



MOSES KOTANE LOCAL MUNICIPALITY



2024-2025

ANNUAL REPORT

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List of abbreviations

AFS –	Annual Financial Statement
AG –	Auditor General
ANC –	African Nation Congress
APR –	Annual Performance Report
BTO –	Budget and Treasury office
CFO –	Chief Financial Officer
COGTA –	Corporative of Governance Traditional Affairs
CSS –	Corporate Support Services
DA –	Democratic Alliance
EFF –	Economic Freedom Fighters
HOD –	Head of Department
HOU –	Head of Unit
ICT –	Information Communication Technology
IDP –	Integrated Development Plan
ITS –	Infrastructure and Technical Services
LED –	Local Economic Development
MFMA –	Municipal Finance Management Act
MKLM –	Moses Kotane Local Municipality
MM –	Municipal Manager
MPAC –	Municipal Public Account Committee
PMS –	Performance Management System
PMU –	Project Management Unit
SALGA –	South African Local Government Association
SMME –	Small Medium Micro Enterprise

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UCDP –	United Christian Democratic Party
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Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD



- It is with great pride that I present the 2024-2025 Annual Report of the Moses Kotane Local Municipality. This report is not only a statutory requirement but also a reflection of our unwavering commitment to transparency, accountability, and service excellence. It provides an honest account of the progress we have made, the challenges we have encountered, and the strategies we continue to implement to improve the quality of life for our communities.

During this financial year, we aligned our service delivery priorities with the Integrated Development Plan (IDP), focusing on the key performance areas of basic service delivery and infrastructure development, local economic development, financial viability, organizational transformation, spatial planning, and good governance with active public participation.

The year under review confirms that, despite challenges, we have made remarkable progress. Out of the key performance indicators measured, the overwhelming majority were achieved, reflecting steady improvements in service delivery.

Basic service delivery and infrastructure development remained at the heart of our agenda. Notable achievements include the successful completion of the Lerome, Ledig, Mahobieskraal and Maeraneng water supply projects, ensuring that more of our communities enjoy access to safe and reliable water. We also made progress in sanitation by supplying and installing VIP toilets across villages such as Segakwaneng, Leruleng, Makoshong, Phalane, and Manamakgotheng, thus restoring dignity to households. Road infrastructure upgrades, such as the rehabilitation of Matau internal roads and the completion of Oudekkers Road and Mabele a Podi internal road and storm water project reaching 99% completion, are further evidence of our determination to improve mobility and connectivity.

On local economic development, the municipality facilitated SMME, tourism, and agricultural support programmes and created much-needed job opportunities through EPWP projects. These interventions are helping to stimulate inclusive growth and alleviate poverty across our local economy.

We also strengthened our financial management and governance systems. The timely approval of adjusted and draft budgets, compliance with the Municipal Finance Management Act (MFMA), and improved supply chain management processes ensured that resources were managed prudently. Governance structures were reinforced through the holding of council, EXCO, audit committee, and IDP representative forum meetings, all of which enhanced oversight, accountability, and citizen participation.

We acknowledge that some targets were not fully achieved, largely due to financial limitations, procurement delays, and capacity constraints. However, corrective measures have been identified,

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and we remain committed to addressing these challenges so that no community is left behind.

This Annual Report is more than a compliance document, it is an account of the strides we are making to transform the lives of our people. It reflects the resilience of our communities, the dedication of our Councilors and officials, and the value of partnerships with civil society and stakeholders.

I extend my sincere gratitude to the Municipal Council, the Municipal Manager, our staff, and most importantly, the residents of Moses Kotane, for their unwavering support and trust. Together, we continue to lay the foundation for a municipality that is ethical, financially viable, and development-driven.

Sincerely,



.....

Cllr Nketo Nkotswe

Mayor Moses Kotane Local Municipality

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COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

It is with great pride and appreciation that I present the Moses Kotane Local Municipality's Annual Report for the 2024/2025 financial year. This report encapsulates our collective efforts, challenges, and achievements as we continue to enhance service delivery and drive sustainable development within our municipality.

Throughout the year, our administration has remained steadfast in its commitment to implementing the Integrated Development Plan (IDP) and achieving our strategic goals. The active involvement of the Audit Committee has been instrumental in this regard. Regular post-audit action plan meetings have been convened to address areas requiring improvement, thereby strengthening our audit outcomes and overall governance.

Revenue collection remains a cornerstone of our financial sustainability. We have intensified efforts to improve revenue streams, recognizing that efficient collection is essential to funding the delivery of critical services and infrastructure projects.

Public-private partnerships have also played a key role in our infrastructure development initiatives. Notably, collaborations with mining companies have resulted in substantial investments in road construction and other vital infrastructure—highlighting the transformative power of coordinated efforts between the public and private sectors.

Job creation has remained a priority for our administration. Through the advertisement and appointment of budgeted positions, we have not only contributed to reducing unemployment but also enhanced our internal capacity to deliver quality services to our communities.

As we reflect on the progress made, we remain mindful of the challenges that lie ahead. Insights gained from our audit processes and ongoing community engagement will continue to shape our strategies. We are committed to continuous improvement, transparency, and accountability in all our operations.

In conclusion, I extend my sincere gratitude to our dedicated staff, Councilors, stakeholders, and the broader community for their unwavering support and collaboration. Together, we will continue building a resilient and prosperous Moses Kotane Local Municipality.



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Mr. M.V. Letsoalo

Municipal Manager

Moses Kotane Local Municipality

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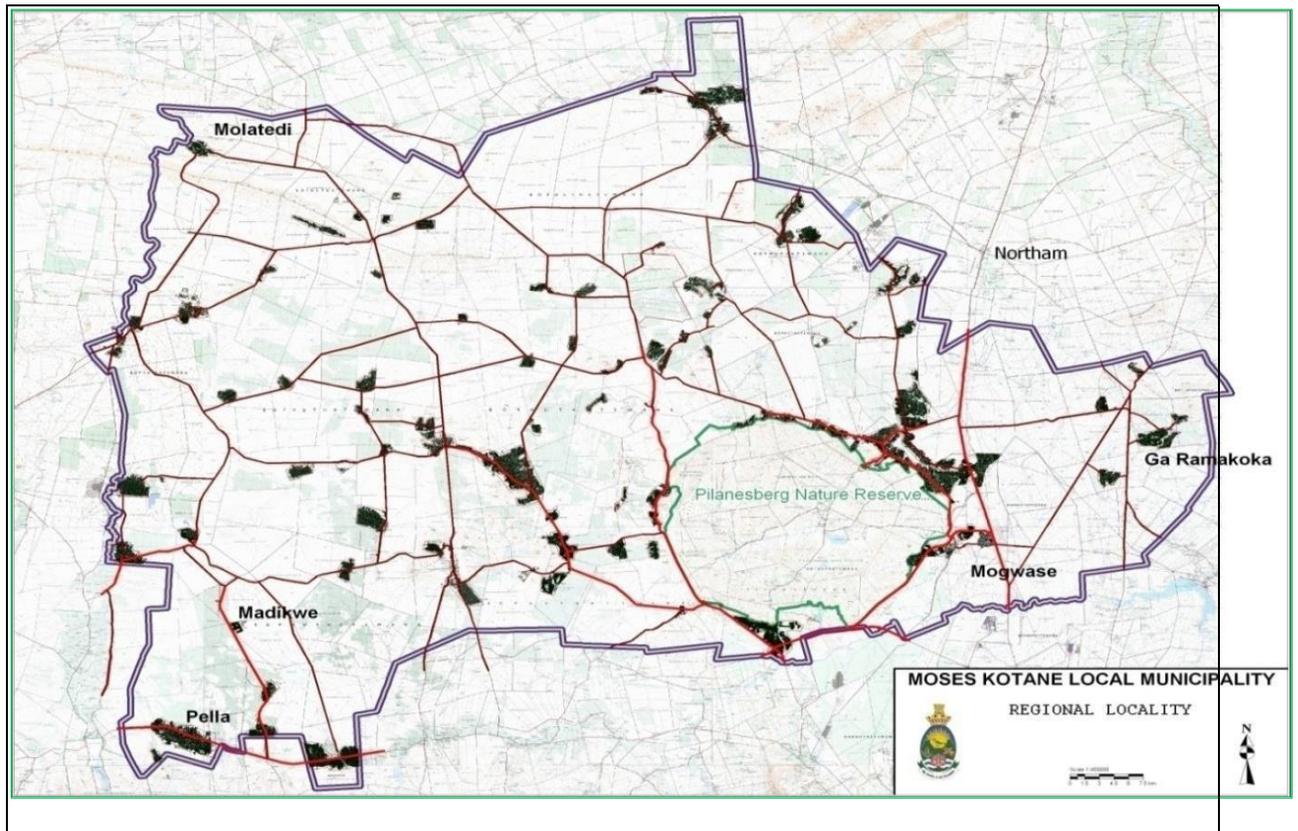
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Moses Kotane is classified as Category B4 Local Municipality which is mainly rural with communal tenure. Its headquarters are based in Mogwase Townships with satellite offices in Madikwe Township. It shares borders with Rustenburg, Kgetleng River, Ramotshere Moiloa and Thabazimbi Local Municipalities. It is one of the five local municipalities constituting the Bojanala Platinum District Municipality classified as Category C1, in the North West Province of the Republic of South Africa.

The Municipality is strategically located and covers an area of approximately 5220 square kilometres, and on the R510 national road leading to all the mines, Amandelbult, Northam Platinum, Siyanda Mine, Rhino Andalusite, and Limberg Mine to PPC and ends in Thabazimbi. The Municipality also rest in the gateway to Sun City. the Pilanesberg, the Madikwe Game Reserve and the Bakubung Game Reserve. The N4 Corridor, which is the east-west bound road connecting Rustenburg and Pretoria, runs to the south of Moses Kotane local municipality. The R510 north-south bound road connects Moses Kotane Local Municipality to the north.

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Map 1: Regional locality

1.3. DEMOGRAPHIC PROFILE

The table below, shows population data for each LM in North West. The data is sourced from Stats SA for the years 1996, 2001, 2011 and 2021. From the results, Moses Kotane Local Municipality has shown a population growth rate of 0.93% over the last ten years. This is one of the lowest growth rates in the Bojanala Platinum District Municipality, as well as in the North West Province. The Rustenburg and Kgetleng river LMs have the highest population growth rates in the District Municipality at 50.60% and 41.05%, respectively.

TABLE 1: BOJANALA PLATINUM DISTRICT MUNICIPALITIES POPULATION DATA FROM 1996 - 2021

Local Municipality	Population 1996	Population 2001	Population 2011	Population 2021	% of total population 2021	Population growth / decline from 2011 to 2021	% growth / decline from 2011 to 2021
Moses Kotane	229580.49	237097.22	242551.99	244817.56	0.41%	2265.57	0.93%
Rustenburg	311562.03	387091.97	549555.03	827606.74	1.37%	278051.71	50.60%
Kgetleng	32755.93	36515.38	51038.03	71989.36	0.12%	20951.33	41.05%

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TABLE 1: BOJANALA PLATINUM DISTRICT MUNICIPALITIES POPULATION DATA FROM 1996 - 2021

Local Municipality	Population 1996	Population 2001	Population 2011	Population 2021	% of total population 2021	Population growth / decline from 2011 to 2021	% growth / decline from 2011 to 2021
Rivier							
Moretele	176796.03	182685.72	188285.40	189870.01	0.31%	1584.62	0.84%

Source: Statistics South Africa. 2021. Mid-year population estimates at local municipal scale.

1.4. POPULATION: AGE, GENDER FOR 2011 AND 2021

The table below reflects the population gender and age distribution for 2011, 2016 and 2021 in MOSES KOTANE LOCAL MUNICIPALITY, based on Stats SA data. The Figure shows a graphical comparison in the form of an overlaid growth pyramid of the MOSES KOTANE LOCAL MUNICIPALITY population age and gender breakdown for the years 2011 and 2021.

TABLE 2: POPULATION GENDER AND AGE DISTRIBUTION FOR 2011, 2016 AND 2021

Age Group	2011		2016		2021		2011 Total	2016 Total	2021 Total
	Female	Male	Female	Male	Female	Male			
Total	123465	122916	125218	123225	125031	119787	246381	248443	244818
0-4	13812	14020	12625	12601	11863	11536	27832	25226	23399
5-9	11975	12278	13353	13553	11947	11947	24254	26906	23894
10-14	10609	11015	10899	11150	11747	11859	21624	22049	23606
15-19	10714	11319	9226	9877	9242	9844	22033	19103	19086
20-24	10554	11159	8894	9073	7302	7094	21713	17967	14397
25-29	9147	11112	8954	11143	6971	9052	20259	20098	16023
30-34	8130	9464	8535	10117	7880	9398	17594	18652	17278
35-39	8019	8133	7897	8302	8362	8345	16152	16199	16707
40-44	7302	6568	8099	7063	8457	7106	13870	15162	15563
45-49	6753	5968	7380	5658	8574	5998	12722	13038	14572
50-54	6018	5677	6640	5851	7257	5842	11695	12490	13099
55-59	5149	4688	5651	5410	6200	5662	9837	11061	11862
60-64	4207	3624	5010	4471	5610	5278	7831	9481	10887
65-69	3586	3131	3899	3626	4745	4733	6717	7525	9478
70-74	2737	2192	3244	2593	3583	3102	4929	5837	6685
75+	4752	2568	4914	2735	5290	2993	7320	7649	8283

Source: Statistics South Africa. 2021. Mid-year population estimates at local municipal scale.

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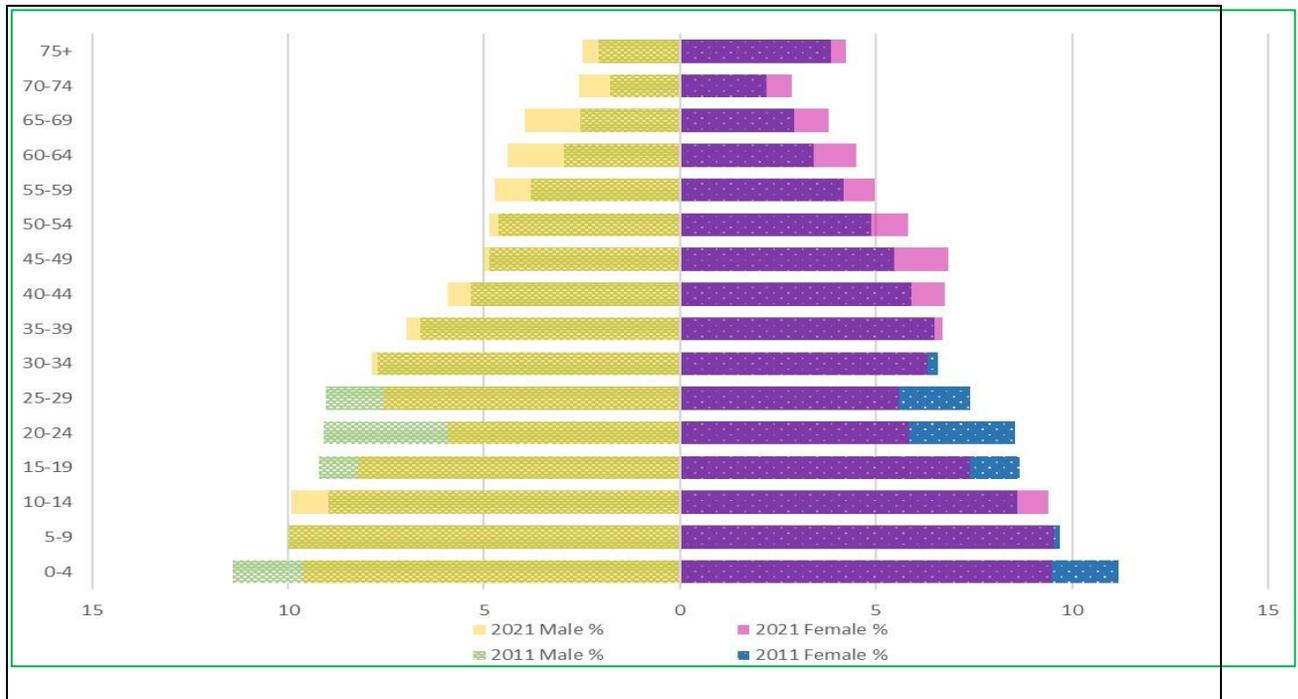


Figure 1: Population pyramids for comparing the 2011 and 2021 age and gender distribution

Source: Statistics South Africa. 2021. Mid-year population estimates at local municipal scale.

The following deductions can be made based on this graphic:

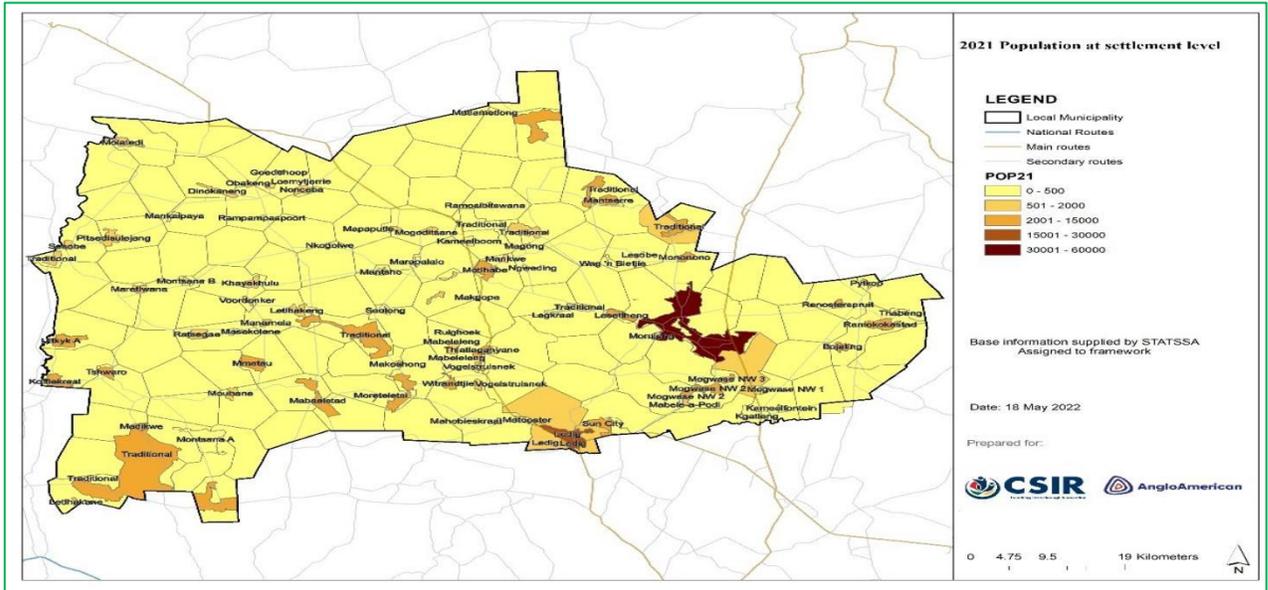
- There are more females in Moses Kotane; however, the birth rate has declined from 2011 to 2021.
- The proportion of both males and females in the categories between 15 and 29 years of age has decreased since 2011. This starts to increase from 35 years upwards.
- The soft narrowing of the cohorts as the population gets older is an indication of a slow death rate. This means that more people are living for longer, which has implications on the number of people that are dependent on the economically active segment of the population.

In 2021, the percentage of younger dependents accounted for 28.9% and the older population accounted for 10% of the total population. This means that an estimated 39% of the population in MOSES KOTANE LOCAL MUNICIPALITY is dependent on the economically active segment of the population.

1.5. POLULATION GROWTH TREND PER SETTLEMENT FOOT PRINT: SETTLEMENT POPULATION DATA

The first map shows the settlement footprint with associated 2021 population for MOSES KOTANE LOCAL MUNICIPALITY, whilst the map thereafter shows changes in population size between 2011 and 2021 in the different settlements. The results in the Figure show that the majority of the settlements in MOSES KOTANE LOCAL MUNICIPALITY had an increase in population between 2011 and 2021, with Ledig estimated to have had the highest population growth during the 10 years.

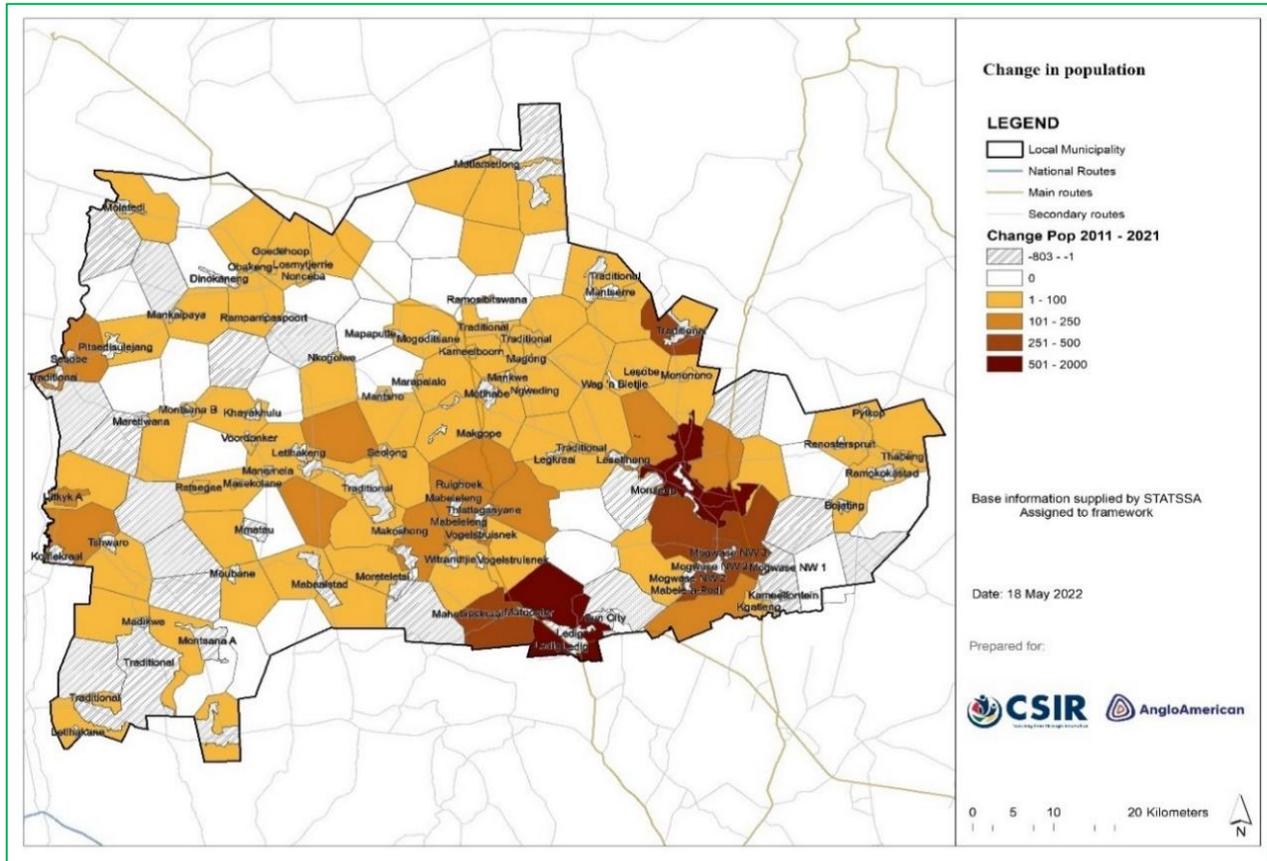
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Map 2: 2021 Population at settlement level

Source: Statistics South Africa. 2021. Mid-year population estimates assigned to settlement footprint

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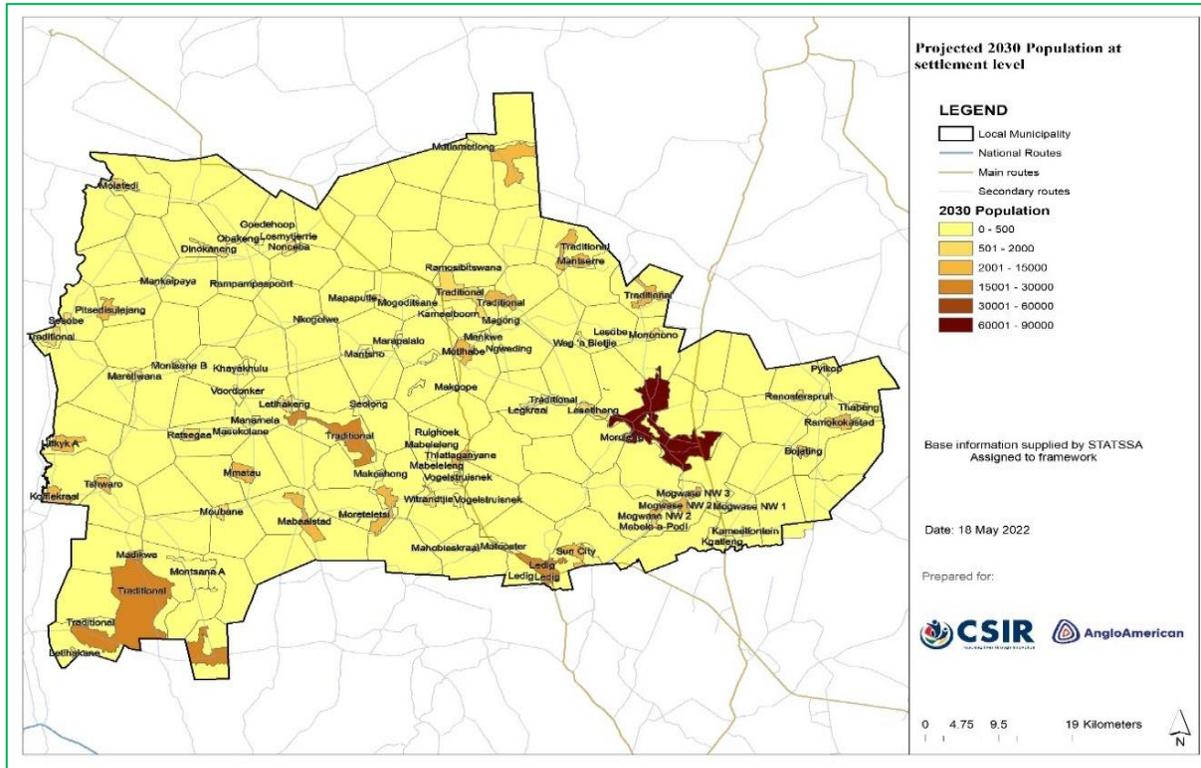


Map 3: Population change per settlement between 2011 and 2021

Source: Stats SA 2021 Mid-year estimates and 2011 census data assigned to settlement footprint

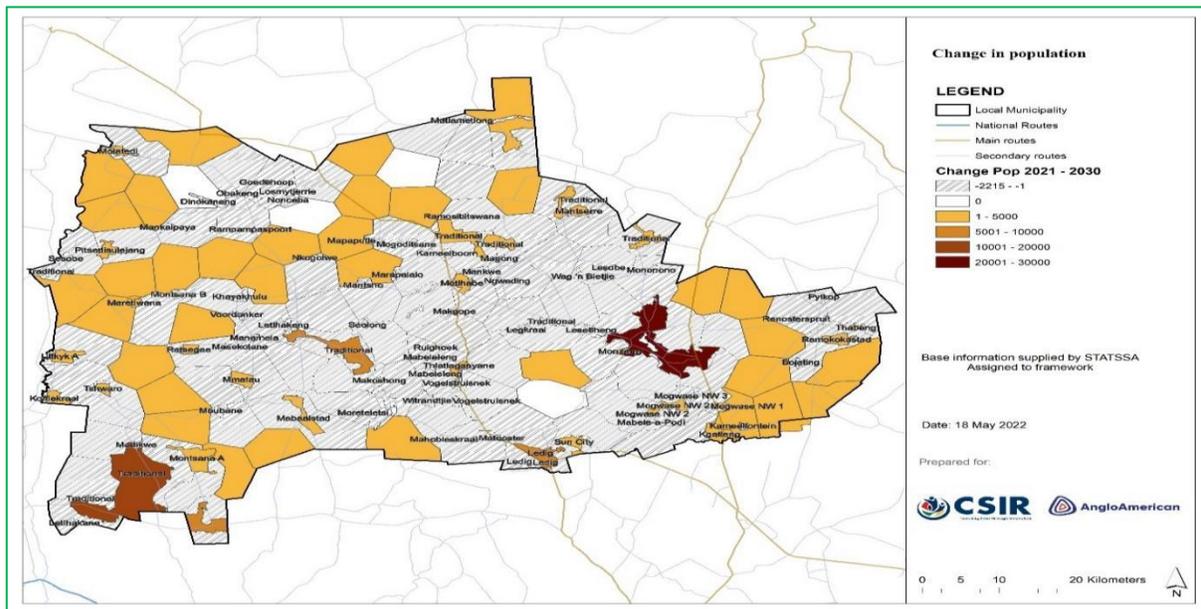
The map below shows the projected population growth per settlement in 2030, while the figure shows the projected population changes between 2021 and 2030. Projected population values for each settlement were calculated, partly through the use of a gravitation model taking push-pull factors into account. The results in the Figure shows that the majority of the settlements in MOSES KOTANE LOCAL MUNICIPALITY are not expected to have any significant increase in population between 2021 and 2030. However, a settlement such as Ledig is expected to significantly increase in population by the year 2030.

