

GREATER LETABA MUNICIPALITY



ANNUAL REPORT 2024-2025



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CHAPTER 1

MAYOR FOREWORD AND EXECUTIVE SUMMARY

1.1 FOREWORD FROM THE HONOURABLE MAYOR



As I reflect on the past year, I am filled with immense pride in what our municipality has accomplished together despite ongoing challenges of slow economic pressures to the lingering effects of having to run several unfunded budgets for the past years. Despite these challenges and many more challenges, we have shown remarkable resilience and determination in several areas that were flagged by the Auditor General for our financial year 2024/2025 budget.

The municipality has historically shown improvement in audit outcomes, for instance past records indicates a shift from adverse opinions to unqualified opinions with or without findings. The past financial year We have inputted in the Budget and IDP and the path has been clear in terms of the direction we must take as an institution in the remainder of the council term. We have improved immensely in terms of performance, accountability and transparency. We have also made great strides in the preparation of financial statements, procurements and contracts management.

We are highly enthusiastic in fulfilling the core mandate of the people. We stand firm, having acquired the right technocrats who will lead the municipality in the right direction administratively. We trust them to spearhead this ship for us.

I present the Annual Report of Greater Letaba Municipality for the 2024/25 financial year to the community and all its stakeholders. This report is published in terms of the Municipal Finance Management Act No 56 Of 2003; it is a culmination of decisions which were taken by the Council for the year under review.

The Local Government: Municipal Finance Management Act 56 of 2003 requires municipalities to prepare an annual report for each financial year. It is fundamental to indicate that transparency is one of the trademarks of democratic South Africa and Greater Letaba Local Municipality is no exception. As we consistently report every year, the Annual Report has outlined the state of the municipality.

It also unveils the activities undertaken to achieve the predetermined objectives as set out in the Integrated Development Plan, against the approved budget. It has also touched on key issues which the Auditor- General

has highlighted for ratification in the Auditor-General South Africa (AGSA) report for the 2024/25 financial year where the municipality received an Unqualified Audit Opinion.

The areas that the AG highlighted which need improvement are expenditure management, strategic planning and performance management. The Annual Report aims at enhancing governance, transparency and promoting accountability. It is a means of ensuring ongoing planning, monitoring, and evaluation which begins with the formulation and annual review of the IDP.

In line with section 152 of the constitution, the Annual Report looks at the period under review, measures the performance of the municipality in various areas, and presents an opportunity to citizens and stakeholders to assess the progress of the municipality. The municipality works in collaboration with governments departments and other entities to provide the desired services to the communities of Greater Letaba Municipality.

In all of this, National government is busy reviewing funding model for local government. In the main, regulations over municipal surcharges on electricity and identifying alternative sources of revenue for replacement will be explored. Conversely, municipalities are expected to augment revenue generating mechanisms in way that will not incur sunk cost.

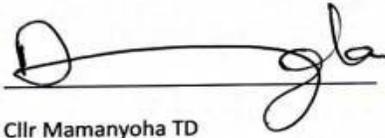
We need an Increased budget which will imply transformation of the local areas into a better place to live and work; a good posture forward to realize our goals by increasing glimmer of hope, confidence and governments' accountability to citizens. Moreover, increased budget provides the municipality with more resources for service delivery, and we are expected to render and coordinate services that will ultimately improve the lives of our communities much better than previously. Our indictment is that we should enhance proper and effective management of budgets and optimal utilization of resources which involves spending all and not allowing any penny that will revert to the national treasury.

As I conclude this year marks the end of our five-year term of office as council of 2021 and to that end we are expected to reflect thoroughly on the promises and commitment we made to our people and see how best that is achieved. I would further like to express my sincere gratitude to all Councillors, Officials, the entire community of Greater Letaba and all stakeholders for their dedication, support, and co-operation, which enabled the institution to record all service delivery progress in the year under review.

Through it all, accountability is key, citizens and stakeholders are thus invited to study the Annual Report to give inputs and feedback that comes in an informed manner. This will strengthen our ability to deliver services as we forge ahead.

I conclude by citing an African Proverb that says "A cat that dreams of becoming a lion must lose its appetite for rats", meaning that to achieve greatness, you must let go of old habits that could hold back your progress.

I thank you.

A handwritten signature in black ink, appearing to read 'D. M. T. D.', written over a horizontal line.

Cllr Mamanyoha TD

Mayor

1.2 FOREWORD FROM MUNICIPAL MANAGER



The 2024/25 Annual Report of Greater Letaba Municipality has been compiled in compliance to the provisions of the Section 46 of the Local Government: Municipal Systems Act, 32 of 2000, which stipulates that municipalities must prepare annual report for each year that reflect the municipality's performance during the financial year against set deliverables. Section 121 (1) of the Local Government: Municipal Finance Management Act 56 2003 also obligates municipalities to prepare an annual report for each financial year. This Annual Report is therefore premised not only on a quest to improve accountability but also on legislative compliance.

The key intent of the annual report is to provide a record of all the activities that transpired in the financial year under review, provide a report on performance against the approved budget and to promote accountability to residents of Greater Letaba Municipality. The Annual Report outlines the performance of the municipality in line with its developmental mandate, municipal objectives and priorities set in the Integrated Development Plan (IDP).

Provision of basic services such as water, sanitation, electricity, waste removal and roads remained the key priority for Greater Letaba Municipality. The Municipality set a goal of 146 targets, of which 116(79%) were successfully met, while 30(21%) were not achieved. The overall percentage achieved for the 2024/25 financial year is 79%, indicating an improvement from the 71% reported in 2023 /24 financial year. The low revenue base as well as reluctance to pay for services rendered, by the residents play a major role towards the municipality funding its developmental objectives.

As part of the commitment towards improving the audit outcome and ultimately achieve clean audit, management implemented the AG Action Plan. The implementation of the AG Action has yielded positive outcomes, as the municipality improved the audit outcome when considering the number and materiality of issues raised by the Auditor General.

As the Accounting Officer, I would like to appreciate the political leadership by the Mayor, the Audit Committee, Senior Management and the entire workforce of Greater Letaba Municipality for the excellence and precision within which services were delivered. I, therefore, present the Annual Report for the 2024/2025 financial year.

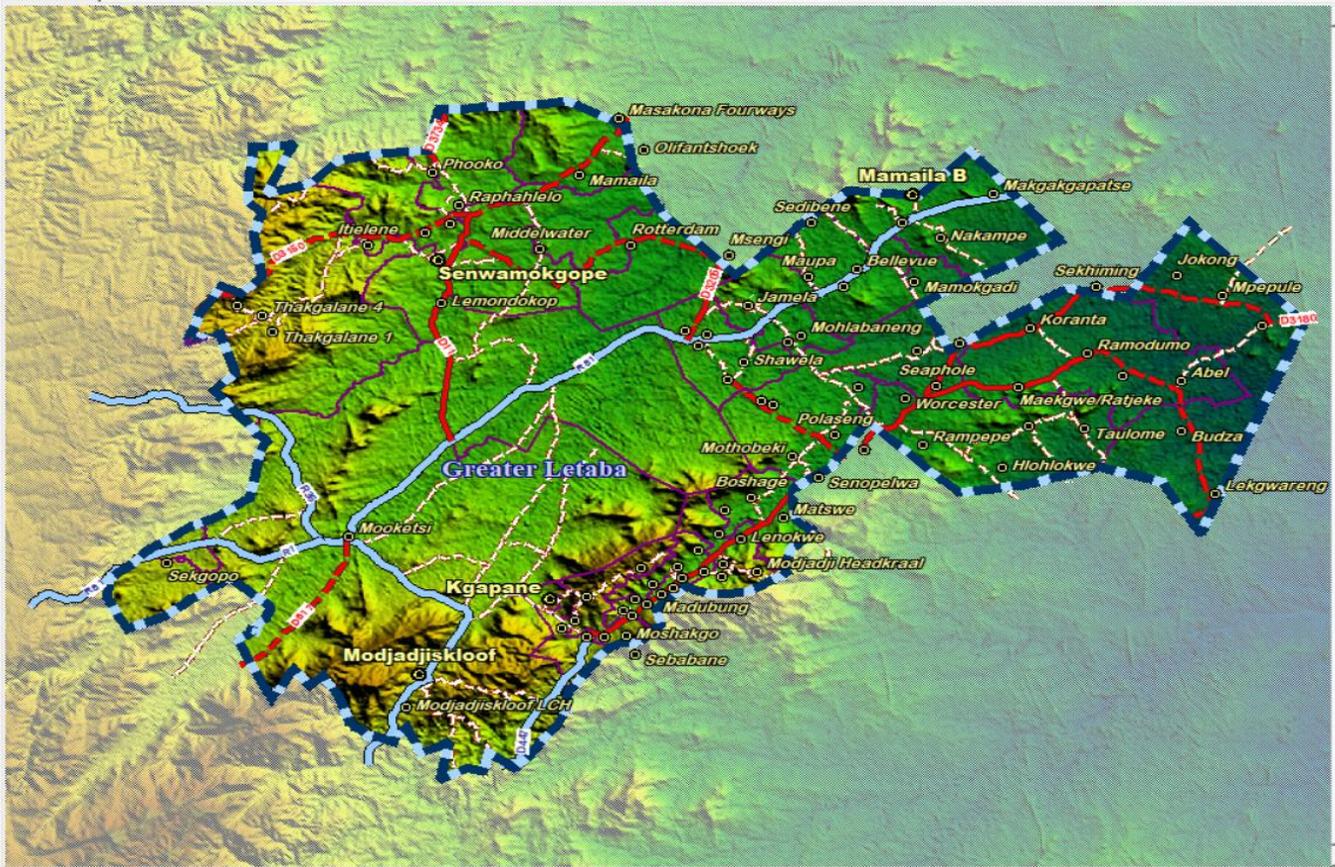
A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

MR SEWAPÉ M.O

MUNICIPAL MANAGER

1.3. DESCRIPTION OF THE MUNICIPAL AREA

The Greater Letaba Municipality (GLM) is situated in the north-eastern quadrant of the Limpopo Province within the Mopani District Municipality Area. Greater Letaba is bordered by Greater Tzaneen to the south, Greater Giyani to the east, Molemole to the west, and Makhado to the north. The “gates” to the municipal area are considered to be Sekgopo in the west and Modjadjiskloof in the south, Mamaila Kolobetona in the North and Makgakgapatse in the East. The land area of Greater Letaba Municipality extends over approximately 1891km². The Greater Letaba Municipality incorporates the proclaimed towns of Modjadjiskloof, and Ga-Kgapane, situated in the extreme south of the municipal area, and Senwamokgope towards the north-west of the area of jurisdiction. There are also 132 rural villages within the municipal area. The municipality consist of 30 wards.



Map: Greater Letaba Municipality Map

1.3.1 Demographic Profile

Table no 1. Greater Letaba Key Statistics

| Name | 2022 | 2011 |
|--------------------------------------|-------------|-------------|
| Total population | 261 038 | 213 932 |
| Young children (0-14 years) | 35,1% | 34,5% |
| Working age population (15-64 years) | 57,6% | 58,5% |
| Elderly (65+ years) | 7,4% | 6,9% |
| Dependency ratio | 73,7 | 70,8 |
| Sex ratio | 82,3 | 81,1 |
| No schooling (20+ years) | 23,7% | 27,0% |
| Higher education (20+ years) | 6,5% | 5,8% |
| Number of households | 65 220 | 58 612 |
| Average household size | 4,0 | 3,6 |
| Formal dwellings | 94,4% | 91,8% |
| Flush toilets connected to sewerage | 20,0% | 10,2% |
| Weekly refuse disposal service | 17,4% | 8,5% |

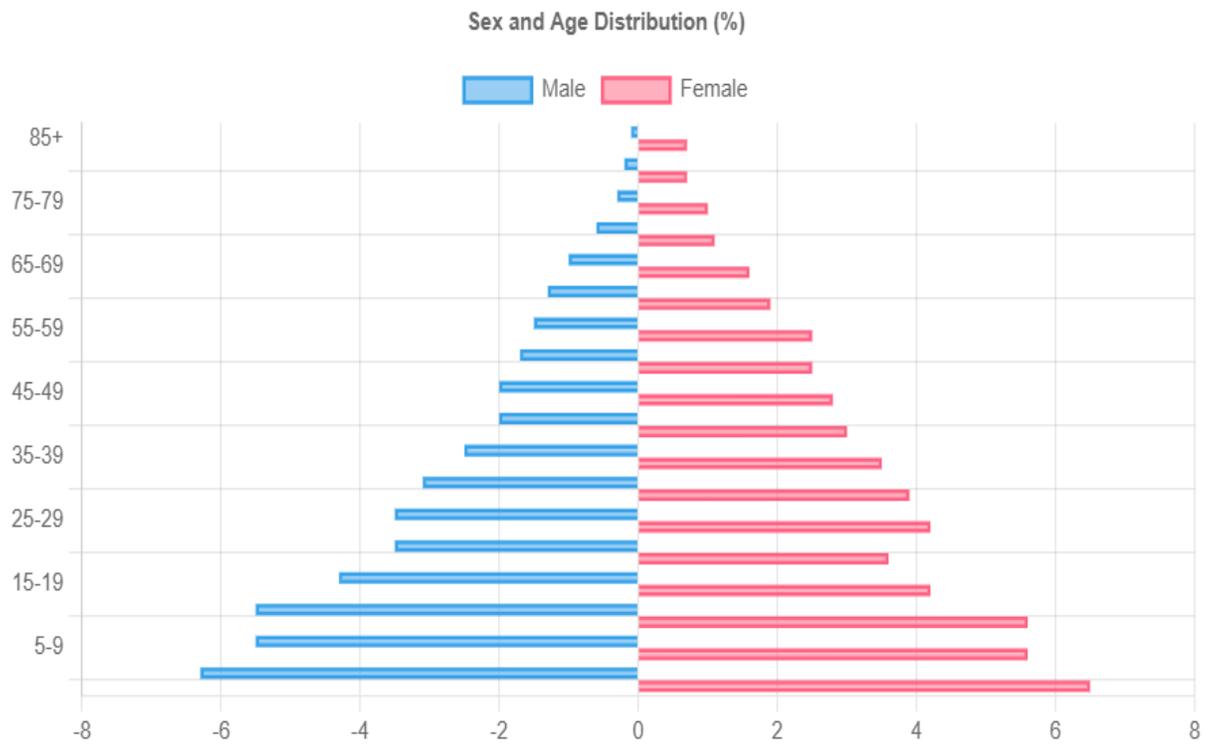
| Name | 2022 | 2011 |
|---------------------------------------|-------|-------|
| Access to piped water in the dwelling | 20,7% | 10,1% |
| Electricity for lighting | 97,0% | 90,8% |

Source: (Census 2022)

Source: (statistics South Africa)

1.3.2 Age and Gender Distribution

Graph 1.: Sex and Age Distribution



1.4 SPATIAL RATIONALE

1.4.1 Purpose of Spatial Analysis

The purpose of the spatial analysis is to ensure that municipality's spatial strategies and land-use management decision is based on a general awareness of:

- Spatial constraints, problems and opportunities;
- Trends and patterns;
- The necessity for spatial restricting;
- The need for land reform and
- The spatial dimension for development issues

The Greater Letaba Municipal area has the following spatial characteristics:

- A land area with a radius of approximately 1 891km;
- A fragmented formal urban component comprising of Ga-Kgapane, Senwamokgope and Modjadjiskloof;
- The incidence of rural settlements is evenly spaced along the northern boundary and a lesser concentration of villages along the south-eastern boundary of the Municipality;
- The southern part of the municipal area comprises of mountainous terrain, which precludes urban development;
- Large tracts of arable land which are being used for intensive and extensive agricultural activities, these include tomatoes (central), timber (south and south east), game and cattle (central and north-west);
- Environmental degradation due to illegal dumping, inadequate sanitation facilities and overgrazing and
- Significant areas of land owned by the state under custodianship of tribal / traditional authorities.

There are three proclaimed towns within the Greater Letaba Municipal area, namely Modjadjiskloof, Ga-Kgapane and Senwamokgope. There is a process to develop Mokwakwaila to become the fourth township, and that would increase economic development opportunities. There is an opportunity for the municipality to start exploring possibility of expanding development in these townships but also assess areas where new township establishments can be established such as Modjadjiskloof Ext 4, Panorama and Kgapane.

1.4.2 Settlement Hierarchy

Settlement hierarchy of the municipality is usually based on the classification of individual's settlement as reflected below in the table:

Table no 2: Settlement Hierarchy

| Type | Characteristics | Area |
|-----------------------------------|---|--|
| 1 st Order Settlement | <ul style="list-style-type: none"> • Growth points; • Settlement located relatively close to each other; • Meaningful economic and social activities; • Services are available for potential business and • Higher level of services. | Modjadjiskloof, Ga-Kgapane and Senwamokgope |
| 2 nd Order Settlement- | <ul style="list-style-type: none"> • This group of settlements are located close to each other; • Have virtually no economic base; • The area has no infrastructure services and • Have a substantial number of people residing in this area. | Mokwakwaila |
| 3 rd Order Settlement | <ul style="list-style-type: none"> • The areas exhibit development potential based on population growth; • The areas are traditionally rural areas; • Have more than 500 inhabitants; • They don't form part of the cluster; • Most of these areas are relatively isolated in terms of surrounding settlement; • The potential of self-sustained development growth is limited and • Lack development opportunities. | Mapalle and Rotterdam |
| 4 th Order Settlement | <ul style="list-style-type: none"> • The settlements are traditional rural areas, whereby they are located in the manner that they are interdependent; • Settlements are linked together by social infrastructure e.g. (clinic, schools etc.) and • The settlements are small and they have less than 1000 people per village. | |
| 5 th Order Settlement | <ul style="list-style-type: none"> • All small settlements are mainly rural villages, which do fall under 4th order of settlement; • No economic base in this area | Motlhele |

1.4.3 Land Use Composition and Management Tools-LUS and GIS

LUS determines and regulates the use and development of land in the municipal area in accordance with Town-Planning and Town Ordinance. Geographic Information System assists with the information regarding land development and upgrading, so the municipality has to upgrade the systems regularly.

1.4.4 Spatial Development Growth Points Areas

The table below indicates the growth points within the municipality

Table no 3: Spatial Development Growth Points Areas

| Provincial | District | Municipal |
|-------------------|---------------------|-----------------------------|
| Modjadjiskloof | Ga-Kgapane Township | Mokwakwaila Senwamokgope |

1.4.5 Land Claims and their Socio-Economic Implications

Greater Letaba has by far the majority of land claims (196); covering a land area of approximately 91812ha. At the moment 48% of the total area in the municipality is subjected to land claims. The extent of land claims in the municipality and the potential impact it may have depending on the outcome of investigations is quite substantial and may impact heavily on the Spatial Development Framework and other strategic plans.

Moreover; no development can take place on land that has been claimed until the claim is settled (unless such a claim has not been gazetted or if consent has been obtained from affected community(s); hampering development in all areas of the economy.

According to information received from the Land Claims Commissioner; only the land claim of the Pheeha, Rakwadu and Tshwale Communities have been settled by providing alternative land. The status of other land claims in the area has been investigated and notable progress has been observed.

Table no 4: Status of Land Claims

| | |
|-------------------------------|------------|
| Total number of claims lodged | 196 |
| Total after consolidation | 194 |
| Total settled | 3 |
| Hectors restored | 91812.01ha |
| Households Benefited | 1923 |
| Beneficiaries | 17234 |
| Outstanding claims | 97284.02ha |

Table no 5: Land Claims Settled

| REF/KRA NO | Claimant |
|-----------------|-------------------|
| CPA-2001/0278/A | Pheeha Community |
| CPA-12/1299/A | Tshwale Community |
| | Rakwadu Community |

Table no 6: Illegal Land Occupation

| Property Description | Land Ownership | Comment(s) |
|---------------------------------|-----------------------------|---|
| Meshasheng in Ga-Kgapane | Greater Letaba Municipality | |
| Mokgoba in Modjadjiskloof | Greater Letaba Municipality | About 200 shacks has been built illegally in Mokgoba area |
| Portion 4 of the farm mooiplats | Greater Letaba Municipality | About 100 sharks built illegally |

1.4.6 Spatial Challenges:

- Large area in Modjadjiskloof town is privately owned and these create a challenge in terms of upgrading and expansion of the town;
- There's illegal settlements and land occupation in areas such as Mokgoba and Meshasheng and legal processes are underway to address such challenges.
- Sparse rural settlement and
- Building houses without building plans.

1.4.7 Spatial Opportunities

The municipality may also draw spatial opportunities from tourism. This is mainly because of the vast potential in terms of suitable resources in the municipality.

These may be summarized as follows:

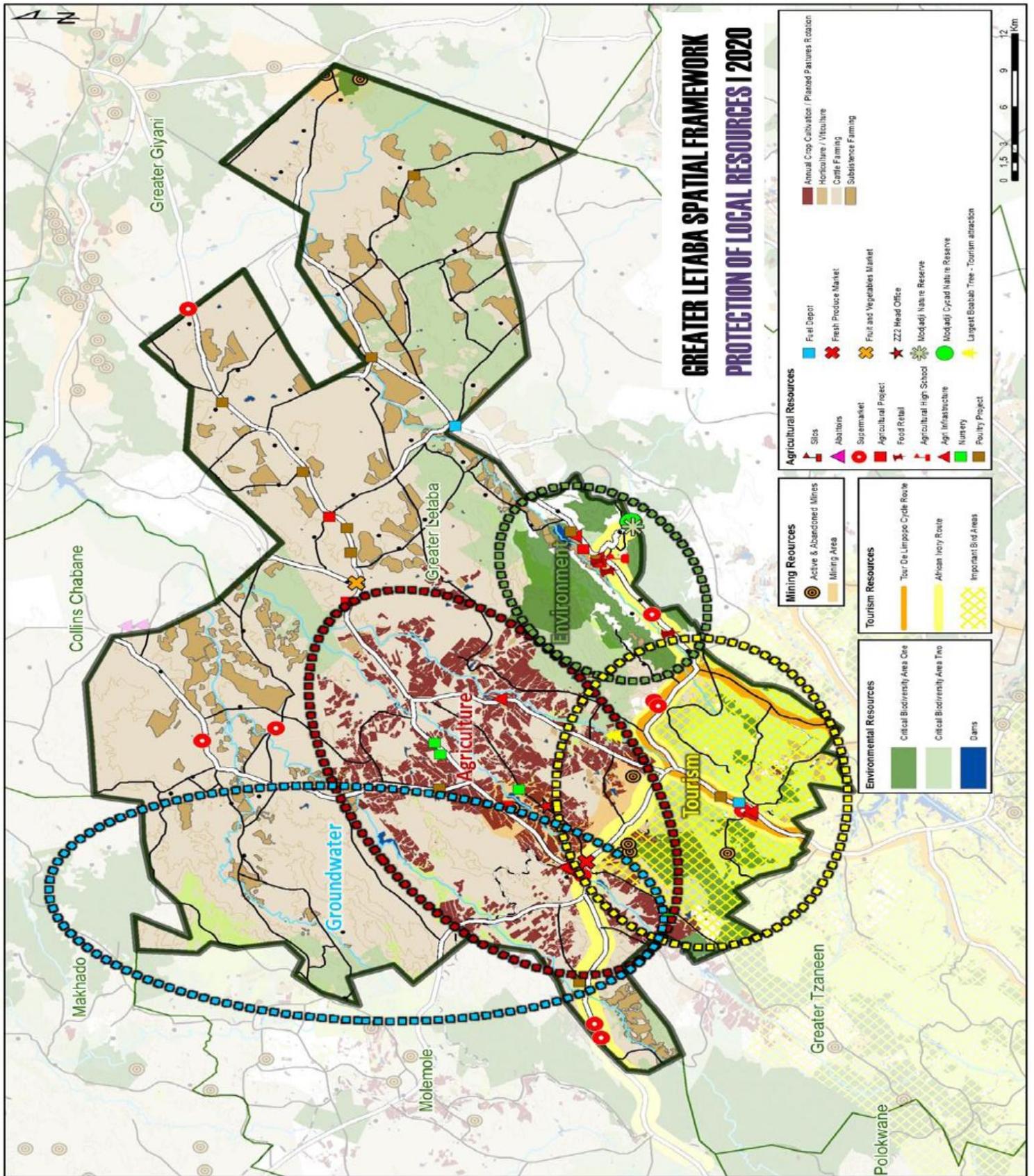
- The availability of the Rain Queen (Queen Modjadji) which may influence tourism related development along the Ga-Kgapane-Mokwakwaila Development Corridor;
- The African Ivory route that passes through Modjadjiskloof could bring unprecedented growth in both Modjadjiskloof as a town and the entire municipality.

Various development nodes exist in the municipality; each with a unique development opportunity. These nodal points may be enhanced utilizing Nodal Configuration Plans and linked to each other through networks thoroughly planned through the Spatial Development Framework of the municipality.

The following key elements present opportunities with tangible spatial impacts if explored adequately:

- Modjadji Nature reserve, with the Modjadji (Encephalartos Transversosus Cycad Forestry) only found here;
- Vast tomato plantations of ZZ2;
- Modjadjiskloof waterfalls;
- Walking trails both in the Caravan Park and in the nature reserve;
- Manokwe caves;
- Shidila Lodge and Nahakwe Mountain Lodge.
- Lebjene Reins
- Senopelwa / Matipane Showgrounds
- Modjadji Royal White House
- Township Establishment at Modjadjiskloof ext 4

1.4.8 Greater Letaba Spatial Economy



1.4.9 Strategically Located Land within the Greater Letaba Municipality

Small businesses and new retail developments have been the focal point of new developments in Modjadjiskloof, Ga-Kgapane and Senwamokgope towns in recent years. Large space of land is utilized for agricultural purposes, i.e. growing tomatoes, timber, cattle farming, etc.

However, the mountainous area of Modjadji, 'the Rain Queen' can potentially be utilized for eco-tourism. The availability of the palace can also be one of the opportunities for Tourism attraction given the Modjadji dynasty and heritage. There is a lack of private investment in certain places of the main town and this has led to the deterioration of these areas and underutilization of existing infrastructure.

Moreover, the following areas have huge opportunities which the municipality may capitalize on for development; which include the following:

- Farms to the West of Ga-Kgapane located on a slightly flat terrain suitable for mixed use development including commercial and industrial. These include the farm Platland and Driehoek;
- The area between Ga-Kgapane and Modjadjiskloof constitute of the farm Sprintsrand, Witkrans, Vrystaat and Hilldrop;(Modjadjisklook Ext 4)
- The area between Modjadjiskloof and Mokgoba may serve as a proper link between Mokgoba and the town; thereby attracting further investment in terms of both residential and commercial development;
- Goudplaas and Nooitgedaght with a potential for a new township establishment, extensive agriculture and industrial development;
- The vacant land parcel in Senwamokgope between the built area and the college would be ideal for Convenience Centre development;
- Mokkwaila area on the farm Worcester 200-LT given potential by its centrality in Bolobedu and the municipality as a whole.
- Portions of the farms Vaalwater and Roerfontein adjoining the existing Senwamokgope to the South and East
- Mooketsi (area around the junction) which has a potential for growth as a convenience centre for tourism.

It is worth noting that the above areas are under the ownership of private individuals with the exception of the farms Worcester, Vaalwater and Roerfontein which are state owned. The Municipality should conduct land audit in order to locate and unlock municipal land that can be used for development.

1.4.10 Spatial Development Consideration (Subject to Land Availability)

The following human settlement areas have been planned for future development:

- Proposed establishment of extension 11,12 and 13 of Kgapane
- Township establishment (286 sites) on the farm Vrystaat, covering 67 hectares: Portion 14;
- Township Establishment (600 sites) on farm Nooigedatcht 342-LT;
- Township Establishment (279 sites): Modjadjiskloof Extension 1 and 2
- Township Establishment (4900 sites): Makhabeni Extension 1 on the farm Altydmooi 379-LT;

- Shopping Centre/ Mall on the farm Schoongelegen: Portion 01;
- Township development and Mall at Mokwakwaila
- Shopping Centre/Mall in Senwamokgope;
- Extension of Ga-Kgapane Shopping Centre
- Shopping Centre of Mamaila Mphotwane

Table no 7: Spatial Rationale SWOT Analysis

| | |
|---|---|
| Strength | Weakness |
| <ul style="list-style-type: none"> • SPLUMA • SDF | <ul style="list-style-type: none"> • Sparse rural settlement |
| Opportunities | Threats |
| <ul style="list-style-type: none"> • Growth points • Identifiable land use areas • Tourism • Township establishment | <ul style="list-style-type: none"> • Illegal settlements and land occupation • Land disputes • Building of houses without building plans |

1.5 ENVIRONMENTAL ANALYSIS

1.5.1 Background

Greater Letaba municipality is faced with environmental risks and threats that lead to environmental degradation. National legislation and various international protocols gives guidance as to how the municipality should ensure safer and sustainable environment for the residence. In order to ensure that development activities carried out by Greater Letaba Municipality are sustainable, the IDP of Greater Letaba Municipality had considered environmental and socio-economic issues in an integrated manner in decision making, project planning and implementation.

A summary of environmental analysis of Greater Letaba Municipality will provide an outline of various challenges faced within the environmental space of the municipality.

1.5.2 Environmental Legislation:

1.5.2.1 The international protocols which guides environmental management are as follows:

- Strategic goals of the Rio declaration;
- Agenda 21;

- Kyoto protocol,
- Convention on International Trade in Endangered Species (CITES);
- RAMSAR Convention;
- World Summit on Sustainable Development (WSSD).

1.5.2.2 Legislation which regulates matters relating to environmental management:

- National Environmental Management Act No 107 of 1998;
- National Environmental Management Biodiversity Act No 10 of 2004;
- Air Quality Act NO 39 of 2002;
- National Environmental Waste Act No 59 of 2008.
- Mopani Climate Change Response Plan

Sources: South African Legislations

Greater Letaba Municipality has environmental challenges in the following areas:

1.5.2.3 Veld and forest fires

Veld and forest fire are the environmental challenges that is experienced in Greater Letaba Municipality.

1.5.2.3.1 Causes of veld and forest fire:

- Bee hunting; Firewood collection; Economic gains; Lack of knowledge about fire and Distraction.

1.5.2.3.2 Extent of the challenges:

- Destruction of grazing and affect livestock farming

1.5.2.3.3 Areas affected by Veld/ forest fires:

- Meidingen; Thakgalang and Goudplaas.

1.5.2.4 Alien plant invaders

Alien plants are the foreign plants which are not originated in South Africa and they are either brought deliberately here in South Africa or Greater Letaba Municipality because of their commercial values or transport through natural means, Via wind, rivers and migration of birds from one country to another. GLM is conducting alien and invasive species awareness campaigns with working for water and South African Biodiversity Institute (SAMBI). Furthermore, alien, and invasive steering committee has been established by the municipality (Environmental Unit), for the progress of eradication by working for water, SAMBI and Department of Agriculture and Rural development.

1.5.2.4.1 Causes of Alien plant

Deliberate transportation of alien plant by human beings from one country to another, for commercial gains, agent of pollination e.g. Running water; birds and wind.

1.5.2.4.2 Areas affected by alien plants

- Thakgalang area (Ponelopele cattle farming farm); Modjadji Nature reserve; Sekgothi area; Ramaroka Sekgosese, Ga-Kgapane, Rapitsi, Mokwakwaila, Bodupe, Maphalle and almost Greater Letaba Areas.

There are different alien species i.e. Lantana, Morning glory, Potato bush, Yellow poppies, Bark weed, Casta oil, etc. The Municipality must should put budget aside for alien control and awareness.

1.5.2.4.3 Extent to the challenges

Destroying vegetation cover around them; Causes soil erosion; Consume lots of water;

Drying arable land and destroying indigenous plant; Aggravating wildfire; Poisonous to livestock. *Source: Working for Water and Department of Agriculture 2021*

1.5.2.5 Deforestation

Deforestation is one of the identified major environmental challenges affecting most areas in Greater Letaba Municipality.

1.5.2.5.1 Causes of deforestation

- Poverty; Unemployment and Cutting of trees for fire purposes.

1.5.2.5.2 Areas affected by Deforestation

- Rotterdam; Thakgalang; Mamaila Kolobetona; Mamaila Mphotwane; Kuranta and the surrounding villages; Motlhele and the surrounding villages; Shamfana and the surrounding villages; Mohokoni g village and some areas within GLM.

1.5.2.5.3 Extent of deforestation

- Causes of soil erosion; Destroy vegetation; Disturbance of eco system; Land become unproductive; Grazing for animals is affected.

1.5.2.6 Soil erosion

Soil erosion has negative effect to the environment and as such it affects soil suitability and fertility within municipality.

1.5.2.6.1 Areas affected by soil erosion

- Sekgosese area; Rotterdam; Kuranta; Bellevue; Matswi and other areas within the municipality.

1.5.2.6.2 Causes of soil erosion

- Improper control on arable land; Deforestation; Overgrazing; Lack of poor storm water control systems and Poor land-use management.

1.5.2.6.3 Extent of soil erosion

- Create unproductive soil; Top fertile soil is eroded; Vegetation cover is also eroded and Grazing areas are also affected.

There is a need to strengthen storm water control system, land care programme initiated by the Department to fight soil erosion. *Sources: Department of Agriculture*

1.5.2.7 Informal settlement

Informal settlement has major negative effect to the environment in that most areas occupied by structures without consideration of environmental potential.

1.5.2.7.1 Areas affected by informal settlement:

- Mokgoba in Modjadjiskloof; Meshasheng and Masenkeng at Ga-Kgapane and Senwamokgope.

1.5.2.7.2 Causes of informal settlement:

- Poverty; Unemployment; Population growth and urbanization.

1.5.2.7.3 Extent of informal settlement

Creates environmental problems; Create unregulated building patterns; It destroys vegetation when buildings are built; To be successful there is a need to establish integrated human settlement with proper basic services and thriving local economies that are able to create jobs.

1.5.2.8 Water pollution

Water pollution affects most people who stay in rural areas because some still rely on water from rivers for domestic purpose. The following are rivers that are affected by pollution within Greater Letaba Municipality namely Klein, Groot Letaba rivers and Molototsi.

1.5.2.8.1 Areas affected by water pollution

- The areas where people still rely on ground water and water from rivers;

1.5.2.8.2 Causes of water pollution:

- Pit latrines; Unauthorized cemetery; Fertilizer; Sewer; Disposal of nappies inside the streams and on land.

Sources: Department of Water and Sanitation

1.5.2.9 Drought and natural disaster

The municipality has over the years experienced some moderate drought in all villages and urban settlement. During this period majority of boreholes and earth dams dried up.

1.5.2.9.1 Areas affected by drought and natural disaster

- Kuranta; Rotterdam; Mothele; Mamanyoha and Shamfana.

1.5.2.9.2 Extent of drought and natural disaster

- It impacts on the availability for both livestock and residents and Decline vegetation for grazing.

Sources: Mopani District Risk Profile

1.5.2.10 Global warming/ climate change

Global warming is defined as the increase in the average temperature on earth. As the earth gets hotter, disasters like hurricanes, floods, droughts and raging forest fires do get more frequent. The three hottest years ever

occurred have all occurred in the last eight years. Global warming is caused by climate change that results in rise in temperatures. It is recorded that climate change accounts for 160 000 deaths in the world per year.

Climate change is caused by the sun's radiation (heat energy) that is absorbed by emitted gases into the atmosphere.

Greater Letaba Municipality acknowledges that climate change poses a threat to the environment, its residents, and future development. Actions are required to reduce carbon emissions (mitigation), and prepare for the changes that are projected to take place (adaptation) in the municipality. Furthermore, GLM has established the Environmental Forum, with different stakeholders for the aim of becoming a climate change prepared Municipality. Moreover, it is still developing Climate change response strategies to detect the emissions from different sources and develop climate change action plan and educating the community to stop practicing activities that are causing it. Those activities that are contributing in emissions generations. Mopani District Municipality has therefore prioritised the development of a Climate Change Vulnerability Assessment and Climate Change Response Plan.

1.5.2.10.1 Gases like CO₂, methane and nitrous oxide

In the atmosphere absorb heat energy that is bounced from the earth's surface. This is naturally balanced to keep us warm here on earth. Otherwise the earth would be too cold at around -18°C. With more human activities taking place on earth, there is more emission of water vapour, carbon dioxide, ozone, methane, nitrous oxide and chlorofluorocarbons into the atmosphere, resulting in more heat energy trapped or absorbed thus increasing atmospheric temperatures.

How much warmer it gets down here on earth depends on how much energy is absorbed or trapped up there and that in turn depends on the atmospheres composition.

1.5.2.10.2 Causes of global warming:

- Human activities attached to the increase in CO₂ e.g. cars;
- industrial productions;
- energy-producing industries;
- Deforestation and agriculture (inorganic farming).

Biomass burning

- Mostly in the rural areas within GLM people are using it for cooking and heating.
- Eliminate garden waste.
- Farming activities by burning vegetation especially during any season and after harvesting.

Vehicle emission

- Due to lack of proper public transport, people are depending on their individual footprint.
- Carbon Monoxide emission become high and they have an impact on climate change which leads to global warming.

Industry

- Timber treatment which uses chemicals that affect the environment and impacts negatively on the air i.e. Khulani Timber Industry in Modjadjiskloof.
- Sew dust emission from timber plants is burned since there is no better disposal of it.
- This impact on the air quality.

Dust

- Unpaved road, Construction and other human activities.

1.5.2.10.3 Extent of the problem of global warming

- Changes in climate are predicted to result in the shifting of bioregions across South Africa. In the Mopani District Municipality, it is projected that with the warmer temperatures that there will be a replacement of grassland biome with savanna. A large amount of grassland and grassland related species will be lost.
- Greater Letaba Municipality farmers are affected in the form of lower production .
- Increasing chances for floods, strong storms (e.g. hurricane Katrina in 2005), altered rainfall patterns;
- Reduction of access to portable water, threat to food security and health effects to poverty stricken communities;
- Emission of gases causing global warming could be scaled down by utilizing every space for plants.

Using alternative forms of energy (e.g. solar panel, wind turbines heat, power plants) and put strict control against deforestation. It is clear that individuals, communities and government need to come up with programmes to bring awareness on the causes and effects of global warming and strategies on control measures for decreasing emission of the gases that exacerbate temperature increase in the atmosphere.

1.5.3 Waste Management

GLM is collecting waste in Modjadjiskloof, Ga-Kgapane and Senwamokgope. The Municipality has extended the collection of waste to Mokgoba, Meidingen, Raphahlelo, Phooko, Mamaila- Kolobetona, Sekgopo, Jamela, Mamphakhathi, Madumeleng, Modubung, Madibeng, Kheshokholwe, and Matswi, Mooketsi market, Maphalle markets, Sekgosese area and Mokwakwaila business centre and various areas within the municipality. There are three compactor trucks, 2 skip trucks and refuse tractor which are used for the collection of waste in various areas. Over 120 skip bins have been purchased for extension of waste services to 30 Wards within the Municipality. There are two operational transfer stations located at Senwamokgope and Ga Kgapane for waste disposal as a temporary storage and one drop off centre for disposing garden waste at Modjadjiskloof. One major challenge is also that the municipality has no established land fill site and currently depending on Tzaneen Local Municipality for dumping purpose. The municipality has acquired a land at Maphalle Village to establish a landfill and scm processes are underway to commence with phase 2 of the Landfill site.

1.5.4 Environmental Management

The Municipality has developed environmental planning tools in house such as IWMP assisted by stakeholders i.e., LEDET, DEFF, DWS, and Dept. of Agriculture. Environmental Management Plan (EMP), Education and awareness strategy, Recycling and waste minimization strategy are still being developed. The Integrated Waste Management Plan (IWMP) and Environmental Management Plan (EMP) has been approved by the council and endorsed by the MEC of LEDET. Greater Letaba municipality as part of the Local Environmental Forum also plays a vital role in addressing issues of environment and awareness also in the form of newsletters and community radio.

1.5.5 Waste disposal

The Municipality has placed waste bins in town, villages and townships to address waste disposal challenges. Townships have also been provided with refuse bins in households to deal with issues of waste disposals. There are recycling projects identified and progress at Jamela and Maphalle. The construction of a buy-back centre has been completed but not yet operational.

1.5.6 Refuse removal

Some rural communities in Greater Letaba Municipality do not have access to wastes removal services. GLM still need to purchase more skip bins to establish rural drop of centres and extension for communal refuse collection in various villages within the municipality.

Table no 8: Refuse removal in rural areas

| Municipality | No of villages | Villages served | Service provider | Comments |
|--------------|----------------|-----------------|------------------|--|
| GLM | 80 | 40 | GLM | Maphalle markets, Mokwakwaila business centre, Modubung, Madumeleng, Mamphakhathi, Madibeng, Sekgopo, Mamaila wholesale taxi rank, Mamaila Kolobetona, Phooko, Raphahlelo, Matswi, Lenokwe, Mohlakamosoma, Rasewana and Jamela areas have been supplied with waste bins and the municipality is collecting them. |

Refuse removal service by the municipality has been focusing in urban and some business, markets at rural area (towns, rural business, markets and townships).

1.5.6.1 Access to refuse removal

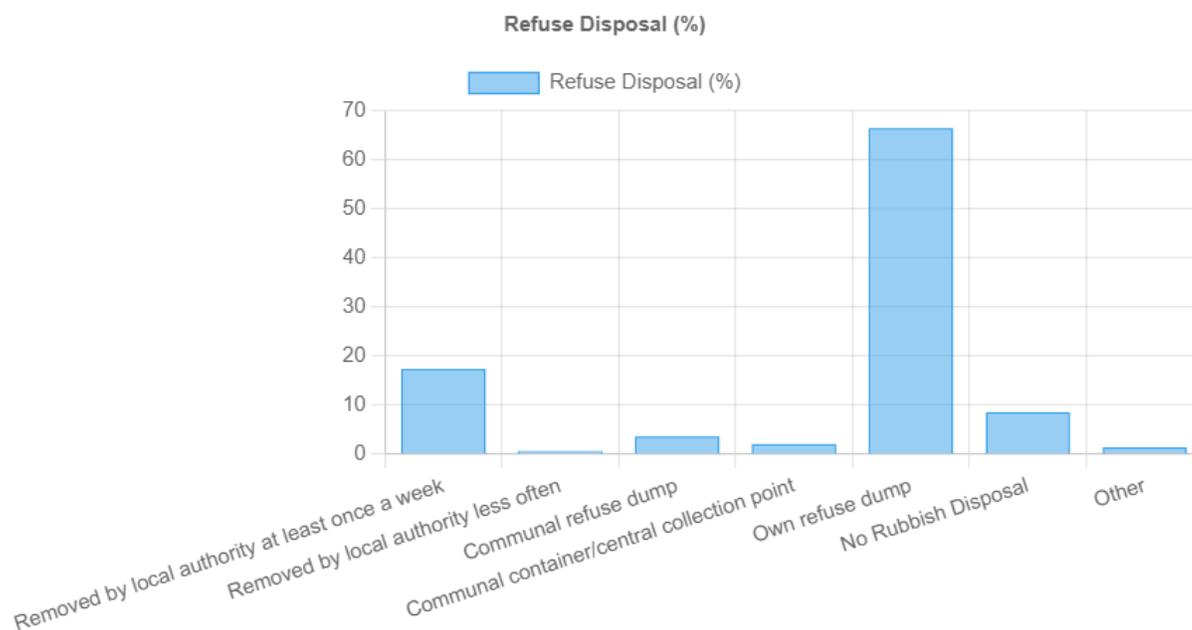
In terms of the municipal refuse removal, the current stats are as follows:

Table no 9: Access to refuse removal weekly by the municipality:

| Removed by the authority | Frequency | % |
|---|-----------|-------|
| Removed by local authority at least once a week | 11 355 | 17,4% |
| Removed by local authority less often | 365 | 0,6% |

| | | |
|---|--------|-------|
| Communal refuse dump | 2 357 | 3,6% |
| Communal container/central collection point | 1 315 | 2,0% |
| Own refuse dump | 43 355 | 66,5% |
| No Rubbish Disposal | 5 543 | 8,5% |
| Other | 932 | 1,4% |

Graph no 2: Percentage distribution of household by type of refuse disposal



1.5.7 Greater Letaba Municipality Waste Management Challenges

The waste management problems in the Greater Letaba Municipality revolve around the following:

There is no general waste landfill site, hence GLM transport their waste to Greater Tzaneen Municipality and this is a costing service delivery option for the municipality. Although a new site has been identified at around Maphalle area and the development has already started. The garden refuse from old Modjadjiskloof dumping site are collected to ZZ2 for composting purpose.

There is one informal settlement with 2792 dwellings that do not have access to basic services like waste removal services and proper sanitation facilities, these as well threatens the environment.

1.6 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

1.6.2 Water and Sanitation Analysis

1.6.2.1 Water Supply

Greater Letaba Municipality and Mopani District Municipality have signed a Water Services Provider (WSP) contract which allowed GLM to undertake operation and maintenance function limited to reticulation network. The WSP agreement with Mopani has been signed and implementation of it will be monitored.

The provision of water supply within the municipal area is gradually worsening as a result of insufficient bulk water supply which is aggravated by factors like new developments and inadequate water resources which cannot meet the current demand. The communities which are adversely affected by the situation resort to polluted sources like springs, raw water dams, rivers or buy water from residents who have private boreholes.

There is a need to address shortage of bulk water through the upgrading of existing purification plants; refurbishment of some resources; provision of package plants and drilling or equipping of additional boreholes as a temporary relief measure. Currently 367 boreholes in GLM, 282 working, 85 not working, 56 needs to be electrified and 19 vandalised.

1.6.2.2 Access to Water

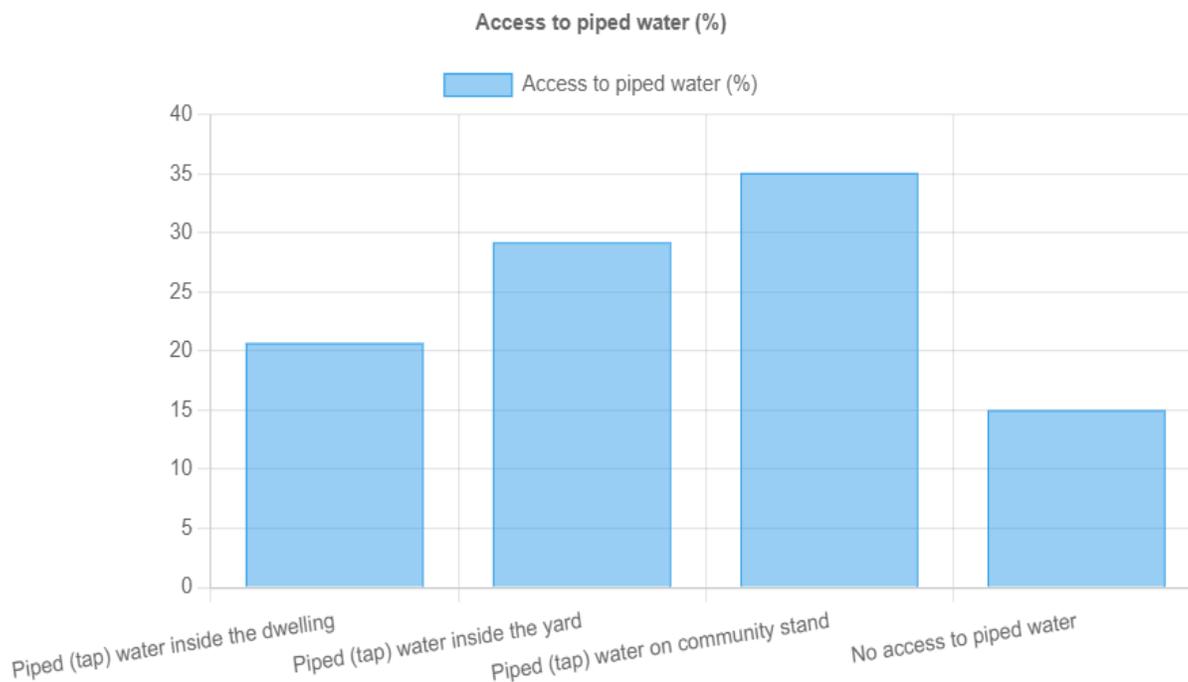
Greater Letaba Municipality strives to ensure that its residents have unhindered access to water services in accordance with the norms and standard required by law. According to the Census 2022, approximately 75% of the residents draw water from less than 200 m radius, which is the maximum required walking distance to tap water according to the RDP standards. The municipality already supplies at least 30%-40% of the villages with water tanker per week to address issues of water scarcity.

The table below shows that 20.7% of households in the municipality have access to tap water inside the dwellings, while the average for the District Municipality is 16.8 %. The percentage of households with access to tap water inside the yard is 29.2 %. The table further shows that majority of the households have access to tap water on community stands, above the acceptable walking distance 200m as required by standards.

The challenge of water results with desperate community members walking for a long distance to access water. It should also be noted that 15% of households in the Municipality have no access to tap water where the District Municipality percentage is 15.8%. It is worrying that some households in the Municipality still rely on springs, rain-water tanks,

stagnant water or dams, rivers and vendors as primary sources of water which may cause health hazard to the residents.

Graph no 3: Piped Water



Census 2022

1.6.2.3 Sources of Water

Table no 10: Sources of Water

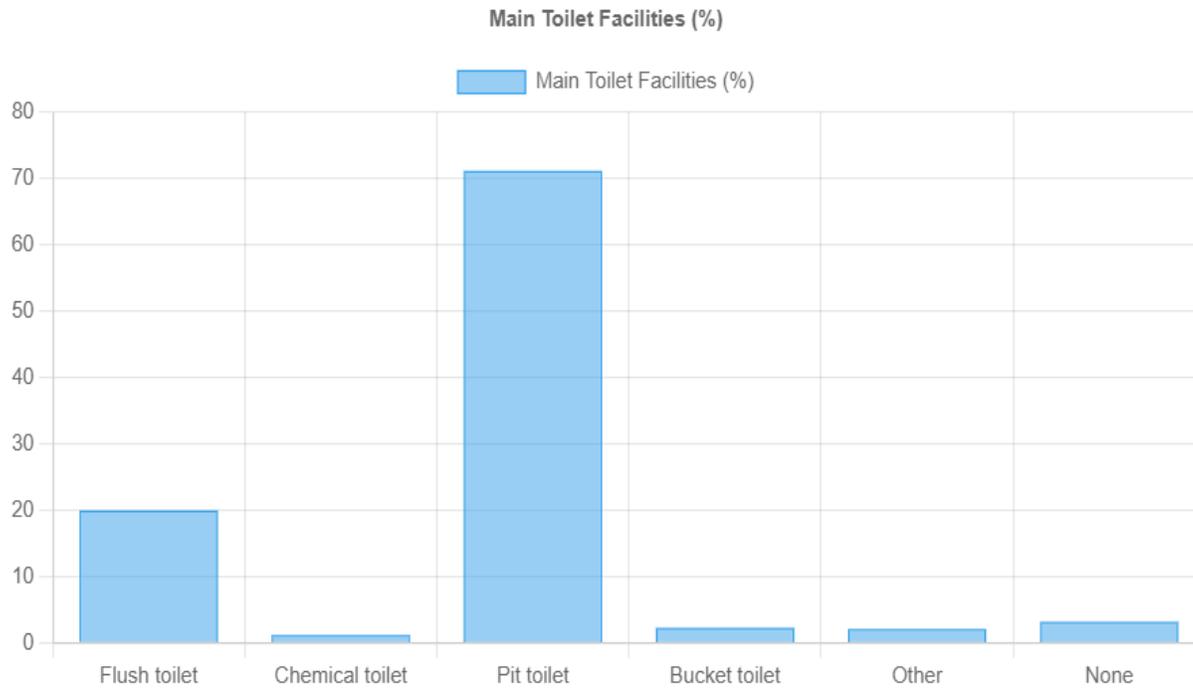
| Source | Benefiting Areas |
|---|--|
| Tzaneen/Modjadjiskloof Water Scheme | Politsi, Mokgoba, Modjadjiskloof, Ga-Kgapane and surrounding farms |
| Modjadji RWS Water Scheme | Mamphakhathi, Bodupe, Moshakga, Motsinoni, Ramphenyane and Mokwasele, Ga Modjadji (Sehlakoni), Sekhuting, Modubung, Motsinoni, Malematja, Mokwasele, Motlhakong, Ga Kgapane, Medingen, Madibeng, Ramphenyana, Koope, Ga Matswi, Ga Mabulana, |
| Middle Letaba RWS -Magoro Water Scheme | Sephukhubje, Ga Phooko, Ga Raphahlelo, Tshabelane, Khomanani, Masakona |

| | |
|--|--|
| Worcester Water Scheme | Polaseng, Mokwakwaila, Mothobekhi, Ramaroka, Femane, Senakwe ,Mohokoni ,Ga Ntana, Maekgwe and other surrounding |
| Lower Molototsi Rural water Supply scheme | Jokong, Mpepule, Thlothlokwe, Motlhele, Kuranta, Ramodumo, Buqa, Abele, Taulome and the surrounding villages. |
| Middle Letaba Babangu water scheme | Rotterdam |
| Sekgosese Water Scheme | Sekgosese |
| Middle Letaba Bolobedu Water Scheme | Sedibeng Maphalle, Mohlabaneng, Jamela, Sefofotse, Bellevue, Mamaila Mphotwane, Nakampe, Refilwe and Makgakgapatse, Molototsi, Nakampe, Mamokgadi, Ditshoseng, Mohlabaneng, Swawela, |
| Sekgopo Rural Water Supply Scheme | Sekgopo comprises of 15 villages of which solely depend on ground water. No bulk water Supply, the entire area depend on ground water supply |

1.6.2.4 Access to Sanitation

According to Census 2022; about 71% of the households within the municipality are either without sanitation facilities or have sub-standard toilets like those without ventilation; bucket system and chemical toilets. The 71% figure might as well be translated into a backlog and that implies that progress in providing sanitation facilities is not satisfactory.

Graph no 4: Households Access to Sanitation



Source: (Census 2022)

1.6.2.5 Water and Sanitation Challenges

- Ageing of water and sanitation infrastructure (Modjadjiskloof, Senwamokgope and Ga-Kgapane);
- Ever reliance on boreholes (Sekgopo and Sekgosese areas);
- Theft and vandalism;
- Continuous diesel Water pumps breakdowns;
- non-payments of services;
- Illegal connection by car washes;
- Lack of maintenance of existing infrastructure and
- Poor quality of drinking water.
- Shortage of water because of drought
- Continuous boreholes breakdowns;

1.6.2.6 Free Basic Water and Free Basic Sanitation

The threshold for provision of Free Basic Water is a maximum of six (6) kilolitres per household per month. The municipality has 143 households which reside in the proclaimed towns and they do not pay for the first 6kl of water as reflected in their service accounts.

There is a total of 132 villages which receive unmetered free water supply; which is presumed to be above the FBW threshold. In areas where there are deficiencies in water availability; water supply is supplemented by water tankers without cost.

1.6.3 Energy and Electricity

1.6.3.1 Status of Electricity Network in Modjadjiskloof

Greater Letaba Municipality has electricity distribution license granted by National Electricity Regulator of South Africa (NERSA) in accordance with the Electricity Act, 1987 (Act No. 41 of 1987) to supply electricity in Modjadjiskloof.

ESKOM is responsible for distributing electricity to other areas except in Modjadjiskloof and Mokgoba village which is an extension of Modjadjiskloof where prepaid meters have been connected to address also issues of illegal connection.

The infrastructure maintenance is important to address issues of power outages especially during storms and winter season. High voltage and low voltage electrical network lines are still having challenges in terms of ageing although the municipality is still busy with refurbishment. The municipality purchases electricity from ESKOM. The Notified Maximum Demand (NMD) is 3 000kVA. The recorded Maximum Demand of June 2021 was 2 979kVA.

The GLM has applied to ESKOM for MND to increase to 5000KVA due to the over usage of the what the municipality has leading to penalties. The Greater Letaba Municipality has upgraded electrical network as per National Energy Regulator (NERSA) standards in substation sites and mini substations.

1.6.3.2 Sources of Energy

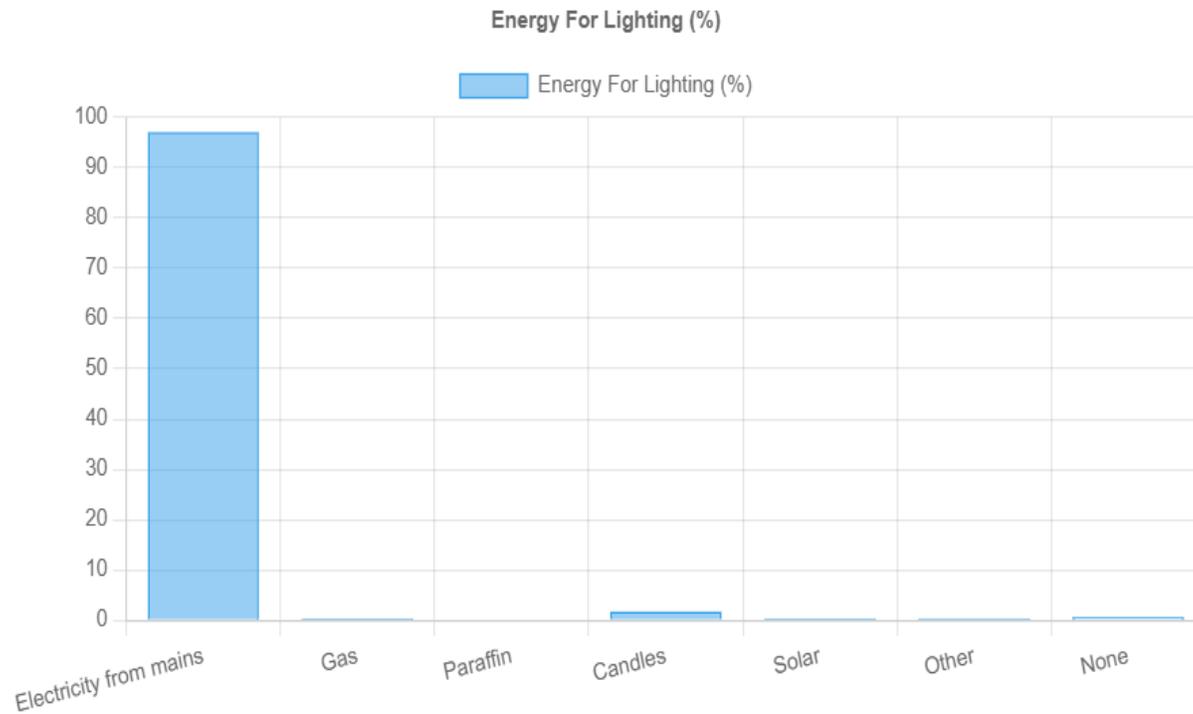
- Electricity;
- Solar;
- Paraffin
- Wood and Gas.

1.6.3.3 Electricity Backlogs

Energy distribution has important economic development implications with a potential to make considerable impact. This impact relates to improved living conditions, increased productivity and greater sustainability of environment.

The provision of electricity to households has been achieved to the larger extent. About 96,6% of the households in Greater Letaba Municipality have access to electricity. See figure below:

Graph no 5: Energy for Lightining



Access to electricity (Source: Census 2022)

Given its capacity of the figure above, Greater Letaba Municipality and the MTEF allocation, it is clear that all households will have access to electricity except new household's extensions.

1.6.3.4 Free Basic Electricity

The maximum allowable consumption for Free Basic Electrification is 50kwh per qualifying household per month. The municipality has received 144 beneficiaries (for the municipality's licensed area) for FBE of which all beneficiaries are currently connected. ESKOM administers applications and collection of FBE in areas under their distribution licence.

1.6.4 Roads and Storm Water

1.6.4.1 Road Networks

Transportation infrastructure makes a major contribution to the facilitation of economic activities. The assessment of Municipal Road Network completed by the Department of Transport in 2020 revealed that the municipality has a total road network of 1213km.

The majority of gravel roads are internal streets in rural areas which require intervention to improve access to houses, businesses and public amenities. There is a total of approximately 8km which are gravel in the three (3) proclaimed towns within the municipality.

A major progress has been made in improving the condition of the roads in the municipality whereby 91.08km streets have been paved through concrete interlock paving blocks and this has reduced the backlog to 696.08km.

