                          | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. SC Mahlawule                     | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. TN Shirinda                      | 278 633           | 46 570           | 92 882           | 3 384          | 19 003           | 440 472           |
| Cllr. PH Makhuvela                     | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. TA Mathosi                       | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. NR Shilowa                       | 278 633           | 46 570           | 92 882           | 3 384          | 19 003           | 440 472           |
| Cllr. RE Ngoveni                       | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. KO Maswanganyi                   | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. P Rikhotso                       | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. JP Shibambu                      | 216 492           | 46 570           | 72 372           | 2 769          | 15 478           | 353 681           |
| Cllr. L Nkuna                          | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. RT Mabunda                       | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. E Mahasha                        | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. A Rabothata                      | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. JN Mashele                       | 278 633           | 46 570           | 92 882           | 3 384          | 19 003           | 440 472           |
| Cllr. CS Rikhotso                      | 278 633           | 46 570           | 92 882           | 3 384          | 19 003           | 440 472           |
| Cllr. KS Dlamini                       | 216 492           | 46 570           | 72 372           | 2 744          | 15 478           | 353 656           |
| Cllr. MD Hlungwani                     | 216 492           | 46 570           | 72 372           | 2 744          | 15 478           | 353 656           |
| Cllr. ML Chauke                        | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. TI Rikhotso                      | 52 655            | 11 317           | 17 760           | 785            | 15 478           | 97 995            |
| Cllr. TN Baloyi                        | 286 354           | 46 570           | 95 687           | 3 432          | 16 051           | 448 094           |
| Cllr. S Mongwe                         | -                 | -                | -                | 122            | 12 161           | 12 283            |
| Cllr. TP Mashaba                       | 216 492           | 46 570           | 72 372           | 2 744          | 15 478           | 353 656           |
| Cllr. PP Mkhari                        | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. MS Hlongwane                     | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. SM Mhangwane                     | 216 492           | 46 570           | 72 372           | 2 742          | 15 478           | 353 654           |
| Cllr. MJ Nkuna                         | -                 | -                | -                | 122            | 12 161           | 12 283            |
| Cllr. DJ Hlongwane                     | 216 492           | 46 570           | 72 372           | 2 742          | 15 472           | 353 648           |
| Cllr. SR Nkuna                         | 202 914           | 42 870           | 66 526           | 3 012          | 2 211            | 317 533           |
| Cllr. MM Mathonsi                      | 216 492           | 44 570           | 72 372           | 3 244          | 5 644            | 342 322           |
| Cllr. S Ngobeni                        | 145 633           | 21 600           | 48 544           | 3 200          | -                | 218 977           |
| Cllr. KL Ngobeni                       | 216 492           | 44 570           | 72 372           | 3 234          | 4 422            | 341 090           |
| Cllr. IN Shivambu                      | 215 360           | 44 570           | 72 372           | -              | 3 200            | 335 502           |
| Cllr. MP Hlungwani                     | -                 | -                | -                | 118            | 11 785           | 11 903            |
| Cllr. MP Hlungwani                     | -                 | -                | -                | 122            | 12 161           | 12 283            |
|  | <b>16 688 069</b> | <b>2 858 070</b> | <b>5 576 707</b> | <b>205 938</b> | <b>1 151 266</b> | <b>26 480 050</b> |

### 56. Accounting by principals and agents

The municipality is a party to a principal-agent arrangement(s).

#### Mopani District Municipality

Greater Giyani Municipality and Mopani District Municipality entered into legislated arrangement under which the Greater Giyani Municipality serves as an agent and Mopani District as a Principal.

Under this arrangement, Greater Giyani Municipality performs water and sewer functions on behalf of the Mopani District, all monies earned by the Greater Giyani Municipality.

Money from water and sewer services are disclosed as a liability and any monies paid by Greater Giyani Municipality to ensure smooth running of the water and sewer functions are disclosed as a receivable by Greater Giyani Municipality. Refer to Note 10.

|                                       |         |         |
|---------------------------------------|---------|---------|
| Agency fee @ (Water 20% and Sewer 5%) | 508 248 | 557 560 |
|---------------------------------------|---------|---------|

#### Inter municipal Account

|                              |            |            |
|------------------------------|------------|------------|
| Mopani District Municipality | 42 191 820 | 39 328 586 |
|------------------------------|------------|------------|

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### 56. Accounting by principals and agents (continued)

#### Department of Transport - Limpopo

The Municipality has entered into an agreement with the Department of Transport under which the Department serves as a Principal and the Municipality as an agent.

Under this arrangement, the Municipality performs licensing functions on behalf of the department of transport and earns a commission of the total revenue collected from this services. The balance is transferred to the department of transport and other stakeholders. The following is a summary of revenue as a result of the arrangements at year end.

#### Agency fee

|   |                  |                  |
|---|------------------|------------------|
| Total collection on behalf of the principal       | 25 582 249       | 25 057 232       |
| Total amount paid or transferred to the principal | (18 311 428)     | (17 892 829)     |
|   | <b>7 270 821</b> | <b>7 164 403</b> |

Details of the arrangement(s) are as follows:

The municipality has been appointed to distribute water to local residences as distribution agent by the district municipality for which it is then entitled to a commission/agency fee for service rendered. The municipality accounts for revenue, expenditures and receivables relating to water transactions into loan account and it is disclosed under the same section of the annual financial statements. Refer to disclosure note for other receivables for full details note 10 for further reconciliation.

The municipality is entitled to 20% of the total collection

The municipality is also a party to an agreement between the municipality and the department of roads and transport to collect revenue licensing and permits. The municipality is entitled to 20% of the revenue collected.

#### Agency Expense

|                                  |   |         |
|----------------------------------|---|---------|
| Root - X - Auctioneers (Pty) Ltd | - | 235 175 |
|----------------------------------|---|---------|

The municipality has appointed Root X Auctioneers (Pty) Ltd to render auction services to auction the assets of the municipality on the 3 years basis, through a tender process. The commencement of the is 25 January 2024.

The auctioneer is liable for the expenses incurred such as security, advertisement and etc.

Commission expense / Agency fee expense is 11.5%

### 57. Risk management

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

|                                     |                    |
|-------------------------------------|--------------------|
|                                     | 2025               |
|                                     | Less than 1        |
|                                     | year               |
| Payables from exchange transactions | 102 608 113        |
|                                     | <b>102 610 138</b> |
|                                     | 2024               |
|                                     | Less than 1        |
|                                     | year               |
| Payables from exchange transactions | 85 148 568         |
| Bank overdraft                      | 1 684 163          |
|                                     | <b>86 834 755</b>  |

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### 57. Risk management (continued)

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customers.

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument                         | 2025        | 2024        |
|--|-------------|-------------|
| Cash and cash equivalents                    | 269 868 504 | 250 549 884 |
| Receivables from exchange transactions       | 53 761 845  | 50 530 509  |
| Other receivables from exchange transactions | 23 545 872  | 13 074 921  |

#### Market risk

##### Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates. At year end the financial instruments exposed to interest rate risk were as follows:

#### Financial Instruments

|                   |                    |                    |
|-------------------|--------------------|--------------------|
| ABSA Call Account | 5 619 408          | 4 775 233          |
| ABSA Call Account | 179 502 104        | 194 322 046        |
|                   | <b>185 121 512</b> | <b>199 097 279</b> |

### 58. Deviations

|  |                  |                  |
|--|------------------|------------------|
| Bowmans                                  | 1 514 407        | 128 022          |
| Sedupe @Metjia PTY (LTD) Consulting Firm | 1 491 046        | -                |
| Isaaih Nyathi                            | 108 861          | 855 250          |
| Mchwechwe (Pty) Ltd                      | 133 750          | -                |
| Mvuri Business Enterprise                | -                | 239 020          |
| Titami Business Enterprise               | 78 947           | -                |
| <b>Closing balance</b>                   | <b>3 327 011</b> | <b>1 222 292</b> |

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### 59. Fruitless and wasteful expenditure

|  |                   |                   |
|--|-------------------|-------------------|
| Opening balance as previously reported                       | 10 383 959        | 7 526 790         |
| Add: Fruitless and wasteful expenditure identified - current | 3 711 314         | 3 125 043         |
| Less: Amount written off - current                           | (4 908)           | (267 874)         |
| <b>Closing balance</b>                                       | <b>14 090 365</b> | <b>10 383 959</b> |

An amount of R 9 870.28 for 2019/2020 financial year is yet to be recovered, as per recommendation by MPAC.