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Map 4: Projected Population for 2030

Statistics South Africa data assigned to settlement footprint.



Map 5: Projected population change between 2021 and 2030 - Statistics South Africa data assigned to settlement footprint.

1.6. POLITICAL GOVERNANCE - MUNICIPAL COUNCIL

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Moses Kotane Local Municipality is led by Council with the Executive Committee comprised of the Mayor as the Chairperson, inclusive of the Speaker as she presides over Council processes and the Whip maintains discipline among Councillors from various Political Parties. The governance model adopted by MOSES KOTANE LOCAL MUNICIPALITY Council, recognised political leadership as the highest decision-making body.

The above is prescribed in terms of Local Government: Municipal Structures Act, No. 117 of 1998. The Mayor is the Head of Executive Committee (EXCO), which is the oversight committee to execute oversight function which comprises of five Portfolio Heads who serve in departmental / portfolio committees. The current Municipal Council became in office after Local Government elections in November 2021, and now in the second leg of financial review.

The Mayor is the chairperson of oversight committee members, resolved as EXCO. The oversight committees assist Council to exercise its oversight role. As part of supporting the core business of Council and its commitment to the separation of powers, ten Section 79 oversight committees were established and adopted by Council. The Section 79 oversight committees are chaired Portfolio Heads as chairpersons who are full-time Councillors, with below portfolio's:

- Community Services and Public Safety
- Local Economic Development
- Finance
- Corporate Services
- Infrastructure & Technical Services
- Planning & Development

The portfolio committees - section 79 and 80 committees have been crucial in the decision-making process since they critically analyse issues prior and in making recommendations to the Executive Committee before Council sitting. Another important aspect is to ensure functionality of Intergovernmental Relations (IGR) and focus on improving economic growth to create stakeholder value in decision making and projects implementation.

1.6.1 COUNCIL ROLES AND RESPONSIBILITIES CUT ACROSS AS BELOW:

- Make policies and by-laws that are informed to cater for community needs.
- Enforce the codes of conduct for employees and Councillors.
- Cooperate with other spheres of government, organs of state
- Build and promote good relations with the private sector, non-governmental and community organisations and other local organisations.
- Ensure implementation of National, Provincial and Local legislation and policies
- Establish suitable control and reporting systems and procedures to monitor and evaluate policy implementation to cater for communities
- Ensure that the municipality meets its executive obligations, discharges its developmental duties and realises the constitutional objects of local government.

The above-mentioned members have the responsibilities to ensure the following:

- Scrutinize reports referred by EXCO before taking them to Council

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- The same reports are engaged on during Executive meetings where the Mayor and/or the EXCO advise Council accordingly
- To oversee the performance of departments, before taking reports to or on behalf of Council
- Provision of advisory legislative role

1.6.2. THE MAYOR

The Mayor is at the center of the system of governance but not having executive powers to daily manage the affairs of the municipality. In collaboration with EXCO and Council has the mandate to provide better services and to improve the socio-economic conditions 107 villages and 2 urban areas of MOSES KOTANE LOCAL MUNICIPALITY.

1.6.3. THE SPEAKER

The Speaker performs the duties and exercises powers prescribed in Section 160(1)(b) of the Constitution and Section 36 of the Municipal Structures Act, No. 117 of 1998. The Speaker as the head of the legislative arm of Council, is responsible and to ensure that Council committees (Section 79 committees) are established and function effectively and efficiently per corporate calendar adopted by Council annually.

In the main, the Speakers responsibilities are mentioned below:

- Preside Council meetings
- Perform powers and duties delegated as prescribed in terms of Section 59 of the Municipal Systems Act, 2000
- To ensure that Council meets at least once a month, or as and when requested by Council
- To maintain order during Council meetings
- To ensure that Council meetings are conducted in accordance with the rules and orders of Council.

1.6.4. THE SINGLE WHIP

The Chief Whip plays a pivotal role in the overall system of governance to ensure good relations amongst all political parties. The roles and duties are mentioned below:

- Ensure quorum of all Council sittings
- Promote and maintain positive party-to-party relations
- Ensures that Councilors attend Council and committee meetings and represent their parties in the Programming Committee
- Ensures that party members are familiar with the Standing Rules and Orders of Council
- Organize the work of Councilors in party caucuses
- Assess the performance of Councilors
- Decide the party allocation of Councilors to committees

1.6.5. THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

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The committee is established to assist with Council related matters, delegated with some decision-making powers and required to submit reports to Council per Audit Committee and Auditor Generals reports adopted by Council. MPAC need to ensure that good governance and accountability is maintained by both Councilors and officials of the municipality.

1.6.6. THE AUDIT COMMITTEE (AC)

The AC is chaired by an independent person, appointed with the requirements prescribed by the MFMA. It is Internal Municipal committee, known as “Standing Committee” to perform their oversight role as prescribed by legislation. Key to their roles and responsibilities is prescribed Municipal Finance Management Act, Section 166(2)(a). Their main role is to role is to advise Council, Accounting Officer and Management Staff per below:

- To ensure adequacy, reliability and accuracy during financial reporting, records and information provision
- To ensure that the issues raised by the AGSA in the Audit Report are addressed. To evaluate Municipal performance, its goals and objectives as set in the Integrated Development Plan (IDP) and aligned to Service Delivery and Budget Implementation Plan (SDBIP)
- To ensure that financial controls and internal audit and evaluate municipal performance
- To ensure implementation by and to avoid negative audit outcomes in future
- To ensure accounting policies are scrutinized
- To ensure compliance to applicable legislation, Regulation 14(1)(c) of the Municipal Planning and Performance Management Regulations, 2001
- Ensures that the act above requires municipality’s internal auditors to continuously audit the performance measurements of the municipality and submit quarterly reports on their audits to the Municipal Manager and the Audit Committee.

1.7. ADMINISTRATIVE GOVERNANCE

The Municipal Systems Act, No. 32 of 2000, Section 55 of the prescribes the Accounting Officer as the administrative head of a municipality. Moses Kotane Local Municipality recognizes that good governance is a critical to ensure effective, efficient delivering basic services to its communities as the main object of local government. MOSES KOTANE LOCAL MUNICIPALITY is committed to implementing and aligning with the Municipal Staff Regulations which was gazetted by the Minister of Cooperative Governance and Traditional Affairs on 21 September 2021 and was effective from 01 July 2022.

The regulations will promote effective recruitment and selection, human resource development, organizational efficiency improvement, occupational health and safety, human capital management and human resource development and skills development. The processes are done with the effort to meet the ever-growing demand for the provision of sustainable quality municipal services, and the effective management and development of human capital. The regulations will also help, in recognition of the need to improve service delivery and transform its ways of running its affairs to the satisfaction of the broader 107 rural villages and two urban areas of Moses Kotane Municipality.

The Administration arm of the municipality is headed by the Municipal Manager and is made up of the following six departments:

- Office of the Municipal Manager

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- Corporate and Support Services
- Planning & Development
- Budget and Treasury Office
- Infrastructure and Technical Services
- Community Services and Public Safety

MOSES KOTANE LOCAL MUNICIPALITY Council is the final decision-making body where crucial decisions are taken to lead the municipality to be service delivery orientated and to grow the economy. Like any other institution, good corporate governance remains at the centre for day to day municipal operations. Municipal Council have been and will ensure that municipal Vision, Mission and ethical values underpinning good corporate governance are implemented as per below:

1.7.1 MUNICIPAL VISION, MISSION AND VALUES

Vision Statement -A caring municipality underpinned by minerals, agriculture and eco-tourism economy for the advancement of sustainable services to our communities.

Mission Statement - To be driven by skilled human capital, conducting high work and service standards incorporating our natural resources to achieve inclusive quality of life for our communities.

Values

Integrity | Honesty | Transparency | Accountability | Excellence | Human Dignity.

1.8 SERVICE DELIVERY INTRODUCTION

1.8.1. Introduction to Service Delivery

Moses Kotane Local Municipality's service delivery is deeply rooted in its Integrated Development Plan (IDP) and principles under the Municipal Finance Management Act (MFMA), guiding both strategic vision and fiscal discipline. The 2024/2025 operating budget was approved on 31 May 2024, positioning the municipality for delivery-focused

1.8.2. Governance, Oversight, and Capacity Building

On 29 January 2025, the MEC for CoGTA and Finance conducted a site visit to assess MOSES KOTANE LOCAL MUNICIPALITY's performance using the Municipal Performance

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Assessment Tool (MPAT), emphasizing service-based governance and institutional capability, including key sectors such as water, sanitation, roads, lighting, waste, and financial prudence. Simultaneously, ongoing internal strengthening initiatives, like the Peace Officer Training (NQF Level 4) and Municipal Financial Management Programme (NQF Level 6), began in January 2025 to enhance staff professionalism and service delivery expertise.

1.8.3. Key Service Delivery and Infrastructure Initiatives

A series of projects and campaigns underline MOSES KOTANE LOCAL MUNICIPALITY's commitment to enhancing basic services:

- A May 2025 oversight visit by the Portfolio Committee highlighted progress on key infrastructure projects:
- The Motlhabe Housing Project, a rural housing rollout offering improved living conditions.
- Asbestos pipe replacements in Mogwase using UPVC, now approximately 80% complete, promising safer water access for roughly 4,986 households.
- The Mogwase Water Treatment Plant refurbishment, essential for improving potable water quality and supply reliability.

In March 2025, the Municipal Public Accounts Committee (MPAC) conducted targeted site visits to crucial service projects:

- Ledig Water Supply Reservoir: Completed successfully.
- Matau Internal Road Rehabilitation: 70% complete, with delays resolved.
- Mabeekraal–Uitkyk Water Pipeline: Fully completed, now under final pressure testing.

1.8.4. Revenue Sustainability and Service Support

Mid-year actions focused on financial sustainability as a foundation for continued service delivery:

- In June 2025, an intensified revenue collection campaign targeted arrears in water, sanitation, waste, and rate payments, especially among business clients to avoid disruptions in service provision
- Additionally, the 2025/2026 budget, though beyond the 2024/2025 period remains highly relevant. It highlights expanded capital investment in water, sanitation, and roads; continued implementation of the Thuntsha Lerole Campaign against illegal dumping and service excellence strategies like the Thuntsha Lerole Reloaded outreach program. These indicate strong continuity and momentum in service delivery efforts

1.9 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.9.1. ALIGNMENT OF IDP, BUDGET AND PERFORMANCE MANAGEMENT SYSTEM

The IDP, Budget and Performance Management System processes are seamlessly integrated. Integrated Development Plan fulfils the Planning Stage of Performance Management. Performance Management System in turn, fulfils the implementation management, monitoring and evaluation of the Integrated Development Plan. The performance of an institution/organization is integrally linked to that of the municipal manager

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and the senior managers, the cascading to employees is to be implemented in the 2024/2025 financial in accordance with regulations.

The employees need to ensure that they perform their duties to be able to realize their objectives. If employees do not perform, the institution will not achieve its intended objectives. The two are inseparable and that is why is the most critical and important to manage both at the same time.

At the strategic planning session, an outcome-based approach was used in line with the national government's priorities and the associated 14 outcomes. The strategic objective of the outcome-based approach is to improve service delivery across all spheres of government and to introduce a systematic planning, monitoring and evaluation process.

The Government outcome 9 commits the Minister of Cooperative Governance and Traditional Affairs to develop a local government system which is efficient, effective, responsive and accountable.

In line with Outcome 9, and also discussed during the strategic planning process, Moses Kotane Local Municipality engages and responds directly to issues facing 107 villages and two urban areas and rendering local government services efficiently and effectively.

However, the municipality will also contribute directly and indirectly to the attainment of other outcomes, particularly those dealing with development planning, economic development, infrastructure development, rural development and environmental management. Therefore, alignment with the relevant sector frameworks and programmes across the spheres of government is critical and will broadly be discussed under the strategic intent of the Municipality.

1.9.2. NATIONAL KEY PERFORMANCE AREAS

The Municipality's objectives are aligned to the five National Key Performance Areas as articulated in the DPLG five-year strategy.

- 1) Basic Service Delivery and Infrastructure Development
- 2) Good governance and Public Participation
- 3) Municipal Transformation and Organizational Development
- 4) Local Economic development
- 5) Spatial Rationale
- 6) Financial Viability and Management

1.9.3. NATIONAL KEY PERFORMANCE INDICATORS

Clear and effective Technical indicator are essential in the development and deployment of resources. The PERFORMANCE MANAGEMENT SYSTEM policy and framework was developed to provide direction and guidance on the development, implementation, monitoring, reporting and feedback on the interventions identified in the SDBIP. The Technical Indicator are developed to harmonize and standardize the implementations of municipal indicators. Amongst others they will cover the following:

- A descriptive title

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- Scope including functions performed, types of products to be used.
- Chart of the procedure followed.
- Reporting frequency

1.9.4 MUNICIPAL KEY PERFORMANCE AREAS (STRATEGIC GOALS),

1.9.4.1 PLANNING FOR PERFORMANCE - SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS (SDBIP)

MFMA of 2003 Section 53 (c) iii require municipalities to compile and submit SDBIPs to the Executive Mayor within 28 days after the adoption of the budget by Council. The Service Delivery Budget and Implementation Plan (SDBIP) is directly translated from the adopted IDP and Budget. The SDBIP is regarded as the implementation tools of the IDP and budget.

The Mayor approves the SDBIP which will form the basis for Performance Agreements for municipal manager and senior managers. The SDBIPs will determine the development and signing of performance agreements for section 57 employees.

1.9.4.2 PERFORMANCE MONITORING, MEASURING AND REVIEWING

Performance Monitoring is a continuous process that runs parallel with the implementation of the IDP. The IDP is regarded as forward planning. The process entails collection, storage, verification and analysis of performance data in order to compare current performance with previous financial years and baseline indicators.

The IDP is not meant for a specific department, but all departments within the municipality, sector departments (National/Provincial and District), and all other stakeholders and individuals within the Municipality. Every community member needs to take responsibility to collect relevant data/statistics to support the monitoring process. Site visits to projects or evidence of performance is gathered and presented to substantiate claims of meeting/not meeting performance standards as adopted by Council and promised to our communities.

1.9.4.3 PERFORMANCE REPORTING

MFMA No. 56 of 2003 Section 52 requires the Mayor to submit a report on the implementation of the budget and the financial state of affairs of the municipality to council within 30 days after the end of each quarter. All quarterly performance reports are due for submission to the PERFORMANCE MANAGEMENT SYSTEM office seven days after the end of each quarter. This will enable the office to compile a consolidated report on time to meet the requirements of the Act.

The same quarterly performance reports will further be consolidated into an annual performance report to be considered by council within 9 months after the end of each financial year in order to meet the requirements of Section 121 of the MFMA.

1.10 AUDITOR GENERAL REPORT 2024-2025

The Auditor-General's responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004

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(Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing.

Moses Kotane Local Municipality received an unqualified audit opinion for the 2024-2025 Financial year.

1.11 STATUTORY ANNUAL REPORT PROCESS

Number	Activity	Time-Frame
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2024/2025 Annual Report to Internal Audit and Auditor-General	
5	Audit/Performance committee considers draft Annual Report of municipality	, ,
6	Mayor tables the unaudited Annual Report	
7	Municipality submits draft Annual Report including annual financial statements and performance report to Auditor General	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9	Auditor General audits Annual Report including Annual Financial Statements and Performance Information	
-10	Municipalities receive and start to address the Auditor General's comments	Jan-March
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
12	Audited Annual Report is made public and representation is invited	
13	Oversight Committee assesses Annual Report	
14	Council adopts Oversight report	March
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

1.11.1 THE IDP/PERFORMANCE MANAGEMENT SYSTEM/ BUDGET PROCESS PLAN ADOPTION Section 153 of the Constitution of the Republic of South Africa provides that a municipality must “structure and manage its administration and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community”. This constitutional provision illustrates the need for integration, planning, budgeting, implementation and reporting processes of all public institutions for collaboration processes

The Process Plan is developed annually to guides the overall Planning for the financial Year. The Integrated Development Plan (IDP) is the principal strategic instrument of a municipality to give effect to its developmental role as enshrined in the Constitution of South Africa. The

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main purpose of the IDP is to identify needs analysis and prioritize the most critical developmental challenges of the community raised during Public Participation whilst organizing internal governance and institutional structures in order to address those challenges aligned with availed budget.

It is required by legislation that a municipal council must adopt a process to guide the planning, drafting and adoption of its Integrated Development Plan (IDP).

a) MSA 28 stipulate that:

- (1) *“Each municipal council...must adopt a process set out in writing to guide the planning, Drafting, adoption and review of its integrated development plan.”*
- (2) *The Municipality must through appropriate mechanism, processes and procedures established in terms of chapter 4, consult the local community before adopting the process;*
- (3) *A Municipality must give notice to the local community of particulars of the process in intends to follow.*

b) MSA 29 further requires the IDP Process Plan to provide for:

- a) *Be in accordance with a predetermined programme specifying time frames for different steps;*
- b) *Through appropriate mechanisms, processes and procedures establish in terms of Chapter 4 allow for-*
 - i *The local community to be consulted on its development needs and priorities*
 - ii *The local community to participate in the drafting of the integrated development plan, and*
 - iii *Organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan*
- c) *Provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation, and*
- d) *Be consistent with any other matters that may be prescribed by regulation*

1.11.2. INTEGRATED DEVELOPMENT PLAN (IDP)

The Municipal Systems Act (Act, No. 32 of 2000) requires municipalities to annually prepare, review and adopt its integrated development plan. An IDP is one of the key mechanisms for local government to cope with its new developmental role. Moreover, it seeks to facilitate strategic decisions on issues of municipal importance, such as land use management systems, local economic development and institutional transformation in a consultative and systematic manner. The Municipal Systems Act, which provides a framework for the preparation of IDPs recommends that, once in place, each IDP must be reviewed annually to reassess and re-evaluate the municipality’s development priorities and challenges and to accommodate new developments in local government processes.

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The Municipal Systems Act (MSA) also prescribes that an extensive consultation process must be undertaken as part of the IDP process to obtain the inputs from communities regarding their needs. Apart from indicating the needs of communities, the IDP should also specify a vision for the area, i.e., the desired future state of the community and its surrounds, and a plan to achieve it.

In line with the Systems Act the municipality prepared a process plan, and this plan included the following:

- A programme specifying the time frames for the different planning steps;
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities, and other role players in the IDP drafting process;
- An organisational arrangement for the IDP process;
- Binding plans and planning requirements, i.e., policy and legislation; and mechanisms and procedures for vertical and horizontal alignment;
- The process plan was adopted by council.

The municipality ensured that they embark on extensive public participation process of the IDP, Budget, and the Performance reporting to its communities. Traditional Leaders are always part and of our engagements to ensure collaborative efforts in the municipal affairs.

MSA continues; -

The Local Government: Municipal Systems Act, 32 of 2000 (MSA) and as amended, places the IDP at the top of municipal planning instruments by suggesting that an IDP, adopted by the Council of a Municipality 2017/22 is the key strategic planning tool for the municipality. According to the mentioned Act it states that, the IDP is:

- (a) *“The principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality”;*
- (b) *“Binds the municipality in the exercise of its executive authority...”*

a) Section 25 of the MSA further prescribes that:

Local Government Municipal Systems Act 32 of 2000

Chapter 5 and Section 25(1) - Adoption of the Integrated Development Plan

Each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, all-inclusive and strategic plan for the development of the municipality which;

- (a) Links integrates and co-ordinates plans and takes into account proposals for the development of the Municipality;
- (b) Align the resources and capacity of the municipality with the implementation of the plan;

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In accordance with this legislation, Moses Kotane Local Municipality adhered to the above legislative requirement when it adopted its IDP 2024/2025.

Section 34 of the Municipal Systems Act further requires that the adopted IDP of a Council must be reviewed annually. The prescripts are as follows:

Section 34: The annual review and amendment of integrated development plan- A Municipal Council-

(a) Must review in accordance with its Integrated Development Plan-

- (i) Annually in accordance with an assessment of its performance measurement in terms section 41, and*
- (ii) To the extent that changing circumstances so demand, and*

“A Municipal Council –

- 1. *Must review its integrated development plan-*
 - 1. *Annually in accordance with the assessment of its performance measurements...*
 - 2. *To the extent that changing circumstances so demand,”*

1.11.3. COMMUNITY PARTICIPATION

1.11.3.1. LEGAL BACKGROUND

Local Government Municipal Systems Act 32 of 2000 - Chapter 4: Community Participation: section 16

Development of culture of community participation

- 1. A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose-
 - (a) Encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in-
 - (i) The preparation, implementation and review of its integrated development plan in terms of Chapter 5;
 - (ii) The establishment, implementation and review of its performance management system in terms of chapter 6;
 - (iii) The monitoring and review of its performance, including the outcomes and impact of such performance;

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- (iv) The preparation of its budget; and
- (v) Strategic decisions relating to the provision of municipal services in terms of Chapter 8;

(b) Contribute to building the capacity of-

- (i) The local community to enable it to participate in the affairs of the municipality; and Councilors and staff to foster community participation; and
- (ii) Use its resources, and annually allocate funds in its budget, as may be appropriate for the purpose of implementing paragraphs (A) and (B).\

2. Subsection (1) must not be interpreted as permitting interference with a municipal council's right to govern and to exercise the executive and legislative authority of the municipality.

Public participation is critical to municipal governance and ensures collaborative planning. The expression of public participation enables communication and interaction between the municipality and the community. Through public participation, members of the community and stakeholders are given an opportunity to partake in identifying their needs and priorities per ward, and the municipal planning is informed by their development needs.

The process allowed communities to effectively have ownership in all developmental programmes in their wards and municipal boundaries. The process is informed by the White Paper on Local Government, Section B paragraph 33. The National Development Plan (NDP) also aims to eliminate poverty and reduce inequality by 2030.

The Office of the Speaker is accountable to Public Participation and mobilizes the community to ensure effective and efficient public participation. In the 2024-2025 financial year, all plans of Public Participation were facilitated by Speakers Office and depicted in the following table, the community public participation were facilitated.

Table 1: First Round of Public Participation Development of Culture of Community Participation Local Government Municipal Systems Act, Chapter 4 Sec 16				
Cluster	Ward	Venue	Date	Time
1	10, 15, 16, 17	Lerome South Sports Ground	Tuesday, 08 October 2024	10:00
2	9, 22, 31, 32	Mabodisa Community Hall	Wednesday, 09 October 2024	10:00
3	1, 2, 3	Montsana Community Hall	Thursday, 10 October 2024	10:00
4	5, 6, 7, 8, 29, 34	Matlametlo Community Hall	Tuesday, 15 October 2024	10:00
5	4, 18, 19, 20, 21	Brakkuil Community Hall	Wednesday, 16 October 2024	10:00

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Table 1: First Round of Public Participation Development of Culture of Community Participation Local Government Municipal Systems Act, Chapter 4 Sec 16				
6	11, 12	Mmorogong Sports Ground	Thursday, 17 October 2024	10:00
7	23, 24, 25, 26, 27	Witraantjie Community Hall	Tuesday, 22 October 2024	10:00
8	14, 28, 30	PMG Sports Ground	Wednesday, 23 October 2024	10:00
9	13, 35	Mabele a Podi Sports Ground	Thursday, 24 October 2024	10:00
10	13, 33, 35	Mogwase Sports Park	Thursday, 24 October 2024	17:00

During this session of consultations, communities are presented with budgeted projects to be implemented during the next financial year. Below schedule of consultations is compressed to cater for compliance due to late approval of the budget which affected our Annual Process Plan Schedule. From 10 scheduled to only 6 clusters unlike the 1st schedule.