Table no 11: Classification of Roads in GLM

| National Tarred Roads | |
|------------------------------|---------------------------------|
| R36 | Mooketsi-Modjadjiskloof-Politsi |
| R81 | Sekgopo-Mooketsi-Makgakgapatse |

| Provincial Tarred Roads | |
|--------------------------------|-------------------------------|
| D1034 | R81-Jaghtpad-P43/2 |
| D1308 | Mooketsi-Morebeng |
| D447 | P43/2-Kgapane-D848 |
| D1380 | Madumeleng –Modjadji |
| D3205 | Maphalle-Blinkwater-Rotterdam |
| D3200 | Lebaka Cross – Hlohlokwe |
| D11 | R81- Mamaila Kolobetona |
| D3212 | Mamatlepa-Ntata |
| D3180 | Mamphakhathi- Mpepule |
| D3150 | Wholesale-Morebeng |

| Provincial Gravel roads | |
|--------------------------------|-------------------|
| D617 | Mooketsi-Valkrans |
| D569 | P43/2-D1308 |

| | |
|-------|-----------------------|
| D3221 | Lekgwareng-Abel |
| D3231 | Mamaila |
| D3734 | Ga-Phooko |
| D3160 | Itieleng-Senwamokgope |
| D3211 | Nakampe-Skimming |
| D3242 | Lebaka-Jamela |
| D678 | Mooketsi-D1034 |
| D2672 | D1034-D1509 |
| D2673 | P43/2-D1034 |
| D2674 | Modjadjiskloof-D447 |
| D1331 | Mothobeki-Boshakge |
| D1330 | Boshakge-Lenokwe |
| D3197 | Senopelwa-Mothobeki |
| D3195 | Maphalle-D3225 |
| D3225 | D3195-D3200 |
| D3196 | R81-Ditshosing |
| D3219 | Taulome-mahekgwe |
| D3216 | Taulome-D3200 |
| D3212 | Bellevue-Ntata |
| D3207 | Bellevue-Sidibene |
| D3206 | Sedibeng-Maupa |
| D3243 | Jamela-D3242 |
| D3242 | D3205-R81 |

The following strategic roads are tarred:

Table no 12: Strategic Roads

| ID | Corridor | Description |
|-----------|------------------------------|---|
| 1 | Modjadjiskloof to Tzaneen | Along road R36 south of Modjadjiskloof |
| 2 | Giyani to Mooketsi | Along road R81 south of Giyani to Mooketsi |
| 3 | Modjadjiskloof to Ga-Kgapane | Along road R36 north of Modjadjiskloof to Ga-Kgapane |
| 4 | Modjadjiskloof to Giyani | Road R36 north of Modjadjiskloof into road R81 towards Giyani |
| 5 | Ga-Kgapane to Mokwakwaila | From Ga-Kgapane heading north through villages to Mokwakwaila |
| 6 | Mooketsi to Sekgosese | From Mooketsi heading north through villages to Sekgosese |
| 7 | Sekgosese to Bungeni | Road from Lemondokop through villages to Bungeni. |

Table no 13: Roads and Bridges Requiring Immediate Attention

| Roads | Bridges |
|--|---|
| Road D1329 (near Rabothata) and bridge; Road D3212 (Bellevue - Ga-Ntata); Road D1331 (Polaseng-Mothobekgi); D3179 (Rapitsi to Malematja) Road D3150 (Wholesale – Thakgalang -Morebeng); Road D3164 & D3205 (Sekgosese to Blinkwater); D3180 (Mamphakhathi to Mpepule) Road D3734 (Raphahlelo To Phooko); | Sephokhubje-Mamaila bridge; Sekgopo (bridge to moshate; Shaamiriri bridge (mpepule to shamfana); Rotterdam - Sephokhubje bridge; Rotterdam bridge; Abel – Shamfana bridge; Mapaana – Medingen bridge; |

| | |
|--|--|
| Road D3210 (Senwamokgope); Sekgopo – Moshate Road; Road D3200 (Mokwakwaila - Hlohlokwe); Road D3196 (Ditshosing) to R81; Road D3216 (Mamanyoha - Taolome); Road D3222 (Lomondokop -Sephokhubje); Expansion of R81; Road D3206 (Maupa-Sedibeng); Road D3207 (Bellevue –Shimausu); Road D3242/1 (Jamela road); R81 – Sekhimini road Sekgopo/Setaseng road -R81. D1034 (R81 to R36) Jaagpat road | Ramodumo-Kuranta bridge and Motsinoni-Mamakata bridge. Setaseng – Moshate bridge Polaseng-Matipane bridge; Mokwasele – Rabothata bridge Mabulane to Mothobekhi bridge |
|--|--|

1.6.4.2 Road and Storm Water Drainage Backlog

The municipality has a backlog of storm water drainage in all gravel streets and roads. The backlog is estimated at 696 Km Road including storm water drainage. And the upgrading of some internal streets from gravel to concrete paving blocks in various villages and township is continuous.

1.6.4.3 Public Transport

Greater Letaba municipality public transport is accessible to communities, whereby some commuters take less than 10 minutes' walk to access public transport. Whereas some commuters take more than 10 minutes to access public transport which is above service norms and standards.

1.6.4.4 Types of Transport

Municipality have three types of transport mode:

- Taxis;
- Rail operations (goods) and
- Bus transport.

1.6.4.4.1 Bus Operations

Bus operation is one of the dominant modes used for public transport in the municipality.

The dominant travel pattern of passengers is “home to work” in the morning and return trip in the evening. On most routes the demand peaks during the morning forward trip and evening return trip.

1.6.4.4.2 Taxi Operations and Taxi Ranks

In Greater Letaba Municipality and the district, taxis form a major high percentage of public transport. In Greater Letaba Municipality alone, there are 10 taxi ranks. Some of the taxi ranks are informal and therefore do not have the necessary facilities. There are plans to improve Modjadjikloof taxi rank in order to meet township standards

Table no 14: List of Taxi Ranks

| Name of Taxi Rank | Location | Formal/ Informal | Facilities | Utilized route |
|--------------------------|---|---------------------|---|---|
| Modjadjiskloof Taxi Rank | Modjadjiskloof-on street | Formal | Shelter, hawker facilities, loading bays, offices and ablution blocks | Tzaneen and Ga-Kgapane |
| Ga-Kgapane Taxi Rank | Ga-Kgapane-off street | Formal | Shelter, loading bays and ablution blocks, hawkers facilities | Tzaneen, Modjadjiskloof and Mokwakwaila |
| Sekgopo Taxi Rank | Ga-Sekgopo on Polokwane-Modjadjiskloof road | Formal | Shelter, loading bays and ablution blocks | Modjadjiskloof and Polokwane |
| Sekgosese Taxi Rank | Wholesale complex-off | Formal | Shelter, ablution facilities, | Modjadjiskloof, Polokwane; Makhado and Morebeng |

| | | | | |
|------------------------|--|----------|---|---------------------------|
| | | | paving and fence | |
| Mokwakwaila Taxi Rank | Mokwakwaila Village-off-street | Formal | Shelter, loading bays and ablution facilities, hawkers. | Ga-Kgapane |
| Maphalle Taxi Rank | Giyani-Mooketsi road at Maphalle Village | Formal | Shelter, loading bays and ablution facilities | Modjadjiskloof and Giyani |
| Khosothopa Taxi Rank | Giyani-Mooketsi road-off-street | Formal | Shelter, loading bays and ablution facilities | Giyani and Mokwakwaila |
| Phaphadi Taxi Tank | Mamaila village-on-street | Informal | | Giyani |
| Mamphakhathi Taxi Rank | Mamphakhathi Village on-street | Informal | | Mokwakwaila |
| Kheshokhole Taxi Rank | Matswi village on-street | Formal | Shelter, ablution facilities, paving and fence | Kgapane, Mokwakwaila |

1.6.4.4.3 Rail Operations

There is minimal usage of railway operations as mode of transport. Rail is used mainly as goods carriers.

Public Transport Challenges and Opportunities

- Integrated transport plan not reviewed.
- Lack of transport by-laws.

- Infighting among taxis operators for routes
- Railway if utilised could relieve the burden of road usage.

1.6.4.6 SWOT Analysis

Table no 15: SWOT analysis

| Strength | Weakness |
|---|--|
| <ul style="list-style-type: none"> • Refuse collected in townships and various villages • Most household have access to basic services such as electricity • Water awareness campaigns | <ul style="list-style-type: none"> • Maintenance of infrastructure • Low applications of free basic service and water |
| Opportunities | Threats |
| <ul style="list-style-type: none"> • Alternative energy source (solar) | <ul style="list-style-type: none"> • In fighting among taxi operators for routes • Ageing water and sanitation infrastructure (Asbestos pipes) |

1.7 SOCIAL ANALYSIS

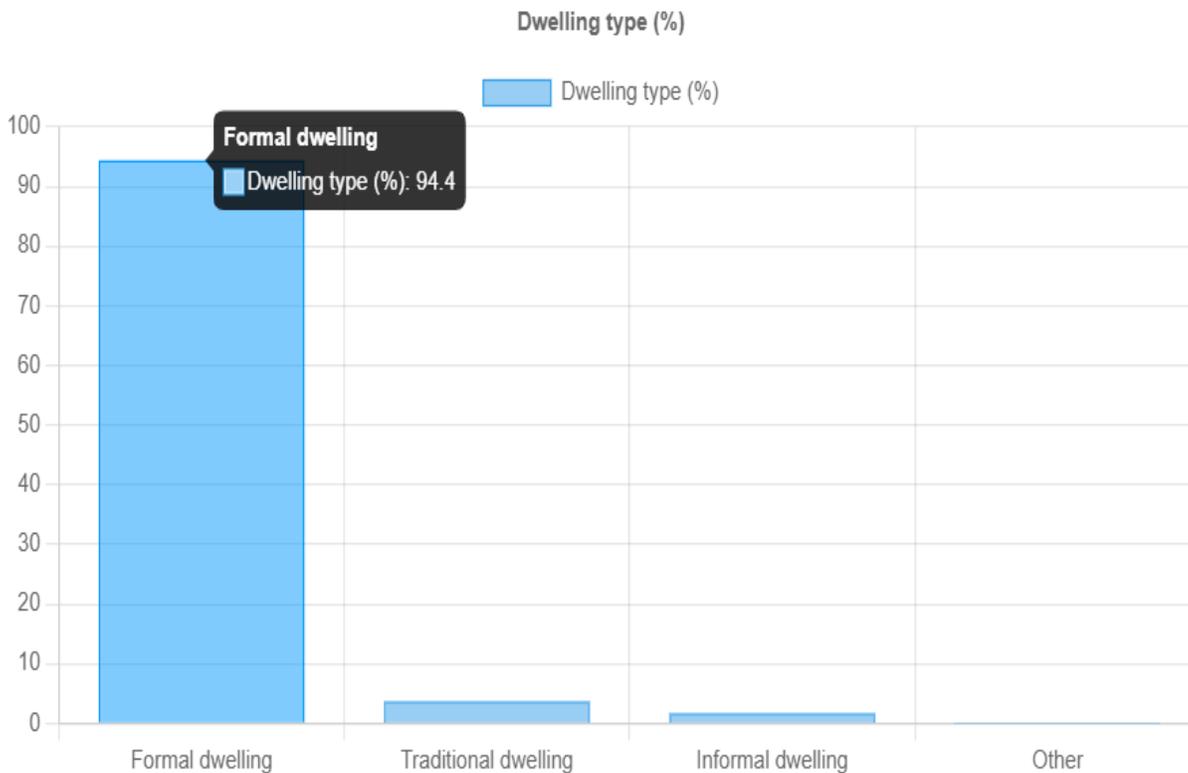
1.7.1 Background

The historic imbalances in South African society resulted in the majority of our people living without land and housing, access to safe water and sanitation for all, affordable and sustainable energy sources, illiteracy, poor quality education and training, poor and inaccessible health services.

The following is the socio-analytic reflection of GLM:

GOGHSTA and the municipality have a mandate to facilitate between the community and department in terms of housing provision.

Graph no 6: Type of Dwelling



Source: Census (2022)

1.7.2 Housing Backlog

According to municipal information the current housing backlog exists in urban and rural area is estimated at 3600 households. The municipality has the Housing Charter that outlines how the backlog will be eradicated.

However, there are integrated housing developments in Maphalle and Jamela. There are also development proposals in Modjadjiskloof Ext 4, Kgapane in order to address issues of housing.

1.7.3 Challenges

There is a need to unlock challenges of housing provision in Kgapane and Senwamokgope as well as unblocking of various projects in villages.

1.7.4 Informal Settlement

Informal settlement has major negative effect to the environment in that area occupied by structure without consideration of environmental potential. The areas affected by informal settlements are Mokgoba in Modjadjiskloof and Meshasheng at Ga-Kgapane. The major causes of informal settlement include poverty; unemployment; population growth and urbanization. This also creates environmental problems; unregulated building patterns and it destroys vegetation when buildings are built.

1.7.5 Health and Social Development

The challenge of the health sector in South Africa is to develop a unified national system capable of delivering quality health care to all citizens efficiently and in a caring environment.

1.7.6 Health and Social Development Services Standards

According to the Department of Health and Social Development there is 1 hospital, 2 health centre and 20 clinics within the Greater Letaba Municipal area.

Table no 16: Health Facilities

| Village Name | Clinic Name | Hospital/Health Centre |
|---------------------|------------------------|-------------------------------|
| Ga-Kgapane | Ga-Kgapane Clinic | Ga-Kgapane Hospital |
| Meidingen | Meidingen Clinic | |
| Sekgopo | Sekgopo Clinic | |
| Modjadjiskloof | Duiwelskloof Clinic | Duiwelskloof Health Centre |
| Shotong | Shotong Clinic | |
| Sikhutini | Modjadji 5 Clinic | |
| Bolobedu | Bolobedu Clinic | |
| Matswi | Matswi Clinic | |
| Senopelwa (Tzaneen) | Senopelwa Clinic | |
| Seaphole | Seaphole Clinic | |
| Ramodumo | Charlie Rangaan Clinic | |
| Mamanyoha | Mamanyoha Clinic | |
| Lebaka | Lebaka Clinic | |
| Maphalle | Maphalle Clinic | |
| Raphahlelo | Raphahlelo Clinic | |
| Mamaila | Mamaila Clinic | |
| Sephukhubje | Middlewater | |
| Thakgalang | Pheeha Clinic | |
| Rotterdam | Rotterdam Clinic | |
| Bellevue | Bellevue Clinic | |
| Mpepule | Ratanang Clinic | |
| Total | 20 | 2 |

Source: Department of Health, 2023

1.7.7 Access to Health Care

Report from StatsSA indicates that within the GLM area, 42% of communities reside within 20 km of a hospital, 4% of communities reside within 10 km of a Health Centre and 91% of communities live within 5 km of a clinic with additional of 165 mobile clinics. With the exception of the very low Health Centre statistic, GLM compares favourably with the other local municipalities in the Mopani District.

The distance norm to rate accessibility does not take into consideration other restrictive factors, such as bad state of roads and therefore health facilities are in all probability less accessible to communities than reflected by the Department of Health criteria.

Many of the residents of the municipal area make use of health facilities in adjacent areas, such as the Tzaneen Private Hospital, the Van Velden Hospital at Tzaneen, Nkhensani (Giyani), Elim (Makhado) and the Polokwane Private Hospital for a variety of reasons.

The area is well served by clinics although primary health care is relatively not sufficiently accessible to people in the villages, as there are limited mobile clinics in use which operates from the Ga-Kgapane clinic.

Table no 17: Ga-Kgapane Hospital Beds Statistics

| Hospital Classification | Approved Beds | Usable Beds | Current Bed Occupancy (%) |
|-------------------------|---------------|-------------|---------------------------|
| District | 262 | 178 | 70% |

Source: Department of Health, 2024

1.7.8 Health Facilities Challenges

- Insufficient mobile and visiting points;
- High vacancy rate e.g. doctors;
- A need for health centres in Sekgopo, Senwamokgope and Mokwakwaila;
- Lack of infrastructure for the required standards of health service;
- Acquiring a suitable site for the construction of a more capacitated clinic in Modjadjiskloof
- A need for EMS at Sekgopo and Mokwakwaila.
- Inaccessible road networks for ambulances.

1.7.9 Prevalence of Range of Diseases

The growth of HIV/AIDs in the past 10 years has been exponential growth rather than lineal growth. This has been caused by the following factors:

- Migration;
- Alcohol and substance abuse;
- High unemployment rate;
- Cross border gates and National route;

- Increase in commercialization of sexual activities and
- High Illiteracy rate.

Although the epidemic affects all sectors of society, poor household carry the greatest burden and have least resources available to cope with the impact of the disease. There are number of non-governmental organization focusing on HIV/AIDS education, awareness and prevention programme.

1.7.10 Community Lifestyle

In GLM community lifestyle as well contribute to health problems such as stress, hypertension, heart diseases, diabetes and other health problems related to the lifestyle.

The rate at which the residents in GLM are attacked by the abovementioned diseases is high. Therefore, there is a need for facilities such as outdoor gyms, sports complex, youth center and as well as the old age facilities. These facilities will go a long way to promote healthy lifestyle within communities in the municipality.

Other prevalent diseases in the community are Diarrhea; Pneumonia; Tuberculosis; Malaria; Sexual Transmitted Infection and Cholera

1.7.11 Safety and Security

The South African Police Service (SAPS) is responsible for public safety and security in the municipality. Community Policing Forums (C.P.F) has been established within the municipality, although not fully functional, working in partnership with the police to curb crime in communities. There is a need for police station in Sekgopo and active Community safety forums.

Table no 18: Police Stations and Satellites

| Name | Location | Satellite/ Police Station |
|----------------|-----------------|----------------------------------|
| Bolobedu | Ga-Kgapane | Police Station |
| Modjadjiskloof | Modjadjiskloof | Police Station |
| Sekgosese | Senwamokgope | Police Station |
| Mokwakwaila | Mokwakwaila | Police Station |
| Bellevue | Bellevue | Satellite |
| Sekgopo | Sekgopo | Satellite |

Source: Dept. of Safety & Security

According to Regional SAPS office, there are not enough police officers in the Region, including GLM. This is one area that the district needs to prioritize. The highest crimes in this municipality which are still posing challenges to communities are theft, burglary and assault.

Table no 19: Crime Hotspots

| Crime categories | Highly vulnerable areas/Hot Spots |
|------------------|--|
| Theft | Meidingeng, Ga-Kgapane, Makaba, Sedibeng Village, Lemondokop, Raphahlelo, Itieleng, Sephokhubje , Mamaila, VaalWater, Westfalia, Mokgoba, Sekgopo, Mooketsi. |
| Burglary | Ga-Kgapane Township, Medingen Village, Mokwakwaila next to filling station and Sekgopo |
| Assault | Mokgoba, Mooketsi, Sekgopo |
| GBH | Ga-Kgapane Township, Burkina Faso ,Mohlabaaneng, Sekgopo |

The following areas need satellites police station:

- Rotterdam
- Mothlele

1.7.12 Education

GLM has a number of existing schools and their condition leaves much to be desired. The maintenance and improvements of the schools in the municipality needs attention with libraries, adequate toilets and infrastructure.

Table no 20: Number of Existing Schools

| Schools | ECD | Primary | Secondary | Independent | |
|-------------|-----|---------|-----------|-------------|-----|
| | 99 | | | | |
| Mopani East | | 81 | 57 | 4 | 142 |
| Mopani West | | 42 | 24 | 4 | 70 |

Learner Ratio Primary ; 1:40

Secondary; 1:35

- Grade R-12 who travel 5 km and above per single trip to the nearest public school
- Learners who reside outside the determined radius may be provided with transport.

- Every learner has access to minimum set of text books

Source: Department of Education

1.7.13 Early Childhood Development Centres

Greater Letaba Municipality has 40 ECD centres.

1.7.13.1 Challenges of ECD Centres

- Mushrooming of ECD sites;
- Lack or poor infrastructure and
- Unqualified personnel in the ECD

1.7.14 National School Nutrition Programme

The number of schools benefiting from the National School Nutrition Programme is 238 and number of learners benefiting is 102 860.

1.7.14.1 Challenge for National School Nutrition Programme

- No proper infrastructure facilities in schools for food storage and preparation areas;
- No water supply and fencing in schools;
- New infrastructure and blocks to capacitate and accommodate learners
- Unavailability of stipend for gardeners who may take care of gardens during school holidays.

1.7.15 Education Backlog

The following areas are among others, are affected by the Backlog for new schools include: Mandela Park; Nkwelemotse; Hlohlokwe; Makaba; Mothobeki; Modjadjiskloof (Secondary) and Mahuntsi; Shamfana (High School), Goudplass High School. Classroom backlog is also prevalence in most of the schools in Greater Letaba Municipality. There is infrastructure backlog in both high and primary schools in relation to infrastructure such as water, and sanitation.

1.7.16 Literacy Level

In terms of Census 2022, the statistics shows decline in the level of illiteracy below 15 %. Although the progress is therefore satisfactory, but the level of illiteracy is still worrying since it impacts on the employability of the population. Therefore, interventions such as Adults Basic Education, libraries and excellence awards are necessary to arrest the situation.

With regard to the teacher/learner ratio for primary Schools, GLM needs to be facilitated in order to comply with the norms and standard as well as the secondary school is within the framework of the national norms and standard, therefore the situation has areas that needs to be monitored to ensure compliance. The performance of primary schools in terms of annual assessment is not satisfactory as learner cannot read and write, this has a long-term impact on Grade 12 results.

1.7.17 Sports, Arts and Culture

Greater Letaba Municipality has Sports, Arts and Culture Portfolio Committee to coordinate sports, arts and cultural activities; this is done in liaison with the Department of Arts, Sports and Culture in the province. The status of sports facilities in the municipality is as following

| No | Facilities | Status |
|-----|---------------------------|--------------------|
| 1. | Mokwakwaila Stadium | Complete |
| 2. | Senwamokgope Stadium | Complete |
| 3. | Ga-kgapane Stadium | Complete |
| 4 | Shaamiriri Sports Complex | Complete |
| 5 | Sekgopo Sports Complex | Complete |
| 6. | Lebaka Sports Complex | Complete |
| 7. | Madumeleng Sports Complex | Under Construction |
| 8. | Rotterdam Sports Complex | Complete |
| 9. | Thakgalane Sports Complex | Complete |
| 10. | Mamanyoha Sports Complex | Complete |

The municipality has outdoor gyms in the following areas:

- Modjadjiskloof; Ga-Kgapane; Senwamokgope; Sekgopo; Maphalle; Ga-Kuranta Ga-Abel, Rotterdam, Matswi and Bodupe .

The municipality has functional community halls in the following area:

- Sehlakong; Shotong; Ramaroka; Mamaila Mphotwane (Chris Hani); Lebaka (Thabo Mbeki); Ga-Kgapane(Sasko hall); Itieleng; Mahekgwe; Senwamokgope, Mokwakwaila, Matswi; Bodupe ;Mamaila-Kolobetona,Ntata, Sekgopo, Mohlele Thakgalang, Rotterdam and Goudplass.

The municipality should develop a maintenance plan and the utilisation of facilities to avoid dilapidations. There is relatively progress in terms of the community halls in various wards, but more can still be done.

1.7.17.1 Sports, Arts and Culture Backlog

1.7.17.1.1 Libraries Facilities

In terms of libraries, shortage of books makes it difficult for people to develop academically. The Modjadjiskloof Library, Soetfontein Library, Ga-Kgapane Library, Maphalle Library, Mokwakwaila Library and Sekgopo Library are the only libraries currently operational.

The state of school libraries leaves much to be desired, there are no libraries in most of the schools and they have converted classrooms to be utilized as libraries and they are under resourced with books and personnel.

The library facilities have been completed in the following area:

- Senwamokgope Library and Shotong Library need to be resourced to become fully operational.

1.7.17.1.2 Gravel Playgrounds Facilities

In terms of the playgrounds, there are also backlogs in relation to playgrounds in areas where there are no stadiums and there's a need for the municipality to embark on the programme of developing playgrounds in rural areas or to upgrade the existing ones to the acceptable standards. There is a need to look into areas like Bodupe and other mountainous areas to assist them with grading for playgrounds. One other important factor to consider is the maintenance of the existing infrastructure.

1.7.18 Heritage Sites

GLM has number of sites which can be identified, celebrated and declared as heritage sites and such sites are:

- Modjadji Cycad Forest;
- The Rain Queen White House;
- Lebjene Ruins;
- Manokwe Cave;
- Khelobedu Dialects and
- Mamatlepa Kgashane Grave.
- Modjadjiskloof Waterfall

1.7.19 Post Office and Telecommunications Backlogs

1.7.19.1 Post office

The Greater Letaba Municipality have areas which don't have post offices and such areas are Rotterdam and Thakgalang. There is a growing use of technology and Courier services and as a result, the state of post offices in the municipality as deteriorated.

1.7.20 Fire and Rescue Services, Disaster and Risk Management

1.7.20.1 Background Information

The disaster management is a continuous, integrated multi-sectoral, multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery and rehabilitation (Disaster Management Act 57 of 2002).

Greater Letaba Municipality has identified the following major disaster risks challenges:

Table no 21: Major Disaster Risks Prevalent in the Municipality

| No. | Type | Risks |
|-----|------------------------------|---|
| 1 | Hydro meteorological hazards | Draught, floods and fire |
| 2 | Biological hazards | Food poisoning, foot & Mouth diseases. |
| 3 | Technological hazard | Dam failure, road accidents |
| 4 | Environmental degradation | Deforestation, soil erosion, land degradation, and water pollution. |

1.8 LOCAL ECONOMIC DEVELOPMENT

1.8.1 Overview of the Local Economic Development

The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation.

The constitution is the overarching legislation in South Africa and all other policies, legislation and strategies have to align to it. It mandates all levels and spheres of government, to promote social and economic development.

Section 152 and 153 of the Constitution relates to economic development by stating the following objectives of local government:

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

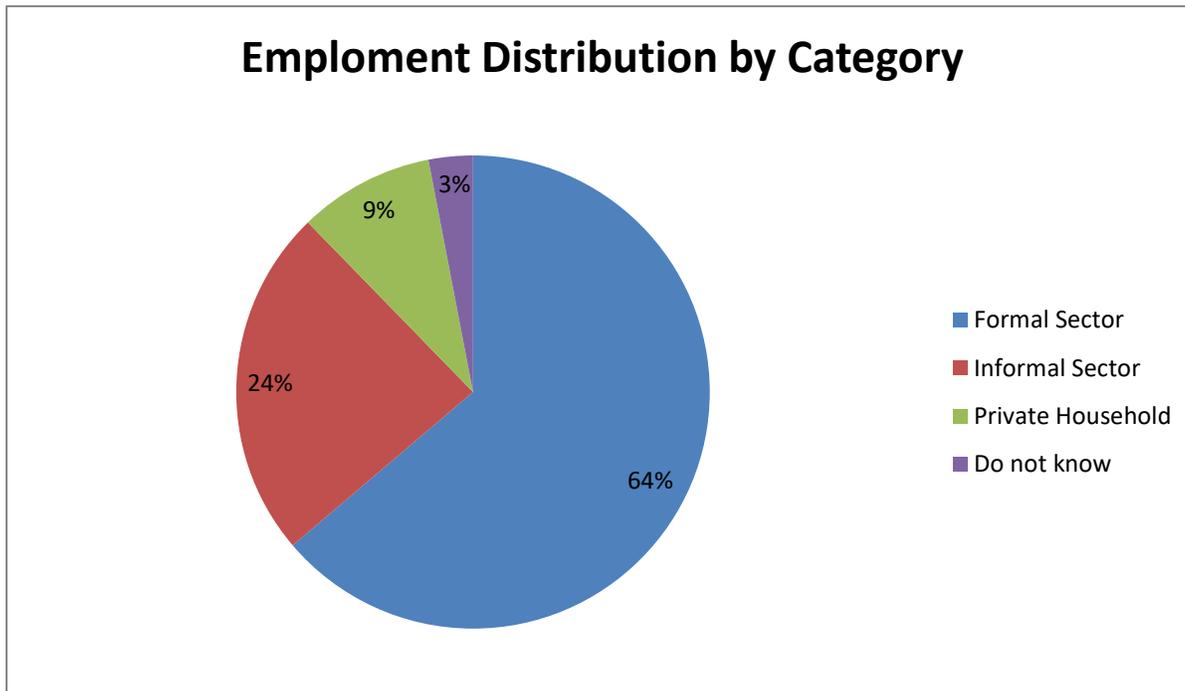
Key Greater Letaba LED goals include:

- To create an enabling environment for business to opportunities;
- Supporting small and medium sized enterprises (SMMES);
- Encouraging the formation of new enterprises,
- Enhancing coordination with agriculture and tourism sectors
- Attracting external investment (nationally and internationally);
- Investing in the developmental state of the municipality;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses.
- Targeting particular parts of the locals for regeneration or growth (areas-based initiatives);

- Supporting informal and newly emerging businesses.
- Formalization of the business undertaking

1.8.2. Employment Distribution by Category

Graph no 7: Employment Distribution by Category



Source: (Census 2022)

Table no 22: Employment Distribution by sector

| Type of Sector | No of people employed |
|----------------|-----------------------|
| Agriculture | 3 421 |
| Mining (Sand) | 664 |
| Manufacturing | 2 673 |
| Electricity | 350 |
| Construction | 2 476 |
| Transport | 1 584 |
| Trade | 11 258 |
| Finance | 2 112 |

| | |
|--------------------|-------|
| Community Services | 8 730 |
| Household | 1 228 |

1.8.3 Comparative and Competitive Advantage of Greater Letaba Municipality

1.8.3.1 Agricultural Sector

Agriculture in GLM contributes 5.5% of the agricultural sector of the district. More importantly the agricultural sector is one of the major employers in the municipality. The agriculture sector is also known as important employer at a district level, employing more than 19.8% of the district workforce. Emerging black farmers with potential for economic growth are compromised by lack of funding and therefore need financial assistance.

The most important factor limiting agricultural production and development in GLM is the availability of water. This is also true for the majority of Limpopo Province, which is located in the dry Savannah sub-region. In general, the province experience hot summer and mild winters, with the average annual rainfall ranging between 300-400 and 600 mm. The province also encompasses a wide range in respect of its topography, with its elevation varying between 600m-900m above sea level.

Large portion of the municipality have land capabilities of moderate potential arable land, concentrated mainly in the central parts of the municipality. Much of this land is currently under private ownership and is already utilised for cultivation. The North Western parts of the municipality mainly have land capability of marginal potential arable land and non-arable, low to moderate potential grazing land. These parts are almost extensively under Tribal Authority custodianship and may possibly be available for further development. However, given the largely limited potential for cultivation, further development potential in these parts of the municipality are limited, allowing mainly for grazing purpose. Despite this, there are number of plant options that could be considered for production in the municipality and need to be explored further.

Since most environmental factors that determine the habitat of specific crops can only be controlled or changed on a very small scale by the farmer, crops should be chosen that are adaptable to the environment.

Commercial farming in GLM comprises mainly mangoes, and avocados, with litchis and nuts also being farmed in the regions surrounding the municipality on a commercial scale. The largest tomato farm in Southern Africa, ZZ2 is located in the Mooketsi valley within GLM.

1.8.3.2 Forestry Sector

The location of forestry plantations in the southern parts of the Municipality creates opportunities for the beneficiation of timber products from these plantations. Forestry plantations in the Municipality are mainly owned by Mondi, Kulani, Montana (privately owned) and the with these companies largely undertaking processing enterprises themselves. Other existing processing undertaken in the Municipality includes sawmills, the dipping and production of electrification poles.

The location of these timber plantations within the municipal boundaries allows further value-adding opportunities through the manufacturing of timber construction materials.

These products could include timber beams and trusses, window and door frames, wooden flooring etc. The production of these construction materials could be of particular value in serving the local communities.

Possible further value-adding activities related to the timber plantations could also include the establishment of a furniture factory in Modjadjiskloof, close to the timber plantations. Support should be given for the establishment of SMMEs in the timber manufacturing industry and could include enterprises such as small scale furniture and coffin making.

1.8.3.3 Tourism Sector

GLM draws its comparative and competitive advantage from tourism. This is mainly because of the vast potential in terms of suitable resources in the municipality. These potentials are reflected hereunder:

- Rain Queen (Queen Modjadji);
- Modjadji Nature reserve, with the Modjadji (Encephalartos Transverse Cycad Forestry only found here);
- Vast tomato plantations of ZZ2;
- Shidila Lodge
- Modjadjiskloof waterfalls;
- Modjadjiskloof Lodge and caravan Park;
- Walking trails;
- Grootbosch;
- Manokwe Caves;
- Nehakwe Mountains Lodge.
- Meloko
- The Modjadji Royal White House

1.8.3.4 Retail Sector

1.8.3.4.1 Formal Trading Activities

The formal trading activities in Greater Letaba Municipality takes place mainly in Modjadjiskloof e.g. Dusort, Kulani timbers Lone sawmill, Spar supermarket, U-save and Ga-Kgapane were there is Modjadji Plaza. E.g. Shoprite, KFC, Nedbank, Capitec bank as well as the ATMs for all banks (Standard bank, ABSA, FNB), Mashwi ,Usave Modjadjiskloof ,Usave,Mamaila Mall, Sekgopo Usave, Rob spices .

1.8.3.4.2 Informal Trading Activities

The informal sector plays a key role in supplying goods to the local communities. Main activities are located around taxi ranks, along key road segments and through the rural settlement.

1.8.4 Opportunity for Economic Growth and Employment

Greater Letaba Municipality has the following major economic pillars:

- Agriculture, including Agro-processing which is already the largest part of formal employment;

- Tourism, which is the key sector with significant opportunities for expansion and growth;
- Retails and service businesses.

1.8.5 Local Skill Base

Greater Letaba Municipality should concentrate on three priority sectors namely agriculture, tourism, manufacturing and retail. There is general shortage of skills in these sectors. The municipality relies on the Department of Agriculture and Rural Development on agricultural technical skills. The municipality is an agricultural and tourism based potential and skills can be invested in those sectors.

1.8.6 Strategically Located Land for Economic Development

There are three nodal points in the municipality which are strategically located for LED growth including:

- Ga-Kgapane nodal point which is largely doing well in terms of retail services;
- Senwamokgope nodal point is strategically located for shopping complex and
- Mokwakwaila nodal point could do well in terms of development of shopping complex and residential area also because of its centrality.
- Modjadjiskloof Extension 4

1.8.7 Challenges in the Municipal Economic Development

The following are challenges that hamper economic development in the municipality:

1.8.7.1 Land Claims

Vast majority of the land in greater letaba is privately owned and subjected to land claims. There is progress in terms of other claims that have been settled but much can be done so that opportunities can be unlocked to develop the municipality. The process of land claims is a lengthy one and has as yet not been resolved by the Land Claims Commission.

This not only creates a high level of uncertainty with regard to existing commercial farmers and their ability to expand or employ more people but also creates an uncertain climate that deters investment in the area.

1.8.7.2 Lack of Funding or Financial Support

Another constraining factor in respect of development in Greater Letaba Municipality is related to the large areas of land (approximately 50%) registered in the name of the state and under the custodianship of traditional authorities. As such, small farmers are farming on communal land, to which they cannot get title deed, but only have permission to occupy.

Therefore, farming on communal land precludes small farmers from obtaining financial support through commercial institutions such as banks, which prevents these farmers from expanding their farming enterprises or obtaining the necessary Assets such as specialised machinery. Furthermore, access to funding, even for minor, necessary improvements to public and private sector products in the tourism industry, is extremely difficult to secure.

1.8.7.3 Lack of Skills

The majority of the labour force in Greater Letaba Municipal area has no, or very limited basic skills, necessitating on-the-job training. Training is particularly necessary in the processing of fruit and vegetables and in the timber industry, which requires somewhat higher skills levels. The lack of these skills largely constrains the development of manufacturing and agro-processing industries in the municipal area.

Municipality has agricultural and tourism opportunities to tap in. In this respect, there are particular challenge in terms of the transfer of skills and mentorship from successful business people to entrepreneurs and small business owners.

Many of the small-scale farmers are illiterate to some extent or lack the knowledge in respect of writing business plans for their businesses. This is also the case for tourism development, where no sufficient practical support is given to emerging tourism entrepreneurs or SMMEs in terms of pre-feasibility, feasibility and business planning.

1.8.7.4 Access to Markets

Most of the small-scale farmers and manufacturers do not have access to the larger markets outside of the municipal area or even their respective villages. This forces them to sell their products to the local communities and prevents the expansion of their businesses.

Access to markets for small-scale farmers is further constrained by accessibility issues and the poor condition of roads in the remote rural areas. The municipality envisages developing the shopping complexes at Senwamokgope.

1.8.7.5 Lack of Adequate Water

A further constraining factor is the lack of water, particularly in the northern parts of the municipality. Many of the small-scale farmers are located alongside perennial rivers but a large proportion of farmers are located away from these rivers.

The water supply is not sufficient in terms of irrigation and many small-scale farmers therefore rely on dry-land farming. Furthermore, the main agricultural products only naturally occur in the southern parts of the municipal area. Agricultural production and expansion would therefore not be viable development options for the northern areas of the Municipality, which have a drier climate.

1.8.7.6 Lack of Industrial Park

In terms of manufacturing, a major constraining factor is the lack of a defined industrial area in the municipality, with some manufacturing plants being located among the business premises in Modjadjiskloof. Furthermore, industrial plants in Greater Letaba Municipality do not receive preferential rates in respect of electricity and water but are paying urban rates.

The establishment of an industrial estate with incentives for development could attract factories and other manufacturing industries to the municipality. Politsi industries and surrounding areas were shifted to Tzaneen after the Municipal Boundaries Demarcation in 2000.

1.8.7.7 Lack of Man-made Tourism Infrastructure

GLM does not currently have a large range of accommodation, conference or tourism facilities, which hampers the development of the tourism sector in the municipality. The town of Modjadjiskloof also has very little to offer as a place to stop for refreshments or supplies. In addition, if a critical mass of attractive and innovative products is not created at Modjadji, and adequately marketed, the few products that have been created will fail to perform in the highly competitive situation that prevails in South African tourism as a whole.

Furthermore, the lack of coordination in terms of an integrated tourism development plan for Modjadji is a serious threat, which could result in one of Limpopo’s most important tourism icons never reaching its full potential.

1.8.8 LED Projects in Greater Letaba Municipality

The municipality is embarking on various LED projects with the aim of growing the economy through identifying and assisting various SMMEs within the municipality to be self-sustaining and create employment. In the past financial year, the municipality was able to assist local farmers through farming inputs (seeds, boreholes, fencing, fertilizers, water tanks, drips). The LED section continues to monitor and work with various local business within the LED forums to address issues around economic development in the municipality. The LED section plans to rejuvenate the tourism sector, trade and industry and agriculture sector for the municipality to attract employment and capital investment and unlock hidden heritage sites. Manokwe Cave, Mokwakwaila factor business center, operationalisation of Senopelwa Showground, Caravan Park are some of the plans the municipality will embark on in the 2025/26 financial year. In terms of Tourism, the municipality plans to have tourism signage in all tourism establishment.

1.8.9 SWOT Analysis: Local Economic Development

Table no 23: Local Economic Development SWOT Analysis:

| STRENGTH | WEAKNESSES |
|--|--|
| <ul style="list-style-type: none"> • Functional LED Forum • Available tourism natural resources • Available of Arable land • Updated LED Strategy • Available of Business Registration Centre | <ul style="list-style-type: none"> • Limited economic viable areas; • General shortage of skills in three priority sectors: agriculture, tourism and retail; • Lack of land for industrial development • Lack of infrastructure for development • Poor road networks to economic development areas. • Economic dependence on government for employment and revenue and • Insufficient funds to maintaining existing infrastructure. |

| <ul style="list-style-type: none"> • Opportunities | Threats |
|--|--|
| <ul style="list-style-type: none"> • Growing retail opportunities; • Potential tourism growth • Growing Agricultural economy • Agro-Processing • Formalisation of business undertakings | <ul style="list-style-type: none"> • High unemployment and high proportion of discouraged workers; • Excessive reliance on un-qualified ground water resources; • HIV afflicting the economically irrational active people and governance structures; • Climate change • Stock theft • Shortage of water |

1.9. THUSONG SERVICE CENTRE

MOKWAKWAILA THUSONG SERVICE CENTRE PROFILE



WHAT IS A THUSONG SERVICE CENTRE?

Thusong Services Centre (formerly referred to as multi-purpose community centre-MPCC), is a programme of government which was initiated in 1999 as one stop centres, providing government information and services in an intergraded manner. It brings government information and public services closer to the people. Again, it promotes access to opportunities by creating better lives for communities and speeding up service delivery.

Thusong Service Centre (TSC) programme's aim is to empower the poor and the disadvantaged, among others, through access to information, services and resources from government, non- government organisation (NGOs), parastatals and business. This enables them to engage in government programmes for the improvement of their lives.

In Limpopo province the custodian of Thusong Service Centre programme is embedded to Local Municipalities with the help of Office of the Premier (OTP) and Government Communication and Information Services (GCIS).

OBJECTIVE OF THE PROGRAMME IS:

- To facilitate access to services
- To promote intergradation of services
- To build sustainable partnership
- To create platform for dialogue between citizens and government

BACKGROUND OF MOKWAKWAILA TSC

Mokwakwaila Thusong Service centre is a Hub type of the TSC. In this type of an arrangement, all anchor departments are permanently situated in one complex.

Mokwakwaila Thusong Service centre was officially launched on the 3rd. of March 2007 as Multi- Purpose Community Centre, although the building was not planned for multi-purpose, but it was acceptable and several departments moved in to service communities from the deep rural villages of Greater Letaba Municipality.

Mokwakwaila Thusong Services centre is situated in ward 27 of Greater Letaba Municipality in Mokwakwaila village, because of its strategic location. It services 13 wards comprising 56 villages of GLM, two villages of GGM and 13 Villages of GTM. Several departments such as SASSA, Department of Social Development, Department of Correctional Service are housed within the premises while others such as SAPS, Post Offices and Mokwakwaila stadium are within walking distance from the centre. By Mokwakwaila Thusong Service Centre, there is Hlanganani-Bolobedu Day care centre which enrolls kids from the surrounding villages.

WHO IS RESPONSIBLE FOR THUSONG SERVICE CENTRES?

1. Municipality's main responsibility.

- Establishment of Thusong Service Centres.
- Include Thusong Service Centres in its IDP.
- Monitoring of quality-of-service delivery by all spheres of government.
- Appointment of centre managers and staff to run the centre.

2. Department of cooperative Governance and Traditional Affairs. (CoGHSTA)

The department is responsible for:

- Development of policies to guide and sustain the programme.
- Advising on the funding model for these centres, especially the use of the MIG.

3. Department of Public Service and Administration.

- The DPSA is responsible for establishment & implementation of ICT services in the centre.
- The DPSA is also responsible for development of geographic access norms and standards to ensure all TSC are properly located.
- Implementation of the prototypes general service counters (GCS)

4. Department of public works (DPW)

- Department of public works is responsible for development of SLA framework.

- To assist in the identification of suitable government structures.

5. South African Local Government Association (SALGA)

SALGA's role is to:

- Advise government on how best to set up the Thusong centres.
- Promote the centres among organized local government.

6. Department of Government Communication Information System (GCIS)

- GCIS has withdrawn from the activities of Thusong service centre indicating that it is not a funded mandated.

HOW DOES MOKWAKWAILA THUSONG SERVICE CENTRE ASSIST IN THE DEVELOPMENT OF COMMUNITIES?

- The centre enables people to access government services such as social grants and social worker services.
- The centre provides information material on youth development, entrepreneurship, and woman empowerment on projects.
- It offers training venues for public, private and NGOs.
- Some of the public participation meetings are held at the centre such as IDP hearings, ward committee meetings and ward councillors cluster meetings.
- It is also used as mobile alignment points and centre for event and programmes of government, such as Mobile service, outreach event, councillor feedback meetings.

OWNERSHIP AND GOVERNANCE OF THUSONG SERVICE CENTRES.

- Thusong service centres are controlled by municipalities where they reside.
- Municipalities appoints centre managers. Day to day administration is done by staff led by the centre manager and a team of administrative support.
- Governance of the centre is through a Local Intersectoral Steering Committee (LISSC) chaired by the municipality.
- Centre managers account to the LISSC which in turn reports to Provincial Intersectoral Steering Committee (PISSC) which is coordinated by the office of the Premier and or GOGTA.

MOKWAKWAILA THUSONG CENTRE HOSTS THE FOLLOWING SERVICE PROVIDERS:

| SERVICE PROVIDER | SERVICE OFFERED | CONTACT PERSON |
|--|--|--|
| <p>GREATER LETABA MUNICIPALITY</p>  | <ul style="list-style-type: none"> • Bookings of facilities • Proof of residence • Grading of internal streets • Cleaning the surrounding | <p>Mr Monaiwa MP Cell No: 082 564 1362</p> |
| <p>SASSA</p>  | <ul style="list-style-type: none"> • Old age and child grant • Disability grant • War veterans grant • Foster child support grant | <p>Mrs Ranaga MD Cell No: 060 656 5659</p> |
| <p>DEPARTMENT OF SOCIAL DEVELOPMENT</p>  | <ul style="list-style-type: none"> • Community mobilisation • NPO capacitation • Poverty alleviation and sustainable livelihood • Community based research and planning • Youth development | <p>Mr Ramothwala M Cell No: 078 838 8835</p> |
| <p>SOCIAL WORKER SERVICES</p>  | <ul style="list-style-type: none"> • Social welfare services • Child and family services • Restorative services • Administrative duties | <p>Mr Ngobeni Cell No: 072 606 9411</p> |
| <p>DEPARTMENT OF CORRECTIONAL SERVICE</p>  | <ul style="list-style-type: none"> • Monitoring of parolees • Monitoring of probationers | <p>Mr Masetla M.R Cell No: 076 533 0501</p> |
| <p>MOKWAKWAILA SAPS</p>  | <ul style="list-style-type: none"> • Combating crime • Document certification • Affidavits • Attending to complaints • Conducting CPF meeting | <p>W/O Mabale RM Cell No: 060 996 0060 Tel: 015 386 9940</p> |

| | | |
|--|--|--|
| | <ul style="list-style-type: none"> • Rendering community safety | |
| DEPARTMENT OF PUBLIC WORKS  | <ul style="list-style-type: none"> • Black top patching • Blading of gravel roads • Fixing potholes • Cleaning side drains | Mr Nthangeni E Cell No: 076 336 0772 |
| MOKWAKWAILA LIBRARY  | <ul style="list-style-type: none"> • Libraries mirror • Free WI-FI • Books & magazine • Printouts • Copies and laminating | Mr Nakana MP Cell No: 072 525 7756 Email:nakanamalekutu@gmail.com |
| VENDING POINT  | <ul style="list-style-type: none"> • Selling electricity • Selling airtime • Dstv payment | Mr Mashao M.J Cell No: 072 752 0910 |
| INTERNET CAFE | <ul style="list-style-type: none"> • Access to internet • Copies • Email • Printing services | Mr Ramahlo O Cell No: 076 993 9911 onesmusofficesupplies@gmail.com |
| DAY CARE CENTRE | <ul style="list-style-type: none"> • Day care • After care | Mrs Masedi G Cell No: 072 369 4226 |
| MOKWAKWAILA POST OFFICE  | <ul style="list-style-type: none"> • Grant payments • Banking services • Post office services | Ally Cell No: 076 288 9938 |
| DEPARTMENT OF HOME AFFAIRS | <ul style="list-style-type: none"> • Smart card application • Birth certificate application • Passport application | Mr Pudikabekwa D Cell No: 079 835 1381 |
| DEPARTMENT OF LABOUR | <ul style="list-style-type: none"> • UIF application • Signing for Payments • Enquiry | Mr Nziyane C Cell No: 071 674 9970 |
| DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT | <ul style="list-style-type: none"> • Extention services • Advisory services to farmers | Baloyi KV Cell No: 082 660 6006 |

| | | |
|--|---|--|
| COMMUNITY DEVELOPMENT WORKERS (CDW) UNDER COGHSTA | <ul style="list-style-type: none"> • Community profiling • Home visits • Assist with LRB • Assist with social grant | Setloane Annah Cell No: 082 959 2566 |
| INDEPENDENT ELECTORAL COMMISSION (IEC) | <ul style="list-style-type: none"> • Registration verification • Registration | Melidah Cell No: 082 531 7971 |
| PERFECT RADIO | <ul style="list-style-type: none"> • Credible source of Information for communities • Local Breaking News Updates • Platform for communities to engage. • Providing graduates with training and students with practicals. • Empowering local businesses • Sponsoring community building events • Youth empowerment programmes • Health, Local Sport. Education, Economic Updates • Crime and Traffic Reports • Updating the public about government decisions and campaigns, including programs | Mr Selowa Raymond Cell No: 079 595 9854 Email: info@perfectradio.co.za |

THUSONG SERVICE CENTER PROGRAM:

MUNICIPALITY: GREATER LETABA MUNICIPALITY.

PERIOD : 2024/25

THUSONG SERVICE CENTER NAME: MOKWAKWAILA THUSONG SERVICE CENTRE

1. INFRASTRUCTURE DEVELOPMENT

| PHYSICAL BUILDING | LEASE AND SERVICE LEVEL AGREEMENT | ICT CONNECTIVITY | ELECTRICITY SUPPLY | WATER PROVISION | SANITATION |
|----------------------|--|---|--|--|---|
| Need for renovations | Mo lease and SLA with sector departments | Individual service providers use their network source | Eskom supply and solar for SASSA and it accommodates the centre with lights only | Not reliable, borehole from stadium and water tanker from Municipality | Ablution facility not in good condition NB: Tender is out for a new ablution block |

2. SERVICE PROVIDERS STATISTICAL REPORT

| SERVICE PROVIDER | SERVICE RENDERED | NUMBER OF PEOPLE SERVICED |
|--|---|------------------------------------|
| GREATER LETABA MUNICIPALITY (MOKWAKWAILA SUB OFFICE – THUSONG CENTRE) | Proof of residence | 6 354 |
| | Booking of facilities | 86 (Mokwakwaila community hall) |
| | Grading and delivery of water during funerals | 338 (Funerals reported) |
| SASSA | Old age grant applications | 1 865 |
| | Disability grant applications | 895 |
| | Foster care grant | 346 |
| | Social relief grant | 5 634 |
| | Child support grant | 3 853 |
| | Collection of proof of income | 5 643 |
| SOCIAL WORKER SERVICES | Social welfare | 846 |
| | Child and family services | 342 |
| | Restorative services | 48 |
| | Administrative duties | 216 |
| DEPARTMENT OF SOCIAL DEVELOPMENT | Community mobilization | 586 |
| | NPO capacitation | 13 |
| | Poverty alleviation and sustenance | 14 |
| | Community based research and planning | 38 |
| | Youth development | 135 |
| | Women development | 316 |
| MOKWAKWAILA SAPS | Reporting cases | 649 |
| | Arrests | 594 |
| | Certification of documents | 13 224 |
| | Affidavits | 11 076 |
| | Complaints attended | 4 352 |
| PRE-PAID VENDING POINT | Selling electricity | 5 485 |
| | Sales of prepaid | 1 704 |
| | Dstv payments | 168 |
| | Recoding of meters | 0 |

| | | |
|---|--|--------------------|
| LIBRARY | Community information | 368 |
| | Free internet access/Wi-Fi | 3 862 |
| | Books and magazines | 289 |
| | Printouts and copies | 3 254 |
| | Job marketing | 368 |
| DEPARTMENT OF CORRECTIONAL SERVICE | Monitoring paroles | 769 |
| | Monitoring probations | 38 |
| | Community projects | 02 |
| | Crime awareness | 08 |
| PERFECT RADIO | Covering local news | 386 (followers) |
| DEPARTMENT OF HOME AFFAIRS | Registration of birth | 0 |
| | Applications of ID smart card | 2 324 |
| | Application of passport | 08 |
| DEPARTMENT OF LABOUR | New Application | 5 520 |
| | Enquiry | 4 862 |
| | Signing of documents | 4 736 |
| | Registration on Data base for employment | 0 |
| IEC | New registration | 78 |
| | Change of address | 1 023 |
| COGHSTA (CDW) | ID challenges | 48 |
| | Electricity | 132 |
| | Social grant | 12 |
| | Water challenges | 14 |
| | Liaison work | 289 |
| | Community concern | 68 |
| | Education | 16 |

3. OUTREACH PROGRAMMES (e.g. Integrated services on wheels, ICROP, Mayoral Imbizo and Back to school campaign)

| DATE | EVENT | VENUE | STAKEHOLDERS | STATISTICS |
|-------------|-------------------------------|---------------------------------------|---|-------------------|
| January | Back to school campaign | 10 schools | Home Affairs and SASSA, CDW, Social Development, Correctional Service and Perfect Radio | |
| 2024/25 | Mayoral Imbizo/Batho Pele day | 4 Mayoral Imbizo and Batho pele event | Dept of Home Affairs, Department of Labour, Banks, Department of Social Development and SASSA | |

1.10. EXECUTIVE SUMMARY

VISION

- “To be the leading municipality in the delivery of quality services for the promotion of socio-economic development”.

MISSION

To ensure an effective, efficient, and economically viable municipality through:

- Promotion of accountable, transparent, and consultative and co-operative governance.
- Promotion of local economic development and poverty alleviation.
- Strengthening cooperative governance.
- Provision of sustainable and affordable services and ensuring a compliant, safe and healthy environment.

VALUES OF GREATER LETABA MUNICIPALITY

- Teamwork
- Commitment
- Integrity
- Value for money
- Consultation
- Transparency
- Accountability
- Courtesy
- Innovation

Greater Letaba Municipality derives its existence from the objects of local government as entailed in section 152 (1) of the Constitution of the Republic of South Africa:

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

In the process of delivering services to the community, the municipality follows the Five Years Strategic Agenda as adopted by national government, namely.

- Municipal Transformation and Organisational Development
- Municipal Financial Viability and Management
- Basic Service Delivery and Infrastructural Development
- Good Governance and Public Participation
- Local Economic Development

In addition to the Five Years Strategic Agenda, the municipality operates within the framework of the following municipal strategic priorities:

- Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.
- Massive program to build economic and social infrastructure.
- Comprehensive rural development strategy linked to land and agrarian reform and food.
- Security.
- Strengthening the skills and human resource base.
- Improve the health profile of all our people.
- Intensify the fight against crime and corruption.
- Build cohesive, caring and sustainable communities.

In its vision statement, the municipality asserts to be the leading municipality in the delivery of quality services for the promotion of socio-economic development. The municipality provide core services geared to uplifting the social and economic standards of the communities by actualizing its mission and values.

1.11. OTHER MUNICIPAL CONTEXT

The dawn of democracy which was ushered by the establishment of municipal councils as dictated by chapter 7 of the Constitution of Republic of South Africa, came with its own challenges that affected the municipality and residents of Greater Letaba Municipality, however the aim of the administrative restructuring was to ensure a smooth transformation with minimum circumstances hampering service delivery to its residents.

The Integrated Development Plan

In compliance with Section 34 of the Municipal Systems Act (Act No.32 of 2000) read in conjunction with Chapter 2 of the Local Government: Municipal Planning and Performance Management Regulations, no.

R796/2001, the Greater Letaba Municipality has developed an Integrated Development Plan which is revised annually, accompanied by organisational review and Performance Management System review.

The IDP is the municipality's strategic planning document which guides and informs all planning and development within the municipality and a tool that enables the municipality to work towards achieving development goals as outlined in the constitution. The IDP informs and is integrally linked and co-ordinated with the municipality's budgeting and performance management process.

The Municipality's long-term vision details the development priorities and cross cutting issues which contribute towards achieving the vision, strategies, programmes, and projects, which are linked to a detailed budget and are all contained in the IDP. The Municipality has developed its objectives, strategies, projects, and programmes in terms of IDP themes. They are:

- Provision of Infrastructure and Services
- Creation of liveable towns and rural areas.
- Local Economic Development
- Community empowerment & redistribution.

1.12. ACHIEVEMENTS

- The Municipality has invested in the infrastructure development in areas such as street paving.
- The transfer stations in Senwamokgope and Ga-Kgapane are fully functional.

The Grants allocated to the Municipality were spent as follows:

| | |
|------|------|
| MIG | 100% |
| FMG | 100% |
| EPWP | 100% |
| MDRG | 100% |
| INEP | 69% |

The Municipality received an **Unqualified Audit opinion with matters for 2024/25** financial year.

1.13. CHALLENGES

- Not all the projects were implemented as planned in the SDBIP due to under collection of expected revenue.
- Sector departments not paying their debts.
- Low revenue collection.
- Few households register for free basic services.
- Not all identified risks were mitigated.

CHAPTER 2

GOVERNANCE POLITICAL

AND OVERNANCE

ADMINISTRATION

2.1 INTRODUCTION

Good governance has eight major characteristics namely, participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is eradicated, the views of minorities are considered and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society. The municipality through its Anti-fraud and corruption policy and Labour Relations policy has ensured that corruption is eradicated, and corrective disciplinary actions are taken.

2.2 GOVERNANCE STRUCTURE

The municipality during the financial year 2024/25 focused on governance and related matters. The Council decision-making and oversight functioning including the administrative tools were regarded as fundamental to enable effective and efficient decision-making and oversight. Fifty-Five (55) policies were implemented covering the entire administrative ambit to enforce compliance to legislations.

Section 151 (3) of the constitution of the Republic of South Africa stipulates that municipalities have the right to govern, on their own initiative, the local government affairs of their communities, subject to provincial legislations.

The Constitution further specifies in section 155 (2) that, “national Legislation must define different types of municipalities that may be established within each category.

2.2.1 Political Structures

In realizing the ideals referred to above, Greater Letaba Municipality was established as a category B municipality in terms of Section 12 of the Municipal Structure’s Act No. 117 of 1998. It was established as a municipality with a collective executive system combined with a ward participatory system as per provision of Section 9 (b) of the Municipal Structures Act. During the 2024/25 financial year, Councillor Mamanyoha TD served as the Mayor of Greater Letaba Municipality; Cllr Mokgwathi M.M, the Speaker of Council while Cllr Ramalatso R.R as the Chief Whip. The African National Congress had 30 ward Councillors and 17 PR Councillors, Economic Freedom Fighters had 8 Proportional Representative (PR) Councillors, Congress of the People had 2 PR Councillors, Democratic Alliance had 1 PR councillors and LIRA party had 1 each PR Councillor and MIM had 1 PR Councillor The total number of councillors for Greater Letaba was 60.

2.2.2 Municipality's Political Structure 2024/25



Hon. Mayor
Cllr Mamanyoha T.D



Speaker
Cllr Mokgwathi M.M



Chief Whip
Cllr Ramalatso R.R

2.2.2 Executive Committee Members 2024/25



Cllr Selowa M.G
Head Water & Sanitation



Cllr Ramaremela J.M
Head Economic Development,
Housing & Spatial Planning



Cllr Lebeko N.F
Head Corporate & Shared
Services



Cllr Kgapane T.J
Head Finance



Cllr Baloyi R.G
Head Infrastructure



Cllr Mosila M.R
Head Community services



Cllr Mohlele M.D
Head Public Transport
& Roads



Cllr Ramaano K.E
Head Sports, Recreation,
Arts & Culture



Cllr Mangena M.S
Head Environmental Affairs

The Executive Committee which is the principal committee of council is chaired by the Mayor, receive reports from different portfolio committees of the council which are forwarded to council with recommendations if they cannot dispose the matter in terms of delegated powers. The Chief Whip plays his whipping role during party caucus. Traditional Leaders participate in council in line with the provisions of Section 81 of the Municipal Structure's Act.

2.3 MUNICIPAL COMMITTEES

Section 160 (c) of the Constitution stipulates that, "a municipal council may elect an executive committee and other committees, subject to national legislation." Section 79 and 80 of the Municipal Structures Act No. 32 of 2000 gave effect, to this provision by establishing the following committees.