An amount of R 22 455.00 is still under investigation by MPAC.

An amount of R 3 453 423 is yet to be reported to MPAC for investigation.

### Details of fruitless and wasteful expenditure

|   |                  |                  |
|---|------------------|------------------|
| Interest incurred for late payment of FBE   | -                | 493              |
| Interest incurred for late payment certificate  | -                | 1 992 979        |
| Interest incurred for late payment certificate  | -                | 102 193          |
| High Court order and interest   | -                | 11 635           |
| Interest for late payment of court award  | 3 453 423        | 2 257            |
| Interest incurred for late payment of retention claimed/court award                         | -                | 1 013 617        |
| Interest incurred for taxed costs - court award relating to Botshabelo Consulting Engineers | -                | 1 869            |
| Interest on overdraft   | 2 650            | -                |
| Interest and penalties on SARS VAT  | 18 888           | -                |
| Interest and penalties on COIDA   | 236 096          | -                |
| Interest on late payment of April 2020 MCPF   | 256              | -                |
|   | <b>3 711 313</b> | <b>3 125 043</b> |

### 60. Irregular expenditure

|  |                  |                   |
|--|------------------|-------------------|
| Opening balance as previously reported | 22 998 049       | 28 502 602        |
| Add: Irregular expenditure - current   | -                | 7 981 274         |
| Less: correction of prior year error   | -                | (1 196 000)       |
| Less: Amount written off - current     | (15 038 218)     | (12 289 827)      |
| <b>Closing balance</b>                 | <b>7 959 831</b> | <b>22 998 049</b> |

An amount of R 1 196 000 was raised by AGSA in prior year audit and it was resolved.

An amount of R 7 959 831 is still under investigation by MPAC and Financial FMB.

### Incidents/cases identified/reported in the current year include those listed below:

|   |          |                  |
|---|----------|------------------|
| PPR implementation on specific goals  | -        | 1 257 575        |
| 7 days advertisement was not done for this procurement  | -        | 5 539 029        |
| The supplier is in the services of the state and it was not declared in the service of the state. | -        | 92 860           |
| Bidders unfairly disqualified   | -        | 1 030 235        |
| Evaluation criteria was not the same  | -        | 61 575           |
|   | <b>-</b> | <b>7 981 274</b> |

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### 60. Irregular expenditure (continued)

#### Amount written-off

After the council committee investigations, council adopted the council committee recommendation to write-off an amount of - from the total irregular expenditure amount as it was proven without reasonable doubt that the amount was not recoverable and the service was delivered in accordance with contract stipulations.

|  |                   |          |
|--|-------------------|----------|
| Nkomo Upgrading from gravel to tar                               | 5 167 352         | -        |
| Giyani Stadium Section A   | 4 473 640         | -        |
| Non-implementation of Preferential Procurement Regulations, 2022 | 4 119 420         | -        |
| Meals and accomdation  | 512 418           | -        |
| Meals, Advertisement and Accomodation                            | 765 388           | -        |
|  | <b>15 038 218</b> | <b>-</b> |

### 61. Unauthorised expenditure

The municipality did not incur any unauthorised expendithure in the current year under review.

### 62. Additional disclosure in terms of Municipal Finance Management Act

#### SALGA

|                                 |          |          |
|---------------------------------|----------|----------|
| Current year subscription / fee | 46 980   | 42 549   |
| Amount paid - current year      | (46 980) | (42 549) |
|                                 | <b>-</b> | <b>-</b> |

#### Audit fees

|                                 |               |              |
|---------------------------------|---------------|--------------|
| Opening balance                 | 1 856         | -            |
| Current year subscription / fee | 6 029 566     | 5 463 621    |
| Amount paid - current year      | (6 017 846)   | (5 461 765)  |
|                                 | <b>13 576</b> | <b>1 856</b> |

#### PAYE and UIF

|                                 |              |              |
|---------------------------------|--------------|--------------|
| Current year subscription / fee | 32 264 919   | 28 626 903   |
| Amount paid - current year      | (32 264 919) | (28 626 903) |
|                                 | <b>-</b>     | <b>-</b>     |

#### Pension and Medical Aid Deductions

|                                 |              |              |
|---------------------------------|--------------|--------------|
| Current year subscription / fee | 33 573 149   | 30 553 622   |
| Amount paid - current year      | (33 573 149) | (30 553 622) |
|                                 | <b>-</b>     | <b>-</b>     |

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### 62. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Councillors' arrear consumer accounts

The following Councilors had arrear accounts outstanding for more than 90 days at 30 June 2025:

| 30 June 2025                  | Outstanding<br>less than 90<br>days | Outstanding<br>more than 90<br>days | Total  |
|-------------------------------|-------------------------------------|-------------------------------------|--------|
| Cllr. Dlamini Khanyisa Sylvia | 1 456                               | 10 027                              | 11 483 |

| 30 June 2024                  | Outstanding<br>less than 90<br>days | Outstanding<br>more than 90<br>days | Total  |
|-------------------------------|-------------------------------------|-------------------------------------|--------|
| Cllr. Dlamini Khanyisa Sylvia | 2 734                               | 24 824                              | 27 558 |

During the year the following Councilors' had arrear accounts outstanding for more than 90 days.

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### 63. Going concern

The municipality is a going concern due to the following:

#### Legislative Mandate-

It is a state entity set up by the Constitution of the Republic of South Africa to provide basic services to the community and is also funded by the state for that purpose. Failure to provide these services will prompt National Government intervention to ensure it stays functional and able to deliver basic services and consequently compliance with the Constitution.

#### Ratio Analysis

The municipality has a current ratio of 2:50 meaning that there are sufficient liquid reserves to cover their current liabilities 2 times. The readily available cash reserves of R 474 037 795 exceed total current liabilities of R189 380 427 by R 284 657 368 meaning there are sufficient reserves to cover all liabilities when they fall due leaving sufficient working capital to cover operations.

#### **1. Creditors days exceed 30 days.**

The creditors balance includes retention amount held at year end and will be released when the retention period expires.

#### **2. Overdue payments at year end are more than 2% of budgeted operating expenditure for year.**

Reconcile accounts monthly: performing monthly reconciliations of bank statements and suppliers accounts to help to identify and clear outstanding transactions before the financial year end.

#### **3. Current liabilities (excluding unspent conditional grants) exceed 10% of next year's budgeted resources.**

The municipality have appointed the debt collector to accelerate on the collection of revenue

#### **4. Debtors' days - consumer debtors exceed 30 days.**

The municipality has appointed a service provider to assist with the debt collection.

The municipality will review and implement the existing revenue enhancement strategy.

The appointed service provider and the revenue enhancement strategy will assist in revenue collection which will lead to reduction of municipal debt.

#### **5. Debtors' days - other receivables exceed 30 days.**

The municipality has appointed a service provider to assist with the debt collection.

The municipality will review and implement the existing revenue enhancement strategy.

The appointed service provider and the revenue enhancement strategy will assist in revenue collection which will lead to reduction of municipal debt.

#### **6. Debtors' impairment provision exceeds 10% of accounts receivable.**

The municipality has appointed a service provider to assist with the debt collection.

The municipality will review and implement the existing revenue enhancement strategy.

The appointed service provider and the revenue enhancement strategy will assist in revenue collection which will lead to reduction of municipal debt.

#### **7. Poor enforcement of credit control measures**

The municipality has appointed a service provider to assist with the debt collection.

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63. Going concern (continued)

The municipality will review and implement the existing revenue enhancement strategy.

The appointed service provider and the revenue enhancement strategy will assist in revenue collection which will lead to reduction of municipal debt.

8. Repairs and maintenance expenditure level is less than 8%.

The municipality will budget capital related repairs and maintenance under capital and operational as repairs and maintenance.

The municipality will unbundle all repairs and maintenance projects during the budgeting process.

Grants Allocation (per Division of Revenue Act)

Under the DORA Act the municipality has been allocated the following funds for the years 2025/26 to 2027/28.