Table 2: Proposed 2nd Round of Public Participation Development of Culture of Community Participation Local Government Municipal Systems Act, Chapter 4 Sec 16				
Cluster	Ward	Venue	Date	Time
1.	14, 28, 30, 23, 24,	Mabalstad Community Hall	Tuesday, 08 April 2025	10:00
2	9, 22, 31, 32, 11, 12	Huma Sports Ground	Wednesday, 09 April 2025	10:00
3	1, 2, 3, 4, 18, 19, 20, 21	Moubana Community Hall	Thursday, 10 April 2025	10:00
4	10, 15, 16, 17	Mokgalwana Community Hall	Friday, 11 April 2025	10:00

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Table 2: Proposed 2nd Round of Public Participation
Development of Culture of Community Participation Local Government Municipal Systems Act, Chapter

4 Sec 16				
5	5, 6, 7, 8, 29, 34	Agrico Block 6	Tuesday, 15 April 2025	10:00
6	13, 33, 35	Mogwase Sports Park	Wednesday, 16 April 2025	10:00

1.14 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The Municipality focused on the provision and maintenance of basic services, infrastructure development, and improving institutional capacity to respond to community needs. Performance is reported against approved targets in line with applicable legislative and regulatory frameworks, highlighting key achievements, challenges encountered, and corrective measures implemented to ensure effective, efficient, and sustainable service delivery.

COMMENT ON ACCESS TO BASIC SERVICES:

During the 2024/2025 financial year, Moses Kotane Local Municipality continued to prioritize improving access to basic services, including water, sanitation, refuse removal, and road infrastructure, in line with its IDP objectives. While progress was made in expanding service coverage and maintaining existing infrastructure, challenges such as ageing assets, population growth, and financial constraints impacted the pace of service delivery. The Municipality implemented targeted interventions to address service backlogs and improve reliability, with ongoing efforts aimed at achieving equitable and sustainable access to basic services for all communities

1.15 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Moses Kotane Local Municipality's service delivery is deeply rooted in its Integrated Development Plan (IDP) and principles under the Municipal Finance Management Act (MFMA), guiding both strategic vision and fiscal discipline. The 2024/2025 operating budget was approved on 31 May 2024, positioning the municipality for delivery-focused

Financial Overview: 2024/2025

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			R' 000
Details	Original budget	Adjustment Budget	Actual
Grants	R 611 662	R 611 034	R 610 284
Taxes, Levies and tariffs	R 358 220	R 360 073	R 314 013
Other	R 91 193	R 107 523	R 117 934
Sub Total	R 1 061 075	R 1 078 630	R 1 042 231
Less: Expenditure	R 1 346 501	R 1 466 535	R 1 208 798
Net Total*	R -285 427	R -387 905	-R166 567

Operating Ratios	
Detail	%
Employee Cost	29%
Repairs & Maintenance	4%
Finance Charges & Impairment	0%

Total Capital Expenditure: 2023/2024-2024/2025

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R'000		
Detail	Year -2023/24	Year 2024/25
Original Budget	244 591	252 554
Adjustment Budget	242 621	230 375
Actual	233 987	217 508

1.16. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Organisational Performance Management System (OPERFORMANCE MANAGEMENT SYSTEM) of Moses Kotane Local Municipality provides a structured framework for planning, monitoring, measuring, and reporting on institutional performance in line with the Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP). During the 2024/2025 financial year, the OPERFORMANCE MANAGEMENT SYSTEM was implemented in accordance with the Municipal Systems Act, 2000, and the Municipal Planning and Performance Management Regulations, ensuring alignment between strategic objectives, performance indicators, and service delivery outcomes. The system promotes accountability, continuous performance improvement, and informed decision-making across all levels of the Municipality.

1.17. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 2024-2025

Moses Kotane Local Municipality received an unqualified audit opinion for the 2024-2025 Financial year.

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1.18 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	December
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January

Chapter 2

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

2.1.1. Political Structure

Mayor - Cllr Nketu Nkotswe
Speaker – Matshaba Maria Zippora
Single Whip – Cllr. Lucky Moate

2.1.2 MAYORAL COMMITTEE/EXECUTIVE COMMITTEE

Committee	Chairing Councillor
Finance/BTO	Cllr Stephinah Mashishi
Planning & development	Cllr Dithothi Tshethane
Local Economic Development	Cllr Caroline Motshabi
Infrastructure & Technical services	Cllr Hazel Molefe
Community services	Cllr Bushy Manganye
Corporate services	Cllr Motsisi Mogapi

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Council Members	FULL/PART TIME	Committees Allocated	Ward and/ or Party Represented
1.. Sephoti Rhyme Tebogo	Part Time	Local Economic Development	ANC
2.kalipa Harris Siphoh	Part Time	Corporate Services & Special Projects	ANC
3.Mashishi Stephina Ntebatseng	Full Time	Finance/BTO	ANC
4.Masokwane Samuel Komaakgosi	Part Time	Local Economic Development	ANC
5.Ditsele Enoch Noah	Part Time	Corporate Services & Local Economic Development	ANC
6.Mabazo Justice Tihamo	Part Time	Corporate Services	ANC
7.Serole Itumeleng Patrick	Part Time	Infrastructure and Technical Services	ANC
8.Sefora Mopyane Nelson	Part Time	Planning and Development	ANC
9.Magoleng Motlhanke Herman	Part Time	Finance/BTO & Disaster, Buildings & Facilities, Parks and Cemeteries.	ANC
10.Sekobane Itumeleng Abner	Part Time	Local Economic Development	ANC
11.Matshereng Efesia	Full Time	MPAC	ANC
12.Bosielo Bontle Salaminah	Part Time	Disaster, Buildings & Facilities, Parks and Cemeteries.	ANC

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13. Luvuno Fortune	Part Time	Finance/BTO & Special Projects	ANC
14.Raboroko Mpho Jacob	Part Time	MPAC	ANC
15.Kgotlhang Tshidi Dorothy	Part Time	Public Safety, Waste & Environment	ANC
16.Mogale Mogomotsi John	Part Time	Infrastructure and Technical Services	ANC
17.Khunou Kopano Brian	Part Time	Corporate Services & Disaster, Buildings & Facilities, Parks and Cemeteries	ANC
18.Setl Head of Department Orapeleng Stoffel	Part Time	MPAC	ANC
19.Hlojane Sello Simon	Part Time	Public Safety, Waste & Environment	ANC
20.Mogapi Motsisi Obed	Full Time	Corporate Services	ANC
21.Khumalo Tshepo Confidence	Part Time	Finance/BTO & Local Economic Development	ANC
22.Letsatsi Kabelo Petrus	Part Time	Local Economic Development	ANC
23.Mogaki Thobego Jeremia	Part Time	Public Safety, Waste & Environment	ANC
24.Sekao Nomvula Seanokeng Grace	Part Time	Infrastructure and Technical Services	ANC
25.Kanaomang Peter Gobakwang	Part Time	Corporate Services	ANC

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26.Letlape Nkeko Anastatia	Part Time	Community Services and Public Safety & Disaster, Buildings & Facilities, Parks and Cemeteries.	ANC
27.Sibanda Joseph Shimane	Part Time	MPAC	ANC
28.Radikeledi Peter Katlego	Part Time	Infrastructure and Technical Services	ANC
29.Mabula Matsapa Philista	Part Time	Finance /BTO	
30. Sebalo Shadrack Aobakwe	Part Time	Planning and Development & Human Settlement	ANC
31.Thale Mookamedi Bodibe	Part Time	Planning and Development & Special Projects	ANC
32.Pilane Obakeng Obed	Part Time	MPAC	ANC
33.Mosako Thato Gagoine	Part Time	Corporate Services & Planning and Development	ANC
34.Muleya Precious Kelebogile	Part Time	Planning and Development	ANC
35.Pitso Lucky Mxoleni	Part Time	Finance/BTO	ANC
PR			
36.Motshabi Caroline Nkeifeng	Full Time	Local Economic Development	ANC
37.Manganye Solomon Mosweu	Full Time	Community Services and Public Safety	ANC
38.Tshetlhane Dithothi	Full Time	Planning and Development	ANC

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Rebecca			
39.Moate Lucas	Full Time	Single Whip	ANC
40.Ramokopelwa Hazel	Full Time	Infrastructure and Technical Services	ANC
41.Mtshali Gugulethu Maureen	Full Time	Disaster, Buildings & Facilities, Parks and Cemeteries.	ANC
42.Matshaba Maria Zippora		Speaker	ANC
43.Nkotswe Magdeline Nketu	Full Time	Mayor	ANC
44.Deleki Nomawisile	Part Time	Planning and Development	ANC
45.Mashimo Ratselana Ezekiel	Part Time	Human Settlement	ANC
46.Lukhele Rose Mapula	Part Time	Infrastructure and Technical Services	ANC
47.Modisakeng Enoch Tsietsi	Part Time	Finance/BTO & Human Settlement	ACDP
48.Motswasele Mildred	Part Time	MPAC	Bana Ba Thari
49.Motswenyane Mmakgolane Zippora	Full Time	Human Settlement	DA
50.Rampe Rebaona Ronald	Part Time	Disaster, Buildings & Facilities, Parks and Cemeteries.	DA
51.Madisa Tshepang Godfrey	Full Time	Disaster, Buildings & Facilities, Parks and Cemeteries.	EFF
52.Mpangeva Mekie Violet	Part Time	Corporate Services & Planning and Development	EFF

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53.Hermina Mogorosi	Part Time	Finance/BTO & Infrastructure and Technical Services	EFF
54.Tshailane Sophy Mmapitsi	Part Time	Planning and Development & Disaster, Buildings & Facilities, Parks and Cemeteries.	EFF
55.Kgwadi Moses Kagiso	Part Time	Infrastructure and Technical Services	EFF
56.Mollo Nthabiseng	Full Time	Finance/BTO & Special Projects	EFF
57.Moroka Lebogang Moses	Part Time	Corporate Services	EFF
58.Mabalane Kedibone Charlotte	Part Time	Finance/BTO	EFF
59.Molefe Morgan Thuthugang	Part Time	Human Settlement	EFF
60.Mokotedi Tumisang	Part Time	Public Safety, Waste & Environment	EFF
61.Sikoane Joel	Part Time	Human Settlement	EFF
62.Marakalala Senkgane Brunny	Part Time	Special Projects	EFF
63. Malwale Christinah Gadifele	Part Time	Local Economic Development	EFF
64.Rammala Ralekeke Thomas	Part Time	MPAC	Forum for Service Delivery
65.Moeng Toto Johannes	Part Time	Finance/BTO & Human Settlement	Independent
66.Chaka Chris	Part Time	Local Economic Development,	Tsogang

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Kelebogile		Public Safety, Waste & Environment & Special Projects	
67. Chibelu Beauty	Part Time	MPAC	Tsogang
68. Maretele Joy Boitumelo	Part Time	Infrastructure and Technical Services	UCDP

2.1 POLITICAL DECISION MAKING

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
31 JULY 2024	19/07/2024:	CONDONATION OF ACTING CAPACITY: HEAD OF DEPARTMENT: LED (Mr. A. T. MOGASHOA) FOR THE MONTHS OF APRIL UNTIL JUNE AND TO SEEK PERMISSION TO EXTEND THE ACTING FOR THE MONTHS OF JULY TO SEPTEMBER 2024.	RESOLVED That Council notes the report. That council condones Mr. A.T Mogashoa's acting for April to June 2024. That council approves a further acting for Mr. Mogashoa for the next 3 months (01 July until September 2024) pending approval by the office of the MEC.
	20/07/2024:	CONDONATION OF ACTING CAPACITY: HEAD OF DEPARTMENT: COMMUNITY SERVICES (Mr. N D. MOENG) FOR THE MONTH OF JULY AND TO SEEK PERMISSION TO EXTEND THE ACTING FOR TWO MONTHS (AUGUST TO SEPTEMBER 2024).	RESOLVED That Council notes the report. That council condones Mr. N. D. Moeng's acting for July 2024. That council approves a further acting for Mr. N. D. Moeng's for the next 2 months (01 August until 30 September 2024)
	142/05/2024:	REPORT ON DERECOGNITION OF ASSETS 2022/23 AFS	RESOLVED That the report on derecognition of Assets be noted That Council condones the recognition of the assets reflected in the body of the report. The annexures attached are from the AG report.
	04/07/2024:	PROGRESS REPORT ON 2022/23 AND 2023/2024 FINANCIAL YEAR FOR MUNICIPAL INFRASTRUCTURE GRANT (MIG), WATER SERVICES INFRASTRUCTURE GRANT (WSIG) AND EEDSM PROJECTS	RESOLVED That the Council take note of the report.
	05/07/2024:	DEPARTMENTAL STATUS QUO REPORT: COMMUNITY SERVICES	RESOLVED That the Council note the attached Report. That all prioritized positions be filled to allow the Department to function optimally. That it be noted that the Department has developed an Action Plan to

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			address immediate challenges, particularly in relation to service delivery. That a Progress Report on the implementation of the Action Plan be compiled and submitted to Council.
	07/07/2024:	REPORT ON COST RECOVERY AND DEBT COLLECTION	RESOLVED That the report on cost recovery and debt collection be noted Legal steps to be implemented against all debtors who do not participate in the proposed incentive scheme. They should be handed over to debt collectors with immediate effect. The Department of Planning and Development to proceed with local economic development plans and the formalization of villages under traditional management An incentive scheme be introduced for all debtors on a rand-for-rand basis; this implies that 50% of the outstanding amount as at 30 June 2024 be written-off on condition that the consumer settle the balance within 18 months after entering into written arrangements with the Municipality. That property rates for all categories be excluded from the incentive scheme. That all outstanding debtors who do not participate in the incentive scheme be handed over to debt collectors in terms of the Municipality's Credit Control and Debt Collection Policy; State owned institutions are excluded from the incentive proposal Interest be written off on all state-owned properties. Consumer deposits equal to two months estimated consumption be charged for all new consumers as well as consumers where supply have been restricted as a result of non-payment; That the Infrastructure and Technical Department prepare estimates and business plan to legalize illegal yard connections for inclusion in the adjustments budget for the 2024/2025 financial year. That all relevant recommendations raised on item 167/06/2023 be incorporated and implemented.
	08/07/2024:	REPORT ON NAMPO AGRICULTURAL SHOW 2024	RESOLVED: (a) That the Council takes note of the report; (b) That municipality is to book a floor space for entrepreneurs to exhibit their commodities for international market (e.g. Matuwane

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			animal feeds) (c) That farmers be prioritized according to their focal area, group them and book accommodation for one night each group.
	09/07/2024:	PHASE 5 EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	RESOLVED: That the Council takes note of the 2024/25 EPWP budget allocation to a tune of R1 359 000 (IG) Integrated Grant; That EPWP minimum wage is R121,28; That municipality proposed a minimum wage of R150 per day for participants and R185.40 for supervisors, R196.84 for law enforcement officers; That Council approves the Project list for 2024/25 financial year; That municipality strengthens their reporting capacity especially on MIG; That work opportunities target is 867 with 267 FTEs for 2024/25 financial year; That municipality to augment the EPWP allocation by R500 000, in order to reach the expected 267 FTE target, set; and That these projects to be incorporated into IDP documents.
	10/07/2024	FOURTH QUARTER CONTRACT MANAGEMENT REPORT	RESOLVED That the Council note the fourth quarter contract management report.
	11/07/2024:	REPORT ON DERECOGNITION OF ASSETS ON THE 2023/24 AFS	RESOLVED: Disposal Committee to be established to conduct investigations That the report on derecognition of Assets be noted That the recommendation as reflected in the body of the report be adopted and approved. That annexures attached are from the AG report.
	12/07/2024:	SUPPLY CHAIN MANAGEMENT FOURTH QUARTER REPORT FOR 2023/2024	RESOLVED: (a) That the contents of the report be noted.
	13/07/2024:	FINANCIAL REPORT FOR MAY 2024 (7/15/1/2/1)	RESOLVED: That the financial report for May 2024 be noted.
	14/07/2024:	FINANCIAL REPORT FOR JUNE 2024	RESOLVED:

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
		(7/15/1/2/1)	That the financial report for June 2024 be noted.
	15/07/2024:	FINANCIAL QUARTERLY REPORT FOR THE QUARTER ENDING 30 JUNE 2024 (7/15/1/2/1)	RESOLVED: That the financial quarterly report for the fourth quarter ending 30 th June 2024 be noted. That the withdrawal report for the quarter ending 30 June 2024 be noted.
29 AUGUST 2024	25/08/2024:	REPORT ON THE RECRUITMENT PROCESS OF HEAD OF DEPARTMENT: LOCAL ECONOMIC DEVELOPMENT AND A REQUEST FOR RE-ADVERTISEMENT	RESOLVED That the report be noted. That council resolves to re-advertise of the HEAD OF DEPARTMENT: Local Economic Development and ensure that timelines are adhered to. That council reaffirms the panel as follows: The selection panels The accounting officer (Chairperson) The portfolio Head: Local Economic Development The accounting Officer (Municipal Manager) from another local municipality A representative from DEDECT to provide Technical advice. The Observer Representative from South African Local Government Association (SALGA)
	26/08/2024:	APPROVAL TO FILL VACANT SENIOR MANAGER POSITION HEAD OF DEPARTMENT: PLANNING AND DEVELOPMENT	RESOLVED That Council notes the report. That Council recommends for approval by council the filling of the HEAD OF DEPARTMENT: Planning and Development post. That the position of the HEAD OF DEPARTMENT: Planning and Development be advertised within 14 days after approval by Council. That Council approve the establishment of Panel members for shortlisting interview for the position of HEAD OF DEPARTMENT: Planning and Development. <u>The Selection panels</u> The Accounting Officer (Chairperson) The Portfolio Head Planning and Development

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			An Accounting Officer (Municipal Manager) from another local Municipality A Representative from MISA to provide technical advice. The observers: Representative from South African Local Government Association (SALGA) Attach the resignation letter of Mr. T.G Masheleni as evidence of the above Item
	27/08/2024:	REPORT FOR THE RECRUITMENT PROCESS OF THE POSITION OF HEAD OF DEPARTMENT: COMMUNITY SERVICES AND CONDONEMENT OF PROCESS PLAN	RESOLVED That Council notes the report. (b) That Council approves the process plan for use in the recruitment process of the HEAD OF DEPARTMENT: Community Services.
	06/07/2024:	THIRD QUARTER PERFORMANCE REPORT FOR 2023/2024	RESOLVED That Council take note of the 2023/2024 third quarter performance report.
	16/07/2024:	HAZARD ALLOWANCE POLICY	RESOLVED That Council approves the hazard allowance policy.
	21/08/2024:	APPROVED IDP/PERFORMANCE MANAGEMENT SYSTEM AND BUDGET PROCESS PLAN FOR THE FINANCIAL YEAR 2025/2026	RESOLVED That Council to consider and adopt IDP/Budget/PERFORMANCE MANAGEMENT SYSTEM Process Plan for financial year 2025/2026. That the Process Plan is inclusive of Internal Audit, Risk Management, Municipal Public Accounts and Project Management Unit. That the Approved Process Plan for 2025/2026 Financial Year, will be advertised within 10 days on the Municipal website, submitted to MEC's Office as well as National and North West provincial government as legislated That included in the plan is the community consultation schedule amended during Councilors briefing session held on the 13 th August and confirmed on the 14 th August by portfolio committee. That the above will be forwarded to the Supply Chain Management Unit to commence with supply chain processes to curb late sourcing of quotes. That the Plan will be shared with all internal and external

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			<p>stakeholders</p> <p>That the office of the Speaker must coordinate Councilors to come up with strategy on how to approach upcoming consultations before commencement in September and /or October 2024</p> <p>That the office of the Mayor to engage with the House of Traditional Leaders and other relevant stakeholders before commencement of the consultations as mentioned in item (f) above.</p> <p>That ward Councilor be urged to convene pre-IDP meetings prior the 1st round IDP session</p>
	23/08/2024:	FINANCIAL REPORT FOR JULY 2024 (7/15/1/2/1)	<p>RESOLVED</p> <p>That the financial report for July 2024 be noted.</p>
	06/07/2024:	THIRD QUARTER PERFORMANCE REPORT FOR 2023/2024	<p>RESOLVED</p> <p>That Council take note of the 2023/2024 third quarter performance report.</p>
	16/07/2024	HAZARD ALLOWANCE POLICY	<p>RESOLVED</p> <p>That Council approves the hazard allowance policy.</p>
	21/08/2024:	APPROVED IDP/PERFORMANCE MANAGEMENT SYSTEM AND BUDGET PROCESS PLAN FOR THE FINANCIAL YEAR 2025/2026	<p>RESOLVED</p> <p>That Council to consider and adopt IDP/Budget/PERFORMANCE MANAGEMENT SYSTEM Process Plan for financial year 2025/2026.</p> <p>That the Process Plan is inclusive of Internal Audit, Risk Management, Municipal Public Accounts and Project Management Unit.</p> <p>That the Approved Process Plan for 2025/2026 Financial Year, will be advertised within 10 days on the Municipal website, submitted to MEC's Office as well as National and North West provincial government as legislated</p> <p>That included in the plan is the community consultation schedule amended during Councilors briefing session held on the 13th August and confirmed on the 14th August by portfolio committee.</p> <p>That the above will be forwarded to the Supply Chain Management Unit to commence with supply chain processes to curb late sourcing of quotes.</p> <p>That the Plan will be shared with all internal and external stakeholders</p> <p>That the office of the Speaker must coordinate Councilors to come up</p>

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			with strategy on how to approach upcoming consultations before commencement in September and /or October 2024 That the office of the Mayor to engage with the House of Traditional Leaders and other relevant stakeholders before commencement of the consultations as mentioned in item (f) above. That ward Councilor be urged to convene pre-IDP meetings prior the 1 st round IDP session
	23/08/2024	FINANCIAL REPORT FOR JULY 2024 (7/15/1/2/1)	RESOLVED That the financial report for July 2024 be noted.
	24/08/2024	SUPPLY CHAIN MANAGEMENT ANNUAL REPORT FOR 2023/2024	RESOLVED That the contents of the report be noted.
30 SEPTEMBER R 2024	38/09/2024	CONDONATION OF ACTING CAPACITY: HEAD OF DEPARTMENT: PLANNING AND DEVELOPMENT (Mr. M. V. MMOPE) FOR THREE MONTHS (30 AUGUST UNTIL END NOVEMBER 2024).	RESOLVED That Council notes the report. That Council condones Mr. M. V. Mmope's acting as from September to November 2024.
	28/09/2024	REPORT BACK ON AFRICA'S TRAVEL INDABA TRADE SHOW: 14-16 MAY 2024	RESOLVED: (a) That Council take cognizance of the Tourism Indaba 2024 Report that was held on the 13 to the 16 May 2024 at Albert Luthuli Convention Centre. (b) That a Post Tourism Indaba inviting Tour Operators from Mpumalanga and Gauteng be approved as per our Market Access KPI.
	29/09/2024	REPORT ON WORLD TRAVEL MARKET: 10-12 APRIL 2024	RESOLVED: (a) That Council take cognizance of the World Travel Market that took place in Cape Town Conventions Center be noted. (b) That forged relationship between TBCSA, White river Mpumalanga and MOSES KOTANE LOCAL MUNICIPALITY be supported.
	30/09/2024:	FINANCIAL ASSISTANCE FOR SMME'S	RESOLVED: (a) That the financial assistance for the SMME's be noted
	31/09/2024	FOURTH QUARTER PERFORMANCE REPORT FOR 2023/2024	RESOLVED:

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			(a) That the Council take note of the 2023/2024 fourth quarter performance report.
	32/09/2024	FINANCIAL REPORT FOR AUGUST 2024 (7/15/1/2/1)	RESOLVED: That the financial report for August 2024 be noted.
08 OCTOBER 2024	38/09/2024	CONDONATION OF ACTING CAPACITY: HEAD OF DEPARTMENT: PLANNING AND DEVELOPMENT (Mr. M. V. MMOPE) FOR THREE MONTHS (30 AUGUST UNTIL END NOVEMBER 2024).	RESOLVED That Council notes the report. That Council condones Mr. M. V. Mmope's acting as from September to November 2024.
	28/09/2024	REPORT BACK ON AFRICA'S TRAVEL INDABA TRADE SHOW: 14-16 MAY 2024	RESOLVED: (a) That Council take cognizance of the Tourism Indaba 2024 Report that was held on the 13 to the 16 May 2024 at Albert Luthuli Convention Centre. (b) That a Post Tourism Indaba inviting Tour Operators from Mpumalanga and Gauteng be approved as per our Market Access KPI.
	29/09/2024	REPORT ON WORLD TRAVEL MARKET:10-12 APRIL 2024	RESOLVED: (a) That Council take cognizance of the World Travel Market that took place in Cape Town Conventions Center be noted. (b) That forged relationship between TBCSA, White river Mpumalanga and MOSES KOTANE LOCAL MUNICIPALITY be supported
	30/09/2024	FINANCIAL ASSISTANCE FOR SMME'S	RESOLVED: (a) That the financial assistance for the SMME's be noted
	31/09/2024	FOURTH QUARTER PERFORMANCE REPORT FOR 2023/2024	RESOLVED: (a) That the Council take note of the 2023/2024 fourth quarter performance report.
	32/09/2024	FINANCIAL REPORT FOR AUGUST 2024 (7/15/1/2/1)	RESOLVED: That the financial report for August 2024 be noted.
21 OCTOBER 2024	49/10/2024	REPORT ON NON-FUNCTIONALITY OF THE AUDIO RECORDING SYSTEM OF THE COUNCIL CHAMBER	RESOLVED: That the Chairperson to liaise with the Municipal Manager within 3 weeks (11 November 2024) from the date of the meeting, for the purpose of convening a Special Council to report back.
27	63/11/2024	STANDARD DRAFT BY-LAWS FOR	RESOLVED:

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
NOVEMBER 2024		TOWNSHIP ECONOMIES (INCLUDING TUCKSHOPS/ SPAZASHOPS)	<p>That council note the Standard Draft By-Laws for township, economies and its implementation protocols as Gazetted by Minister of COGTA Hon V Hlabisa.</p> <p>That Council repeal the current Moses Kotane Local Municipality By-Laws relating to small businesses/township economies.</p> <p>That EXCO submit to council a detailed implantation report in the next ordinary council meeting which should include a detailed consultative process in line with the implementation protocols.</p> <p>That the LED Portfolio's work on generating a database of small business owners be noted.</p> <p>That the By-Laws be published for comments and representations in terms of section 14 and 13 of the Municipal Systems Act No 32 of 2000.</p> <p>That a joint Committee be established which include LED, Community Services and planning& Development for purpose of implementation of these by-laws</p> <p>Joint Committees to develop programme of action for implementation which include public participation and stake holders' engagements.</p> <p>Cluster meetings be convened for identification and temporary registrations of Spaza shops.</p>
	51/11/2024	DIRECTORATE BUDGET AND TREASURY OFFICE: UPPER LIMITS OF COUNCIL MEMBERS	<p>RESOLVED:</p> <p>The municipal council approves the implementation of Government Notice 51407 published on 17 October 2024 which replaces Government Notice 49142 published on 18 August 2023.</p> <p>The implementation of the approved Government Notice No. 51407 be affected immediately upon receipt of the concurrence from Member of the Executive Council (MEC) responsible for local government in the North West Province</p> <p>In addition to the total annual remuneration packages the Moses Kotane Local Municipality must take out a special risk cover for all directly elected Councilors.</p> <p>Councilors who haven't forwarded their information for their special risk cover should urgently ensures that the requisite information is forwarded to the Office of the Speaker.</p>

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
13 DECEMBER 2024	65/11/2024	REPLACEMENT OF REPRESENTATION ON THE BOJANALA PLATINUM DISTRICT MUNICIPALITY BY NEW COUNCILLOR	RESOLVED That the report on the replacement of representatives on the Bojanala Platinum District Municipal Council be noted. That Cllr K. Chaka be replaced by Cllr B. Chebedu as party representative at Bojanala District Municipality.
	18/07/2024	2024/2025 AUDIT COMMITTEE CHARTER	RESOLVED That the Council approves the reviewed 24/25 MOSES KOTANE LOCAL MUNICIPALITY Audit Committee Charter. That the rates included in the report be effective from 01 January 2025 to coincide with the AC anniversary.
	38/09/2024	CONDONATION OF ACTING CAPACITY HEAD OF DEPARTMENT: PLANNING & DEVELOPMENT (MR V MMOPE FOR THREE MONTHS) 30 AUGUST UNTIL END NOVEMBER 2024	RESOLVED That Council notes the report. That Council condones Mr. M. V. Mmope's acting as from September to November 2024.
	48/10/2024	REPORT OF THE AUDIT COMMITTEE FOR 4 TH QUARTELY FINANCIAL YEAR 2023/2024	RESOLVED That Council takes note of the Audit Committee's Quarter 4 report for the 2023/2024 Financial Year. That Council takes a resolution that management must develop an action plan which must be implemented, monitored on monthly basis and reported on quarterly
	60/11/2024	APPROVAL OF RISK MANAGEMENT POLICY, DETAILED RISK MANAGEMENT IMPLEMENTATION PLAN AND RISK MANAGEMENT STRATEGY	RESOLVED Council approve the risk management policy, risk management strategy and detailed risk management implementation plan for the 2024/25 financial year.
	61/11/2024	APPROVAL OF THE STRATEGIC RISK REGISTER AND PROJECT RISK REGISTER	RESOLVED Council to approve the Strategic risk register and Project Risk Register for the 2024/25 financial year.
	62/11/2024	APPROVAL OF ANTI -FRAUD AND CORRUPTION RISK REGISTER,	RESOLVED Council to approve the Anti-fraud and Corruption risk register, Fraud

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
		FRAUD PREVENTION PLAN AND FRAUD AWARENESS CAMPAIGN PROGRAM	prevention plan and fraud awareness campaign program for the 2024/2025 financial year.
	64/11/2024	REQUEST FOR CLOSURE OF MUNICIPAL OFFICES	<p>RESOLVED</p> <p>That Council grants approval for closure of offices from the 20 December 2024 until 06 January 2025 (last working day being 20 December 2024 until and opening on 06 January 2025).</p> <p>That Essential Services of Council proceed to operate during the break.</p> <p>That respective HEAD OF DEPARTMENTS must submit the names of employees approved to work during recess (including contact numbers) to Corporate Services for consolidation and transmission to Offices of The Mayor, Speaker and Single Whip.</p> <p>That the staff required to work during the break be compensated as previously agreed in December 2022</p> <p>That the staff required to be on stand-by be compensated with payment of stand-by allowance.</p> <p>Employees on Level 16 downwards an amount of R1800-00.</p> <p>Employees on Level 17 upwards an amount of R500.</p> <p>That the relevant message be published in the local newspaper and be properly communicated to the community, clients and stakeholders.</p> <p>That officials take 2 days annual leave (23-24) December 2024 and Council give officials a further 5 days leave (27, 30, and 31 December 2024 and 02, 03 January 2025).</p> <p>That lists of all essential services employees that will be on duty during the festive seasons be publicized</p>
	66/11/2024	PERMISSION ON RE-ADVERTISEMNT OF VACANT SENIOR MANAGERS POSITIONS: LED, PLANNING AND DEVELOPMENT AND COMMUNITY SERVICES	<p>RESOLVED</p> <p>That the report on the delays be noted.</p> <p>That Council authorize the Accounting Officer to re-advertise the positions.</p> <p>That the Accounting Officer expedite the process and ensure the process is concluded within the prescribed time frames.</p>
	67/12/2024	CONDONATION OF ACTING CAPACITY: HEAD OF DEPARTMENT:	<p>RESOLVED</p> <p>That Council notes the report.</p>

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
		LED (MR. A. MOGASHOA) AND NEW ACTING APPOINTMENT	That Council condones Mr. A. Mogashoa acting for the months of November and December 2024 That the Municipal Manager must request seeks concurrence from the MEC of COGTA for the extension
	68/12/2024	CONDONATION OF ACTING CAPACITY: HEAD OF DEPARTMENT: COMMUNITY SERVICES (MR. N. MOENG) AND NEW ACTING APPOINTMENT	RESOLVED That Council notes the report. That Council condones Mr. N. Moeng's acting for the months of October, November and December 2024 That Municipal Manager to seeks concurrence of the Acting Capacity that have exceeded 6 months retrospectively
	69/12/2024	CONDONATION OF ACTING CAPACITY: HEAD OF DEPARTMENT: PLANNING AND DEVELOPMENT (MR. V. MMOPE) AND NEW ACTING APPOINTMENT	RESOLVED That Council notes the report. That council condones Mr. V. Mmope acting for the months December 2024, January & February 2025 That Municipal Manager to seeks concurrence from the MEC of COGTA for the Acting Capacity
	72/12/2024	REPLACEMENT OF A MEMBER OF EXECUTIVE MEMBER	RESOLVED That the report be noted That Council elect a new member to replace Cllr N. Mollo in the Executive Committee That Cllr L. Moate nominate Cllr S. Marakalala to serve in the Executive Committee
	28/09/2024	REPORT BACK ON AFRICA` TRAVEL INDABA TRADE SHOW: 14-16 MAY 2024	RESOLVED (a) That Council take cognizance of the Tourism Indaba 2024 Report that was held on the 13 to the 16 May 2024 at Albert Luthuli Convention Centre. (b) That a Post Tourism Indaba inviting Tour Operators from Mpumalanga and Gauteng be approved as per our Market Access KPI.
	29/09/2024	REPORT ON WORLD TRAVEL MARKET: 10-12 APRIL 2024	RESOLVED (a) That Council take cognizance of the World Travel Market that took place in Cape Town Conventions Centre be noted. (b) That forged relationship between TBCSA, White river Mpumalanga and MOSES KOTANE LOCAL MUNICIPALITY be supported

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
	30/09/2024	FINANCIAL ASSISTANCE FOR SMME'S	RESOLVED (a) That the financial assistance for the SMME's be noted
	31/09/2024	FOURTH QUARTER PERFORMANCE REPORT FOR 2023/2024	RESOLVED That the Council take note of the 2023/2024 fourth quarter performance report.
	32/09/2024	FINANCIAL REPORT FOR AUGUST 2024 (7/15/1/2/1)	RESOLVED That the financial report for August 2024 be noted.
	41/10/2024	FIRST QUARTER CONTRACT MANAGEMENT REPORT	RESOLVED That the Council note the first quarter contract management report.
	42/10/2024	CASCADING OF THE PMDS TO EMPLOYEES BELOW SENIOR MANAGERS (HOUs AND MANAGERS)	RESOLVED That the draft policy be noted by Council. That Workshop
	44/10/2024	PROPOSED JOB EVALUATION PROCESS	RESOLVED That the report be noted. That all managers have one on one with their staff and submit confirmed signed job descriptions to allow job evaluation to be done for the municipality. That the policy be submitted to Council for noting.
	45/10/2024	FINANCIAL REPORT FOR SEPTEMBER 2024 (7/15/1/2/1)	RESOLVED That the financial report for September 2024 be noted.
	46/10/2024	FINANCIAL QUARTERLY REPORT FOR THE QUARTER ENDING 30 SEPTEMBER 2024(7/15/1/2/1)	RESOLVED That the financial quarterly report for the first quarter ending 30 th September 2024 be noted. That the withdrawal report for the quarter ending 30 September 2024 be noted.
	47/10/2024	SUPPLY CHAIN MANAGEMENT FIRST QUARTER REPORT FOR 2024/2025	RESOLVED That the contents of the report be noted
	50/11/2024	1 ST ROUND IDP PUBLIC PARTICIPATION REPORT FOR FINANCIAL YEAR 2025/2026	RESOLVED That the Council to note the report of municipal priorities and needs analysis as raised by the community during our in-person consultations of 1 st round of IDP for financial year 2025/2026,

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			<p>That Council to note that the report will be presented to the stakeholders during the planned IDP Representative Forum on the 28th November 2024.</p> <p>That all sector department will be furnished with reports per their directorates is attached</p> <p>That Council to note the Final Moses Kotane Long Term Development Strategy handed over through Partnership by Municipal Capability and Partnership Programme submitted on the 08 November 2024</p> <p>That the Council to note the Draft Standardised By-Laws to empower Townships Economies and Inclusive Growth INCLUSION OF PROJECTS IN THE 2024/2025 ADOPTED IDP</p> <p>That attached to the report is Anglo Platinum Projects as presented during the IDP Forum held on the 17 September 2024 & Ramokokastad Road and Solar Projects be included in the IDP.</p>
	52/11/2024:	PROGRESS REPORT ON THE ESTABLISHMENT OF THE MUNICIPAL BUYBACK CENTRE IN SANDFONTEIN	<p>RESOLVED</p> <p>That the Council note the Progress Report on the implementation of the aforesaid project.</p> <p>That an MOU be developed to clearly define roles, terms of operation, and responsibilities, particularly if the Mogwase Cooperative is confirmed as the project's operator.</p>
	54/11/2024	APPLICATION FOR COUNCIL TO ALLOCATE DEVELOPMENT RIGHTS TO THE NORTH-WEST HOUSING CORPORATION THROUGH A LAND AVAILABILITY AGREEMENT FOR THE DEVELOPMENT OF MOGWASE MEGA CITY ON THE REMAINING PORTION OF THE FARM OLIVENBOOM 62 JQ	<p>RESOLVED</p> <p>That the Council of the Moses Kotane Local Municipality approves for the allocation of the development rights to the North- West Housing Corporation through a Land Availability Agreement for the development of Mogwase Mega City on the Remaining Portion of the Farm Olivenboom 62 JQ, subject to the following conditions:</p> <p>That the item be noted;</p> <p>That Council transfer development rights to the North West Housing Corporation (NWHC) through a Land Availability Agreement, in consultation with the North West Department of Human Settlement.</p> <p>That the land will remain under the ownership of the Moses Kotane Local Municipality;</p> <p>That MOSES KOTANE LOCAL MUNICIPALITY acknowledges a</p>

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			<p>shortfall in the expected yield of 17,500 housing units due to property size constraints and confirms that this is the only site available for the project, despite its limitations.</p> <p>That due to the proximity to the Bojanala SEZ, the MOSES KOTANE LOCAL MUNICIPALITY discourages any inclusion of light industrial or industrial activities in the Mega City. The development should focus strictly on residential use, supported by necessary amenities in accordance with the CSIR Guidelines for Social Facility Planning.</p> <p>That the proposed development layout should account for existing portions of land previously allocated to other developers (where township planning is incomplete) to avoid an oversupply of commercial sites.</p> <p>That the developer must follow all required legislative and administrative processes for the proposed development</p> <p>That the Council authorizes the Accounting Officer to finalize the land availability agreement and ensure compliance with all relevant legislative and regulatory requirements</p>
	55/11/2024	FINANCIAL REPORT FOR OCTOBER 2024 (7/15/1/2/1)	<p>RESOLVED</p> <p>That the financial report for October 2024 be noted.</p> <p>That the budget for 2024/25 remains unfunded and the Committee commit to implement measures to curb non-priority spending in order to improve the financial status of the institution.</p>
	56/11/2024	REQUEST FOR TRANSFER OF STATE DOMESTIC FACILITIES (SDF'S) AND OTHER STATE PROPERTIES REGISTERED UNDER THE MUNICIPALITY TO THE NORTH WEST AND NATIONAL DEPARTMENT OF PUBLIC WORKS	<p>RESOLVED</p> <p>That the Council takes note of the request by the Department of Public Works and Roads to transfer the properties.</p> <p>That Council supports request for transfer of all assets of other organs of state back to them.</p> <p>That the transfers be done as land donations.</p> <p>that all costs and related to the transfer and registration of the properties shall be borne by the Department of Public Works and Roads</p>
25 JANUARY 2025	86/01/2025	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) DRAFT ANNUAL WORK PLAN FOR THE 2024/2025 FINANCIAL YEAR	<p>RESOLVED</p> <p>It is recommended that; The Council approve the proposed work plan for the 2024/2025 financial year.</p>
	87/01/2025	DRAFT MPAC PROGRAM PROCESSES PLAN FOR THE	<p>RESOLVED</p> <p>That Council note and approve MPAC program for the public hearing</p>

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
		PUBLIC HEARINGS ON	processes on the Annual Report 2024/2025 That Council and Administration support ensure that programme will never be interrupted by any municipal activities
	88/01/2025	TABLING 2023/2024 ANNUAL REPORT	RESOLVED That Council consider 2023/2024 Annual Report
	59/11/2024	PROGRESS REPORT ON 2024/25 FINANCIAL YEAR FOR MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG) PROJECTS	RESOLVED That the Council take note of the report.
	73/01/2025	SECOND QUARTER CONTRACT MANAGEMENT REPORT	RESOLVED That Council note the second quarter contract management report.
	74/01/2025	REVISED MOSES KOTANE LOCAL MUNICIPALITY CONSULTANCY REDUCTION STRATEGY	RESOLVED a) That Council approve revised MOSES KOTANE LOCAL MUNICIPALITY consultancy reduction strategy management report.
	76/01/2025	FINANCIAL REPORT FOR NOVEMBER 2024 (7/15/1/2/1)	RESOLVED That the financial report for November 2024 be noted. That the budget for 2024/25 remains unfunded and the Committee commit to implement measures to curb non-priority spending in order to improve the financial status of the institution.
	77/01/2025		FINANCIAL REPORT FOR DECEMBER 2024 (7/15/1/2/1) RESOLVED That the financial report for December 2024 be noted. That the budget for 2024/25 remains unfunded and the Committee commit to implement measures to curb non-priority spending in order to improve the financial status of the institution.
	78/01/2025		FINANCIAL QUARTERLY REPORT FOR THE QUARTER ENDING 31 DECEMBER 2024 (7/15/1/2/1) RESOLVED That the financial quarterly report for the second quarter ending 31 st December 2024 be noted. That the withdrawal report for the quarter ending 31 st December 2024

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			be noted. That the budget for 2024/25 remains unfunded and the Committee commit to implement measures to curb non-priority spending in order to improve the financial status of the institution.
	80/01/2025	MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT FOR THE PERIOD ENDING 31 DECEMBER 2024	RESOLVED Council notes the Mid-Year Budget and Performance Assessment Report for the 2024/2025 Financial Year in terms of S72 of the MFMA and the Supporting Documentation attached. Council considers the financial state of affairs of the Municipality as reflected in this report and take note of the low collection rate for the first six months of the year that leads to cash flow challenges. Council considers the tabling of an adjustment budget not later than 28 February 2025.
	83/01/2025	SPECIAL ADJUSTMENT BUDGET TO AUTHORISE NON-CASH UNAUTHORISED EXPENDITURE FOR THE 2023/2024 FINANCIAL YEAR	RESOLVED That the Special Adjustment budget for the 2023/2024 financial year be approved to authorize the unauthorized expenditure as follows: Non-Cash Items - R 63,394,134 (b) That the Council mandate the Municipal Manager and administration to ensure sufficient provision on the budget for non-cash items to avoid recurrence.
	84/01/2025	BUDGET AND TREASURY OFFICE. POST AUDIT ACTION PLAN FOR THE FINANCIAL 2024/2025	RESOLVED That Council takes notes of the Post Audit Action Plan of MOSES KOTANE LOCAL MUNICIPALITY That quarterly progress reports on the implementation of Post Audit Action Plans be prepared and submitted to Council
	85/01/2025	SUPPLY CHAIN MANAMEMENT SECOND QUARTER REPORT FOR 2024/2025	RESOLVED (a) That the contents of the report be noted
28 February 2025	103/02/2025	MPAC PROCESS PLAN FOR THE PUBLIC HEARING PROCESSES ON THE ANNUAL REPORT 2023/2024	RESOLVED That Council adopt the reviewed MPAC Process Plan for the Public Hearing processes on the Annual Report 2023/2024.
	99/02/2025:	SCHEDULE OF COMMUNITY MEETINGS CONVENED BY WARD COUNCILORS.	RESOLVED. That the report be noted. That all the Ward Councilors who have not submitted the schedule of meetings, must submit the schedule within fourteen days.

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			<p>That a supplementary report in this regard be submitted to Council for consideration at the end of March 2025</p> <p>The Single whip Cllr L Moate requested the Speaker to Grant Councilors the Council in committee in relation with all Items in the order paper</p> <p>The Speaker granted Councilors Council in committee</p> <p>Councilors convened from Council in committee</p>
	98/02/2025:	REPORT ON ESTABLISHMENT OF DISCIPLINARY BOARD	<p>RESOLVED</p> <p>That council notes the content of the report</p> <p>That the following designated officials be approved as members of the Disciplinary Board:</p> <p>The Chairperson of the Audit committee or delegated by the Audit Committee (Chairperson)</p> <p>A Provincial Treasury delegates</p> <p>The Head of Unit Legal Services</p> <p>The Head of Unit Internal Audit</p> <p>The CFO of another Local Municipality within the District/Province</p> <p>That the committee be endorsed with subsistence and travelling allowance in line with the National Treasury guidelines/regulations of tariffs</p>
	100/02/2025	CONDONATION OF ACTING CAPACITY: HEAD OF DEPARTMENT: PLANNING AND DEVELOPMENT (Mr. M. R. MKHIZE) FOR FEB 2025 AND FURTHER ACTING FOR A PERIOD OF TWO MONTHS (MARCH 2025 UNTIL END OF APRIL 2025) PENDING THE FINALISATION OF THE RECRUITMENT PROCESS.	<p>RESOLVED</p> <p>That Council notes the report.</p> <p>That Council condones Mr. M. R. Mkhize's acting as from February until March-April 2025.</p>

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
	101/02/2025	CONDONATION OF ACTING CAPACITY: HEAD OF DEPARTMENT: COMMUNITY SERVICES (Mr. N. MOENG) FOR FEB 2025 AND FURTHER ACTING FOR A PERIOD OF TWO MONTHS (MARCH 2025 UNTIL END OF APRIL 2025) PENDING THE FINALISATION OF THE RECRUITMENT PROCESS.	RESOLVED That Council notes the report. That Council condones Mr. N. D. Moeng's acting as from February until March-April 2025.
	102/02/2025	CONDONATION OF ACTING CAPACITY HEAD OF DEPARTMENT: LOCAL ECONOMIC DEVELOPMENT (MS. F.T MOGOLOANE) FOR FEBRUARY 2025 AND FURTHER ACTING FOR A PERIOD OF TWO MONTHS (MARCH 2025 UNTIL END OF APRIL 2025) PENDING THE FINALISATION OF THE RECRUITMENT PROCESS.	RESOLVED That Council notes the report. That council condones Ms. F.T Mogoloane's acting for the month of February 2025. That council approves a further acting for the months of March and April 2025
	79/01/2025:	REVIEW OF THE MOSES KOTANE LOCAL MUNICIPALITY COMMUNICATIONS STRATEGY FOR FINANCIAL YEAR 2025/2026	RESOLVED: That the item be referred back and the workshop be conducted and further inputs from the strategic planning be submitted
	89/01/2025	SUBMISSION OF THE EMPLOYMENT EQUITY REPORT 2024/2025	RESOLVED: That the report be approved.
	96/02/2025:	FINANCIAL REPORT FOR JANUARY 2025 (7/15/1/2/1)	RESOLVED: That the financial report for January 2025 be noted. That the budget for 2024/25 remains unfunded and the Committee commit to implement measures to curb non-priority spending in order to improve the financial status of the institution.
	97/02/2025	MOSES KOTANE LOCAL MUNICIPALITY ADJUSTMENT BUDGET FOR 2024-2025 (15/1/1/2024/2025)	RESOLVED: That in terms of Section 28 (2) of the Municipal Finance management Act, 2003 (Act 56 of 2003) the 2024/2025 Adjustment Budget be approved.

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
31 March 2025	110/03/2025	OVERSIGHT ON THE ANNUAL PERFORMANCE REPORT 2023/24	<p>That Council takes note of all budget related policies for 2024/2025.</p> <p>RESOLVED</p> <p>That Council directs the administration to develop action plan to address audit findings and recommendations with clear timelines and responsibilities</p> <p>That Council instruct administration to set up monitoring mechanism to track progress in implementing audit recommendations and addressing audit findings.</p> <p>That council instruct administration to implement or enhance internal controls to prevent or detect material misstatements.</p> <p>That Council note and adopt the oversight report 2023/2024 with its recommendations.</p>
	109/03/2025	PROGRESS REPORT DEMARCATION PROCESS: DELIMITATION OF MUNICIPAL WARDS 2024/25 IN PREPARATION FOR THE 2026 LOCAL GOVERNMENT ELECTION	<p>RESOLVED</p> <p>That the progress report on the demarcation process delimitation of Municipal Wards – 2024-2025, in preparation for the 2026 local Government Elections be noted.</p> <p>That the newly elected Speaker of Council, be ratified as the Chairperson of the municipal Demarcation Board</p> <p>That the total number of committee members be increase to Twenty-five.</p> <p>That Council nominate replacement and additional Councilors to serve on the Municipal Demarcation Committee.</p> <p>That the officials who were members of the committee, who are no longer in the employ of the Municipality be substituted.</p> <p>That the Municipal Manager, in consultation with the Speaker nominates sufficient number of Officials to replace former committee members mentioned in 7.6 above.</p> <p>That the Preparatory Programme of Public Hearings as developed by the Municipal Demarcation Committee be approved by Council.</p> <p>That notice be taken of the ward-Clusters, Meeting Venues and allocated Dates as proposed by the Municipal Demarcation Committee.</p> <p>That the expenditure in respect of this process be approved by Council, subject to strict compliance with Supply Chain Management Regulations.</p>

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
	105/03/2025	APPROVAL OF THE OPERATIONAL RISK REGISTER AND ICT RISK REGISTER	RESOLVED Council to approve the Operational risk register and ICT Risk Register for the 2024/25 financial year.
	104/03/2025	INTEGRATED DEVELOPMENT PLAN FOR THE FINANCIAL YEAR 2025/2026	RESOLVED That the Council adopt IDP/Budget for financial year 2025/2026. That the tabled IDP/Budget will be shared and communicated to all stakeholders. That the Council to note the proposed schedule for 2 nd Round of IDP/Budget Public Participation. That the Council to note the adjustments on the capital projects That the Council to note the project list for financial year 2025/2026 That department align their plans with the long-term development strategy – 30-year vision and implementation and action plan of their aspirations
	107/03/2025	DRAFT BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2025-2026 TO 2027/2028 (5/1/1-2025/2026)	RESOLVED That the annual budget of the municipality for the financial year 2025/26 and the multi-year and single-year capital appropriations as set out in the attached tables be noted. That all budget related policies and the applicable tariffs for 2025/2026 be noted. That a strict Credit Controls measures and payment of services & rates to be implemented. That Cost containment to be fully implemented.
	108/03/2025	ESTABLISHMENT OF MOSES KOTANE LOCAL MUNICIPALITY YOUTH DESK	RESOLVED That Council consider the urgent need to establish a youth desk. That Council appoints Cllr F. Luvuno to head the desk. That Council makes available office space for the youth desk. That administration expedites the filling of the vacant position for Youths Coordinator in the Office of The Mayor.