Table 2.1: Municipal Committees

| PORTFOLIO COMMITTEE | HEAD | CHAIRPERSON | COMMITTEE MEMBERS |
|---|---------------------|-----------------------|---|
| Corporate and Shared Services | Cllr Lebeko N. F | Cllr Mashao M.G | Cllr Mamatlepa D.D Cllr Lebepe R.R Cllr Maluleke M.J Cllr Makhananisa M.D Cllr Modika M.S Kgosi Mamaila N.T |
| Finance | Cllr Kgapanne T. J | | Cllr Mokgomola N.P Cllr Kgatla M.E Cllr Mothomogolo P.S Cllr Morwatshehla M.B Cllr Maake N Cllr Rasebotja S.M Cllr Malatji M.C Kgosi Rasebotja S.M |
| Infrastructure | Cllr Baloyi R.G | Cllr Mankgeru M.M | Cllr Rasebotsa S.M Cllr Malatji M.C Cllr Mulaudzi P Cllr Maake S.M Cllr Malatji M.E Kgosi Rasebotja S.M |
| Economic Development, Housing & Spatial Planning | Cllr Ramaremela M.J | Cllr Moroatshehla M.F | Cllr Makgato T.E Cllr Nakana M.R Cllr Rasetsoke M.C Kgosi Rasebotja S.M |
| Environmental Affairs | Cllr Mangena M.S | Cllr Ngobeni M.P | Cllr Mampeule P.J Cllr Mamatlepa D.D Cllr Raseropo S.M |

| | | | |
|--------------------------------------|------------------|---------------------|--|
| | | | Kgosi Rakwadu |
| Community Services | Cllr Mosila M.R | Cllr Mamaila B.A | Cllr Hlungwani S.J Cllr Maake S.M Cllr Senyolo T.J Hosi Mahuntsi M.T |
| Public Transport & Roads | Cllr Mohlele M.D | Cllr Mokhabukhi M.S | Cllr Rasebotsa S.M Cllr Mothomogolo P.S Cllr Morwatshehla M.B Cllr Mashao M.C Kgosi Phooko N.C |
| Water and Sanitation Services | Cllr Selowa M.G | Cllr Malatja T.P | Cllr Makgatho T.E Cllr Rampyapedi E.S Cllr Malatji M.E Kgosi Mamaila Kolobetona |
| Sports Arts and Culture | Cllr Ramaano K.E | Cllr Lebeya M.J | Cllr Rampyapedi E.S Cllr Serumula M.L Cllr Mokgomola N.P Kgosi Pheeha M.B |

All committees are constituted by councillors representing different political parties, municipal administrators and Traditional Leaders. Section 80 committees are established as and when required as outlined in the Act. The committees operate under the auspices of council and are delegated certain powers and duties to execute.

2.4 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

Greater Letaba Municipality has established Municipal Public Accounts Committee in line with the National Guidelines and the stipulations in Section 79 of the Municipal Structures Act No.117 of 1998 and the committee comprises of the following members:

Table 2.2: MPAC Committee

| Name | Gender |
|---------------------------------------|---------------|
| Cllr Makhurupetse M.W.M (Chairperson) | Female |
| Cllr Lekitima V.M | Male |
| Cllr Mohale M.J | Female |
| Cllr Monyela K.B | Female |

| | |
|----------------------|--------|
| Cllr Mothomogolo P.S | Male |
| Cllr Raseropo S.M | Female |
| Cllr Selowa D.L | Male |
| Cllr Ramabubutla L | Female |
| Cllr Ndimba B.H | Male |
| Cllr Mabidilala E | Male |
| Cllr Mohale R.W | Male |

2.5 RULES AND ETHICS COMMITTEE

The Rules and Ethics Committee reports to the Speaker of Council (Cllr Mokgwathi M.M). The committee ensures compliance with the Code of Conduct as set out in Schedule 1 of the Local Government: Municipal Systems Act 32 of 2000 as amended. The Code requires that a Municipal Council may establish a special committee to investigate and make a finding on any alleged breach of the Code and make appropriate recommendations to the Municipal Council. The Municipality established Rules and Ethics Committee in 2019 and developed terms of reference for approval by Council. The Committee has attended induction and reviewed the council Rules of Order for approval by Council.

The Rules and Ethics Committee consist of:

| Name of the Committee Member | Gender |
|--------------------------------|--------|
| Cllr Manyama M.I (Chairperson) | Male |
| Cllr Seoka L.M | Male |
| Cllr Matlou M.P | Male |
| Cllr Makhananisa M.D | Female |
| Cllr Maake S.M | Male |
| Cllr Modika M.S | Male |
| Cllr Kgatla M.E | Female |
| Cllr Mukhufi A.S | Female |

2.6 DISCIPLINARY BOARD

The municipality has established a Financial Misconduct Disciplinary Board in terms of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 read with section 21(1)(a) and (b) of the Municipal Systems Act, 2000. The draft reporting procedure and terms of reference were developed for approval by council. The Financial Misconduct Disciplinary Board consisted of the following members.

| Name of the Committee Member | Designation | Gender |
|------------------------------|------------------------------------|--------|
| Raphalalane R | Chairperson of the Audit Committee | Male |
| Chuene K.R | Manager: Legal Services | Male |
| Ramutsheli M.P | Chairperson Risk Committee | Female |

2.7 MUNICIPAL COUNCIL

Council is a structure that is vested with executive and legislative authority. Council is chaired by the Speaker who must among other functions ensure that council meetings are conducted in line with council rules and orders and that council should meet on quarterly basis. The Council of Greater Letaba Municipality is stable. 4 Ordinary meetings were held as legislated and three (08) special councils meetings held for 2024/25 financial year.

Table 2.3: Statistical report on attendance of Meetings.

| Committee/ Structure | Meetings Scheduled | Meetings Held | Status |
|---|--------------------|------------------------|---------------------|
| Council | 8 | 4 Ordinary & 8 Special | Target Achieved |
| EXCO | 8 | 4 Ordinary & 8 Special | Target Achieved |
| Corporate and Shared Services | 10 | 10 meetings held | Target Achieved |
| Infrastructure | 4 | 6 meetings held | Target Exceeded |
| Economic Development, Housing & Spatial Planning | 4 | 4 meetings held | Target Achieved |
| Public Transport and Roads | 4 | 2 meetings held | Target not Achieved |

| | | | |
|---------------------------------|----|------------------|---------------------|
| Community Services | 4 | 2 meetings held | Target not Achieved |
| Environmental Affairs | 4 | 4 meetings held | Target Achieved |
| Sports, Arts and Culture | 4 | 3 meetings held | Target not Achieved |
| Water & Sanitation | 4 | 4 meetings held | Target Achieved |
| Finance | 7 | 7 meetings held | Target Achieved |
| Audit Committee | 5 | 5 meetings held | Target Achieved |
| MPAC | 12 | 12 meetings held | Target Achieved |
| Risk Committee | 4 | 2 meetings held | Target not Achieved |
| ICT Steering Committee | 4 | 4 meetings held | Target Achieved |
| Ethics Committee | 4 | 4 meetings held | Target Achieved |

2.8 PORTFOLIO COMMITTEE FUNCTIONALITY

The Portfolio Committee system which was established in terms of S79 of the Local Government: Municipal Structures Act, No.117 of 1998, supports the Greater Letaba Municipality Council. Their core function is to look at specific issues that relate to each Portfolio, research issues and find necessary facts before those issues could be discussed by Councillors who sit in each of the Portfolio committees. The Committee deliberates on issues and make recommendations to EXCO and Council, for the latter to take the final decisions.

2.9 AUDIT COMMITTEE FUNCTIONALITY

The Audit Committee consists of independent external members listed below. The committee is required to meet at least 4 times per annum as per the Audit Committee Charter. The municipality appointed its own audit committee members in accordance with the Municipal Finance Management Act no 56 of 2003 Section 166(2). The functions of the committee among others include the following:

- To advise the Council on all matters related to compliance and effective governance.
- To review the Annual Financial Statements.
- To respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by the internal audit.
- To compile reports to Council.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been

minimized.

- To review the plans of the internal audit function and ensure that the plan addresses the high- risk areas and ensure that adequate resources are available.
- To provide support to the internal audit function

Due to the committee being appointed in the second quarter only 3 ordinary Audit Committee meetings and 2 special Audit committee to consider the Annual Financial Statements, Annual Performance Report and Auditor General Report were held. The Audit Committee submitted the (03) ordinary meetings report to Council in 2024/25.

Table 2.4: Statistical report on the attendance of Audit Committee meetings

| Name | Designation | Number of meetings scheduled | Number of meetings attended | Number of apologies rendered |
|------------------|-------------|------------------------------|-----------------------------|------------------------------|
| Mr Marobane N | Chairperson | 5 | 5 | 0 |
| Mrs Mudau F.J | Member | 5 | 4 | 1 |
| Mr Teffo S.J | Member | 5 | 5 | 0 |
| Mr Molokomme C.W | Member | 5 | 4 | 1 |

2.10 ADMINISTRATIVE GOVENANCE STRUCTURE

Section 160 1 (d) of the Constitution stipulates that, “A Municipal Council may employ personnel that are necessary for the effective performance of its function.” To give effect to this provision, council has appointed a Municipal Manager who is the head of administration and also as the accounting officer for the municipality as outlined in Section 82 of the Municipal Structures Act.

The Accounting Officer of Municipality during in 2024/25 was Mr Sewape MO. The administrative structure of the municipality has been reviewed and adopted by council on the 15th of May 2024 as required by Section 66 of the Municipal Systems Act. Greater Letaba Municipality has five (5) departments. Each department and the office of the Municipal Manager have specific functions that they perform to give effect to Council’s mandate as enshrined in Section 152 of the Constitution of the Republic of South Africa.

The municipality has an approved 2024/25 IDP that informs the Budget and SDBIP. All Senior Managers and the Municipal Manager have duly signed employment contracts and performance agreements in the financial

year 2024/25. The management team’s mission is to oversee, coordinate and manage the transformation and strategic agenda of the municipality as well as facilitation of the transformation process by providing strategic advice and support for the Mayor, Speaker, Council committees, EXCO and Municipal Council.

The municipal’s head office is in Modjadjiskloof, 44 Botha Street, Civic Centre. To ensure accessibility of services to the public, there are three sub-offices which are located at Ga-Kgapane, Mokwakwaila and Senwamokgope.

The following individuals were members of the municipality ‘s top management:

| POSITION | NAME |
|---|------------------|
| Municipal Manager | Mr Sewape M.O |
| Chief Financial Officer | Ms Sesene A.N |
| Senior Manager: Corporate Services | Mr Lekhota M.P |
| Senior Manager: Community Services | Mr Mamatlepa M.L |
| Senior Manager: Technical Services | Ms Nhlane G.I |
| Senior Manager: Development & Town Planning | Mr Phosa M.L |

MUNICIPALITY'S ADMINISTRATIVE STRUCTURE 2024/25



Mr Sewape M.O
Municipal Manager



Ms Sesene AN
Chief Financial
Officer



Mr Lekhota MP
Senior Manager
Corporate Services



Mr Mamatlepa ML
Senior Manager
Community Services



Ms Nhlane GI
Senior Manager
Technical Services



Mr Phosa ML
Senior Manager
Development &
Town Planning

The Greater Letaba Municipality administration has been organized into five (5) directorates. Each directorate including the Municipal Manager's office, contain a set of operational divisions.

As part of the Institutional transformation and in an endeavour to strengthen and build an efficient administration, alternate delivery mechanisms are reviewed to ensure improved services to communities. In order to enhance operational efficiency, an organisational structure review was undertaken and adopted by Council.

The Municipal Manager's Office

The overall purpose of the office is to provide strategic administrative support to the council. The municipality has five directorates which account to the Municipal Manager as the head of administration as stipulated in Section 55 of the Municipal Systems Act, no 32 of 2000. The Municipal Manager's Office renders the following functions:

- Risk and internal audit.
- Legal
- Performance Management System.
- Communication and events.
- Disaster services.
- Infrastructure
- Development and planning.
- Community services and social development.
- Corporate services.
- Budget and treasury

2.11 INTERGOVERNMENTAL RELATIONS

Intergovernmental Relations issues are handled by the Mayor's Office which is responsible for developing, promoting, and implementing all the international, national and local citizenship relationships to maintain a positive profile of Greater Letaba, nationally and internationally.

2.12 PUBLIC ACCOUNTABILITY AND PARTICIPATION

Communication

Local Government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments, all impose an obligation on Local Government communicators and require high levels of transparency, accountability, openness, participatory, democracy, and direct communication with the communities to improve the lives of all. The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the above-mentioned legislation for them to exercise their right in this respect. The municipality is committed to the principle of Batho Pele.

Good customer care is of fundamental importance to the municipality. The municipality has a Communication Strategy which links the people to the municipality's programme for the year. Below is a communication checklist of the compliance to the communication requirements:

| COMMUNICATION ACTIVITY | YES/NO |
|---|--------|
| Communication unit | Yes |
| Communication strategy | Yes |
| Communication policy | Yes |
| Language policy | Yes |
| Whistle Blowing policy | Yes |
| Customer Satisfaction Survey | No |
| Functional Complaints Management system | Yes |
| No. of Newsletters issued in 2024/25 | 0 |
| No. of Public Participation held as per Section 16 of the Municipal Systems Act | 18 |
| No. of Imbizos held | 4 |
| No. of Newspaper articles/notices published | 672 |

2.13 WARD COMMITTEES

The municipal council has established 30 functional Ward committees in line with Section 73 of the Municipal Structures Act. The term of office corresponds with the term stipulated in section 24 of the Local Government Laws Amendment Act No. 19 of 2008. The committees are chaired by ward councillors and have powers and functions to make recommendations on any matter affecting their ward to all structures of council through the ward councillors as specified in Section 74 of the Act. Ward committees give effect to public participation as outlined in chapter 4 of the Municipal Systems Act by assisting Ward councillors in mobilizing, organizing consultative meetings and activities, disseminating information, and encouraging participation from residents in the ward. Ward committees have a budget to cater for their out-of-pocket expenditure. Ward committees are required as per the plan to submit monthly reports to office of the speaker.

In addition to ward committees, the SDBIP were made public. The SDBIP contained projected financial and service delivery Indicators and deliverables. Members of the public were invited to participate in the Oversight

process related to the Annual Report. To promote public accountability and participation, members of the public were invited to attend all meetings of the Council meetings. These were held prior to developing the draft budget in order to provide feedback to the community about the implementation of projects in the current financial year and to stimulate the needs of the community in order to provide input for the new financial year.

2.14 CORPORATE GOVERNANCE

The municipality has functioned in accordance with the political, statutory and other relationships between its political structures, political office bearers and administration and its community. It has exercised its authority within the constitutional system of co-operative government envisaged in section 41 of the Constitution. The administration is governed by the democratic values and principles embodied in section 195(1) of the Constitution. It has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution. It sought to achieve the integrated, sustainable, and equitable social and economic development of its area. These functions are listed in Chapter 5 of the Local Government: Municipal Structures Act, 1998, as amended, (“the Structures Act”).

2.15 RISK MANAGEMENT

In terms of MFMA Act 56, section 62(1)(c)(i) stipulates that “the Accounting Officer of a Municipality is responsible for managing the financial administration of the Municipality and must for this purpose take all reasonable steps to ensure that the municipality maintains effective, efficient, and transparent systems of financial and risk management and internal control.

The Municipality adopts a risk management approach informed by ISO 31000, read in conjunction with King IV and the Public Sector Risk Management Framework. By embedding risk management into its corporate governance structure, the Municipality proactively safeguards assets and ensures optimal use of limited resources.

To support the Accounting Officer in fulfilling risk management duties, the municipality established a Risk Management Committee chaired by an independent person and convened quarterly. This committee provides a structured forum designed to foster compliance with applicable laws, regulations, and established governance frameworks by evaluating the municipality risk management systems, practices and procedures, and providing recommendations for improvement.

Table 2.5 Top 10 Strategic Risks

| No | Strategic Objective | Risk Description | Mitigation Action |
|----|---|---|---|
| 1 | Access to sustainable quality basic services. | Basic services disruptions | <ol style="list-style-type: none"> 1. Installation of inventor system 2. Implementation of electricity infrastructure maintenance plan 3. Implementation of road maintenance plan 4. Ensure functionality of the local IGR 5. Gazetting of By-laws (Property rates, Credit and debt management, environmental management and electricity by-laws 6. Monitoring of work performed by SMMES through SLA with engineers 7. Review of institutional service delivery standards |
| 2 | Improved quality of life | Unsafe working environment and conditions | <ol style="list-style-type: none"> 1. Training of employees on standard operating procedures for OHS 2. Training of employees on fall arrester system 3. Procurement of fall arrester system 4. Ensure the functionality of OHS Committee 5. Conversion of municipal houses into offices |
| 3 | Improved governance and organization excellence | Fraud and corruption | <ol style="list-style-type: none"> 1. Ongoing financial interest disclosure 2. Pre-employment screenings 3. Review of fraud prevention plan 4. Conduct fraud and ethics risks assessment 5. Employee induction programmes (integrity, ethics and conduct) 6. Investigation of fraud and corruption cases reported 7. Implementation of consequence management 8. Implementing system generated receipts |
| 4 | Sustainable financial institution | Inability to raise sufficient revenue | <ol style="list-style-type: none"> 1. Finalization infrastructure funding agreements 2. Increase revenue collection (Billing Vs Collection: 95%) |

| | | | |
|---|---|--|--|
| | | | <p>3. Review of detailed revenue enhancement strategy</p> <p>4. Implementation of revenue enhancement strategy</p> |
| 5 | Improved quality of life | Inadequate response to current and future climate change impacts | <p>1. Development of climate change response strategy</p> <p>2. Implementation of climate change response strategy</p> <p>3. Integrate climate change to institutional policies</p> <p>4. Conducting climate change awareness</p> <p>5. Maintenance of infrastructure damaged by natural disasters</p> |
| 6 | Improved human resource | Ineffective human resource management | <p>1. Effective implementation of training program</p> <p>2. Implementation of organizational structure with clear roles and accountabilities</p> <p>3. Implementation of code of ethics and fair labour practices.</p> <p>4. Effective communication with employees</p> <p>5. Cascading PMS to Managers and Deputy Managers level and implementing PMDS implementation plan.</p> |
| 7 | Improved governance and organization excellence | Cyber-attack and phishing | <p>1. Conducting vulnerability test assessment</p> <p>2. Information security awareness campaigns</p> <p>3. Licensing of security controls (firewall and anti-virus software)</p> |
| 8 | Sustainable financial institution | Inability to continue as a Going Concern | <p>1. Implementation of credit control policy inclusive of Government Departments/entities</p> <p>2. Gazetting of property rates and debt collection by-laws</p> <p>3. Conducting of data cleansing</p> <p>4. Review of Debt Collection mechanism regarding the parked accounts (Inactive</p> |

| | | | |
|----|---|---|--|
| | | | accounts) 5. Finalize transfer of title deeds for properties that are still in the name of the municipality and yet they are occupied (Extension 5) |
| 9 | Integrated sustainable Human settlement | Land invasion | 1. Implementation land invasion strategy 2. Implementation of SPLUMA by-laws 3. Implementation of land invasion court orders 4. Effective communication with landowners |
| 10 | Sustainable financial institution | Insufficient cash reserves to cover short-term creditors/commitments. | 1. Development of financial recovery plan 2. Implementation of cost containment measures 3. Improvement of the municipality's cash coverage ratio 4. Reduction of non-core expenditure 5. Review of costing structure 6. Improve cash flow management |

2.16 ANTI-CORRUPTION AND FRAUD

The municipality has an approved Anti-fraud and corruption policy and Fraud prevention plan address fraud and corruption within the municipality, In addition, Labour Relations and Whistle blowing policies are also in place and implemented.

2.17 SUPPLY CHAIN MANAGEMENT

The municipality's Supply Chain Management (SCM) unit is a support function for all directorates within the municipality to ensure provision of efficient, transparent, fair, equitable and cost-effective procurement services hence assisting them to implement their service delivery priorities. In terms of the

MFMA SCM regulations, the SCM unit is established to implement the SCM policy adopted by council. It has operated under the direct supervision of the Chief Financial Officer. The supply chain management policies were adopted by Council and published on the website.

2.18 BY-LAWS

The Municipal Systems Act of 2000, Section 11 (3) (m) provides Municipal Councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. During the financial year 2024/25 the municipality gazette 4 by-laws: Property rates, Credit Control, Debt Collection and Waste Management.

2.19 WEBSITE

The municipal website (www.greaterletaba.gov.za) is an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies. The website is maintained by State Information Technology Agency (SITA).

The municipality's website is functional and operational.

The table below gives an indication about the information and documents that are published on our website:

| DESCRIPTION OF INFORMATION AND/OR DOCUMENT | YES/NO |
|---|--------|
| Municipal contact details (Section 14 of the Promotion of Access to Information Act) | |
| Full Council details | Yes |
| Contact details of the Municipal Manager | Yes |
| Contact details of the CFO | Yes |
| Physical address of the Municipality | Yes |
| Postal address of the Municipality | Yes |
| Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA) | |
| Annual and adjustments budgets and all budget-related documents / reports | Yes |
| All current budget-related policies | Yes |

| | |
|--|-----|
| The annual report (2023/24 published | Yes |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2023/24) | Yes |
| All service level agreements 2024/25 | No |
| All long-term borrowing contracts (2024/25) | N/A |
| All supply chain management contracts above a prescribed value of R200 000 for 2024/25 | No |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2024/25 | No |
| Public-private partnership agreements referred to in section 120 made in 2024/25 | No |
| All quarterly reports tabled in the council in terms of section 52 (d) during 2024/25 | Yes |
| Integrated Development Plan (IDP) 2024/25 | Yes |
| Service Delivery Budget Implementation Plan (SDBIP) 2024/25 | Yes |

2.20 GOVERNANCE HIGHLIGHTS

- MPAC was able to hold one (1) public hearing on Annual Report, a strategic retreat session, regular project visits, and meetings with the Management Team.
- The municipality managed to support emerging farmers through training and providing them with financial assistance.
- Establishment and induction of the municipal **Rules and Ethics Committee**.
- Establishment of **Disciplinary Board**

2.21 CAPACITATING OF COUNCILLORS, OFFICIALS AND INTERNS ON MUNICIPAL FINANCE MANAGEMENT PROGRAMME

| | | | | | | |
|----------------------------|--|--|--------------------------------|---|---|---|
| Contact Person: Ramahala T | | Phone no: 0726688131 | | Email address: Thulir@glm.gov.za | | |
| Description | "A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c)" | "B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)" | Consolidated: Total of A and B | Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d) | Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f) | Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e) |

| Financial Officials | | | | | | |
|--|--------------------------------|------------|-----------|-----------|-----------|-----------|
| Accounting officer | 1 | N/A | 1 | 1 | 1 | 1 |
| Chief financial officer | 1 | N/A | 1 | 1 | 1 | 1 |
| Senior managers | 4 | N/A | 4 | 4 | 4 | 4 |
| Any other financial officials | 4 | N/A | 4 | 4 | 4 | 4 |
| Supply Chain Management | | | | | | |
| Heads of supply chain management units | 01 | N/A | 01 | 1 | 1 | 1 |
| Others | | | | | | |
| Other officials and Councillors | 59 Councillors 24 Officials | N/A | 48 | 5 | 5 | 5 |
| Finance Interns | 5 | N/A | 05 | 0 | N/A | N/A |
| TOTAL | 98 | N/A | 98 | 16 | 16 | 16 |

CHAPTER 3

SERVICE DELIVERY

PERFORMANCE

3.1 INTRODUCTION

In terms of Section 46 of Municipal Systems Act, a municipality must prepare for each financial year a performance report reflecting a) the performance of the municipality and each with the key Performance Indicators and of each external service provider during that financial year, b) a comparison of the performance referred to in paragraph(a) with targets set for and performance in the previous financial year. c) measures taken to improve the performance.

An Annual Performance Report must form part of the municipality's Annual Report in terms of Chapter 12 of Municipal Finance Management Act. The 2024/25 Performance of Greater Letaba Municipality was monitored through the Service Delivery and Budget Implementation Plan. The Plan was drafted in line with the approved Integrated Development Plan and Budget of the municipality. The Annual performance Report considers the performance of the municipality at year end, an evaluation of overall performance for the 2024/25 financial year compared to the performance of the previous year 2023/24 and reflect the reasons for deviation from the planned target as well as efforts made to address the performance that was not achieved.

This report will outline the performance assessment, mainly the five Key Performance Areas and projects as well as Service Delivery Backlog and Assessments of Service providers.

MUNICIPAL STRATEGIC INTENT

Vision and Mission

The strategic vision of the organisation sets the long-term goal the Municipality wants to achieve.

The vision of Greater Letaba Municipality is:

“To be the leading municipality in the delivery of quality services for the promotion of socio-economic development”

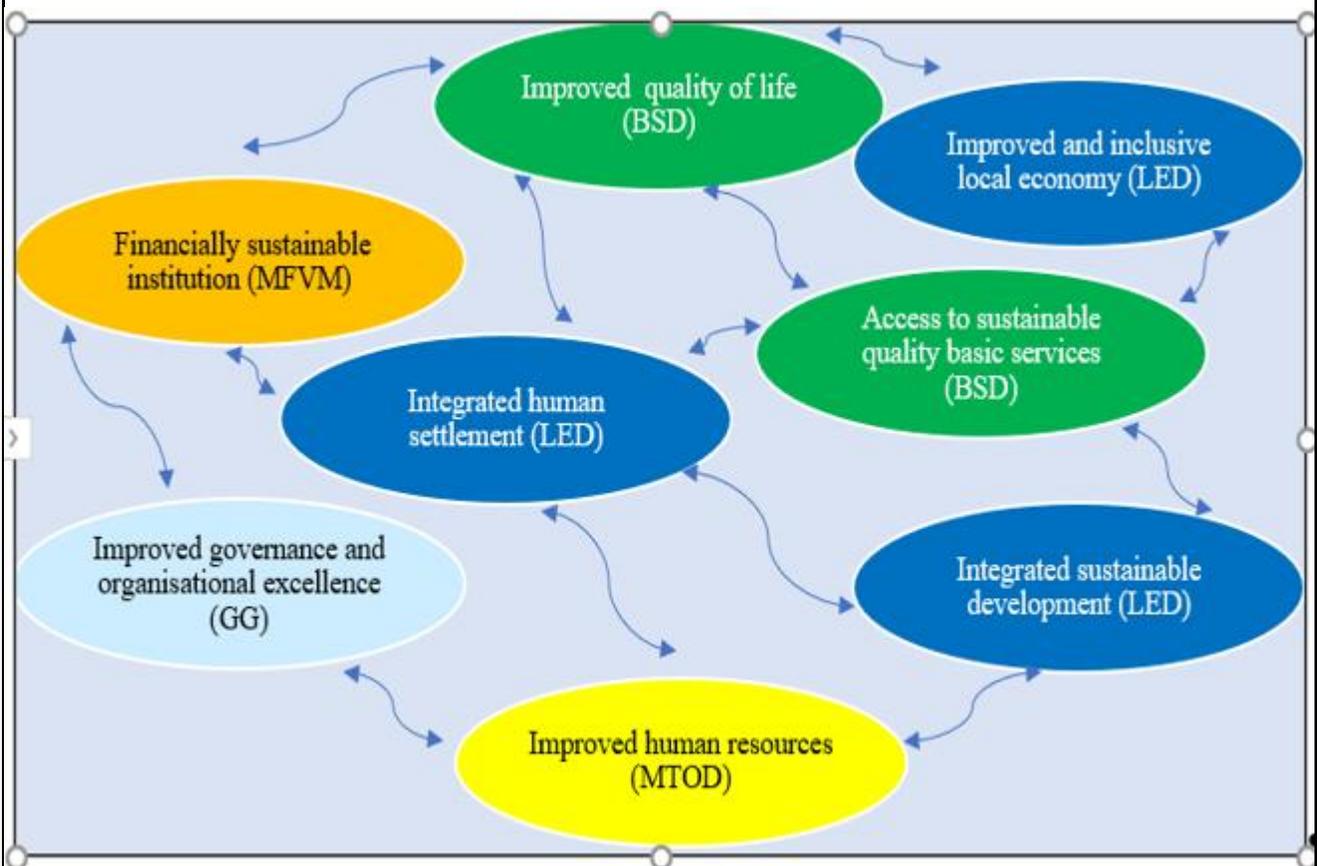
The strategic mission speaks about what the purpose of Greater Letaba Municipality is:

To ensure an effective, efficient and economically viable municipality through:

- Promotion of accountable, transparent and consultative and co-operative governance;
- Promotion of local economic development and poverty alleviation;
- Strengthening cooperative governance;
- Provision of sustainable and affordable services and
- Ensuring a compliant, safe and healthy environment
- Utilisation of smart technology

Strategy map

The strategic Objectives of the municipality are presented in the Strategy Map below:



3.2 PERFORMANCE HIGHLIGHTS

ANNUAL PERFORMANCE SUMMARY OF RESULTS FOR 2024/25

| KPA's Performance Indicator and Projects | No. of Applicable Indicators including projects | No. of Targets Achieved | No. of Targets Not Achieved | % Targets Achieved | % Targets Not Achieved |
|---|---|-------------------------|-----------------------------|--------------------|------------------------|
| Municipal Transformation and Organisational Development | 17 | 12 | 5 | 71% | 29% |
| Municipal Finance Management Viability | 26 | 18 | 8 | 69% | 31% |
| Basic Service Delivery | 54 | 50 | 4 | 93% | 7% |
| Good Governance and Public Participation | 28 | 17 | 11 | 61% | 39% |
| Local Economic Development | 21 | 19 | 2 | 90% | 10% |
| TOTAL | 146 | 116 | | | |
| | 79% | | | | |

A SUMMARY OF COMPARISON OF ANNUAL PERFORMANCE FOR 2023/24 AND 2024/25 FINANCIAL YEARS RESPECTIVELY

| KPA's Performance Indicator and Projects | 2023/24 FY | | | 2024/25 FY | | | % Target achieved 23/24 FY | % Target achieved 24/25 FY | Performance remarks |
|---|---|-------------------------|-----------------------------|---|-------------------------|-----------------------------|----------------------------|----------------------------|---------------------|
| | No. of Applicable Indicators including projects | No. of Targets Achieved | No. of Targets Not Achieved | No. of Applicable Indicators including projects | No. of Targets Achieved | No. of Targets Not Achieved | | | |
| Municipal Transformation and Organisational Development | 15 | 15 | 0 | 17 | 12 | 5 | 100% | 71% | Declined |
| Municipal Finance Management Viability | 25 | 16 | 9 | 26 | 18 | 8 | 64% | 69% | Improved |
| Basic Service Delivery | 50 | 38 | 12 | 54 | 50 | 4 | 76% | 93% | Improved |
| Good Governance and Public Participation | 14 | 7 | 7 | 28 | 17 | 11 | 50% | 61% | Improved |
| Local Economic Development | 25 | 16 | 9 | 21 | 19 | 2 | 64% | 90% | Improved |
| TOTAL | 129 | 92 | | 146 | 116 | | | | |
| | 71% | | | 79% | | | | | |

OVERALL PERCENTAGE = 79%

The municipality set a goal of 146 targets, of which 116 (79%) were successfully met, while 30 (21%) were not achieved.

The overall percentage achieved for the 24/25 FY is 79%, indicating an improvement from the 71% reported in 23/24 FY

3.3 KEY CHALLENGES FOR 2024/25 FINANCIAL YEAR

KEY CHALLENGES FOR 2024/25 FINANCIAL YEAR

| NO | CHALLENGES | REMEDIAL ACTIONS |
|-----------|--|--|
| 1 | Low Revenue collection | Implementation of Revenue Enhancement strategy |
| 2 | Poor debts collection | Implementation of Credit control |
| 3 | Few households receive free basic services | Indigent awareness programme |
| 4 | Not all AG findings were resolved by the end of the financial year | Adherence to the Audit Action Plan |
| 5 | Not all identified risks were mitigated | Implementation of strategic risk action plan |

3.4 ANNUAL PERFORMANCE REPORT

SEE ANNEXURE R

CHAPTER 4

**ORGANISATIONAL
DEVELOPMENT
PERFORMANCE**

4.1 INTRODUCTION

The quality of human capital is important in any organization. It will determine the success and progress that has been made to deliver services and support the overall business strategy. To succeed there is a need to develop a holistic approach to the implementation of transformational issues like equity, human resource development, staff retention, and succession planning, management of HIV/AIDS in the workplace.

4.2 MANAGING MUNICIPAL WORKFORCE LEVELS

MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998. In Managing a Municipal Workforce effectively, it is important that employee policies, procedures, and contracts are in place. The municipality had a total number of 55 reviewed policies in place listed below:

Table 4.1 Reviewed policies

| | | |
|---|---|--|
| Communications Policy | Anti-Fraud and Corruption Policy | Social Media policy |
| Career Management and Retention Policy | Protective Clothing and Allowance Policy | Job Evaluation Policy |
| Ward Committees Policy | Internship and Experiential Learning Policy | Clocking, Attendance and Punctuality Policy |
| HIV/AIDS Policy | Subsistence and Travelling Allowance Policy | Discipline Policy |
| Smoking Policy | Car Allowance Policy | Incapacity Policy |
| Skills Development Policy | Performance Management Policy | Legal Aid Policy |
| Recruitment, Selection Appointment Policy | Succession Planning Policy | Private work and Declarations of Interest Policy |
| Transport Control Policy | Discrimination Policy | Human Resources Communication Policy |
| Sexual Harassment Policy | Overtime Policy | Staff Establishment |
| Cellular Phone Allowance Policy | Sports Policy | Placement Policy |
| Contract of Employment Policy | ICT Policy Handbook | Termination of Services Policy |

| | | |
|---------------------------------------|------------------------------------|--|
| Labour Relations Policy | Whistle Blowing Policy | Bursary Policy for members of the public |
| Conditions of Service Policy | Aldermanship Policy | Grievance Resolution Policy |
| Occupational Health and Safety Policy | Bursary Policy for Employees | Remuneration Policy |
| Telephone Management Policy | Employment Equity Policy | Advance Reimbursement Expenses Policy |
| Covid-19 Policy | Risk Cover and Loss Control Policy | Intoxicating Substance Abuse Policy |
| Danger Allowance Policy | Protocol Policy | Staff members Wellness Program Policy |
| Leave Management Policy | Code of Conduct for Councillors | |
| Language Policy | Council rules of Order | |

The policies indicated above are in place and need to be monitored and implemented as a measure of creating controls for effective and efficient implementation of services.

4.3 STAFF ESTABLISHMENT

The municipality has 327 posts in terms of the approved organogram for 2024/25 financial year and had 296 posts filled as of 30 June 2025. It is worth indicating that the municipality had a vacancy rate of 9%. The vacancy rate is due to posts that were never filled, retirements, demise, and resignations. Below are statistics of all employees per directorate including Interns.

Table 4.2: Total Staff Establishment as at 30 June 2025

| Directorate | Approved Posts | Filled | Vacant | Vacancy Rate |
|-------------------------------|----------------|------------|-----------|--------------|
| Municipal Manager's Office | 37 | 35 | 2 | 5% |
| Corporate Services | 27 | 26 | 1 | 4% |
| Budget and Treasury | 35 | 31 | 4 | 11% |
| Technical Services | 85 | 74 | 11 | 10% |
| Community Services | 132 | 120 | 12 | 9% |
| Development and Town Planning | 11 | 10 | 1 | 9% |
| Total | 327 | 296 | 31 | 9% |
| INTERNS | 5 | | | |

4.4 STAFF TURNOVER RATE

A high staff turnover rate may be costly to a municipality and can negatively affect productivity, service delivery, and institutional memory. The staff turnover rate for 2024/25 was 2% which is similar to 2% of 2023/2. The municipality has appointed an Employee Health and Wellness Practitioner as a way of mitigating the increasing staff turnover rate.

4.5 EMPLOYMENT EQUITY

Table 4.3 below outlines employment equity status of the municipality per occupational category. The empowerment of the previously disadvantaged groups is relatively low with African females at 40% on Senior / Top management in 2024/25. The current challenge in this area is the representation of women in the entire municipal workforce. The overall percentage of females in the municipal workforce is 45% of which is 5% below the national target of 50% females' representation. However, it is worth noting that the municipality has exceeded the 2% national target of people with disabilities. The municipality had a 3.3% representation of people with disabilities in the year 2024/25.

The Employment Equity Plan for the municipality must be taken into consideration when posts are filled and race classification, gender, and disability status must be in line with the goal set for the specific occupational level in which the vacant post falls. The Employment Equity Report was drafted and submitted electronically to the Department of Labour in January 2025. It is worth noting that the five-year EE plan has expired which required the municipality to develop a new plan with new targets.

Table 4.3 Workforce profile per occupational category as of 30 June 2025.

| Occupational Levels | Male | | | | Female | | | | Total |
|---|------|---|---|----|--------|---|---|----|-------|
| | A | C | I | W | A | C | I | W | |
| Top management | 01 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 01 |
| Senior management | 03 | 0 | 0 | 0 | 02 | 0 | 0 | 0 | 05 |
| Professionally qualified and experienced specialists and mid-management | 30 | 0 | 0 | 00 | 13 | 0 | 0 | 01 | 44 |

| | | | | | | | | | |
|--|------------|----------|----------|-----------|------------|----------|----------|-----------|------------|
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 28 | 0 | 0 | 0 | 23 | 0 | 0 | 0 | 51 |
| Semi-skilled and discretionary decision making | 49 | 0 | 0 | 0 | 30 | 0 | 0 | 0 | 79 |
| Unskilled and defined decision making | 37 | 0 | 0 | 01 | 52 | 0 | 0 | 0 | 90 |
| TOTAL PERMANENT | 148 | 0 | 0 | 01 | 120 | 0 | 0 | 01 | 270 |
| Temporary employees | 3 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 6 |
| GRAND TOTAL | 151 | 0 | 0 | 01 | 123 | 0 | 0 | 01 | 276 |

4.6 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient, and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998)

Skills Development Budget Allocation

The table below indicates that a total amount of R2 000 000 was allocated to the Workplace Skills Plan and that 84% of the total amount was spent in 2024/25 financial year for training of employees and Councillors respectively.

Table 4.4: Budget allocated and spent for skills development.

| Year | Total Personnel Budget & Councillors | Total Allocated for training | Total Spent for training | % Spent |
|----------------|--------------------------------------|------------------------------|--------------------------|---------|
| 2023/24 | R 176 928 000 | R 2 504 543 | R 2 304 329 | 92% |
| 2024/25 | R 184 883 000 | R 2 000 000 | R 1 600 000 | 84% |

Skills Matrix

The table below indicates the number of employees that received training (skills programs, short courses, etc.) in the year under review:

Table 4.5 Number of employees that received training in 2024/25

| Intervention Name as per WSP | Intervention Type | Employed Officials | Employed Councillors | People with Disability | Interns | Total number of learners | Funder | Status |
|---|-----------------------|--------------------|----------------------|------------------------|---------|--------------------------|-------------------|-------------|
| 1. Operating Regulations for High Voltage Systems (ORHVS) | Skills Programme | 7 | 0 | 0 | 0 | 7 | Municipal Funding | Completed |
| 2. Customer Care Training | Skills Programme | 28 | 0 | 0 | 0 | 28 | Municipal Funding | Completed |
| 3. Protection of Personal Information (POPIA) | Workshop (Non-Credit) | 17 | 9 | 2 | 0 | 26 | Municipal Funding | Completed |
| 4. Demonstrate to Lead a Group or Team (Supervisory Skills) | Skills Programme | 14 | 0 | 0 | 0 | 14 | Municipal Funding | Completed |
| 5. Street Cleaning (Environmental Practice) | Skills Programme | 9 | 0 | 0 | 0 | 9 | Municipal Funding | Completed |
| 6. Advance Excell | Skills Programme | 10 | 0 | 0 | 0 | 10 | Municipal Funding | Completed |
| 7. Councillor Induction Programme | Skills Programme | 0 | 7 | 0 | 0 | 7 | Salga Funding | Completed |
| 8. Certificate in LED | Skills Programme | 3 | 3 | 0 | 0 | 6 | Salga Funding | Completed |
| 9. Customer Centered Service Delivery | Training | 3 | 0 | 0 | 0 | 3 | COGHSTA Funding | Completed |
| 10. Managing Unauthorised, Irregular and Fruitless Expenditures | Training | 3 | 0 | 0 | 0 | 3 | COGHSTA Funding | Completed |
| 11. Municipal Leaders, Media and Stakeholder Engagement Programme | Training | 3 | 1 | 0 | 0 | 4 | Salga Funding | Completed |
| 12. Basic Plumbing | Skills Programme | 5 | 0 | 0 | 0 | 5 | Municipal Funding | Completed |
| 13. Municipal Finance Management Programme | Skills Programme | 10 | 4 | 0 | 5 | 19 | Municipal Funding | In Progress |
| 14. Building and Civil Construction | Skills Programme | 24 | 0 | 0 | 0 | 24 | LGSETA | In Progress |

4.7 PERFORMANCE MANAGEMENT SYSTEM

This chapter outlines briefly how Greater Letaba Municipality managed its performance.

Performance Management is a powerful tool that can be used to measure the performance of an organisation. It involves setting of desired strategic objectives, outcomes, indicators and targets, alignment of programs, projects, and processes directly to its components such section 57 managers as stipulated in the performance regulations of 2006.

In terms of Chapters 5 and 6 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), local government is required to:

- *Develop a performance management system.*
- *Set targets, monitor, and review performance, based on indicators linked to the Integrated Development Plan (IDP).*
- *Publish an annual report on performance for the councillors, staff, the public, and other spheres of government.*
- *Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government.*
- *Conduct an internal audit on performance before tabling the report.*
- *Have the annual performance report audited by the Auditor-General.*
- *Involve the community in setting indicators and targets and reviewing municipal performance.*

Greater Letaba Municipality's performance management system aims at ensuring that all the departments within the municipality are working coherently to achieve optimum desired results. This is done by planning, reviewing, implementing, monitoring, measuring, and reporting on its activities.

The development of Greater Letaba Municipality's Performance Management Framework was guided by different pieces of legislation which include amongst others the following: *Constitution of the Republic of South Africa, Chapter 7 of Act 108 (1996)*

- *White Paper on Local Government 1998*
- *Municipal Systems Act, 2000 (Act No. 32 of 2000)*
- *Municipal Finance Management Act, (Act No. 56 2003)*
- *Regulation 393 of 2009: Local Government Municipal Finance Management Act Municipal Budget and Reporting Regulation*

- *Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager (2006)*
- *Municipal Planning and Performance Management Regulations (2001)*
- *Batho Pele Principles*
- *Municipal Structures Act 1998 (ACT no 117 of 1998)*

Greater Letaba Municipality has adopted a balanced scorecard methodology which is a strategic performance management tool. The balanced scorecard is used to keep track of the execution of activities by staff within their control and monitor the consequences arising from these actions. The balanced scorecard creates a clear link of activities across all levels of municipality. The main objective of the balanced scorecard is to achieve synergy across the Municipality, maximize internal business process efficiencies, and maximize efficient allocation of financial and human resources. By using the balanced scorecard Greater Letaba Municipality managed to come up with strategic objectives that were transformed into a strategic map that emphasizes the municipality's main strategic intent.

| Community Perspective | The Municipality checks if it is achieving the needs of the community |
|---------------------------------|--|
| Financial Perspective | The Municipality checks if it is delivering services in an economic, efficient, and effective manner |
| Internal Processes Perspective | The Municipality checks if its business processes are assisting in achieving its desired goals |
| Learning and Growth Perspective | The Municipality checks if it has good skills and knowledge to achieve the needs of the community |

Organisational performance and employee performance are related to each other, and this starts from the planning phase. At an organisational level, the Service Delivery and Budget Implementation Plan (SDBIP) was developed for the purpose of monitoring the overall organisational performance. The Performance Agreement of section 54 & 56 managers was derived directly from the SDBIP. The SDBIP yields a set of indicators and targets which became an undertaking of the municipality to account to the community.

Performance Management Tools

This section outlines the performance management tools that Greater Letaba Municipality used to assess its performance.

Integrated Development Plan

Greater Letaba Municipality has developed an Integrated Development Plan which was adopted by council. The performance management system is designed to monitor and evaluate the progress made in the implementation of the municipality's IDP objectives, taking into account the timeframe of projects and budget. The IDP is the strategic document of the municipality that gives direction in terms of service delivery objectives. Performance objectives, indicators, outcomes, and targets are derived from the IDP.

Performance Management Policy Framework

Greater Letaba Municipality has developed and adopted a Performance Management Framework that serves as a guiding document in the implementation of performance management system within the institution. Municipality is presently using electronic Performance Management system.

Service Delivery and Budget Implementation Plan

In terms of the Municipal Finance Management Act, Act No. 56 (2003) the municipality must develop the SDBIP taking into consideration the Integrated Development Plan and the Budget of the municipality. Greater Letaba Municipality developed the SDBIP which was approved by the Mayor. The SDBIP yields specific indicators and targets which are derived from the IDP. The SDBIP is a link between integrated development plan, performance management system, and the budget. The SDBIP serves as a contract between Council and the community. It outlines the Council's objectives and outcomes to be undertaken by Council. Through the SDBIP Council commit itself to the community in terms of services to be rendered. Administration also commits to council on the services they will render to the community.

Performance Agreements and Performance Plans

The Local Government Municipal Performance Regulations for Municipal Managers and managers directly accountable to Municipal Managers (R805, 2006) indicate that Section 57 managers must be appointed in terms of a written employment contract and a separate performance agreement. Regulations R805 regulate employment contracts, performance agreements including performance plans, and job descriptions of Municipal Managers and managers directly accountable to Municipal Managers. Greater Letaba Municipality developed performance agreements that were duly signed.

The purpose of a performance management agreement is to:

- Specify objectives and targets defined and agreed with the employee and communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan

(SDBIP) and the Budget of the municipality.

- Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement.
- Specify and plan for competency gaps as set out in a personal development plan (PDP), which forms an annexure to the performance agreement (a PDP for addressing developmental gaps which have been identified during the previous financial year and must form part of the annual revised performance agreement).
- Monitor and measure performance against set targeted outputs.
- Use the performance agreement as to the basis for assessing whether the employee has met the performance expectations applicable to his or her job.
- In the event of outstanding performance, appropriately reward the employee depending on the availability of resources.
- Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

Performance Calculators

The 2001 Regulations Chapter 13 indicates that:

- (1) A municipality must, after consultation with the local community, develop and implement mechanisms, systems, and processes for the monitoring, measurement, and review of performance in respect of the key performance indicators and performance targets asset.
- (2) The mechanisms, systems, and processes for monitoring in terms of sub-regulation (1) must:
 - a) provide for reporting to the municipal council at least twice a year.
 - b) be designed in a manner that enables the municipality to detect early indications of under-performance; and
 - c) provides corrective measures where under-performance has been identified.

Greater Letaba Municipality has developed performance calculators that are used to monitor the performance of the institution and Section 54 & 56 Managers. Monitoring is the key stage when implementing a performance management system.

Reports

The Greater Letaba Municipality continuously produces reports giving feedback regarding the performance of the institution and the departments. The reports mainly focus on the priorities of the organisation, performance objectives, indicators, targets, measurements, and analysis. The reports include amongst others the following:

Monthly / Quarterly IDP and SDBIP reporting

In terms of Section 1 of the MFMA, Act 56 of 2003 a municipality must develop an SDBIP with detailed projections for each month of the revenue to be collected, by source, as well as the operational and capital expenditure, by vote. The SDBIP must be reported on a quarterly basis. In complying with this requirement, the municipality compiled monthly, quarterly IDP, and SDBIP report.

Mid-year budget and report

The accounting officer is required to prepare and submit a midyear performance report, which must be submitted to the Mayor, Provincial, and National Treasury (Section 72 of the MFMA). Greater Letaba Municipality prepared a Mid-Year Budget and Report as per legislative requirement.

Performance report

Section 46 of the Municipal Systems Act No. 32 of 2000 requires a municipality to prepare a performance report for each financial year. The reports must cover the following:

- Performance of the municipality and of each external service provided during that financial year.
- Comparison of the performances referred to in the above paragraph with targets set for and performances in the previous financial year; and
- Steps and Interventions to be taken to improve on the performance.

Greater Letaba Municipality prepared performance reports that reflected how the municipality performed institutionally and departmentally.

Annual report

Section 121 requires the municipality to prepare an annual report for each financial year. Greater Letaba Municipality has managed to compile an annual report.

Oversight report

Section 129 requires the council of a municipality to consider the municipality's annual report. It further indicates that within two months from the date of tabling of the annual report, council must adopt an oversight report containing the council's comments. An oversight report for the municipality was compiled.

Assessment of Section 54 & 56 Managers

The 2006 regulations on Municipal Manager and Managers directly reporting to the Municipal Manager depict how the assessment of section 54 & 56 managers should unfold. It identified four assessments per annum, namely:

| Quarter | Panel formation |
|--|---|
| First Quarter (July – September) Informal Assessment | No need to constitute a panel of assessors |
| Second Quarter (October – December) Formal Assessment | Panel shall be constituted as follows: Assessment of Municipal Manager - <ul style="list-style-type: none"> • Mayor • Municipal Manager or Mayor from another Municipality • Chairperson of Performance Audit Committee Assessment of Senior Managers – <ul style="list-style-type: none"> • Municipal Manager from another Municipality • EXCO Member • Municipal Manager • Chairperson of Performance Audit Committee |
| Third Quarter (January – March) Informal Assessment | No need to constitute a panel of assessors |
| Fourth Quarter (April – June) Formal Assessment | Panel shall be constituted as follows: Assessment of Municipal Manager - <ul style="list-style-type: none"> • Mayor • Municipal Manager or Mayor from another Municipality • Chairperson of Performance Audit Committee Assessment of Senior Managers – <ul style="list-style-type: none"> • Municipal Manager from another Municipality • EXCO Member • Municipal Manager Chairperson of Performance Audit Committee |

4.8 MUNICIPAL WORKFORCE EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the municipality is well within the national norm of between 35 to 40%

Table 4.6 Personnel Expenditure (excluding Councillors allowances)

| Financial year | Total Expenditure salary and allowances | Total Operating Expenditure | Percentage |
|----------------|---|-----------------------------|------------|
| | R'000 | R'000 | |
| 2023/24 | R 128 466 777 | R 428 750 679 | 30% |
| 2024/25 | R 155 657 942 | R 501 437 348 | 31.04% |

Disclosure regarding the 2023/24 remuneration packages for the Mayor, Councillors, and Section 57 Managers was as follows.

Table 4.7: Remuneration packages 2024/25

| Designation | Total Salaries & Wages |
|--|------------------------|
| Mayor | R 947 990.00 |
| Full-Time Councillor-Speaker | R 758 393.00 |
| Full-Time Councillor-Chief whip | R 710 995.00 |
| Executive Councillors & MPAC Chairperson | R 696 710.00 |
| Full Time Executive Committee Members | R 710 995.00 |
| Full Time MPAC Chair | R 710 995.00 |
| Part Time Executive Committee members | R 396 649.00 |
| Chairpersons of Committees | R 385 005.00 |
| Councillors | R 299 994.00 |
| Municipal Manager | R 1 325 220.00 |
| Chief Financial Officer | R 1 103 953.00 |
| Technical Services Director | R 1 103 953.00 |
| Corporate Services Director | R 1 103 953.00 |
| Community Services Director | R 1 103 953.00 |
| Development and Town Planning Director | R 1 103 953.00 |

4.9 ORGANISATIONAL DEVELOPMENT PERFORMANCE HIGHLIGHTS

- Submission of Workplace skills plan and Annual training reports were submitted before the 30th of April 2025.
- Employment Equity Report was submitted prior 15 January 2025.
- Enrolling Finance Officials and Interns, Managers, and Councillors for Municipal Finance Management Programme as required by Section 60 of National Treasury.

CHAPTER 5

FINANCIAL PERFORMANCE

5.1 INTRODUCTION

This chapter provides details regarding the financial performance of the municipality for 2024/25 financial year. Sound financial management practices are essential to the long-term sustainability of the municipality. They underpin the process of democratic accountability. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernize municipal financial management. This chapter aims to provide an overview of the financial performance of Greater Letaba Municipality through measuring of results.

5.2 STATEMENT OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

The table below indicates the operating ratios for the year 2022/23, 2023/24, and 2024/25.

Table: 5.1 Operating ratios

| Operating Ratios | | | |
|--------------------------------|-----------------|-----------------|-----------------|
| Detail | 2022/23 Ratio % | 2023/24 Ratio % | 2024/25 Ratio % |
| Employee Cost | 36% | 36% | 31% |
| Repairs & Maintenance | 5.1% | 6.4% | 4.7% |
| Finance Charges & Depreciation | 10.2% | 10.0% | 10.5% |

The table below indicates the financial overview of the 2024/25 financial year.

Table: 5.2. Financial overview

| Financial Overview – 2024/25 | | | |
|-----------------------------------|--------------------|--------------------|--------------------|
| Details | Original Budget | Adjustment Budget | Actual |
| Income | | | |
| Grants | 423 528 000 | 423 528 000 | 495 036 000 |
| Taxes, Levies, and tariffs | 60 732 000 | 60 732 000 | 56 498 000 |
| Other | 38 107 000 | 41 881 000 | 45 205 000 |
| Sub Total | 522 367 000 | 526 141 000 | 596 739 000 |
| Less Expenditure | 467 525 000 | 493 758 000 | 501 937 000 |
| Net Total * | 54 842 000 | 32 656 000 | 94 802 000 |
| *Note: Surplus/ Deficit | | | |

The table below highlights capital expenditure for the period 2022/23, 2023/24, and 2024/25 comparatively.

Table: 5.3. Capital expenditure

| Total Capital Expenditure from 2022/23, 2023/24 to 2024/25 | | | |
|---|----------------|----------------|----------------|
| Detail | 2022/23 | 2023/24 | 2024/25 |
| Original budget | 110 032 000 | 110 032 000 | 123 209 000 |
| Adjustment budget | 127 214 000 | 111 954 000 | 137 538 000 |
| Actual | 121 163 000 | 100 777 000 | 133 960 000 |

5.3 GREATER LETABA MUNICIPALITY FINANCIAL PERFORMANCE ANALYSIS

- **Revenue**

The Municipality receives grants and equitable shares from National Treasury. The grants received in 2024/25 amounts to 83% of the total receipts while Own revenue is 17% of the total receipts. Revenue income for 2023/24 was (R526 582 000) which increased to (R596 739 000) in 2024/25 financial year. There is an increase of 23% on own funding revenue from 2023/24 to 2024/25 Though there is an improvement in own funding revenue, the Municipality is still dependent on Grants received from National Treasury, to be able to deliver basic services to its community.

- **Debtors**

The total debt owed to the municipality has increased to R403 140 000 in 2024/25 while it was R376 719 000 in 2023/24. These total debts include total debtors of R95 556 000 for water and sewerage owed by Mopani District Municipality. The Municipality has developed and is implementing the revenue enhancement strategy to enable the municipality to improve in revenue collection.

- **Liquidity**

The Municipality is financially sound. It has reserves cash and cash equivalents amounting to R12 552 113 at year end. The municipality's current assets are less than the current liabilities, current assets amount to R50 572 719 and current liabilities amount to R88 585 243. Although the municipality seems to be operating on going concern, there are several mitigating factors that will enable the municipality to continue.

- **Expenditure analysis**

Expenditure for 2024/2 has increased to R501 938 000 compared to R494 494 000 in 2023/2024 FY. These expenditures include non-cash expenditures such as depreciation and debts impairments.

5.4 GREATER LETABA MUNICIPALITY AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

SEE ANNEXURE S

CHAPTER 6

AUDITOR GENERAL AUDIT FINDINGS

6.1 INTRODUCTION

The MSA S45 states that the results of performance measurement in terms of S41(1)(c) must be audited annually by the Auditor-General. Section 41(1)(c) states that the auditing should take place with regard to each of those development priorities and objectives and against key performance indicators and targets to monitor, measure and review municipal performance at least once per annum.

This chapter provides an overview of the Auditor-General Report of the previous financial year. Specific topics that should receive attention include details on issues raised during the previous financial year and remedial action taken to address the above and preventative measures. The municipality has received **Unqualified Audit Opinion** from 2018/19 FY to 2024/25 FY. In response to the Auditor General's audit opinion, the municipality has developed an AG action plan in order to ensure that auditor's findings are corrected.

In order to improve the capacity and attain a clean audit opinion (unqualified audit opinion without matters) in 2025/26 financial year, the municipality shall ensure that employees are trained in financial and performance management. The municipality shall ensure forward planning when implementing projects in order to accelerate the implementation of projects.