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### 63. Going concern (continued)

| Grant  | 2025/26<br>(R '000) | 2026/27<br>(R '000) | 2027/28<br>(R '000) | TOTAL<br>(R '000) |
|--|---------------------|---------------------|---------------------|-------------------|
| Finance Management Grant (FMG)                   | 2 400               | 2 500               | 2 600               | 7 500             |
| Expanded Public Works Program (EPWP)             | 3 708               | -                   | -                   | 3 708             |
| Municipal Infrastructure Grant (MIG)             | 75 059              | 81 450              | 85 298              | 241 897           |
| Integrated National Electrification Grant        | 17 025              | 19 000              | 19 859              | 55 884            |
| Equitable Share                                  | 395 772             | 393 730             | 411 529             | 1 201 031         |
| Energy Efficiency & Demand Side Management Grant | 4 000               | -                   | 4 000               | 8 000             |
|  | <b>497 964</b>      | <b>496 680</b>      | <b>523 286</b>      | <b>1 518 020</b>  |

There is no indication of a possibility of default by the government in paying grants under the act. This is also corroborated by experience where National Treasury has met its obligations year on year and has therefore created a constructive obligation.

Part of the grants tabled above has already been paid in between July and August 2025:

- Financial Management Grant R 2 400 000,
- Municipal Infrastructure Grant R 26 870 000,
- Equitable Shares R 164 905 000,
- Expanded Public Works Programme R927 000,
- Integrated National Electrical Grant, R 7 661 000 and
- Energy Efficiency & Demand Side Management Grant R1 000 000.

### Exposure to Financial Risk

The municipality's activities expose it to a variety of financial risk: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk, however the municipality risk to liquidity is as a result of the funds available to cover future commitments, the municipality manages liquidity through an ongoing review of future commitments.

The municipality exposure to litigations is very much at minimal and prospects of winning the cases are average.

### Revenue Collection

In addition, the municipality collects revenue for services rendered and this will augment their cash flows in subsequent years, the revenue received is from the following sources:

Property Rates

Refuse Collection

Licenses and permits

Interest earned

Rental of Facilities

### Conclusion

Based on the assessment above, there are no material uncertainties that may cast significant doubt about Greater Giyani Municipality's ability to continue as a going concern, the unaudited Annual Financial Statement has been prepared based on accounting policies applicable to a going concern to accumulated surpluses of an amount of R 1 576 745 278 was realised that its total assets exceed the liabilities by same amount

### 64. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

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64. Prior-year adjustments (continued)

- 1. **Receivables from exchange transactions** - No provision was made for the auctioneer's receivable. As a result receivables from exchange transactions increased by R205 000.
- 2. **Receivables from non exchange transactions** - is due to reversal on the provision for traffic fines impaired the prior year and impairment reversal for property rates amounting to R 8 552 149.29.
- 3. **VAT receivable** - VAT receivable was apportioned between (VAT Receivable and VAT payable) and reclassified to Other receivable from exchange transactions and payable from exchange transactions as per circular 38 of VAT Disclosure. separately.

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### 64. Prior-year adjustments (continued)

**4. Other receivables from exchange transactions** - is due to reversal of impairment reversal for R 1 778 793 for other services.

VAT receivable was apportioned between (VAT Receivable and VAT payable) and reclassified to Other receivable from exchange transactions and payable from exchange transactions as per circular 38 of VAT Disclosure separately.

**5. Investment property** - The associated land for municipal houses was not previously recognised, and several land parcels registered under the municipality had also not been accounted for. These omissions have been corrected by bringing the relevant land parcels into the investment property register. As a result, the carrying value of investment property increased by R17 889 455, with a corresponding adjustment to the opening balance of the earliest period presented.

### 6. Property, plant and equipment -

#### Motor vehicles

Motor vehicles were previously understated due to the erroneous disposal of a vehicle with a cost of R 692 355 and accumulated depreciation of R177 541. The error was corrected in the prior year by reversing the cost, accumulated depreciation, and disposal loss. The actual damaged vehicle, with a cost of R633 119 and accumulated depreciation of R190 215, has now been disposed of, resulting in a disposal gain of R36 035.

#### Infrastructure

The municipality identified several errors relating to the incorrect treatment of capital projects:

Preliminary design costs amounting to R1 983 923.37 for feasibility studies of access roads (Ngove, Thomo, Blinkwater, and Nkuri) were not capitalised with the related road assets.

Streetlight installation of R 6 364 873.57 in crime prone area (CBD) were omitted from transfers from work in progress in 2023.

Energy saving light installation along the R8 1, totalling R 768 170.4, were not transferred from WIP in the prior year.

Siyandhani access road expenditure of R 9 582 730.15 was not transferred from WIP.

Nkhensani hospital access road costs of R436 800 were also not transferred in the prior year.

As a result of these omissions:

Comparative depreciation expense increased by R 314 195.17

Comparative impairment loss increased by R 971.95

Comparative opening accumulated depreciation increased by R232 195.17

Comparative opening accumulated impairment loss increased by R179 040.23.

#### Community Assets

Capital expenditure for Shivulani Sport Centre amounting to R4 844 784.06 was not transferred from work in progress when capitalised in 2023, the amount was retrospectively transferred to community assets. Consequently, there was an increase in comparative depreciation expense by R161 934.05. Furthermore, opening accumulated depreciation increased by R51 323.36

#### Buildings

Movable chairs in the council chamber amounting to R38 117.74 were incorrectly classified under buildings instead of furniture & fittings. The reclassification resulted in a decrease in building's prior year's depreciation by R10.44

Air conditioners, plant & machinery, and furniture & fittings amounting to R240 500, R5 831.83 and R72 445.53 respectively were previously misclassified under community assets. These items have now been correctly reclassified to the appropriate asset categories. The reclassification resulted in the reversal of depreciation of R5 822.42 that had been incorrectly recognised under community assets in the prior year. Consequently, the comparative depreciation for air conditioners, plant & machinery, and furniture & fittings increased by R16 472.60, R321.15, and R3 989.47 respectively.

Plant and machinery was understated in the prior year as certain capital items were incorrectly expensed. The error was corrected by decreasing consumables (R10 954) and contracted services - infrastructure (R10 005), and increasing plant and machinery by R20 959. Depreciation of R1 268 has been recognised on these items..

#### Furniture & Fittings- Accumulated depreciation, impairment

An impairment of furniture and fitting amounting to R 2 484 was reversed. The assets had no carrying value and therefore did

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### 64. Prior-year adjustments (continued)

not require further impairment.

**7. Debt impairment** - is due to reversal on the provision for traffic fines impaired the prior year amounting to R 304 600 and impairment reversal of property rates amounting to R 8 552 149.52.

**8. Gain on assets disposal** - Gains for auction in the prior year for assets auctioned of R 214 296 excluding VAT was not properly accounted. The outstanding balance was not accrued.

**9. Donations received** - Donations of land parcels with an amount of R 9 796 802 were not properly accounted in the prior year.

**10. Employee costs** - Compesantion commission was under provided in the prior year with an amount R 347 134.

### 11. Depreciation

Plant and machinery was not provided for in the prior year, for R 36 353

Community assets were overstated in prior year. The error was corrected by decreasing community assets by R 38 499 and increasing plant and machinery by the same amount. Depreciation of R1 139 has been recognised on this item. Depreciation of R189,86 previously recognised under community asset has been reversed.

**12. Finance costs** - provision was not submitted in time and interest was charged for R 123 793.

**13. Debt impairment** - debt impairment due to recalculation of interest on property rates, traffic and other services for R 10 175 342

**14. Contracted services** - Electrification of Sikhunyani village to the value of R3 579 074 was completed in the prior year but not transferred from work in progress. Comparative balance for electrification and electrical services expense was adjusted for transfer of this project.

**15. Repairs and maintance** - An amount of R 43 000 for repairs and maintanance was oversatated with plant and machinery.

**16. General expenses** - consumables were overstated in the prior year with an amount of R 10 954.

### 17. Halted or Delayed projects

In the prior an amount disclosed in halted project Makhosha upgrading from gravel to paving understated by R 391 282.22. The access road to the tribal offices was previously overstated by R1 983 923.37, relating to design costs that were subsequently utilised in the upgrading of gravel roads to tar and pavement. This error has been corrected retrospectively. Opening balances for the 2024 financial year were restated as follows: accumulated depreciation increased by R145 005.12 and accumulated impairment losses increased by R179 040.23. Comparative figures for 2023/24 were also restated, with depreciation expense increasing by R82 884.76 and impairment loss by R971.95. The work in progress has been restated accordingly.