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			That all Youth Development related functions be coordinated by the Youth Desk through the Coordinator. The envisaged municipal Strategic Planning session to further unpack the terms of reference and clear mandate for the desk.
	70/12/2024	REPORT ON FUNCTIONALITY OF THE AUDIO CONFERENCE EQUIPMENT OF THE COUNCIL CHAMBER ON THE COUNCIL SITTING DAY OF THE 30 th SEPTEMBER 2024 AND THE CONDUCT OF THE SPEAKER ON 30 th SEPTEMBER 2024 AND 21 OCTOBER 2024	RESOLVED That the Council accept the report of the ADHOC Committee. That the report be submitted to the Office of the MEC responsible for Local Government in NW as per Schedule 7, Section 15(3) of Municipal Structures Act. That the Council dissolves the ADHOC Committee.
30 MAY 2025	126/05/2025	QUARTER 1 AND 2 REPORT OF THE AUDIT COMMITTEE FOR FINANCIAL YEAR 2024/2025	RESOLVED a) That Council takes note of the Audit Committee's Quarter one (1) and two (2) report for the 2024/2025 Financial year. b) That Council takes a resolution that management must develop an action plan which must be implemented, monitored on monthly basis and reported on quarterly. Chairperson of Audit Committee Mr. Tshimomola presented the report. Inputs: Review/develop overtime policy and be implemented. Monitoring of performance of the Municipal Grant. Cyber security policy be developed and implemented. Consequences management be implemented Improvement of issues of litigation – Audit committee has released a policy on the matter so that they can be able to manage money. Debit policy be developed. Recommendations of the audit report given to the management be implemented. Management must review performance, monitor and penalize service providers for work not done.
	121/ 05/ 2025:	ADOPTION AND/ OR TABLING OF THE FINAL INTEGRATED	RESOLVED That Council Adopt the Final IDP/Budget for the Financial Year

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
		DEVELOPMENT PLAN (IDP) FOR FINANCIAL YEAR 2025/2026	<p>2025/2026</p> <p>That after Approval, the IDP will be made Public via MOSES KOTANE LOCAL MUNICIPALITY Website and placed at Strategic places, as well as National Newspapers.</p> <p>That the Council to note the Consolidated Community comments reports, received verbally during consultations, and no written comments were received</p> <p>That the 2nd Round of Community Consultation started on the 08th to 16th April 2025 with 6 Clusters.</p> <p>That the IDP Representative Forum was held on the 27 May 2025 in the Municipal Chamber</p> <p>That Performance Management Unit will develop their Top Layer SDBIP 28 days after Final Adoption and the Accounting Officer to ensure implementation of the IDP.</p> <p>That the projects contained in the final IDP are based on available funding as per the draft 2025/2026, 2026/2027 – 2027/2028 MTREF tabled inclusively with the IDP as Item No: 125/05/2025</p> <p>That as a legal document, should the MTREF be amended, the performance targets and projects to always be amended accordingly through Public Participation to affected communities.</p> <p>That the Action Plan developed from the recent Strategic Plan held on the 06-08 May 2025, adopted by Council as Item no: 135/05/2025 is incorporated in the IDP Document Section J - Strategic Intent.</p>
	125/05/2025:	BUDGET AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2025-2026 TO 2027/2028 (5/1/1-2025/2026)	<p>RESOLVED</p> <p>That the annual budget of the municipality for the financial year 2025-26 and the multi-year and single-year capital appropriations as set out in the attached tables be approved.</p> <p>That all budget related policies and the applicable tariffs for 2025/2026 be approved.</p> <p>That council through exco and management must table and realistic credible funding plan in the next council sitting before the start of the new financial year.</p> <p>COMMENTS</p> <p>EFF - Cllr A. Mathe noted the budget. Away with consultants.</p>

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			<p>Insourcing of cleaners and security guards and maintenance must be done by our members.</p> <p>DA - Cllr R. Rampe – no comment</p> <p>Bana ba Thari – budget raises concerns budget should prioritize services and benefit the majority of the community</p> <p>ACDP – Cllr E. Modisakeng concerned of the unfunded budget and maintenance of boreholes</p> <p>UCDP – Cllr J. Maretele, Accepted the budget, may the budget presented be implemented.</p> <p>F4SD – Cllr R. Rammala – The party notes the budget; however, the party does not align to the budget presented in particular to Infrastructure – water and roads allocations.</p> <p>ANC – Cllr L. Moate, from the majority party accepts the budget. The budget will assist with challenges and delivering of services to communities and looking forward to higher budget in future.</p> <p>Cllr F. Luvuno – on behalf of the youth in MOSES KOTANE LOCAL MUNICIPALITY appreciates and accepts the budget. Plead with the Acting Mayor, Cllr D. Tshatlhane to support the activities of young people.</p>
	131/05/2025:	CONFIRMATION OF STAFF ESTABLISHMENT (ORGANIZATIONAL STRUCTURE)	<p>RESOLVED</p> <p>That the report be noted.</p> <p>That council approve the current staff establishment for the financial year 2025/26. (see attached)</p> <p>That the municipal manager be delegated to deal with minor changes and corrections as it may be necessary and report to council on continuous basis.</p> <p>Inputs:</p> <p><u>Office of the Mayor:</u></p> <p>Special Projects – Youth Coordinator: Add 2 Youth Officers</p>

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
	132/05/2025:	CONDONATION OF ACTING CAPACITY HEAD OF DEPARTMENT: PLANNING AND DEVELOPMENT (MR M.V. MMOPE) FOR MAY 2025 AND FURTHER ACTING FOR A PERIOD OF ONE MONTH (JUNE 2025)	RESOLVED: That Council notes the report. That Council condones Mr. M.V. Mmope's acting as from May until June 2025.
	133/05/2025:	CONDONATION OF ACTING CAPACITY: HEAD OF DEPARTMENT: COMMUNITY SERVICES (MR N.D. MOENG) FOR THE MONTH OF MAY 2025 AND TO REQUEST NEW ACTING FOR THE MONTH OF JUNE 2025	RESOLVED: That council notes the report. That council condones Mr. N.D Moeng's acting for the month of May 2025. That council decides on the acting appointment for the month of June 2025 since Mr. N.D Moeng has exceeded the period prescribed for Acting. That council appoints Mr. F.D Radiokana as Acting Head of Department for the month of June 2025.
	134/05/2025:	REQUEST FOR OF ACTING CAPACITY: HEAD OF DEPARTMENT-LOCAL ECONOMIC DEVELOPMET (MR A.T. MOGASHOA) FOR THE MONTH OF JUNE 2025	RESOLVED: That Council notes the report. That Council condones Mr. A.T. Mogoshoa's acting for the June end 2025.
	135/05/2025:	STRATEGIC PLANNING LEKGOTLA MAY 2025	RESOLVED: That the Council Note the Action plan from the strategic lekgotla That the action plan be incorporated into the IDP to be adopted by Council. That actions contained in the Action plan be reduced to KPIs in the SDBIP of the departments.
	112/03/2025:	PROGRESS REPORT IN THE CASCADING OF THE PMDS TO EMPLOYEES BELOW SENIOR MANAGERS (HOU'S AND MANAGERS)	RESOLVED: Item withdrawn
	113/03/2025:	PERFORMANCE MANAGEMENT	RESOLVED

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
		SYSTEM FRAMEWORK FOR 2025/2026	(a) That the Council consider the Performance Management System Framework for 2025/2026.
	114/04/2025:	THIRD QUARTER CONTRACT MANAGEMENT REPORT	RESOLVED That Council adopt the third quarter contract management report.
	117/04/2025	FINANCIAL QUARTERLY REPORT FOR THE QUARTER ENDING 31 MARCH 2025 (7/15/1/2/1)	RESOLVED a) That the financial quarterly report for the third quarter ending 31st March 2025 be noted. b) That the withdrawal report for the quarter ending 31st March 2025 be noted. c) That the budget for 2024/25 remains unfunded and the Committee commit to implement measures to curb non-priority spending in order to improve the financial status of the institution.
	118/05/2025:	SUBMISSION OF THE SOLID WASTE MANAGEMENT BY-LAW TO THE PORTFOLIO COMMITTEE OF COMMUNITY SERVICES FOR COUNCIL APPROVAL	RESOLVED That the Council approve the Draft Solid Waste Management By-law. That the Administration proceed with publication of the By-law in the Provincial Gazette. That a Charge Sheet be submitted to Council for approval and Magistrate Court for legal effect. That an Implementation Plan be developed, including targeted awareness campaigns and a compliance monitoring strategy
	122/05/2025:	SUBMISSION OF THE DRAFT ENVIRONMENTAL MANAGEMENT POLICY FOR CONSIDERATION	RESOLVED The Council adopts the submission of the Draft Environmental Management Policy. The Draft Policy be referred to Council for consideration and stakeholder consultations, where applicable. That the final version, incorporating inputs and recommendations, be submitted to Council for approval in the 2025/2026 financial year. That the Council adopt that the internal consultative processes with various departments are underway.
	123/05/2025	FIRST AND SECOND QUARTER PERFORMANCE REPORTS FOR 2024/2025	RESOLVED That the Council adopt the 2024/2025 first and second quarter performance reports.
	124/04/2025:	SUPPLY CHAIN MANAGEMENT	RESOLVED

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
		THIRD QUARTER REPORT 2024/2025	That the contents of the report be noted.
30 JUNE 2025	153/06/2025:	MUNICIPAL PUBLIC ACCOUNT COMMITTEE DRAFT ANNUAL WORK PLAN FOR 2025/2026 FINANCIAL YEAR	RESOLVED That the Council approves the MPAC Draft annual Work Plan for the financial year 2025/2026 That all activities in the Annual Work Plan be budgeted for. That the committee be allocated a fulltime vehicle that will enable the committee to fulfil its functions
	157/06/2025	MUNICIPAL PUBLIC ACCOUNT COMMITTEE REPORT ON INVESTIGATING IRREGULAR EXPENDITURE INCURRED DURING THE PERIOD 2023-2024 FINANCIAL YEAR.	RESOLVED: That the Council notes the report That Council write off irregular expenditure 2023/2024 financial year. NB: The following Councilors does not align themselves with the item 157/06/2025: Mildred Motsoasele Gugu Mtshali Rebaone Rampe Nelson Sefora Peter Kanaomang
	109/03/2025:	PROGRESS REPORT – DEMARCATION PROCESS DELIMITATION OF MUNICIPALWARDS – 2024-2025, IN PREPARATION FOR THE 2026 LOCAL GOVERNMENT ELECTIONS	RESOLVED That the progress report on the demarcation process delimitation of municipal wards – 2024-2025, in preparation for the 2026 Local Government Elections, be noted That the newly elected Speaker for Council, be ratified as the Chairperson of the Municipal Demarcation Board That the total number of committee members be increased to twenty-five. That Council nominates replacement and additional councilors to serve on the municipal demarcation committee That the official who were members of the committee who are no longer in the employ of the municipality, be substituted.

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			<p>That the Municipal Manager, in consultation with the speaker, nominates a sufficient number of officials to replace the former committee members mentioned in 7.6 above</p> <p>That the preparatory programme of public hearings as developed by the municipal demarcation committee, be approved by Council</p> <p>That notice be taken of the ward-clusters, meeting venues and allocated dates as proposed by the municipal demarcation committee.</p> <p>That the expenditure in respect of this process be approved by Council; subject to strict compliance with supply chain management regulations.</p> <p>That the Council notes the proposed Wards changes.</p>
	150/06/2025:	PROPOSED SCHEDULES OF COUNCIL, EXCO, PORTFOLIO COMMITTEES, COUNCIL FORUM & MPAC COMMITTEES	<p>RESOLVED</p> <p>That the attached proposed schedules for meetings of Council, Executive Committee, Portfolio committees, Council forum, and Mpac committees for the financial year 2025/2026 be approved.</p>
	151/06/2025:	AMENDMENT OF LIST OF COUNCIL MEMBERS SERVING IN COMMITTEES OF COUNCIL	<p>RESOLVED</p> <p>That Item be withdrawn.</p>
	156/06/2025:	PROPOSED SCHEDULES FOR MEETING OF COMMUNITY AND WARD COMMITTEE MEETINGS FOR FINANCIAL YEAR 2025/2026 (3/2/2/1)	<p>RESOLVED</p> <p>That the attached proposed schedules of Community meetings and Ward Committee Meetings for the financial year 2025/2026 be approved.</p> <p>That Wards that are wide in terms geographical spread be allowed to have additional dates.</p> <p>That in case there are no conflicting activities in the Wards, Councilors should be given opportunities to submit new dates,</p>
	154/06/2025:	APPROVAL TO FILL VACANT SENIOR MANAGER POSITION HEAD OF DEPARTMENT: INFRASTRUCTURE AND TECHNICAL SERVICES	<p>RESOLVED</p> <p>That Council notes the report.</p> <p>That Council approves the recruitment process of the HEAD OF DEPARTMENT: Infrastructure and Technical Services.</p> <p>That the position of the HEAD OF DEPARTMENT: Infrastructure and Technical Services be advertised within 14 days after approval by Council.</p> <p>(d) That Council approve the establishment of Panel members for</p>

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
			shortlisting interview for the position of HEAD OF DEPARTMENT: Infrastructure and Technical Services. <u>The selection Panel</u> The Accounting officer (Chairperson) The Portfolio Head Infrastructure and technical Services The Accounting officer from another local Municipality A representative from MISA to provide technical advice SALGA Representative as an observer.
	79/01/2025:	REVIEW OF THE MOSES KOTANE LOCAL MUNICIPALITY COMMUNICATION STRATEGY FOR FINANCIAL YEAR 2025/2026	RESOLVED That the report be noted. That the Review of the MOSES KOTANE LOCAL MUNICIPALITY Communication Strategy for financial year 2025/2026 be approved by Council.
	106/03/2025:	REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR 2024/2025 FINANCIAL YEAR	RESOLVED: That Council to consider the revised Service Delivery and Budget Implementation Plan for 2024/2025 financial year.
	120/05/2025:	PHASE 5 EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	RESOLVED It is recommended that: The Council takes note of the 2025/26 EPWP budget allocation. The Council note that R1 895 000 integrated grant has been allocated for MOSES KOTANE LOCAL MUNICIPALITY. The minimum wage is R150 per day for participants and R166.40 for supervisors, R197.84 for professionals, the minimum EPWP wage is 13.97 per hour That LED EPWP Co-Ordinator be invited during the introductions of Capital Infrastructure projects in various Wards. The work opportunities target is 120 with 25 FTEs for 2025/26 financial year. These projects be incorporated into IDP documents. That Council to consider other areas that are not mentioned on the additional EPWP program that have municipal property and public areas of tourism That relevant department to play proper oversight and strengthen the coordination and accountability
	130/05/2025:	PROGRESS REPORT ON 2024/25	RESOLVED:

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
		FINANCIAL YEAR FOR MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG) PROJECTS	That the Council takes note of the report That Council to facilitate community stakeholder enforcement prior the launching of the projects in all wards. This exercise must be escalated to the Provincial Government Projects to follow suit with their projects.
	139/06/2025:	DISPOSAL OF MAYORAL HOUSE	RESOLVED: That the item be withdrawn
	140/06/2025:	FINANCIAL REPORT FOR APRIL 2025 (7/15/1/2/1)	RESOLVED That the financial report for April 2025 be noted.
	141/06/2025:	FINANCIAL REPORT FOR MAY 2025 (7/15/1/2/1)	RESOLVED: That the financial report for May 2025 be noted.
	142/06/2025	MOSES KOTANE LOCAL MUNICIPALITY SPECIAL ADJUSTMENT BUDGET 2024/2025(15/1/1/2024/2025)	RESOLVED: That the 2024/2025 Special Adjustment Budget in terms of Section 28 (2) of the Municipal Finance management Act, 2003 (Act 56 of 2003) be approved. That public participation be conducted to affected Wards
	143/06/2025:	REVISED MOSES KOTANE LOCAL MUNICIPALITY UIF&W REDUCTION STRATEGY	RESOLVED: That the item be referred back to the Special Council That the Council notes the contents of the report and the revised MOSES KOTANE LOCAL MUNICIPALITY UIF&W reduction strategy attached.
	148/06/2025:	DATE OF VALUATION – NEW GENERAL VALUATION ROLL FOR 2026 TO 2031 LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT 6 OF 2004, AS AMENDED (5/2/2)	RESOLVED: That notice is taken of the report on determination of a date of valuation for the new general valuation roll in terms of the Local Government: Municipal Property Rates Act, 2004 as amended, for the period 1 July 2026 to 30 June 2031. That the date of valuation for the new general valuation roll for 2026 to 2031 be determined as 1 July 2025 in terms of section 31 of the Property Rates Act. That a report be submitted in the next Council about properties on Agricultural Land and Sun City Property Value.
	149/06/2025	RECONFIGURATION OF CHAIRPERSONS OF PORTFOLIO COMMITTEE'S IN	RESOLVED: That Council note the notice. That the new Chairpersons of the Portfolio are as follows:

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MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
		LINE WITH MUNICIPAL STRUCTURES ACT, NO. 117 OF 1998	Cllr. N. Nkotswe - Mayor Cllr D. Tshetlhane - Planning & Development Cllr H. Molefe - Infrastructure & Technical Services Cllr S. Mashishi - Finance/BTO Cllr S. Manganye - Public Safety, Waste and Environment Cllr C. Motshabi - Local Economic Development Cllr M. Mogapi - Corporate Support Services Cllr Z. Motsoenyane - Human Settlements Cllr T. Madisa - Disaster, Parks and Cemeteries Cllr S. Marakalala - Special Projects
	155/06/2025	MOSES KOTANE LOCAL MUNICIPALITY FUNDING PLAN 2025/2026 FINANCIAL YEAR	RESOLVED That the item be referred back to the Special Council a. That Council takes note of the report b. That Council adopts for the implementation of Funding Plan c. That council declares a moratorium for 2025/2026 on filling of new positions after this resolution, with the exception of position currently requested for filling d. That an item be brought to council in the event there is a need for lifting

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Co-operative Governance and Intergovernmental Relations remain critical to the effective functioning of Moses Kotane Local Municipality, as they promote alignment, coordination, and collaboration across all spheres of government. During the 2024/2025 financial year, the Municipality actively participated in intergovernmental forums and structures to ensure integrated planning, efficient service delivery, and compliance with legislative and policy frameworks. Through strengthened partnerships with national, provincial, and district stakeholders, the Municipality sought to address service delivery challenges, enhance governance, and improve responsiveness to community needs.

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2.3. INTERGOVERNMENTAL RELATIONSHIPS

NATIONAL INTERGOVERNMENTAL STRUCTURES

During the 2024/2025 financial year, Moses Kotane Local Municipality engaged with various national intergovernmental structures to ensure alignment with national priorities, policies, and legislative requirements. Participation in these structures supported coordinated planning, monitoring, and implementation of programmes aimed at improving governance and service delivery. Through collaboration with national departments and agencies, the Municipality strengthened information sharing, addressed systemic challenges, and enhanced compliance and accountability across key functional areas.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

During the 2024/2025 financial year, Moses Kotane Local Municipality actively participated in provincial intergovernmental structures to strengthen coordination and alignment with provincial priorities and programmes. Engagements with the Provincial Government and the Department of Cooperative Governance supported integrated planning, monitoring of municipal performance, and the resolution of service delivery and governance challenges. These platforms enabled the Municipality to share information, receive technical support, and improve compliance with applicable legislation and policy directives.

DISTRICT INTERGOVERNMENTAL STRUCTURES

During the 2024/2025 financial year, Moses Kotane Local Municipality participated in district intergovernmental structures to promote coordinated planning, service delivery alignment, and shared accountability within the district. Engagements with the District Municipality and fellow local municipalities facilitated collaboration on cross-cutting service delivery issues, infrastructure planning, and performance monitoring. These structures supported the Municipality in addressing common challenges, enhancing governance, and ensuring alignment with district-wide development priorities.

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COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public accountability and community participation are fundamental to good governance and democratic local government within Moses Kotane Local Municipality. During the 2024/2025 financial year, the Municipality implemented various mechanisms to promote transparency, accountability, and meaningful public involvement in municipal processes, including ward committees, public consultations, IDP and budget engagements, and oversight reporting. These platforms enabled communities to contribute to decision-making, monitor municipal performance, and hold the Municipality accountable for service delivery outcomes, in line with legislative and policy requirements

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

During the 2024/2025 financial year, Moses Kotane Local Municipality utilized various communication and public participation platforms to ensure effective information sharing and community engagement. These included ward committee meetings, public forums, IDP and budget consultations, stakeholder engagements, and the use of municipal communication channels. Through these mechanisms, the Municipality promoted transparency, encouraged community participation in governance processes, and strengthened interaction between the Municipality, stakeholders, and residents to enhance service delivery and responsiveness.

2.5. ADMINISTRATIVE GOVERNANCE

Section 82 of the Municipal Structure Act 117 of 1998 amended that the Municipality must appoint the Municipal Manager, who is the head of Administration and therefore Accounting Officer.

Section 51(i) of the Systems Act states that the municipality must organize its administration in a manner that enables it to hold the Municipal Manager accountable for the overall performance of the municipality.

Municipal Manager must manage the communication between the political structure and office-bearers and the administration (S 55(1) (j) of the Systems Act). The Municipal Manager has to exercise responsibilities subject to the policy directions of the Council. As the Accounting Office, the Municipal Manager is also responsible for all income and expenditure, all assets and discharge of liabilities of the municipality and the compliance with the municipal finance management legislation.

In terms of section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended the Municipal Manager as head of administration is subject to policy directives of the Municipal Council responsible for the formation and development of an efficient, economical, effective and accountable administration and must manage the municipality in accordance with all legislation and policies pertaining to Local Government. In terms of Section 54 of Local Government: Municipal Systems Act 32 of 2000, as amended, the

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Council in consultation with the Municipal Manager must appoint managers who are directly responsible to the Municipal Manager and who must have the relevant and requisite skills and expertise to perform the duties associated with the posts they each occupy.

The Municipal Manager and Head of Departments form the Senior Management core and all Head of Departments are accountable to the Municipal Manager in terms of strategic management and oversight of their departments. All budget expenditure in each department is managed by the relevant Head of Departments in order to ensure that service delivery matters are handled quickly.

TOP STRUCTURE	
Mr M.V Letsoalo Municipal Manager	As head of administration and Accounting Officer of the municipality the Municipal Manager is subject to the policy directions of the municipal Council and is responsible and accountable for duties and responsibilities outlined under Section 55 of the Local Government: MSA, Act 32 of 2000, as amended and any other relevant duties as may be delegated by the Mayor and Council
Mr. F. Radiokana Head of Department: Corporate Services	The Head of Department is responsible for establishing and maintaining structures, with the parameters of legality and good governance, that will provide Administration that is appropriately relevant, Legal Support, Human Resource Management; and IT
Mr. M Mkhize Chief Financial Officer	This Department is responsible for ensuring effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, SCM, Credit Control Management, investment and banking, treasury management, and risk management.
Mr. B. Maseloane Head of Department: Infrastructure & Technical services	This Department is responsible for all Water, Sanitation, Electricity and Roads Services of the Municipality as well as well-established and well-maintained infrastructure that will stimulate growth, resulting in a broader income base, and that will encourage taxpayers to sustain payments because of well-established and well-maintained infrastructure
Mr. N. Moeng Acting Head of Department: Community Services	This Department is responsible for Environmental and Waste Management, Traffic, Security and Library Services
Mr. V. Mmope Head of Department: Planning & Development	This Department is responsible for Housing, Town Planning LED Services
Mr. A Mogashoa & Ms T Mogoloane Acting Head of Department Local Economic Development	This department is responsible for Local Economic Development

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The municipality shares platform with and at the following forums:

- ✚ Provincial sector departments and private sector stakeholders through (but not limited to) the IDP representative forums. Other engagements are held as and when necessary.
- ✚ SALGA working committee groups where respective Councilors attend;
- ✚ Provincial Municipal Managers' forum;
- ✚ District IGR forum
- ✚ Provincial Communicators' forum
- ✚ Mining Community Development forum
- ✚ Mining Leadership forum
- ✚ Provincial IDP Rep forum
- ✚ District Representative forum

The municipality was identified as one of 7 pilot municipalities by the Department of Local Government and Traditional Affairs for the LG Management Improvement Model assessment, which is a self-assessment process on the management practices and work place capabilities, moderated by the Provincial Department.

2.5.1. OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

MPAC is established in terms of section 79 of the Municipal Structures Act and performs an oversight function on behalf of Council.

MPAC undertakes and manages similar functions and responsibilities for the municipalities, as undertaken by the Standing Committee of Public Account in the national and provincial legislatures, except for certain powers regarding subpoena of individuals. In the case of any irregular expenditure or any fruitless and wasteful expenditure incurred by the municipality or municipal entities, the MPAC has the right to call upon the Accounting Officer of the Municipality or the Chairperson of the municipal entity's board of Directors to appear before it to provide information or clarity.

The MPAC may engage directly with the public and consider public comments when received and are entitled to access documents or evidence from the Acting Municipal Manager.

Section 129(4) of the MFMA further provides for the issuance of guidance on the manner in which municipal councils should consider annual reports and conduct public hearing, and the functioning and composition of any public accounts or oversight committees established by the council to assist it to consider an annual report.

2.6. PUBLIC MEETINGS

2.6.1. COMMUNICATION, PARTICIPATION AND FORUMS

Public communication and participatory initiatives

The adopted communication strategy has an action plan that makes provision for communication with all internal and external stakeholders. Current communication forums initiatives are as below:

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Internally the following mechanisms are used:

- ✚ Internal memo for notices, announcements
- ✚ Short message service
- ✚ Emails
- ✚ Notice boards
- ✚ Policy workshops, information sharing sessions and training

For external communication we use the following channels

- ✚ Public notices
- ✚ Municipal Newsletter which reflects on council decisions, programmes public participation and events
- ✚ Loud hailing
- ✚ Media liaison - MOSES KOTANE LOCAL MUNICIPALITY uses both the electronic/print media, both mainstream and community for effective communication with communities and stakeholders. However, there is only one community radio station within the municipal jurisdiction. As a result, the municipality has to use national and community media which can hamper communication efforts.

The municipality's website has been revamped and populated with information though there are still challenges relating to timeous updating thereof especially with regard to legislative prescriptions.

No opinion surveys have been conducted.

LGMSA 2000, Chapter 5 and Section 28(1) and 29 indicate the following:

Preparation of a Process Plan for annual review is reflected below:

2.1.1 Section 28 (1) each municipal council within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan.

- Chapter 4 indicates that the municipality must through appropriate mechanisms, processes and procedures consult its local community before adopting the process.
- The Municipality must also give notice to the local community of particulars of the process it intends to follow.

2.1.2 Section 29 (1) indicates the process to be followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan must:

- (a) Be in accordance with a predetermined programme specifying timeframes for different steps

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- (b) Through appropriate mechanisms process and procedures establish in terms of chapter 4, as follows:
- I. The local community to participate in the drafting of the integrated development plan, and
 - II. Organs of state, including traditional authorities and other role players to be identified and consulted on the drafting of the IDP
 - III. The local community to be consulted on its developmental needs' analysis and priorities
- (c) To provide for the identification of all plans and planning requirements binding on municipality in terms of national and provincial legislation, and
- (d) Be consistent with any other matter that may be prescribed by regulation

Sessions for public consultation are held twice in a year in all 109 villages. The 34 wards are grouped in 8 clusters where wards are grouped in one venue for needs analysis and priority projects discussions around the first consultations.

2.6.2 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

2.6.3. CHALLENGES FACED BY NON-IMPLEMENTATION OF NEEDS ANALYSIS

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There are various challenges that causes IDP unit frustration during public participation processes.