6.2 AUDITOR GENERAL OPINION FOR THE YEAR 2024-25

SEE ANNEXURE T

6.3 REMEDIAL ACTIONS TO ADDRESS THE AUDIT EXCEPTIONS

SEE ANNEXURE U

CHAPTER 7

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND ATTENDANCE

| Councillors, Committees Allocated and Council Attendance 2024/25 | | | | | |
|---|--------------------------------------|-------------------------------|--------------------------------|-------------------------------------|-----------------------------------|
| Council Members | Full Time/ Part Time FT/PT | Committee Allocated | Ward and/ or party Represented | Number of Meetings held or Attended | Percentage of meetings Attendance |
| | | | | No | % |
| Cllr. Mamanyoha T.D | FT | COUNCIL | ANC | 12/12 | 100% |
| | FT | EXCO | ANC | 12/12 | 100% |
| | FT | PMT | ANC | 12/12 | 100% |
| Cllr. Mokgwati M.M | FT | COUNCIL | ANC | 12/12 | 100% |
| | FT | PMT | ANC | 11/12 | 92% |
| | FT | MPWC | ANC | 2/2 | 100% |
| Cllr. Ramalatso R.R | FT | COUNCIL | ANC | 12/12 | 100% |
| | FT | PMT | ANC | 9/12 | 75% |
| | FT | MPWC | ANC | 2/2 | 100% |
| Cllr. Kgapabe T.J | FT | COUNCIL | ANC | 10/12 | 83% |
| | FT | EXCO | ANC | 11/12 | 92% |
| | FT | FINANCE | ANC | 7/7 | 100% |
| Cllr. Lebeko N.F | FT | COUNCIL | ANC/W 14 | 11/12 | 92% |
| | FT | EXCO | ANC/W 14 | 10/12 | 83% |
| | FT | CORPORATE AND SHARED SERVICES | ANC/W 14 | 6/10 | 60% |
| Cllr. Ramaano K.E | PT | COUNCIL | ANC/W 11 | 12/12 | 100% |
| | PT | EXCO | ANC/W 11 | 12/12 | 100% |
| | PT | SPORTS, ARTS AND CULTURE | ANC/W 11 | 3/3 | 100% |
| | PT | MPWC | ANC/ W 11 | 1/2 | 50% |
| Cllr. Ramaremele J.M | PT | COUNCIL | ANC | 12/12 | 100% |
| | PT | EXCO | ANC | 12/12 | 100% |
| | PT | ECONOMIC DEVELOPMENT, | ANC | 4/4 | 100% |

| | | | | | |
|-----------------------------|----|--------------------------------|---------|-------|------|
| | | HOUSING & SPATIAL PLANNING | | | |
| | PT | MPWC | ANC | 1/2 | 50% |
| Cllr. Selowa M.G | PT | COUNCIL | ANC | 11/12 | 92% |
| | PT | EXCO | ANC | 11/12 | 92% |
| | PT | WATER AND SANITATION | ANC | 4/4 | 100% |
| | PT | MPWC | ANC | 1/2 | 50% |
| Cllr. Baloyi R.G | FT | COUNCIL | ANC | 11/12 | 92% |
| | FT | EXCO | ANC | 10/12 | 83% |
| | FT | INFRASTRUCTURE | ANC | 5/6 | 83% |
| Cllr. Mosila M.R | PT | COUNCIL | ANC | 9/12 | 75% |
| | PT | EXCO | ANC | 11/12 | 92% |
| | PT | COMMUNITY SERVICES | ANC | 2/2 | 100% |
| Cllr. Mothele M.D | PT | COUNCIL | EFF | 9/12 | 75% |
| | PT | EXCO | EFF | 9/12 | 75% |
| | PT | PUBLIC TRANSPORT & ROADS | EFF | 1/2 | 50% |
| | PT | MPWC | EFF | 1/2 | 50% |
| Cllr. Mangena M.S | PT | COUNCIL | EFF/ PR | 11/12 | 92% |
| | PT | EXCO | EFF/ PR | 6/12 | 50% |
| | PT | ENVIRONMENTAL AFFAIRS | EFF/ PR | 2/4 | 50% |
| Cllr. Makhurupetse M.W.M | FT | COUNCIL | ANC/ PR | 9/12 | 75% |
| | FT | MUNICIPAL PUBLIC ACCOUNTS | ANC/ PR | 12/14 | 86% |
| | FT | MPWC | ANC/ PR | 1/2 | 50% |
| Cllr. Manyama M.I | PT | COUNCIL | ANC/W 4 | 12/12 | 100% |
| | PT | ETHICS COMMITTEE | ANC/W 4 | 4/4 | 100% |
| Cllr. Mohale R.W | PT | COUNCIL | ANC/W 1 | 11/12 | 92% |

| | | | | | |
|---------------------|----|--|---------|-------|------|
| | PT | MUNICIPAL PUBLIC ACCOUNTS | ANC/W 1 | 12/14 | 86% |
| Cllr. Seoka L.M | PT | COUNCIL | ANC/W 2 | 11/12 | 92% |
| | PT | ETHICS COMMITTEE | ANC/W 2 | 4/4 | 100% |
| Cllr. Lebepe R.R | PT | COUNCIL | ANC/W 3 | 8/12 | 67% |
| | PT | CORPORATE AND SHARED SERVICES | ANC/W 3 | 7/10 | 70% |
| Cllr. Rasebotja S.M | PT | COUNCIL | ANC/W 5 | 10/12 | 83% |
| | PT | FINANCE | ANC/W 5 | 4/7 | 57% |
| | PT | INFRASTRUCTURE | ANC/W 5 | 6/6 | 100% |
| | PT | PUBLIC TRANSPORT & ROADS | ANC/W 5 | 2/2 | 100% |
| | PT | MPWC | ANC/W 5 | 1/2 | 50% |
| Cllr. Mokgomola N.P | PT | COUNCIL | ANC/W 6 | 7/12 | 58% |
| | PT | FINANCE | ANC/W 6 | 4/7 | 57% |
| | PT | SPORTS, ARTS AND CULTURE | ANC/W 6 | 3/3 | 100% |
| Cllr. Nakana M.R | PT | COUNCIL | ANC/W 7 | 3/12 | 25% |
| | PT | ECONOMIC DEVELOPMENT, HOUSING & SPATIAL PLANNING | ANC/W 7 | 3/4 | 75% |
| | PT | MPWC | ANC/W 7 | 2/2 | 100% |
| Cllr. Maake S.M | PT | COUNCIL | ANC/W 8 | 11/12 | 92% |
| | PT | INFRASTRUCTURE | ANC/W 8 | 5/6 | 83% |
| | PT | COMMUNITY SERVICES | ANC/W 8 | 1/2 | 50% |
| | PT | ETHICS COMMITTEE | ANC/W 8 | 4/4 | 100% |
| Cllr.Ramalatso A.M | PT | COUNCIL | ANC/W 9 | 3/12 | 25% |
| | PT | INFRASTRUCTURE | ANC/W 9 | 5/6 | 83% |
| | PT | MPWC | ANC/W 9 | 1/2 | 50% |

| | | | | | |
|----------------------|----|--|----------|-------|------|
| Cllr. Makgato T.E | PT | COUNCIL | ANC/W 10 | 5/12 | 42% |
| | PT | ECONOMIC DEVELOPMENT, HOUSING & SPATIAL PLANNING | ANC/W 10 | 3/4 | 75% |
| | PT | WATER AND SANITATION | ANC/W 10 | 4/4 | 100% |
| Cllr. Mashao M.G | PT | COUNCIL | ANC/W 12 | 11/12 | 92% |
| | PT | CORPORATE AND SHARED SERVICES | ANC/W 12 | 7/10 | 70% |
| | PT | MPWC | ANC/W 12 | 2/2 | 100% |
| Cllr. Lekitima V.M | PT | COUNCIL | ANC/W 13 | 11/12 | 92% |
| | PT | MUNICIPAL PUBLIC ACCOUNTS | ANC/W 13 | 12/14 | 86% |
| Cllr. Mokhabukhi M.S | PT | COUNCIL | ANC/W 15 | 9/12 | 75% |
| | PT | PUBLIC TRANSPORT & ROADS | ANC/W 15 | 2/2 | 100% |
| Cllr. Ngobeni M.P | PT | COUNCIL | ANC/W 16 | 3/12 | 25% |
| | PT | ENVIRONMENTAL AFFAIRS | ANC/W 16 | 4/4 | 100% |
| Cllr. Mankgero M.M | PT | COUNCIL | ANC/W 17 | 12/12 | 100% |
| | PT | INFRASTRUCTURE | ANC/W 17 | 6/6 | 100% |
| Cllr. Ndima B.H | PT | COUNCIL | ANC/W 18 | 12/12 | 100% |
| | PT | MUNICIPAL PUBLIC ACCOUNTS | ANC/W 18 | 10/14 | 71% |
| Cllr. Mabidilala E | PT | COUNCIL | ANC/W 19 | 4/12 | 33% |
| | PT | MUNICIPAL PUBLIC ACCOUNTS | ANC/W 19 | 4/14 | 29% |
| Cllr. Rampyapedi E.S | PT | COUNCIL | ANC/W 20 | 4/12 | 33% |
| | PT | SPORTS, ARTS AND CULTURE | ANC/W 20 | 1/3 | 33% |
| | PT | WATER AND SANITATION | ANC/W 20 | 4/4 | 100% |

| | | | | | |
|------------------------|----|-------------------------------|----------|-------|------|
| Cllr. Monyela K.B | PT | COUNCIL | ANC/W 21 | 6/12 | 50% |
| | PT | MUNICIPAL PUBLIC ACCOUNTS | ANC/W 21 | 6/14 | 43% |
| | PT | MPWC | ANC/W 21 | 1/2 | 50% |
| Cllr. Mamaila B.A | PT | COUNCIL | ANC/W 22 | 6/12 | 50% |
| | PT | COMMUNITY SERVICES | ANC/W 22 | 1/2 | 50% |
| | PT | MPWC | ANC/W 22 | 2/2 | 100% |
| Cllr. Maake N | PT | COUNCIL | ANC/W 23 | 9/12 | 75% |
| | PT | FINANCE | ANC/W 23 | 2/7 | 29% |
| | PT | MPWC | ANC/W 23 | 1/2 | 50% |
| Cllr. Mamatlepa D.D | PT | COUNCIL | ANC/W 24 | 11/12 | 92% |
| | PT | CORPORATE AND SHARED SERVICES | ANC/W 24 | 4/10 | 40% |
| | PT | ENVIRONMENTAL AFFAIRS | ANC/W 24 | 3/4 | 75% |
| | PT | MPWC | ANC/W 24 | 2/2 | 100% |
| Cllr. Modika M.S | PT | COUNCIL | ANC/W 25 | 8/12 | 67% |
| | PT | CORPORATE AND SHARED SERVICES | ANC/W 25 | 3/10 | 30% |
| | PT | ETHICS COMMITTEE | ANC/W 25 | 2/4 | 50% |
| Cllr. Mohale M.J | PT | COUNCIL | ANC/W 26 | 7/12 | 58% |
| | PT | MPWC | ANC/W 26 | 2/2 | 100% |
| Cllr. Moroatshehla M.B | PT | COUNCIL | ANC/W 27 | 10/12 | 83% |
| | PT | FINANCE | ANC/W 27 | 5/7 | 71% |
| | PT | PUBLIC TRANSPORT & ROADS | ANC/W 27 | 2/2 | 100% |
| Cllr. Hlungwani S.J | PT | COUNCIL | ANC/W 28 | 6/12 | 50% |
| | PT | COMMUNITY SERVICES | ANC/W 28 | 1/2 | 50% |
| Cllr. Malatji M.C | PT | COUNCIL | ANC/W 29 | 3/12 | 25% |

| | | | | | |
|------------------------|----|---|----------|-------|------|
| | PT | INFRASTRUCTURE | ANC/W 29 | 4/6 | 67% |
| Cllr. Lebeya M.J | PT | COUNCIL | ANC/W 30 | 10/12 | 83% |
| | PT | SPORTS, ARTS AND CULTURE | ANC/W 30 | 2/3 | 67% |
| | PT | MPWC | ANC/W 30 | 1/2 | 50% |
| Cllr. Matlou M.P | PT | COUNCIL | ANC/ PR | 5/12 | 42% |
| | PT | ETHICS COMMITTEE | ANC/ PR | 1/4 | 25% |
| Cllr. Mothomogolo P.S | PT | COUNCIL | ANC/ PR | 9/12 | 75% |
| | PT | FINANCE | ANC/ PR | 5/7 | 71% |
| | PT | PUBLIC TRANSPORT & ROADS | ANC/ PR | 0/2 | 0% |
| | PT | MUNICIPAL PUBLIC ACCOUNTS | ANC/ PR | 7/14 | 50% |
| Cllr. Mampeule P.J | PT | COUNCIL | ANC/ PR | 7/12 | 58% |
| | PT | ENVIRONMENTAL AFFAIRS | ANC/ PR | 1/4 | 25% |
| Cllr. Moroatshehla M.F | PT | COUNCIL | ANC/ PR | 8/12 | 67% |
| | PT | ECONOMIC DEVELOPMENT, HOUSING & SPATIAL PLANNING | ANC/ PR | 4/4 | 100% |
| | PT | MPWC | ANC/ PR | 2/2 | 100% |
| Cllr. Malatja T.P | PT | COUNCIL | ANC/ PR | 9/12 | 75% |
| | PT | FINANCE | ANC/ PR | 5/7 | 71% |
| | PT | WATER AND SANITATION | ANC/ PR | 4/4 | 100% |
| Cllr. Makhananisa M.D | PT | COUNCIL | ANC/ PR | 10/12 | 83% |
| | PT | CORPORATE AND SHARED SERVICES | ANC/ PR | 4/10 | 40% |
| | PT | ETHICS COMMITTEE | ANC/ PR | 3/4 | 75% |
| | PT | MPWC | ANC/ PR | 1/2 | 50% |

| | | | | | |
|---------------------|----|---------------------------|----------|-------|------|
| Cllr. Ramabubutla L | PT | COUNCIL | ANC/ PR | 7/12 | 58% |
| | PT | MUNICIPAL PUBLIC ACCOUNTS | ANC/ PR | 8/14 | 57% |
| | PT | MPWC | ANC/ PR | 2/2 | 100% |
| Cllr. Raseropo S.M | PT | COUNCIL | EFF/ PR | 9/12 | 75% |
| | PT | ENVIRONMENTAL AFFAIRS | EFF/ PR | 0/4 | 0% |
| | PT | MUNICIPAL PUBLIC ACCOUNTS | EFF/ PR | 10/14 | 71% |
| | PT | MPWC | EFF/ PR | 1/2 | 50% |
| Cllr. Mulaudzi P | PT | COUNCIL | EFF/ PR | 6/12 | 50% |
| | PT | INFRASTRUCTURE | EFF/ PR | 4/6 | 67% |
| | PT | MPWC | EFF/ PR | 0/2 | 0% |
| Cllr. Kgatla M.E | PT | COUNCIL | EFF/ PR | 6/12 | 50% |
| | PT | FINANCE | EFF/ PR | 2/7 | 29% |
| | PT | ENVIRONMENTAL AFFAIRS | EFF/ PR | 1/4 | 25% |
| | PT | ETHICS COMMITTEE | EFF/ PR | 4/4 | 100% |
| | PT | MPWC | EFF/ PR | 1/2 | 50% |
| Cllr. Mashao M.C | PT | COUNCIL | EFF/ PR | 5/12 | 42% |
| | PT | PUBLIC TRANSPORT & ROADS | EFF/ PR | 2/2 | 100% |
| Cllr. Malatji M.E | PT | COUNCIL | EFF/ PR | 8/12 | 67% |
| | PT | WATER AND SANITATION | EFF/ PR | 1/4 | 25% |
| | PT | INFRASTRUCTURE | EFF/ PR | 2/6 | 33% |
| | PT | MPWC | EFF/ PR | 1/2 | 50% |
| Cllr. Senyolo T.J | PT | COUNCIL | COPE/ PR | 3/12 | 25% |
| | PT | COMMUNITY SERVICES | COPE/ PR | 0/2 | 0% |
| Cllr. Selowa D.L | PT | COUNCIL | COPE/ PR | 9/12 | 75% |
| | | MUNICIPAL PUBLIC ACCOUNTS | COPE/ PR | 12/14 | 86% |

| | | | | | |
|---------------------|----|---|-----------|------|------|
| Cllr. Serumula M.L | PT | COUNCIL | DA/ PR | 9/12 | 75% |
| | PT | SPORTS, ARTS AND CULTURE | DA/ PR | 1/3 | 33% |
| Cllr. Rasetsoke M.C | PT | COUNCIL | LIBRA/ PR | 3/12 | 25% |
| | PT | ECONOMIC DEVELOPMENT, HOUSING & SPATIAL PLANNING | LIBRA/ PR | 4/4 | 100% |
| Cllr. Maluleke M.J | PT | COUNCIL | MIM/ PR | 9/12 | 75% |
| | PT | CORPORATE AND SHARED SERVICES | MIM/ PR | 6/10 | 60% |
| | PT | MPWC | MIM/ PR | 1/2 | 50% |
| Cllr. Mukhufi A.S | PT | COUNCIL | EFF/ PR | 7/12 | 58% |
| | PT | ETHICS COMMITTEE | EFF/ PR | 4/4 | 100% |
| | PT | MPWC | EFF/ PR | 0/2 | 0% |

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

| Committees (Other than Mayoral/Executive Committee) and purpose of Committees | |
|--|---|
| Municipal Committees | Purposes of Committee |
| Corporate and Shared Services | Consider all organizational development, corporate and Auxiliary related matters and make recommendations to EXCO |
| Economic Development, Housing & Spatial Planning | To consider all economic development matters and make recommendations to EXCO |
| Public Transport & Roads | Consider all Roads matters and recommend to EXCO |
| Water & Sanitation Services | Consider all water and sanitation related matters and make recommendations to EXCO |
| Finance | Consider all budget, finance and related matters and make recommendations to EXCO |
| Environmental Affairs | Consider all environmental matters and recommend to EXCO |
| Community Services | To consider all social matters and make recommendations to EXCO |
| Infrastructure | Consider all Infrastructure, Building, Electricity and Civil matters and recommend to EXCO |
| Sports, Arts and Culture | Consider all Sports, Arts and Culture matters and recommend to EXCO |
| Municipal Public Accounts | To play an oversight and make recommendations to council |

APPENDIX C – THIRD TIER STRUCTURE

| Third Tier Structure | |
|-----------------------------|---|
| Directorate | Title and Name |
| Municipal Manager | Municipal Manager: Mr. Sewape M.O |
| Corporate Services | Senior Manager: Mr. Lekhota M.P |
| Community Services | Senior Manager: Mr. Mamatlepa M.L |
| Budget and Treasury | Chief Financial Officer: Ms. Sesene A.N |
| Development & Town Planning | Senior Manager: Mr. Phosa M.L |
| Technical Services | Senior Manager: Ms. Nhlane G.I |

APPENDIX D – FUNCTIONS OF THE MUNICIPALITY

GREATER LETABA MUNICIPALITY'S POWERS AND FUNCTIONS

- The provision and maintenance of childcare facilities.
- Development of local tourism.
- Municipal planning.
- Municipal roads and public transport.
- Administer public regulations.
- Administer billboards and display of advertisements in public areas.
- Administer cemeteries, funeral parlours, and crematoriums.
- Cleansing
- Control of public nuisances.
- Control of undertakings that sell liquor to the public.
- Ensure the provision of facilities for the accommodation, care, and burial of animals.
- Fencing and fences.
- Licensing and dogs
- Licensing and control of undertakings that sell food to the public.
- Administer and maintenance of local amenities.
- Development and maintenance of local sports facilities.
- Develop and administer markets.
- Development and maintenance of municipal parks and recreation.
- Regulate noise pollution.
- Administer pounds.
- Development and maintenance of disposal.
- Administer street trading.
- The imposition and collection of taxes and surcharges on fees as related to the municipal's function.
- Receipt and allocation of grants made to the municipality.
- Imposition and collection of other taxes, levies and duties as related to the municipal's function.
- Refuse removal refuse dumps disposal.

APPENDIX E – WARD REPORTING

| FUNCTIONALITY OF WARD COMMITTEES FOR 2024/25 | | | | | |
|---|--------------------------------|---------------------------------------|--|--|--|
| Ward Number | Name of Ward Councillor | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of monthly reports submitted to Speaker's office on time | Number of quarterly public ward meetings held during the year |
| Ward 1 | Cllr. Mohale R.W | Yes | 12 | 12 | 4 |
| Ward 2 | Cllr. Seoka L.M | Yes | 12 | 12 | 4 |
| Ward 3 | Cllr. Lebepe R.R | Yes | 12 | 12 | 4 |
| Ward 4 | Cllr. Manyama M.I | Yes | 12 | 12 | 4 |
| Ward 5 | Cllr. Rasebotja S.M | Yes | 12 | 12 | 4 |
| Ward 6 | Cllr. Mokgomola N.P | Yes | 12 | 12 | 4 |
| Ward 7 | Cllr. Nakana M.R | Yes | 12 | 12 | 4 |
| Ward 8 | Cllr. Maake S.M | Yes | 12 | 12 | 4 |
| Ward 9 | Cllr. Ramalatso A.M | Yes | 12 | 12 | 4 |
| Ward 10 | Cllr. Makgato T.E | Yes | 12 | 12 | 4 |
| Ward 11 | Cllr. Ramaano K.E | Yes | 12 | 12 | 4 |
| Ward 12 | Cllr. Mashao M.G | Yes | 12 | 12 | 4 |
| Ward 13 | Cllr. Lekitima V.M | Yes | 12 | 12 | 4 |
| Ward 14 | Cllr. Lebeko N.F | Yes | 12 | 12 | 4 |
| Ward 15 | Cllr. Mokhabukhi M.S | Yes | 12 | 12 | 4 |
| Ward 16 | Cllr. Ngobeni M.P | Yes | 12 | 12 | 4 |
| Ward 17 | Cllr. Mankgero M.M | Yes | 12 | 12 | 4 |
| Ward 18 | Cllr. Ndimba B.H | Yes | 12 | 12 | 4 |
| Ward 19 | Cllr. Mabidilala E | Yes | 12 | 12 | 4 |
| Ward 20 | Cllr. Rampyapedi E.S | Yes | 12 | 12 | 4 |
| Ward 21 | Cllr. Monyela K.B | Yes | 12 | 12 | 4 |
| Ward 22 | Cllr. Mamaila B.A | Yes | 12 | 12 | 4 |
| Ward 23 | Cllr. Maake N | Yes | 12 | 12 | 4 |
| Ward 24 | Cllr. Mamatlepa D.D | Yes | 12 | 12 | 4 |
| Ward 25 | Cllr. Modika M.S | Yes | 12 | 12 | 4 |
| Ward 26 | Cllr. Mohale M.J | Yes | 12 | 12 | 4 |
| Ward 27 | Cllr. Moroatshehla M.B | Yes | 12 | 12 | 4 |
| Ward 28 | Cllr. Hlungwani S.J | Yes | 12 | 12 | 4 |
| Ward 29 | Cllr. Malatji M.C | Yes | 12 | 12 | 4 |
| Ward 30 | Cllr. Lebeya M.J | Yes | 12 | 12 | 4 |

APPENDIX F – WARD INFORMATION

| Capital Projects: Largest in 2024/25 | | | | |
|---|--|-------------------|-----------------|--------------------|
| Ward No | Project Name & Detail | Start Date | End Date | Total Value |
| 26 | Construction of Street Paving at Ramodumo (3.5 km) (Multi-year) | 15 Sep 2022 | 30 Jun 2025 | R 33 059 905.39 |
| 25 | Construction of Abel Street Paving (2.8 km) | 2 Dec 2022 | 30 Jun 2025 | R 31 946 654.96 |
| 21 | Construction of Ramaroka Street Paving (3.4 km) | 23 Jan 2025 | 30 Jun 2027 | R 38 580 686.43 |
| 19 | Construction of Street Paving at Maupa(4.9 km) (Multi-year) | 31 Oct 2023 | 30 Jun 2026 | R 46 693 512.21 |
| 8 | Construction of Burkina Farso Street Paving (2 km) (Multi- year) | 27 Oct 2023 | 30 Jun 2026 | R 47 660 567.27 |
| 20 | Maphalle Electrification | 19 Aug 2024 | 31 Mar 2025 | R 4 279 689.00 |
| 22 | Makgakgapatse Electrification | 21 Aug 2024 | 14 Mar 2025 | R 3 833 500.00 |
| 5 | Reconstruction of Low-Level Bridge at Mandela Park | 13 Mar 2025 | 22 Sep 2025 | R 4 411 981.50 |
| 17 | Reconstruction of Low-Level Bridge at Mamaila Kolobetona (Happy Stars) | 13 Mar 2025 | 22 Sep 2025 | R 5 131 970.00 |
| 2 | Construction of Moshakga/ Makaba street paving (2.5 km) (Multi-year) | 3 Nov 2023 | 30 Jun 2025 | R 28 307 450.50 |
| 4 | Construction of Masakhaneng Street Paving (3.1 km) (Multi-year) | 12 Jan 2024 | 30 Jun 2026 | R 25 050 000.00 |

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2024/25

AUDIT AND PERFORMANCE AUDIT COMMITTEE SUMMARY REPORT 2024/25 FINANCIAL YEAR

The following paragraph summarizes the Audit Committee report for the year under review (2024/25).

The Audit Committee was established in terms of section 166 of the Municipal Finance Management Act (MFMA). Section 166 of the MFMA clearly states that each municipality must have an audit committee. The audit committee is an independent advisory body that advises council, political office bearers, accounting officer, and staff of the municipality on the following:

- Internal financial control and internal audits.
- Risk management.
- Accounting policies.
- The adequacy, reliability, and accuracy of financial reporting and information.
- Performance management
- Effective governance.
- Compliance with the MFMA, the annual Division of Revenue Act (DORA) and any other applicable legislation.
- Performance evaluation
- Any other issues referred to by the municipality.
- Review annual financial statements to provide authoritative and credible view of the financial position, on overall compliance with MFMA, DORA, etc.
- Respond to Council on any matter raised by the Auditor-General (AGSA);
- Carry out such investigations into financial affairs of the municipality as may be prescribed from time to time.
- It is expected on a quarterly basis for the Audit Committee to review and advise municipal council on matters relating to items listed above.
- The attendance of meetings by both Audit Committee Members and Management was outstanding. The Audit Committee has noted the following achievements by the municipality:
 - Ability of the municipality to produce quarterly financial statements.
 - Good progress in implementing the MSCOA programme.
 - Ability by the municipality to submit credible section 71 reports to treasury on a monthly basis.
 - Good progress addressing IT governance issues.

Audit committee recommendation for 2024/25 financial.

1. Business continuity management

- Resolution on the BCP should be revised with new timeline to reflect the current development and the proposed a new deadline is 30 June 2025 and reasons for resolutions not implemented should be documented to enhance understanding and accountability.

- Updates on timelines on the completion of BCP framework should be shared with Audit Committee once received from the provincial treasury and emphasized the importance of keeping the resolution open until the BCP is fully developed to ensure proper monitoring.

2. Budget and Treasury reports

2.1 Municipal In-year reporting/Section 52 Report

- The Committee considered the report, the overall revenue collection was 98.33%, property rates billed for the quarter was 99.26%, interest on investment account was 100% as the municipality had a positive balance while operating expenditure was 100.67% and capital expenditure was 97.40%.
- The Committee also noted that the total debtors of R403 million which included Mopani debt of R95m. The overall debt excluding Mopani was R307 million. The municipality paid Mopani District an amount of R3.7 million for water and sewerage collection.

Recommendations

- That the report be noted
- That a summary of the material variances be provided on the report.
- That the collection rate be improved

2.2 Irregular Expenditure register

- The Audit Committee noted that there was no irregular expenditure for the fourth quarter under review but noted the closing balance of R3.8 million as a remnant after an amount of R20 million was written off during the year from the opening balance of R23 million.

Recommendations

- That the report be noted

2.3 Fruitless and Wasteful expenditure

- The Audit Committee noted that there was an amount of R43 582.00 incurred in the fourth quarter adding to the R749 452.00 of the opening balances. The committee also noted that an amount of R111 328.86 was written off in the second quarter leaving a balance of R681 705 as at the end of the quarter.

Recommendations

- That the report be noted
- That the fruitless and wasteful expenditure be investigated by the Council committee.

2.4 Deviation Register

- The Audit Committee noted that there were deviations for an amount of R169 702.38 incurred in the fourth quarter. This deviation has added to the yearly deviation and has a closing balance of R1.6million.

Recommendations

- That the report be noted

- That where possible deviations be avoided.

2.5 Commitment register

- The Audit committee noted that the closing balance of the commitment register was R280.9 million inclusive of the current contracts.

Recommendations

- That the commitment register be noted.

2.6 Contract register

- The Audit Committee noted that the Municipality has a contract register in place and has been duly updated with the current contracts.

Recommendations

- That the contract register is noted.

2.7 Quotation Register

- The Audit Committee noted that for the fourth quarter, an amount of R1.1 million was for procurement through quotations and the overall quotation register for 2024/25 was R8.2 million.

Recommendations

- That the quotation register be noted

2.8 Preparation of the Annual Financial Statements for 2024/25

- The Audit Committee has once again received an update on preparation of the Annual Financial Statements and noted that the Municipal plans are in place to ensure that the submission will be made on time.

3. Overtime management

- Introduction of the shift system to curb the high expenditure on overtime, the municipality has introduced shift system for Traffic Officers.

4. Development and Town planning

- The Audit committee considered the report and noted that for the quarter under review 15 applications for business registrations were received and processed within a reasonable time. A total of 150 jobs were created on tourism related activities.

Recommendations

- That the report be noted.

- That other tourism attraction sites be identified.
- That jobs created through EPWP, and other municipal programmes be reported.

5. Technical Services

- The Audit Committee considered the report and noted that the MIG spending was (R87m) 100%, INEP (R17m)100%, (Initial allocation and R1 million (additional allocation), EPWP Incentive grant (R1.8m) 100%, EEDSM (R5m) 100% while MDRG (R7.9m) 100%. The Committee noted the additional funding received by the Municipality for MIG (R15m) and INEP (R1m) grants as a result of good expenditure performance.
- The Committee also noted the slow progress on the construction of Sekgopo Sports Facility mainly due to the Hardrock encountered during the construction which will require the additional costing to be evaluated by the Engineer and the MISA.

Recommendations

- That the report be noted.
- That the Geotech report be assessed for relevance and completeness.

6. Internal Audit.

- The Internal Audit plan for 2024/2025 financial year had 14 projects, 9 were fully completed, 2 were at execution stage while 3 were not yet started. The Committee welcomed the Internal Audit reports as finalised.

Recommendations

- That the Vacancies in the Internal Audit be filled as a matter of urgency
- That management should consider appointing a panel on Internal Audit firms to assist Internal Audit in the execution of some audit projects.
- That the non-implemented audits be rolled over to the next financial year

7. Performance management system.

- The Audit Committee considered the fourth quarter Performance report and noted the overall achievement of 83% which was an improvement compared to the 78% of the third quarter.

Recommendations

- That the 83% progress be noted
- That the SDBIP reports be audited by internal audit before tabled in the Audit Committee
- The AC recommended that targets that are not achieved should include a reason for non- achievement and should correct the planned intervention for non-achievement.

8. Corporate Services

- The Audit Committee considered the report and noted that all senior management positions are filled and that there is a vacancy rate of 12% for other positions lower. It was noted that 07 Councillors were trained on induction level 03 and 21 employees were also trained on various programs, 11 trained on advanced excel while 11 were trained on street awareness (Practical environmental awareness). It was

also noted that 23 employees received financial support under the Employee health and wellness while 03 received financial support.

- It was worth noting that all software licenses were still up to date as at the 30 June 2025 and that the conversion of asset module by Munsoft is currently in progress to ensure that the Municipality is fully compliant with mSCOA.
- As part of our ongoing cybersecurity efforts, ICT vulnerability testing and Disaster Recovery Plan (DRP) updates were successfully completed on the 26-28 May 2025. These actions are aimed at strengthening our protection against potential cyber threats and ensuring system resilience.

Recommendation

- That the report be noted.

9. Community services

- The Committee considered the report which included the Traffic and Licensing, library visits, sports facility usage, disaster management, environmental campaigns, recycling projects and the Mkwakwaila Thusong Service Centre. The report further highlighted the number of incidents attended and the awareness campaigns held.
- An amount of R2.5m was generated through the traffic and licensing services. Five (5) disaster incidents were reported, and five (5) awareness activities were conducted.

Recommendation

- That the report be noted.

10. Legal services

- The Committee considered the report and noted the contingent liability report and indicated that where possible there must be a discussion on the possible settlement.

Recommendation

- That the legal report be presented in the next meeting.

11. Risk Management report

- The committee considered the report and noted that the 80% Risk Committee resolutions, 67% strategic risks, 67% of fraud risks, 94% of ICT risks, 48% of the vulnerability and penetration tests were implemented.

Recommendation

- That the Risk Committee report be noted.

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

| LONG TERMS CONTRACTS 2024/25 | | | | | |
|-------------------------------------|---|-------------------------------|------------------------------------|------------------------|-------------------------|
| Name of service provider | Description of service rendered by the service provider | Start date of contract | Expiry date of the contract | Project Manager | Contract value |
| FNB | Provision of Banking Services | 03/09/2024 | 02/09/2029 | Ms. Sesene AN | Bank Charges incurred |
| Anaka group | Rental of printers for 36 months | 03/01/2024 | 02/01/2027 | Ms. Sesene AN | R6 693 552.00 |
| Kunene Makopo Risk Solutions | Appointment for provision of Insurance Services for a period of 36 months | 01/05/2024 | 03/04/2027 | Ms. Sesene AN | R56 000 (Brokerage fee) |
| Cathu Consulting | Unbundling of Municipal Assets and Compilation of Grap complaint Asset Register for a period of 36 months | 01/05/2024 | 03/04/2027 | Ms. Sesene AN | R4 844 603.51 |
| Munsoft | Municipal MSCOA Financial System with Payroll, ESS, Action Assist PMS and IPM | 01/08/2023 | 31/07/2028 | Mr Lekhota MP | R22 425 765.04 |
| Vodacom | RT15 with data connection. Hosted PBX,Wifi | 01/04/2021 | 31/03/2026 | Mr Lekhota MP | Rates |
| SITA | WEB Hosting | 01/07/2024 | 30/06/2027 | Mr Lekhota MP | R270 764.51 |

APPENDIX I – MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

SERVICE PROVIDERS PERFORMANCE ASSESSMENT FOR 2024/25 FINANCIAL YEAR



GREATER LETABA MUNICIPALITY

| | |
|---|--------------|
| 1 | Poor |
| 2 | Fair |
| 3 | Good |
| 4 | Satisfactory |
| 5 | Excellent |

| Project Name | Project/ Contract No | Funding | Contract Amount | Name of Service Provider | Award Date | Status | Performance Rating | Challenges |
|---|----------------------------|-------------------|-----------------|---|------------|--------|-----------------------|-------------------|
| Design for the extension of Municipal Main Office | GLM009/2021 | Own Revenue | R 500 000,00 | Black Creed | 20-Nov-20 | Active | 3 | NONE |
| Construction of Madumeleng/ Shotong Sports Complex | GLM019/2016 | MIG & Own Revenue | R40 890 407,81 | Maduke Trading (Pty) Ltd | 06-Sept-18 | Active | 1 | SP abandoned site |
| Roerfontein Roads and Stormwater Construction of Roerfontein low level bridge | GLM014/2022 | MDRG | R 847 579,30 | Xalamuka Built Environment JV | 27-Jun-23 | Active | 3 | NONE |
| Itieleng Roads and Stormwater- Itieleng regravelling 1,2 KM | GLM014/2022 | MDRG | R 1 500 000,00 | Bilmond Trading | 27-Jun-23 | Active | 3 | NONE |
| Construction of Buqa low level bridge | GLM014/2022 | MDRG | R 900 378,55 | Nkomazi Lemetja JV | 15-Jun-23 | Active | 3 | NONE |
| Construction of Street Paving at Raphahlelo/Phoko (2,48KM) multi-year | GLM009/2021/3-C | Own Revenue | R23 498 851,55 | Zevofusion (Pty)0 Ltd JV dzungeni Group JV Machaba Tau Construction | 03-Jun-21 | Active | 4 | NONE |

| | | | | | | | | |
|---|-----------------|-------------------|----------------|--|------------|--------|---|------|
| Construction of Street Paving at Ramodumo (3,5KM) multi-year | GLM003/2023 | MIG & Own Revenue | R25 000 884,46 | GPMVR Multi Projects cc JV Mothikeni Investments (Pty) Ltd | 07-Sept-22 | Active | 3 | NONE |
| Construction of Access Bridge at Rampepe (multiyear) | GLM013/2022 | Own Revenue | R 8 754 765,38 | Tzaneen Afri Investment (Pty) Ltd | 28 Feb 200 | Active | 2 | NONE |
| Construction of Abel Street Paving (2,8KM) multi-year | GLM009/2023 | MIG & Own Revenue | R25 199 386,33 | Leb P Construction JV Mod J Projects | 21-Nov-22 | Active | 3 | NONE |
| Construction of Street Paving at Mohlabaneng (3,3KM) multi-year | GLM009/2021/1-C | MIG & Own Revenue | R29 089 647,11 | Leb P Construction | 03-Jun-21 | Active | 3 | NONE |
| Construction of Moshakga/Makaba Street Paving (2,5KM) multi-year | GLM003/2024 | MIG | R23 766 540,02 | Manco Business Enterprise | 18-Oct-23 | Active | 4 | NONE |
| Designs of Boshakge bridge | GLM009/2020 | Own Revenue | R 400 000,00 | Major Quality Investments (Pty)0 Ltd | 12-Apr-24 | Active | 3 | NONE |
| Construction of Motsinoni Street Paving (1,5KM) | GLM007/2023 | Own Revenue | R17 360 551,85 | Martmol Trading cc | 22-Sept-22 | Active | 4 | NONE |
| Construction of Thibeni Street Paving (2,3KM) multiyear | GLM008/2023 | Own Revenue | R19 053 477,70 | Double Hot Spot (Pty) Ltd | 22-Sept-22 | Active | 3 | NONE |
| Construction of Burkino Faso Street Paving (2KM) multi-year | GLM002/2024 | MIG | R40 725 220,26 | Leb P Construction | 18-Oct-23 | Active | 3 | NONE |
| Construction of Maupa Street Paving (4,9KM) multiyear | GLM001/2024 | MIG | R39 953 871,63 | Martmol Trading cc | 18-Oct-23 | Active | 3 | NONE |
| Construction of Masakhaneng Street Paving (3,1Km) multi-year | GLM009/2024 | MIG | R21 759 349,81 | Manco Business Enterprise | 14-Dec-23 | Active | 4 | NONE |
| Supply and Delivery of 2 Traffic Vehicles | O/N 44355 | Own Revenue | R 789 584,26 | isuzu | 04-Feb-24 | Active | 3 | NONE |
| Refurbishment of LV Network at pearl and Orchards Street Modjadjiskloof | GLM013/2024 | Own Revenue | R 1 606 334,97 | OTS Electrical | 21-Dec-23 | Active | 3 | NONE |

| | | | | | | | | |
|--|-------------|-------------|----------------|---|-----------|--------|---|------|
| Replacement of old HT cables Spar to FNB Modjadjiskloof | GLM008/2024 | Own Revenue | R 1 867 096,50 | Risima Projects Management | 18-Dec-23 | Active | 3 | NONE |
| Supply and Delivery of mobile scarfolding | O/N 44503 | Own Revenue | R 78 350,00 | Sekhumis General Plumbing | 16-Apr-24 | Active | 3 | NONE |
| Design of Maphalle landfill site phase 2 multi-year | GLM009/2021 | MIG | R 2 500 000,00 | Kipp Consulting Engineers | 06-Jul-21 | Active | 3 | NONE |
| Supply and Delivery of 20 Grass Cutters | GLM019/2024 | Own Revenue | R 378 000,00 | Phadu Holdings | 08-Jan-24 | Active | 3 | NONE |
| Supply and Delivery of 11 Skip Bins (6 cubic meters) | GLM029/2023 | Own Revenue | R 940 000,00 | Daily Breez (Pty) Ltd | 27-Jun-23 | Active | 3 | NONE |
| Supply and Construction of Highmast lights in various villages (Kgapane Cluster) | GLM017/2023 | MIG | R 1 494 759,75 | Thotogelo MP Construction and Projects | 14-Dec-22 | Active | 3 | NONE |
| Supply and Construction of Highmast lights in various villages (Mokwakwaila Cluster) | GLM018/2023 | MIG | R 1 542 322,50 | Mpfumu Trading and Projects | 26-May-23 | Active | 3 | NONE |
| Regravelling of Rapitsi internal streets | GLM014/2022 | MDRG | R 1 476 773,00 | FJRIC Construction and Projects (Pty) Ltd | 12-Mar-24 | Active | 3 | NONE |
| Construction of Tshamahansi low level bridge | GLM014/2022 | MDRG | R 1 159 952,93 | Nkumani Multi Projects | 12-Mar-24 | Active | 4 | NONE |
| Construction of Mokwasele low level bridge | GLM014/2022 | MDRG | R 1 498 709,49 | B-Tech Consulting JV EasyTech | 12-Mar-24 | Active | 3 | NONE |

| | | | | | | | | |
|---|-------------|------|----------------|----------------------------------|-----------|--------|---|------|
| Construction of Sekgopo Ramoadi low level bridge | GLM014/2022 | MDRG | R 1 317 125,23 | Carpus Construction and Projects | 12-Mar-24 | Active | 3 | NONE |
| Construction of Sekgopo Ramaroka low level bridge | GLM014/2022 | MDRG | R 1 190 942,36 | Mathpower Trading and Projects | 12-Mar-24 | Active | 3 | NONE |
| New Electricity connections at Carel Garden 1 and 2 | GLM007/2024 | INEP | R 2 448 000,00 | OTS Electrical | 29-Nov-23 | Active | 3 | NONE |
| New Electricity connections at Itieleng (Matswi) | GLM006/2024 | INEP | R 1 867 096,50 | Risima Projects Management | 29-Nov-23 | Active | 3 | NONE |

APPENDIX J – CAPITAL PROGRAMME BY PROJECT 2024/25

CAPITAL PROGRAMME BY PROJECT 2024/25

| CAPTAL PROJECT | Final Budget 2024-25 | Adjusted Budget 2024-25 |
|--|---------------------------------|------------------------------------|
| Construction Boshakhe Bridge | 1 900 000.00 | 500 000.00 |
| Construction of Low-Level Bridges | 1 500 000.00 | 1 500 000.00 |
| Construction of Moshakga/Makaba Street paving Counter funding MIG | 3 007 451.00 | 3 007 451.00 |
| Contruction of Abel Street Paving (MIG Counter Funding) | 7 300 000.00 | 7 300 000.00 |
| Refurbishment HT Cable Network in Waterjaar | 1 500 000.00 | 1 500 000.00 |
| Refurbishment of Dorrin 11 KV Line Phase 2 | 800 000.00 | 1 330 000.00 |
| Rehabilitation of Eugene street and stormwater management | 5 000 000.00 | 7 234 799.00 |
| Rehabilitation of Modjadjiskloof internal Streets | 2 000 000.00 | 2 000 000.00 |
| Supply & Construction of Highmasts light | 1 500 000.00 | 1 500 000.00 |
| Supply & Installation of ICT Networks and Equipments for new office buildiNG | 600 000.00 | 400 000.00 |
| Supply and delivery of Transformer | 1 500 000.00 | 1 150 000.00 |
| Supply and installation of Inverters Modjadjiskloof DLTC | 300 000.00 | 300 000.00 |
| Visual Impered Equipment | 100 000.00 | 175 015.00 |
| Supply and installation of water storage tanks at community halls | 200 000.00 | 200 000.00 |
| POE Switches Replacement | 250 000.00 | 200 000.00 |
| Maupa Street Paving Counter funding MIG | 1 400 000.00 | 600 000.00 |
| Burkinafaso Street paving (MIG Counter Funding) | 1 500 000.00 | 1 500 000.00 |
| Construction of Motsinoni Street Paving | 5 951 087.00 | 3 150 517.00 |
| Construction of Thibeni Street Paving | 6 036 587.00 | 1 741 777.00 |
| Supply and Delivery of Skip Bins 6 Cubic meter/6m3 | 1 600 000.00 | 1 600 000.00 |
| Reconstruction of Low-Level Bridge at Mandela Park: Counter Funding Reserves- DRMG | - | 1 951 982.00 |
| Reconstruction of Low-Level bridge at Mamaila Kolobetona (Happy Stars Section) : Counter Funding Reserves DRMG | - | 2 591 960.00 |
| Supply and Installation of Deisel Pump | - | 200 000.00 |
| Rehabilitation of street paving and stormwater control at Sekgopo Ramoadi (1km) | - | 2 997 000.00 |
| Reconstruction of Low-Level Bridge at Mandela Park | - | 2 460 000.00 |
| Reconstruction of Low-Level bridge at Mamaila Kolobetona (Happy Stars Section) | - | 2 540 000.00 |
| Construction of Abel Street Paving (2.8 km)- Multi-year | 1 617 674.00 | 1 617 674.00 |
| Construction of Burkino Farso Street Paving (2 km) Multi year | 10 000 000.00 | 10 000 000.00 |
| Construction of Masakhaneng Street Paving (3.1 km) Multi-year | 7 054 425.00 | 17 054 425.00 |

| | | |
|---|---------------|---------------|
| Construction of Maupa Street Paving (4.9 km) Multi year | 10 000 000.00 | 12 500 000.00 |
| Construction of Moshakga/ Makaba street paving (2.5 km)- (Multi-year) | 13 106 426.00 | 13 106 426.00 |
| Construction of Street Paving at Ramodumo (3.5 km) (Multi-year) | 7 115 463.00 | 7 115 463.00 |
| Designs of Maphalle Land Fill Site Ph2 | 10 395 724.00 | 5 395 724.00 |
| Matshwi Outdoor Sports Gym | 600 000.00 | 600 000.00 |
| Ramaroka Street Paving | 3 604 088.00 | 12 104 088.00 |
| Rotterdam Outdoor Sports Gym | 600 000.00 | 600 000.00 |
| Sekgopo Sports Facility | 2 900 000.00 | 2 900 000.00 |
| Bodupe Outdoor Sports Gym | 600 000.00 | 600 000.00 |

APPENDIX K – CAPITAL PROGRAMME BY PROJECT BY WARD 2024/25

CAPITAL PROGRAMME BY PROJECT BY WARD 2024/25

| CAPTAL PROJECT | Ward(s) Affected | Work Completed /In progress |
|--|-----------------------------|--|
| Construction Boshakhe Bridge (Designs) | 30 | Designs Completed |
| Construction of Low-Level Bridges (Designs) | All wards | Designs Completed |
| Construction of Moshakga/Makaba Street paving Counter funding MIG | 2 | Completed |
| Construction of Abel Street Paving (MIG Counter Funding) | 25 | Completed |
| Refurbishment HT Cable Network in Waterjaar | 29 | Completed |
| Refurbishment of Dorrin 11 KV Line Phase 2 | 29 | Completed |
| Rehabilitation of Eugene street and stormwater management | 29 | Completed |
| Rehabilitation of Modjadjiskloof internal Streets | 29 | Completed |
| Supply & Construction of Highmasts light | All wards | Completed |
| Supply & Installation of ICT Networks and Equipments for new office building | Head office | Completed |
| Supply and delivery of Transformer | 29 | Completed |
| Supply and installation of Inverters Modjadjiskloof DLTC | 29 | Completed |
| Visual Impered Equipment | Head office | Completed |
| Supply and installation of water storage tanks at community halls | All wards | Completed |
| POE Switches Replacement | Head office | Completed |
| Maupa Street Paving Counter funding MIG (45% Construction) | 23 | Completed |
| Burkinafaso Street paving (MIG Counter Funding) 55% Construction | 8 | Completed |
| Construction of Motsinoni Street Paving | 29 | Completed |
| Construction of Thibeni Street Paving (47% Construction) | 1 | Completed |
| Supply and Delivery of Skip Bins 6 Cubic meter/6m3 | All wards | Completed |
| Reconstruction of Low-Level Bridge at Mandela Park: Counter Funding Reserves- DRMG (50% Construction) | 5 | Completed |
| Reconstruction of Low-Level bridge at Mamaila Kolobetona (Happy Stars Section): Counter Funding Reserves DRMG (50% Construction) | 17 | Completed |
| Supply and Installation of Deisel Pump | Head office | Completed |
| Rehabilitation of street paving and stormwater control at Sekgopo Ramoadi (1km) | 9 | Completed |
| Construction of Masakhaneng Street Paving (3.1 km) Multi-year (92% Construction) | 4 | Completed |
| Construction of Street Paving at Ramodumo (3.5 km) (Multi-year) | 25 | In progress |

| | | |
|--|----|-------------|
| Designs of Maphalle Land Fill Site Ph2 (5.5% Construction) | 20 | In Progress |
| Matshwi Outdoor Sports Gym | 11 | Completed |
| Ramaroka Street Paving (26% Construction) | 21 | Completed |
| Rotterdam Outdoor Sports Gym | 28 | Completed |
| Sekgopo Sports Facility (99% Construction) | 9 | In Progress |
| Bodupe Outdoor Sports Gym | 2 | Completed |

APPENDIX L – SERVICE CONNECTION BACKLOGS AT SCHOOL AND CLINICS

| SERVICE BACKLOGS: SCHOOLS AND CLINICS | | | | | |
|--|------------------|--------------|-------------------|--------------------|-------------------------------|
| Establishments lacking services | Location | Water | Sanitation | Electricity | Solid Waste collection |
| Kgapane | Kgapane | Yes | Yes | Yes | Yes |
| Medingen | Medingen | Yes | Yes | Yes | Yes |
| Sekgopo | Sekgopo | Yes | Yes | Yes | Yes |
| Modjadjiskloof | Modjadjiskloof | Yes | Yes | Yes | Yes |
| Shotong | Shotong | Yes | Yes | Yes | Yes |
| Modjadji | Sekhwiting | Yes | Yes | Yes | Yes |
| Bolobedu | Bolobedu | Yes | Yes | Yes | Yes |
| Matswi | Matswi | Yes | Yes | Yes | Yes |
| Senopela | Senopela | Yes | Yes | Yes | Yes |
| Seapole | Seapole | Yes | Yes | Yes | Yes |
| Charlie Rhangani | Charlie Rhangani | Yes | Yes | Yes | Yes |
| Mamanyoha | Mamanyoha | Yes | Yes | Yes | Yes |
| Lebaka | Lebaka | Yes | Yes | Yes | Yes |
| Maphalle | Maphalle | Yes | Yes | Yes | Yes |
| Raphahlelo | Raphahlelo | Yes | Yes | Yes | Yes |
| Mamaila | Mamaila | Yes | Yes | Yes | Yes |
| Middlewater | Middlewater | Yes | Yes | Yes | Yes |
| Pheeha | Pheeha | Yes | Yes | Yes | Yes |
| Rotterdam | Rotterdam | Yes | Yes | Yes | Yes |
| Bellevue | Bellevue | Yes | Yes | Yes | Yes |
| Total | 20 | | | | |

APPENDIX M – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE SERVICE PROVISION

SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE SERVICE PROVISION

Health Facilities Backlog

- Insufficient mobile and visiting points.
- Lack of space for the clinic in Modjadjiskloof.
- A need for a health centre in Sekgopo, Senwamokgope and Mokwakwaila
- A need for EMS at Sekgopo, Sekgosese and Mokwakwaila.

Education Backlog

The following areas are affected by the Backlog:

- Goudplaas
- Mandela Park
- Nkwele-motse
- Modumane
- Hlohlokwe
- Makaba
- Mothobeki
- Modjadjiskloof (Secondary)
- Mahunsi
- Shamfana (High School)
- Reinstatement of Modjadji College

Sports, Arts and Culture Backlog

- Libraries facilities

In terms of libraries, shortage of books makes it difficult for people to develop academically. The state of school libraries leaves much to be desired, there are no libraries in most of the schools and they have converted classrooms to be utilized as libraries and they are under resourced with books and personnel.

The status of libraries facilities in the municipality is as follows:

| No | Name | Status |
|-----------|------------------------|----------------|
| 1. | Modjadjiskloof Library | Functional |
| 2. | Ga-kgapane Library | Functional |
| 3. | Maphalle Library | Functional |
| 4. | Mokwakwaila Library | Functional |
| 5. | Soetfontein Library | Functional |
| 6. | Sekgopo Library | Functional |
| 7. | Senwamokgope Library | Not Functional |
| 8. | Shotong Library | Not Functional |

- Stadiums and gravel playgrounds facilities

The Greater Letaba Municipality has a Sports, Arts, and Culture Portfolio Committee that works with the province's Department of Sports, Arts, and Culture to plan and organize sports, arts, and cultural events. There are also backlogs for playgrounds in places without stadiums. The municipality must start working on a strategy to create playgrounds in rural areas or upgrade existing ones to levels that are appropriate.

The status of sports facilities in the municipality is as follows:

| No | Name | Status |
|-----------|---------------------------|---------------|
| 1. | Mokwakwaila Stadium | Complete |
| 2. | Senwamokgope Stadium | Complete |
| 3. | Ga-kgapane Stadium | Complete |
| 4. | Shaamiriri Sports Complex | Complete |

| | | |
|-----|---------------------------|--------------------|
| 5 | Sekgopo Sports Complex | Complete |
| 6. | Lebaka Sports Complex | Complete |
| 7. | Madumeleng Sports Complex | Under Construction |
| 8. | Rotterdam Sports Complex | Complete |
| 9. | Thakgalane Sports Complex | Complete |
| 10. | Mamanyoha Sports Complex | Complete |

- Outdoor gyms facilities

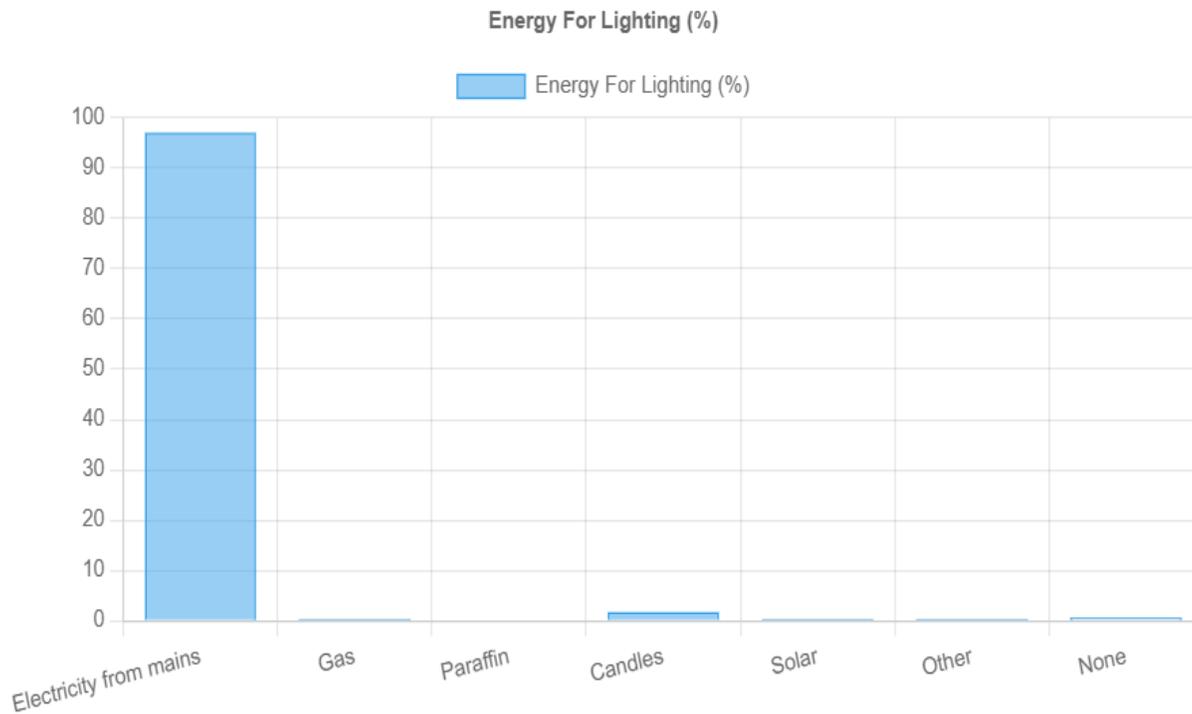
The status of outdoor gyms facilities in the municipality is as follows:

| No | Name | Status |
|-----|----------------------------|------------|
| 1. | Modjadjiskloof Outdoor Gym | Functional |
| 2. | Ga-kgapane Outdoor Gym | Functional |
| 3. | Senwamokgope Outdoor Gym | Functional |
| 4. | Sekgopo Outdoor Gym | Functional |
| 5. | Maphalle Outdoor Gym | Functional |
| 6. | Ga-Kuranta Outdoor Gym | Functional |
| 7. | Ga-Abel Outdoor Gym | Functional |
| 8. | Rotterdam Outdoor Gym | Functional |
| 9. | Matswi Outdoor Gym | Functional |
| 10. | Bodupe Outdoor Gym | Functional |

Water and sanitation backlog

| Services | Total households | Level of Services | Coverage | Backlog | % Backlog |
|------------|------------------|-----------------------------------|----------|---------|-----------|
| Water | | | | | |
| | 65 220 | Inside dwelling | 13 478 | 9 328 | 16 % |
| | | Inside yard | 19 070 | | |
| | | Communal standpipe >200m | 22 872 | | |
| | | Communal standpipe <200m | 9 801 | | |
| Sanitation | | | | | |
| | 65 220 | Flush toilet | 13 051 | 5 754 | 8% |
| | | Pit latrine (Ventilation) | | | |
| | | Pit latrine (without ventilation) | 46 415 | | |

Electricity Backlog



Energy distribution has important economic development implications with a potential to make considerable impact. This impact relates to improved living conditions, increased productivity and greater sustainability of environment. The provision of electricity to households has been achieved to the larger extent. About 64116 households have access to electricity which amount to 95% of the population. Greater Letaba Municipality given its capacity of the figure above and the MTEF allocation depicts that all households, would have been provided for access to electricity by 2016 except new households' extensions.

Storm water, Drainage and Backlog

The municipality has a backlog of storm water drainage in all gravel streets and roads and the upgrading of some internal streets from gravel to concrete paving blocks in various villages and township is continuous.

Housing Backlog

The Department of Cooperative Governance Human Settlement and Traditional Affairs indicates a backlog of 4696 on the beneficiary list. This is based on the applications submitted by the municipality to Department. As such the indicated backlog is extremely lower than the actual backlog. Of this backlog, CoGHSTA could only address 4.2% (i.e. an approximate annual allocation of 200 houses). With this progress, the municipality will not be able to ensure that all beneficiaries are allocated houses by 2014. 5442 RDP houses have been built since 2001

APPENDIX N – DECLARATIONS OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

DECLARATIONS OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

N/A

APPENDIX O – DECLARATIONS OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

DECLARATIONS OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

- All section 71 reports for 2024/25 financial year were compiled and submitted within 10 working days of each month.
- All compliance performance reports were compiled and submitted to Provincial and National Treasury.