**18.** In the prior year the municipality has disclosed a litigation for R 35 000 000, from former municipal manager which was never persued further. The municipality has also did not disclose the correct amount of litigation from TR Contruction of R 1 863 598 and Kulani Ngoveni of R 38 757.

### 19. Construction contract, WIP Electricity and Contracted Services

The municipality identified a prior period error relating to the accounting treatment of electrification projects. In previous years, electrification work in progress (WIP) was incorrectly recognised as Property, Plant and Equipment (PPE) in terms of GRAP 17. This treatment was based on the municipality's understanding of its role in the construction process and its powers in terms of section 84(1)(c) of the Municipal Structures Act.

However, following the issuance of Municipal SCOA Circular No. 16 on 15 October 2024, National Treasury clarified that electrification projects undertaken by unlicensed municipalities are presumed to be executed on behalf of Eskom, and that "the in-kind benefit to the municipality is the electrification provided by Eskom to consumers." Consequently, these projects no longer meet the definition or recognition criteria of PPE under GRAP 17, but instead fall within the scope of GRAP 11:

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64. Prior-year adjustments (continued)

Construction Contracts.

As a result of the correction:

In the 2024/25 financial year, electrification WIP amounting to R2 103 510.79 has been reclassified and recognised as Expenditure: Contracted Services.

For the 2023/24 prior period, electrification WIP amounting to R911 205.89 has been retrospectively recognised as Expenditure: Contracted Services.

This correction ensures full alignment with GRAP 11, the mSCOA chart of accounts (version 6.9), and National Treasury guidance.

# Greater Giyani Municipality

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## Notes to the Audited Annual Financial Statements

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### 64. Prior-year adjustments (continued)

#### Statement of financial position

##### 2024

|   | Note | As previously reported | Correction of error | Restated             |
|---|------|------------------------|---------------------|----------------------|
| Receivable from exchange transactions           | 10   | 50 325 509             | 205 000             | 50 530 509           |
| Receivable from non-exchange transactions       | 11   | 50 313 435             | 8 555 550           | 58 868 985           |
| VAT Receivable                                  | 13   | 20 823 570             | (20 823 570)        | -                    |
| Other Receivable from non exchange transactions | 13   | 11 296 126             | 42 364 123          | 53 660 249           |
| Investment property                             | 3    | 44 207 157             | 17 889 455          | 62 096 612           |
| Property, plant and equipment                   | 4    | 1 172 417 719          | (5 474 625)         | 1 166 943 094        |
| Payables from exchange transactions             | 18   | (113 525 220)          | (25 362 753)        | (138 887 973)        |
| Deferred income                                 | 16   | (25 031 317)           | (179 651)           | (25 210 968)         |
|   |      | <b>1 210 826 979</b>   | <b>17 173 529</b>   | <b>1 228 000 508</b> |

#### Statement of financial performance

##### 2024

|                                 | Note | As previously reported | Correction of error | Restated            |
|---------------------------------|------|------------------------|---------------------|---------------------|
| Gain on disposal                | 28   | 330 927                | 214 296             | 545 223             |
| Traffic fines                   |      | 753 642                | 145 400             | 899 042             |
| Construction contracts          |      | -                      | 32 220 000          | 32 220 000          |
| Donations received              | 35   | 18 571 592             | 9 796 802           | 28 368 394          |
| Government grants and subsidies |      | 503 547 104            | (32 220 000)        | 471 327 104         |
| Employee related costs          | 37   | (180 278 615)          | (347 134)           | (180 625 749)       |
| Finance costs                   | 41   | (5 235 115)            | (123 793)           | (5 358 908)         |
| Depreciation and amortisation   | 39   | (94 573 830)           | (532 405)           | (95 106 235)        |
| Impairment loss                 | 40   | (8 470 785)            | 1 511               | (8 469 274)         |
| Debt impairment                 | 43   | (97 910 914)           | 10 175 342          | (87 735 572)        |
| Contracted services             | 45   | (88 394 594)           | (4 490 280)         | (92 884 874)        |
| Loss on assets written off      | 47   | (2 424 748)            | 5 592               | (2 419 156)         |
| Repairs and maintenance         |      | (11 724 328)           | (43 000)            | (11 767 328)        |
| General expenditure             | 50   | (80 236 966)           | 10 954              | (80 226 012)        |
| <b>Surplus for the year</b>     |      | <b>(46 046 630)</b>    | <b>14 813 285</b>   | <b>(31 233 345)</b> |

#### Contingent liabilities

|  | Note | As previously reported | Correction of error | Restated         |
|--|------|------------------------|---------------------|------------------|
| MAXWELL MKHACANI CHAUKE// GGM - Civil litigation against former Municipal Manager Mr Maxwel Mkhachani Chauke, in relation to allegations of financial misconduct |      | 35 000 000             | (35 000 000)        | -                |
| GGM vs TR construction & plant hire. The municipality is being sued for the claim of payment for the work allegedly done whilst claimant was a subcontractor     |      | 863 598                | 1 000 000           | 1 863 598        |
| Kulani Ngoveni vs GGM - Civil suit against GGM   |      | 42 923                 | (4 166)             | 38 757           |
| <b>Surplus for the year</b>  |      | <b>35 906 521</b>      | <b>(34 004 166)</b> | <b>1 902 355</b> |

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### 64. Prior-year adjustments (continued)

#### Cash flow statements

|  | Note | As previously reported | Correction of error | Restated             |
|--|------|------------------------|---------------------|----------------------|
| <b>Cash flow from operating activities</b> |      |                        |                     |                      |
| Cash receipts from customers               |      | 103 316 995            | (21 568 411)        | 81 748 584           |
| Grants                                     |      | 499 790 675            | (32 220 000)        | 467 570 675          |
| Interest income                            |      | 70 280 698             | (44 799 040)        | 25 481 658           |
| Other income                               |      | 2 859 938              | 418 720             | 3 278 658            |
| Employee cost                              |      | (194 599 704)          | (7 390 385)         | (201 990 089)        |
| Suppliers                                  |      | (237 095 160)          | 75 370 989          | (161 724 171)        |
| Finance costs                              |      | (3 122 786)            | (123 793)           | (3 246 579)          |
|  |      | <b>241 430 656</b>     | <b>(30 311 920)</b> | <b>211 118 736</b>   |
| <b>Cash flow from investing activities</b> |      |                        |                     |                      |
| Purchase of property, plant and equipment  |      | (234 925 434)          | 56 929 401          | (177 996 033)        |
| Proceeds on assets disposal                |      | -                      | 676 715             | 676 715              |
|  |      | <b>(234 925 434)</b>   | <b>57 606 116</b>   | <b>(177 319 318)</b> |

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### 65. Segment information

#### General information

##### Identification of segments

For management purposes, the municipality is organised and operates in four key functional segments (or business units).

To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance, Revenues, Expenditures, Liabilities and Assets relating to these business units and are allocated at a transactional level.

Segments were identified based on the Municipal Finance Management Act section 71 monthly budget statements, which executive management and Council review to make strategic decisions and monitor segment performance. The disclosure of information about segments in the budget statement is organised around the type of service delivered, and is presented in a statement format. As such, it is considered appropriate for external reporting purposes to achieve the objectives of the GRAP 18.

The four key business units comprise of:

**Community and public safety** - which includes Community and Social Services, Sport and Recreation and Public safety.

**Planning and economic development** - which includes Property transfers and Registrations and Housing.

**Finance and Administration** - which includes Budget and Treasury, Executive and Council and Corporate.

**Technical Services** - which includes Infrastructure, Energy sources, Road and Transport, Property and PMU.

##### Aggregated segments

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for these services rendered (if any). The municipality operates in Giyani in the Limpopo province.

##### Types of goods and/or services by segment

These reportable segments as well as the services for each segment are set out below:

##### Reportable segment

Finance and Administration

Community Services

Planning and Development

Technical Services

##### Goods and/or services

All aspects of governance and the centralised Financial Administration of the municipality.