- ✦ Under allocation of budget / Municipal Financial constraint
- ✦ Increase on ad hoc requests by growth in rural areas
- ✦ Not meeting the targets for establishment of Vulnerable Groups
- ✦ Lack of policy and strategy development and lack of capacity
- ✦ Lack of skills audit and Staff shortages;
- ✦ Misalignment of strategic plans and implementation
- ✦ The new demarcation after local government elections resulted in an increase in the number of wards hence there is also a need for an increase in the number of community mobilisers serving the wards
- ✦ Overtime within the IDP unit due to long sessions held with the community and sector department not participating during consultations (spheres of government)
- ✦ IDP unit coordinates, facilitates all sectors and units and it sometimes becomes difficult to achieve our set target as we rely on information from departments
- ✦ Limited and lack of budget provision by council departments for community mobilization activities
- ✦ Lack of vehicles and support from or vehicle shortages serve as a hindrance with service delivery and mobilization of communities to participate on IDP consultations
- ✦ Poor attendance and minimal attendance by communities

2.7 COMPONENT D: CORPORATE GOVERNANCE

There is an established Municipal Public Accounts Committee and Audit Committee is in place and functional. There is compliance with legislation and regulations that govern the municipality. The municipality ensures that there is accountability and transparency in the running of its affairs. The municipality also engages its stakeholders in identification of their needs during public participation.

2.7.1. RISK MANAGEMENT

The municipality conducted a risk identification and assessment in the 2021/2022 financial year, risk management strategy and risk management policy were approved by council respectively.

2.7.2 ANTI – CORRUPTION AND FRAUD

The Municipality has been reporting to COGTA, regarding the implementation of fraud prevention and anti-corruption and ethics. The matters of governance are paramount and with the support from COGTA we will improve towards governance issues.

2.8. BY-LAWS

MSA 2000 s11 (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.

2.9. WEBSITES

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Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (2023-20224)	Yes
The annual report 2023-2024 published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2023/24) and resulting scorecards	Yes
All service delivery agreements (2024/2025))	No
All long-term borrowing contracts (2024/2025)	No
All supply chain management contracts above a prescribed value (give value) for 2024-2025	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 2024/2025	No assets Disposed
Contracts agreed in 2024/2025 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in 2024/2025	No
All quarterly reports tabled in the council in terms of section 52 (d) during 2024/2025	Yes

2.10 PUBLIC SATISFACTION

No public satisfaction surveys were conducted on municipal service delivery for the year under review.

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

INTRODUCTION

During the 2024/2025 financial year, Moses Kotane Local Municipality continued to implement its Integrated Development Plan (IDP) priorities through the delivery of key programmes and projects aligned to approved performance objectives and indicators. Progress was recorded in critical service delivery areas, including the provision and maintenance of basic services, infrastructure development, local economic development initiatives, and community support programmes aimed at improving the socio-economic conditions of residents. Performance outcomes reflect the Municipality's ongoing efforts to address service backlogs, enhance operational efficiency, and respond to community needs within available resources.

Over the medium-term, the Municipality has demonstrated incremental improvement in service delivery planning, monitoring, and reporting, with emphasis on sustainable development and equitable access to services. Municipal entities, where applicable, contributed to the achievement of service delivery objectives through the execution of their respective mandates, as reflected in Appendix I, while the functions of the Municipality and its entities are detailed in Appendix D. Service delivery performance at ward level is outlined in Appendix F, providing insight into the geographic distribution of achievements and challenges. The Municipality recognised the critical role of human resources in achieving service delivery outcomes and continues to address capacity constraints and skills shortages in key service areas. Information on employees linked to service delivery cost centers is provided to support performance reporting. Throughout the year, targeted support was also extended to informal settlements, reinforcing the Municipality's commitment to inclusive development and improved living conditions.

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

The provision of basic services remains a core constitutional mandate and a key priority of Moses Kotane Local Municipality, as access to reliable water, sanitation, electricity, refuse removal, and road infrastructure is essential to the health, safety, and socio-economic well-being of communities. During the 2024/2025 financial year, the Municipality focused on meeting minimum service delivery standards through targeted infrastructure development, maintenance programmes, and operational improvements. Where applicable, municipal entities and service providers were utilised to support the delivery of specific services, in line with legislative requirements and service level agreements, with further details on service delivery performance outlined in this chapter.

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The Municipality, through the Infrastructure and Technical Services is responsible for development, operational and maintenance of basic Municipal Infrastructure assets which includes the following:

- Water
- Sanitation
- Roads and Storm water
- Community Facilities (Halls etc.)
- Community Lighting (Street Lights and High Mast Lights)

Over and above the Basic Services, the Municipality also is responsible for the provision of Free Basic Services such as Water, electricity, sewer for consumers who are registered as Indigents.

. CHALLENGES ENCOUNTERED IN RENDERING THE BASIC SERVICES

As much as the municipality is striving very hard to render basic services, however, there are still challenges that are facing the Municipality.

- a) Ageing of Infrastructure
- b) Insufficient funding to carry out maintenance
- c) Shortage of skilled personnel
- d) Theft and Vandalism (borehole equipment)
- e) Boreholes Drying out in other areas
- f) Water Loss (Through Illegal connections and
- g) Continuous development of stands in Tribal owned land without engaging with municipal sharing of drinking water with livestock in other villages.

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Water provision remains a critical basic service priority for Moses Kotane Local Municipality, guided by the Water Services Act, 1997, and the General Enabling Act, 2005. The Municipality's water provision strategy focuses on balancing available water supply with growing demand through infrastructure development, refurbishment of existing networks, demand management, and improved operational efficiency. During the 2024/2025 financial year, progress was made towards achieving minimum water service standards, including improvements in water quality management and system reliability, with Blue Drop performance monitored in line with requirements of the Department of Water and Sanitation.

Key service delivery priorities during the year included the reduction of water losses, improvement of supply reliability in underserved areas, and maintenance of water infrastructure to ensure compliance and sustainability. Measures implemented to improve performance included targeted maintenance programmes, enhanced water quality monitoring, and the strengthening of operational controls. The Municipality continued to identify and prioritise indigent and vulnerable communities through its indigent register and service delivery planning processes, ensuring focused interventions in areas experiencing water

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service backlogs. Water services within the municipal area are rendered by the Municipality and/or designated service providers in accordance with approved service level agreements, with the extent of service provision and performance detailed further in this chapter.

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2023/2024	497816	0	1991266	9956332	3571353
2024/2025	428562	0	1714250	8571248	4148472

Water Service Delivery Levels				
Description	Households			
	2021-2022	2022-2023	2023-2024	2024-2025
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Water: (above min level)</u>				
Piped water inside dwelling	856.567,	545.664,	654.684,	6.793,
Piped water inside yard (but not in dwelling)	646.856,	865.456,	456.486,	29.856,
	486.456,	486.468,	464.864,	
Other water supply (within 200m)				
<i>Minimum Service Level and Above sub-total</i>	1.989.879,	1.897.588,	1.576.034,	30.000,

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Water Service Delivery Levels				
Description	Households			
	2021-2022	2022-2023	2023-2024	2024-2025
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<i>Minimum Service Level and Above Percentage</i>	80%	80%	76%	84%
<u>Water: (below min level)</u>				
Using public tap (more than 200m from dwelling)				1.491,
Other water supply (more than 200m from dwelling)	486.456,	486.456,	486.456,	8.509,
No water supply				
<i>Below Minimum Service Level sub-total</i>	486.456,	486.456,	486.456,	8.509,
<i>Below Minimum Service Level Percentage</i>	20%	20%	24%	11%
Total number of households*	2.476.335,	2.384.044,	2.062.490,	79.404,
* - To include informal settlements				

3.2 WASTE WATER (SANITATION) PROVISION

The municipality provides sanitation services of high level of service to two townships of Madikwe and Mogwase. About 5 802 households and industrial are catered by the Mogwase and Madikwe Waste Water Treatment Plants.

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3.3. ELECTRICITY

The Electricity Unit is not providing electricity at household level. The Municipality is not licensed to distribute electricity; however, we do facilitate for household electrification through engagement with Eskom and DOE. The Municipality also provides community lighting infrastructure (high mast lights) and streetlights.

3.4 WASTE MANAGEMENT (THIS SECTION INCLUDES: REFUSE COLLECTIONS, WASRE DISPOSAL, STREET CLEANING AND RECLYCLING)

Waste Management remains one of the fundamental Municipal Legislative functions as made provision in the National Environmental Management Waste Act 59 of 2008. In order to give effect to the requirements of the National Environmental Management Waste Act 59 of 2008 in line with the National Waste Management Strategy 2011, in 2017 the Environment and Waste Management Unit initiated the process of the development of the Municipal Integrated Waste Management Plan (IWMP) as well as Air Quality Management Plan (AQMP).

Poor or irregular household waste collection is one of the significant contributors of solid-waste mismanagement, within the Municipality. It has also been noted that illegal dumping could also be a result of inadequate environmental awareness as well as limited access to waste management infrastructure in remote areas within the Municipality.

In an effort to address the depicted waste management setbacks, it is within the foremost plans of the Unit y to improve contractual obligations with contracted service providers for waste management (Collection and Disposal) and subsequently intensify monitoring across all Municipal clusters.

Appropriate Access to Municipal Waste Management Infrastructure promotes a clean, healthy and well secured environment for the local community members in line with Section 24 Act 108 Constitution of Republic of South Africa 1998. As a result, the Municipality has two licensed operational Landfill sites situated in Madikwe and Mogwase. The latter is classified as GMB while Madikwe as GSB making provision for General Waste only in terms of the National Environmental Management: Waste Act 59: National Norms and Standards for Disposal of Waste to Landfill (R636).

Mogwase Landfill site is managed accordingly, in conformity with the Norms and Standards for Waste Storage. However, the seepage of leachate and migration of contaminated runoff water especially during rainy seasons at Mogwase Landfill site may in due course result in significant underground water pollution given the site's sensitivity in relation to geotechnical and geo-hydrological properties. However, at this point, there has not been any evidence of underground contamination from the water quality monitoring results.

Most of the irregularities depicted on site with respect to the requirements of the operational license arise as result of inadequate infrastructural components from the construction phase of the site.

Madikwe Landfill is informally operating through an Operational License issued under the Transitional Council of Madikwe 1996/09/10. The Municipality, through the usage of an Environmental Consultant has undertaken Environmental Impact Assessments in effort to

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attain a revised Waste Management License with the Provincial Department of Rural Environment and Agricultural Development. It is within the foremost plan of the Municipality to have the landfill site upgraded and equipped with necessary infrastructural components upon receipt of the revised Waste Management License (WML).

In villages with far less volume of waste produced, there has been a need for the Municipality to erect Transfer Stations/ Drop off Centers which must be strategically placed across the Municipality. The Municipality currently has no recycling initiatives in place, as result, the erection of such Recycling Facilities will allow the Municipality to accelerate waste recycling, separation at source and in turn create green job opportunities.

3.4. COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Waste disposal services are outsourced

3.5 HOUSING

Human Settlement Section

The key responsible of this section are to ensure:-

1. Quality control and assurance of housing development
2. Accelerate access to housing through availing land for housing development and development of Community Rental Units for those who do not qualify for housing subsidies.
3. The municipality have not been accredited as a housing developer as yet.

The municipality's challenge arises from the fact that implementation of housing is mandated to the Provincial Department of Human Settlement, and not the municipality. Ever rising backlog, illegal occupation of land and RDP houses.

The role of the Municipality is to facilitate access to housing while top structure construction is the priority of the Provincial Department of Human Settlement North.

3.6. INTRODUCTION ROAD TRANSPORT

The municipality does not implement road transport programmes. Road development and maintenance is carried out as part of the infrastructure grant and operational (internal funding) respectively.

3.7. INTRODUCTION TO PLANNING AND DEVELOPMENT

The Planning and Development Department includes Municipal Planning (Town Planning), Geographic Information Services, Building Control, Property Management and Human Settlement (Housing). The Department is responsible for creating conducive living environment for people of Moses Kotane Local Municipality, through planning tools such as Municipal Spatial Development Framework, Municipal Land Use Scheme, Municipal Spatial Planning and Land Use Management By-Law, National Building Regulations and Standards Act and Housing Sector Plan. Ultimately, the Department endeavours to bring balance between environment, economy and society aspects within the Municipality.

3.8. INTRODUCTION TO PLANNING

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Following the enactment of Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA), Municipalities are required to redress the past spatial and regulatory imbalances. To explicate this notion, Municipalities are obligated to regulate their areas of jurisdiction in entirety.

Municipal Planning as the custodian of SPLUMA is comprised of Town Planning and Geographical Information System sections. The division is responsible for the development of Municipal Spatial Development Framework which guide the future development of the municipality, development of Municipal Land Use Management Scheme for control and regulation of land development/ Land Use application and maintaining the database of Municipal cadastral. The policies developed and applied by this division are the instruments that underpins the objectives of the Municipal Spatial Development Framework.

Spatial Planning is still a new concept in areas under administration of traditional authorities, as such, SPLUMA advocates to redress the imbalances caused by the apartheid spatial planning. The Division has however managed to incrementally introduce the town planning processes within those spaces through categorization of developments (Low intensity and High Intensity) in order to effectively regulate developments that would have high impact on the area.

The Long-Term Development Strategy was initiated and developed by the Municipality in Partnership with MCPP with the objective of serving as a guide and support for the long-term future development and growth of the Municipality. The said strategy had prompted the need for the review of the current Municipal SDF to align it with the long-term strategy and conducting the land use and ownership audit, of which the request for funding for the latter has commenced.

The division was understaffed with two (2) middle managers (1 x Manager: GIS and 1 x Town Planner) and 2 admin personnel for the respective sections. The unit certainly required more human capital in order to ensure that the objective of the spatial development framework vision is realised or achieved by the Municipality.

Section: GIS initiated a process of developing a GIS System which aimed at being a guiding tool during the development of the Integrated GIS of the Municipality. The system is a necessity, as it serves to be a central system for storage and maintenance of the Municipal Cadastral Data. The system comprises of various modules aiming to change how public/applicants interact with the Municipality either for information or permits purposes. The Municipality have allocated budget for the development of the integrated Geo-Information System.

3.9. BUILDING CONTROL, LAND AND HUMAN SETTLEMENT

This division is comprised of the following sections, Building Control, Land (Property management) and Human Settlement. The division administer the disposal and acquisition of Council Land through the Land Disposal and Acquisition Policy, Municipal Finance Management Act and Municipal Asset Transfer Regulations. The division also manages the building activities within the Municipality in order to promote a healthy and safe environment. This is achieved by conforming to the National Building Regulations and Standards as a principal instrument for regulating the building activities with the Municipality. Lastly, the

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division is responsible for the Human Settlement Component, which entails facilitation for provisions of adequate housing for residents of the Municipality.

3.10. BUILDING CONTROL SECTION

This section is responsible for regulating how buildings are erected within the boundaries of the Municipality. This is achieved through the application of the National Building Regulation and Standard Act 1977, Regulations and the South African Standard Code of Practice (SANS 10400) on new buildings, additions and alterations to existing buildings/structures.

The National Building Regulation and Standard clearly contemplates that no person shall without the prior approval in writing of the local authority in question, erect any building. As a result, the section is responsible for processing building plans applications, conduct inspections during the construction of the building and issue out occupation certificate when satisfied with the final product.

The section required a plotter machine in order to electronically safe/archive the submitted and considered building plans. And also, to be able to provide applicants with copies of their plans.

Statistic Table: Approved Building Plans Applications

3.11. PROPERTY MANAGEMENT

Property Management Section manages the disposal and acquisition processes of Council's immovable assets, and to ensure that the following objectives are achieved: -

1. Guide on procedures to be followed on the alienation of Municipal Land and acquisition of land by the Municipality;
2. Ensure compliance with the applicable legislations, regulations and policies; and
3. Ensure fairness, equitable, transparency, cost effectiveness and competitiveness

3.12 INTRODUCTION TO ECONOMIC DEVELOPMENT

The Municipality has a number of economic opportunities that range from agriculture, mining, tourism and rural development. Job creation has been facilitated through the establishment and supporting of cooperatives and marketing its municipality through its information center. Skills transfer through tourism buddies. Monitoring the implementation of SLPs in the mining sector.

3.13. COMMENT ON LOCAL JOB OPPORTUNITIES

The mining sector is a very important sector that contributes significantly towards both the employment and economic growth of the local municipality. This sector was identified as having a comparative advantage and it was classified as being the current strength of the local economy.

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The mining sector is the main contributor towards the total GGP for the local municipality. The finance sector (19.5%), the transport sector (10.9%) and the general government sector (10.0%) are also significant contributors to the local economy.

In order to improve upon the local procurement of the mines, a review of the main products purchased by the mines should be conducted. Whilst it is acknowledged that the local municipality would not be able to provide all the required goods and services to the mines, there are number of consumable goods as well as services that can be provided from the local municipal area.

The tourism sector is unfortunately not classified as a sector on its own, and thus the contribution that tourism makes towards the local municipality cannot be easily quantified. It is one of the key economic sectors which gives the Municipality a comparative advantage over the other municipalities within the NW Province. 3 international icons (Sun City, Madikwe and Pilanesberg Game Reserves) are housed within the municipalities and as such have an impact in terms of job creation of local people. The sector contributes highly to the country's GDP and plays a crucial role in municipal economic growth. It is in this sector where you find street traders / crafters who produce artefacts which are sold to tourists and locals. Most of these traders are located within the game reserves and around the CBD. The traders' activities are done on a full-time basis and used to sustain their livelihoods. It is therefore imperative to formalize these traders so as to implement proper regulatory framework/mechanisms for them. Some of the crafters are generating enough income and fall within taxable bracket.

The agricultural sector within the Moses Kotane Local Municipality experienced erratic economic growth during the 1995 – 2010 period.

Farming activities within the local municipality are subsistence farming activities and the main agricultural produce within the local municipality is: maize, sorghum, and sunflower, game farming and livestock farming (cattle & goats)

The reason for the limited contribution and relatively poor performance of the agricultural sector is the limited water supply within the local municipality. Furthermore, the constraints facing the agricultural sector include: market & marketing information, transport, storage facilities, and grading and product standards. The lack of agricultural infrastructure prohibits/restricts the type of agricultural activities that can occur within the local municipality.

The following opportunities have been identified for the agricultural sector within the local municipality that could lead to economic growth:

- I. Support commercialization of small-scale/subsistence farming activities, and Support the development of a vibrant agro-processing sector.
- II. These could be achieved through the establishment and support of cooperatives.
- III. The manufacturing sector within the Moses Kotane LM has been growing at an average annual growth rate of 1.0% during the 1995 – 2009 period, whilst the level of employment has been decreasing at an average annual rate of 3.4%.
- IV. The main area in which manufacturing activities occur within the Moses Kotane LM is the Bodirelo Industrial Park. There is no real clustering of activities within the Bodirelo Industrial area. It is encouraging that some businesses linked to the mining sectors are located within this industrial area. It should be noted that a number of stands within the

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local municipality are vacant and the attraction of investment to these areas could be further investigated.

- V. The trade sector in the Moses Kotane LM appears to be underdeveloped. This is illustrated by limited growth in this sector whilst the decline in employment also highlights the challenges experienced within this sector.

Key elements that could be implemented to further develop MOSES KOTANE LOCAL MUNICIPALITY economy:

- a. Agriculture, mining, manufacturing, tourism and utilities are the key sectors that could assist in the development of the local economy,
- b. The key to ensuring greater economic development is increasing linkages between the various sectors, businesses and communities,
- c. Government has a key role to play through skills development, information sharing and partnership building

The key to ensuring greater economic growth and development is increasing linkages between the various sectors of the economy.

Job creation through EPWP* projects

Jobs created through EPWP Projects	
2023/2024	194
2024/2025	76

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3.14. INTRODUCTION TO LIBRARIES

The library function has devolved to the Moses Kotane Local Municipality through the annual memorandum of agreement with the Department of Arts, Culture Sports & Recreation and the municipality is hosting seven libraries (Mabeskraal, Mogwase, Tlokweg, Manamela, Sifikile, Matau and Uitkyk libraries) and the department is still responsible for the function.

3.14.1 SERVICE STATISTICS FOR LIBRARIES;

Number of books 30500

Number of users- 93500

Toy programmes - 12 per year

Library awareness & marketing programs- 8 per year

3.14.2. COMMENT ON THE PERFORMANCE OF LIBRARIES

The library strives to provide, in cooperation with the relevant governing bodies on local and provincial level, dynamic library and information services that meet the educational, informational, cultural, economical, technological and recreational needs of the community at large. Each person must have free access to resources and facilities for information, lifelong learning, culture and recreation.

The service aims to promote the library service and instill a reading culture, improving literacy levels and provide free and open access to information as well as survival information. Present programs include story hours, book talks, life skill training course, literacy training and free public internet access.

Reading of literature is promoted to contribute to the upliftment of the community e.g. (Toy programmes and reading awareness programmes etc.)

Library staff receives relevant training and attends workshops and libraries hosts workshops relevant to the community needs.

3.15 INTRODUCTION TO COMMUNITY FACILITIES

The municipality through MIG provides community facilities and through its operational budget undertakes maintenance, renovations and repairs to Municipal facilities. Most community halls and municipal buildings and facilities required structural analysis and assessment to comply with the national building regulations and building standards and other pieces of legislations

3.16. SERVICE STATISTICS FOR COMMUNITY FACILITIES

During the period under review the municipality carried out routine maintenance in Community Halls, Parks, and Sports Facilities. The Municipality has 106 facilities (inclusive of municipal offices, community halls, sports facilities and libraries). The Municipal Buildings & Facilities undertakes or provide routine maintenance. The Municipal Buildings maintenance plan has been developed for Municipal offices, excluding community and sports facilities, however the structural Assessment for Community halls and facilities has been done.

3.17. INTRODUCTION TO CEMETERIES

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The municipality provides for and maintains gravesites in Mogwase and Madikwe. The municipality gives service in the rural villages as may be requested from time to time with particular reference to fencing of graveyards.

3.18. INTRODUCTION TO CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES

The municipality through the Mayoral special programmes provides support to the aged, the disabled, people living with HIV/Aids, orphans and other vulnerable groups.

3.18.1 SERVICE STATISTICS FOR CHILD CARE

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

3.18.2 COMMENT ON THE PERFORMANCE OF AGED CARE; SOCIAL PROGRAMMES OVERALL:

Mayoral support is provided to all vulnerable groups through the special projects program

3.19. INTRODUCTION TO POLLUTION CONTROL

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

The Municipality achieves this through

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

3.20. COMPONENT F: PUBLIC SAFETY AND SECURITY

This component includes: disaster management coordination and relief materials public nuisances, etc.

3.20.1. INTRODUCTION TO PUBLIC SAFETY AND SECURITY

Promotion of road safety through effective law enforcement and road safety education.
Provision of Security services in all Municipal facilities and buildings
Coordination of disaster management programs

3.20.2. INTRODUCTION TO DISASTER MANAGEMENT

The Disaster Management Services part of responsibilities are as follows:

1. Provide and undertake a consultation, training, research, project management, client services for the disaster management of the municipality (institutional Capacity)
2. Ensure effective and quick response to incident / disaster affecting vulnerable communities
3. Ensure minimization of risk measures in the municipality through risk reduction programme

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4. Compile contingency plan for events as required Disaster Management Act 57 of 2002 and National Disaster Management Framework.

3.20.3. POSSIBLE INCIDENTS IN THE MUNICIPALITY

The following are hazards prevails in the municipality though can be classified into different categories: natural disaster, man-made situations and technological:

- a) Natural Disasters i.e. House Fires, Drought and Flash Floods
- b) Severe weather- Heavy storm
- c) Explosions and Bomb threats
- d) Vehicle accidents
- e) Stampeding at stadium during events
- f) Health Hazards i.e. Food and water contamination, Poisoning
- g) Political stability: Terrorist, Hostage situation, political attacks
- h) Crime: looting Robbery, Hijacking
- i) Power and communication Failures
- j) Interruption of water supply and electrical outages
- k) Chemical spillages - hazardous incidents

3.20.4. COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT

Disaster Management is a core function of the District Municipality though Moses Kotane Local Municipality facilitates the implementation of the Disaster Management KPI's in line with the District Disaster Management Plan.

The Disaster Management relief that we assist the vulnerable communities are as follows:

- a. Tents
- b. Salvage sheets
- c. Mattresses
- d. Liaise with other line department (SASSA) for social relief of distress.
- e. Blankets

3.21. COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports field; stadiums and swimming pools

3.21.1. INTRODUCTION TO SPORT AND RECREATION

This component supports and promotes sport within the municipality. It has formed a sports council and been involved in the development of teams where leagues compete on weekends and a team represents Moses Kotane at provincial and national levels.

3.21.2 COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

No capital expenditure was incurred during the financial year. Apart from salaries expenditure incurred was mainly for maintenance of the Mogwase and Madikwe stadiums.

3.22. FINANCIAL SERVICES

Moses Kotane Local Municipality remains committed to prudent financial management by strengthening the balance sheet, tightening the credit control and continued improved revenue collection or enhancement strategy.

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3.23. HUMAN RESOURCE SERVICES

The human resources unit is responsible for the provision of effective HR to the entire municipality. The priorities were recruitment of staff, occupational health and safety, labour relations and training and development. Appointment of temporary workers and other HR staff was done to improve performance.

3.24. INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The unit is responsible for the support function of ICT to the entire municipality. Provision of ICT equipment and computer networks. An ICT assessment was conducted and the strategy was developed and approved by council.

3.25. PROPERTY; LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

The legal service is responsible for provision of legal services for the municipality. This would include development of by- laws, service level agreements, legal opinions and compilation and maintenance of a valuation roll. Supplementary valuation roll was reviewed and implemented during the year under review. There were no measures taken as no underperformance was experienced.

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

4.1 COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD/ ANNUAL PERFORMANCE REPORT 2024/2025

4.1.1. INTRODUCTION

Section 40 of the Municipal Systems Act of 2000 stipulate that Municipalities must establish mechanisms to monitor and review its Performance Management System (PERFORMANCE MANAGEMENT SYSTEM) so as to measure, evaluate and improve performance at organisational, departmental and employee levels.

4.1.2. LEGISLATIVE REQUIREMENTS

Annual Performance Report for 2024-2025 financial year is in line with section 46 of the Municipal Systems Act of 2000 which stipulates the following

- (1) A municipality must prepare for each financial year an annual report consisting of - (a) a performance report reflecting;
- (2) The municipality's, and any service providers, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;
- (3) The development and service delivery priorities and the performance targets set by the municipality for the following financial year;
- (4) Measures that were or are to be taken to improve performance

4.1.3. PURPOSE OF THE INSTITUTIONAL ANNUAL PERFORMANCE REPORT

A report on Institutional Annual Performance information for predetermined objectives and the assessments of external service providers Seeks to attain the following purposes;

- ✓ The provision of a report on performance in service delivery and budget implementation plan for the 2024/2025 financial year.
- ✓ To promote transparency and accountability for the activities and programs of the municipality implemented within all six key performance areas.
- ✓ To provide a record of activities of the municipality for the 2023/2024 financial year to which this report relates.