APPENDIX P – DISCLOSURES OF FINANCIAL INTERESTS

| Disclosures of Financial Interests | | |
|------------------------------------|---------------------|---|
| Period 1 July 2024 to 30 June 2025 | | |
| Position | Name | Description of financial interest* (Nil/or details) |
| Mayor | Cllr Mamanyoha T.D | Farm at Matshwi village House at Bolobedu |
| Speaker | Cllr Mokgwati M.M | House at Sehlakong village Car |
| Chief Whip | Cllr Ramalatso R.R | House at Sekgopo village Car |
| Members of EXCO | Cllr Kgapane T.J | Stand at Tlhotlhokwe village House at Ramodumo village |
| | Cllr Lebeko N.F | 2 X Houses at Lemondokop |
| | Cllr Ramaano K.E | House at Tlhabine village Cars |
| | Cllr Ramaremele J.M | House at Roerfontein Car |
| | Cllr Selowa M.G | Stand at Refilwe village Car |
| | Cllr Baloyi R.G | Xarhelo wanga Farming Free boys FC club Farm |
| | Cllr Mosila M.R | House at Modjadjiskloof Stand at Goedplaas |
| | Cllr Mothele M.D | House at Jokong village Car |
| | Cllr Mangena M.S | House at Tembisa House at Las Vegas |
| Councillors | Cllr Mohale R.W | House at Kempton Park |
| | Cllr Seoka L.M | Nil |
| | Cllr Lebepe R.R | 2 X Houses at Kgapane Cars |
| | Cllr Manyama M.I | 2 X Houses at Kgapane |
| | Cllr Rasebotja M.S | Nil |

| | | |
|--|-----------------------|---|
| | | |
| | Cllr Mokgomola N.P | Farm Car |
| | Cllr Nakana M.R | House at Modjadji Car |
| | Cllr Maake S.M | House at Mamphakhati Cars |
| | Cllr Ramalatswa A.M | Nil |
| | Cllr Makgato T.E | House at Sekgopo village |
| | Cllr Mashao M.G | House at Sekgosese Car |
| | Cllr Lekitima V.M | House at Senwamokgope |
| | Cllr Mokhabukhi M.S | House at Raphahlelo village House at Polokwane |
| | Cllr Ngobeni M.P | House at Rotterdam Farm at Rotterdam |
| | Cllr Mankgeru M.M | Nil |
| | Cllr Ndimma B.H | House at Rotterdam House at Roerfontein Car |
| | Cllr Mabidilala E | House at Jamela village Car |
| | Cllr Rampyapedi E.S | Nil |
| | Cllr Monyela K.B | House at Femane village |
| | Cllr Mamaila B.A | House |
| | Cllr Maake N | Shares at Telkom/Vodacom House at JHB |
| | Cllr Mamatlepa D.D | House at Ntata village Car |
| | Cllr Modika M.S | Farm |
| | Cllr Mohale M.J | House at Shamfana |
| | Cllr Morwatshehla M.B | House at Mohokoni Farm |
| | Cllr hlungwani S.J | House at Rotterdam Cars |

| | |
|-----------------------|--|
| Cllr Malatji M.C | Nil |
| Cllr Lebeya J.M | House at Matipane House at Tlatsa village Car |
| Cllr Matlou M.P | House at Mohlabaneng House at Modjadjiskloof Farm Car |
| Cllr Mothomogolo P.S | Town house at Shiluvuri House at Rethabile Gardens |
| Cllr Mampeule P.J | Farm |
| Cllr Moroatshehla M.F | House at Mahekwe Car |
| Cllr Malatja T.P | Farm |
| Cllr Makhananisa M.D | House at Raphahlelo Car |
| Cllr Ramabubutla L | House at Sefotse |
| Cllr Raseropo M.S | House at Jamela village Car |
| Cllr Mulaudzi P | House at Mokgoba Car |
| Cllr Kgatla M.E | House at Kgapanne Car |
| Cllr Mashao M.C | House at Koope Car |
| Cllr Malatji M.E | House at Modjadji |
| Cllr Senyolo T.J | House at Tzaneen |
| Cllr Selowa D.L | House at Mohlakamosoma Cars |
| Cllr Serumula M.L | Nil |
| Cllr Rasetsoke C.M | House at Koranta Cars |
| Cllr Maluleke M.J | House Cars |

| | | |
|---|-------------------------|--|
| | Cllr Makhurupetse M.W.M | House at Bolodedu Farm at Mamatlepa |
| | Cllr Mukhufi A.S | House at Mamaila village Car |
| | Cllr Modjadji GH | Nil |
| Municipal Manager | Mr Sewape M.O | House at Tshabelammatswale 2 X Houses at Tzaneen Stand at Tzaneen Stand at Phalaborwa |
| Senior Manager Community services | Mr Mamatlepa M.L | House at Femane Farmland |
| Senior Manager Technical Services | Ms Nhlane G.I | House at Tzaneen Flat at Nelspruit Flat at Ekurhuleni |
| Senior Manager Corporate Services | Mr Lekhota M.P | Business at Morebeng Ratsaka House at Mohlakamosoma House at Tzaneen |
| Senior Manager Development and Town Planning | Mr Phosa M.L | House at Montana |
| Chief Financial Officer | Ms Sesene A.N | House at Jamela village Shareblock Monatapa |
| *Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A TJ | | |

APPENDIX Q – COUNCILLORS' POSTER

COUNCILLORS' POSTER



Cllr Mokhabukhi MS



Cllr Nakana MR



Cllr Hlungwani SJ



Cllr Kgatla ME



Cllr Lebepe RR



Cllr Lebeya JM



Cllr Lekitima VM



Cllr Maake N



Cllr Maake SM



Cllr Mabidilala E



Cllr Makgato TE



Cllr Makhananisa MD



Cllr Malatja TP



Cllr Malatji MC



Cllr Malatji ME



Cllr Maluleke MJ



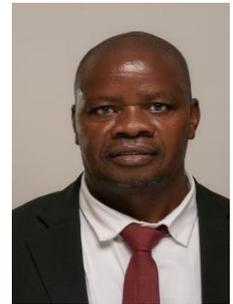
Cllr Mamaila BA



Cllr Mamatlepa DD



Cllr Mampeule PJ



Cllr Mankgeru MM



Cllr Mokgomola NP



Cllr Mashao MC



Cllr Mashao MG



Cllr Modika MS



Cllr Mohale MJ



Cllr Modjadji GH



Cllr Mohale RW



Cllr Makhurupetse MWM



Cllr Malaudzi P



Cllr Monyela KB



Cllr Moroatshehla FM



Cllr Morwatshehla MB



Cllr Manyama MI



Cllr Mothomoholo PS



Cllr Ndimba BH



Cllr Ngobeni MP



Cllr Matlou MP



Cllr Ramalatso AM



Cllr Ramabubutla L



Cllr Rampyapedi ES



Cllr Rasebotja SM



Cllr Raseropo SM



Cllr Rasetsoke MC



Cllr Selowa DL



Cllr Senyolo TJ



Cllr Seoka LM



Cllr Serumula ML



Cllr Mukhufi AS

APPENDIX R – ANNUAL PERFORMANCE REPORT

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|----|---|--------------------------|---------------------------|--|---------------------|---|--|---|----------------------------------|-------------------------------------|--|----------------|-------------------------------------|---------------------|---|---|------------------------|--|
| 1 | KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT KEY PERFORMANCE INDICATORS | | | | | | | | | | | | | | | | | |
| 2 | Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline / Previous Performance- June 24 | Adjusted Baseline / Previous Performance- June 24 | Annual Target (30/06/2025) | Adjusted Annual Target (30/06/2025) | Reason For Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/ Variation | Corrective Measures | Responsible Department | Evidence required |
| 3 | *0046 | Improved human resources | Human Resource Management | Approved organisational structure | Number | The approval of the organisational structure by 31 May will result in a score of 1 | 1 | 1 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | CORPS | Council Approved Organizational structure and Council Resolution |
| 4 | *0046 | Improved human resources | Human Resource Management | Compliance with Chapter 4 of Municipal Staff Regulations | Percentage | Signing of Performance agreements by Managers and Deputy managers by 31 July | New KPI | New KPI | Signing of Performance Agreement | Signing of Performance Agreement | N/A | Operational | 45/47 Performance Agreements Signed | TARGET NOT ACHIEVED | 1 Manager declined to sign despite numerous follow ups. 1 Deputy Manager was not available during the duration of signing the performance agreements. | To ensure that in future all identified employees sign their Performance Agreements | CORPS | Signed Performance Agreements |
| 5 | *0046 | Improved human resources | Human Resource Management | Number of vacant positions filled | Number | Number of vacant posts filled within the financial year | 30 | New KPI | 29 | 24 | Reprioritisation due to Budget constraints | Operational | 17 | TARGET NOT ACHIEVED | There was a delay in the recruitment process | Newly appointed employees will assume duty in July 2025 | CORPS | Appointment letters |
| 6 | *0046 | Improved human resources | Human Resource Management | Number of employees trained | Number | Number of employees trained in line with the approved Workplace Skills Plan | 88 | 74 | 60 | 60 | N/A | Operational | 114 | TARGET ACHIEVED | NONE | NONE | CORPS | Attendance Registers and WSP |
| 7 | *0046 | Improved human resources | Human Resource Management | Compliance with Minimum competency level | Number | Number of Senior Managers complying with the minimum competency level | New KPI | New KPI | 6 | 6 | N/A | Operational | 6 | TARGET ACHIEVED | NONE | NONE | CORPS | Competency certificates/Proof of registration |
| 8 | *0048 | Improved human resources | Human Resource Management | Quarterly SDBIP performance reports | Number | Number of quarterly SDBIP reports generated from the Electronic PMS | 4 | New KPI | 4 | 4 | N/A | Operational | 4 | TARGET ACHIEVED | NONE | NONE | MM | System Generated quarterly SDBIP reports |
| 9 | *0048 | Improved human resources | Human Resource Management | Percentage of Service Level Agreements (SLA) signed within 14 days | Percentage | Number of SLA's signed within 14 days of appointment letter being issued expressed as a percentage of the total number of SLA's signed during a specific period | New KPI | 100% | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | MM | Signed SLA's |
| 10 | *0048 | Improved human resources | Special Programmes | Participation by people with disability | Number | Number of Special programme events held for people with disabilities | 4 | New KPI | 4 | 4 | N/A | Operational | 3 | TARGET NOT ACHIEVED | Target not Achieved due to budget constraints. | To make sure that the costing is aligned with planned events | MM | Attendance register |
| 11 | *0048 | Improved human resources | Special Programmes | Gender initiatives and mainstream programmes | Number | Number of Special programme events held for Gender issues | 4 | New KPI | 4 | 4 | N/A | Operational | 5 | TARGET ACHIEVED | NONE | NONE | MM | Attendance register |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|----|--|--------------------------|---------------------------|--|---------------------|--|--|---|----------------------------|-------------------------------------|-----------------------|----------------|--------------------|---------------------|---|---|------------------------|---------------------------|
| 1 | KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT KEY PERFORMANCE INDICATORS | | | | | | | | | | | | | | | | | |
| 2 | Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline / Previous Performance- June 24 | Adjusted Baseline / Previous Performance- June 24 | Annual Target (30/06/2025) | Adjusted Annual Target (30/06/2025) | Reason For Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/ Variation | Corrective Measures | Responsible Department | Evidence required |
| 12 | *0048 | Improved human resources | Special Programmes | Youth initiatives and mainstream programme | Number | Number of Special programme events held for addressing issues of the Youth | 4 | New KPI | 4 | 4 | N/A | Operational | 3 | TARGET NOT ACHIEVED | Target not Achieved due to budget constraints. | To make sure that the costing is aligned with planned events | MM | Attendance register |
| 13 | *0048 | Improved human resources | Special Programmes | HIV and AIDS programmes in the municipality | Number | Number of Special programme events held for HIV/AIDS awareness | 4 | New KPI | 4 | 4 | N/A | Operational | 2 | TARGET NOT ACHIEVED | Target not met due to unavailability of Health department on the dates set. | To align dates with stakeholders to avoid competing activities. | MM | Attendance register |
| 14 | *0018 | Improved human resources | Disaster Management | Disaster incidence reported | Percentage | % of Disaster incidences reported to MDM within 2 hours of being reported | New KPI | New KPI | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | CSD | Disaster Risk Report |
| 15 | *0046 | Improved human resources | Human Resource Management | Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan | Number | Number of people in 3 highest levels in compliance with EE Plan | 18 | 21 | 21 | 21 | N/A | Operational | 25 | TARGET ACHIEVED | NONE | NONE | CORPS | Employment Equity reports |
| 16 | *0046 | Improved human resources | Human Resource Management | Percentage of a municipality's budget actually spent on implementing its workplace skills plan | Percentage | (1) (R-value of operating budget spent on training) / (2) (Total Operating Budget) *100 | 0.2% | 0.2% | 0,2% | 0,2% | N/A | Operational | 0.3% | TARGET ACHIEVED | NONE | NONE | CORPS | Financial Report |

KPA 2: MUNICIPAL FINANCIAL VIABILITY KEY PERFORMANCE INDICATORS

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline / Previous Performance- June 24 | Adjusted Baseline / Previous Performance- June 24 | Annual Target (30/06/2025) | Adjusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/ Variations | Corrective Measures | Responsible Department | Evidence required |
|---------|-------------------------------------|-------------------------|---|---------------------|---|--|---|----------------------------|-------------------------------------|-----------------------|----------------|--------------------|---------------------|--|---|------------------------|--|
| *0050 | Financially sustainable institution | Revenue | % increase in revenue collected | Percentage | Percentage of revenue collected for 24/25 | 70% | 64% | 95% | 95% | N/A | Operational | 74% | TARGET NOT ACHIEVED | Partial implementation of the credit control policy. | Full implementation of the credit control policy. | BTO | Revenue Reports |
| *0050 | Financially sustainable institution | Revenue | Approved Revenue enhancement strategy | Number | Revenue enhancement strategy approved by Council will count as 1 being achieved | New KPI | 0 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | BTO | Revenue Enhancement strategy and council resolution |
| *0050 | Financially sustainable institution | Fleet management | Number of fleet inspections reported | Number | Simple count of the number of fleet inspections conducted and reported | New KPI | 100 | 100 | 100 | N/A | Operational | 115 | TARGET ACHIEVED | NONE | NONE | BTO | Fleet Inspection reports |
| *0050 | Financially sustainable institution | Asset Management | Number of asset verification conducted | Number | Simple count of Annual Asset Verification report by 31 August | New KPI | 51 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | BTO | Approved Asset Verification Report and Acknowledgement by AG |
| *0050 | | Asset Management | Number of stocktake conducted | Number | Simple count of a number of stock take conducted per quarter | New KPI | New KPI | 4 | 4 | N/A | Operational | 4 | TARGET ACHIEVED | NONE | NONE | BTO | Approved Stocktake count Report |
| *0050 | Financially sustainable institution | Supply Chain Management | Percentage of bids and quotations awarded as per procurement plan | Percentage | Count of the number of bids awarded within the timelines as contained in the Procurement plan expressed as a percentage of the total number of bids on the procurement plan | New KPI | 95% | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | BTO | Approved Procurement Plan and Bid register |
| *0050 | Financially sustainable institution | Supply Chain Management | Percentage of Bids awarded within 90 days after advertisement | Percentage | Number of Bids awarded within 90 of days after advertisement as percentage of the total number of bids advertised | 100% | 100% | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | BTO | Bid register and Appointment letter |
| *0050 | Financially sustainable institution | Revenue | Percentage of debts collected | Percentage | R-value debt collected as a percentage of the R-value outstanding debtors | 2% | 11% | 60% | 60% | N/A | Operational | 12% | TARGET NOT ACHIEVED | Partial implementation of the credit control policy. | Full implementation of the credit control policy. | BTO | Financial reports |
| *0050 | Financially sustainable institution | Budget and Reporting | Number of quarterly financial statements submitted to Provincial Treasury | Number | Number of quarterly Financial statements compiled and submitted to Provincial Treasury | 4 | 2 | 4 | 4 | N/A | Operational | 4 | TARGET ACHIEVED | NONE | NONE | BTO | Dated proof of submission Financial Statements |
| *0050 | Financially sustainable institution | Budget and Reporting | Draft budget for 2025/26 tabled by 31 March annually | Number | The tabling of the draft Budget, for the following financial year, by 31 March will result in a score of 1 | 1 | 1 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | BTO | Draft Budget, Council Resolution |

KPA 2: MUNICIPAL FINANCIAL VIABILITY KEY PERFORMANCE INDICATORS

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline / Previous Performance- June 24 | Adjusted Baseline / Previous Performance- June 24 | Annual Target (30/06/2025) | Adjusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/ Variations | Corrective Measures | Responsible Department | Evidence required |
|---------|-------------------------------------|-------------------------|---|---------------------|---|--|---|----------------------------|-------------------------------------|-----------------------------|----------------|--------------------|---------------------|---|--|------------------------|--|
| *0050 | Financially sustainable institution | Budget and Reporting | Final budget for 2025/26 approved by 31 May annually | Number | The approval of the final Budget, for the following financial year, by 31 May will result in a score of 1 | 1 | 1 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | BTO | Final Budget, Council Resolution |
| *0050 | Financially sustainable institution | Budget and Reporting | Number of Budget related policies approved by Council | Number | Number of budget related policies approved along with the budget | 22 | 29 | 23 | 29 | Some policies were outdated | Operational | 35 | TARGET ACHIEVED | NONE | NONE | BTO | Budget related policies, Council Resolution |
| *0050 | Financially sustainable institution | Budget and Reporting | Council to approve the Adjusted Budget annually by 28 February | Number | The approval of an Adjustment budget, for the current financial year, by Council by 28 February will result in a score of 1 | 1 | 1 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | BTO | Adjustment budget, Council Resolution |
| *0050 | Financially sustainable institution | Budget and Reporting | Submit annual financial statements to the Auditor General by 31 August annually | Number | The submission of the Annual Financial Statements by 31 August will result in a score of 1 | 1 | 1 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | BTO | Dated proof of submission of AFS to AG |
| *0050 | Financially sustainable institution | Budget and Reporting | Number of updated Unauthorised, Irregular, fruitless and wasteful expenditure (UIF) registers signed off by the CFO (Sect 32 of MFMA) | Number | Monthly updated UIF registers is expected | 12 | 12 | 12 | 12 | N/A | Operational | 12 | TARGET ACHIEVED | NONE | NONE | BTO | Monthly updated of UIF Register signed off by CFO |
| *0050 | Financially sustainable institution | Budget and Reporting | Average number of working days taken to submit monthly MFMA Sect 71 reports to Treasury after month-end | Number | Any number of days, less than an average of 10 working days, will result in an overachievement and exceeding 10 days will reflect as underachievement | 10 | 10 | 10 | 10 | N/A | Operational | 9.5 | TARGET ACHIEVED | NONE | NONE | BTO | Sect 71 reports Dated proof of submission to Treasury |
| *0050 | Financially sustainable institution | Budget and Reporting | Cost coverage | Ratio | R-value cash plus investments / Fixed operating expenditure | 1:1% | 0,31:1 | 1,1 | 1,1 | N/A | Operational | 0.22:1 | TARGET NOT ACHIEVED | Due to using the Municipality cashflow of more than 10 million to pay Mopani expenses not budgeted for. | Mopani should pay the municipality the expenditure incurred on their behalf. | BTO | Financial reports, reflecting calculations |
| *0050 | Financially sustainable institution | Supply Chain Management | Percentage of invoices paid within 30 days of receipt from the service providers | Percentage | Number of invoices paid within 30 days of receipt as a percentage of the Total number of invoices received for the period | 100,00% | 96,70% | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | BTO | Register of Invoices Dated proof of payment |

KPA 2: MUNICIPAL FINANCIAL VIABILITY KEY PERFORMANCE INDICATORS

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline / Previous Performance- June 24 | Adjusted Baseline / Previous Performance- June 24 | Annual Target (30/06/2025) | Adjusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/ Variations | Corrective Measures | Responsible Department | Evidence required |
|---------|-------------------------------------|------------------------|--|---------------------|---|--|---|----------------------------|-------------------------------------|-----------------------|----------------|--------------------|---------------------|--|---|------------------------|-------------------|
| *0050 | Financially sustainable institution | Expenditure Management | Percentage of the approved capital budget spent | Percentage | R-value capital expenditure as a percentage of the capital budget | 81% | 90% | 100% | 100% | N/A | Capital | 98% | TARGET NOT ACHIEVED | This was due to incomplete disaster projects | Implementation of projects to start early | BTO | Financial reports |
| *0050 | Financially sustainable institution | Expenditure Management | Percentage of the Operational budget spent | Percentage | R-value operational expenditure as a percentage of the operational budget | 100% | 100% | 100% | 100% | N/A | Operational | 102% | TARGET NOT ACHIEVED | Overspending on Depreciation and general expenditure | Align to depreciation with the remaining useful life of the assets. | BTO | Financial reports |
| *0029 | Financially sustainable institution | Expenditure Management | Percentage of Municipal Infrastructure Grant (MIG) budget spent | Percentage | R-value MIG expenditure as a percentage of the MIG budget | 100% | 100% | 100% | 100% | Additional funds | Capital | 100% | TARGET ACHIEVED | NONE | NONE | BTO | Financial reports |
| *0071 | Financially sustainable institution | Expenditure Management | Percentage of Integrated National Energy Programme (INEP) budget spent | Percentage | R-value INEP expenditure as a percentage of the INEP budget | 100% | 100% | 100% | 100% | Additional funds | Operational | 69% | TARGET NOT ACHIEVED | The municipality received INEP additional funds and 3 new projects were appointed in May | The construction of the electrical projects will start in the 25/26 FY | BTO | Financial reports |
| *0050 | Financially sustainable institution | Expenditure Management | Percentage of Finance Management Grant (FMG) budget spent | Percentage | R-value FMG expenditure as a percentage of the FMG budget | 100% | 100% | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | BTO | Financial reports |
| *0029 | Financially sustainable institution | Expenditure Management | Percentage of Expanded Public Works Programme (EPWP) budget spent | Percentage | R-value EPWP expenditure as a percentage of the EPWP budget | 100% | 100% | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | BTO | Financial reports |
| *0050 | Financially sustainable institution | Expenditure Management | Percentage of Free Basic Services (FBS) budget spent | Percentage | R-value FBS expenditure as a percentage of the FBS budget | 100% | 100% | 100% | 100% | N/A | Operational | 30% | TARGET NOT ACHIEVED | Non-responsiveness of indigent customers to register regardless of notices being issued | The municipality will issue the notice showing all date the municipality will be visiting all ward to assist people to fill the indigent. | BTO | Financial reports |

KPA 2: MUNICIPAL FINANCIAL VIABILITY KEY PERFORMANCE INDICATORS

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline / Previous Performance- June 24 | Adjusted Baseline / Previous Performance- June 24 | Annual Target (30/06/2025) | Adjusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/ Variations | Corrective Measures | Responsible Department | Evidence required |
|---------|-------------------------------------|------------------------|---|---|--|--|---|----------------------------|-------------------------------------|--|----------------|--------------------|---------------------|--|--|------------------------|---------------------------|
| *0050 | Financially sustainable institution | Expenditure Management | Number of beneficiaries receiving Free Basic Services | Number of beneficiaries receiving free basic services | Number of people who are registered on the Indigent register | 958 | New KPI | 1000 | 130 | Reluctance from the community members to register as indigents | Operational | 113 | TARGET NOT ACHIEVED | Reluctance from the community members to register as indigents | The municipality to encourage the consumers in the rateable areas to register for indigent (Awereness campaigns) | BTO | Updated Indigent Register |

KPA 3 : BASIC SERVICE DELIVERY KEY PERFORMANCE INDICATORS (KPIs)

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline / Previous Performance- June 2024 | Adjusted Baseline / Previous Performance- June 2024 | Annual Target (30/06/2025) | Adjusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/Variations | Corrective Measures | Responsible Dept | Evidence required |
|---------|--|---------------------------|--|---------------------|--|--|---|----------------------------|-------------------------------------|---|----------------|--------------------|---------------------|--|--|------------------|--|
| *0071 | Improved quality of life | Electricity | Number of planned maintenance done | Percentage | Simple count of the number of planned maintenance initiatives conducted over the total number of planned maintenance expressed as percentage in line with maintenance plan | New KPI | 94 | 100 | 100% | Amendment of the 2024/25 Maintenance Plan | Operational | 100% | TARGET ACHIEVED | NONE | NONE | TECH | Signed 2024/25 Maintenance Plan and progress report |
| *0029 | Improved quality of life | Budget management | Number of projects funded | Number | Simple count of the number of infrastructure projects funded in the current budget | New KPI | 28 | 24 | 32 | Additional funds | Operational | 39 | TARGET ACHIEVED | NONE | NONE | TECH | Funded Service Delivery Projects Budget report |
| *0029 | Improved quality of life | Infrastructure management | Development of MIG implementation Plan | Number | The approval of the MIG Implementation Plan by Council by 30 June 2024 | 1 | New KPI | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | TECH | The approval of the MIG Implementation Plan by Council by 30 June 2024 |
| *0029 | Improved quality of life | Infrastructure management | Number of MIG projects implemented | Number | Simple count of the number of PMU projects on the MIG Implementation plan for 24/25, implemented | 10 | 10 | 13 | 13 | N/A | R 83 623 800 | 12 | TARGET NOT ACHIEVED | Ramphenyan e bridge not registered in MIG, thus the project is not implemented | To register the bridge with MIG in the next financial year | TECH | Approved MIG Report and MIG Implementation Plan |
| *0050 | Improved quality of life | Electricity | Number of households connected | Number | Simple count of the number of households within the GLM service area that are supplied with electricity according to the billing system | 849 | 862 | 849 | 860 | Billing report | Operational | 862 | TARGET ACHIEVED | NONE | NONE | BTO | Billing Report |
| *0071 | Improved quality of life | Electricity | % of electricity losses reduced | Percentage | Electricity losses within the acceptable range (5-12%) | New KPI | New KPI | 3% | Less than 12% | NERSA standard | Operational | 4% | TARGET ACHIEVED | NONE | NONE | TECH | Approved Electricity losses report |
| *0050 | Improved quality of life | Free basic services | Number of approved list of Households receiving Free Basic Water (FBW) | Number | Number of Households on the list of approved Households receiving Free Basic Water | 13 | 11 | 20 | 20 | N/A | Operational | 27 | TARGET ACHIEVED | NONE | NONE | BTO | Approved List |
| *0043 | Access to sustainable quality basic services | Solid waste management | Number of Skip bins placed in the rural areas | Number | Simple count of the number of villages where skip bins are placed and emptied at least once per quarter | 22 | 22 | 82 | 82 | N/A | Operational | 82 | TARGET ACHIEVED | NONE | NONE | CSD | Waste collection truck log books (village names reflecting) |
| *0043 | Access to sustainable quality basic services | Solid waste management | Number of Solid-waste management By-laws Gazetted | Number | By-law developed to control illegal dumping Gazetted will count as 1 | Draft By-law developed, awaiting gazetting | 0 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | CSD | Solid Waste Management By-law Government Gazette |

KPA 3 : BASIC SERVICE DELIVERY KEY PERFORMANCE INDICATORS (KPIs)

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline / Previous Performance- June 2024 | Adjusted Baseline / Previous Performance- June 2024 | Annual Target (30/06/2025) | Adjusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/Variations | Corrective Measures | Responsible Dept | Evidence required |
|---------|--|------------------------|--|---------------------|---|--|---|----------------------------|-------------------------------------|-----------------------|----------------|--------------------|---------------------|---|---|------------------|---|
| *0029 | Improved quality of life | Roads Infrastructure | Number of Kilometers of unsurfaced roads graded | Number | Simple count of kilometres of unsurfaced road graded | 800km | 1009,71KM | 800km | 800km | N/A | Operational | 611km | TARGET NOT ACHIEVED | Target not achieved due to breakdown of yellow machines | The municipality has allocated a budget for the procurement of new yellow plant machinery in the upcoming financial year. | TECH | Approved Grading progress report |
| *0029 | Improved quality of life | Roads Infrastructure | % of reported potholes complaints resolved within standard municipal response time | Percentage | Number of reported pothole complaints resolved expressed as a percentage of the total number of pothole complaints reported | New KPI | New KPI | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | TECH | Approved potholes progress report |
| *0034 | Improved quality of life | Parks and cemetery | Number of Cemeteries maintained | Number | Simple count of number of cemetery maintained | New KPI | New KPI | 2 | 2 | N/A | Operational | 2 | TARGET ACHIEVED | NONE | NONE | CSD | Approved Cemetery Maintenance Report |
| *0043 | Access to sustainable quality basic services | Solid waste management | Number of households with access to kerbside solid waste collection | Number | Simple count of the number of households in the GLM service area with access to kerbside solid waste collection | 2696 | 2865 | 2739 | 2739 | N/A | Operational | 2885 | TARGET ACHIEVED | NONE | NONE | CSD | Billing Report |
| *0073 | Access to sustainable quality basic services | Water Services | % of call outs responded to within 48 hours | Percentage | % of water services call-outs responded to within 48 hours | New KPI | New KPI | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | TECH | Job cards |
| *0043 | Access to sustainable quality basic services | Solid waste management | Number of climate change response strategy developed and approved | Number | Climate change response strategy developed and approved by 31 December 2024 | New KPI | New KPI | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | CSD | Approved climate change response strategy |
| *0043 | Access to sustainable quality basic services | Solid waste management | Number of environmental awareness campaigns | Number | Simple count of the number of environmental awareness campaigns held | 4 | 4 | 4 | 4 | N/A | Operational | 4 | TARGET ACHIEVED | NONE | NONE | CSD | Attendance Registers Pictures Programmes |

KPA 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS (KPIs)

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline /Previous performance-June 2024 | Adjusted Baseline /Previous performance-June 2024 | Annual Target (30/06/2025) | Ajusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/ Variations | Corrective Measures | Responsible Dept | Evidence required |
|---------|---|---------------------|--|---------------------|--|--|---|-----------------------------|-------------------------------------|-----------------------|----------------|--------------------|---------------------|--|--|------------------|--|
| *0046 | Improved governance and organisational excellence | Customer Care | Number of Community satisfaction surveys completed | Number | Community satisfactory survey conducted and report submitted will be counted as 1 being achieved | New KPI | 0 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | CORPS | Approved Community Satisfaction Survey Report |
| *0046 | Improved governance and organisational excellence | Records Management | Operational Electronic Record Management System | Percentage | Implementation of and operational Electronic File record management system required to achieve 100% | New KPI | 0 | 100% | 100% | N/A | Operational | 0% | TARGET NOT ACHIEVED | Licence expired and not renewed due to financial constraints. | Three year plan ICT implementation plan include EDMS | CORPS | Screenshots of Electronic Records System |
| *0048 | Improved governance and organisational excellence | Audit Management | Audit Committee Meetings | Number | Number of Audit Committee Meetings held | New KPI | New KPI | 6 | 6 | N/A | Operational | 5 | TARGET NOT ACHIEVED | First quarter meeting was not held, Audit Committee term expired | Audit committee members appointed in the third quarter | MM | Attendance Register |
| *0048 | Improved governance and organisational excellence | Audit Management | Implementation of the Internal Audit Action plan | Percentage | Number of IA Action plan activities implemented expressed as a percentage of the total number of activities required by the IA Action Plan | 100% | 68% | 100% | 100% | N/A | Operational | 78% | TARGET NOT ACHIEVED | Non-adherence to planned time lines | Adhere to corporate calendar | MM | Approved Internal Audit Action Plan Reports |
| *0048 | Improved governance and organisational excellence | Audit Management | Implementation of the External Audit Action plan | Percentage | Percentage of the External Action plan activities implemented expressed as a percentage of the total number of activities required by the External Action Plan | 100% | New KPI | 100% | 100% | N/A | Operational | 76% | TARGET NOT ACHIEVED | 19 out of 25 findings resolved, the remaining 6 will be resolved when submitting the AFS | To resolve all findings within the scheduled time | MM | Approved External Audit Action Plan Reports |
| *0048 | Improved governance and organisational excellence | Audit Management | Audit Committee Reports | Number | Number of Audit Committee reports submitted | New KPI | New KPI | 4 | 4 | N/A | Operational | 3 | TARGET NOT ACHIEVED | First quarter AC report not sent to council, Audit Committee term expired | Audit committee members appointed in the third quarter | MM | Audit Committee Report to Council and Council Resolution |
| *0048 | Improved governance and organisational excellence | Audit Management | Annual Internal Audit Plan | Number | Annual Internal Audit Plan approved | New KPI | New KPI | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | MM | Approved Annual Internal Audit Plan |

KPA 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS (KPIs)

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline /Previous performance-June 2024 | Adjusted Baseline /Previous performance-June 2024 | Annual Target (30/06/2025) | Ajusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/ Variations | Corrective Measures | Responsible Dept | Evidence required |
|---------|---|----------------------|--|---------------------|---|--|---|-----------------------------|-------------------------------------|-----------------------|----------------|--------------------|---------------------|---|-------------------------------------|------------------|---|
| *0046 | Improved governance and organisational excellence | Revenue Management | Number of Approved and gazetted by-law | Number | By-laws gazetted for Property Rates, Debt collection, Business Registration, Waste management | New KPI | 0 | 4 | 4 | N/A | Operational | 4 | TARGET ACHIEVED | NONE | NONE | MM | By-laws Government Gazette |
| *0048 | Improved governance and organisational excellence | Fraud and Corruption | % of cases reported and investigated | Percentage | Percentage cases of fraud and corruption reported and investigated | New KPI | 100% | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | MM | Fraud & Corruption case register |
| *0046 | Improved governance and organisational excellence | Development Planning | Developed stakeholder management framework | Number | Stakeholder Management Framework approved by Council will be counted as 1 being achieved | New KPI | 0 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | CORPS | Stakeholder Management Framework and Council Resolution |
| *0048 | Improved governance and organisational excellence | Risk Management | Risk Management Committee meetings | Number | Number of Risk Committee Meetings | New KPI | New KPI | 4 | 4 | N/A | Operational | 2 | TARGET NOT ACHIEVED | Risk committee meeting not held due to competing activities | To adhere to the scheduled calender | MM | Attendance Register |

KPA 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS (KPIs)

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline /Previous performance-June 2024 | Adjusted Baseline /Previous performance-June 2024 | Annual Target (30/06/2025) | Ajusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/ Variations | Corrective Measures | Responsible Dept | Evidence required |
|---------|---|----------------------|---|---------------------|---|--|---|-----------------------------|-------------------------------------|-----------------------|----------------|--------------------|---------------------|--|---|------------------|---|
| *0048 | Improved governance and organisational excellence | Risk Management | % of strategic risk mitigation actions Implemented | Percentage | Number of strategic risks mitigation actions implemented | New KPI | 54% | 100% | 100% | N/A | Operational | 67% | TARGET NOT ACHIEVED | 1. Twelve (12)mitigation actions which constitute 21% were not implemented during the quarter under review and eight (8) mitigation actions were partially implemented 2. Risk mitigation often conflicts with short-term performance targets | 1.Measure the effectiveness of mitigating actions by aligning municipal overall performance with progress made in addressing strategic risks 2. Resource allocation 3. Delegation of risk ownership to managers | MM | Approved Risk management Reports |
| *0046 | Improved governance and organisational excellence | Risk Management | Approved Strategic Risk Assessment Reports | Number | Approval of Strategic Risk Assessment Report | New KPI | 100% | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | MM | Approved Risk Assesment Report |
| *0046 | Improved governance and organisational excellence | Public Participation | % of complaints resolved | Percentage | Number of complaints received from the public that have been resolved, expressed as a percentage of the total number of complaints registered | New KPI | 100% | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | CORPS | Approved Complaints register |
| *0046 | Improved governance and organisational excellence | Public Participation | Number of Community Imbizos held | Number | Simple count of the number of Imbizos held | New KPI | 4 | 4 | 4 | N/A | Operational | 4 | TARGET ACHIEVED | NONE | NONE | CORPS | Imbizo Programme Attendance Registers Reports |
| *0048 | Improved governance and organisational excellence | PMS | Signed Performance agreement by all section 57 managers | Number | Simple count of a number of performance agreement signed within 30 days after approval of the SDBIP | 4 | New KPI | 6 | 6 | N/A | operational | 6 | TARGET ACHIEVED | NONE | NONE | MM | Performance agreements |

KPA 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS (KPIs)

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline /Previous performance-June 2024 | Adjusted Baseline /Previous performance-June 2024 | Annual Target (30/06/2025) | Ajusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/ Variations | Corrective Measures | Responsible Dept | Evidence required |
|---------|---|-----------------------|--|---------------------|---|--|---|-----------------------------|-------------------------------------|-----------------------|----------------|--------------------|---------------------|---|--|------------------|---|
| *0048 | Improved governance and organisational excellence | PMS | Number Performance Assessments conducted for Section 57 Managers | Number | Number of Quarterly Performance Assessments for Section 57 Managers within 30 days after the end of the quarter | 2 | New KPI | 2 | 2 | N/A | operational | 1 | TARGET NOT ACHIEVED | No assessments were done because of outstanding 2024 25 Mid-Year and 2034 24 Annual performance assessments | To do quarterly assessments as soon as the Mid year performance are done | MM | Performance assessments report |
| *0048 | Improved governance and organisational excellence | PMS | Annual Institutional Performance Report | Number | Annual Institutional Performance Report submitted to the AG by 31 August annually | 1 | New KPI | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | MM | Dated proof of submission of APR to AG |
| *0048 | Improved governance and organisational excellence | PMS | Mid year Performance assessment report | Number | Mid-year Performance Assessment Report submitted by 25 January annually | 1 | New KPI | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | MM | Dated proof of submission of Mid-year Performance Assessment Report |
| *0046 | Improved governance and organisational excellence | Couciil functionality | Council Meetings | Number | Number of ordinary Council meetings held | 4 | New KPI | 4 | 4 | N/A | Operational | 4 | TARGET ACHIEVED | NONE | NONE | CORPS | Attendance Register |
| *0046 | Improved governance and organisational excellence | Couciil functionality | Council Meetings | Number | Number of Special Council Meetings held | 4 | New KPI | 4 | 4 | N/A | Operational | 5 | TARGET ACHIEVED | NONE | NONE | CORPS | Attendance Register |
| *0046 | Improved governance and organisational excellence | LLF functionality | LLF Meetings | Number | Number of LLF meetings held | 12 | New KPI | 12 | 12 | N/A | Operational | 9 | TARGET NOT ACHIEVED | Meeting postponed to competing activities and the passing on of one LLF member | To adhere to the scheduled calender | CORPS | Attendance Register |
| *0046 | Improved governance and organisational excellence | LLF functionality | LLF Resolutions | Percentage | % of LLF resolutions implemented | New KPI | New KPI | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | CORPS | Resolution Register and Minutes of Meetings |
| *0046 | Improved governance and organisational excellence | MPAC functionality | MPAC meetings | Number | Number of MPAC meetings held | New KPI | New KPI | 12 | 12 | N/A | Operational | 10 | TARGET NOT ACHIEVED | Meeting postponed due to competing activities. | To adhere to the scheduled calender | CORPS | Attendance Register |

KPA 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS (KPIs)

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline /Previous performance-June 2024 | Adjusted Baseline /Previous performance-June 2024 | Annual Target (30/06/2025) | Ajusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/ Variations | Corrective Measures | Responsible Dept | Evidence required |
|---------|---|------------------------------|-----------------------------|---------------------|---|--|---|-----------------------------|-------------------------------------|-----------------------|----------------|--------------------|---------------------|---|--|------------------|--|
| *0046 | Improved governance and organisational excellence | MPAC functionality | MPAC reports to Council | Number | Number of MPAC reports compiled and tabled in Council | New KPI | New KPI | 4 | 4 | N/A | Operational | 3 | TARGET NOT ACHIEVED | UIF investigation still under way, no report to present to council. | To conclude on UIF investigations and report to council. | CORPS | MPAC Report Council Resolution |
| *0046 | Improved governance and organisational excellence | MPAC functionality | MPAC Action Plan | Number | Approved MPAC action Plan by the end of 30 June | New KPI | New KPI | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | CORPS | Approved MPAC Action Plan and Council Resolution |
| *0046 | Improved governance and organisational excellence | Ethics Functionality | Ethics Action Plan | Number | Approved Ethics Action plan | New KPI | New KPI | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | CORPS | Approved Ethics Action Plan and Council resolution |
| *0046 | Improved governance and organisational excellence | Ward Committee Functionality | Number of Reports submitted | Number | Number of Ward Committee Reports submitted | New KPI | New KPI | 120 | 120 | N/A | Operational | 120 | TARGET ACHIEVED | NONE | NONE | CORPS | Ward Committee Reports |

KPA 5 : LOCAL ECONOMIC DEVELOPMENT & SPATIAL RATIONAL KEY PERFORMANCE INDICATORS (KPIs)

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline /Previous Performance-June 2024 | Adjusted Baseline /Previous Performance-June 2024 | Annual Target (30/06/2025) | Adjusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/Variation | Corrective Measures | Responsible Dept | Evidence required |
|---------|--------------------------------------|----------------------------|---|---------------------|--|--|---|----------------------------|-------------------------------------|-----------------------|----------------|--------------------|---------------------|--|--|------------------|--|
| *0022 | Integrated human settlement | Spatial Planning | Implementation of Land Invasion Strategy | Percentage | Number of land invasion incidents responded to expressed as a percentage of the Total number of land invasion incidents reported | New KPI | 1 | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | PLAN | Land Invasion Strategy and Approved Land Invasion Report |
| *0022 | Integrated human settlement | Property Valuation | Approved compliance Valuation Roll | Number | Approved Compliant Valuation Roll | New KPI | 1 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | PLAN | Reviewed Valuation Roll |
| *0022 | Integrated human settlement | Housing support | Number of housing beneficiary policy approved and implemented | Number | The approval of a housing beneficiary policy by Council will count as 1 | New KPI | 0 | 1 | 1 | N/A | Operational | 0 | TARGET NOT ACHIEVED | Unavailability of National Housing needs register and provincial housing allocation policy | COGHSTA to assist the municipality with the above mentioned policies | PLAN | Housing Beneficiary Policy and Council resolution |
| *0022 | Integrated human settlement | Local Economic Development | Number of building plans approved within 30 days | Percentage | Number of building plans received and approved within 30 days | New KPI | New KPI | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | PLAN | Approved/Disapproved building Plans register |
| *0022 | Improved and inclusive local economy | Local Economic Development | Number of SMME's training conducted | Number | Simple count of the number of SMME training sessions arranged by GLM | 3 | 164 | 4 | 4 | N/A | Operational | 5 | TARGET ACHIEVED | NONE | NONE | PLAN | SMME Training session Invitation, Agenda & Attendance Register |
| *0022 | Improved and inclusive local economy | Local Economic Development | Number of Marketing initiatives conducted | Number | Number of initiatives undertaken to market the municipality at a formal event | 3 | 4 | 5 | 5 | N/A | Operational | 6 | TARGET ACHIEVED | NONE | NONE | PLAN | Attendance Register Marketing Material/ Presentation |
| *0022 | Improved and inclusive local economy | Local Economic Development | # of jobs created through tourism activities | Number | Simple count of the number of separate individuals employed at Tourism related activities | New KPI | 202 | 150 | 150 | N/A | Operational | 161 | TARGET ACHIEVED | NONE | NONE | PLAN | Job creation register |
| *0022 | Improved and inclusive local economy | Local Economic Development | # of jobs created through agricultural activities | Number | Simple count of the number of separate individuals employed at Agriculture related activities | New KPI | 507 | 300 | 300 | N/A | Operational | 317 | TARGET ACHIEVED | NONE | NONE | PLAN | Job creation register |
| *0022 | Improved and inclusive local economy | Local Economic Development | # of jobs created through trade and manufacturing activities | Number | Simple count of the number of separate individuals employed at Trade and Manufacturing activities | New KPI | New KPI | 100 | 100 | N/A | Operational | 219 | TARGET ACHIEVED | NONE | NONE | PLAN | Job creation register |

KPA 5 : LOCAL ECONOMIC DEVELOPMENT & SPATIAL RATIONAL KEY PERFORMANCE INDICATORS (KPIs)

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline /Previous Performance- June 2024 | Adjusted Baseline /Previous Performance- June 2024 | Annual Target (30/06/2025) | Adjusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/Variation | Corrective Measures | Responsible Dept | Evidence required |
|---------|--|----------------------------|---|---------------------|--|---|--|----------------------------|-------------------------------------|---|----------------|--------------------|---------------------|---|--|------------------|--|
| *0022 | Improved and inclusive local economy | Local Economic Development | % of formalised register of markets | Percentage | % of existing markets, formalised | New KPI | 70% | 70% | 70% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | PLAN | Business registration Register |
| *0022 | Integrated human settlement | Spatial Planning | Percentage of land use applications processed within 90 days | Percentage | Number of land use applications processed within 90 days as a percentage of the total number of land use applications received | 100% | 100% | 100% | 100% | N/A | Operational | 100% | TARGET ACHIEVED | NONE | NONE | PLAN | Dated register recording land use applications and approval dates |
| *0028 | Improved and inclusive local economy | Traffic Law Enforcement | Direct traffic summonses issued(Sec 56 Criminal Procedural Act) | Number | Number of Direct traffic fines issued | New KPI | New KPI | 9600 | 5400 | Consideration of other law enforcement activities | Operational | 1419 | TARGET NOT ACHIEVED | Increased number of Escorts, Marches, visibility programmes and delays in issuing the court dates | Increased court dates and Escourts and visibility programmes | COM SERVE | Approved Quartely Traffic report |
| *0028 | Improved and inclusive local economy | Road Traffic Regulation | Road blocks conducted | Number | Number of Roadblocks conducted | New KPI | New KPI | 14 | 14 | N/A | Operational | 28 | TARGET ACHIEVED | More roadblock were held with partnership with Provincial Traffic Officers | NONE | COM SERVE | Approved Monthly Roadblock Reports |
| *0022 | Improved and inclusive local economy | Local Economic Development | Number of jobs created through municipal funded Capital Projects | Number | Number of jobs created through municipal funded Capital Projects | 387 | 576 | 625 | 450 | Due to projects removed during budget adjustment | Operational | 580 | TARGET ACHIEVED | Additional Funds On MIG and INEP | NONE | TECH | Job creation register |
| *0022 | Improved and inclusive local economy | Local Economic Development | Number of LED Forums coordinated | Number | Number of quorate LED Forum meetings coordinated by the GLM | 4 | 4 | 4 | 4 | N/A | Operational | 4 | TARGET ACHIEVED | NONE | NONE | PLAN | Agenda, Minutes & Attendance register |
| *0048 | Integrated and sustainable development | Integrated Planning | IDP/Budget/PMS Process Plan to be approved by Council on 31 July annually | Number | The approval of the IDP/Budget /PMS process plan by 31 July will result in a score of 1 | 1 | 1 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | PLAN | Council Approved IDP/ Budget/ PMS Process plan, Council Resolution |
| *0048 | Integrated and sustainable development | Integrated Planning | Draft IDP to be tabled in Council by 30 March annually | Number | The approval of the draft IDP by 30 March will result in a score of 1 | 1 | 1 | 1 | 1 | N/A | Operational | 1 | TARGET ACHIEVED | NONE | NONE | PLAN | Draft IDP Council Resolution |
| *0048 | Integrated and sustainable development | Integrated Planning | Final IDP to be approved by Council by 31 May annually | Number | The approval of the Final IDP by 31 May will result in a score of 1 | 1 | 1 | 1 | 1 | N/A | operational | 1 | TARGET ACHIEVED | NONE | NONE | PLAN | Final IDP Council Resolution |

KPA 5 : LOCAL ECONOMIC DEVELOPMENT & SPATIAL RATIONAL KEY PERFORMANCE INDICATORS (KPIs)

| Vote No | Strategic Objective | Municipal Programme | Key Performance Indicator | KPI Unit of measure | Description of unit of measure | Baseline /Previous Performance- June 2024 | Adjusted Baseline /Previous Performance- June 2024 | Annual Target (30/06/2025) | Adjusted Annual Target (30/06/2025) | Reason for Adjustment | Budget 2024/25 | Actual Performance | Remarks | Challenges/Variation | Corrective Measures | Responsible Dept | Evidence required |
|---------|--|---------------------|--|---------------------|---|---|--|----------------------------|-------------------------------------|-----------------------|----------------|--------------------|-----------------|----------------------|---------------------|------------------|---------------------------------------|
| *0048 | Integrated and sustainable development | Integrated Planning | Number of IDP/Budget/ PMS REP Forum meetings held | Number | Simple count of the number of quorate meetings of the IDP/ Budget/ PMS Representative forum | 5 | 4 | 5 | 5 | N/A | Operational | 5 | TARGET ACHIEVED | NONE | NONE | PLAN | Agenda, Minutes & attendance register |
| *0048 | Integrated and sustainable development | Integrated Planning | Number of IDP/Budget/ PMS Steering Committee meetings held | Number | Simple count of the number of quorate meetings of the IDP/ Budget/ PMS steering committee | 5 | 4 | 5 | 5 | N/A | Operational | 5 | TARGET ACHIEVED | NONE | NONE | PLAN | Agenda, Minutes & attendance register |

2024 25 PROJECT MILESTONES

| Region/ Ward | Strategic Objective | Programme | Project Name | Project description | Funding Type | Budget for 2024/25 | Adjusted Budget for 2024/25 | Reason for Adjustment | Start Date | Completion date | Project Owner | Baseline/Previo us Performance June 2024 | Annual Target | Actual Performance | Remarks | Challenges/ Variations | Corrective Measures | Evidence required | Source of Funding |
|--|---|------------------------|--|--|-----------------|-----------------------|-----------------------------------|--|------------|--------------------|------------------|--|---|--------------------|-----------------|---------------------------|---------------------|--|----------------------|
| MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT | | | | | | | | | | | | | | | | | | | |
| Head office | Improved governance and organisational excellence | Information Technology | Installation of ICT Networks and Equipments for new office building | Supply and Installation of ICT Networks and Equipment for new office building | Capex | R 600 000 | R 400 000 | Budget constraints | 01/07/2024 | 30/06/2025 | CORPS | New Project | Supply, delivery and installation of Network cabling and equipment completed - 70% (100%) | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification /Tender Advert/Appointment letter/Payment Voucher/Practical or completion certificate | Own Revenue |
| Ward 4 and 29 | Improved governance and organisational excellence | Information Technology | Supply and installation of Inverters at Modjadjiskloof DLTC and Kgapane Old Sub Office | Supply and installation of Inverters at Modjadjiskloof DLTC and Kgapane Old Sub Office | Capex | R 300 000 | R 300 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for Installation of Inverter and Solar Panels at 100% (100%) | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification /Tender Advert/Appointment letter/Progress report/Practical or completion certificate | Own Revenue |
| Head office | Improved governance and organisational excellence | Information Technology | Supply and delivery of switches(3) | Supply and delivery of switches(3) | Capex | R 250 000 | R 200 000 | Budget constraints | 01/07/2024 | 30/06/2025 | CORPS | New Project | Supply and delivery of switches -50% (100%) | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification /Tender Advert/Appointment letter/Payment Voucher and Delivery Note | Own Revenue |
| Head office | Improved governance and organisational excellence | Information Technology | Visual Impaired equipments | Visual Impaired equipments | Capex | R 100 000 | R 175 015 | More funds were needed to complete the project | 01/07/2024 | 30/06/2025 | CORPS | New Project | Delivery and Installation of Visual Impaired equipments - 50% (100%) | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification /Tender Advert/Appointment letter/Payment Voucher and Delivery Note | Own Revenue |
| BASIC SERVICE DELIVERY | | | | | | | | | | | | | | | | | | | |
| All wards | Access to sustainable quality basic services | Office facilities | Supply and installation of water storage tanks at community Halls | Supply and installation of water storage tanks at community Halls | Capex | R200 000 | R200 000 | N/A | 01/07/2024 | 30/06/2025 | CSD | New Project | Installation of water tank,stand and water connection completed - (25%) 100% | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification/Tender Advert/Appointment letter/Progress report/Practical or completion certificate | Own Revenue |
| Ward 18 | Access to sustainable quality basic services | Stormwater management | Construction of low level bridges(Designs) | Construction of low level bridges(Designs) | Capex | R 1 500 000 | R 1 500 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Develop and approve Detailed Design Report - (25%) 100% | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification/Appointm ent letter/Scoping report or PDR or DDR approval | Own Revenue |

2024 25 PROJECT MILESTONES

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|---------|--|-------|--|--|-------|--------------|--------------|--|------------|------------|------|--|--|------|---------------------|--|--|---|---------------------|
| Ward 26 | Access to sustainable quality basic services | Roads | Construction of Street Paving at Ramodumo (3.5 km) (Multi-year) | Construction of Street Paving at Ramodumo (3.5 km) (Multi-year) | Capex | R 7 115 463 | R 7 115 463 | N/A | 01/07/2024 | 30/06/2025 | TECH | Physical progress for construction of 3.5km- (87%) | Physical progress for construction of 3.5km at 100% | 98% | TARGET NOT ACHIEVED | Delay due to encountered hard-rock. the first blasting of the Hardrock did demolish the entire rock. the second blasting had to be re-organized. | Re-blasting was conducted, and the project is progressing smoothly | Progress report/Practical or completion certificate | MIG |
| Ward 25 | Access to sustainable quality basic services | Roads | Construction of Abel Street Paving (2.8 km)-Multi-year | Construction of Abel Street Paving (2.8 km)-Multi-year | Capex | R8 917 674 | R8 917 674 | N/A | 01/07/2024 | 30/06/2025 | TECH | Physical progress for construction of 2.8km streets at 82% | Physical progress for construction of 2.8km streets at 100% | 100% | TARGET ACHIEVED | NONE | NONE | Progress report/Practical or completion certificate | MIG and Own Revenue |
| Wards 2 | Access to sustainable quality basic services | Roads | Construction of Moshakga/ Makaba Street Paving (2.5 km) | Construction of Moshakga/ Makaba street paving (2.5 km)- (Multi-year) | Capex | R 16 113 877 | R 16 113 877 | N/A | 01/07/2024 | 30/06/2025 | TECH | Physical progress for construction of 2.5km at 40% | Physical progress for construction of 2.5km at 100% | 100% | TARGET ACHIEVED | NONE | NONE | Progress reports/Practical or Completion Certificate | MIG and Own Revenue |
| Ward 30 | Access to sustainable quality basic services | Roads | Construction of Boshakge Bridge | Construction of Boshakge Bridge | Capex | R 1 900 000 | R 500 000 | Budget constraints | 01/07/2024 | 30/06/2025 | TECH | Preliminary designs developed- 2% | Approve Detailed Designs-0.5% (2.5%) | 100% | TARGET ACHIEVED | NONE | NONE | Detailed designs approval letter | Own Revenue |
| Ward 2 | Access to sustainable quality basic services | Roads | Construction of Motsinoni street paving (1.5 km)- Multi-year | Construction of Motsinoni street paving (1.5 km) | Capex | R 5 951 087 | R 3 150 517 | Budget constraints | 01/07/2024 | 30/06/2025 | TECH | Physical progress for construction of 1,5km streets at 97% | Physical progress for construction of 1,5km streets at 100% | 100% | TARGET ACHIEVED | NONE | NONE | Progress report/Practical or completion certificate | Own Revenue |
| Ward 1 | Access to sustainable quality basic services | Roads | Construction of Thibeni street Paving 2.3Km(Multi year) | Construction of Thibeni street paving 2.3Km | Capex | R 6 036 587 | R 1 741 777 | Budget constraints | 01/07/2024 | 30/06/2025 | TECH | Physical progress for construction of 2.3km Streets at 45% | Physical progress for construction of 2.3km Streets at 47% | 47% | TARGET ACHIEVED | NONE | NONE | Progress report | Own Revenue |
| Ward 8 | Access to sustainable quality basic services | Roads | Construction of Burkina Faso street paving (2km) including 4 culvert bridges | Construction of Burkina Faso street paving (2km) including 4 culvert bridges | Capex | R 11 500 000 | R 11 500 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | Physical progress for construction of 2km streets at (28,5%) | Physical progress for construction of 2km streets at 55% | 55% | TARGET ACHIEVED | NONE | NONE | Progress report | MIG and Own Revenue |
| Ward 21 | Access to sustainable quality basic services | Roads | Ramaroka Street Paving 3.4km | Ramaroka Street Paving 3.4km | Capex | R 3 604 088 | R 12 104 088 | More funds were needed to complete the project | 01/07/2024 | 30/06/2025 | TECH | Designs Developed 2,5% | Physical progress for construction of 1km streets at 90% (26%) | 52% | TARGET ACHIEVED | NONE | NONE | Approved Specification/Tender advert/Appointment letter/Progress report | MIG |

2024 25 PROJECT MILESTONES

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|-----------|--|-------------|--|--|-------|--------------|--------------|--|------------|------------|------|--|--|-------|-----------------|------|------|--|---------------------|
| Ward 23 | Access to sustainable quality basic services | Roads | Construction of Maupa Street Paving- Multi Year (4.9 km) | Construction of Maupa Street Paving (4.9km) Multi year | Capex | R 11 400 000 | R 13 100 000 | More funds were needed to complete the project | 01/07/2024 | 30/06/2025 | TECH | Physical progress for construction of 4.9km Streets at 25% | Physical progress for construction of 4.9km Streets at 45% | 45.7% | TARGET ACHIEVED | NONE | NONE | Progress report | MIG and Own Revenue |
| Ward 29 | Access to sustainable quality basic services | Roads | Rehabilitation of Modjadjiskloof internal streets | Rehabilitation of Modjadjiskloof internal streets | Capex | R 2 000 000 | R 2 000 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction at 100% (100%) | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification/Appointm ent letter/Progress report/ Practical or completion certificate | Own Revenue |
| Ward 29 | Access to sustainable quality basic services | Roads | Rehabilitation of Eugene Street and stormwater management | Rehabilitation of Eugene Street and stormwater management | Capex | R 5 000 000 | R 7 234 799 | More funds were needed to complete the project | 01/07/2024 | 30/06/2025 | TECH | Tender advertised for construction (3%) | Physical progress for construction at 56.5% (60%) | 69% | TARGET ACHIEVED | NONE | NONE | Appointment letter/ Progress report | Own Revenue |
| Ward 4 | Access to sustainable quality basic services | Roads | Construction of Masakhaneng Street Paving (3.1 km) and pedestrian bridge | Construction of Masakhaneng Street Paving (3.1 km) and pedestrian bridge | Capex | R 7 054 425 | R 17 054 425 | More funds were needed to complete the project | 01/07/2024 | 30/06/2025 | TECH | Physical Progress for construction of 3.1km at 30% | Physical progress for Construction of 3,1km at 92% | 93.7% | TARGET ACHIEVED | NONE | NONE | Progress report | MIG |
| Ward 29 | Access to sustainable quality basic services | Electricity | Refurbishment HT Cable Network in Waterjaar | Refurbishment HT Cable Network in Waterjaar | Capex | R 1 500 000 | R 1 500 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Refurbishment HT Cable Network in Waterjaar | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification/Tender Advert/Appointment letter/Progress report/ Practical or completion certificate | Own Revenue |
| Ward 29 | Access to sustainable quality basic services | Electricity | Supply and delivery of emergency transformers | Supply and delivery of emergency transformers | Capex | R 1 500 000 | R 1 150 000 | Budget constraints | 01/07/2024 | 30/06/2025 | TECH | New Project | Transformer Acquired x1- 100% | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification/Tender Advert/Appointment letter/Payment voucher and Delivery Note | Own Revenue |
| Ward 29 | Access to sustainable quality basic services | Electricity | Refurbishment of Dorrin 11 KV Line Phase 2 | Refurbishment of Dorrin 11 KV Line Phase 2 | Capex | R 800 000 | R 1 330 000 | More funds were needed to complete the project | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for refurbishment of Dorrin 11KV Line Phase 2 at 100% (100%) | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification/Tender Advert/Appointment letter/Progress report/ Practical or completion certificate | Own Revenue |
| All wards | Access to sustainable quality basic services | Electricity | Supply and construction of HighMast lights | Supply and construction of HighMast lights | Capex | R 1 500 000 | R 1 500 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction of 2 highmast lights at 100% (100%) | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification/Tender Advert/Appointment letter/Progress report/ Practical or completion certificate | Own Revenue |

2024 25 PROJECT MILESTONES

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|-----------|--|------------------------|---|---|-------------|--------------|-------------|--------------------|------------|------------|------|---------------------------|--|------|---------------------|---|--|---|-------------|
| Ward 20 | Access to sustainable quality basic services | Waste Disposal | Construction Of Maphalle Landfillsite(Access road,one cell,recycling area,admin building and Buy Back center) | Construction Of Maphalle Landfillsite(Access road,one cell,recycling area,admin building and Buy Back center) | Capex | R 10 395 724 | R 5 395 724 | Budget constraints | 01/07/2024 | 30/06/2025 | TECH | Detail design report 2.5% | Physical progress for Construction at 2% (5.5%) | 3,5% | TARGET NOT ACHIEVED | Project went for MIG Budget Adjustment because the MIG Budget was lower than the appointed amount | MIG Budget Adjustment was conducted on the 23 June 2025. | Tender advert/Appointment letter/Progress report | MIG |
| Ward11 | Access to sustainable quality basic services | Parks and recreation | Matshwi Outdoor Sports Gym | Matshwi Outdoor Sports Gym | Capex | R 600 000 | R 600 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction at 100% (100%) | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification /Tender advert/Appointment letter/Progress report/ Practical or completion certificate | MIG |
| Ward 02 | Access to sustainable quality basic services | Parks and recreation | Bodupe Outdoor Sports Gym | Bodupe Outdoor Sports Gym | Capex | R 600 000 | R 600 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction at 100% (100%) | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification /Tender advert/Appointment letter/Progress report/ Practical or completion certificate | MIG |
| Ward 28 | Access to sustainable quality basic services | Parks and recreation | Rotterdam Outdoor Sports Gym | Rotterdam Outdoor Sports Gym | Capex | R 600 000 | R 600 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction at 100% (100%) | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification /Tender advert/Appointment letter/Progress report/ Practical or completion certificate | MIG |
| Ward 9 | Access to sustainable quality basic services | Parks and recreation | Sekgopo Sports Facility | Sekgopo Sports Facility | Capex | R 2 900 000 | R 2 900 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction at 99%/Practical completion | 88% | TARGET NOT ACHIEVED | Hard rock encountered delayed the construction process | Hard rock was blustered and removed | Approved Specification /Tender advert/Appointment letter/Progress report/ Practical or completion certificate | MIG |
| All wards | Access to sustainable quality basic services | Solid Waste Collection | Supply and Delivery of 30 Skip Bins (6 cubic meter/6m3) | Supply and delivery of 30 Skip Bins (6 cubic meter) | Capex | R 1 600 000 | R 1 600 000 | N/A | 01/07/2024 | 30/06/2025 | CSD | 22 Skip Bins | Procurement of 30 Skip Bins completed - 85% (100%) | 100% | TARGET ACHIEVED | NONE | NONE | Approved Specification/Tender Advert/Appointment letter/Payment voucher and Delivery Note | Own Revenue |
| Ward 19 | Access to sustainable quality basic services | Electricity | Mohlabang Phase 2 village Electrification | New electricity connections at Mohlabaneng (Phase 2) | Opex (INEP) | R 1 760 000 | R 1 760 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction at 100% | 100% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report/Practical or completion certificate | INEP |