Community and Social Services, Sport and Recreation and Public safety

Property transfers and Registrations and Housing

Infrastructure, Energy sources, Road and Transport, Property and PMU



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### 65. Segment information (continued)

#### Statement of Financial Performance

##### Revenue

|   | Finance and<br>administration | Technical<br>Services | Community<br>Services | Planning and<br>Development | Total              |
|---|-------------------------------|-----------------------|-----------------------|-----------------------------|--------------------|
| <b>Revenue</b>  |                               |                       |                       |                             |                    |
| Service charges                                       | -                             | -                     | 12 704 039            | -                           | 12 704 039         |
| Rental from fixed assets                              | -                             | -                     | 641 711               | -                           | 641 711            |
| Interest received from current assets                 | 25 852 972                    | -                     | -                     | -                           | 25 852 972         |
| Agency services                                       | 508 248                       | -                     | -                     | -                           | 508 248            |
| Licenses and permits                                  | -                             | -                     | 7 520 857             | -                           | 7 520 857          |
| Operational revenue                                   | 55 936 531                    | -                     | 1 620 508             | 1 056 261                   | 58 613 300         |
| Interest earned from customers (Other services)       | -                             | -                     | 6 491 760             | -                           | 6 491 760          |
| Construction revenue                                  | 18 029 000                    | -                     | -                     | -                           | 18 029 000         |
| Interest earned from customers (Property rates)       | 44 408 998                    | -                     | -                     | -                           | 44 408 998         |
| Traffic fines   | -                             | -                     | 2 012 946             | -                           | 2 012 946          |
| Property rates  | 85 842 591                    | -                     | -                     | -                           | 85 842 591         |
| Operational revenue                                   | -                             | -                     | -                     | 407 235 832                 | 407 235 832        |
| Transfers and subsidies-Capital (Monetary allocation) | 71 162 999                    | -                     | -                     | -                           | 71 162 999         |
| Transfers and subsidies-Capital ( In-Kind)            | -                             | -                     | -                     | 14 246 788                  | 14 246 788         |
| <b>Total Revenue</b>                                  | <b>301 741 339</b>            | <b>-</b>              | <b>30 991 821</b>     | <b>422 538 881</b>          | <b>755 272 041</b> |

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|  | Finance and<br>administration | Technical<br>Services | Community<br>Services | Planning and<br>Development | Total                |
|--|-------------------------------|-----------------------|-----------------------|-----------------------------|----------------------|
| <b>65. Segment information (continued)</b>                 |                               |                       |                       |                             |                      |
| <b>Expenditure</b>   |                               |                       |                       |                             |                      |
| Employee related costs                                     | 96 092 796                    | 36 585 931            | 52 846 841            | 8 867 270                   | 194 392 838          |
| Remuneration of Councillors                                | 30 000 904                    | -                     | -                     | -                           | 30 000 904           |
| Depreciation and amortisation                              | 97 434 896                    | -                     | -                     | 77 990                      | 97 512 886           |
| Contracted services  | 52 753 028                    | -                     | -                     | -                           | 52 753 028           |
| Impairment loss  | 2 643 111                     | -                     | -                     | -                           | 2 643 111            |
| Inventory consumed   | 587 979                       | 3 909 885             | 79 193                | -                           | 4 577 057            |
| Debt impairment  | 106 112 983                   | -                     | 1 007 250             | -                           | 107 120 233          |
| Interest   | 3 474 963                     | -                     | 2 426 953             | -                           | 5 901 916            |
| Transfers and subsidies                                    | -                             | -                     | -                     | 1 600 000                   | 1 600 000            |
| Irrecoverable debts written off                            | -                             | -                     | 25 306 457            | -                           | 25 306 457           |
| Operational costs  | 74 608 958                    | 23 353 829            | 926 742               | 1 906 129                   | 100 795 658          |
| Other losses   | 9 657 205                     | 8 294 194             | 359 307               | -                           | 18 310 706           |
| <b>Total Expenditure</b>                                   | <b>473 366 823</b>            | <b>72 143 839</b>     | <b>82 952 743</b>     | <b>12 451 389</b>           | <b>640 914 794</b>   |
| <b>Total surplus/(deficit)</b>                             | <b>(171 625 484)</b>          | <b>(72 143 839)</b>   | <b>(51 960 922)</b>   | <b>410 087 492</b>          | <b>114 357 247</b>   |
| <b>Assets</b>  |                               |                       |                       |                             |                      |
| Inventory  | 1 983 210                     | 306 171               | -                     | 31 085 000                  | 33 374 381           |
| Cash and cash equivalent                                   | 269 868 504                   | -                     | -                     | -                           | 269 868 504          |
| Receivables from non-exchange transactions                 | 57 742 639                    | -                     | 297 723               | -                           | 58 040 362           |
| Receivables from exchange transactions                     | -                             | -                     | 53 761 845            | -                           | 53 761 845           |
| Other receivables from exchange transactions               | 59 037 341                    | -                     | -                     | -                           | 59 037 341           |
| Investment property  | 76 082 935                    | -                     | -                     | -                           | 76 082 935           |
| Property, Plant and Equipment                              | 1 086 403 268                 | 49 107 669            | 100 414 358           | 29 338 346                  | 1 265 263 641        |
| Heritage assets  | 339 866                       | -                     | -                     | -                           | 339 866              |
| Intangible assets  | 1 580 590                     | -                     | -                     | -                           | 1 580 590            |
| <b>Total Assets</b>  | <b>1 553 038 353</b>          | <b>49 413 840</b>     | <b>154 473 926</b>    | <b>60 423 346</b>           | <b>1 817 349 465</b> |
| <b>Total assets as per Statement of financial Position</b> |                               |                       |                       |                             | <b>1 817 349 465</b> |

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## Notes to the Audited Annual Financial Statements

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### 65. Segment information (continued)

#### Liabilities

|   | Finance and<br>administration | Technical<br>Services | Community<br>Services | Planning and<br>Development | Total              |
|---|-------------------------------|-----------------------|-----------------------|-----------------------------|--------------------|
| Trade and other Payable from exchange transactions              | 158 168 743                   | -                     | -                     | -                           | 158 168 743        |
| Employee obligations  | 32 948 000                    | -                     | -                     | -                           | 32 948 000         |
| Other liabilities   | -                             | -                     | -                     | 26 845 803                  | 26 845 803         |
| Provisions  | -                             | -                     | 24 700 613            | -                           | 24 700 613         |
| <b>Total Liabilities</b>  | <b>191 116 743</b>            | <b>-</b>              | <b>24 700 613</b>     | <b>26 845 803</b>           | <b>242 663 159</b> |
| <b>Total liabilities as per Statement of financial Position</b> |                               |                       |                       |                             | <b>242 663 159</b> |

### 2024

#### Revenue

|  | Finance and<br>administration | Community<br>and Public<br>Safety | Planning and<br>economic<br>development | Total              |
|--|-------------------------------|-----------------------------------|---|--------------------|
| Serve charges  | -                             | 9 321 962                         | -                                       | 9 321 962          |
| Rental of facilities and equipment                     | -                             | 273 811                           | -                                       | 273 811            |
| Interest received on overdue accounts (other services) | -                             | 3 992 553                         | -                                       | 3 992 553          |
| Agency services  | 557 560                       | -                                 | -                                       | 557 560            |
| Licences and permits                                   | -                             | 7 307 730                         | -                                       | 7 307 730          |
| Gains on provisions                                    | 983 008                       | -                                 | -                                       | 983 008            |
| Actuarial gains  | 2 882 000                     | -                                 | -                                       | 2 882 000          |
| Other income   | 1 973 874                     | 204 448                           | 678 139                                 | 2 856 461          |
| Gain on provisions                                     | 19 511 401                    | -                                 | -                                       | 19 511 401         |
| Interest recieved - investment                         | 25 579 179                    | -                                 | -                                       | 25 579 179         |
| Property rates   | 86 839 750                    | -                                 | -                                       | 86 839 750         |
| Traffic fines  | -                             | 753 642                           | -                                       | 753 642            |
| Interest-overdue accounts (property rates)             | 40 708 966                    | -                                 | -                                       | 40 708 966         |
| Donations  | -                             | -                                 | 18 571 592                              | 18 571 592         |
| <b>Total segment revenue</b>                           | <b>179 035 738</b>            | <b>21 854 146</b>                 | <b>19 249 731</b>                       | <b>220 139 615</b> |

# Greater Giyani Municipality

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## Notes to the Audited Annual Financial Statements