4.1.4. MUNICIPAL ANNUAL PERFORMANCE REPORT REVIEW

Moses Kotane Local Municipality consists of seven departments, (1) Budget and Treasury Office; (2) Corporate Support Services; (3) Community Services and Public Safety, (4) Local Economic Development; (5) Infrastructure and Technical Services; (6) Planning and Development and (7) Office of the Municipal Manager. The Annual Performance Report for pre-determined objectives is developed in line with the approved 2024/2025 Reviewed Service Delivery and Budget Implementation plan and as per the following Key Performance Area;

- ✓ Basic Delivery and Infrastructure Development
- ✓ Local Economic Development
- ✓ Municipal Financial Viability
- ✓ Municipal Transformation and Organizational Development

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- ✓ Spatial Development
- ✓ Good Governance and Public Participation

Key Performance Area	Total No of KPIs	Achieved	Not achieved	Achieved%
KPA 1: Basic Service Delivery and Infrastructure Development	37	34	3	91%
KPA 2: Local Economic Development	4	4	0	100%
KPA 3: Municipal Financial Viability	9	9	0	100%
KPA 4: Municipal Transformation and Organisational Development	12	10	2	83%
KPA 5: Spatial Rationale	4	4	0	100%
KPA 6: Good Governance and Public Participation	16	16	0	100%
Third Quarter Overall Performance	82	77	6	94%

4.1.5 OVERALL PERFORMANCE PER KPA

Overall Challenges identified

- Late submission of performance report
- Submission of incomplete performance report
- Inaccurate and incomplete portfolio of evidence
- Reported actual not aligned to the key performance indicator
- Delay in response to internal audit findings
- Lack of review by heads of departments

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4.1.6 INSTITUTIONAL ANNUAL PERFORMANCE REPORT 2024/2025

Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
Key Performance Area No 1: Basic Service Delivery and Infrastructure Development									
Strategic Objectives: To Develop and Maintain Infrastructure to Provide Basic Services									
KPI 1- Percentage construction of Lerome (Thabeng Section) water supply	100% of Lerome (Thabeng Section) water supply constructed	100% of Lerome (Thabeng section) water supply constructed by June 2025	100% of Lerome (Thabeng section) water supply constructed	Achieved	None	None	R2,106,003,01	R2,106,003,01	Completion certificate
KPI 2- Percentage construction of Mahobieskraal bulk water supply and reticulation	100% of Mahobieskraal Bulk Water Supply and reticulation constructed	100% construction of Mahobieskraal bulk water supply and reticulation by June 2025	100% construction of Mahobieskraal bulk water supply and reticulation. Completion was mainly clearing of snag list as outlined in practical completion certificate in	Achieved	None	None	R266,926,00	R0,00	Completion certificate

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
			2023/2024.						
KPI 3 - Percentage construction of Ledig water supply (various Sections)	93% of Ledig water supply (various section) constructed	100 % of Ledig water supply (various sections) constructed by June 2025	100% of Ledig water supply (various sections) constructed	Achieved	None	None	R4 405,916.62	R4 405,916.62	Completion certificate
KPI 4 - Percentage construction of Tweelaagte water supply (phase III)	0% of Tweelaagte water supply (Phase III) constructed, Technical report finalised in 2022/2023 financial year	5% of Tweelaagte water supply (phase III) constructed by June 2025	10% of Tweelaagte water supply (phase III) constructed	Achieved	None	None	R3, 500,000.00	R3.499.816,22	Progress report
KPI 5 – Percentage construction of Maeraneng water supply	40% of Maeraneng water supply constructed	100% of Maeraneng water supply constructed by June 2025	100% of Maeraneng water supply constructed	Achieved	None	None	R14,847,775,34	R14.847.283,77	Completion certificate

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
KPI 6 - Percentage construction of Segakwaneng water supply	54,50% of Segakwaneng water supply constructed	90% of Segakwaneng water supply constructed by June 2025	94.30% of Segakwaneng water supply constructed	Achieved	None	None	R21 258 601.37	R20.279.586,06	Progress report
KPI 7 - Design of Sandfontein water supply Phase 2 (Boikhutso Ext) completed	New	Design of Sandfontein water supply Phase 2 (Boikhutso Ext) completed by June 2025	Design of Sandfontein water supply Phase 2 (Boikhutso Ext) completed	Achieved	None	None	R 3 500,000 .00	R3.499.852,60	Detailed design report
KPI 8 - Percentage construction of Manamakgoteng water reticulation	45% of Manamakgoteng water reticulation constructed	100% of Manamakgoteng water reticulation constructed by June 2025	100% of Manamakgoteng water reticulation constructed	Achieved	None	None	R27.876.032,66	R27.138.013,49	Completion certificate

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
KPI 9 - Assessment of upgrading Molatedi water treatment plant (Molatedi ground water source development) completed	100% of Molatedi groundwater source developed	Assessment of upgrading Molatedi water treatment plant (Molatedi ground water source development) completed by June 2025	Assessment of upgrading Molatedi water treatment plant (Molatedi ground water source development) completed	Achieved	None	None	R798,718,90	R798,718,90	Final assessment report.
KPI 10 - Percentage replacement of Mogwase asbestos pipe	Designs for replacement of Mogwase asbestos pipe finalised	80% of Mogwase asbestos pipe replaced by June 2025	91% of Mogwase asbestos pipe replaced	Achieved	None	None	R20, 438, 402,61	R20.437.762,40	Progress report
KPI 11 - Percentage construction of Mabeskraal to Uitkyk bulk water pipeline (Phase I)	88% of Mabeskraal to Uitkyk bulk pipeline (Phase I)	95% of Mabeskraal to Uitkyk bulk water pipeline (Phase I) constructed by June 2025	95% of Mabeskraal to Uitkyk bulk water pipeline (Phase I) constructed	Achieved	None	None	R1,276,679,95	R1.308.957,17	Progress report

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
KPI 12- Percentage construction of Mabeskraal to Uitkyk bulk water pipeline (Phase 2)	New	10% of Mabeskraal to Uitkyk bulk water pipeline (Phase 2) constructed by June 2025	10% of Mabeskraal to Uitkyk bulk water pipeline (Phase 2) constructed	Achieved	None	None	R7,891,823,09	R5.349.624,54	Progress report
KPI 13 - Percentage construction of David Katnagel water supply finalised	Design of David Katnagel water supply finalised	5% Construction of David Katnagel water supply by June 2025	10% Construction of David Katnagel water supply finalised	Achieved	None	None	R6,000,00, 00	R4.867.579,30	Progress Report
KPI 14 - Percentage of households with access to water (Mogwase & Madikwe)	100% of households with access to water (Mogwase & Madikwe)	100% of households with access to water (Mogwase & Madikwe) by June 2025	95% of households with access to water (Mogwase & Madikwe)	Not achieved	5 % variance is as results of billing report not balancing and also none availability of the township layout plans	Municipality to embark on the verification and data cleansing excise in the 2025/2026 financial year	Operational	Operational	Billing report and valuation roll.
KPI 15 -	107 Villages	107 villages	107 villages	Achieved	None	None	Operational	Operational	Signed water

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
Number of villages with access to water	with access to water	with access to water by June 2025	with access to water						delivery reports on confirmation of services by ward Councilors or ward committee members.
KPI 16 - Percentage of water quality standard compliant with SANS 241	New	95%of water quality standard compliant with SANS 241 by June 2025	95% of water quality standard compliant with SANS 241	Achieved	None	None	Operational	Operational	Water quality sampling reports
KPI 17 - Number of VIDP toilets supplied and installed in Segakwaneng	0 VIDP Toilets installed in Segakwaneng	100 VIDP toilets supplied and installed in Segakwaneng by June 2025	100 VIDP toilets supplied and installed in Segakwaneng	Achieved	None	None	R1,953,374,00	R1.953.374,17	Completion certificate
KPI 18 - Number of VIDP Toilets	0 VIDP Toilets	100 VIDP toilets	100 VIDP toilets	Achieved	None	None	R1,902 861,00	R1.902.860,66	Completion certificate

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
toilets supplied and installed in Leruleng	installed in Leruleng	supplied and installed in Leruleng by June 2025	supplied and installed in Leruleng						
KPI 19 - Number of VIDP toilets supplied and installed in Makoshong	0 VIDP Toilets installed in Makoshong	100 VIDP toilets supplied and installed in Makoshong by June 2025	100 VIDP toilets supplied and installed in Makoshong	Achieved	None	None	R1,968,788,00	R1.968.787,66	Completion certificate
KPI 20- Number of VIDP toilets supplied and installed in Phalane	New	100 VIDP toilets supplied and installed in Phalane by June 2025	100 VIDP toilets supplied and installed in Phalane	Achieved	None	None	R2,742,986,39	R2.742.954,24	Completion certificate
KPI 21 - Number of VIDP toilets supplied and installed in Manamakgoteng	New	100 VIDP toilets supplied and installed in Manamakgoteng by June 2025	100 VIDP toilets supplied and installed in Manamakgoteng	Achieved	None	None	R2,742,986,39	R2.742.087,49	Completion certificate

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
KPI 22 - Percentage refurbishment of Mogwase waste water treatment plant phase I	0% of Mogwase waste water treatment plant refurbished	5% of Mogwase waste water treatment plant refurbished phase I by June 2025	12% of Mogwase waste water treatment plant refurbished phase I	Achieved	None	None	R25,020,501,67	R1,753.313.67	Progress report
KPI 23 - Design for upgrading of Madikwe sewer network completed	New	Design for upgrading of Madikwe sewer network completed by June 2025	Design for upgrading of Madikwe sewer network completed	Achieved	None	None	R0,00	R0,00	Detailed design report
KPI 24 Percentage construction of Oudekkers road	87.07% Oudekkers road constructed	100% of Oudekkers road constructed by March 2025	100% of Oudekkers road constructed	Achieved	None	None	R3,753,273,01	R3.753.273,01	Completion certificate
KPI 25 - Percentage rehabilitation of Matau internal	20% of Matau internal road rehabilitated	90% of Matau internal road rehabilitated	93% of Matau internal road rehabilitated	Achieved	None	None	R36, 748,496,55	R36.630.208,34	Progress report

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
road		by June 2025							
KPI 26- Design of Tlokweg internal road completed	New	Design of Tlokweg internal road completed by June 2025	Design of Tlokweg internal road completed	Achieved	None	None	R3,250,000,00	R3,250,000,00	Detailed design report
KPI 27 - Design for rehabilitation of Welverdient internal road completed	New	Design for rehabilitation of Welverdient internal road completed by June 2025	Design for rehabilitation of Welverdient internal road completed	Achieved	None	None	R3, 000,000.00	R2.998.715,56	Detailed design Report
KPI 28 - Percentage rehabilitation of Mabele a Podi internal road and storm water.	86% of Mabele a Podi internal road and storm water rehabilitated	99% of Mabele a Podi internal road and storm water rehabilitated by June 2025	99% of Mabele a Podi internal road and storm water rehabilitated	Achieved	None	None	R9,449,261,58	R7.899.332,97	Progress report
KPI 29 - Design for rehabilitation of Mogwase internal road	New	Design for rehabilitation of Mogwase internal road	Design for rehabilitation of Mogwase internal road	Achieved	None	None	R3,000,000.00	R3,000,000.00	Detailed design report

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
completed		completed by June 2025	completed						
KPI 30 - Percentage rehabilitation of Kraalhoek internal road	New	5% of Kraalhoek internal road rehabilitated by June 2025	5% of Kraalhoek internal road rehabilitated	Achieved	None	None	R4,000,000,00	R5.093.144,58	Progress report
KPI 31- Design of upgrading of Goedehoop, Losmytjerie and Nonceba storm water Management completed	New	Design of upgrading of Goedehoop, Losmytjerie and Nonceba storm water management completed by June 2025	Design of upgrading of Goedehoop, Losmytjerie and Nonceba storm water management completed	Achieved	None	None	R0,00	R0,00	Detailed design report

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
KPI 32- Number of applications submitted to Eskom on energising of high mast Lights and community hall from previous financial years in various villages	New	70 applications submitted to Eskom on energising of high mast lights and community hall from previous financial years various in villages by June 2025	0 applications submitted to Eskom on energising of high mast lights and community hall from previous financial years various in villages	Not Achieved	For the financial year under review municipality made follow ups on applications for energizing of high mast light and community hall from the previous financial years	From the follow up with Eskom the connection points were identified	R9 122 692.92	R6.726.675,49	Acknowledgement letter
KPI 33 – Design for refurbishment of Tlokweng cemeteries	New	Design for refurbishment of Tlokweng cemeteries completed by June 2025	Design for refurbishment of Tlokweng cemeteries completed	Achieved	None	None	R0,00	R0,00	Detailed design report

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
Key Performance Area No 1: Basic Service Delivery and Infrastructure Development									
Strategic Objectives: To Develop and Maintain Infrastructure to Provide Basic Services									
KPI 34- Number of municipal buildings (LED office, Vrede office and Mopyane zonal Office) renovated	2 Municipal buildings renovated	3 Municipal buildings (LED office, Vrede office and Mopyane zonal office) renovated by June 2025	2 Municipal buildings renovated (LED offices and Mopyane Zonal office	Not Achieved	The original scope of work was revised due to extensive damage on the wall. A revised specification will be done in 2025 - 2026 budget.	Vrede Community hall will be renovated in 2025/2026 financial year	Operational	Operational	Completion certificate
KPI 35 - Number of roadblocks conducted	4 Roadblock conducted	4 Roadblocks conducted by June 2025.	4 Roadblock attended at Ledig Bakubung Mine entrance	Achieved	None	None	Operational	Operational	Operational plan, reports and attendance register
KPI 36– Percentage of households provided with access	100% household provided with access to solid waste	100% of households provided with access to solid waste	100% of households provided with access to solid waste	Achieved	None	None	Operational	Operational	Billing report and valuation roll

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
to solid waste removal (Madikwe and Mogwase)	removal (Madikwe and Mogwase	removal (Madikwe and Mogwase) by 2025	removal (Madikwe and Mogwase						
KPI 37- Number of villages provided with access to solid and waste removal	107 villages provided with access to solid and waste removal	107 villages provided with access to solid and waste removal by 2025	107 Villages provided with access to solid and waste removal	Achieved	None	None	Operational	Operational	Solid waste removal service reports and signed reports on confirmation of service by ward councilor or ward committee member
Key Performance Area No 2: Local Economic Development									
Strategic Objectives: To create an enabling environment for social development and economic growth									
KPI 38 - Number of	16 SMME, tourism and	1 SMME, tourism and	1 SMME, tourism and	Achieved	None	None	Operational	Operational	Reports and attendance

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
SMME, tourism and agricultural programme facilitated	agricultural programmes facilitated	agricultural programme facilitated by June 2025	agricultural programme facilitated						registers
KPI 39 - Number of sports, arts and culture programmes facilitated	New	1 Sports, arts and culture programmes facilitated by June 2025	1 Sports, arts and culture programmes facilitated	Achieved	None	None	Operational	Operational	Reports and attendance registers
KPI 40 - Number job opportunities created through, EPWP	194 Jobs opportunities created through CWP, EPWP and capital projects	76 Job opportunities created through EPWP by June 2025	76 Job opportunities created through EPW	Achieved	None	None	Operational	Operational	Beneficiary list, employment contract, quarterly report
KPI 41 - Number of LED projects financially supported	0 LED projects financially supported	1 LED projects financially supported by 30 June 2025	1 LED projects financially supported	Achieved	None	None	Operational	Operational	Municipal funding report and request letters

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
KPA 3: Municipal Financial Viability									
Strategic Objectives: To Ensure that revenue and expenditure of the municipality is in accordance with legislative prescripts governing finance in the municipality, by maximizing revenue collections, optimizing expenditure and monitoring cashflow									
KPI 42 - 2024-2025 Adjusted budget approved by council	New	2024-2025 Adjusted budget approved by council by February 2025	2024-2025 Adjusted Budget approved by council	Achieved	None	None	Operational	Operational	Council resolution
KPI 43 - 2025-2026 Draft budget approved by council	2024-2025 Draft budget approved by council	2025-2026 Draft budget approved by council by 31 March 2025	2025-2026 Draft budget approved by council	Achieved	None	None	Operational	Operational	Council resolution
KPI 44 - 2025-2026 Final budget approved by council	2024-2025 Final budget approved by council	2025-2026 final budget approved by council by 31 May 2025	2025-2026 final budget approved by council - 30 May 2025	Achieved	None	None	Operational	Operational	Council resolution
KPI 45 - 2023-2024 Annual financial	2022-2023 Annual financial	2023-2024 Annual financial	2023-2024 Annual financial	Achieved	None	None	Operational	Operational	Acknowledgment letter from AG

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
statements submitted to Auditor General	statements submitted to Auditor General	statements submitted to Auditor General by 31 August 2024	statements submitted to Auditor General						
KPI 46- Number of MFMA section 52 report approved by council	4 MFMA section 52 reports approved by council	4 MFMA section 52 reports approved by council by June 2025	4 MFMA section 52 reports approved by council	Achieved	None	None	Operational	Operational	Council resolution
KPI 47 - Percentage of competitive bids awarded within 90 days of bid closure	100 % competitive bids awarded within 90 days of advert	100% Of competitive bids awarded within 90 days of bid closure by June 2025	100% Of competitive bids awarded within 90 days of bid closure	Achieved	None	None	Operational	Operational	Adverts, appointment letter and consolidated report

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
KPI 48- Percentage of request for quotations awarded within 30 days of bid closure	62.50 % of request for quotations awarded within 30 days of advert	100% of request for quotations awarded within 30 days of bid closure by June 2025	100% of request for quotations awarded within 30 days of bid closure	Achieved	None	None	Operational	Operational	Adverts, purchase orders and consolidated report
KPI 49 -Number of reports on the update of the indigent register	100 % of indigent register updated	2 reports on the update of indigent register June 2025	2 reports on the update of indigent register	Achieved	None	None	Operational	Operational	Report on the updated Indigent register and variance report
KPI 50 – Number of reports on the update of asset register	100 % of asset register updated	2 reports on the update of asset register by June 2025	2 reports on the update of asset register	Achieved	None	None	Operational	Operational	Report on the updated asset register

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
KPA 4: Municipal Transformation and Organizational Development									
Strategic Objective: To Promote Accountability, Efficiency and Professionalism Within the Organization									
KPI 51 - Number of newsletters published	2 newsletters published	4 newsletters published by 30 June 2025	4 Newsletters published	Achieved	None	None	Operational	Operational	Published newsletter
KPI 52 - 2024-2025 Employment equity plan developed	2023/2024 Employment equity plan not developed	2024-2025 Employment equity plan developed by September 2024	2024-2025 Employment equity plan developed	Achieved	None	None	Operational	Operational	Employment equity plan
KPI 53 – 2024-2025 Employment equity report submitted to department of labour	2023-2024 Employment equity report not submitted to department of labour	2024-2025 Employment equity report submitted to department of labour by 15 January 2025	2024-2025 Employment equity report submitted to department of labour by 15 January	Achieved	None	None	Operational	Operational	Acknowledgement letter from the department of labour.

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
KPI 54 – 2024-2025 Workplace skills plan and annual training report (ATR) submitted to LG_SETA	2024/2025 Workplace skills plan and 2023/2024 ATR submitted to LG_SETA by 30 April 2024	2024-2025 Workplace skills plan and annual training report (ATR) submitted to LG SETA by April 2025	2024-2025 Workplace skills plan and annual training report (ATR) submitted to LG SETA by April	Achieved	None	None	Operational	Operational	Acknowledgement letter from LGSETA
KPI 55 - Number of LLF meetings held	1 Local Labour Forum Meeting Held	12 LLF meetings held by 30 June 2025	2 LLF meetings held	Not achieved	There were delays in finalising issues of union leadership and its representatives. Newly elected LLF members needed training before they can execute their functions, hence few meetings of	Training was conducted in fourth quarter of 2024/2025 financial year and the department will ensure adherence to the developed schedule of LLF meetings in the 2025/2026 financial year	Operational	Operational	Agenda, Attendance register, minutes and LLF reports.

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
					the LLF were held.				
KPI 56 - Percentage of grievances processed within 30 days of receipt	0 % of grievances resolved within 30 days of receipt	100 % of grievances processed within 30 days of receipt	5.8% of grievances were processed within 30 days of receipts.	Not Achieved	There was inadequate coordination and follow up on grievances due to insufficient capacity.	Part of the capacity problems were addressed toward the end of the financial year under review. Additional vacant post was filled. Tracking of the register and adequate follow ups will be made.	Operational	Operational	Grievance forms, grievance register and consolidated grievance report.
KPI 57 - Number of	New	61 Performance	62 Performance	Achieved	None	None	Operational	Operational	Signed copies of

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
performance agreements signed by HOU and managers		agreements signed by HOU and managers by June 2025	Agreements signed by HOUs and Managers						performance agreement
KPI 58- 2025-2026 Performance management system framework approved by council	2024-2025 Institutional performance management system framework approved	2025-2026 Performance management system framework approved by council by June 2025	2025-2026 Performance management system framework approved by council	Achieved	None	None	Operational	Operational	Council Resolution
KPI 59 - 2023-2024 annual performance report submitted to Auditor General	2022/2023 Annual performance report submitted to Auditor General	2023-2024 annual performance report submitted to Auditor General by August 2024	2023-2024 annual performance report submitted to Auditor General	Achieved	None	None	Operational	Operational	Acknowledgement letter
KPI 60 - Number of quarterly performance reports	New	4 quarterly performance reports submitted to council by	4 quarterly performance reports submitted to council	Achieved	None	None	Operational	Operational	Council Resolution

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
submitted to council		June 2025							
KPI 61 - 2023-2024 Annual report approved by council	2022-2023 annual report approved by council	2023-2024 annual report approved by council by January 2025	2023-2024 annual report approved by council	Achieved	None	None	Operational	Operational	Council Resolution
KPI 62 - Number of 2024-2025 performance agreement signed by senior managers	7 Performance agreements for 2023/2024 signed by municipal manager and section 56 managers	7 performance agreements for 2024-2025 signed by senior managers by July 2024	7 performance agreements for 2024-2025 signed by senior managers	Achieved	None	None	Operational	Operational	Copies of signed performance agreement
Key Performance Area No 5: Spatial Rationale									
Strategic Objectives: To establish economically, socially and environmentally integrated sustainable land use and human settlements.									

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
KPI 63 - Percentage of building plans processed within 60 days of request	100% of building plans approved within 60 days of request	100% of building plans processed within 60 days of request	100% of building plans processed within 60 days of request	Achieved	None	None	None	None	Building plans register
KPI 64 - Percentage of building inspections attended to within 5 days of request	100% of building inspections attended to within 5 days of request	100% of building inspections attended to within 5 days of request	100% of building inspections attended to within 5 days of request	Achieved	None	None	None	None	Inspection registers/sheets
KPI 65 - Percentage of occupation certificate issued within 14 days of request	100% of occupation certificate issued within 14 days of request	100% of occupation certificate issued within 14 days of request	100% of occupation certificates issued within 14 days of request	Achieved	None	None	None	None	Copies of occupation certificates and Housing Subsidy System register
KPI 66 - Housing needs beneficiary	Housing needs beneficiary	Housing needs beneficiary	Housing needs beneficiary	Achieved	None	None	None	None	Needs register & generated

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
register compiled	register compiled in 9 wards	register compiled in 8 wards by June 2025	register compiled in 11 wards						national housing needs register system report
KPA 6: Good Governance and Public Participation									
Strategic Objective - To ensure ethical and transparent government that is responsive to community needs and encourage public participation									
KPI 67 - Number of council meetings held	4 council meetings held	4 council meetings held by June 2025	4 council meetings held	Achieved	None	None	Operational	Operational	Agenda, attendance register and minutes
KPI 68 - Number of EXCO meetings held	12 EXCO meetings held	12 EXCO meetings held by 30 June 2025	12 EXCO meetings held	Achieved	None	None	Operational	Operational	Agenda, attendance register and minutes
KPI 69 - 2024/2025 Risk based audit plan (RBAP) approved by audit committee	2023/2024 Risk based audit plan (RBAP) approved by audit committee	2024/2025 Risk based audit plan (RBAP) approved by audit committee by	2024/2025 Risk based audit plan (RBAP) approved by audit committee	Achieved	None	None	Operational	Operational	Agenda, minutes and attendance register

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
		September 2024							
KPI 70 - Number of audit committee meetings held	4 audit committee meetings held	4 audit committee meetings held by June 2025	4 audit committee meetings held	Achieved	None	None	Operational	Operational	Agenda, minutes and attendance register.
KPI 71 - Number of audit committee reports submitted to council	2 audit committee reports submitted to council by June 2024	2 audit committee reports submitted to council by June 2025	2 audit committee reports submitted to council	Achieved	None	None	Operational	Operational	Council resolution
KPI 72 - Turnaround time for providing legal opinion within 14 days upon request	100% of Legal opinions on by-laws provided within 14 days upon request	Turnaround time for providing legal opinion within 14 days upon request	No legal opinion was provided during the year under review	Achieved	None	None	Operational	Operational	Legal opinion register

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
KPI 73 - Turnaround time for development of service level agreements with 14 days upon request	100% of Legal opinions on by-laws provided within 14 days upon request	Turnaround time for development of service level agreements within 14 days upon request	15 service level agreements were developed within 14 days upon request	Achieved	None	None	Operational	Operational	Service level agreements register
KPI 74 – 2025/2026 IDP, PERFORMANCE MANAGEMENT SYSTEM and budget process plan approved by council	2024-2025 IDP, PERFORMANCE MANAGEMENT SYSTEM and budget process plan approved by council	August 2024 2025-2026 IDP, PERFORMANCE MANAGEMENT SYSTEM and budget process plan approved by council by 31 August 2024	August 2024 2025-2026 IDP, PERFORMANCE MANAGEMENT SYSTEM and budget process plan approved by council	Achieved	None	None	Operational	Operational	Council resolution
KPI 75 – 2025/2026 draft IDP approved by council	2024/2025 Draft IDP approved by council	2025-2026 Draft IDP approved by council by 31	2025-2026 Draft IDP approved by council	Achieved	None	None	Operational	Operational	Council resolution