2024 25 PROJECT MILESTONES

| | | | | | | | | | | | | | | | | | | | |
|---------|--|-------------|------------------------------------|--|-------------|-------------|-------------|-----|------------|------------|------|-------------|---|------|-----------------|------|------|--|------------------|
| Ward 22 | Access to sustainable quality basic services | Electricity | Makgagapats e Electrification | Makgagapats e Electrification | Opex (INEP) | R 2 813 000 | R 2 813 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction at 100% | 100% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report/Practical or completion certificate | INEP |
| Ward 24 | Access to sustainable quality basic services | Electricity | Mamatlepa Block 18 Electrification | Mamatlepa Block 18 Electrification | Opex (INEP) | R 2 000 000 | R 2 000 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction at 100% | 100% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report/Practical or completion certificate | INEP |
| Ward 20 | Access to sustainable quality basic services | Electricity | Maphalle Electrification | Maphalle Electrification | Opex (INEP) | R 5 000 000 | R 5 000 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction at 100% | 100% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report/Practical or completion certificate | INEP |
| Ward 24 | Access to sustainable quality basic services | Electricity | Ntata Electrification | Ntata Electrification | Opex (INEP) | R 1 500 000 | R 1 500 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction at 100% | 100% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report/Practical or completion certificate | INEP |
| Ward 27 | Access to sustainable quality basic services | Electricity | Tlhothokwe village electrification | New Electricity connections at Tlhothokwe | Opex (INEP) | R 2 000 000 | R 2 000 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction at 100% | 100% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report/Practical or completion certificate | INEP |
| Ward 21 | Access to sustainable quality basic services | Electricity | Ramaroka village electrification | New Electrification connections at Ramaroka | Opex (INEP) | R 1 760 000 | R 1 760 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Physical progress for construction at 100% | 100% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report/Practical or completion certificate | INEP |
| Ward 24 | Access to sustainable quality basic services | Electricity | Ntata Phase 2 Electrification | Ntata Phase 2 Electrification (125) | Opex (INEP) | R - | R 3 086 500 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Appointment of service provider for construction at 30% | 39% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report | INEP |
| Ward 20 | Access to sustainable quality basic services | Electricity | Maphalle Phase 2 | Maphalle Phase 2 Electrification (213) | Opex (INEP) | R - | R 5 218 500 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Appointment of service provider for construction at 20% | 20% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report | INEP |
| Ward 22 | Access to sustainable quality basic services | Electricity | Makgagapats e Phase 2 | Makgagapats e Phase 2 Electrification (110) | Opex (INEP) | R - | R 2 695 000 | N/A | 01/07/2024 | 30/06/2025 | TECH | New Project | Appointment of service provider for construction at 30% | 30% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report | INEP |
| Ward 5 | Access to sustainable quality basic services | Roads | Low-Level Bridge at Mandelapark | Reconstruction of Low-Level Bridge at Mandela Park | MDRG | R 4 411 982 | R 4 411 982 | N/A | 01/01/2025 | 30/06/2025 | TECH | New Project | Physical progress for construction at 50% | 68% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report | DMRG/OWN FUNDING |

| 2024 25 PROJECT MILESTONES | | | | | | | | | | | | | | | | | | | |
|----------------------------|--|----------------------------|--|---|------|-------------|-------------|-----|------------|------------|------|-------------|--|------|-----------------|------|------|---|------------------|
| Ward 17 | Access to sustainable quality basic services | Roads | Low level bridge at mamaila kolobetona(Happy Stars Section) | Reconstruction of Low-Level bridge at Mamaila Kolobetona (Happy Stars Section) | MDRG | R 5 131 960 | R 5 131 960 | N/A | 01/01/2025 | 30/06/2025 | TECH | New Project | Physical progress for construction at 50% | 52% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report | DMRG/OWN FUNDING |
| Ward 10 | Access to sustainable quality basic services | Roads | Low Level bridge at Sekgopo Ramoadi | Rehabilitation of street paving and stormwater control at Sekgopo Ramoadi (1km) | MDRG | R 2 997 000 | R 2 997 000 | N/A | 01/01/2025 | 30/06/2025 | TECH | New Project | Physical progress for construction at 100% | 100% | TARGET ACHIEVED | NONE | NONE | Appointment letter/Progress report/Practical or completion certificate | DMRG |
| LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | | | | | | | | | | | |
| Ward 4 and 29 | Improved and inclusive local economy | Local Economic Development | Precinct Plans for Gakgapane, Modjadiskloof and Senwamokgope | Precinct Plans for Gakgapane, Modjadiskloof and Senwamokgope | Opex | R 1 500 000 | R 1 500 000 | N/A | 01/07/2024 | 30/06/2025 | PLAN | New Project | Completion of Precinct Plans at Gakgapane, Modjadiskloof of andsenwamokgope-80% (100%) | 100% | TARGET ACHIEVED | NONE | NONE | Appointment Letter/Inception Report/Draft Precinct Plans Report/ Precinct Plans | Own Revenue |

2024/25 PROJECT REMOVED DURING ADJUSTMENT

| Region/ Ward | Strategic Objective | Programme | Project Name | Project description | Funding Type | Budget for 2024/25 | Start Date | Completion date | Project Owner | Baseline/Previo us Performance- June 2024 | Project Milestone Qtr 1 (1 Jul-30 Sept '24) | Project Milestone Qtr 2 (1 Oct -31 Dec '24) | Project Milestone Qtr 3 (1 Jan - 31 Mar '25) | Project Milestone Qtr 4 (1 Apr- 30 Jun '25) | Evidence required | Source of Funding |
|--|---|------------------------|---|---|-----------------|-----------------------|------------|--------------------|------------------|---|---|---|--|--|--|----------------------|
| MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT | | | | | | | | | | | | | | | | |
| Head office | Improved governance and organisational excellence | Information Technology | Supply and installation of Inverter with batteries for ICT equipments | Supply and installation of Inverter with batteries for ICT equipments | Capex | R 1 200 000 | 01/07/2024 | 30/06/2025 | TECH | New Project | Develop Specifications and submit to SCM, Advertisement 3% (3%) | Appointment of service provider -0.5% (3.5%) | Physical progress for Installation of Inverter and Solar Panels at 50% (53.5%) | Physical progress for Installation of Inverter and Solar Panels at 100% (100%) | Approved Specification /Tender Advert/Appointment letter/Progress report/Practical or completion certificate | Own Revenue |
| Head office | Improved governance and organisational excellence | Assets Management | Installation of 10 Cubicles at Kgapane Old Sub office | Supply and installation of 10 Cubicles at Kgapane Old Sub-Office | Capex | R 250 000 | 01/07/2024 | 30/06/2025 | CSD | New Project | Develop Specifications and submit to SCM - 10% | Tender Advertisement - 5% (15%) | Appointment of service provider -5% (20%) | Cubicles installed- 80% (100%) | Approved Specification /Tender Advert/Appointment letter/Payment Voucher/Practical or completion certificate | Own Revenue |
| | Improved governance and organisational excellence | Assets Management | Supply and installation of Air Conditioners in Mokwekwaila Thusong Centre and Library | Supply and installation of Air Conditioners in Mokwekwaila Thusong Centre and Library | Capex | R 100 000 | 01/07/2024 | 30/06/2025 | CSD | New Project | Develop Specifications and submit to SCM - 10% | Tender Advertisement - 5% (15%) | Appointment of service provider -5% (20%) | Air Conditioners installed installed- 80% (100%) | Approved Specification /Tender Advert/Appointment letter/Payment Voucher/Practical or completion certificate | Own Revenue |
| Head office | Improved governance and organisational excellence | Assets Management | Air conditioners at Kgapane Old Sub Office(8) | Supply and installation of Air conditioners at Kgapane Old Sub Office(8) | Capex | R 200 000 | 01/07/2024 | 30/06/2025 | CSD | New Project | Develop Specifications and submit to SCM - 10% | Tender Advertisement - 5% (15%) | Appointment of service provider -5% (20%) | Air Conditioners installed installed- 80% (100%) | Approved Specification /Tender Advert/Appointment letter/Payment Voucher/Practical or completion certificate | Own Revenue |
| BASIC SERVICE DELIVERY | | | | | | | | | | | | | | | | |
| Head office | Access to sustainable quality basic services | Office facilities | Municipal Offices | Municipal Offices Designs | Capex | R2 000 000 | 01/07/2024 | 30/06/2025 | TECH | PDR developed 75% | Detailed Designs developed-80% | Detailed Designs approved- 20% | N/A | N/A | Proof of submission of DDR/DDR approval letter | Own Revenue |

| | | | | | | | | | | | | | | | | |
|-------------|--|-------------------|--|--|-------|-------------|------------|------------|------|-------------|---|---|--|--|--|-------------|
| Head office | Access to sustainable quality basic services | Office facilities | Ablution facilities for Mokwakwaila Community Hall | Ablution facilities for Mokwakwaila Community Hall | Capex | R300 000 | 01/07/2024 | 30/06/2025 | TECH | New Project | Develop Specification and submit to SCM 2.5% (2.5%) | Tender advert and appointment of contractor-1% (3.5%) | Physical progress for construction at 50% (53.5%) | Physical progress for construction at 100% (100%) | Approved Specification/Tender Advert/Appointment letter/Progress report/Practical or completion certificate | Own Revenue |
| 19 | Access to sustainable quality basic services | Roads | Construction of Mohlabaneng street paving | Construction of Street Paving at Mohlabaneng | Capex | R1 000 000 | 01/07/2024 | 30/06/2025 | TECH | New Project | N/A | Registration of Mohlabaneng street paving intersection for MIG funding- 1% (1%) | Develop Specification and tender advert- 3% (4%) | Appoint service provider and physical progress for construction at 20% (25%) | MIG registration letter/Approved Specification/Tender advert/ Progress report | Own Revenue |
| 29 | Access to sustainable quality basic services | Electricity | Refurbishing of LV network (Kloof & kerk) | Refurbishment of LV network | Capex | R 2 000 000 | 01/07/2024 | 30/06/2025 | TECH | New Project | Develop Specification and Submit to SCM and tender Advertisement (2.5%) | Appointment of service provider (Construction) -1% (3.5%) | Physical progress for refurbishment of LV network Mable street at 20%(23.5%) | Physical progress for refurbishment of LV network Mable street at 100%(100%) | Approved Specification/Tender Advert/Appointment letter/Progress report/ Practical or completion certificate | Own Revenue |
| 29 | Access to sustainable quality basic services | Electricity | Pole replacement HT 33 KV line | Pole replacement HT 33 KV line | Capex | R 750 000 | 01/07/2024 | 30/06/2025 | TECH | New Project | Develop Specification and submit to SCM and tender Advertisement (3%) | Appointment of service provider - 0.5% (3.5%) | Physical progress for Pole replacement HT 33 KV at 40% (43.5%) | Physical progress for Pole replacement HT 33 KV at 100% (100%) | Approved Specification/Tender Advert/Appointment letter/Progress report/ Practical or completion certificate | Own Revenue |
| 29 | Access to sustainable quality basic services | Electricity | Pole replacement HT 11 KV line | Pole replacement HT 11 KV line | Capex | R 800 000 | 01/07/2024 | 30/06/2025 | TECH | New Project | Develop Specification and submit to SCM and tender Advertisement (3%) | Appointment of service provider - 0.5% (3.5%) | Physical progress for Pole replacement HT 11 KV at 40% (43.5%) | Physical progress for Pole replacement HT 11 KV at 100% (100%) | Approved Specification/Tender Advert/Appointment letter/Progress report/ Practical or completion certificate | Own Revenue |
| 29 | Access to sustainable quality basic services | Electricity | Low Voltage Cable Fault Locator | Low Voltage Cable Fault Locator | Capex | R 420 000 | 01/07/2024 | 30/06/2025 | TECH | New Project | Develop Specification and submit to SCM, Tender advert 15% (15%) | Appointment of service provider - 10% (25%) | N/A | Low Voltage Cable Fault Locator Acquired- 100% (100%) | Approved Specification/Tender Advert/Appointment letter/Payment voucher and Delivery Note | Own Revenue |
| 29 | Access to sustainable quality basic services | Electricity | Conductor upgrade Old Age towards Tzaneen Incomer | Conductor upgrade Old Age towards Tzaneen Incomer | Capex | R 1 500 000 | 01/07/2024 | 30/06/2025 | TECH | New Project | Develop Specification and submit to SCM- 2% (2%) | Tender advertisement and appointment of service provider- 1.5% (3.5%) | Physical progress for construction at 50% (53.5%) | Physical progress for construction at 100% (100%) | Approved Specification/Tender Advert/Appointment letter/Progress report/ Practical or completion certificate | Own Revenue |

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|-----------------------------------|--|----------------------------|--|---|-------|-------------|------------|------------|------|-----------------------------------|---|---------------------------------|--|--|---|-------------|
| 30 | Access to sustainable quality basic services | Roads | Designs for Ramphenyane Bridge | Designs for Ramphenyane Bridge | Capex | R 1 000 000 | 01/07/2024 | 30/06/2025 | TECH | Preliminary designs developed- 2% | Develop & approve Detailed Designs- 0.5% (2.5%) | N/A | N/A | Approve Detailed Designs-0.5% (2.5%) | Detailed designs approval letter | MIG |
| LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | | | | | | | | |
| | Improved and inclusive local economy | Local Economic Development | Designs for Town Establishment at Ext 4 Modjadjiskloof Vrystaat Farm | Designs for Town Establishment at Ext. 4 Modjadjiskloof Vrystaat Farm | Capex | R 150 000 | 01/07/2024 | 30/06/2025 | PLAN | New Project | Develop Specifications and submit to SCM - 10% | Tender Advertisement - 5% (15%) | Appointment of service provider - 5% (20%) | completion of Designs at Extention 4.Modjadjiskloof Vrystaat Farm (100%) | Approved Specifications/Tender Advert/ Appointment Letter/ Precinct Plans | Own Revenue |

3-year Capital Works Plan by Ward

| Ward | Project Name | Start date | Completion date | 2024/25 Monthly Expenditure Projections | | | | | | | | | | | | MTREF Budget allocation | | | Source of Funding | |
|-------------|---|------------|-----------------|---|---------|----------|---------|---------|---------|---------|------------|---------|---------|-------------|---------|-------------------------|------------|------------|-------------------|-------------|
| | | | | July '24 | Aug '24 | Sept '24 | Oct '24 | Nov '24 | Dec '24 | Jan '25 | Feb '25 | Mar '25 | Apr '25 | May '25 | Jun '25 | 2024/25 | 2025/26 | 2026/27 | | |
| | | | | ADMINISTRATION (MTOD, MFVM & GG) | | | | | | | | | | | | | | | | |
| Head office | Supply and installation of ICT Networks and Equipments for new Offices | 01/07/2024 | 30/06/2025 | | | | | | | | | | | | | | | | | |
| | | | | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R600 000 | R0 | R0 | R0 | R0 | R600 000 | R0 | R0 | R0 | Own revenue |
| Ward 27 | Supply and installation of Air Conditioners in Mokwakwaila Thusong Centre and Library | 01/07/2024 | 30/06/2025 | | | | | | | | | | | | | | | | | |
| | | | | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R100 000 | R0 | R0 | R0 | R0 | R100 000 | R0 | R0 | R0 | Own revenue |
| All Wards | Supply and delivery of 30 Skip Bins | 01/07/2024 | 30/06/2025 | | | | | | | | | | | | | | | | | |
| | | | | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R1 600 000 | R0 | R0 | R0 | R0 | R1 600 000 | R0 | R0 | R0 | Own revenue |
| Head office | Supply and delivery of emergency transformers | 01/07/2024 | 30/06/2025 | | | | | | | | | | | | | | | | | |
| | | | | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R2 000 000 | R0 | R0 | R0 | R0 | R1 500 000 | R1 000 000 | R1 000 000 | R1 000 000 | Own revenue |
| Ward 4 | Supply and installation of cubicles at Kgapane Old Sub-Office | 01/07/2024 | 30/06/2025 | | | | | | | | | | | | | | | | | |
| | | | | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R250 000 | R0 | R0 | R0 | R0 | R250 000 | R0 | R0 | R0 | Own revenue |
| Wasrd 29 | Conductor upgrade Old Age towards Tzaneen Incomer | 01/07/2024 | 30/06/2025 | | | | | | | | | | | | | | | | | |
| | | | | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R1 500 000 | R0 | R0 | R0 | R0 | R1 500 000 | R0 | R0 | R0 | Own revenue |
| All Wards | Supply and construction of HighMast lights | 01/07/2024 | 30/06/2025 | | | | | | | | | | | | | | | | | |
| | | | | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R1 500 000 | R0 | R0 | Own revenue | R0 | R1 500 000 | R0 | R0 | R0 | Own revenue |
| Head office | Low Voltage Cable Fault Locator | 01/07/2024 | 30/06/2025 | | | | | | | | | | | | | | | | | |
| | | | | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R420 000 | R0 | R0 | R0 | R0 | R420 000 | R0 | R0 | R0 | Own revenue |

| | | | | | | | | | | | | | | | | | | | |
|--------------|--|------------|------------|----------|----------|----------|----------|----------|----------|----------|------------|----------|----------|----------|----------|-------------|------------|-------------|-----------------|
| Head office | Supply and installation of Inverters at Modjadjiskloof DLTC and Kgapane Old Sub Office | 01/07/2024 | 30/06/2025 | R0 | R300 000 | R0 | R0 | R0 | R0 | R300 000 | R0 | R0 | Own revenue |
| Ward 29 | Designs for Town Establishment at Ext 4 Modjadjiskloof Vrystaat Farm | 01/07/2024 | 30/06/2025 | R0 | R150 000 | R0 | R0 | R0 | R0 | R150 000 | R0 | R0 | Own revenue |
| Head office | Supply and installation of inverter with batteries for ICT equipments | 01/07/2024 | 30/06/2025 | R0 | R1 200 000 | R0 | R0 | R0 | R0 | R1 200 000 | R0 | R0 | Own revenue |
| Head office | Municipal Office Designs | 01/07/2024 | 30/06/2025 | R0 | R2 000 000 | R0 | R0 | R0 | R0 | R2 000 000 | R3 000 000 | R6 000 000 | Own revenue |
| Ward 2 | Construction of Motsinoni Street Paving 1.5Km | 01/07/2024 | 30/06/2025 | R495 924 | R495 924 | R495 924 | R495 924 | R495 924 | R5 951 087 | R0 | R0 | Own revenue |
| Ward 15 | Mohlabaeng Street Paving | 01/07/2024 | 30/06/2025 | R0 | R200 000 | R0 | R0 | R0 | R0 | R1 000 000 | R0 | R0 | Own revenue |
| (BSD) | | | | | | | | | | | | | | | | | | | |
| Ward 5 | Burkinafaso Street Paving | 01/07/2024 | 30/06/2025 | R958 333 | R958 333 | R958 333 | R958 333 | R958 333 | R11 500 000 | R5 710 567 | R0 | Own revenue |
| Ward 1 | Construction of Boshakge Bridge | 01/07/2024 | 30/06/2025 | R0 | R1 900 000 | R0 | R0 | R0 | R0 | R1 900 000 | R9 000 000 | R4 000 000 | Own revenue |
| Ward 1 | Construction of Thibeni Street Paving 2.3Km | 01/07/2024 | 30/06/2025 | R503 048 | R503 048 | R503 048 | R503 048 | R503 048 | R6 036 587 | R6 000 000 | R0 | Own revenue |
| Ward 25 | Construction of Abel Street Paving | 01/07/2024 | 30/06/2025 | R743 139 | R743 139 | R743 139 | R743 139 | R743 139 | R8 917 674 | R0 | R0 | Own revenue |
| Ward 23 | Maupa Street Paving | 01/07/2024 | 30/06/2025 | R950 000 | R950 000 | R950 000 | R950 000 | R950 000 | R950 000 | R9 143 740 | R10 270 550 | Own revenue&MIG |

| | | | | | | | | | | | | | | | | | | | |
|---------|--|------------|------------|----------|----------|----------|----------|----------|----------|----------|-------------|----------|----------|----------|------------|-------------|-------------|-------------|-------------|
| Ward 29 | Pole HT 11 KV line replacement | 01/07/2024 | 30/06/2025 | R0 | R 800 000 | R0 | R0 | R0 | R0 | R 800 000 | R1 000 000 | R1 000 000 | Own revenue |
| Ward 29 | Refurbishment of LV network | 01/07/2024 | 30/06/2025 | R0 | R 2 000 000 | R0 | R0 | R0 | R1 000 000 | R 2 000 000 | R 2 000 000 | R 3 000 000 | Own revenue |
| Ward 29 | HT Cable refurbishment | 01/07/2024 | 30/06/2025 | R0 | R 1 500 000 | R0 | R0 | R0 | R0 | R 1 500 000 | R2 500 000 | R4 000 000 | Own revenue |
| Ward 4 | Construction of Masakhaneng Street Paving 3Km plus pedestrian bridge | 01/07/2024 | 30/06/2025 | R587 868 | R587 868 | R587 868 | R587 868 | R587 868 | R7 054 425 | R13 017 993 | R0 | MIG |
| Ward 25 | Ramodumo Street paving 3.5Km | 01/07/2024 | 30/06/2025 | R592 955 | R592 955 | R592 955 | R592 955 | R592 955 | R 7 115 463 | R0 | R0 | MIG |
| Ward 21 | Construction of Ramaroka Street Paving 3.4Km | 01/07/2024 | 30/06/2025 | R300 340 | R300 340 | R300 340 | R300 340 | R300 340 | R 3 604 088 | R10 000 000 | R15 000 000 | MIG |
| Ward 6 | Ramphenyan e bridge | 01/07/2024 | 30/06/2025 | R83 333 | R83 333 | R83 333 | R83 333 | R83 333 | R 1 000 000 | R1 000 000 | R10 000 000 | MIG |
| Ward 11 | Matswi Outdoor Gym equipments and a shade | 01/07/2024 | 30/06/2025 | R0 | R600 000 | R0 | R0 | R0 | R0 | R600 000 | R0 | R0 | MIG |
| Ward 2 | Bodupe Outdoor Gym equipments and a shade | 01/07/2024 | 30/06/2025 | R0 | R600 000 | R0 | R0 | R0 | R0 | R600 000 | R0 | R0 | MIG |
| Ward 28 | Rotterdam Outdoor Gym equipments and a shade | 01/07/2024 | 30/06/2025 | R0 | R600 000 | R0 | R0 | R0 | R0 | R600 000 | R0 | R0 | MIG |
| Ward 29 | Sekgopo Sports facility(Two combi courts and Grandstand) | 01/07/2024 | 30/06/2025 | R241 666 | R241 666 | R241 666 | R241 666 | R241 666 | R2 900 000 | R0 | R0 | MIG |

SERVICE PROVIDERS PERFORMANCE ASSESSMENT FOR 2024/25 FINANCIAL YEAR



GREATER LETABA MUNICIPALITY



| | |
|---|--------------|
| 1 | Poor |
| 2 | Fair |
| 3 | Good |
| 4 | Satisfactory |
| 5 | Excellent |

| Project Name | Project/Contract No | Funding | Contract Amount | Name of Service Provider | Award Date | Status | Performance Rating | Challenges |
|---|---------------------|-------------------|-----------------|--|------------|--------|--------------------|-------------------|
| Design for the extension of Municipal Main Office | GLM009/2021 | Own Revenue | R 500 000,00 | Black Creed | 20-Nov-20 | Active | 3 | NONE |
| Construction of Madumeleng/Shotong Sports Complex | GLM019/2016 | MIG & Own Revenue | R 40 890 407,81 | Maduke Trading (Pty) Ltd | 06-Sept-18 | Active | 1 | SP abandoned site |
| Roerfontein Roads and Stormwater Construction of Roerfontein low level bridge | GLM014/2022 | MDRG | R 847 579,30 | Xalamuka Built Environment JV | 27-Jun-23 | Active | 3 | NONE |
| Itieleng Roads and Stormwater- Itieleng regravelling 1,2 KM | GLM014/2022 | MDRG | R 1 500 000,00 | Bilmond Trading | 27-Jun-23 | Active | 3 | NONE |
| Construction of Buqa low level bridge | GLM014/2022 | MDRG | R 900 378,55 | Nkomazi Lemetja JV | 15-Jun-23 | Active | 3 | NONE |
| Construction of Street Paving at Raphahlelo/Phooko (2,48KM) multi-year | GLM009/2021/3-C | Own Revenue | R 23 498 851,55 | Zevofusion (Pty) Ltd JV dzungeni Group JV Machaba Tau Construction | 03-Jun-21 | Active | 4 | NONE |

| | | | | | | | | |
|--|-----------------|-------------------|-----------------|--|------------|--------|---|------|
| Construction of Street Paving at Ramodumo (3,5KM) multi-year | GLM003/2023 | MIG & Own Revenue | R 25 000 884,46 | GPMVR Multi Projects cc JV Mothikeni Investments (Pty) Ltd | 07-Sept-22 | Active | 3 | NONE |
| Construction of Access Bridge at Rampepe (multi-year) | GLM013/2022 | Own Revenue | R 8 754 765,38 | Tzaneen Afri Investment (Pty) Ltd | 28 Feb 200 | Active | 2 | NONE |
| Construction of Abel Street Paving (2,8KM) multi-year | GLM009/2023 | MIG & Own Revenue | R 25 199 386,33 | Leb P Construction JV Mod J Projects | 21-Nov-22 | Active | 3 | NONE |
| Construction of Street Paving at Mohlabaneng (3,3KM) multi-year | GLM009/2021/1-C | MIG & Own Revenue | R 29 089 647,11 | Leb P Construction | 03-Jun-21 | Active | 3 | NONE |
| Construction of Moshakga/Makaba Street Paving (2,5KM) multi-year | GLM003/2024 | MIG | R 23 766 540,02 | Manco Business Enterprise | 18-Oct-23 | Active | 4 | NONE |
| Designs of Boshakge bridge | GLM009/2020 | Own Revenue | R 400 000,00 | Major Quality Investments (Pty) Ltd | 12-Apr-24 | Active | 3 | NONE |
| Construction of Motsinoni Street Paving (1,5KM) | GLM007/2023 | Own Revenue | R 17 360 551,85 | Martmol Trading cc | 22-Sept-22 | Active | 4 | NONE |
| Construction of Thibeni Street Paving (2,3KM) multi-year | GLM008/2023 | Own Revenue | R 19 053 477,70 | Double Hot Spot (Pty) Ltd | 22-Sept-22 | Active | 3 | NONE |
| Construction of Burkino Faso Street Paving (2KM) multi-year | GLM002/2024 | MIG | R 40 725 220,26 | Leb P Construction | 18-Oct-23 | Active | 3 | NONE |
| Construction of Maupa Street Paving (4,9KM) multi-year | GLM001/2024 | MIG | R 39 953 871,63 | Martmol Trading cc | 18-Oct-23 | Active | 3 | NONE |
| Construction of Masakhaneng Street Paving (3,1Km) multi-year | GLM009/2024 | MIG | R 21 759 349,81 | Manco Business Enterprise | 14-Dec-23 | Active | 4 | NONE |
| Supply and Delivery of 2 Traffic Vehicles | O/N 44355 | Own Revenue | R 789 584,26 | Isuzu | 04-Feb-24 | Active | 3 | NONE |

| | | | | | | | | |
|--|-------------|-------------|----------------|---|-----------|--------|---|------|
| Refurbishment of LV Network at pearl and Orchards Street Modjadjiskloof | GLM013/2024 | Own Revenue | R 1 606 334,97 | OTS Electrical | 21-Dec-23 | Active | 3 | NONE |
| Replacement of old HT cables Spar to FNB Modjadjiskloof | GLM008/2024 | Own Revenue | R 1 867 096,50 | Risima Projects Management | 18-Dec-23 | Active | 3 | NONE |
| Supply and Delivery of mobile scarfolding | O/N 44503 | Own Revenue | R 78 350,00 | Sekhumis General Plumbing | 16-Apr-24 | Active | 3 | NONE |
| Design of Maphalle landfill site phase 2 multi-year | GLM009/2021 | MIG | R 2 500 000,00 | Kipp Consulting Engineers | 06-Jul-21 | Active | 3 | NONE |
| Supply and Delivery of 20 Grass Cutters | GLM019/2024 | Own Revenue | R 378 000,00 | Phadu Holdings | 08-Jan-24 | Active | 3 | NONE |
| Supply and Delivery of 11 Skip Bins (6 cubic meters) | GLM029/2023 | Own Revenue | R 940 000,00 | Daily Breez (Pty) Ltd | 27-Jun-23 | Active | 3 | NONE |
| Supply and Construction of Highmast lights in various villages (Kgapane Cluster) | GLM017/2023 | MIG | R 1 494 759,75 | Thotogelo MP Construction and Projects | 14-Dec-22 | Active | 3 | NONE |
| Supply and Construction of Highmast lights in various villages (Mokwakwaila Cluster) | GLM018/2023 | MIG | R 1 542 322,50 | Mpfumu Trading and Projects | 26-May-23 | Active | 3 | NONE |
| Regravelling of Rapitsi internal streets | GLM014/2022 | MDRG | R 1 476 773,00 | FJRIC Construction and Projects (Pty) Ltd | 12-Mar-24 | Active | 3 | NONE |
| Construction of Tshamahansi low level bridge | GLM014/2022 | MDRG | R 1 159 952,93 | Nkumani Multi Projects | 12-Mar-24 | Active | 4 | NONE |
| Construction of Mokwasele low level bridge | GLM014/2022 | MDRG | R 1 498 709,49 | B-Tech Consulting JV EasyTech | 12-Mar-24 | Active | 3 | NONE |

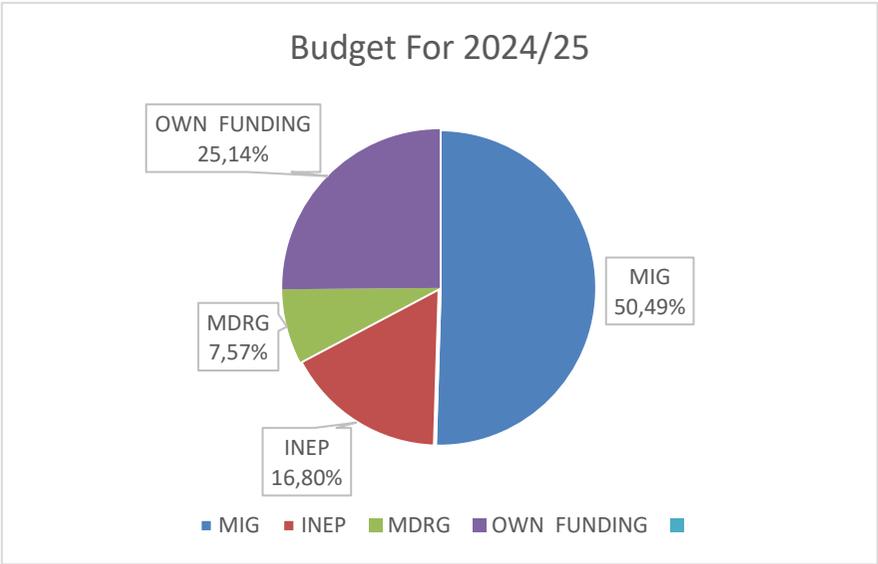
| | | | | | | | | |
|---|-------------|------|----------------|----------------------------------|-----------|--------|---|------|
| Construction of Sekgopo Ramoadi low level bridge | GLM014/2022 | MDRG | R 1 317 125,23 | Carpus Construction and Projects | 12-Mar-24 | Active | 3 | NONE |
| Construction of Sekgopo Ramaroka low level bridge | GLM014/2022 | MDRG | R 1 190 942,36 | Mathpower Trading and Projects | 12-Mar-24 | Active | 3 | NONE |
| New Electricity connections at Carel Garden 1 and 2 | GLM007/2024 | INEP | R 2 448 000,00 | OTS Electrical | 29-Nov-23 | Active | 3 | NONE |
| New Electricity connections at Itieleng (Matswi) | GLM006/2024 | INEP | R 1 867 096,50 | Risima Projects Management | 29-Nov-23 | Active | 3 | NONE |

SERVICE DELIVERY BACKLOG AS AT JUNE 2025

| SERVICES | HOUSEHOLDS/ ROADS | ACCESS | % ACCESS | BACKLOG | % BACKLOG |
|--------------------------|----------------------|--------|----------|---------|-----------|
| Water | 65 220 | 48 934 | 84% | 9 328 | 16% |
| Sanitation | 65 220 | 60 218 | 92% | 46 306 | 8% |
| Electricity | 65 220 | 63 263 | 97% | 1 957 | 3% |
| Housing | 65 220 | 62 169 | 95% | 3 051 | 5% |
| Roads | 1213KM | 517 | 43% | 696 | 57% |
| Waste (Proclaimed Areas) | 65 220 | 11 088 | 17% | 54 132 | 83% |

2024/25 CAPITAL BUDGET SUMMARY

| Source Of Capital | Budget For 2024/25 | % |
|--------------------|--------------------|--------|
| MIG | R83 623 800 | 50,49% |
| INEP | R27 833 000 | 16,80% |
| MDRG | R12 540 942 | 9,10% |
| OWN FUNDING | R41 633 501 | 25,14% |
| TOTAL | R165 631 243 | |



APPENDIX S – GREATER LETABA MUNICIPALITY AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025



Greater Letaba Municipality
(Registration number LIM332)
Annual financial statements
for the year ended 30 June 2025

Greater Letaba Municipality

(Registration number LIM332)

Annual Financial Statements for the year ended June 30, 2025

General Information

Legal form of entity

Local Municipality

Nature of business and principal activities

Providing municipal services and maintaining the best interest of the local community mainly in the Greater Letaba area.

Mayoral committee

Executive committee

Cllr Mamanyoha T.D (Mayor)
Cllr Mokwathi M.M (Speaker)
Cllr Ramalatso R.R (Whip of Council)
Cllr Baloyi R.G (Infrastructure)
Cllr Kgapane T.J (Finance)
Cllr Lebeko N.F (Corporate & Shared Services)
Cllr Mosila M.R (Community Services)
Cllr Ramaano M R (Sports Arts & Culture)
Cllr Ramaremela M.L (Economic Development, Housing & Spatial Planning)
Cllr Selowa M.G (Water & Sanitation)
Cllr Mangena M.S (Environmental)
Cllr Mothele M.D (Road and Public Transport)
Cllr Hlungwani S.J

Councillors

Cllr Kgatla ME
Cllr Lebepe R.R
Cllr Lebeya J.M
Cllr Lekitima M.V
Cllr Maake M.S
Cllr Maake NL
Cllr Mabidilala E
Cllr Makgatho T.E
Cllr Makhananisa M.D
Cllr Makhurupetse M.M (Chairperson of MPAC)
Cllr Malatja T.P
Cllr Malatji M.C
Cllr Malatji ME
Cllr Maluleke M.J
Cllr Mamaila B.A
Cllr Mamatlepa DD
Cllr Mampeule P.J
Cllr Mankgero M.M
Cllr Manyama M.I (Chairperson of Ethics)
Cllr Mashao M.C
Cllr Mashao MG
Cllr Matlou MP
Cllr Modika MS
Cllr Modjadji G.C.H
Cllr Mohale M.J (Chairperson of Women Commission)
Cllr Mohale R.W
Cllr Mokgomola N.P
Cllr Mokhabukhi M.S
Cllr Mukhufhi AS
Cllr Monyela K.B
Cllr Moroatshehla F.M

Greater Letaba Municipality

(Registration number LIM332)

Annual Financial Statements for the year ended June 30, 2025

General Information

Cllr Morwatshehla M.B

Cllr Mothomogolo P.S

Cllr Mulaudzi P

Cllr Nakana M.R

Cllr Ndimba B.H

Cllr Ngobeni M.P

Cllr Ramabubutla L

Cllr Ramalatso MA

Cllr Rampyapedi S.E

Cllr Rasebotja M.S

Cllr Raseropo M.S

Cllr Rasetsoke M.C

Cllr Selowa D.L

Cllr Senyolo T.J

Cllr Seoka L.M

Cllr Serumula M.L

Grading of local authority

Category B, Grade 3 Local Municipality

Audit Committee Members

Mr Marobane N (Chairperson)

Mrs Mudau F.J

Mr Teffo S.J

Mr Molokomme CW

Chief Finance Officer (CFO)

Ms AN Sesene

Accounting Officer

Mr MO Sewape

Registered office

Civic Centre

44 Botha Street

Modjadjiskloof

Limpopo

Business address

Civic Centre

44 Botha Street

Modjadjiskloof

Limpopo

0835

Postal address

PO Box 36

Modjadjiskloof

0835

Bankers

First National Bank

Auditors

Auditor General of South Africa

Enabling Legislations

Division of Revenue Act (Act No. 3 of 2016)

Municipal Finance Management Act (Act No. 56 of 2003)

Municipal Property Rates Acr (Act No. 6 of 2000)

Municipal System Act (Act No. 32 of 2000)

Municipal Structure Act (Act No. 117 of 1998)

Greater Letaba Municipality

(Registration number LIM332)

Annual Financial Statements for the year ended June 30, 2025

Index

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

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| Statement of Financial Performance | 7 |
| Statement of Changes in Net Assets | 8 |
| Cash Flow Statement | 9 |
| Statement of Comparison of Budget and Actual Amounts | 10 - 14 |
| Appropriation Statement | 14 |
| Accounting Policies | 14 - 41 |
| Notes to the Annual Financial Statements | 41 - 93 |

| | |
|------|---|
| COID | Compensation for Occupational Injuries and Diseases |
| GRAP | Generally Recognised Accounting Practice |
| AGSA | Auditor General South Africa |
| WIP | Work In Progress |
| MPAC | Municipal Public Accounts Committee |
| MEC | Member of the Executive Council |
| MFMA | Municipal Finance Management Act |
| MIG | Municipal Infrastructure Grant |
| PAYE | Pay As You Earn |
| WCA | Workers Compensation Assistance |
| UIF | Unemployment Insurance Fund |

Greater Letaba Municipality

(Registration number LIM332)

Annual Financial Statements for the year ended June 30, 2025

Accounting Officer's Responsibility and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year end to June 30, 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 dependent on continued funding from the National Treasury, primarily through intergovernmental transfers such as the Equitable Share Allocation and the Municipal Infrastructure Grant (MIG), to sustain its operations.. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

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

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

The annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2025 and were signed on its behalf by:



Mr MO Sewape
Municipal Manager

Greater Letaba Municipality

(Registration number LIM332)

Annual Financial Statements for the year ended June 30, 2025

Accounting Officer's Report

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

1. Review of activities

Main business and operations

The municipality is engaged in providing municipal services and maintaining the best interest of the local community mainly in the Greater Letaba area. and operates principally in South Africa.

2. Going concern

We draw attention to the fact that at June 30, 2025, the municipality had an accumulated surplus of R 1,218,463,394 and that the municipality's total assets exceed its total liabilities by R 1,218,439,652.

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

Going Concern disclosure is contained in note 54 of the notes to the financial statements

3. Subsequent events

No subsequent events identified for the year under review.

4. Accounting Officers' interest in contracts

None have been identified.

5. Accounting policies

The annual financial statements prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board and in accordance with section 122(3) of the Municipal Finance Management Act, (Act No. 56 of 2003).

6. Accounting Officer

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

Name

Mr MO Sewape

The annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2025 and were signed on its behalf by:



Mr MO Sewape
Municipal Manager

Greater Letaba Municipality

(Registration number LIM332)

Annual Financial Statements for the year ended June 30, 2025

Statement of Financial Position as at June 30, 2025

| Figures in Rand | Note(s) | 2025 | 2024 Restated* |
|---|---------|----------------------|----------------------|
| Assets | | | |
| Current Assets | | | |
| Inventories | 7 | 9,466,917 | 10,452,612 |
| Receivables from exchange transactions - General | 8 | 29,760,338 | 24,472,764 |
| Receivables from non-exchange transactions | 9 | 1,264,270 | 2,860,476 |
| VAT receivable - Statutory | 10 | 8,159,273 | 1,334,558 |
| Receivable from exchange transactions -Consumer debtors | 11 | 8,348,273 | 6,201,339 |
| Cash and cash equivalents | 12 | 12,552,113 | 12,486,446 |
| | | 69,551,184 | 57,808,195 |
| Non-Current Assets | | | |
| Investment property | 2 | 169,576 | 178,568 |
| Property, plant and equipment | 3 | 1,280,329,005 | 1,209,887,351 |
| Intangible assets | 4 | 14,708 | 29,699 |
| Heritage assets | 5 | 914,424 | 914,424 |
| | | 1,281,427,713 | 1,211,010,042 |
| Total Assets | | 1,350,978,897 | 1,268,818,237 |
| Liabilities | | | |
| Current Liabilities | | | |
| Finance lease obligation | 50 | 2,771,383 | 2,560,284 |
| Payables from exchange transactions | 15 | 69,986,558 | 79,791,320 |
| Consumer deposits | 17 | 426,399 | 409,368 |
| Employee benefit obligation | 6 | 513,000 | 804,000 |
| Unspent conditional grants and receipts | 13 | - | 5,084,978 |
| VAT Payable Accrual | 14 | 33,571,984 | 27,146,072 |
| | | 107,269,324 | 115,796,022 |
| Non-Current Liabilities | | | |
| Finance lease obligation | 50 | 1,036,667 | 3,692,741 |
| Employee benefit obligation | 6 | 24,209,511 | 23,369,748 |
| | | 25,246,178 | 27,062,489 |
| Total Liabilities | | 132,515,502 | 142,858,511 |
| Net Assets | | 1,218,463,395 | 1,125,959,726 |
| Accumulated surplus | | 1,218,439,652 | 1,125,959,726 |
| Total Net Assets | | 1,218,439,652 | 1,125,959,726 |

* See Note 53

Greater Letaba Municipality

(Registration number LIM332)

Annual Financial Statements for the year ended June 30, 2025

Statement of Financial Performance

| Figures in Rand | Note(s) | 2025 | 2024 Restated* |
|---|---------|--------------------|--------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Service charges | 19 | 31,629,028 | 32,143,338 |
| Construction contracts | 20 | 16,940,187 | 9,561,739 |
| Rental of facilities and equipment | 21 | 49,886 | 196,610 |
| Interest received - outstanding receivables | 51 | 2,240,913 | 3,475,275 |
| Agency services | 23 | 3,253,672 | 3,127,597 |
| Licences and permits | 24 | 2,908,133 | 2,258,063 |
| Other income | 25 | 1,295,320 | 1,665,683 |
| Interest received - investment | 26 | 5,431,756 | 4,692,787 |
| Total revenue from exchange transactions | | 63,748,895 | 57,121,092 |
| Revenue from non-exchange transactions | | | |
| Taxation revenue | | | |
| Property rates | 27 | 21,898,244 | 20,495,447 |
| Interest - Property Rates | 51 | 730,049 | 236,499 |
| Transfer revenue | | | |
| Government grants & subsidies | 28 | 495,036,980 | 448,377,024 |
| Fines, Penalties and Forfeits | 22 | 15,325,442 | 352,150 |
| Total revenue from non-exchange transactions | | 532,990,715 | 469,461,120 |
| Total revenue | 18 | 596,739,610 | 526,582,212 |
| Expenditure | | | |
| Employee related costs | 31 | 155,657,942 | 142,522,477 |
| Remuneration of councillors | 32 | 33,706,368 | 32,203,230 |
| Depreciation and amortisation | 33 | 49,766,874 | 47,345,174 |
| Finance costs | 52 | 3,058,886 | 2,519,036 |
| Debt Impairment | 35 | 25,259,774 | 42,697,046 |
| Bad debts written off | 36 | 1,091,271 | - |
| Bulk purchases | 37 | 20,719,875 | 19,859,883 |
| Contracted services | 29 | 125,601,532 | 129,975,697 |
| General Expenses | 30 | 86,574,826 | 77,371,956 |
| Total expenditure | | 501,437,348 | 494,494,499 |
| Operating surplus | | 95,302,262 | 32,087,713 |
| Gain/Loss on assets | 34 | 691,479 | (3,361,751) |
| Actuarial gains/(losses) | 6 | 2,585,851 | 962,676 |
| Impairment Gains/ (Losses) | 34 | (6,075,924) | (1,011,667) |
| | | (2,798,594) | (3,410,742) |
| Surplus for the year | | 92,503,668 | 28,676,971 |

* See Note 53

Greater Letaba Municipality

(Registration number LIM332)

Annual Financial Statements for the year ended June 30, 2025

Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus | Total net assets |
|---|----------------------|----------------------|
| Balance at July 1, 2023 | 1,093,094,486 | 1,093,094,486 |
| Changes in net assets | | |
| Surplus for the year | 28,676,971 | 28,676,971 |
| Total changes | 28,676,971 | 28,676,971 |
| Opening balance as previously reported | 1,121,771,457 | 1,121,771,457 |
| Adjustments | | |
| Prior prior year adjustments | 4,188,269 | 4,188,269 |
| Restated* Balance at July 1, 2024 as restated* | 1,125,959,726 | 1,125,959,726 |
| Changes in net assets | | |
| Surplus for the year | 92,503,668 | 92,503,668 |
| Total changes | 92,503,668 | 92,503,668 |
| Balance at June 30, 2025 | 1,218,463,394 | 1,218,463,394 |
| Note(s) | | |

* See Note 53

Greater Letaba Municipality

(Registration number LIM332)

Annual Financial Statements for the year ended June 30, 2025

Cash Flow Statement

| Figures in Rand | Note(s) | 2025 | 2024 Restated* |
|---|---------|-----------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Sale of goods and services | | 60,616,820 | 37,872,536 |
| Grants | | 495,036,980 | 453,462,002 |
| Interest income | | 6,330,227 | 6,108,141 |
| Property rates and fines | | 8,316,061 | 8,682,582 |
| Revenue collected on behalf of principle agent | | 24,439,467 | 22,075,521 |
| Other Income | | 1,345,206 | 1,665,683 |
| Tax received - Refund from SARS | | - | 1,558,219 |
| | | <u>596,084,761</u> | <u>531,424,684</u> |
| Payments | | | |
| Employee costs | | (187,799,544) | (174,075,376) |
| Suppliers | | (247,331,254) | (224,664,287) |
| Finance costs | | (211,284) | (155,668) |
| Expenditure incurred on behalf of principle agent | | (30,145,915) | (33,069,406) |
| cashflow of discontinued | | - | - |
| Tax paid to the suppliers | | (6,824,716) | - |
| | | <u>(472,312,713)</u> | <u>(431,964,737)</u> |
| Net cash flows from operating activities | 39 | <u>123,772,048</u> | <u>99,459,947</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 3 | (122,283,132) | (91,474,860) |
| Proceeds from disposal of property, plant and equipment | 3 | 1,137,035 | 1,156,935 |
| Net cash flows from investing activities | | <u>(121,146,097)</u> | <u>(90,317,925)</u> |
| Cash flows from financing activities | | | |
| Finance lease payments | | (2,560,284) | (238,360) |
| Net increase/(decrease) in cash and cash equivalents | | 65,667 | 8,903,662 |
| Cash and cash equivalents at the beginning of the year | | 12,486,446 | 3,582,784 |
| Cash and cash equivalents at the end of the year | 12 | <u>12,552,113</u> | <u>12,486,446</u> |

* See Note 53

Greater Letaba Municipality

(Registration number LIM332)

Annual Financial Statements for the year ended June 30, 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|----------------------|---------------------|----------------------|------------------------------------|--|-----------|
| Figures in Rand | | | | | | |
| Statement of Financial Performance | | | | | | |
| Revenue | | | | | | |
| Revenue from exchange transactions | | | | | | |
| Service charges | 34,436,000 | - | 34,436,000 | 31,629,028 | (2,806,972) | 1 |
| Construction contracts | - | - | - | 16,940,187 | 16,940,187 | |
| Rental of facilities and equipment | 261,000 | - | 261,000 | 49,886 | (211,114) | 9 |
| Interest received - outstanding receivables | 3,935,000 | - | 3,935,000 | 2,240,913 | (1,694,087) | 2 |
| Agency services | 3,533,000 | - | 3,533,000 | 3,253,672 | (279,328) | 3 |
| Licences and permits | 23,627,000 | - | 23,627,000 | 2,908,133 | (20,718,867) | 4 |
| Other income | 2,443,000 | - | 2,443,000 | 1,295,320 | (1,147,680) | 5 |
| Interest received - investments | 4,888,000 | - | 4,888,000 | 5,431,756 | 543,756 | 6 |
| Total revenue from exchange transactions | 73,123,000 | - | 73,123,000 | 63,748,895 | (9,374,105) | |
| Revenue from non-exchange transactions | | | | | | |
| Taxation revenue | | | | | | |
| Property rates | 21,522,000 | - | 21,522,000 | 21,898,244 | 376,244 | 7 |
| Gain on disposal of assets | 839,000 | - | 839,000 | - | (839,000) | 32 |
| Interest - Property Rates | 2,726,000 | - | 2,726,000 | 730,049 | (1,995,951) | 8 |
| Transfer revenue | | | | | | |
| Government grants & subsidies | 423,528,000 | - | 423,528,000 | 495,036,980 | 71,508,980 | 10 |
| Fines, Penalties and Forfeits | 629,000 | - | 629,000 | 15,325,442 | 14,696,442 | 19 |
| Total revenue from non-exchange transactions | 449,244,000 | - | 449,244,000 | 532,990,715 | 83,746,715 | |
| Expenditure | | | | | | |
| Employee related costs | (151,912,000) | (150,000) | (152,062,000) | (155,657,942) | (3,595,942) | 11 |
| Remuneration of councillors | (32,821,000) | - | (32,821,000) | (33,706,368) | (885,368) | 12 |
| Depreciation and amortisation | (27,004,000) | - | (27,004,000) | (49,766,871) | (22,762,871) | 13 |
| Impairment loss/ Reversal of impairments | - | - | - | (6,075,924) | (6,075,924) | 34 |
| Finance costs | (81,000) | - | (81,000) | (3,058,886) | (2,977,886) | 17 |
| Debt Impairment | (15,955,000) | 1,955,000 | (14,000,000) | (25,259,774) | (11,259,774) | 14 |
| Bulk purchases | (22,615,000) | - | (22,615,000) | (20,719,875) | 1,895,125 | 15 |
| Contracted Services | (114,984,000) | (22,627,000) | (137,611,000) | (125,601,532) | 12,009,468 | 16 |
| General Expenses | (102,156,000) | (3,453,000) | (105,609,000) | (86,574,826) | 19,034,174 | 18 |
| Irrecoverable debts written off | - | (1,955,000) | (1,955,000) | (1,091,271) | 863,729 | 33 |
| Total expenditure | (467,528,000) | (26,230,000) | (493,758,000) | (507,513,269) | (13,755,269) | |
| Operating surplus | 54,839,000 | (26,230,000) | 28,609,000 | 89,226,341 | 60,617,341 | |
| Gain on disposal of assets and liabilities | - | - | - | 691,479 | 691,479 | 32 |
| Transfers and subsidies - capital | 68,954,000 | 26,951,000 | 95,905,000 | - | (95,905,000) | 35 |
| Actuarial gains/losses | - | - | - | 2,585,851 | 2,585,851 | 36 |
| | 68,954,000 | 26,951,000 | 95,905,000 | 3,277,330 | (92,627,670) | |
| Surplus before taxation | 123,793,000 | 721,000 | 124,514,000 | 92,503,671 | (32,010,329) | |

Greater Letaba Municipality

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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 | | | | | | |
| Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement | 123,793,000 | 721,000 | 124,514,000 | 92,503,671 | (32,010,329) | |

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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 | 9,819,000 | 443,000 | 10,262,000 | 9,466,917 | (795,083) | 20 |
| Receivables from exchange transactions - General | 14,223,000 | 18,537,000 | 32,760,000 | 29,760,338 | (2,999,662) | 21 |
| Receivables from non-exchange transactions | 15,683,000 | 665,000 | 16,348,000 | 1,264,270 | (15,083,730) | 22 |
| VAT receivable Statutory | 882,000 | 24,118,000 | 25,000,000 | 8,159,273 | (16,840,727) | 23 |
| Revenue from exchange transactions - Consumer debtors | - | - | - | 8,348,273 | 8,348,273 | 37 |
| Cash and cash equivalents | 60,527,000 | (26,222,000) | 34,305,000 | 12,552,113 | (21,752,887) | 28 |
| | 101,134,000 | 17,541,000 | 118,675,000 | 69,551,184 | (49,123,816) | |
| Non-Current Assets | | | | | | |
| Investment property | 188,000 | (9,000) | 179,000 | 169,576 | (9,424) | 40 |
| Property, plant and equipment | 1,261,939,000 | 47,731,000 | 1,309,670,000 | 1,280,329,005 | (29,340,995) | 24 |
| Intangible assets | 617,000 | (587,000) | 30,000 | 14,708 | (15,292) | 29 |
| Heritage assets | 965,000 | (51,000) | 914,000 | 914,424 | 424 | 30 |
| Investments in associates | 20,000,000 | (20,000,000) | - | - | - | |
| | 1,283,709,000 | 27,084,000 | 1,310,793,000 | 1,281,427,713 | (29,365,287) | |
| Total Assets | 1,384,843,000 | 44,625,000 | 1,429,468,000 | 1,350,978,897 | (78,489,103) | |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Finance lease obligation | - | - | - | 2,771,383 | 2,771,383 | 38 |
| Payables from exchange transactions | 82,696,000 | (2,696,000) | 80,000,000 | 69,986,558 | (10,013,442) | 25 |
| Consumer deposits | 13,273,000 | (12,864,000) | 409,000 | 426,399 | 17,399 | 31 |
| Employee benefit obligation | 2,161,000 | 1,203,000 | 3,364,000 | 513,000 | (2,851,000) | 26 |
| Unspent conditional grants and receipts | - | 5,085,000 | 5,085,000 | - | (5,085,000) | 39 |
| VAT Payable Accrual | - | 12,344,000 | 12,344,000 | 33,571,984 | 21,227,984 | 27 |
| | 98,130,000 | 3,072,000 | 101,202,000 | 107,269,324 | 6,067,324 | |
| Non-Current Liabilities | | | | | | |
| Finance lease obligation | - | - | - | 1,036,667 | 1,036,667 | 38 |
| Employee benefit obligation | 17,139,000 | 10,064,000 | 27,203,000 | 24,209,511 | (2,993,489) | 26 |
| | 17,139,000 | 10,064,000 | 27,203,000 | 25,246,178 | (1,956,822) | |
| Total Liabilities | 115,269,000 | 13,136,000 | 128,405,000 | 132,515,502 | 4,110,502 | |
| Net Assets | 1,269,574,000 | 31,489,000 | 1,301,063,000 | 1,218,463,395 | (82,599,605) | |
| Net Assets | | | | | | |
| Net Assets Attributable to Owners of Controlling Entity | | | | | | |
| Reserves | | | | | | |
| Accumulated surplus | 1,269,574,000 | 31,489,000 | 1,301,063,000 | 1,218,463,395 | (82,599,605) | |

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Annual Financial Statements for the year ended June 30, 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

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Annual Financial Statements for the year ended June 30, 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

Figures in Rand

The accounting policies on pages 14 to 41 and the notes on pages 41 to 93 form an integral part of the annual financial statements.

The accounting policies on pages 14 to 41 and the notes on pages 41 to 93 form an integral part of the annual financial statements.

Accounting Policies

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

1. Presentation of Annual Financial Statements

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

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

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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

GRAP - 1 Presentation of Financial Statements
GRAP - 2 Cashflow Statements
GRAP - 3 Accounting Policies, Changes in Accounting Estimates and Errors
GRAP - 5 Borrowing Costs
GRAP - 9 Revenue from Exchange Transactions
GRAP - 12 Inventories
GRAP - 13 Leases
GRAP - 14 Events after the reporting date
GRAP - 16 Investment Property
GRAP - 17 Property Plant and Equipment
GRAP - 18 Segment Reporting
GRAP - 19 Provisions, Contingent Liabilities and Contingent Assets
GRAP - 20 Related Party Disclosures
GRAP - 21 Impairment of Non-Cash Generating Assets
GRAP - 23 Revenue from Non-exchange Transactions
GRAP - 24 Presentation of Budget Information in Financial Statements
GRAP - 25 Employee Benefits
GRAP - 31 Intangible Assets
GRAP -103 Heritage Assets
GRAP -104 Financial Instruments
GRAP -108 Statutory Receivables
GRAP -109 Accounting by Principals and Agents

At the date of authorisation of these Annual Financial Statements, the following standards and interpretations were in issue but not yet effective and have not been early adopted by the municipality.

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Annual Financial Statements for the year ended June 30, 2025

GRAP - 1 Presentation of Financial Statements (Amended)

GRAP - 25 Employee Benefits (Revised)

GRAP -104 Financial Instruments (Revised)

IGRAP - 7 Defined Benefit Asset (Revised)

IGRAP - 21 Past Decisions on Materiality

GRAP - 26 Impairment of Cash Generating Assets

Standards issued and not yet effective are disclosed in detail, including their nature under note 47 of the notes to the financial statements.

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

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Significant judgements and sources of estimation uncertainty

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

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

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Impairment testing

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

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

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 14 - Provisions.

Contingent provisions on entity combinations

Contingencies recognised in the current year required estimates and judgments, refer to note on entity combinations.

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Annual Financial Statements for the year ended June 30, 2025

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of waste network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post-retirement benefits

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

Other key assumptions for post retirement benefit obligations are based on current market conditions. Additional information is disclosed in Note 6.

Effective interest rate

The municipality used the most relevant contractual risk rate applicable to each category of assets and liabilities to discount future cash flows. Where none exists the prime interest rate is used to discount future cash flows.

Debtors impairment

Consumer debtors

The provision for impairment is measured per individual debtors using the recoverability rate per debtors. The municipality provide for all excluding debtors with credit balances. An impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired.

Traffic fines debtors

The provision for impairment is measured with reference to the recoverability rate.

Accounting by principals and agent

The municipality makes assessments on whether it is the principal or agent in principal-agent relationship. The modified cash basis of accounting is applied when a accounting for the payments on behalf of the principal. Expenses are only debited to loan account when they are paid on behalf of the principal not when they are accrued.

Additional information is disclosed in Note 49.

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

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

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

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

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Annual Financial Statements for the year ended June 30, 2025

Accounting Policies

1.4 Investment property (continued)

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

| Item | Useful life |
|----------------------|-------------|
| Property - buildings | 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.

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

1.5 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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

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Accounting Policies

1.5 Property, plant and equipment (continued)

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

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

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

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

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

Transport assets and other plants and machinery have a residual value of 10% on cost of asset.

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

| Item | Depreciation method | Average useful life |
|---|---------------------|----------------------|
| Land | | Indefinite |
| Buildings | Straight-line | 10-55 |
| Roads, pavements, bridges and storm water | Straight-line | 10-100 |
| Street names, signs and parking meters | Straight-line | 5 |
| Electricity reticulation | Straight-line | 20-50 |
| Finance lease | Straight-line | Limioted to contract |
| Infrastructure assets | Straight-line | 5-100 |
| Cementry-ry | Straight-line | 30 years |
| Other assets | Straight-line | 2-15 |
| Motor Vehicles | Straight-line | 7-15 |
| Plant and Equipment | Straight-line | 2-25 |
| IT Equipment | Straight-line | 5-15 |
| Office Equipment | Straight-line | 5-15 |
| Investment property | Straight-line | 30 years |

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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

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

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

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

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Accounting Policies

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

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

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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

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

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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

| Item | Depreciation method | Average useful life |
|--------------------------|---------------------|---------------------|
| Computer software, other | Straight-line | 5 |

1.7 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.

Recognition

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

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Accounting Policies

1.7 Heritage assets (continued)

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.

Impairment

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

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

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

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

1.8 Financial instruments

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

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

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

- cash;

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Accounting Policies

1.8 Financial instruments (continued)

- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Initial recognition

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

The entity recognises financial assets using trade date accounting.

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

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality 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 municipality 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.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

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.

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1.8 Financial instruments (continued)

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

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

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

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

Derecognition

Financial assets

The municipality derecognises a financial asset only when:

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

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

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1.8 Financial instruments (continued)

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the municipality transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the municipality adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the municipality obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the municipality recognises the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that can be readily converted to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently received at fair value.

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1.10 Tax

Value added tax

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of value added tax recoverable from, or payable to the taxation authority is included as part of receivables or payables in the Statement of Financial Position. The Municipality is registered at SARS for VAT on the payment basis in accordance with section 15(2)(a) of the VAT Act (Act No 89 of 1991). The municipality is liable to account for VAT at the standard rate 15% from 1 April 2018 as announced by the minister of Finance) in terms of section 7 (1) (a) of the VAT Act in respect of the supply of goods or services, except where supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or are scoped out for VAT purposes.

The municipality accounts for Value added tax on accrual basis.

1.11 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.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - 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.

1.12 Inventories

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

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

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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Accounting Policies

1.12 Inventories (continued)

The cost of inventories is assigned using the 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.

1.13 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.

Identification

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

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

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

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Accounting Policies

1.13 Impairment of non-cash-generating assets (continued)

Value in use

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

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

Depreciated replacement cost approach

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Reversal of an impairment loss

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

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

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

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

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

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1.13 Impairment of non-cash-generating assets (continued)

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.

1.14 Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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1.14 Employee benefits (continued)

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

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

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

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Accounting Policies

1.14 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

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

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

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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1.14 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

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Accounting Policies

1.14 Employee benefits (continued)

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

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

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

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

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Accounting Policies

1.14 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

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

Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

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Accounting Policies

1.14 Employee benefits (continued)

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.15 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

Provisions are not recognised for future operating surplus.

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.

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Annual Financial Statements for the year ended June 30, 2025

Accounting Policies

1.15 Provisions and contingencies (continued)

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 41.

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

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

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

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

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

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.16 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.

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Accounting Policies

1.16 Commitments (continued)

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.

1.17 Revenue from exchange transactions

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

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

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

Measurement

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

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

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

Service charges

Flat rate service charges relating to electricity which are based on consumption are metered and an estimate of consumption between the latest meter reading and the reporting date shall be recognised when:

- 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;

Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made then recognised in the statement of financial performance in the invoicing period in which meters have been read.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

.Revenue from the sale of electricity prepaid meter credit is recognised at the point of sale.