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### 65. Segment information (continued)

|   |                    |                     |                   |                    |
|---|--------------------|---------------------|-------------------|--------------------|
| <b>Entity's revenue</b>   | <b>220 139 615</b> |                     |                   |                    |
| <b>Expenditure</b>  |                    |                     |                   |                    |
| Employee related costs  | 4 290 138          | 51 688 208          | 7 309 220         | 63 287 566         |
| Depreciation and amortisation                                   | 71 817             | 1 098 507           | 18 407            | 1 188 731          |
| Finance cost  | 3 122 786          | 2 430 980           | -                 | 5 553 766          |
| Debt impairment   | 97 231 914         | 679 000             | -                 | 97 910 914         |
| Contracted services   | 25 097 244         | -                   | -                 | 25 097 244         |
| Transfers and subsidies   | -                  | -                   | 1 500 000         | 1 500 000          |
| General expenses  | 11 226 735         | 9 114 760           | -                 | 20 341 495         |
| <b>Total segment expenditure</b>                                | <b>141 040 634</b> | <b>65 011 455</b>   | <b>8 827 627</b>  | <b>214 879 716</b> |
| <b>Total segmental surplus/(deficit)</b>                        | <b>37 995 104</b>  | <b>(43 157 309)</b> | <b>10 422 104</b> | <b>5 259 899</b>   |
| <b>Assets</b>   |                    |                     |                   |                    |
| Inventory   | 2 432 017          | -                   | -                 | 2 432 017          |
| Receivable from non-exchange transactions                       | 50 347 312         | (33 877)            | -                 | 50 313 435         |
| Receivable from exchange transactions                           | -                  | 9 424 414           | -                 | 9 424 414          |
| Investment property   | -                  | -                   | 44 207 157        | 44 207 157         |
| Property, plant and machinery                                   | 490 454            | 178 567 820         | 2 682 198         | 181 740 472        |
| <b>Total segment assets</b>                                     | <b>53 269 783</b>  | <b>187 958 357</b>  | <b>46 889 355</b> | <b>288 117 495</b> |
| <b>Total assets as per Statement of financial Position</b>      | <b>288 117 495</b> |                     |                   |                    |
| <b>Liabilities</b>  |                    |                     |                   |                    |
| Deferred income   | -                  | -                   | 25 031 317        | 25 031 317         |
| <b>Total liabilities as per Statement of financial Position</b> | <b>25 031 317</b>  |                     |                   |                    |

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**66. EXPLANATION OF DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS**

**Material differences between budget and actual amounts**

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### 66. EXPLANATION OF DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS (continued)

#### A. Rental of facilities

Service is dependent on the needs of the community members. An increment of over 10% indicates that the demand from community members were favourable in the current year when compared to the prior year.

#### B. Interest Received (Trading services)

The increase is due to low revenue collection due to culture of non-payment has resulted in an increased debtor's book and increase the interest on outstanding debtors.

#### C. Agency Services

Agency fees commission is depended on the water and sanitation collection, therefore the municipality collected less when compared to the previous year.

#### D. License and permits

License and permits is a commission which is received for services rendered on behalf of department of transport therefore the municipality collected less than the anticipated budget hence the decrease when compared to the previous year.

#### E. Gains on provision

The increase is due to the gain on provision of rehabilitation of landfill site.

#### F. Acturial gains

The actual amount is due to the provision for post-employment medical aid.

#### G. Other income

Service is dependent on the needs of the community members. A decrease of over 10% indicates that the demand from community members were unfavourable in the current year when compared to the prior year

#### H. Interest on investment

The variance was caused by a huge positive cash balance maintained by the municipality, furthermore there were also more investments made by the municipality.

#### I. Traffic fines

Increase in the enforcement of traffic violations in the township and roadblocks conducted in the period under review.

#### J. Interest received on overdue accounts (Property rates)

The increase is due to low revenue collection due to culture of non-payment has resulted in an increased debtor's book and increase the interest on outstanding debtors.

#### K. Donations

Its due to land parcels which were donated to the municipality by the Department of Rural development and Land reforms.

#### L. Reversal of Impairment

This due to permanent reduction in assets value when the carrying amount (book value) exceeds the recoverable amount, which is the higher asset's fair value less costs to sell and its value in use. Impairment loss reflects an unexpected, significant drop in value due to factors like market changes,damage, or obsolescence.

#### M. Finance Cost

This is due to cost incurred for development of the site and include the impact of discounting future closure and rehabilitation costs to their present value.

#### N. Lease rentals on operating lease

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**66. EXPLANATION OF DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS (continued)**

The variance was caused by the consumption usage on the machines, in the current year the number of photocopies which were made were less.

**O. Debt Impairment**

Budget was based on the audited figures for 2023/2024 financial year and a decrease in impairment shows more debtors can keep regular payments of their account.

**P. Bad debts written off**

The municipality wrote off traffic fines in the period under review in line with section 56(5) of the Criminal Procedure Act, No. 51 of 1977 in respect of traffic offences that have a life span of two (2) years from the date of issue thereof.

**Q. Contracted Service**

The contracted expenditure spent less due to some of the reduction in consultant fees, the municipality was doing VAT internally since the contract ended in December 2024.

**R. Repairs & Maintenance**

This is because of the reclassification from repairs and maintenance vote to WIP (Work in progress) because some of the maintenance was capital in nature.

**S. Loss on Assets written off**

Due to the pavement milling projects undertaken by the municipality, the old tar roads and removal of Road Furniture derecognised resulted in the loss on asset written off.

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### 66. EXPLANATION OF DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS (continued)

#### T. Damaged and obsolete inventory

Due to the movable assets which have lost value and are no longer productive due to physical damage and/or technological obsolescence.

#### U. Receivables from Exchange

This is the impact of low revenue collection due to culture of non-payment

#### V. Receivables from non-exchange

This is the impact of low revenue collection due to culture of non-payment

#### W. VAT Receivables

This is as a result of VAT receivables being reclassified to Other Receivables from Exchange transactions.

#### X. Other receivables from exchange transactions

This is as a result of VAT receivables being reclassified to Other Receivables from Exchange transactions.

#### Y. Investment Property

It is due to land parcels which were donated to the municipality by the Department of Rural development and Land reforms.

#### Z. Intangible Assets

This reduction is primarily attributable to significant decreases in Microsoft Volume Licence. This major decline is the single largest driver of the overall reduction and relate to a lower amortisation of prior capitalised costs and expiration of licence rights.

#### AA. VAT Payables

The actual balance of Nil is as a result of VAT Payables being reclassified to Payables from exchange transactions.

#### AB. Payables from Exchange Transaction

The difference is as a result of VAT Payables being reclassified to Payables from exchange transactions

#### AC. Employee Benefit Obligations

This is due to the line item not being budgeted for

#### AD. Unspent conditional grants and receipts

The municipality has spent 100% of the conditional grants.

#### AE. Provisions -rehabilitation of dumping site

The increase is due to the gain on provision of rehabilitation of landfill site as per experts valuations.

#### AF. Deferred Income

This is due to the line item not being budgeted for

#### AG. Interest Income

The variance was caused by a huge positive cash balance maintained by the municipality, furthermore there were also more investments made by the municipality



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### 66. EXPLANATION OF DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS (continued)

#### AH. Other Income

The municipality received money from VBS.

#### AI. Payments made to Suppliers

Legal services relating to litigations, high cost of electricity, accommodations, acquisition of protective clothing for employees and subscriptions led to the increase in general expenses

#### AJ. Finance Cost

Payments for litigations were inclusive of interest.

#### AK. Property Plant and Equipment

The increase is due to additions of assets that were procured in the current year and capitalization of completed projects in the current year.

#### AL. Purchase of intangible assets

Not budgeted for.

#### AM. Proceeds on investment Property

Not budgeted for.

#### AN. Deferred income receipts

Not budgeted for.

#### AO. Cash and Cash Equivalents

The positive cashflow position throughout financial year with high interest received more than anticipated.

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### 66. EXPLANATION OF DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS (continued)

#### EXPLANATION OF DIFFERENCES BETWEEN APPROVED BUDGET AND FINAL ADJUSTMENT BUDGET

##### 1. Service charges

An increase in budget was based actual performance during mid-year budget assessment.

##### 2. Rental of facilities and equipment

A downward adjustment is based on actual performance of during mid-year budget assessment. The service is dependend on the demand by consumer, cost reflective tariffs also lowered the demand.

##### 3. Agency Services

A downward adjustment is based on the collection trends on the first six (6) months which was not favourable. Agency service is based on the water and sanitation collection.

##### 4. Recoveries

The municipality received an amount of R28 505 324.99 on the 24 February 2025 for VBS second distribution from the curator.