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Accounting Policies

1.17 Revenue from exchange transactions (continued)

Interest income

Revenue arising from the use by others of entity assets yielding interest 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.

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.

1.18 Revenue from non-exchange transactions

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

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

Traffic 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.

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.

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Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Measurement

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

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

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

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

Property Rates (including collection charges and penalty interest)

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met. Revenue from property rates is recognised when the legal entitlement to this revenue arises.

Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Rebates are respectively granted, to owners of land on which not more than two dwelling units are erected provided that such dwelling units are solely used for residential purposes. Additional relief is granted to needy, aged and/or disabled owners, based on income

Assessment rates income is recognised once a rates account has been issued to ratepayers. Adjustments or interim rates are recognised once the municipal valuer has valued the change to property.

Gain/ Loss on assets:

Gain/ loss on assets are recognised in the on the statement of financial performance as revenue from non-exchange transaction or non-cash expenditure

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Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Government grants, subsidies and 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.

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the further of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Conditional grants, donations and funding were recognised as revenue in the Statement of Financial Performance to the extent that the Municipality has complied with any criteria, conditions or obligations embodied in the agreement/arrangement. To the extent that the criteria, conditions and obligations have not been met a liability is raised in the Statement of Financial Position.

Unconditional grants, donations and funding are recognised as revenue in the Statement of Financial Position at the earlier of the date of receipt or when the amount is receivable. Stipulations can either be in the form of conditions or in the form of restrictions. For both conditions and restrictions a recipient may be required to use the transferred asset for a particular purpose. However the difference between a restriction and a condition is that a condition has an additional requirement which states that the asset or its future economic benefits or service potential should be returned to the transferor should the recipient not use the asset for the particular purpose stipulated.

When conditions are attached to a transferred asset, the municipality incurs a liability. The municipality has a present obligation comply with the conditions of the asset or to return the economic benefits or service potential of the asset to the transferor when the conditions are not met. Therefore, when a recipient initially recognises an asset that is subject to a condition, the recipient also incurs a liability.

Restrictions on transferred assets arise when there is an expectation and/or understanding about the particular way that the assets will be used. However, there is no requirement that the transferred asset, or future economic benefits or service potential are to be returned to the transferor if the assets are not used as per the expectation or understanding. Thus, initially gaining control of an asset with restrictions does not impose a present obligation on the recipient and consequently no liability is recognised. Contributed assets are recognised at fair value when the risks and rewards associated with such asset transfer to the Municipality.

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.

1.19 Investment income

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

1.20 Borrowing costs

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

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Annual Financial Statements for the year ended June 30, 2025

Accounting Policies

1.21 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.

1.22 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.23 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. Fruitless and wasteful expenditure is also disclosed on the notes. It get de-recognised when condoned by the Council

1.24 Irregular expenditure

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure 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.

1.25 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.

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Accounting Policies

1.25 Segment information (continued)

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.26 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 7/1/2024 to 6/30/2025.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The municipality consider all variances which are +-10% to be material and explanations are provided for them

Comparative information is not required.

1.27 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

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Accounting Policies

1.27 Related parties (continued)

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.28 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.29 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

Investments in securities

1.30 Conditional grants and receipts

Revenue received from conditional grants, and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. If conditions or obligations have not been met a liability is recognised. If the obligation has been exceeded an asset is recognised.

1.31 Expenditure

Expenditure is recognised as an expense when it is incurred (Accrual basis).

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

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2. Investment property

| | 2025 | | | 2024 | | |
|---------------------|------------------|---|----------------|------------------|---|----------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Investment property | 480,511 | (310,935) | 169,576 | 480,511 | (301,943) | 178,568 |

Reconciliation of investment property - 2025

| | Opening balance | Depreciation | Total |
|---------------------|-----------------|--------------|---------|
| Investment property | 178,568 | (8,992) | 169,576 |

Reconciliation of investment property - 2024

| | Opening balance | Depreciation | Total |
|---------------------|-----------------|--------------|---------|
| Investment property | 187,584 | (9,016) | 178,568 |

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Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

| | 2025 | | | 2024 | | |
|----------------------|----------------------|---|----------------------|----------------------|---|----------------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Land | 33,571,077 | - | 33,571,077 | 33,571,077 | - | 33,571,077 |
| Buildings | 375,023,477 | (108,914,284) | 266,109,193 | 373,732,971 | (95,843,001) | 277,889,970 |
| Leasehold property | 7,808,147 | (3,978,327) | 3,829,820 | 7,617,466 | (1,368,028) | 6,249,438 |
| Plant and machinery | 30,746,181 | (16,431,420) | 14,314,761 | 29,880,895 | (17,514,980) | 12,365,915 |
| Motor vehicles | 18,943,689 | (12,214,887) | 6,728,802 | 20,587,350 | (11,884,430) | 8,702,920 |
| Infrastructure | 1,044,548,579 | (255,691,019) | 788,857,560 | 989,864,482 | (224,243,554) | 765,620,928 |
| Other assets | 17,416,130 | (13,602,776) | 3,813,354 | 14,923,638 | (13,245,408) | 1,678,230 |
| WIP - Infrastructure | 108,295,283 | - | 108,295,283 | 55,003,525 | - | 55,003,525 |
| WIP - Buildings | 54,809,155 | - | 54,809,155 | 48,805,348 | - | 48,805,348 |
| Total | 1,691,161,718 | (410,832,713) | 1,280,329,005 | 1,573,986,752 | (364,099,401) | 1,209,887,351 |

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Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

| | Opening balance | Additions | Disposals | Transfers received | Transfers Out | Depreciation | Impairment loss | Total |
|----------------------|----------------------|--------------------|------------------|-----------------------|---------------------|---------------------|--------------------|----------------------|
| Land | 33,571,077 | - | - | - | - | - | - | 33,571,077 |
| Buildings | 277,889,970 | 1,290,513 | - | - | - | (12,531,380) | (539,910) | 266,109,193 |
| Leasehold Assets | 6,249,438 | 190,681 | - | - | - | (2,586,521) | (23,778) | 3,829,820 |
| Plant and machinery | 12,365,915 | 4,055,097 | (260,756) | - | - | (1,799,462) | (46,033) | 14,314,761 |
| Motor vehicles | 8,702,920 | - | (164,367) | - | - | (1,501,205) | (308,546) | 6,728,802 |
| Infrastructure | 765,620,928 | 959,367 | (5,393) | 53,828,349 | - | (30,367,769) | (1,177,922) | 788,857,560 |
| Other assets | 1,678,230 | 3,256,227 | (15,040) | - | - | (956,427) | (149,636) | 3,813,354 |
| WIP - Infrastructure | 55,003,525 | 107,120,107 | - | - | (53,828,349) | - | - | 108,295,283 |
| WIP - Buildings | 48,805,348 | 9,833,908 | - | - | - | - | (3,830,101) | 54,809,155 |
| | 1,209,887,351 | 126,705,900 | (445,556) | 53,828,349 | (53,828,349) | (49,742,764) | (6,075,926) | 1,280,329,005 |

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Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

| | Opening balance | Additions | Disposals | Transfers received | Transfers | Depreciation | Impairment loss | Total |
|----------------------|----------------------|-------------------|--------------------|-----------------------|----------------------|---------------------|--------------------|----------------------|
| Land | 33,571,077 | - | - | - | - | - | - | 33,571,077 |
| Buildings | 291,367,484 | - | - | - | - | (12,670,525) | (806,989) | 277,889,970 |
| Leasehold Assets | 238,880 | 7,617,466 | - | - | - | (1,606,908) | - | 6,249,438 |
| Plant and machinery | 13,355,736 | 1,303,986 | (216,195) | - | - | (2,050,863) | (26,749) | 12,365,915 |
| Motor vehicles | 10,291,479 | 686,595 | (575,095) | - | - | (1,700,059) | - | 8,702,920 |
| Infrastructure | 688,060,299 | 1,988,401 | - | 104,284,455 | - | (28,574,332) | (137,895) | 765,620,928 |
| Other assets | 2,239,827 | 200,657 | (21,901) | - | - | (700,319) | (40,034) | 1,678,230 |
| WIP - Infrastructure | 82,582,504 | 80,410,971 | (3,705,495) | - | (104,284,455) | - | - | 55,003,525 |
| WIP - Buildings | 43,608,303 | 5,197,045 | - | - | - | - | - | 48,805,348 |
| | 1,165,315,589 | 97,405,121 | (4,518,686) | 104,284,455 | (104,284,455) | (47,303,006) | (1,011,667) | 1,209,887,351 |

The completion of these projects were delayed due to budget constraints and community disputes

Delayed Projects

| | Carrying Amount 30 June 2025 | Reason for delay | Carrying Amount 30 June 2024 |
|-----------------------------|------------------------------------|---|------------------------------------|
| Old age facility Ga-Kgapane | 64,690 | Delay of the project was caused by budget constraints | 64,690 |
| Old age facility madumeleng | 64,690 | Delay of the project was caused by budget constraints | 64,690 |
| Roerfontien Youth Centre | 82,000 | Delay of the project was caused by budget constraints | 82,000 |
| Sekgopo Youth Centre | 110,050 | Delay of the project was caused by budget constraints | 110,050 |
| Rotterdam Library | 128,825 | Delay of the project was caused by budget constraints | 128,825 |
| Mokwakwaila youth centre | 159,154 | Delay of the project was caused by budget constraints | 159,154 |

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3. Property, plant and equipment (continued)

| | | | |
|--|-------------------|---|-------------------|
| Shamfam Community hall | 140,000 | Delay of the project was caused by budget constraints | 140,000 |
| Kgapane Park | 135,716 | Delay of the project was caused by budget constraints | 135,716 |
| Transfer station | 87,983 | Delay of the project was caused by budget constraints | 87,983 |
| Manokwe Cave | 198,700 | Delay of the project was caused by budget constraints | 198,700 |
| Thlothlokwnkwe Community hall | 300,540 | Delay of the project was caused by budget constraints | 300,540 |
| Lemondokop community hall | 259,505 | Delay of the project was caused by budget constraints | 259,505 |
| Development of landfill site phase 2 at Maphalle | 5,924,810 | Delay of the project was caused by budget constraints | 1,746,128 |
| Low level bridge Mokwasele ward 6 | - | Delay of the project was caused by budget constraints | 786,528 |
| Low level bridge Tsamahansi ward 16 | - | Delay of the project was caused by budget constraints | 258,658 |
| Maphalalle buy back centre | 249,714 | Delay of the project was caused by budget constraints | 249,714 |
| Rehabilitation of Botha Street | 5,263,158 | Delay of the project was caused by budget constraints | 5,263,158 |
| Low level bridge Ramaroka ward 21 | - | Delay of the project was caused by budget constraints | 786,299 |
| | - | | - |
| | 13,169,535 | | 10,822,338 |

Halted Projects

Carrying
Amount 30
June 2025

Reason for
delay

Carrying
Amount 30
June 2024

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3. Property, plant and equipment (continued)

| | | | |
|---|------------|--|------------|
| WIP53 - MADUMELENG SHOTONG SPORTS COMPLEX | 40,608,791 | The contractor was terminated due non performance. Contractor replacement is in progress | 40,608,791 |
| WIP57 - WARD 5 COMMUNITY HALL | 1 | Project completion delayed due to community stoppage due to disputed project site location. Council resolved that project be relocated to another site | 1 |
| Malematja Street paving | 1 | The project is still at design stage | 1,590,788 |
| Senwamokgope Street paving | 1 | Project is at the design stage | 2,114,710 |
| Upgrading of Doreen Street electrical network | 2,581,703 | Delay was caused by the termination of the first service provider by the Municipality | 1,488,953 |

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3. Property, plant and equipment (continued)

| | | | |
|-----------------------|--------------------------|---|--------------------------|
| Thibeni Street paving | 3,731,000 | The project was delayed due to termination of the first contractor due to abandoning site. Contractor replacement is in progress. | 3,321,590 |
| Subtotal | <u>46,921,497</u> | <u>-</u> | <u>49,124,833</u> |
| | <u>46,921,497</u> | <u>-</u> | <u>49,124,833</u> |

Pledged securities

None of the property, plant and equipment are pledged as security for financial liabilities.

No components of the property, plant and equipment were pledged as security for borrowings or banking facilities.

The residual value and useful lives of property, plant and equipment were reviewed and possible impairment has been assessed at reporting date

Effect of change in estimates

| | | |
|--------------------------------|----------------|----------------|
| Solid waste | 83,105 | 672,551 |
| Buildings | 684 | - |
| Plant and machinery | 16,359 | 15,467 |
| Furniture and office equipment | 308,596 | 142,833 |
| Transport assets | 165,076 | 18,788 |
| Intangible assets | 69,641 | 44,913 |
| | <u>643,461</u> | <u>894,552</u> |

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| Figures in Rand | 2025 | 2024 |
|---|--------------------|--------------------|
| 3. Property, plant and equipment (continued) | | |
| Property, plant and equipment in the process of being constructed or developed | | |
| Cumulative expenditure recognised in the carrying value of property, plant and equipment | | |
| Buildings | 54,809,155 | 48,805,348 |
| Roads Infrastructure | 104,474,921 | 57,220,067 |
| Electricity Infrastructure | 3,820,361 | 1,488,953 |
| | 163,104,437 | 107,514,368 |
| Expenditure incurred to repair and maintain property, plant and equipment | | |
| Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance | | |
| Maintenance of Buildings and Facilities | 7,432,017 | 10,757,650 |
| Maintenance of Equipment | 8,171,822 | 8,712,396 |
| Maintenance of Unspecified Assets | 8,196,970 | 12,555,653 |
| | 23,800,809 | 32,025,699 |

Maintenance of property, plant and equipment

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.

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4. Intangible assets

| | 2025 | | | 2024 | | |
|-------------------|------------------|---|----------------|------------------|---|----------------|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software | 644,468 | (629,760) | 14,708 | 1,319,316 | (1,289,617) | 29,699 |

Reconciliation of intangible assets - 2025

| | Opening balance | Amortisation | Total |
|-------------------|-----------------|--------------|--------|
| Computer software | 29,699 | (14,991) | 14,708 |

Reconciliation of intangible assets - 2024

| | Opening balance | Disposals | Amortisation | Total |
|-------------------|-----------------|-----------|--------------|--------|
| Computer software | 69,431 | (14) | (39,718) | 29,699 |

Pledged as security

No carrying value of intangible assets were pledged as securities.

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5. Heritage assets

| | 2025 | | | 2024 | | |
|----------------------------------|---------------------|-------------------------------------|----------------|---------------------|-------------------------------------|----------------|
| | Cost / Valuation | Accumulated impairment losses | Carrying value | Cost / Valuation | Accumulated impairment losses | Carrying value |
| Waterfall picnic site | 103,000 | - | 103,000 | 103,000 | - | 103,000 |
| Historical monuments and statues | 556,424 | - | 556,424 | 556,424 | - | 556,424 |
| Mayoral gold chain | 195,000 | - | 195,000 | 195,000 | - | 195,000 |
| Paintings | 60,000 | - | 60,000 | 60,000 | - | 60,000 |
| Total | 914,424 | - | 914,424 | 914,424 | - | 914,424 |

Reconciliation of heritage assets 2025

| | Opening balance | Total |
|----------------------------------|--------------------|----------------|
| Waterfall picnic site | 103,000 | 103,000 |
| Historical monuments and statues | 556,424 | 556,424 |
| Mayoral gold chain | 195,000 | 195,000 |
| Paintings | 60,000 | 60,000 |
| | 914,424 | 914,424 |

Reconciliation of heritage assets 2024

| | Opening balance | Total |
|----------------------------------|--------------------|----------------|
| Waterfall picnic site | 103,000 | 103,000 |
| Historical monuments and statues | 556,424 | 556,424 |
| Mayoral gold chain | 195,000 | 195,000 |
| Paintings | 60,000 | 60,000 |
| | 914,424 | 914,424 |

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|-----------------|------|------|
|-----------------|------|------|

5. Heritage assets (continued)

Pledged as security

No carrying value of heritage assets were pledged as security.

6. Employee benefit obligations

Defined benefit plans

The amounts recognised in the statement of financial position are as follows:

Carrying value

| | | |
|---|---------------------|---------------------|
| Present value of the defined benefit obligation-wholly unfunded | (18,303,624) | (17,865,598) |
| Present value of the defined benefit obligation-partly or wholly funded | (6,418,887) | (6,308,150) |
| | (24,722,511) | (24,173,748) |
| Non-current liabilities | (24,209,511) | (23,369,748) |
| Current liabilities | (513,000) | (804,000) |
| | (24,722,511) | (24,173,748) |

Post retirement benefit plan

6.1 Post retirement medical aid plan

The post-employment health care benefits valuation considers all current employees, retired employees and their dependants who participate in the health care arrangements and are entitled to a post-employment medical scheme subsidy. The postemployment health care liability is not a funded arrangement, i.e. no separate assets have been set aside to meet this liability. The effective date of the valuation is 30 June 2025.

The amounts recognised in the statement of financial position are as follows:

| | | |
|---|-------------------|-------------------|
| Present value of the defined obligation - wholly unfunded | 20,153,716 | 19,310,000 |
| Non-Current Liabilities | 20,055,151 | 18,962,000 |
| Current Liabilities | 98,565 | 348,000 |
| | 20,153,716 | 19,310,000 |

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

| | | |
|--|-------------------|-------------------|
| Opening balance | 18,627,139 | 15,406,000 |
| Benefits paid | (348,000) | (166,000) |
| Net expense recognised in the statement of financial performance | 1,191,716 | 3,387,139 |
| | 19,470,855 | 18,627,139 |

Net expense recognised in the statement of financial performance

| | | |
|--------------------------|------------------|------------------|
| Current service cost | 1,356,000 | 1,152,000 |
| Interest cost | 2,364,000 | 1,926,000 |
| Actuarial (gains) losses | (2,584,284) | 245,139 |
| | 1,135,716 | 3,323,139 |

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Figures in Rand 2025 2024

6. Employee benefit obligations (continued)

Calculation of actuarial gains and losses

| | | |
|---------------------------------------|--------------------|----------------|
| Actuarial (gains) losses – Obligation | <u>(2,584,284)</u> | <u>245,139</u> |
|---------------------------------------|--------------------|----------------|

Key assumptions used

Assumptions used at the reporting date:

| | | |
|--------------------------|---------|---------|
| Discount rates used | 12.48 % | 12.35 % |
| Medical cost trend rates | 7.96 % | 7.82 % |
| Average retirement age | 62 | 62 |

The basis on which the medical aid inflation rate has been determined is as follows:

The medical aid inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period

South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 1.5% year on year.

We do not consider these increases to be sustainable and have assumed that medical aid contribution increases would outstrip general inflation by 1% per annum over the foreseeable future.

The basis on which the discount rate has been determined is as follows:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities.

However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 12.48% per annum has been used. The corresponding index-linked yield at this term is 4.25%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2025.

These rates were calculated by using a liability-weighted average of the yields for the two components of the liability. Each component's fixed-interest and index-linked yields were taken from the respective bond yield curves at that component's duration, using an iterative process (because the yields depend on the liability, which in turn depends on the yields).

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6. Employee benefit obligations (continued)

Other assumptions

It was assumed that the Municipality's health care arrangements and subsidy policy would remain as outlined in Section 3. Furthermore, it was assumed that the level of benefits receivable, and the contributions payable in respect of such, would remain unchanged, with the exception of allowing for inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidy from in-service members to continuation members within the medical scheme are sustainable and will continue:

Amounts for the current and previous four years are as follows:

| | 2025 R | 2024 R | 2023 R | 2022 R | 2021 R |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Defined benefit obligation | 20,153,716 | 19,310,000 | 15,406,000 | 13,394,100 | 12,180,000 |
| Surplus (deficit) | (20,153,716) | (19,310,000) | (15,406,000) | (13,394,100) | (12,180,000) |

6.2 Long service awards obligation

Long service benefits are awarded in the form of a percentage of salary and a number of leave days once an employee has completed a certain number of years in service.

An actuarial valuation of the obligation has been performed by Arch Actuarial Consulting on all employees that are entitled to long service awards as at 30 June 2025. As at the valuation date, the long service award liabilities of the Municipality was unfunded, i.e. no dedicated assets have been set aside to meet this liability.

The amounts recognised in the statement of financial position are as follows:

| | | |
|----------------|-----------|-----------|
| Carrying Value | 6,889,361 | 6,300,000 |
|----------------|-----------|-----------|

Heading

| | | |
|-------------------------|------------------|------------------|
| Non-current liabilities | 5,750,268 | 5,844,000 |
| Current liabilities | 1,139,093 | 456,000 |
| | 6,889,361 | 6,300,000 |

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

| | | |
|--|------------------|------------------|
| Opening balance | 6,300,000 | 5,657,000 |
| Benefit Paid | (456,000) | (605,000) |
| Net expense recognised in the statement of financial performance | 1,045,361 | 1,248,000 |
| | 6,889,361 | 6,300,000 |

Net expense recognised in the statement of financial performance in general expenses

| | | |
|---------------------------|------------------|------------------|
| Current Service Cost | 614,000 | 575,000 |
| Interest cost | 671,000 | 610,000 |
| Actuarial (gain) / losses | (239,639) | 63,000 |
| | 1,045,361 | 1,248,000 |

Calculation of actuarial gains and losses

| | | |
|--|-----------|--------|
| Actuarial (gains) losses - Obligations | (239,639) | 63,000 |
|--|-----------|--------|

Key assumptions used

Assumptions used at the reporting date:

| | | |
|---------------------|--------|---------|
| Discount rates used | 9.18 % | 11.05 % |
|---------------------|--------|---------|

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| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

6. Employee benefit obligations (continued)

| | | |
|-------------------------------|--------|--------|
| Expected increase in salaries | 4.55 % | 6.20 % |
| Average retirement age | 62 | 62 |

The basis on which the normal salary inflation rate has been determined is as follow:

We have derived the underlying future rate of consumer price index (CPI inflation) from the relationship between the (yield curve based) inflation-linked Bond rate for each relevant time period. Our assumed rate of salary inflation was set as the assumed value of CPI plus. The salaries used in the valuation include an assumed increase on 1 July 2024 of 6.20%. The next salary increase was assumed to take place on 1 July 2025.

The basis on which the discount rate has been determined is as follow:

GRAP 25 defines the determination of the Discount rate assumption to be used as follows: "The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve."

We use the nominal and real zero curves as at 30 June 2025 supplied by the JSE to determine our discounted rates and CPI assumptions at each relevant time period. For example a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years.

Other assumptions

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the liability of future retirees. A one percentage point change in assumed normal salary inflation rate would have the following effects:

Amounts for the current and previous four years are as follows:

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Defined benefit obligation | 6,889,361 | 6,300,000 | 5,657,000 | 5,297,923 | 4,585,100 |
| Plan assets | (6,889,361) | (6,300,000) | (5,657,000) | (5,297,923) | (4,585,100) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees [or specify number of employees covered]. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

Included in defined contribution plan information above, is the following plan(s) which is (are) a Multi-Employer Funds and is (are) a Defined Benefit Plans, but due to the fact that sufficient information is not available to enable the municipality to account for the plan(s) as a defined benefit plan(s). The municipality accounted for this (these) plan(s) as a defined contribution plan(s):

- National Fund for Municipal Workers
- Municipal Gratuity Fund
- Municipal Employees Pension Fund

An increase in actuarial losses is attributable to an increase in the number of employee in the current year.

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|--|-------------------|-------------------|
| 7. Inventories | | |
| Land Held for sale | 1,259,000 | 1,259,000 |
| Consumable stores | 8,207,917 | 9,193,612 |
| | 9,466,917 | 10,452,612 |
| Inventory pledged as security | | |
| No carrying value of inventory were pledged as security. | | |
| Land appointed in terms of legislation which entity controls without legal ownership or custodianship | | |
| The total of consumable store's is represented by items held for use in operations. | | |
| For Inventory amounts relating to stock losses due to theft and shortages, please refer to Note 45 - Fruitless and Wasteful expenditure. | | |
| 8. Receivables from exchange transactions - General | | |
| Deposits | 8,953,156 | 8,228,837 |
| Sundry debtors | 5,291,262 | 5,208,435 |
| Impairment: Sundry Debtors | (5,184,435) | (5,208,435) |
| Mopani District Municipality | 189,285,825 | 181,029,940 |
| Impairment: Mopani District Municipality | (183,209,401) | (176,839,924) |
| VAT Receivable Accrual | 14,623,931 | 12,053,911 |
| | 29,760,338 | 24,472,764 |
| 9. Receivables from non-exchange transactions | | |
| Fines | 10,513,328 | 9,930,531 |
| Consumer Debtors - Rates | 99,322,220 | 85,539,121 |
| Impairment of Consumer debtors - Rates | (98,091,197) | (82,686,195) |
| Impairment debtors - Traffic fines | (10,480,081) | (9,922,981) |
| | 1,264,270 | 2,860,476 |
| Ageing for consumer debtors: Rates | | |
| Current (0 - 30 days) | 2,532,640 | 1,993,862 |
| 31 - 60 days | 1,496,036 | 1,376,993 |
| 61 - 90 days | 3,667,534 | 1,369,216 |
| 91 - 120 days | 1,415,309 | 1,280,531 |
| 121 - 365 days | 4,988,110 | 10,273,481 |
| > 365 days | 85,255,838 | 69,252,588 |
| Less: Impairment | (98,091,197) | (82,686,195) |
| | 1,264,270 | 2,860,476 |

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|-----------------|------|------|
|-----------------|------|------|

9. Receivables from non-exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

Property rates are charged based on the Municipal Properties Rates Act, 2004 (Act No.6 of 2004) on all applicable properties under the demarcations of the Municipality)

Traffic fines are charged based on the offences as prescribed by laws of the country.

Determination of transaction amount

The amount for property rates billing is determined through the implementation of the valuation roll that contains a list of properties and their market values for the determination of the rates payable

Traffic fines are charged in line with the type of offences and its charge as per the rates of determined in the by-laws and the Traffic Act

Statutory receivables past due but not impaired

As of 30 June 2025, the gross amount for statutory receivables relating to property rates were R99 322 220 (2024: R85 686 195).

As of 30 June 2025, the gross amount for statutory receivables relating to traffic fines were R10 513 328 (2024: R9 930 531)

Statutory receivables impaired

As of June 30, 2025, Statutory receivables relating to property rates amounting to R(98,091,197) (2024: R(82,686,195)) were impaired and provided for.

As of 30 June 2025, statutory receivables relating to traffic fines amounting to R(10,513,328) (2024: R(92,609,176)) were impaired and provided for.

Factors the entity considered in assessing statutory receivables impaired

A payment rate was determined and used to calculate the amount of debt impairment at year end

Receivables from non-exchange transactions pledged as security

No other receivables from non-exchange transactions were pledged as security.

10. VAT receivable Statutory

| | | |
|--------------------------|------------------|------------------|
| VAT receivable statutory | <u>8,159,273</u> | <u>1,334,558</u> |
|--------------------------|------------------|------------------|

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10. VAT receivable Statutory (continued)

VAT Receivable statutory general information

Transaction(s) arising from statute

VAT receivables arise from transactions governed by the Value-Added Tax Act, 1991 (Act No. 89 of 1991), whereby the Municipality is entitled to recover input VAT paid on qualifying goods and services acquired in the course of its operations.

Determination of transaction amount

In accordance with the Value-Added Tax Act, 1991 (Act No. 89 of 1991), and the Municipality's registration on a payment basis for VAT purposes, the amount of VAT receivable is determined as the net of VAT inputs and VAT outputs based on actual cash transactions.

Statutory receivables gross amount

As of 30 June 2025, the statutory receivables relating to VAT receivable were R8 159 273 (2024: R1 334 558).

Statutory receivables impaired

As of 30 June 2025, statutory receivables relating to VAT receivables amounting to R0 (2024: R0) were impaired and provided for.

VAT receivable pledged as security

No VAT receivable was pledged as security.

11. Receivable from exchange Transactions - Consumer debtors

Gross balances

| | | |
|-------------|---------------------------|---------------------------|
| Electricity | 38,054,037 | 37,238,273 |
| Refuse | 103,660,961 | 100,128,423 |
| Other | 28,824,696 | 29,867,161 |
| | <u>170,539,694</u> | <u>167,233,857</u> |

Less: Allowance for impairment

| | | |
|-------------|-----------------------------|-----------------------------|
| Electricity | (30,214,656) | (32,981,546) |
| Refuse | (103,214,166) | (99,702,553) |
| Other | (28,762,599) | (28,348,419) |
| | <u>(162,191,421)</u> | <u>(161,032,518)</u> |

Net balance

| | | |
|-------------|-------------------------|-------------------------|
| Electricity | 7,839,381 | 4,256,727 |
| Refuse | 446,795 | 425,870 |
| Other | 62,097 | 1,518,742 |
| | <u>8,348,273</u> | <u>6,201,339</u> |

Electricity

| | | |
|----------------------|-------------------------|-------------------------|
| Current (0 -30 days) | 1,280,749 | 202,317 |
| 31 - 60 days | 225,057 | 317,183 |
| 61 - 90 days | 185,932 | 67,277 |
| 91 - 120 days | 221,636 | 108,962 |
| 121 - 365 days | 1,296,270 | 401,761 |
| > 365 days | 474,167 | 3,159,227 |
| | <u>3,683,811</u> | <u>4,256,727</u> |

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| Figures in Rand | 2025 | 2024 |
|---|----------------|----------------|
| 11. Receivable from exchange Transactions - Consumer debtors (continued) | | |
| Refuse | | |
| Current (0 -30 days) | 139,842 | 2,871 |
| 31 - 60 days | 31,579 | 2,621 |
| 61 - 90 days | 18,986 | 2,653 |
| 91 - 120 days | 28,431 | 2,450 |
| 121 - 365 days | 103,021 | 19,795 |
| > 365 days | 124,935 | 395,480 |
| | 446,794 | 425,870 |
| Other service levies | | |
| Current (0 -30 days) | 5,429 | 305 |
| 31 - 60 days | 2,202 | 162 |
| 61 - 90 days | 1,755 | 167 |
| 91 - 120 days | 1,691 | 162 |
| 121 - 365 days | 13,013 | 1,704 |
| > 365 days | 38,635 | 28,332 |
| | 62,725 | 30,832 |

Greater Letaba Municipality

(Registration number LIM332)

Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|---|----------------------|----------------------|
| 11. Receivable from exchange Transactions - Consumer debtors (continued) | | |
| Summary of debtors by customer classification | | |
| Consumers | | |
| Current (0 -30 days) | 2,041,633 | 2,083,406 |
| 31 - 60 days | 966,158 | 316,072 |
| 61 - 90 days | 802,399 | 703,975 |
| 91 - 120 days | 807,430 | 984,129 |
| 121 - 365 days | 7,275,733 | 7,361,693 |
| > 365 days | 142,324,164 | 140,180,402 |
| | 154,217,517 | 151,629,677 |
| Industrial/ commercial | | |
| Current (0 -30 days) | 1,390,213 | 393,273 |
| 31 - 60 days | 469,421 | 920,562 |
| 61 - 90 days | 437,390 | 817,971 |
| 91 - 120 days | 539,153 | 593,370 |
| 121 - 365 days | 3,043,130 | 3,555,499 |
| > 365 days | 5,872,691 | 4,963,003 |
| | 11,751,998 | 11,243,678 |
| National and provincial government | | |
| Current (0 -30 days) | 446,266 | 238,713 |
| 31 - 60 days | 45,334 | 188,719 |
| 61 - 90 days | 43,953 | 194,323 |
| 91 - 120 days | 52,779 | 129,252 |
| 121 - 365 days | 411,290 | 586,610 |
| > 365 days | 3,570,557 | 3,022,885 |
| | 4,570,179 | 4,360,502 |
| Total | | |
| Current (0 -30 days) | 3,878,112 | 2,715,392 |
| 31 - 60 days | 1,480,913 | 1,425,353 |
| 61 - 90 days | 1,283,742 | 1,716,269 |
| 91 - 120 days | 1,399,362 | 1,706,751 |
| 121 - 365 days | 10,730,153 | 11,503,802 |
| > 365 days | 151,767,412 | 148,166,290 |
| | 170,539,694 | 167,233,857 |
| Less: Allowance for impairment | (162,191,421) | (161,032,518) |
| | 8,348,273 | 6,201,339 |
| Reconciliation of allowance for impairment | | |
| Balance at beginning of the year | (433,364,760) | (391,486,037) |
| Contributions to allowance | (25,259,774) | (41,778,723) |
| | (458,624,534) | (433,264,760) |

Narration of Classification by Customer

Consumer debtors pledged as security

No consumer debtors were pledged as security for any liabilities.

Assumptions used during the calculation of the Impairment of Debtors.

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Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

11. Receivable from exchange Transactions - Consumer debtors (continued)

The debtors age analysis with the outstanding balance of each debtor as at year end 30 June 2025 was drawn from the system.

Each debtor was assessed individually based on the debtors payment history.

A twelve months payments report covering the period from 01 July 2024 to 30 June 2025 was used to evaluate all other debtors. Based on this data, a recoverability rate was determined for each debtor.

The recoverability rate of each debtor's outstanding debt was calculated by dividing the total payment received during the period by the debtors outstanding balance at year-end. Debtors with recoverability rate exceeding 100% are considered fully recoverable and therefore not impaired.

Debtors with a recoverability rate of less than 100% are considered partially recoverable. Therefore, their outstanding balances at period-end are impaired by the unrecoverable portion-that is, the difference 100% and their individual recoverability rate.

12. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------|------------|------------|
| Bank balances | 12,552,113 | 12,486,446 |
|---------------|------------|------------|

The closing balance of cash book varies with the closing balance of bank statements due to outstanding deposits and outstanding payments relating to revenue and expenditure at year end.

The municipality had the following bank accounts

| Account number / description | Bank statement balances | | | Cash book balances | | |
|---|-------------------------|-------------------|------------------|--------------------|-------------------|------------------|
| | June 30, 2025 | June 30, 2024 | June 30, 2023 | June 30, 2025 | June 30, 2024 | June 30, 2023 |
| First National Bank - 52100005761 - Cheque Account | 690,945 | 181,281 | 826,124 | 1,139,904 | 612,801 | 1,253,493 |
| First National Bank - 62051705534 - Call Account | 308,559 | 87,566 | 578,635 | 1,601,524 | 1,394,312 | 1,981,953 |
| ABSA Bank - Fixed Deposit - 2052023167 | 162,825 | 150,340 | 134,918 | 162,825 | 150,340 | 139,417 |
| Standard Bank - 258694688- Money Market Call account | 9,413,616 | 10,108,541 | - | 9,413,617 | 10,108,541 | - |
| First National Bank- 62855503811 - Solidarity Fund | 234,244 | 220,453 | 209,032 | 234,244 | 220,453 | 207,922 |
| Total | 10,810,189 | 10,748,181 | 1,748,709 | 12,552,114 | 12,486,447 | 3,582,785 |

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

| | | |
|-------------------------------------|---|-----------|
| Municipal Disaster Management Grant | - | 5,084,978 |
|-------------------------------------|---|-----------|

Movement during the year

| | | |
|--------------------------------------|--------------|------------------|
| Balance at the beginning of the year | 5,084,978 | 3,900,000 |
| Additions during the year | 7,997,000 | 7,990,000 |
| Income recognition during the year | (13,081,978) | (6,805,022) |
| | - | 5,084,978 |

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Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

13. Unspent conditional grants and receipts (continued)

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; an unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

14. VAT Payable Accrual

Reconciliation of vat payable accrual - 2025

| | Opening Balance | Additions | Total |
|---------------------|--------------------|-----------|------------|
| VAT Payable Accrual | 27,146,072 | 6,425,912 | 33,571,984 |

Provisions for VAT represent accrual VAT payable not yet due to SARS as the municipality is on Cash Basis and the AFS are prepared on an Accrual Basis.

There is an increase of R6 425 912 in the current year due to an increase in accrued VAT payables.

15. Payables from exchange transactions

| | | |
|-------------------------------|-------------------|-------------------|
| Trade payables | 15,184,464 | 23,671,221 |
| Payments received in advanced | 1,854,412 | 3,205,048 |
| Retentions | 20,509,423 | 25,619,804 |
| Accrued leave pay | 13,846,102 | 12,932,431 |
| Accrued annual bonus | 2,915,606 | 2,572,085 |
| Unallocated deposits | 789,629 | 5,900,168 |
| Deffered Revenue | 8,688,785 | - |
| Other Creditors | 6,198,137 | 5,890,563 |
| | 69,986,558 | 79,791,320 |

Trade payables age analysis

| | |
|------------|------------|
| 15,184,464 | 25,476,336 |
|------------|------------|

16. VAT payable

17. Consumer deposits

| | | |
|-------------|---------|---------|
| Electricity | 426,399 | 409,368 |
|-------------|---------|---------|

Consumer deposits are raised when a services account is opened and is refunded to the consumer after the account is closed.

No interest is paid on consumer deposits.

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Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|---|--------------------|--------------------|
| 18. Revenue | | |
| Service charges | 31,629,028 | 32,143,338 |
| Construction contracts | 16,940,187 | 9,561,739 |
| Rental of facilities and equipment | 49,886 | 196,610 |
| Interest received - outstanding receivables | 2,240,913 | 3,475,275 |
| Agency services | 3,253,672 | 3,127,597 |
| Licences and permits | 2,908,133 | 2,258,063 |
| Other income | 1,295,320 | 1,665,683 |
| Interest received - investment | 5,431,756 | 4,692,787 |
| Property rates | 21,898,244 | 20,495,447 |
| Interest - Property Rates | 730,049 | 236,499 |
| Government grants & subsidies | 495,036,980 | 448,377,024 |
| Fines, Penalties and Forfeits | 15,325,442 | 352,150 |
| | 596,739,610 | 526,582,212 |
| The amount included in revenue arising from exchanges of goods or services are as follows: | | |
| Service charges | 31,629,028 | 32,143,338 |
| Construction contracts | 16,940,187 | 9,561,739 |
| Rental of facilities and equipment | 49,886 | 196,610 |
| Interest received (trading) | 2,240,913 | 3,475,275 |
| Agency services | 3,253,672 | 3,127,597 |
| Licences and permits | 2,908,133 | 2,258,063 |
| Other income | 1,295,320 | 1,665,683 |
| Interest received - investment | 5,431,756 | 4,692,787 |
| | 63,748,895 | 57,121,092 |
| The amount included in revenue arising from non-exchange transactions is as follows: | | |
| Taxation revenue | | |
| Property rates | 21,898,244 | 20,495,447 |
| Interest - Property Rates | 730,049 | 236,499 |
| Transfer revenue | | |
| Government grants & subsidies | 495,036,980 | 448,377,024 |
| Fines, Penalties and Forfeits | 15,325,442 | 352,150 |
| | 532,990,715 | 469,461,120 |
| 19. Service charges | | |
| Sale of electricity | 24,985,062 | 26,434,584 |
| Solid waste | 6,643,966 | 5,708,754 |
| | 31,629,028 | 32,143,338 |
| 20. Construction Contracts | | |
| Construction contracts | 16,940,187 | 9,561,739 |

National Treasury Issued Municipal SCOA Circular No. 16 which. The Department of Mineral Resources and Energy (DMRE) later decided to allocate 5B direct grants to municipalities that demonstrated sufficient capacity to implement the projects themselves, regardless of their licensing status. This therefore resulted in INEP being classified under Revenue from Exchange Transactions from Revenue from Non-Exchange Transactions-

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Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|---|-------------------|-------------------|
| 21. Rental of facilities and equipment | | |
| Facilities and equipment | | |
| Rental of facilities | 49,886 | 196,610 |
| 22. Fines, Penalties and Forfeits | | |
| Illegal Connections Fines | 31,500 | 22,698 |
| Municipal Traffic Fines | 629,300 | 329,452 |
| Deposits Forfeits | 5,007,130 | - |
| Retentions Forfeits | 9,657,512 | - |
| | 15,325,442 | 352,150 |
| The municipal council approved writte-off of historical retention liability, and unclaimed deposit. | | |
| 23. Agency services | | |
| Management fees | 3,253,672 | 3,127,597 |
| 24. Licences and permits | | |
| Road and Transport | 2,908,133 | 2,258,063 |
| 25. Other income | | |
| Other income | 1,295,320 | 1,665,683 |
| 26. Investment received - Investment | | |
| Interest revenue | | |
| Bank | 5,431,756 | 4,692,787 |
| 27. Property rates | | |
| Rates earned | | |
| Residential | 12,344,515 | 11,618,287 |
| Commercial | 337,675 | 1,087,614 |
| State and Government | 9,216,054 | 7,789,546 |
| | 21,898,244 | 20,495,447 |

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Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|--|--------------------|--------------------|
| 28. Government grants and subsidies | | |
| Operating grants | | |
| Equitable share | 385,877,000 | 365,992,000 |
| Finance Management Grant | 2,000,000 | 2,000,000 |
| Extended Public Works Programme | 1,874,000 | 1,564,000 |
| Energy Efficiency Management Grant | 5,000,000 | 8,000,000 |
| Municipal Disaster Management Grant | 13,081,980 | 6,805,022 |
| | 407,832,980 | 384,361,024 |
| Capital grants | | |
| Municipal Infrastructure Grant | 87,204,000 | 64,016,000 |
| | 495,036,980 | 448,377,024 |
| Equitable Share | | |
| In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. | | |
| Finance Management Grant (FMG) | | |
| Conditions met - transferred to revenue | (2,000,000) | (2,000,000) |
| Current-year receipts | 2,000,000 | 2,000,000 |
| | - | - |
| Conditions met - (see note 13). | | |
| Extended Public Works Programme Grant (EPWP) | | |
| Current-year receipts | 1,874,000 | 1,564,000 |
| Conditions met - transferred to revenue | (1,874,000) | (1,564,000) |
| | - | - |
| Conditions met - (see note 13). | | |
| Energy Efficiency Management Grant | | |
| Current-year receipts | 5,000,000 | 8,000,000 |
| Conditions met - transferred to revenue | (5,000,000) | (8,000,000) |
| | - | - |
| Conditions met - (see note 13). | | |
| Municipal Infrastructure Grant | | |
| Current-year receipts | 87,204,200 | 64,016,000 |
| Conditions met - transferred to revenue | (87,204,200) | (64,016,000) |
| | - | - |
| Conditions met - (see note 13). | | |
| Municipal Disaster Management Grant | | |
| Balance unspent at beginning of year | 5,084,978 | 3,900,000 |
| Current-year receipts | 7,997,000 | 7,990,000 |
| Conditions met - transferred to revenue | (13,081,978) | (6,805,022) |

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Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|--|--------------------|--------------------|
| 28. Government grants and subsidies (continued) | | |
| | - | 5,084,978 |
| Conditions met - (see note 13). | | |
| 29. Contracted services | | |
| Presented previously | | |
| Other Contractors | 86,250 | 69,800 |
| Outsourced Services | | |
| Catering Services | 3,678,400 | 3,381,605 |
| Meter Management | 933,532 | 707,358 |
| Mini Dumping Sites | 4,278,664 | 4,369,191 |
| Security Services | 151,036 | 170,592 |
| Consultants and Professional Services | | |
| Business and Advisory | 4,769,283 | 13,267,048 |
| Infrastructure and Planning | 1,579,750 | 718,941 |
| Legal Cost | 10,903,160 | 15,895,014 |
| Contractors | | |
| Bore Waterhole Drilling | 24,824 | 12,450 |
| Electrical | 17,362,991 | 12,338,188 |
| Event Promoters | 209,625 | 164,240 |
| Fire Services | 406,145 | 379,836 |
| Maintenance of Buildings and Facilities | 7,432,017 | 10,255,080 |
| Maintenance of Equipment | 8,171,822 | 8,712,396 |
| Maintenance of Unspecified Assets | 8,196,970 | 12,555,653 |
| Transportation | 153,045 | 140,475 |
| Safeguard and Security | 55,072,354 | 45,375,791 |
| Sports and Recreation | 2,138,314 | 1,386,389 |
| Removal of Hazardous Waste | 53,350 | 75,650 |
| | 125,601,532 | 129,975,697 |

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Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|---|-------------------|-------------------|
| 30. General expenses | | |
| Advertising | 1,707,276 | 1,618,689 |
| Auditors remuneration | 6,040,134 | 5,323,740 |
| Bank charges | 592,434 | 311,542 |
| Vehicle tracking | 1,054,505 | 978,812 |
| Commission paid | 360,547 | 201,440 |
| Stores and material | 13,159,354 | 12,648,059 |
| Hire | 886,000 | 923,003 |
| Insurance | 6,426,244 | 5,522,451 |
| IT expenses | 8,729,875 | 6,624,832 |
| Seminars Conferences Workshops and Events | 456,910 | 303,300 |
| Protective clothing | 5,129,709 | 5,819,465 |
| Subscriptions and membership fees | 1,828,055 | 1,464,814 |
| Communication | 4,226,875 | 3,515,832 |
| Travel - local | 10,129,467 | 10,904,387 |
| Rentals for printers | 2,685,862 | 3,401,358 |
| Assets expensed | 62,042 | 24,000 |
| Electricity | 7,648,646 | 5,530,106 |
| Bursary scheme | 2,598,753 | 216,186 |
| Training | 2,393,767 | 2,976,782 |
| Free basic services and rebates | 230,755 | 915,022 |
| Remuneration of ward committees | 9,795,439 | 7,436,626 |
| Other expenses | 432,177 | 711,510 |
| | 86,574,826 | 77,371,956 |

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Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|--|--------------------|--------------------|
| 31. Employee related costs | | |
| Basic | 92,619,185 | 84,080,748 |
| Bonus-13th Cheque | 7,023,293 | 6,564,796 |
| Medical aid - company contributions | 7,505,933 | 6,922,817 |
| UIF | 591,232 | 579,300 |
| WCA | 722,941 | 615,653 |
| SDL | 1,468,077 | 1,434,341 |
| Leave pay provision charge | 5,083,784 | 3,554,499 |
| Pension fund and other fund contributions | 16,520,470 | 15,620,997 |
| Travel, motor car, accommodation, subsistence and other allowances | 2,897,535 | 1,996,468 |
| Overtime payments | 5,855,631 | 5,467,318 |
| Long-service awards and Post Employment Medical Aid | 2,190,816 | 2,347,770 |
| Acting allowances | 852,411 | 1,639,163 |
| Car allowance | 8,807,712 | 9,689,563 |
| Housing,rental,standby benefits and uniform allowances | 1,822,979 | 548,489 |
| Cellular and telephone allowance | 1,695,943 | 1,460,555 |
| | 155,657,942 | 142,522,477 |

Remuneration of Municipal Manager

| | | |
|---------------------|------------------|------------------|
| Annual Remuneration | 1,241,220 | 1,192,657 |
| Car Allowance | 84,000 | 84,000 |
| KM Claims | 53,042 | 52,332 |
| Cellphone Allowance | 36,000 | 36,000 |
| Computer Allowance | 12,000 | 12,000 |
| Back Pay | 42,335 | 47,427 |
| Non Pensionable | 43,632 | - |
| CC - SDL | 14,424 | 13,553 |
| CC - UIF | 2,125 | 2,125 |
| | 1,528,778 | 1,440,094 |

Mr Sewape M.O is the Municipal Manager for the year under review.

Remuneration of Chief Finance Officer

| | | |
|----------------------|------------------|----------------|
| Annual Remuneration | 899,953 | 58,080 |
| Car Allowance | 192,000 | 16,000 |
| Acting Allowance | - | 238,196 |
| Back Pay | 46,399 | - |
| KM Claims | 31,407 | 2,265 |
| Cell Phone Allowance | 36,000 | 19,500 |
| Non Pensionable | 40,680 | - |
| Housing allowance | 12,000 | 1,000 |
| Computer Allowance | 12,000 | - |
| CC - SDL | 12,006 | 729 |
| CC - UIF | 2,125 | 177 |
| | 1,284,570 | 335,947 |

Ms Sesene AN is the Chief Financial Officer for the year under review.

Remuneration of Senior Manager Corporate services

| | | |
|---------------------|---------|---------|
| Annual Remuneration | 923,953 | 883,498 |
| Car Allowance | 180,000 | 180,000 |
| Back Pay | 35,267 | 54,061 |
| KM Claims | 53,075 | 37,629 |
| Computer Allowancer | 12,000 | 12,000 |

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Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|---|------------------|------------------|
| 31. Employee related costs (continued) | | |
| Cellphone Allowance | 36,000 | 36,000 |
| Non Pensionable | 40,680 | - |
| CC - SDL | 11,919 | 11,296 |
| CC - UIF | 2,125 | 2,125 |
| | 1,295,019 | 1,216,609 |

Mr Lekhota P.L is the Senior Manager for Corporate Services for the year under review.

Remuneration of Senior Manager Community Services

| | | |
|---------------------|------------------|----------------|
| Annual Remuneration | 923,953 | 428,780 |
| Car Allowance | 180,000 | 90,000 |
| KM Claims | 41,556 | 17,622 |
| Back Pay | 17,634 | - |
| Non Pensionable | 30,510 | - |
| Computer Allowance | 12,000 | 5,000 |
| Cellphone Allowance | 36,000 | 18,000 |
| CC - SDL | 11,641 | 5,238 |
| CC - UIF | 2,125 | 1,063 |
| | 1,255,419 | 565,703 |

Mr Mamatlepa M.L is the Senior Manager for Community Services for the year under review.

Remuneration of Senior Manager Technical Services

| | | |
|---------------------|------------------|------------------|
| Annual Remuneration | 1,019,953 | 979,498 |
| Car Allowance | 84,000 | 84,000 |
| Back Pay | 35,267 | 30,059 |
| Non Pensionable | 40,680 | - |
| Computer Allowance | 12,000 | 12,000 |
| Cellphone Allowance | 36,000 | 36,000 |
| KM Claims | 42,568 | 53,775 |
| CC-SDL | 12,111 | 11,248 |
| CC - UIF | 2,125 | 2,125 |
| | 1,284,704 | 1,208,705 |

Ms Nhlane G is the Senior Manager for Technical Services for the year under review.

Remuneration of Senior Manager Development and Town Planning

| | | |
|---------------------|------------------|----------------|
| Annual Remuneration | 1,027,611 | - |
| Car Allowance | 60,000 | - |
| KM Claims | 74,633 | - |
| Non Pensionable | 20,340 | - |
| Cellphone Allowance | 36,000 | 9,000 |
| Computer Allowance | 12,000 | - |
| Acting Allowance | - | 79,250 |
| Back Pay | 16,341 | 53,603 |
| CC - UIF | 2,125 | - |
| CC - SDL | 11,603 | - |
| | 1,260,653 | 141,853 |

.Mr Phosa ML was appointed as Senior Manager for Development and Town Planning from July 2024.

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Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|--|-------------------|-------------------|
| 32. Remuneration of councillors | | |
| Mayor | 1,078,415 | 996,500 |
| Executive Committee | 11,704,851 | 10,701,087 |
| Speaker | 871,997 | 806,420 |
| Councillors | 20,051,105 | 19,699,223 |
| | 33,706,368 | 32,203,230 |
| In-kind benefits | | |
| The Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. | | |
| Additional information | | |
| The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa. | | |
| 33. Depreciation and amortisation | | |
| Property, plant and equipment | 49,695,525 | 47,303,008 |
| Investment property | 8,993 | 9,016 |
| Intangible assets | 62,356 | 33,150 |
| | 49,766,874 | 47,345,174 |
| 34. Impairment and Gain/(Loss) on assets | | |
| Impairments | | |
| Property, plant and equipment | 6,075,924 | 1,011,667 |
| Gain/(Loss) on assets | (691,479) | 3,361,751 |
| | 5,384,445 | 4,373,418 |
| The significant decrease in impairment loss is mainly attributable to impairment of infrastructure assets amounting to R10 113 209 which was recognised in the current year. | | |
| 35. Debt impairment | | |
| Debt impairment | 25,259,774 | 42,697,046 |
| 36. Bad Debts | | |
| Bad Debts Written Off | 1,091,271 | - |
| 37. Bulk purchases | | |
| Electricity - Eskom | 20,719,875 | 19,859,883 |
| 38. Auditors' remuneration | | |
| Fees | 6,040,134 | 5,323,740 |

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Annual Financial Statements for the year ended June 30, 2025

Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|---|--------------------|--------------------|
| 39. Cash generated from operations | | |
| Surplus | 92,503,668 | 28,676,971 |
| Adjustments for: | | |
| Depreciation and amortisation | 49,766,874 | 47,345,174 |
| Gain/ loss on assets | (691,479) | 3,361,751 |
| Finance costs | 2,847,602 | 2,363,368 |
| Interest income | - | - |
| Impairment deficit | 6,075,924 | 1,011,667 |
| Debt impairment | 25,259,774 | 42,697,046 |
| Bad debts written off | 1,091,271 | - |
| Movements in retirement benefit assets and liabilities | (1,605,212) | 5,013,796 |
| Movements in provisions | 9,782,923 | 5,039,313 |
| Unallocated deposit write off, retention forfeit and fines | (15,293,942) | - |
| Actuarial gains/ losses | (2,585,851) | (962,676) |
| Movement in adjustment | - | - |
| Changes in working capital: | | |
| Inventories | 985,695 | (633,813) |
| Receivables from exchange transactions - General | (9,063,031) | (13,958,960) |
| Consumer debtors | (3,305,836) | (7,908,864) |
| VAT Receivable Accrual | (2,570,020) | (8,152,693) |
| Statutory receivables from non exchange transaction | (14,365,898) | (12,098,783) |
| Finance lease obligations | 211,099 | - |
| VAT payable accrual | 6,425,912 | 8,656,099 |
| Payables from exchange transactions | (9,804,763) | (1,360,993) |
| VAT Receivable Statutory | (6,824,715) | 1,558,219 |
| Unspent conditional grants and receipts | (5,084,978) | (1,184,978) |
| Consumer deposits | 17,031 | (1,697) |
| | 123,772,048 | 99,459,947 |
| 40. Commitments | | |
| Authorised capital expenditure | | |
| Already contracted for but not provided for | | |
| • Property, plant and equipment | 243,000,793 | 178,593,163 |
| • Prior year error | 14,221,121 | - |
| • Other financial assets | 16,364,188 | 6,712,550 |
| | 273,586,102 | 185,305,713 |
| Total commitment | 273,586,102 | 185,305,713 |
| Not yet contracted for and authorised by accounting officer | - | - |
| | 273,586,102 | 185,305,713 |

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| 41. Contingent Liabilities | | |
| Description | | |
| 1. Hennox 60 CC - The Municipality is sued R3 635 396.33 for damages caused to the Plaintiff's house due to non maintenance of the storm water pipes crossing the Plaintiff's yard. The matter is being defended and still pending. | 21,069,172 | 18,134,526 |
| 2. Star Mirl - The Municipality is sued R7 069 436.52 by the Plaintiff. The Plaintiff alleges that while appointed as a service provider for the Municipality, the latter paid a person not so authorised by the Plaintiff. The matter is being defended and still pending. | 7,069,437 | 7,069,437 |
| 3. Terror Trading Enterprise - The Municipality is sued R4 374 783.30 by the Plaintiff. The Plaintiff alleges that the contract awarded to him was terminated unlawfully so by the Municipality. The matter is being defended and still pending. | 15,532,802 | 13,381,642 |
| 4. JM Rakomane O.B.O MT Rakomane - The Municipality is sued R915 000.00 by the Plaintiff. The Plaintiff is acting on behalf of his child and issuing the Municipality for alleged injuries sustained by the child on Municipal property (Stadium). The matter is on a pleading stage. | 1,274,381 | 1,185,517 |
| 5. Voltex (Pty) Ltd - The Municipality is sued for R147 517.36 by the Plaintiff. The Plaintiff was the service provider of the Municipality and is suing the latter for the work allegedly done. The matter is being defended and still pending. | 243,265 | 226,865 |
| 6. Hlamalani Ben Maselesele - The Municipality is sued R40 951.36 by the Plaintiff. The Plaintiff alleges that the municipality had failed to maintain internal street at Ga-Kgapane suffered damages after falling into a huge pothole. The matter is being defended and still pending. | 40,951 | 40,951 |
| 7. Lesly Cecelia Ndleve - The Municipality is sued R23 915.03 by the Plaintiff. The Plaintiff is seeking a mandatory order demanding that the property sold to him be transferred. The case is closed | - | 23,915 |
| 8. Maile Rufus - The Municipality is sued R30 000.00 by the Plaintiff. The Plaintiff is suing the Municipality for damages caused by uncontrolled storm channel. The case is closed | - | 30,000 |
| 9. Vincent Marelele - The Municipality is sued R20 000.00 by the Plaintiff. The plaintiff is suing the municipality for damages caused by unmaintained road. The matter is being defended and still pending. The case is closed. | - | 26,153 |
| 10. Burica (Pty) Ltd - The Municipality is sued R238 977.24 by the Plaintiff. The Plaintiff is suing the municipality for alleged outstanding contractual money for service rendered. The matter is being defended and still pending. | 296,799 | 271,345 |
| 11. SABI Daviel Malubeke - The Municipality is sued R52 000.00 by the SABI Daviel Malubeke - The Municipality is sued R52 000.00 by the Plaintiff. The Plaintiff is suing the municipality for alleged damages suffered because of the accident that occurred between the Plaintiff's vehicle and that of the municipality. | 52,000 | 52,000 |
| 12. Emmanuel Ramothibedi Sebasa - The Municipality is sued R100 000.00 by the Plaintiff. The municipality is sued by one of the residents who alleged that he suffered personal injuries after falling in unguarded low level bridge in Ga-Kgapane township. | 100,000 | 100,000 |
| | 45,678,807 | 40,542,351 |

Contingent liabilities whose financial effect cannot be estimated reliably

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41. Contingent Liabilities (continued)

13. Maite Hellen Ramalepe - There is ongoing legal action initiated by the Plaintiff to prevent the municipality from withdrawing the trading license issued to one of the respondents. The financial effect of this contingent liability cannot be estimated reliably at this stage.

14. Fanni Venter and Seuns Boedery (Pty) Ltd and Bertie Van Zyl (Pty) Ltd - There is an ongoing application for rescission and a defense against the subsequent application made by the applicants. This legal action relates to the Unlawful township establishment on portions 11-14 of the farm Paard-Edood 186-LT. The financial effect of this contingent liability cannot be estimated reliably at this stage.

42. Related parties

Relationships

Members of key management

MO Sewape (Municipal Manager), AN Sesene (Chief Financial Officer), G Nhlane (Senior Manager: Technical Services), MP Lekhota (Senior Manager: Corporate Services), L Mamatlepa (Senior Manager: Community Services), Phosa L (Senior Manager: Development and Planning)
Councillors - Refer to note below.

All Councillors have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over the Council in making financial or operational decision. For a detailed list of councillors refer to page 1 and 2 of the AFS.

During the financial year no Councillor or Official had any interest in related parties and no one could control or influence Council in making financial or operational decision.

For detailed amounts with respect to Members of key management kindly refer to Note 30.

The municipality had no other related party transactions or balances during the financial year outside of the contractual remuneration of senior management

43. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

Default and breaches

There was no default and breaches for the applicable liabilities of the municipality

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43. Risk management (continued)

Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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. No changes were made to the funding method and method used to assess the risk.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk is managed on through implementation of the municipality credit risk policy.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. No changes were made on the method of assessment.