##### 5. Other income

An increase in budget was based actual performance during mid-year budget assessment the service is depended on the demand by consumers.

##### 6. Interest received on investment

A downward adjustment was caused by a decline in the cash balance maintained by the municipality during the mid-year assessment

##### 7. Traffic fines

This was due to less roadblocks and enforcement measures conducted by the municipality during the first half of the financial year.

##### 8. Remuneration of Councilors

The upward adjustment is due to the improvement of the grading of the municipality from grade 2 to grade 4. The grading affected their salaries/allowance and back pay had to be implemented. Initially, the grading was upgraded to grade 3 in 2023 but no back pay implemented.

##### 9. Contracted services

The downward adjustment is based on the actual performance for the first six months of the financial.

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Notes to the Audited Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 66. EXPLANATION OF DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS (continued)

#### 10. Repairs maintenance

The upward adjustment is due to the second trench of R28, 5 million from the VBS curator. The funds were channeled to repairs and maintenance including pavement milling of streets in section D1, D2 and E as well as energy efficiency streetlights during the special adjustment budget.

#### 11. Receivables from Exchange

An increase in budget was based on actual performance during mid year budget assessment.

#### 12. Receivables from non-exchange

An increase in budget was based on actual performance during mid year budget assessment.

#### 13. VAT Receivables

An increase in budget was based on actual performance during mid year budget assessment.

#### 14. Cash and Cash Equivalents

An increase in budget was based on actual performance during mid year budget assessment.

#### 15. Investment Property

An increase in budget was based on actual performance during mid year budget assessment.

#### 16. Intangible Assets

This reduction is primarily attributable to significant decreases in Microsoft Volume Licence

#### 17. Heritage Assets

An increase in budget was based on the initial anticipation to impair

#### 18. VAT Payables

This is as a result of the finding that was raised by the AG to not net off the VAT payable and VAT receivables.

#### 19. Payables from Exchange Transaction

The decrease in budget was based on actual performance during mid year budget assessment.

#### 20. Unspent conditional grants and receipts

The municipality anticipated to spent all the conditional grants that were to be received in the current year and due to further

#### 21. Provisions -rehabilitation of dumping site

The municipality anticipated the provision to double in value

#### 22. Interest Income

A downward adjustment was caused by a decline in the cash balance maintained by the municipality during the mid year assessment

#### 23. Other Income

An increase in budget was based on actual performance during mid-year budget assessment.

Greater Giyani Municipality

(Registration number LIM331)  
Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

66. EXPLANATION OF DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS (continued)

24. Payment made to Suppliers

An increase in budget was based on actual performance during mid-year budget assessment.

25. Purchase of Property Plant and Equipment

The decrease in budget was based on actual performance during mid year budget assessment.

26. Cash and Cash Equivalents

An increase in budget was based on actual performance during mid-year budget assessment.

# Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2025

## Notes to the Audited Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 67. Financial instruments disclosure

The financial instruments amounts in different classes have not been discounted because they are expected to be settled in 12 months. The effect of discounting would be immaterial.

#### 2025

##### Financial assets

|  | At amortised<br>cost | Total              |
|--|----------------------|--------------------|
| Trade and other receivables from exchange transactions | 53 761 845           | 53 761 845         |
| Other receivables from exchange transactions           | 47 640 350           | 47 640 350         |
| Cash and cash equivalents                              | 269 868 504          | 269 868 504        |
|  | <b>371 270 699</b>   | <b>371 270 699</b> |

##### Financial liabilities

|  | At amortised<br>cost | Total             |
|--|----------------------|-------------------|
| Trade payables   | 21 341 103           | 21 341 103        |
| Retentions   | 42 915 012           | 42 915 012        |
| Unspecified direct deposit                                 | 3 846 990            | 3 846 990         |
| Accruals   | 25 528 642           | 25 528 642        |
| <b>Trade and other payables from exchange transactions</b> | <b>93 631 747</b>    | <b>93 631 747</b> |

#### 2024

##### Financial assets

|  | At amortised<br>cost | Total              |
|--|----------------------|--------------------|
| Trade and other receivables from exchange transactions | 50 530 509           | 50 530 509         |
| Other receivables from exchange transactions           | 53 660 251           | 53 660 251         |
| Cash and cash equivalents                              | 248 013 459          | 248 013 459        |
|  | <b>352 204 219</b>   | <b>352 204 219</b> |

##### Financial liabilities

|  | At amortised<br>cost | Total             |
|--|----------------------|-------------------|
| Trade payables   | 14 071 568           | 14 071 568        |
| Retentions   | 46 917 240           | 46 917 240        |
| Accruals   | 15 377 578           | 15 377 578        |
| Unspecified direct deposit                                 | 1 880 080            | 1 880 080         |
| <b>Trade and other payables from exchange transactions</b> | <b>78 246 466</b>    | <b>78 246 466</b> |

##### Financial instruments in Statement of financial performance

#### 2025

|  | At amortised<br>cost | Total         |
|--|----------------------|---------------|
| Interest income (calculated using effective interest method) for financial instruments at amortised cost | 76 709 190           | 76 709 190    |
| Receivables Impairment for the year  | (107 120 233)        | (107 120 233) |

|                 |      |      |
|-----------------|------|------|
| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|

67. Financial instruments disclosure (continued)

(30 411 043) (30 411 043)

2024

|   | At amortised<br>cost | Total        |
|---|----------------------|--------------|
| Interest income (calculated using effective interest method) for financial instruments at<br>amortised cost | 70 280 698           | 70 280 698   |
| Receivables Impairment for the year   | (87 735 572)         | (87 735 572) |
|   | (17 454 874)         | (17 454 874) |



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GREATER GIYANI MUNICIPALITY

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ANNEXURE D  
AUDIT REPORT 2024

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# Report of the auditor-general to Limpopo Provincial Legislature and council of Greater Giyani Municipality

Report on the audit of the financial statements

## Opinion

1. I have audited the financial statements of the Greater Giyani Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the municipality as at 30 June 2025 and financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practices (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and 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. With reference to note 54 to the financial statements, the municipality is the defendant in multiple lawsuits. The municipality is opposing these claims. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.



8. As disclosed in note 64 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 30 June 2025.
9. As disclosed in note 44 to the financial statements, material losses of R25 306 457 were incurred as a result of a write-off of irrecoverable trade debtors.
10. As disclosed in note 43 to the financial statements, material losses of R107 120 233 were incurred as a result of debt impairment of irrecoverable trade debtors.

### **Other matter**

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.
12. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

### **Responsibilities of the accounting officer for the financial statements**

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP, the requirements of the MFMA and the DoRA; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
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 on page XX, forms part of our auditor's report.

8. As disclosed in note 64 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 30 June 2025.
9. As disclosed in note 44 to the financial statements, material losses of R25 306 457 were incurred as a result of a write-off of irrecoverable trade debtors.
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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 on page XX, 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 area                                  | Page numbers | Purpose   |
|---|--------------|---|
| Spatial rationale                                     | XX           | Facilitate integrated human settlements and grain reform  |
| Basic service delivery and infrastructure development | XX           | Improve access to affordable and sustainable services, optimise and sustain infrastructure service, optimise and sustain infrastructure service |
| Local economic development                            | XX           | Promote local economic growth   |

19. I evaluated the reported performance information for the selected key performance area 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 reasons provided for any 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. I did not identify any material findings on the reported performance information for the key performance areas.

### Other matter

23. I draw attention to the matter below.

### Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides explanations for measures taken to improve performance.

25. The tables that follow provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any measures taken to improve performance are included in the annual performance report on pages XX to XX.

### KPA 1: Spatial rationale

| <i>Targets achieved: 40%</i><br><i>Budget spent: 62%</i>   |  |                      |
|--|--|----------------------|
| Key indicators not achieved  | Planned target   | Reported achievement |
| Submit subdivision and rezoning application of 3 Municipal Properties (Thomo, Homu and Mageva) to Tribunal | Submit subdivision and rezoning application of 3 Municipal Properties (Thomo, Homu and Mageva) to Surveyor General by 30 June 2025 | Target not achieved  |
| Submit rezoning and subdivision application for municipal parks to Surveyor General                        | Submit rezoning and subdivision application for municipal parks to Surveyor General by 30 June 2025                                | Target not achieved  |
| Appointment of consultant for review of spatial development framework                                      | Appointment of consultant for review of spatial development framework by 30 June 2025  | Target not achieved  |



|   |   |                     |
|---|---|---------------------|
| Appointment of consultant for review of land use scheme                               | Appointment of consultant for review of land use scheme by 30 June 2025                               | Target not achieved |
| Submit application for site demarcation in Mageva and Sikhunyani villages to tribunal | Submit application for site demarcation in Mageva and Sikhunyani villages to tribunal by 30 June 2025 | Target not achieved |

### KPA 3: Basic service delivery and infrastructure development

| <i>Targets achieved: 87%</i><br><i>Budget spent: 93%</i>                           |  |   |
|--|--|---|
| Key service delivery indicators not achieved                                       | Planned target   | Reported achievement  |
| Construction of waste disposal site  | Construction of waste disposal site by 30 June 2025  | Target not achieved (site establishment, cleaning of the cells, removal of vegetation in the cells, installation of aggregate, emptying of the leachate dam, unblocking of the pipes and placement of geo- textile membrane.) |
| Develop a detailed design for electrification of 539 units at Section F            | Development of a detailed design for electrification of 539 units at Section F by 30 June 2025     | Target not achieved (The memo for the appointment of the consultant to develop the design has been signed and is in place)  |
| Develop a detailed design for electrification of 100 units at Risinga View Village | Develop a detailed design for electrification of 100 units at Risinga View Village by 30 June 2025 | Target not achieved (Only Consultant has been appointed)  |
| Develop a detailed design for electrification of 160 units at Botshabelo Village   | Develop a detailed design for electrification of 160 units at Botshabelo Village                   | Target not achieved (Detailed design for electrification of 64 units at Botshabelo Village has been developed)  |
| Electrification of 310 units at Mageva Village                                     | 310  | 223   |
| Number of EPWP workers appointed through the EPWP Social Program                   | 34   | 24  |

## Report on compliance with legislation

26. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
27. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
28. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the 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.
29. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### Annual financial statements, performance and annual report

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

Material misstatements of non-current assets, current assets, revenue, cash flow statement, segment reporting and other disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

### Expenditure management

31. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R3 711 314 as disclosed in note 59 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties for late payments charged to the municipality.

### Consequence management

32. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
33. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.



### Other information in the annual report

34. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported on in this auditor's report.
35. 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.
36. 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 priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
37. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### Internal control deficiencies

38. 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.
39. 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 compliance with legislation included in this report
40. Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information as evidenced by the number of material findings identified during the year.
41. Management did not review and monitor compliance with applicable legislation as evidenced with the material findings issued not in line with Standards of GRAP requirements and material non compliances identified on various subject matters.

## Material irregularities

42. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

### Status of previously reported material irregularities

#### Free basic electricity provided to non-qualifying customers.

43. Section 78(1) of the MFMA state that, "Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that the system of financial management and internal control established for the municipality is carried out diligently"
44. During the 2020-21 and 2021-22 financial year, the municipality paid Eskom an estimated amount of R4 303 563 for free basic electricity relating to beneficiaries who did not qualify to be classified as indigents as some were either deceased, employed by other organs of state and/ or the spouse were employed by an organ of state. This matter is a non-compliance with section 78(1)(a) of the MFMA as the senior managers of the municipality did not take reasonable steps within their respective areas of responsibility to ensure that the system of financial management and internal control established for the municipality, is carried out diligently as the municipality established an internal policy which stipulated the process and steps to be followed for identification, validation and approval of customers as indigents.
45. The non-compliance resulted in a likely material financial loss of R4 303 563 for the municipality, as payment was made for non-qualifying customers.
46. The accounting officer was notified of the material irregularity on 22 February 2022 and invited to make a written submission on the actions that will be taken to address the matter. The accounting officer responded on 22 March 2022 and 4 November 2022 and indicated that the following actions will be taken:
- The beneficiary list that led to the material irregularity was cancelled on 1 March 2022 with Eskom and the beneficiaries were re-registered up until 30 June 2022. A new beneficiary list was compiled, validated and sent to Eskom in October 2022.
  - The likely financial loss of R4 386 484 was disclosed as fruitless and wasteful expenditure in note 54 to the annual financial statements for the 2021-22 financial year.
  - An investigation was instituted on 4 November 2022 to investigate and report on the circumstances that led to the material irregularity by the Municipal Public Accounts Committee (MPAC) and we obtained an investigation report dated 18 October 2023 where the committee indicated that management should follow up on the recovery of the R 2,7 million as per council resolution number C26-21/10/222SP from beneficiaries employed by the state and report to council on a quarterly basis. MPAC indicated that information provided by management was not adequate for the committee to make conclusions on how fruitless and wasteful expenditure was incurred by the municipality.



- A legal firm was appointed on 1 November 2023 to advise the accounting officer on the viability of recovery from free basic electricity beneficiaries employed by the state or the spouses of beneficiaries employed by the state. The legal firm was expected to give a report on the matter by end of March 2024.
- The engagement with the legal firm could not be concluded as intended due to inadequate communication between the municipality's legal office and legal firm due to the following challenges:
  - The legal manager was dismissed on 30 August 2023
  - The legal manager was then reinstated on 22 January 2024
  - The legal manager resigned on 25 April 2024
  - The new permanent official was only appointed on 1 July 2024.
- Communication between the municipality and the legal firm was enhanced and an interim report dated 16 September 2024 was submitted. The report indicated that it is feasible to recover from beneficiaries employed by the state, beneficiaries whose spouse work for the state and indigent companies and intellectual property commission (CIPC) directors.
- The legal firm recommended that the municipality may appoint attorneys responsible for debt collection to recover monies from customers that wrongly and/ or fraudulently benefited from the free basic electricity, this should be done with full consideration of the costs to be incurred for issuing summons and obtaining judgment where necessary for each beneficiary.
- The interim report from the legal firm was provided to the MPAC on 30 September 2024, to assist in investigating and reporting on the circumstances that led to the material irregularity. The investigation was finalised on 25 April 2025.
- MPAC concluded that it therefore not advisable for the municipality to engage in the legal process of recovering the expenditure as this may results in additional fruitless and wasteful expenditure. The MPAC report was submitted council on 30 April 2025 and was approved. MPAC has finalised the investigation and recommendations made in the report were fully implemented by the accounting officer.

47. I received your written submission on 17 June 2025. I considered the representations made and the substantiating documents provided and have concluded that appropriate actions have been taken to address the material irregularity. The material irregularity is resolved.

Auditor-General

Polokwane

11 December 2025



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure to the auditor's report**

The annexure includes the following:

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

### **Auditor-general's responsibility for the audit**

#### **Professional judgement and professional scepticism**

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

#### **Financial statements**

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

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



## Communication with those charged with governance

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

| Legislation   | Sections or regulations  |
|---|--|
| Municipal Finance Management Act 56 of 2003   | Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii),<br>Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b) |
| MFMA: Municipal budget and reporting regulations, 2009  | Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)  |
| MFMA: Municipal Investment Regulations, 2005  | Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)   |
| MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014 | Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)   |
| MFMA: Municipal Supply Chain Management Regulations, 2017                                     | Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)  |
| Construction Industry Development Board Act 38 of 2000  | Section: 18(1)   |
| Construction Industry Development Board Regulations, 2004                                     | Regulations: 17, 25(7A)  |
| Division of Revenue Act   | Sections: 11(6)(b), 12(5), 16(1); 16(3)  |
| Municipal Property Rates Act 6 of 2004  | Section: 3(1)  |

| Legislation   | Sections or regulations  |
|---|--|
| Municipal Systems Act 32 of 2000  | Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b) |
| MSA: Disciplinary Regulations for Senior Managers, 2011   | Regulations: 5(2), 5(3), 5(6), 8(4)  |
| MSA: Municipal Planning and Performance Management Regulations, 2001  | Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)   |
| MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 | Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)  |
| MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014                                       | Regulations: 17(2), 36(1)(a)   |
| MSA: Municipal Staff Regulations  | Regulations: 7(1), 19, 31, 35(1)   |
| MSA: Municipal Systems Regulations, 2001  | Regulation: 43   |
| Prevention and Combating of Corrupt Activities Act 12 of 2004   | Section: 34(1)   |
| Preferential Procurement Policy Framework Act 5 of 2000   | Sections: 2(1)(a), 2(1)(f)   |
| Preferential Procurement Regulations, 2017  | Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)  |
| Preferential Procurement Regulations, 2022  | Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)  |