Market risk

Interest rate risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The interest risk is managed through the implementation of the credit control policy by the revenue unit and applying a fixed interest rate. There was no changes on the policy and the method use

44. Unauthorised expenditure

| | | |
|---|--------------------|--------------------|
| Opening balance as previously reported | 176,128,232 | 505,083,463 |
| Opening balance as restated | 176,128,232 | 505,083,463 |
| Add: Expenditure identified - current | 51,763,950 | 83,326,794 |
| Less: Approved/condoned/authorised by council | (80,925,421) | (412,282,025) |
| Closing balance | 146,966,761 | 176,128,232 |

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| 45. Fruitless and wasteful expenditure | | |
| Opening balance as previously reported | 749,452 | 660,513 |
| Opening balance as restated | 749,452 | 660,513 |
| Add: Expenditure identified - current | - | 14,465 |
| Add: Expenditure identified in the current - prior period | 3,705,496 | - |
| Add: Stock loss due theft and shortages | 43,583 | 96,864 |
| Less: Amount written off - current | (111,329) | - |
| Less: Recovery | - | (8,391) |
| Less: Writte off | - | (13,999) |
| Closing balance | 4,387,202 | 749,452 |
| The prior period expenditure for fruitless identified in the current year relate to roads belonging RAL (Malematja and Senwamokgope Roads) | | |
| 46. Irregular expenditure | | |
| Opening balance as previously reported | 23,980,291 | 20,058,994 |
| Opening balance as restated | 23,980,291 | 20,058,994 |
| Add: Irregular Expenditure - current | - | 3,921,297 |
| Less: Amount written off - current | (21,038,640) | - |
| Closing balance | 2,941,651 | 23,980,291 |
| Analysis of expenditure awaiting condonation per age classification | | |
| Current year | - | 122,076 |
| Amounts written-off | | |
| 47. Additional disclosure in terms of Municipal Finance Management Act | | |
| SALGA | | |
| Current year subscription / fee | 1,836,305 | 1,473,064 |
| Amount paid - current year | (1,836,305) | (1,473,064) |
| | - | - |
| Electricity distribution savings/(osses) | | |
| wh units purchased from Eskom | (9,133,279) | (9,790,708) |
| Kwh units sold per billing system statistics | 8,763,588 | 9,766,745 |
| Distribution savings / (losses) | (369,691) | (23,963) |
| Audit fees | | |
| Current year subscription / fee | 6,040,134 | 5,323,740 |
| Amount paid - current year | (6,040,134) | (5,323,740) |
| | - | - |

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47. Additional disclosure in terms of Municipal Finance Management Act (continued)

PAYE, UIF and SDL

| | | |
|---------------------------------|------------------|------------------|
| Current year subscription / fee | 30,896,628 | 27,914,205 |
| Amount paid - current year | (28,186,659) | (25,581,558) |
| | <u>2,709,969</u> | <u>2,332,647</u> |

Pension and Medical Aid Deductions

| | | |
|---------------------------------|------------------|------------------|
| Current year subscription / fee | 14,810,138 | 23,383,937 |
| Amount paid - current year | (13,594,424) | (21,430,394) |
| | <u>1,215,714</u> | <u>1,953,543</u> |

Councillors' arrear consumer accounts

MFMA section 124(1)(b) also requires disclosure of any arrears owed by individual councillors to the municipality for rates or services and which at any time during the relevant financial year were outstanding. The following councillors had outstanding balances as at June 30, 2025:

| June 30, 2025 | Current (0-30 days) R | Outstanding more than 90 days R | Total R |
|----------------|--------------------------|------------------------------------|--------------|
| Cllr Mosila MR | 1,845 | - | 1,845 |
| Cllr Matlou MP | 1,931 | - | 1,931 |
| | <u>3,776</u> | <u>-</u> | <u>3,776</u> |

48. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements. The total deviations for the year under review amounted to R1 674 783.42 (2024: R3 884 036.33)

49. Entities that are part of a Principle vs Agent arrangement

The Municipality is part of a principle vs agent arrangement with Mopani District Municipality and Department of Transport. In this arrangement, the Municipality is the agent and is acting on behalf of Mopani District Municipality and Department of Transport by providing Water and sewerage services for Mopani District Municipality and licences and permit services for Department of Transport.

Municipality acting as an agent

| | | |
|--|-------------------|-------------------|
| Revenue recognised as compensation for the transactions carried out on behalf of the principal - MDM and Department of Transport | 3,253,672 | 3,127,597 |
| Revenue received or to be received on behalf of the principal Department of Transport | 18,161,509 | 17,718,613 |
| Expenditure incurred on behalf of the principal Department of Transport | 15,253,376 | 15,488,294 |
| | <u>36,668,557</u> | <u>36,334,504</u> |

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| 49. Entities that are part of a Principle vs Agent arrangement (continued) | | |
| Receivables held on behalf of the principal | | |
| Opening balance - Mopani District Municipality | 99,481,578 | 91,170,368 |
| Revenue receivable - MDM | 13,985,046 | 12,668,118 |
| Amount received | (6,277,958) | (4,356,908) |
| Revenue collected on behalf and paid to Mopani | 3,744,065 | 3,875,230 |
| | 110,932,731 | 103,356,808 |
| Payables held on behalf of the principal | | |
| Expenses incurred - MDM | 11,148,494 | 13,705,882 |
| Cash paid | (11,148,494) | (13,705,882) |
| | - | - |

If any party commits a breach of the contract, it shall deliver a written notice to the defaulting party notifying it of the breach giving rise to such right and requesting the defaulting party to remedy the breach in question within a period of 20 days.

The Municipality is responsible for ensuring that consumers have access to water services in accordance with the constitution of The Republic of South Africa, 1996, the Municipal Structures Act (Act 33 of 1998) and the Act.

The District Municipality has subsequent to assessments in terms of section 78 of the Municipal Systems Act (No 32 of 2000), selected a service delivery agreement with the local Municipality as the preferred service delivery within the water services area.

Greater Letaba is providing water services to the consumers within the water service area on the effective date, in accordance with the Cooperative Governance Agreement entered into between Mopani and Greater Letaba upon authorization issued by the Minister of Provincial and Local Government Affairs in terms of the Municipal Structures Act (Act 33 of 1998) as repealed.

There were no changes that occurred in the current year.

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| 50. Finance lease obligation | | |
| Minimum lease payments due | | |
| - within one year | 2,771,383 | 2,560,284 |
| - in second to fifth year inclusive | 1,036,667 | 3,692,741 |
| Present value of minimum lease payments | 3,808,050 | 6,253,025 |
| Non-current liabilities | 1,036,667 | 3,692,741 |
| Current liabilities | 2,771,383 | 2,560,284 |
| | 3,808,050 | 6,253,025 |

The finance lease relates to the lease of 75 rental network printing and photocopying machine as well as 90 laptops for a period of 3 years.

The average lease term was 3 years and the average effective borrowing rate was 11.75%
Anaka Contract = 11.75

Munisoft Laptop contract= 11.75%

Munisoft Additional 10 Laptops= 11.50%

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.

51. Interest received

| | | |
|---|------------------|------------------|
| Interest - Property rates | 730,049 | 236,499 |
| Interest received - Outstanding receivables | 2,240,913 | 3,475,275 |
| | 2,970,962 | 3,711,774 |

52. Finance costs

| | | |
|-----------------------------|------------------|------------------|
| Finance leases | 211,284 | 155,668 |
| Employee benefit obligation | 2,847,602 | 2,363,368 |
| | 3,058,886 | 2,519,036 |

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53. Prior period errors

Nature of the error

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53. Prior period errors (continued)

- 1.) Inventory was understated in the prior year by a value of R190 850. The error was corrected in the current year by restating opening balance.
- 2.) The Property, Plant and Equipment was understated in the prior year by a value of R3 295 532.54. The error was corrected in the current year by restating opening balance.
- 3.) Payables from exchange transactions were overstated in the prior year by a value of R15 149 074. The error was corrected in the current year by restating opening balance.
- 4.) VAT payable Accrual was understated in the prior year by a value of R14 796 527. The error was corrected in the current year by restating opening balance.
- 5.) Employee related costs was overstated in the prior year by a value of R5 912 037. The error was corrected in the current year by restating opening balance.
- 6.) Remuneration of councillors was understated in the prior year by a value of R89 520. The error was corrected in the current year by restating opening balance.
- 7.) Contracted services was overstated in the prior year by a value of R239 443. The error was corrected in the current year by restating opening balance.
- 8.) General Expenses was overstated in the prior year by a value of R562 341. The error was corrected in the current year by restating opening balance.
- 9.) loss on assets was understated in the prior year by a value of R3 050 59. The error was corrected in the current year by restating opening balance.
- 10.) National Treasury Issued Municipal SCOA Circular No. 16 which. The Department of Mineral Resources and Energy (DMRE) later decided to allocate 5B direct grants to municipalities that demonstrated sufficient capacity to implement the projects themselves, regardless of their licensing status. This therefore resulted in INEP being classified under Revenue from Exchange Transactions from Revenue from Non-Exchange Transactions. Therefore INEP grant of 10 996 000 previously under Government Grants has been reclassified to Construction Contracts
- 11.) National Treasury Issued Municipal SCOA Circular No. 16 which. The Department of Mineral Resources and Energy (DMRE) later decided to allocate 5B direct grants to municipalities that demonstrated sufficient capacity to implement the projects themselves, regardless of their licensing status. This therefore resulted in VAT Output being recognised from the reclassified Revenue as per item 13 above. VAT output of 1 434 260.87 has been recognised relating to the reclassified INEP Grant.
- 12.) Depreciation was understated in the prior year by a value of R12 409.00. The error was corrected in the current year by restating opening balance.
- 13.) Actuarial gains was understated in the prior year by a value of R654 536.75. The error was corrected in the current year by restating opening balance.
- 14.) Employee benefit obligations was overstated in the prior year by a value of R140 535.04. The error was corrected in the current year by restating opening balance.
- 15.) Statutory VAT was overstated in the prior year by a value of R3 301. The error was corrected in the current year by restating opening balance
- 16.) Property rates was understated in the prior year by a value of R458 835.78. The error was corrected in the current year by restating opening balance.
- 17) Receivable from exchange transactions General was understated by R12 201 940. The error was corrected in the current year by restating opening balance.
- 18) Cash and cash equivalent was understated in the prior year by a value of R32 225 . The reclassification was corrected by restating opening balance.

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53. Prior period errors (continued)

19) Service Charges was understated in the prior year by a value of R126 940. The error was corrected in the current year by restating opening balance

20) Licence and permit was understated in the prior year by a value of R25 744.28. The error was corrected in the current year by restating opening balance.

21) Debt Impairment was overstated in the prior year by a value of R148 028 . The error was corrected by restating opening balance..

22) Prior year Accumulated surplus was understated by R6 820 011. The error was correct in the current.

The correction of the error(s) results in adjustments as follows:

| Statement of Financial Position | Note | As previously reported | Correction of errors | Reclassification | Change in accounting policy | Total |
|---|------|------------------------|----------------------|--------------------|-----------------------------|----------------------|
| Current Assets | | - | - | - | - | - |
| Inventories | '7 | 10,261,762 | 190,850 | - | - | 10,452,612 |
| Receivables from exchange transactions - General VAT receivable | '8 | 12,270,824 | 148,029 | 12,053,911 | - | 24,472,764 |
| Cash and cash equivalents | '12 | 12,454,221 | 32,225 | - | - | 12,486,446 |
| Non-Current Assets | | | | - | - | - |
| Property, plant and equipment | '3 | 1,213,182,873 | (3,295,533) | - | - | 1,209,887,340 |
| Current Liabilities | | | | | | |
| Payables from exchange transactions | '15 | (94,940,394) | 15,149,074 | - | - | (79,791,320) |
| VAT Payable | '14 | (12,347,101) | (1,353,599) | (13,445,372) | - | (27,146,072) |
| Accrual | | - | - | - | - | - |
| Non-Current Liabilities | | | | | | |
| Employee benefit obligation | '6 | (23,510,283) | 140,535 | - | - | (23,369,748) |
| Accumulated surplus | | - | (6,820,011) | - | - | (6,820,011) |
| | | 1,118,709,761 | 4,188,269 | (1,391,461) | - | 1,121,506,569 |

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| 53. Prior period errors (continued) | | | | | |
| Statement of Financial Performance | Note | As previously reported | Correction of errors | Reclassification | Total |
| Revenue | | - | - | - | - |
| Service charges | '19 | (32,016,397) | (126,940) | - | (32,143,337) |
| Construction Contracts | '20 | - | - | (9,561,739) | (9,561,739) |
| Licences and permits | '24 | (2,232,319) | (25,744) | - | (2,258,063) |
| Property rates | '27 | (20,036,611) | (458,836) | - | (20,495,447) |
| Government grants & subsidies | '28 | (459,373,024) | - | 10,996,000 | (448,377,024) |
| Expenditure | | - | - | - | - |
| Employee related costs | '31 | 148,434,515 | (5,912,037) | - | 142,522,478 |
| Remuneration of councillors | '32 | 32,113,710 | 89,520 | - | 32,203,230 |
| Depreciation and amortisation | '33 | 47,332,575 | 12,409 | - | 47,344,984 |
| Debt Impairment | 35 | 42,845,074 | (148,029) | - | 42,697,080 |
| Contracted services | '29 | 130,215,140 | (239,443) | - | 129,975,697 |
| General Expenses | '30 | 77,934,297 | (562,341) | - | 77,371,956 |
| Gain/ Loss on assets | '34 | (423,744) | 3,785,496 | - | 3,361,752 |
| Actuarial gains/(losses) | '6 | (308,139) | (654,537) | - | (962,676) |
| | | (35,514,923) | (4,240,482) | 1,434,261 | (38,321,109) |

Irregular expenditure

r.

54. Going concern

We draw attention to the fact that at June 30, 2025, the municipality had a surplus of R 92,503,669 and that the municipality's total assets exceed its total liabilities by R 1,218,439,652.

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

Despite the positive net asset position, the municipality had R12.5 million in cash and cash equivalents, which may not be sufficient to meet the short-term obligations. The municipality budget for the financial year 2025/26 was assessed as unfunded due to low collection of revenue for consumer services. The municipality have developed the Cost containment measures and budget implementation plan in order to achieve cost savings and ensure that the budget is funded

The following mitigating factors support the going concern assumption:

Financial Considerations in Line with GRAP Requirements:

Management has no intention to liquidate or cease operations.

The municipality is not reliant on external loans or credit facilities.

Revenue-generating assets remain operational and have not significantly deteriorated.

The municipality is funded through own funding and grant allocation, which include Equitable Share Allocation, and grant funded projects which include Municipal Infrastructure Grant (MIG), INEP, EPWP, FMS of which together contributed over R495 million in revenue during the year.

Revenue Enhancement and Receivables:

A Revenue Enhancement Strategy is scheduled for implementation in the 2025/2026 financial year.

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54. Going concern (continued)

The municipality expects payment of R8.1 million from the South African Revenue Service (SARS) for VAT receivable, which will further support operations. SARS has committed to processing VAT refunds within 21 business days of receiving a valid claim.

Operational and Budgetary Controls:

The municipality has committed to cost containment measures, resulting in reduced contracted services.

Budget variances are actively monitored, and explanations for material differences are disclosed in Note 56.

Internal controls and risk management systems are in place to monitor financial performance and mitigate operational risks.

External Oversight and Support:

The municipality continues to receive oversight and support from the National Treasury, including compliance with MFMA and GRAP standards.

The ability of the municipality to continue as a going concern will be supported by the successful implementation of its revenue enhancement strategy, recovery of receivables, and continued support from government grants. Management remains confident that these factors will enable the municipality to meet its obligations and sustain operations in the foreseeable future.

55. Segment information

General information

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55. Segment information (continued)

Identification of segments

dentification of segments

The report is organized based on municipality departments which are reportable segments and where performance is measurable. Management uses these same segments for compilation of the IDP, SDBIP, budget and monthly and quarterly reporting. The segments were organized around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The following are the reportable segments if the municipality.

Executive and Council

Provides political leadership to the municipality for the generation of economic benefits and service potential

Through the office of the Municipal Manager it also provides for the administration, leadership, performance monitoring, integrated development plan, risk management and internal audit functions to the municipality for the generation of economic benefits and service potential.

Budget and Reporting

Provides financial administration to the municipality for the generation of economic benefits and service potential

Community Services and Public Safety

Provides social services, public safety, public spaces, libraries and indigents administration to the municipality for the generation of economic benefits and service potential

Planning and Development

Provides for waste management, town planning, local economic development and environment sustainability for the generation of economic benefits and service potential

Technical Services

Road transport, electricity, housing and building inspection, project management unit, wastewater management and all infrastructure services to the municipality for the generation of economic benefits and service potential

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55. Segment information (continued)

Corporate Services and Administration

Provides legal and administration management services including HR and IT to the municipality for the generation of service potential

Geographical considerations:

Greater Letaba Municipality (GLM) is in the north-eastern part of the Limpopo Province in the jurisdiction area of Mopani District Municipality. Greater Letaba Municipality shares borders with Greater Tzaneen Municipality in the south, Greater Giyani Municipality in the east, Molemole Municipality in the west and Collins Chabane Municipality in the north.

Greater Letaba Municipal area is one of the smaller municipal areas in terms of land area, and characterized by contrasts such as varied topography, population densities (low in the south, relatively dense in the north-east), prolific vegetates in the south (timber) and sparse in the north (bushveld).

The “gates” to the municipal area are considered to be Sekgopo in the west and Modjadjiskloof in the south. The land area of Greater Letaba Municipality extends over approximately 1891km². Greater Letaba Municipality incorporates the proclaimed towns of Modjadjiskloof, and Ga-Kgapane, situated in the extreme south of the municipal area, and Senwamokgope towards the north-west of the area of jurisdiction

Management has as per the GRAP standards decided to report on Greater Letaba Municipality as a single geographical area.

Management is of the opinion that as per paragraph 32, the cost of developing geographical information would be excessive, secondly that due to the nature of the municipality, it would therefore not be in the interest of the users of the financial statements to develop geographical information for reporting.

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55. Segment information (continued)

Aggregated segments

The report is organised based on the municipality departments which are reportable segments and where performance is measurable. Management uses these same segments for compilation of the IDP, SDBIP, Budget, monthly and quarterly reporting. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes

The following are the reportable segments of the municipality:

Executive Council

Provides political leadership to the municipality for the generation of economic benefits and service potential through the office of the Municipal Manager it also provides for then administration, leadership, performance monitoring, integrated development plan, risk management and internal audit functions to the municipality for the generation of economic benefits and service potential.

Budget and Reporting

Provides financial administration to the municipality for the generation of economic benefits and service potential

Community Services and Public Safety

Provides social services, public safety, public spaces, libraries and indigents administration to the municipality for the generation of economic benefits and service potential

Planning and Development

Provides waste management, town planning, local economic development and environment sustainability for the generation of economic benefits and service potential.

Technical Services

Road transport, electricity, housing and building inspection, project management unit solid waste management and all infrastructure services to the municipality for the generation of economic benefits and service potential

Corporate Services and Administration

Provide legal and administration management services including HR and IT to the municipality to the municipality for the generation of service potential

Geographical consideration:

Greater Letaba Municipality (GLM) is in the north-eastern part of the Limpopo Province in the jurisdiction area of Mopani District Municipality. GLM shares borders with Greater Tzaneen Municipality in the south, Greater Giyani Municipality in the east, Molemole Municipality in the west and Makhado Local Municipality in the north.

GLM area is one of the smaller municipal areas in terms of land area, and characterized by contrast such as varied topography, population densities (low in the south, relatively dense in the north-east), prolific vegetation in the south (timber) and sparse in the north (bushveld)

The "gates" to the municipal area are considered to be Sekgopo in the west and Modjadjiskloof in the south. The land area of GLM extends over approximately 1891km

GLM incorporates the proclaimed towns of Modjadjiskloof, and Ga-Kgapane, situated in the extreme south of the municipal area, and Senwamokgope towards the north-west of the area of jurisdiction

Management has as per the GRAP standards decided to report on GLM as a single Geographical area.

Management is of the opinion that as per paragraph 32, the cost of developing geographical information would be excessive, secondly that due to the nature of the municipality, it would be therefore not be in the best interest of the users of the financial statements to develop geographical area information for reporting.

Segment surplus or deficit, assets and liabilities

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55. Segment information (continued)

Segment surplus or deficit

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55. Segment information (continued)

2025

| | Revenue from non- exchange transactions | Revenue from exchange transactions | Total Segment revenue | Salaries and wages | Depreciation and amortisation | Other expenses | Total Segment expenditure | Total segment (deficit) surplus |
|--|--|--|-----------------------------|-----------------------|-------------------------------------|--------------------|---------------------------------|--|
| Revenue | | | | | | | | |
| Budget and Reporting | 425,201,434 | 9,416,465 | 434,617,899 | 21,875,429 | 3,733,476 | 42,941,347 | 68,550,252 | 366,067,647 |
| Community and Public Safety | 10,080,087 | 27,847,935 | 37,928,022 | 52,677,844 | 336,663 | 34,656,417 | 87,670,924 | (49,742,902) |
| Corporate and Administration | - | - | - | 30,019,726 | 19,864,365 | 88,119,203 | 138,003,294 | (138,003,294) |
| Executive and Council | - | - | - | 51,726,689 | (1,146,361) | 38,288,491 | 88,868,819 | (88,868,819) |
| Planning and Development | - | - | - | 10,813,410 | - | 4,738,451 | 15,551,861 | (15,551,861) |
| Technical Services | 97,709,193 | 42,874,909 | 140,584,102 | 22,251,213 | 26,978,727 | 68,815,531 | 118,045,471 | 22,538,631 |
| Reconciling Items | - | - | - | - | - | - | - | - |
| Total | 532,990,714 | 80,139,309 | 613,130,023 | 189,364,311 | 49,766,870 | 277,559,440 | 516,690,621 | 96,439,402 |
| Revenue and Expenditure reconciling items | | | | | | | | |
| Licence and permits Revenue | | | (15,253,377) | | | | (15,253,377) | - |
| Proceeds from sale of assets | | | (1,137,035) | | | | | (1,137,035) |
| Entity's revenue | | | 596,739,611 | | | | 501,437,244 | |
| Other reconciling items | | | | | | | | |
| Impairment loss | | | | | | | | (6,075,924) |
| Actuarial Gains/losses | | | | | | | | 2,585,851 |
| Gains/ losses on assets | | | | | | | | 691,479 |
| Entity's Surplus (deficit) for the period | | | | | | | | 92,503,773 |

2024

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55. Segment information (continued)

| | Revenue from non- exchange transactions | Revenue from exchange transactions | Total Segment revenue | Salaries and wages | Depreciation and amortisation | Other expenses | Total Segment expenditure | Total segment (deficit) surplus |
|--|--|--|-----------------------------|-----------------------|-------------------------------------|--------------------|---------------------------------|--|
| Revenue | | | | | | | | |
| Budget and Reporting | 388,746,646 | 11,032,128 | 399,778,774 | 21,252,503 | 508,611 | 61,883,349 | 83,644,463 | 316,134,311 |
| Community and Public Safety | 764,235 | 26,581,861 | 27,346,096 | 52,816,807 | 237,149 | 38,486,952 | 91,540,908 | (64,194,812) |
| Corporate and Administration | - | - | - | 11,886,065 | 15,645,660 | 71,340,651 | 98,872,376 | (98,872,376) |
| Executive and Council | - | - | - | 47,707,639 | 1,288,721 | 41,543,143 | 90,539,503 | (90,539,503) |
| Planning and Development | - | - | - | 10,573,622 | - | 2,363,032 | 12,936,654 | (12,936,654) |
| Technical Services | 79,950,239 | 36,150,333 | 116,100,572 | 30,189,071 | 29,665,035 | 72,592,785 | 132,446,891 | (16,346,319) |
| Total | 469,461,120 | 73,764,322 | 543,225,442 | 174,425,707 | 47,345,176 | 288,209,912 | 509,980,795 | 33,244,647 |
| Revenue related reconciling items | | | | | | | | |
| License and Permits | | | (15,486,294) | | | | (15,486,294) | - |
| Proceeds from sale of assets | | | (1,156,935) | | | | | (1,156,935) |
| Entity's revenue | | | 526,582,213 | | | | 494,494,501 | |
| Other reconciling items | | | | | | | | |
| Impairment loss | | | | | | | | (1,011,667) |
| Actuarial Gain/losses | | | | | | | | 962,676 |
| Gain/ losses on assets | | | | | | | | (3,361,751) |
| Entity's Surplus (deficit) for the period | | | | | | | | 28,676,970 |

Segment assets and liabilities

2025

| Non-current assets | Current assets | Total segment assets | Total segment liabilities |
|-----------------------|-------------------|----------------------------|---------------------------------|
|-----------------------|-------------------|----------------------------|---------------------------------|

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55. Segment information (continued)

| | | | | |
|---|----------------------|--------------------|----------------------|----------------------|
| Budget and Reporting | 786,217,936 | 1,125,122,817 | 1,911,340,753 | (308,401,437) |
| Community and Public Safety | 64,830,658 | (111,373,829) | (46,543,171) | 20,439,689 |
| Corporate and Administration | 6,668,611 | (306,437,432) | (299,768,821) | (2,730,540) |
| Executive and Council | 1,335,358 | (176,432,882) | (175,097,524) | (352,281) |
| Planning and Development | - | (24,194,227) | (24,194,227) | (857,910) |
| Technical Services | 422,375,149 | (396,951,385) | 25,423,764 | 159,386,978 |
| Total segment assets | 1,281,427,712 | 109,733,062 | 1,391,160,774 | (132,515,501) |
| Reconciling items | | | | |
| Mopani | | | (32,022,604) | - |
| STATUTORY VAT | | | (8,159,273) | - |
| Total as per Statement of financial Position | | | 1,350,978,897 | (132,515,501) |

2024

| | Non-current assets | Current assets | Total segment assets | Total segment liabilities |
|---|----------------------|-------------------|----------------------|---------------------------|
| Budget and Reporting | 834,868,952 | 935,142,603 | 1,770,011,555 | (279,627,214) |
| Community and Public Safety | 61,367,517 | (97,699,438) | (36,331,921) | 8,319,712 |
| Corporate and Administration | 436,834 | (202,553,628) | (198,187,793) | (5,222,414) |
| Executive and Council | 1,335,358 | (135,479,689) | (134,144,331) | (2,125,647) |
| Planning and Development | - | (20,330,243) | (20,330,243) | (48,861) |
| Technical Services | 309,072,372 | (387,972,578) | (78,900,207) | 129,025,902 |
| Total segment assets | 1,207,081,033 | 91,107,027 | 1,302,117,060 | (149,678,522) |
| Reconciling items | | | | |
| Mopani | | | (33,298,823) | - |
| Total as per Statement of financial Position | | | 1,268,818,237 | (149,678,522) |

56. Budget differences

Material differences between budget and actual amounts

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56. Budget differences (continued)

The average South African CPI for 2024/25 was 4.4%, the municipality considers a fluctuation of 5% or more as a significant fluctuation. Only fluctuations of 5% or more of the budgeted amount will be explained

1. Service Charges

During the 2024/25 financial year the municipality disconnected non paying businesses and not all came for reconnection.

2. Construction contracts

The variance is due to MSCOA circular No. 16 released on 16 October 2024 which requires the classification of INEP grant as the sale of goods and services construction

3. Rental of facilities and equipment

The municipality no longer rents out plants for private use as the plants are used only for service delivery

4. Interest received - outstanding receivables

When the budget was prepared the interest rate used was 18% and the municipality reviewed the interest charge to 12.75% in the current financial year

5. Agency services

The municipality did not collect as expected on behalf Mopani district municipality for water services.

6. Licences and permits

The municipality budgeted 100% collection on licenses and permits however the municipality's portion is 20% agency fee

7. Other income

The municipality anticipated to receive more on income from other sources of revenue during the year under review.

8. Interest received - investments

Interest received on investment was more than budgeted as a result of the municipality managing to maintain a positive balance throughout the year.

9. Interest - Property Rates

When the budget was prepared the interest rate used was 18% and the municipality reviewed the interest charge to 12.75% in the current financial year

10. Government grants & subsidies

The municipality received additional funding for MIG and INEP and included in the actual amount is the capital transfers and subsidies.

11. Fines, Penalties and Forfeits

The variance is due to unallocated deposit and retention amount recognised are revenue in the current year through council resolution.

12. Depreciation and amortisation

The municipality under budgeted depreciation as it is a non cash item.

13. Finance costs

Greater Letaba Municipality

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56. Budget differences (continued)

The Municipality under budgeted for finance costs.

14. Debt impairment

The municipality under budgeted debt impairment as it is a non cash item.

15. Bulk Purchases

There was a reduction in demand for electricity due to customers using solar and gas.

16. Contracted services

There was a reduction due to some operational projects not implemented..

17. General Expenses

There was a reduction in general expenses due to some operational projects not being implemented due to cost containment.

18. Irrecoverable debts written off

The write-off for indigent debtors was less than the expected budget..

19. Gain on disposal of assets and liabilities

The variance in gain on disposal of assets is mainly due to anticipated actual disposal of assets that was lower than expected

20 Employee benefit obligation

The variance is due to over budgeting of long service awards and post employment medical aid..

21. Inventories

The was a reduction in the procurement of stores material

22.Receivable from exchange transactions

The budget was on gross amount and the actual amounts are on net amounts

23. Receivables from non-exchange transactions

The budget was on gross and the amounts are on net amounts

24. VAT Receivable

The variance in VAT receivable is due to refund for three period not received by municipality by the end of financial

25. Consumer debtors

The budget for consumer debtors is in receivables from exchange transactions.

26. Cash and cash equivalents

The municipality expected to end the year with a higher amount of cash and cash equivalents

27. Investment property

The variance is due to the investment property depreciating in the current year

28. Intangible assets

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56. Budget differences (continued)

The variance is due to the amortisation of intangible assets in the current year.

29. Finance lease obligations

The variance is due to non-budgeting of finance lease obligation

30. Payables from exchange transactions

The municipality has written-off unallocated deposits and retentions in the current year.

During the 2024/25 financial year the municipality disconnected non paying businesses and not all came for reco

The average South African CPI for 2024/25 was 4.4%, the municipality considers a fluctuation of 5% or 1

57. Contingent Asset – Land Sales in Kgapane Extension 5

Certain receivables relating to land sold in Kgapane Extension 5 have remained unpaid for a period exceeding three years, contrary to the provisions of the Prescription Act of 1969. These receivables, totaling R2,007,458.38, have been handed over to legal practitioners for recovery. As the municipality is actively pursuing legal action and negotiations with the respective debtors to enter into payment agreements, these amounts are no longer recognized as consumer debtors but are instead disclosed as contingent assets. The realization of these assets is dependent on the successful outcome of the debt collection process.

58. Financial instruments disclosure

Financial assets and liabilities exposed to credit risk at year end were as follows:

| Financial Instruments | 2025 | 2024 |
|---|----------------------------|----------------------------|
| Receivables from exchange transactions - General | 29,760,338 | 24,472,764 |
| Receivable from non-exchange transactions | 1,264,270 | 2,860,476 |
| Receivables from exchange transactions - Consumer Debtors | 8,348,273 | 6,201,339 |
| Payables from exchange transactions | (69,986,558) | (79,791,320) |
| Consumer deposits | (426,399) | (409,368) |
| | <u>(31,040,076)</u> | <u>(46,666,109)</u> |

For financial assets which are past due and impaired refer to note 8, 9 and 13. None of the financial assets terms have been renegotiated. None of the financial assets were used as security or collateral. Consumer deposits are disclosed on note 16.

APPENDIX T – AUDITOR GENERAL OPINION FOR THE YEAR 2024-25

Report of the auditor-general to Limpopo Provincial Legislature on the Greater Letaba Local Municipality

Report on the audit of the financial statements

Opinion

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

Basis for opinion

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

Emphasis of matters

5. I draw attention to the matters below. My opinion is not modified in respect of these matters.
6. As disclosed in note 8, note 9 and note 11 of the financial statements, material impairments amounting to R188 393 836 (2024: R182 048 359), R108 571 278 (2024: 92 609 176) and R162 191 421 (2024: R161 032 518) were made to receivables from exchange transactions, receivables from non-exchange transactions and consumer debtors, respectively, because of irrecoverable debts.
7. With reference to note 41 to the financial statements, the municipality is the defendant in various claims, which it is opposing. The ultimate outcome of these matters cannot presently

be determined and no provision for any liability that may result was made in the financial statements.

8. As disclosed in note 53 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2025.
9. We draw attention to note 54 in the financial statements, which deals with the possible effects of the future implications of continuing deterioration in operational results on the municipality's prospects, performance, and cash flows.

Other matter

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.
11. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and DoRA; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

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

Report on the audit of the annual performance report

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

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

| Development priority | Page numbers | Purpose |
|---------------------------------------|--------------|---|
| KPA 3 – Basic service delivery | xx | To ensure quality services to communities |

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

19. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned 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 over- or underachievement of targets / measures taken to improve performance

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

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

KPA 3: Basic service delivery

Number of planned maintenances done

22. The target of 100% does not relate directly to the indicator, which measures number of planned maintenances done. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievement does not provide useful information on the indicator's achievement.

% of reported potholes complaints resolved within standard municipal response

23. An achievement of 100% of reported potholes complaints resolved within standard municipal response was reported against a target of 100% of reported potholes complaints resolved within standard municipal response. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements / measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

26. The table that follows provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any under achievement of targets / measures taken to improve performance are included in the annual performance report on pages xx to xx.

| <i>Targets achieved: 93.7%</i> | | |
|---|-----------------------|-----------------------------|
| Key indicators not achieved | Planned target | Reported achievement |
| Number of kilometres of unsurfaced roads graded | 800km | 611km |

Report on compliance with legislation

27. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
28. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
29. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
30. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements and annual report

31. 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.
32. Material misstatements of accumulated surplus, statutory receivables, VAT payable accruals, receivables from exchange transactions and the cash flow statement identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Strategic planning and performance management

33. The performance management system and related controls were inadequate as it did not describe how the performance planning, monitoring, review and reporting processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

Expenditure management

34. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R51 763 950, as disclosed in note 44 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The unauthorised expenditure was caused by overspending of the approved total budget.

35. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R3 749 079, as disclosed in note 45 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 losses incurred due to the writing off of cost incurred on construction of two roads not belonging to the municipality.

Other information in the annual report

36. 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 development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.
37. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
38. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
39. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

40. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
41. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
42. Management's internal controls and processes over the preparation of the financial statements and annual performance report were not adequate to ensure that the financial statements were free from material misstatements and that all Standards of GRAP and disclosure requirements were met.

43. The municipality did not have sufficient monitoring controls to ensure the proper implementation of the overall processes of compliance with legislation. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored

Auditor General

Polokwane

08 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 statements and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with selected requirements in key legislation.

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

| Legislation | Sections or regulations |
|---|--|
| Municipal Finance Management Act 56 of 2003 | Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b) |
| MFMA: Municipal budget and reporting regulations, 2009 | Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c) |
| MFMA: Municipal Investment Regulations, 2005 | Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3) |
| MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014 | Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1) |
| MFMA: Municipal Supply Chain Management Regulations, 2017 | Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f) |
| Division of Revenue Act | Sections: 11(6)(b), 12(5), 16(1); 16(3) |
| Municipal Property Rates Act 6 of 2004 | Section: 3(1) |
| Municipal Systems Act 32 of 2000 | Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 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) |

| Legislation | Sections or regulations |
|---|---|
| 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) |

APPENDIX U – REMEDIAL ACTIONS TO ADDRESS THE AUDIT EXCEPTIONS

2024 25 AUDIT ACTION PLAN

Financial Year: 2024/2025

Matters Affecting Audit 2

Other Important Matters 22

Total Audit Findings 24

Implementation Status: Not yet started/ In-progress/ Completed

| No. | Annexure | Line Item | Finding | Amount | Finding Details | Root Cause | Recommendation | Management Response | Nature of Findings | Repeat Finding | No. of Years Repeated | Responsible Person | Due Date Imp | Management Approval Comments | CFO Approval Comments | IA Review Comments | Action Plan Status | Impl Status |
|-----|--------------------------------|-----------------------------------|---|--------|--|---|--|--|-----------------------------|----------------|-----------------------|---|--------------|---|-----------------------|---|---------------------------------------|-----------------|
| 1 | Matters Affecting Audit Report | Reported information not reliable | Revised COMAF 11: The indicator is not relevant | | Audit Finding: The indicator "Number of planned maintenances done" is not relevant. The indicator describes a count (number), while the target and actual performance are expressed as a percentage (100%). | Management did not perform sufficient and appropriate reviews of the planning documents and the reported achievement during the financial year to ensure that the performance indicator are relevant. | Management should ensure that the indicators are consistent with the targets by conducting thorough reviews on both the SDBIP and APR. | Management agrees with the finding. Management comment on internal control deficiencies: Management will perform sufficient and appropriate reviews of the planning documents and the reported achievement to ensure that the performance indicator is measurable. | Internal control deficiency | Yes | 2 | Dikgari Ignatius Mogale, Tsakani Mtebule, Obed Sewapa, Livhuwani Sadiki | 31-Mar-26 | Management will also ensure a thorough review of the indicator to address any gaps. | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |

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| 2 | Matters Affecting Audit Report | Reported information not reliable | COMAF 12. The indicator is not consistent with the target and actual performance. | | Audit Finding: % of reported potholes complaints resolved within standard municipal response time – Not Verifiable The indicator is not verifiable, A sample of pothole complaints listed in the 2025 pothole complaints progress report could not be traced to the official municipal complaints register for the 2024/25 financial year. | Financial and performance management. Management did not ensure that the planned indicator will be measurable with valid POE. Management did not perform sufficient and appropriate reviews of the planning documents and the reported achievement during the financial year to ensure that the performance indicator is supported by appropriate and valid POE. | Management to ensure that proper reviews of the planning documents and performance indicators are appropriate and sufficient | Management Disagrees with the Audit Finding. Management has attached progress reports of all quarters in 2024 25, which are approved Progress Reports as per the 2024/25 SDBIP. | Internal control deficiency | No | | Dikgari Ignatius Mogale, Tsakani Mtebule, Obed Sewapa, Livhuwani Sadiki | 31-Mar-26 | This indicator is no longer part of the institutional SDBIP for the 2025/2026, it is departmental (Technical) | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 3 | Other important matter | Reported information not reliable | COMAF 2: Issues noted during the high-level review of APR. | <p>Audit Finding: Issues Noted During High-Level Review of Annual Performance Report (APR)</p> <p>"Number of approved list of households receiving Free Basic Water (FBW)": APR reports 28, but MOV supports 27 (difference of 1).</p> | The accounting officer did not prepare accurate and complete performance reports that are supported and evidenced by reliable means of verification. | The accounting officer should prepare accurate and complete performance reports that are supported and evidenced by reliable means of verification. | <p>Management comment on audit findings:</p> <p>Number of approved list of households receiving Free Basic Water (FBW). Management disagrees with the findings. The 28 reported is the number of beneficiaries in ratable areas (Ga-Kgapane and Modjadjiskloof):</p> | Internal control deficiency | Yes | 2 | Dikgari Ignatius Mogale, Tsakani Mtebule, Obed Sewapa, Livhuwani Sadiki | 31-Mar-26 | Internal controls were strengthened to ensure that the finding is resolved. | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 4 | Other important matter | Heritage assets | COMAF 4: 1. Internal control deficiency – Assets not Barcoded/numbered | | Audit Finding: Internal Control Deficiency – Heritage Assets Not Barcoded/Numbered Greater Letaba Municipality (GLM) Asset Management Policy requires a coding system for unique identification, with each movable and fixed asset marked with its respective code or number. During the audit, two heritage assets were found without barcodes or unique numbers: Sculputer bronze Modjadjie Sculputer Modjadjie tombstone | Management did not ensure sufficient monitoring and oversight during the assets' registration process | Management should ensure that all newly acquired and existing assets are barcoded. Management should implement monitoring controls to ensure that assets are barcoded upon registration. | Management agree to the finding for internal controls. Management comment on internal control deficiencies: There was an oversight from management during preparations for not allocating unique barcodes to the sculptures in the assets register during preparations. | Internal control deficiency | No | | Portia Kgatla, Wilson Lebea | 31-Mar-26 | Manager Assets will ensure that all heritage Assets of the Municipality are bar coded as per Grap 103 and 17 on 31 March 2026 . On Quarterly basis Manager Assets will submit completed Assets register to the CFO for final review and sign off with a column indicating all assets barcoded. | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 5 | Other important matter | As per audit finding | COMAF 5: Statement of Financial Position | R 6 309 102 | <p>Audit Finding: Statement of Financial Position Does Not Balance</p> <p>Recalculated Net Assets (Total Assets R1 331 900 440 less Total Liabilities R113 937 580) amount to R1 217 962 860. However, the reported Accumulated Surplus is R1 211 653 758, resulting in an unreconciled difference of R6 309 102.</p> | Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting | Management should ensure that the statement of financial position is reviewed thoroughly | Management agrees with the finding. Upon review of the submitted annual financial statements, including the general ledger, trial balance, and CaseWare settings, management confirms that there are no issues within the general ledger, trial balance, or the financial statements. The opening balance of R6,309,102 was erroneously not transferred into the current year within the CaseWare file, resulting in the noted difference. | Internal control deficiency | No | | Portia Kgatla, Annah Sesene, Tracy Baloyi, Khomotso Modjadji, Silas Ramalepe, Moses Mafale | 31-Mar-26 | Management will prepare quarterly financial statement in the third and fourth quarter of the 2026 FY to address the material misstatement on statement of change in net assets. The prior year amount affecting the statement of change in net assets will be calculated accurately. | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 6 | Other important matter | | COMAF 6: 1. The municipality did not give notice to the public within 14 days of the adoption of its IDP | | Audit Finding: Delayed Public Notice of IDP Adoption: a municipality must, within 14 days of adopting its Integrated Development Plan (IDP), give public notice of the adoption and inform the public where copies or extracts of the plan are available for inspection. | Management did not ensure that they implement Municipal System Act No 32 of 2000. | We recommend that management ensure public notice of the IDP adoption is published on the same day it is adopted. In cases where publication does not occur on the same day, follow-up should be conducted the following day. | Management agrees with the finding: Management comment on internal control deficiencies: Management will ensure that a public notice regarding the adoption of the IDP was published on the required latforms (such as the municipal website, municipal Facebook page, and local newspapers) within 14 days of its adoption by Council. | Non-compliance with applicable legislation | No | | Obed Sewapa, Alvin Monakisi, Molojiwa Lucky Phosa | 31-Mar-26 | Management will ensure that internal controls are adhered to and as soon as the IDP is approved in May a notice will be issued within 14 days of approval. | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 7 | Other important matter | | COMAF 8: Going Concern | <p>Audit Finding: Inaccuracies in the Going Concern</p> <p>The statement that "total assets exceed total liabilities by R1 211 653 758" is incorrect; the auditor's recalculation shows net assets of R1 217 962 860, resulting in an understated surplus and inaccurate disclosure of financial position and replacement financing potential.</p> <p>The claim that R12 million cash on hand is "sufficient enough" to pay trade creditors (R15 million) and retentions (R20 million) in the next 6 months is not accurate, as available cash cannot cover these current liabilities.</p> | <p>Management did not review and monitor compliance with GRAP 1 requirements relating to the assessment of going concern assumption.</p> | <p>Management should perform their going concern assumption in line with GRAP 1, and perform reviews of this assessment to ensure accurate information is disclosed in the note for going concern.</p> | <p>Management agrees with the finding. Management has revisited the going concern disclosure note 54 and noted typing errors of words, inclusion of Mmopani District Municipality receivables, exclusion of SARS VAT receivables, operational budgetary controls and external oversight support.</p> | Non-compliance with applicable legislation | No | | Annah Sesene, Tracy Baloyi | 31-Mar-26 | <p>Management will strengthen the system of internal controls to ensure that going concern disclosure note correctly reflects the financial position of the Municipality.</p> | Approved | <p>Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year.</p> | Developed (Internal Auditor Approved) | Not Yet Started |
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| 8 | Other important matter | | COMAF 9: Incomplete and inaccurate registers (Fruitless and wasteful expenditure, quotation register and contract register) Finding 1 | | Audit Finding: Incomplete and Inaccurate Registers (Fruitless and Wasteful Expenditure, Quotation Register, and Contract Register) Registers were not completed to highlight the transaction number, date reported to the Accounting officer, details of the transaction incident, status of the fruitless and wasteful expenditure. | Internal control deficiencies and non-compliance with the MFMA circular 68 guidance | Management should ensure that the UIFW expenditure registered have been completed in terms of MFMA circular 68 guidance. | Management comment on audit finding: Management agrees with the finding. The outstanding section on the fruitless and wasteful register has been updated. | Internal control deficiency | No | | Annah Sesene, Khomotso Modjadji | 31-Mar-26 | Management will strengthen the system of internal controls to ensure that the fruitless and wasteful expenditure is fully complete. | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 9 | Other important matter | Property, plant and equipment | COMAF 13: Assets: Work-In-Progress-Impairment | R 370 549 554 | Audit Finding: Work-In-Progress Impairment – Incorrect Recognition and Non-Disclosure GRAP 17 and GRAP 1 recognition criteria were not met for R3 705 495.54 capitalised as WIP on two road projects, as the municipality never controlled the underlying land (owned by RAL and DPWI). No asset existed, so capitalisation and subsequent full impairment under GRAP 21 were inappropriate. The expenditure qualifies as fruitless and wasteful | Failure to exercise reasonable care in verifying land ownership and securing control prior to incurring construction expenditure. No review of the potential incurred expenses for fruitless and wasteful expenditure definitions. | Management should verify land ownership and secure control before construction of the road begins. Management should regularly assess the impaired assets for the assessment of fruitless and wasteful expenditure and update the fruitless and wasteful expenditure register. | Management comment on audit finding: Management partially agree with the audit finding. The impairment of WIP roads will be reversed and recognized treated as de-recognition of WIP roads which don't belong to the municipality in prior year error as per the recommendation | GRAP non-compliance | No | | Portia Kgatla, Annah Sesene, Wilson Lebea | 31-Mar-26 | Management proposed audit adjustment and AGSA agreed that the finding will be resolved after adjustment | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 10 | Other important matter | Cash flow statement | COMAF 14: Cash Flow statement | <p>Audit Finding: Material Differences in Cash Flow Statement and Non-Disclosure of Principal Agent Transactions</p> <p>Receipts from sale of goods and services: Reported R69 624 596 vs. recalculated R79 444 510 (difference R9 819 914).</p> <p>Payments to suppliers: Reported - R253 791 488 vs. recalculated -R217 763 363 (difference R36 028 125).</p> <p>Purchase of Property, Plant and Equipment: Reported R126 705 900 vs. recalculated R122 158 769 (difference - R4 547 131).</p> | The accounting officer did not prepare accurate and complete financial and performance reports that are supported and evidenced by reliable information. | The accounting officer should prepare accurate and complete financial and performance reports that are supported and evidenced by reliable information. | Management comment on audit finding: Management agree with the audit finding, Management request AGSA to permit the adjustment of cashflow. | Internal control deficiency | No | | Annah Sesene, Tracy Baloyi | 31-Mar-26 | The adjustment made were assessed and comaf is resolved | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 11 | Other important matter | | COMAF 15: Sundry Debtors | R 2 107 605 | <p>Audit Finding: Misclassification of Electricity Receivables in Sundry Debtors</p> <p>Contrary to these requirements, the sundry debtors balance disclosed in the annual financial statements includes amounts relating to electricity charged to customers.</p> | <p>Management did not Implement controls over daily and monthly processing and reconciling of transactions.</p> | <p>Management should ensure that the daily and monthly recording of sundry debtors' transactions are allocated to the correct accounts</p> | <p>Management comment on audit finding: Management agrees with the finding. Management has revisited the entire population and identified additional exceptions</p> | <p>Non-compliance with applicable legislation</p> | No | | Annah Sesene, Silas Ramalepe | 31-Mar-26 | <p>Adjustment to the sundry debtors balance has been accurately processed the finding is resolved.</p> | Approved | <p>Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year.</p> | <p>Developed (Internal Auditor Approved)</p> | Not Yet Started |
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| 12 | Other important matter | | COMAF 16: Overtime worked exceeds the approved threshold | R | 381 461 | Audit Finding: Overtime Worked Exceeds Approved Threshold. In terms of the municipality's overtime policy employees may not work more than 10 hours per week, 3 hours per day, or 40 hours per month in overtime. Any excess overtime must be compensated with time-off (one hour for each excess hour worked). Contrary to this requirement, audit testing identified multiple employees who exceeded the 40-hour monthly threshold in January and February 2025, with excess overtime paid instead of granted as time-off. | The accounting officer did not implement controls over daily and monthly processing and reconciling of transactions | The accounting officer should ensure that the overtime policy is adhered to. The accounting officer should implement controls over daily and monthly processing and reconciling of overtime hours worked. | Management comment on audit finding: Management agrees with the finding. Management will strengthen its systems of internal control (I.e. reviews) to ensure overtime hours worked are in line with the approved policies. | Non-compliance with applicable legislation | Yes | 5 | Ngoako Lebepe, Gugu Nhlane, Thomas Chabalala | 31-Mar-26 | Overtime will be strictly monitored to ensure that it is in compliance with legislations | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 13 | Other important matter | | COMAF 17: difference between Irregular Expenditure and amount disclosed as per note 46 | R 1 434 461 | Municipal Finance Management Act, 2003 (Act no. 56 of 2003) section 62(1)(b) 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 step to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards. Section 62 (1) (c), the accounting officer of a municipality must ensure that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and | Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting. | Management should ensure that the register of irregular expenditure is updated promptly and reconciled with the amounts disclosed in the Annual Financial Statements (AFS). Furthermore, management must implement rigorous review processes of the AFS and the supporting schedules to ensure the accuracy and completeness of the information disclosed. | Management comment on audit finding: Management agrees with the finding. Management requests AGSA to permit the processing of the following adjustments to correct the error on note 46 Irregular expenditure see annexure A, B and C | Internal control deficiency | No | | Annah Sesene, Khomotso Modjadji | 31-Mar-26 | Management will strengthen the system of internal controls to ensure that irregular expenditure that is presented and disclosed in the AFS is not misstated | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 14 | Other important matter | Rev from exch transactions: Service charges | COMAF 19: Consumer Debtors | | Audit Finding: Consumer Debtors – Non-Compliance with Prescription Act (Other Debtors Schedule) In terms of paragraphs 10 and 11 of the Prescription Act of 1969, a debt is extinguished by prescription after 3 years for the type of receivables included in consumer debtors Contrary to this requirement, the municipality has retained debtors in the consumer debtors balance (specifically relating to land sold in Kgapane Extension 5) that have been outstanding for more than 3 years, with no payments received or movement in the accounts. | Management did not ensure compliance with the Debt Prescription act | Management should ensure they comply with the prescription requirements, and raise a contingent asset for these receivables | Management comment on audit finding: Management agrees with the finding. Management request AGSA to permit the following adjustment to correct the issue. | Internal control deficiency | Yes | 3 | Annah Sesene, Silas Ramalepe | 31-Mar-26 | Management will strengthen the system of internal controls to ensure that the municipality complies with prescriptions and Act relating to other debtors | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 15 | Other important matter | Property, plant and equipment | COMAF 20:Management response is noted and the finding is resolved after the proposed adjustments were processed. | Depreciation: Useful lives used to calculate depreciation are not aligned with accounting policy and Assets Management policy During the audit of Greater Letaba Municipality for the year ended 30 June 2025, it was noted that the estimated useful lives assigned to certain assets in the Fixed Asset Register (FAR) were not consistent with the municipality's approved accounting policy on depreciation | Failure to ensure that useful lives used to determine the depreciation amount for the year are aligned with accounting policy. | The accounting officer should adequately review supporting schedules to ensure that useful lives used to determine the depreciation amount for the year are aligned with accounting policy. | Management comment on audit finding: Management agrees with finding. We noted that there was Internal Control oversight on updating the AFS Accounting Policy | Internal control deficiency | No | | Portia Kgatla, Annah Sesene, Wilson Lebea | 31-Mar-26 | Management will ensure that the correct number of years are captured on the accounting policy par 1,5 on the AFS | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 16 | Other important matter | Property, plant and equipment | .COMAF 20: Depreciation: Useful lives used to calculate depreciation are not aligned with accounting policy and Assets Management policy (Finding 2) | | Issue 2: During the audit of Greater Letaba Municipality for the year ended 30 June 2025, it was noted that depreciation calculations in the Fixed Asset Register (FAR) were performed using the correct completion/transfer certificate dates. However, the depreciation start date field recorded in the FAR itself was incorrectly captured: | Manual data-capture errors when updating the FAR. | Management should perform adequate reconciliations between the date of asset acquisition and the date the asset became available for use. | Management comment on audit finding: Management agrees with the finding. We noted that there was internal control omission resulting in error on the purchase date and depreciation start date as per the Assets Register as compared to the completion certificates. | Internal control deficiency | No | | Portia Kgatla, Annah Sesene, Wilson Lebea | 31-Mar-26 | Management to ensure that Asset register is reviewed before submission to avoid errors | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 17 | Other important matter | General expenses | COMAF 21: Expenditure – Payments not made within 30 days | | Requirement MFMA Section 65(2)(e) states that the accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure. Audit finding Contrary to the above, we have identified that the invoices below were not settled within 30 days from date of invoice. | Management did not Implement controls over daily and monthly processing and reconciling of transactions. | Management should implement a tracking register to ensure that invoices are paid within 30 days from received date. Management should highlight invoices that have disputes or queries and follow up timeously within the 30 days of receiving the invoice to prevent delay in payments of those invoices. | Management agree with audit finding. The invoices are more than 30 days before payment due to the engagements with service providers on certain line items on the invoices hence even after the resolving the contents of the invoice, the date did not change. | Internal control deficiency | No | | Annah Sesene, Lydia Magabane, Khomotso Chuene, Moses Mafale | 31-Mar-26 | Management will strengthen internal control systems to ensure invoice date corresponds with memorandum to pay | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
| 18 | Other important matter | Reported information not reliable | COMAF 22: Inaccurate reporting number of MIG projects implemented | | Audit Finding: AOPO – Inaccurate Reporting of Number of MIG Projects Implemented The Annual Performance Report (APR) stated that 13 MIG projects were implemented against a target of 13. Audit evidence, however, confirmed an actual achievement of only 12 projects. | The reported achievement is inaccurate and results in the target being not achieved | The accounting officer should prepare accurate and complete performance reports that are supported and evidenced by reliable information. | Management comment on audit finding: Management agrees with the audit finding. | Internal control deficiency | No | | Dikgari Ignatius Mogale, Tsakani Mtebule, Obed Sewapa | 31-Mar-26 | Management will ensure that there will be accurate and complete performance reports that are supported and evidenced by reliable information. | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |

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| 19 | Other important matter | Rev from exch transactions: Other income | COMAF 24:Consumer Debtors – Presentation and Disclosure | R 16 744 992 | Audit Finding: Consumer Debtors – Inaccurate Presentation and Disclosure in Note 11 The consumer debtors balances disclosed in Note 11 of the annual financial statements are inaccurate, with material differences between the detailed amounts and the summary figures: For 2025: Net balance: R8 117 657 (consistent across both, but underlying gross and allowance differ) For 2024: Net balance: R6 201 339 (consistent across both, but underlying gross and allowance differ) | Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. | Management should ensure that the financial statements are reviewed thoroughly and are free from material misstatements before they are submitted for audit. | Management comment on audit finding: Management agrees with the finding. Management has revisited disclosure note 11 of the annual financial statements and identified ageing bucket arithmetic errors relating to residential debtors' categorization. Management requests AGSA to permit the amendment of disclosure note 11 below to correct the error. Proposed amendment | GRAP non-compliance | No | | David Kupayi, Annah Sesene, Silas Ramalepe | 31-Mar-26 | Manager Revenue will perform a full reconciliation between the consumer debtors sub ledge, impairment provision, and the amount disclosed in note 11 before finalising any set of financial statement by 31 March 2026 and also do a quarterly trial balance vs sub ledger reconciliation for consumer debtors to catch differences early. | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 20 | Other important matter | Rev from exch transactions: Other income | COMAF 25:Consumer Debtors – Presentation and Disclosure | | Audit Finding: Consumer Debtors – Incorrect Presentation MFMA section 62(1)(b) requires full and proper financial records in accordance with prescribed standards. GRAP 1 para 17 mandates fair presentation through faithful representation of assets and liabilities. Contrary to these requirements, the Consumer Debtors balance is presented as a separate line item in the statement of financial position. | Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. | Management should ensure that the financial statements are reviewed thoroughly and are free from misstatements before they are submitted for audit. | Management comment on audit finding: Management agrees with the finding. Management request AGSA to permit the following amendment to be made on the face of the annual financial statements and related disclosure notes to correct the issue. Proposed amendments | Internal control deficiency | No | | David Kupayi, Annah Sesene, Silas Ramalepe | 31-Mar-26 | Manager Revenue will update the AFS template so consumer debtors are always presented under receivables from exchange transactions and not as a separate line on quartely basis and also create a mandatory GRAP disclosure checklist for statement of financial positions and notes that require confirmation by 28 February | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 21 | Other important matter | Rev from exch transactions: Other income | COMAF 26:Debt Impairment Accuracy | | Audit Finding: Debt Impairment Accuracy – Incorrect Disclosure in Annual Financial Statements The debt impairment amount disclosed in the annual financial statements is incorrect. The misstatement affects the accuracy of the impairment allowance (typically for receivables/consumer debtors), leading to an over- or understatement of the net receivable balance and the related impairment expense in the statement of financial performance. | Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. | Management should ensure that the debt impairment is appropriately reviewed and accurately determined. tm:format font-override | Management has reviewed the movement of the provision for debt impairment as well as the related expense and noted that the adjusting journals for gross debtors relating to property rates (indigent correction) were incorrectly processed under the provision for impairment for refuse and the provision for impairment for property rates. Management request AGSA to permit the processing of the following adjustment. | Internal control deficiency | No | | David Kupayi, Annah Sesene, Silas Ramalepe | 31-Mar-26 | Manager Revenue will perform a full review of the current impairment model and correct the calculations for all major debtors categories before finalising 2025 26 AFS by 31 March 2026 and reconcile the impaired provision to the detailed debtor sud ledger and trial balance every quarter to catch differences early. | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 22 | Other important matter | Other | COMAF 27: Note 53 - Prior Period Error | R 3 329 125 | Audit Finding: Note 53 – Prior Period Error – Incomplete / Incorrect Disclosure Adjustments were made to the corresponding (comparative) figures in the annual financial statements for prior period errors. However, the corrections were either: Not disclosed at all in Note 53 – Prior Period Errors, or Included in Note 53 but disclosed at incorrect amounts. | Management did not review note 53 to ensure the corrections made to the corresponding figures are completely recorded mat | Management did not review note 53 to ensure the corrections made to the corresponding figures are completely recorded | Management comment on audit finding: Management agrees with the finding Management requests AGSA to permit the processing of disclosure note adjustments to correct the error | GRAP non-compliance | No | | Annah Sesene, Tracy Baloyi | 31-Mar-26 | Management will prepare prior year note accurately and properly document in the quarterly financial statement and annual financial statement. | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 23 | Other important matter | Rev from exch transactions: Other income | COMAF 29: Debt Impairment Accuracy | | Audit Finding: Debt Impairment Accuracy – Incorrect Impairment of Mopani District Municipality Receivable The impairment amount disclosed in the annual financial statements for the receivable from Mopani District Municipality is incorrect. The amount reported in the AFS is R183 709 944,58, while the auditor’s recalculation shows R183 209 401,06, resulting in an over-impairment (or understatement of the net receivable) by R500 543,51. | Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. | Management should ensure that the debt impairment is appropriately reviewed and accurately determined. | Management comment on audit finding: Management agrees with the finding. Management requests AGSA to permit the processing of the following adjustments to correct the error. | Internal control deficiency | No | | David Kupayi, Annah Sesene, Silas Ramalepe | 31-Mar-26 | Management will strengthen the system of internal controls to ensure that debt impairment that is presented and disclosed in the annual financial statements in not misstated. | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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| 24 | Other important matter | Other | COMAF 31: Segment reporting Issue 1 Inaccuracies in the segment reporting disclosure note 51. | | Audit Finding: Non-Compliance with Segment Reporting Disclosure Requirements (GRAP 18) .Greater Letaba Municipality (GLM) did not include the required reconciliations in the notes to the annual financial statements. Additionally, the reconciling items presented for Revenue and Expenditure do not match the amounts reported in the Statement of Financial Performance | The accounting officer did not timeously review the annual financial statements to ensure that information disclosed in the AFS is accurate. | It is recommended that Management apply GRAP 18 par 19(c) read with Par 27 as reconciliation between the segment reporting to the face of financial performance and positionThe difference must be explained and disclosed in narration that it relates to activities or functions that are not qualified for segment reporting of GLM | Management comment on audit finding: Management agrees with the finding Management requests AGSA to permit the processing of disclosure note 55 adjustments to correct the error | Internal control deficiency | Yes | 2 | Annah Sesene, Tracy Baloyi | 31-Mar-26 | Management will prepare segment reporting note every quarter with the quarterly financial statement and ensure it is reviewed. | Approved | Management Action Plan Reviewed and approved. Management action will be monitored for implementation during the financial year. | Developed (Internal Auditor Approved) | Not Yet Started |
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