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
		March 2025							
KPI 76 – 2025/2026 Final IDP approved by council	2024-2025 Final IDP approved by council	2025-2026 Final IDP approved by council by 31 May 2025	2025-2026 Final IDP approved by council	Achieved	None	None	Operational	Operational	Council resolution
KPI 77 - Number IDP public participation meetings held	2 IDP public participation meetings held	2 IDP public participation meetings held by June 2025	2 IDP public participation meetings held	Achieved	None	None	Operational	Operational	Attendance register and report
KPI 78 - Number of IDP steering committee meetings held	New	4 IDP steering committee meetings held by June 2025	4 IDP steering committee meetings held	Achieved	None	None	Operational	Operational	Attendance register and report
KPI 79 -	3 IDP	3 IDP	3 IDP	Achieved	None	None	Operational	Operational	Agenda and

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Moses Kotane Local Municipality									
2024-2025 Annual Performance Report									
Key Performance Indicator	2023-2024 Actual Performance	2024-2025 Annual Target	2024-2025 Reported actual performance	Status	Reasons for variance	Corrective measures	2024-2025 Special Adjusted Budget	2024-2025 Expenditure	Portfolio of Evidence
Number of IDP representative forum held	representative forum held	representative forum held June 2025	representative forum held						attendance register
KPI 80 – 2024-2025 Risk management strategy approved by council	2023-2024 Risk management strategy approved by council	2024-2025 Risk management strategy approved by council by June 2025	2024-2025 Risk management strategy approved by council	Achieved	None	None	Operational	Operational	Council Resolution
KPI 81 – 2024-2025 Risk management policy approved by council	2023-2024 Risk management policy approved by council	2024-2025 Risk management policy approved by council June 2025	2024-2025 Risk management policy approved by council	Achieved	None	None	Operational	Operational	Council Resolution
KPI 82– 2024-2025 Risk identification & assessment conducted	2023-2024 Risk identification & assessment conducted	2024-2025 Risk identification & assessment conducted by June 2025	2024-2025 Risk identification & assessment conducted	Achieved	None	None	Operational	Operational	Strategic risk operational risk, project risk register, fraud risk and ICT register

4.1.7 ASSESSMENT OF EXTERNAL SERVICE PROVIDERS

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MOSES KOTANE LOCAL MUNICIPALITY 2024-2025 ANNUAL ASSESSMENT OF CONTRACTED SERVICES CONTRACTS IN THE SIDBIP

GOODS-SERVICES DESCRIPTION	CONTRACT START DATE	CONTRACT END DATE	CONTRACT EXTENSION DATE	CONTRACTED VALUE	CUMULATIVE EXPENDITURE	ANNUAL TARGET BY 30 JUNE 2025	ACTUAL PERFORMANCE	2024-2025 ANNUAL PERFORMANCE ASSESSMENT		
								OUTCOME	CHALLENGE	CORRECTIVE MEASURE
1.Percentage construction of Lerome (Thabeng section) water supply. Tender number 017/MOSES KOTANE LOCAL MUNICIPALITY/2022/2023	14-Dec-2022	31-Aug-2023	2-Jul-2024	27,161,450.66	24,092,385.12	100% of Lerome (Thabeng section) water supply constructed	100% of Lerome (Thabeng section) water supply constructed	Set target achieved	None	None
2.Percentage construction of Mahobieskraal bulk water supply and reticulation. Tender number 018/MOSES KOTANE LOCAL MUNICIPALITY/2022/2023	13-Mar-2023	12-Feb-2024	26-Jul-2024	23,109,731.98	22,129,621.79	100% construction of Mahobieskraal bulk water supply and reticulation	100% construction of Mahobieskraal bulk water supply and reticulation	Set target achieved	None	None
3.Percentage construction of Ledig water supply (various Sections). Tender number 028/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022	19-Dec-2022	31-Dec-2024	-	54,352,916.65	48,818,624.94	100 % of Ledig water supply (various sections) constructed	100% of Ledig water supply (various sections) constructed	Set target achieved	None	None
4.Percentage construction of Tweelaagte water supply phase 3. Tender number	30-Apr-2025	6-Apr-2026	-	16,360,365.38	1,904,432.78	5% of Tweelaagte water supply (phase 3) constructed	10% of Tweelaagte water supply (phase 3)	Set target achieved	None	None

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MOSES KOTANE LOCAL MUNICIPALITY 2024-2025 ANNUAL ASSESSMENT OF CONTRACTED SERVICES CONTRACTS IN THE SIDBIP

GOODS-SERVICES DESCRIPTION	CONTRACT START DATE	CONTRACT END DATE	CONTRACT EXTENSION DATE	CONTRACTED VALUE	CUMULATIVE EXPENDITURE	ANNUAL TARGET BY 30 JUNE 2025	ACTUAL PERFORMANCE	2024-2025 ANNUAL PERFORMANCE ASSESSMENT		
								OUTCOME	CHALLENGE	CORRECTIVE MEASURE
009/MOSES KOTANE LOCAL MUNICIPALITY/2024/2025							constructed			
5.Percentage construction of Maeraneng water supply. Tender number 004/MOSES KOTANE LOCAL MUNICIPALITY/2023/2024	13-Nov-2023	29-Nov-2024	28-Mar-2025	18,295,105.51	17,400,562.11	100% of Maeraneng water supply constructed	100% of Maeraneng water supply constructed	Set target achieved	None	None
6.Percentage construction of Segakwaneng water supply. Tender number 003/MOSES KOTANE LOCAL MUNICIPALITY/2023/2024	13-Oct-2023	15-Nov-2024	15-Jul-2025	42,148,329.82	37,098,918.46	90% of Segakwaneng water supply constructed	94.30% complete of Segakwaneng water supply constructed	Set target achieved	None	None
7.Design of Sandfontein water supply Phase 2 (Boikhutso Ext) completed. Tender number 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022	1-Jul-2022	31-Mar-2025	The project is at the preliminary consultancy stage, extended under the Panel of Consultants	3,500,000.00	3,499,852.60	Design of Sandfontein water supply Phase 2 (Boikhutso Ext) completed	Design of Sandfontein water supply Phase 2 (Boikhutso Ext) completed	Set target achieved	None	None

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MOSES KOTANE LOCAL MUNICIPALITY 2024-2025 ANNUAL ASSESSMENT OF CONTRACTED SERVICES CONTRACTS IN THE SIDBIP

GOODS-SERVICES DESCRIPTION	CONTRACT START DATE	CONTRACT END DATE	CONTRACT EXTENSION DATE	CONTRACT VALUE	CUMULATIVE EXPENDITURE	ANNUAL TARGET BY 30 JUNE 2025	ACTUAL PERFORMANCE	2024-2025 ANNUAL PERFORMANCE ASSESSMENT		
								OUTCOME	CHALLENGE	CORRECTIVE MEASURE
			Contract No. 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022							
8. Percentage construction of Manamakgotheng water reticulation. Tender number 011/MOSES KOTANE LOCAL MUNICIPALITY/2022/2023	1-Nov-2022	2-Dec-2024	-	6,178,359.87	6,163,465.16	100% of Manamakgotheng water reticulation constructed	100% of Manamakgotheng water reticulation constructed	Set target achieved	None	None
9. Assessment of upgrading Molatedi water treatment plant (Molatedi ground water source development). Tender number 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022	1-Jul-2023	30-Jun-2025	The project is at the preliminary consultancy stage, extended under the Panel of Consultants Contract No. 006/MOSES	3,736,891.71	3,659,352.92	Assessment of upgrading Molatedi water treatment plant (Molatedi ground water source development)	Assessment of upgrading Molatedi water treatment plant (Molatedi ground water source development) completed	Set target achieved	None	None

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MOSES KOTANE LOCAL MUNICIPALITY 2024-2025 ANNUAL ASSESSMENT OF CONTRACTED SERVICES CONTRACTS IN THE SIDBIP

GOODS-SERVICES DESCRIPTION	CONTRACT START DATE	CONTRACT END DATE	CONTRACT EXTENSION DATE	CONTRACTED VALUE	CUMULATIVE EXPENDITURE	ANNUAL TARGET BY 30 JUNE 2025	ACTUAL PERFORMANCE	2024-2025 ANNUAL PERFORMANCE ASSESSMENT		
								OUTCOME	CHALLENGE	CORRECTIVE MEASURE
			S KOTANE LOCAL MUNICIPALITY/2021/2022							
10.Percentage replacement of Mogwase asbestos pipe. Tender number 018/MOSES KOTANE LOCAL MUNICIPALITY/2023/2024	7-Aug-2024	6-May-2025	25-Jul-2025	22,402,591.32	16,220,402.25	80% of Mogwase asbestos pipe replaced	91% of Mogwase asbestos pipe replaced	Set target achieved	None	None
11.Percentage construction of Mabeskraal to Uitkyk bulk water pipeline phase I. Tender number 025/MOSES KOTANE LOCAL MUNICIPALITY/2022/2023	20-Jun-2023	29-Mar-2024	29-Nov-2025	47,453,746.67	40,388,479.74	95% of Mabeskraal to Uitkyk bulk water pipeline phase I constructed	95% of Mabeskraal to Uitkyk bulk water pipeline Phase I) constructed	Set target Not achieved	Contract was terminated due to poor performance	Contract termination date 24 June 2025
12.Percentage construction of Mabeskraal to Uitkyk bulk water pipeline phase II. Tender number 007/MOSES KOTANE LOCAL MUNICIPALITY/2024/2	14-Apr-2025	5-Dec-2025	-	13,918,244.41	3,397,259.28	10% of Mabeskraal to Uitkyk bulk water pipeline phase 2 constructed	10% of Mabeskraal to Uitkyk bulk water pipeline phase II constructed	Set target achieved	None	None

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MOSES KOTANE LOCAL MUNICIPALITY 2024-2025 ANNUAL ASSESSMENT OF CONTRACTED SERVICES CONTRACTS IN THE SIDBIP

GOODS-SERVICES DESCRIPTION	CONTRACT START DATE	CONTRACT END DATE	CONTRACT EXTENSION DATE	CONTRACTED VALUE	CUMULATIVE EXPENDITURE	ANNUAL TARGET BY 30 JUNE 2025	ACTUAL PERFORMANCE	2024-2025 ANNUAL PERFORMANCE ASSESSMENT		
								OUTCOME	CHALLENGE	CORRECTIVE MEASURE
025										
13.Percentage construction of David Katnagel water supply. Tender number 008/MOSES KOTANE LOCAL MUNICIPALITY/2024/2025	26-May-2025	28-Feb-2026	-	15,737,920.73	3,944,646.29	5% Construction of David Katnagel water supply	10% Construction of David Katnagel water supply	Set target achieved	None	None
14.Number of villages with access to water. Contract reference 001/2023/2033	1-Jun-2023	31-May-2033	-	Rate base appointment	412 465 684.64	107 villages with access to water	107 villages with access to water	Set target Not achieved	5 % variance is as results of the billing report and not balancing .a nd also none availability of the township layout plans	Municipality to embark on the verification and data cleansing excise in the 2025/2026 financial year
15.Number of VIDP toilets supplied and installed in Manamakgotheng and Phalane. Tender number. Tender number 004/MOSES KOTANE LOCAL	21-Nov-2024	21-Feb-2025	25-Apr-2024	4,818,681.27	4,368,797.90	100 VIDP toilets supplied and installed in Manamakgotheng	100 VIDP toilets supplied and installed in Manamakgotheng	Set target achieved	None	None

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MOSES KOTANE LOCAL MUNICIPALITY 2024-2025 ANNUAL ASSESSMENT OF CONTRACTED SERVICES CONTRACTS IN THE SIDBIP

GOODS-SERVICES DESCRIPTION	CONTRACT START DATE	CONTRACT END DATE	CONTRACT EXTENSION DATE	CONTRACT VALUE	CUMULATIVE EXPENDITURE	ANNUAL TARGET BY 30 JUNE 2025	ACTUAL PERFORMANCE	2024-2025 ANNUAL PERFORMANCE ASSESSMENT		
								OUTCOME	CHALLENGE	CORRECTIVE MEASURE
MUNICIPALITY/2024/2025						Phalane	Phalane			
16.Number of VIDP toilets supplied and installed in Leruleng, Leruleng Makoshong and Segakwaneng. Tender number 024/MOSES KOTANE LOCAL MUNICIPALITY/2023/2024	22-Jul-2024	25-Oct-2024	-	8,203,963.52	7,962,815.35	100 VIDP toilets and supplied installed in Leruleng 100 VIDP toilets and supplied installed in Makoshong 100 VIDP toilets and supplied installed in and Segakwaneng	100 VIDP toilets and supplied installed in Leruleng 100 VIDP toilets and supplied installed in Makoshong 100 VIDP toilets and supplied installed in and Segakwaneng	Set target achieved	None	None
17.Percentage refurbishment of Mogwase waste water treatment plant phase 1(works). Tender number 005/MOSES KOTANE LOCAL MUNICIPALITY/2024/2025	25-Feb-2025	29-May-2026	-	61,682,969.88	19,397,750.63	5% of Mogwase waste water treatment plant refurbished phase 1 (works)	12% Complete of Mogwase waste water treatment plant refurbished phase 1 (works)	Set target achieved	None	None
18.Design for upgrading of Madikwe sewer network	9-Aug-2024	30-Jun-2025	The project is at the	1,000,000.00		Design for upgrading of	Design Report for upgrading	Set target achieved	None	None

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MOSES KOTANE LOCAL MUNICIPALITY 2024-2025 ANNUAL ASSESSMENT OF CONTRACTED SERVICES CONTRACTS IN THE SIDBIP

GOODS-SERVICES DESCRIPTION	CONTRACT START DATE	CONTRACT END DATE	CONTRACT EXTENSION DATE	CONTRACTED VALUE	CUMULATIVE EXPENDITURE	ANNUAL TARGET BY 30 JUNE 2025	ACTUAL PERFORMANCE	2024-2025 ANNUAL PERFORMANCE ASSESSMENT		
								OUTCOME	CHALLENGE	CORRECTIVE MEASURE
completed. Tender number 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022			preliminary consultancy stage, extended under the Panel of Consultants Contract No. 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022			Madikwe sewer network completed	of Madikwe sewer network completed			
19. Percentage construction of Oudekkers road. Tender number	13-Dec-2022	13-Dec-2023	2-Aug-2024	31,114,382.40	25,745,072.90	100% of Oudekkers road constructed	100% of Oudekkers road constructed	Set target achieved	None	None
20. Percentage rehabilitation of Matau internal road. Tender number	10-May-2024	4-Feb-2025	17-Jul-2025	37,588,490.54	34,137,531.05	90% of Matau internal road rehabilitated	90% of Matau internal road rehabilitated	Set target achieved	None	None
21 Design of Tlokweg internal road completed. Tender number 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022	1-Jul-2024	31-Mar-2025	The project is at the preliminary consultancy stage,	3,500,000.00	3,250,000.00	Design of Tlokweg internal road completed	Detailed Design Report of Tlokweg internal road completed	Set target achieved	None	None

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MOSES KOTANE LOCAL MUNICIPALITY 2024-2025 ANNUAL ASSESSMENT OF CONTRACTED SERVICES CONTRACTS IN THE SIDBIP										
GOODS-SERVICES DESCRIPTION	CONTRACT START DATE	CONTRACT END DATE	CONTRACT EXTENSION DATE	CONTRACTED VALUE	CUMULATIVE EXPENDITURE	ANNUAL TARGET BY 30 JUNE 2025	ACTUAL PERFORMANCE	2024-2025 ANNUAL PERFORMANCE ASSESSMENT		
								OUTCOME	CHALLENGE	CORRECTIVE MEASURE
022			extended under the Panel of Consultants Contract No. 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022							
22.Design for rehabilitation of Welverdiert internal road completed. Tender number 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022	1-Jul-2024	31-Mar-2025	The project is at the preliminary consultancy stage, extended under the Panel of Consultants Contract No. 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022	3,000,000.00	2,998,715.57	Design for rehabilitation of Welverdiert internal road completed	Detailed Design Report for rehabilitation of Welverdiert internal road completed	Set target achieved	None	None

Chapter 4

MOSES KOTANE LOCAL MUNICIPALITY 2024-2025 ANNUAL ASSESSMENT OF CONTRACTED SERVICES CONTRACTS IN THE SIDBIP

GOODS-SERVICES DESCRIPTION	CONTRACT START DATE	CONTRACT END DATE	CONTRACT EXTENSION DATE	CONTRACTED VALUE	CUMULATIVE EXPENDITURE	ANNUAL TARGET BY 30 JUNE 2025	ACTUAL PERFORMANCE	2024-2025 ANNUAL PERFORMANCE ASSESSMENT		
								OUTCOME	CHALLENGE	CORRECTIVE MEASURE
23. Percentage rehabilitation of Mabele a Podi internal road and storm water. Tender number	25-Aug-2023	30-Apr-2024	28-Nov-2024	21,607,222.04	18,126,319.38	99% of Mabele a Podi internal road and storm water rehabilitated	99% of Mabele a Podi internal road and storm water rehabilitated	Set target not achieved	Practical certificate 28 Nov 2024 Contractor busy with snag-listing,	There was additional work issued to the contractor to unblock the existing.
24. Design for rehabilitation of Mogwase internal road completed. Tender number 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022	1-Jul-2022	31-Mar-2025	The project is at the preliminary consultancy stage, extended under the Panel of Consultants Contract No. 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022	3,000,000.00	3,000,000.00	Design for the rehabilitation of Mogwase internal road completed	Detailed Design Report of the rehabilitation of Mogwase internal road completed	Set target achieved	None	None
25. Percentage rehabilitation of	21-May-	13-Feb-2026		15,948,255.49		5% of Kraalhoek	10% complete	Set target	None	None

Chapter 4

MOSES KOTANE LOCAL MUNICIPALITY 2024-2025 ANNUAL ASSESSMENT OF CONTRACTED SERVICES CONTRACTS IN THE SIDBIP

GOODS-SERVICES DESCRIPTION	CONTRACT START DATE	CONTRACT END DATE	CONTRACT EXTENSION DATE	CONTRACTED VALUE	CUMULATIVE EXPENDITURE	ANNUAL TARGET BY 30 JUNE 2025	ACTUAL PERFORMANCE	2024-2025 ANNUAL PERFORMANCE ASSESSMENT		
								OUTCOME	CHALLENGE	CORRECTIVE MEASURE
Kraalhoek internal road. Tender number 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022	2025		-		3,967,774.20	internal road rehabilitated	of Kraalhoek internal road rehabilitated	achieved		
26.Design of upgrading of Goedehoop, Losmytjerie and Nonceba storm water Management completed. Tender number	1-Jul-2024	30-Jun-2025	The project is at the preliminary consultancy stage, extended under the Panel of Consultants Contract No. 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022	9,000,000.00		Design of upgrading of Goedehoop, Losmytjerie and Nonceba storm water management completed by June 2025	Detailed Design Report of Goedehoop, Losmytjerie and Nonceba storm water management completed	Set target achieved	None	None
27.Design for refurbishment of Tlokweg cemeteries. Tender number 006/MOSES KOTANE LOCAL	1-Jul-2024	31-Mar-2025	The project is at the preliminary consultancy stage,	2,400,000.00		Design for refurbishment of Tlokweg cemeteries completed	Detailed Design Report for refurbishment of Tlokweg	Set target achieved	None	None

Chapter 4

MOSES KOTANE LOCAL MUNICIPALITY 2024-2025 ANNUAL ASSESSMENT OF CONTRACTED SERVICES CONTRACTS IN THE SIDBIP

GOODS-SERVICES DESCRIPTION	CONTRACT START DATE	CONTRACT END DATE	CONTRACT EXTENSION DATE	CONTRACTED VALUE	CUMULATIVE EXPENDITURE	ANNUAL TARGET BY 30 JUNE 2025	ACTUAL PERFORMANCE	2024-2025 ANNUAL PERFORMANCE ASSESSMENT		
								OUTCOME	CHALLENGE	CORRECTIVE MEASURE
MUNICIPALITY/2021/2022			extended under the Panel of Consultants Contract No. 006/MOSES KOTANE LOCAL MUNICIPALITY/2021/2022				cemeteries completed			
28. Number of municipal buildings (Mopyane zonal Office) renovated. Tender number 006/MOSES KOTANE LOCAL MUNICIPALITY/2024/2025	10-Mar-2025	10-May-2025	-	867,240.00	806,300.00	3 Municipal buildings (LED office, Vrede office and Mopyane zonal office) renovated	2 Municipal buildings renovated (LED offices and Mopyane Zonal office)	Set target achieved	None	None
29. Number of villages provided with access to solid and waste removal. Tender number 007/MOSES KOTANE LOCAL MUNICIPALITY/2022/2	1-Apr-2023	1-Apr-2026	-	68,824,685.81	53,002,670.60	107 villages provided with access to solid and waste removal	107 Villages provided with solid waste removal	Set target achieved	None	None

Chapter 4

MOSES KOTANE LOCAL MUNICIPALITY 2024-2025 ANNUAL ASSESSMENT OF CONTRACTED SERVICES CONTRACTS IN THE SIDBIP

GOODS-SERVICES DESCRIPTION	CONTRACT START DATE	CONTRACT END DATE	CONTRACT EXTENSION DATE	CONTRACTED VALUE	CUMULATIVE EXPENDITURE	ANNUAL TARGET BY 30 JUNE 2025	ACTUAL PERFORMANCE	2024-2025 ANNUAL PERFORMANCE ASSESSMENT		
								OUTCOME	CHALLENGE	CORRECTIVE MEASURE
023										
30. 2023-2024 Annual financial statements submitted to Auditor General	1-Feb-2025	31-Dec-2025	-	Rate base appointment	6,208,596.38	2023-2024 Annual financial statements submitted to Auditor General	2023-2024 Annual financial statements submitted to Auditor General	Set target achieved	None	None
31. Number of reports on the update of the indigent register	1-Feb-2025	31-Dec-2025	-	Rate base appointment	2,357,806.00	2 reports on the update of indigent register	2 reports on the update of indigent register	Set target achieved	None	None
32. Number of reports on the update of asset register	1-Feb-2025	31-Dec-2025	-	Rate base appointment	5,188,557.60	2 reports on the update of asset register	Draft asset register	Set target achieved	None	None
33. Number of newsletters published	1-Jun-2025	31-May-2026	-	295,182.00	-	4 newsletters published	4 Newsletters published	Set target achieved	None	None

Chapter 4

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Vacancy Rate: Year 2024/2025			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0,00
CFO	1	1	100,00
Other S57 Managers (excluding Finance Posts)	5	1	20,00
Senior management: Levels 13-15 (excluding Finance Posts)	30	14	46,67
Senior management: Levels 13-15 (Finance posts)	5	1	20,00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	49	10	20,41

Chapter 4

Vacancy Rate: Year 2024/2025			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
Highly skilled supervision: levels 9-12 (Finance posts)	14	6	42,86
Total	137	40	29,20

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2024-2025	27	38	141%

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

Description	2024/2025										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
R thousands	1	2	3	4	5	6	7	8	9	10	11
Financial Performance											
Property rates	144 686,	–	144 686,	–	–	144 686,	165 034,	–	20 348,	114%	114%
Service charges	213 534,	1 854,	215 388,	–	–	215 388,	148 978,	–	(66 410,)	69%	70%
Investment revenue	12 500,	–	12 500,	–	–	68 600,	73 038,	–	4 438,	106%	584%
Transfers recognised - operational	611 662,	(628,)	611 034,	–	–	611 034,	610 284,	–	(750,)	100%	100%
Other own revenue	78 693,	16 330,	95 023,	–	–	38 922,	44 896,	–	5 974,	115%	57%
Total Revenue (excluding capital transfers and contributions)	1 061 075,	17 556,	1 078 631,	–	–	1 078 630,	1 042 230,	–	(36 400,)	97%	98%
Employee costs	396 070,	1 600,	397 670,	–	–	397 670,	323 274,	–	(74 396,)	81%	82%
Remuneration of councillors	31 802,	–	31 802,	–	–	31 802,	30 909,	–	(893,)	97%	97%

Chapter 5

Debt impairment	194 642,	121 366,	316 008,	–	–	316 008,	254 051,	–	(61 957,)	80%	131%
Depreciation & asset impairment	162 638,		162 638,	–	–	162 638,	125 903,	–	(36 735,)	77%	77%
Finance charges	2 252,	–	2 252,	–	–	2 252,	4 616,	–	2 364,	205%	205%
Materials and bulk purchases	240 055,	–	240 055,	–	–	240 055,	147 809,	–	(92 246,)	62%	62%
Transfers and grants	–	–	–	–	–	–	–	–	–		
Other expenditure	319 042,	(2 933,)	316 109,	–	–	316 109,	322 236,	–	6 127,	102%	101%
Total Expenditure	1 346 501,	120 033,	1 466 534,	–	–	1 466 534,	1 208 798,	–	(257 736,)	82%	90%
Surplus/(Deficit)	(285 427,)	(102 478,)	(387 905,)	–	–	(387 905,)	(166 568,)	–	221 337,	43%	58%
Transfers recognised - capital	247 504,	(22 899,)	224 605,	–	–	224 605,	215 615,	–	(8 990,)	96%	87%
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–		
Surplus/(Deficit) after capital transfers & contributions	(37 923,)	(125 377,)	(163 300,)	–	–	(163 300,)	(382 183,)	–	(218 883,)	234%	1008 %
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–		
Surplus/(Deficit) for the year	(37 923,)	(125 377,)	(163 300,)	–	–	(163 300,)	(382 183,)	–	(218 883,)		
Capital expenditure & funds sources								–	–		
Capital expenditure	252 554,	(22 179,)		–	–	230 375,	217 708,	–	(12 667,)	95%	86%
Transfers recognised - capital	247 504,	(22 899,)	224 605,	–	–	224 605,	215 615,	–	(8 990,)	96%	87%
Public contributions & donations	–	–	–	–	–	–	–	–	–		
Borrowing	–	–	–	–	–	–	–	–	–		

Chapter 5

Internally generated funds	5 050,	720,	5 770,	-	-	5 770,	2 093,	-	(3 677,)	36%	41%
Total sources of capital funds	252 554,	(22 179,)	230 375,	-	-	230 375,	217 708,	-	(12 667,)	95%	86%
								-	-		
Cash flows								-	-		
Net cash from (used) operating	72 838,00	-	72 838,00	-	-	72 838,00	253 407,00	-	180 569,	348%	348%
Net cash from (used) investing	(290 437,)	-	(290 437,)	-	-	(290 437,)	(226 615,)	-	63 822,	78%	78%
Net cash from (used) financing	(14 372,)	-	(14 372,)	-	-	(14 372,)	(14 814,)	-	(442,)	103%	103%
Cash/cash equivalents at the year end	(215 034,)	-	(215 034,)	-	-	(215 034,)	55 565,	-	270 599,	-26%	-26%

Chapter 5

5.2 GRANTS

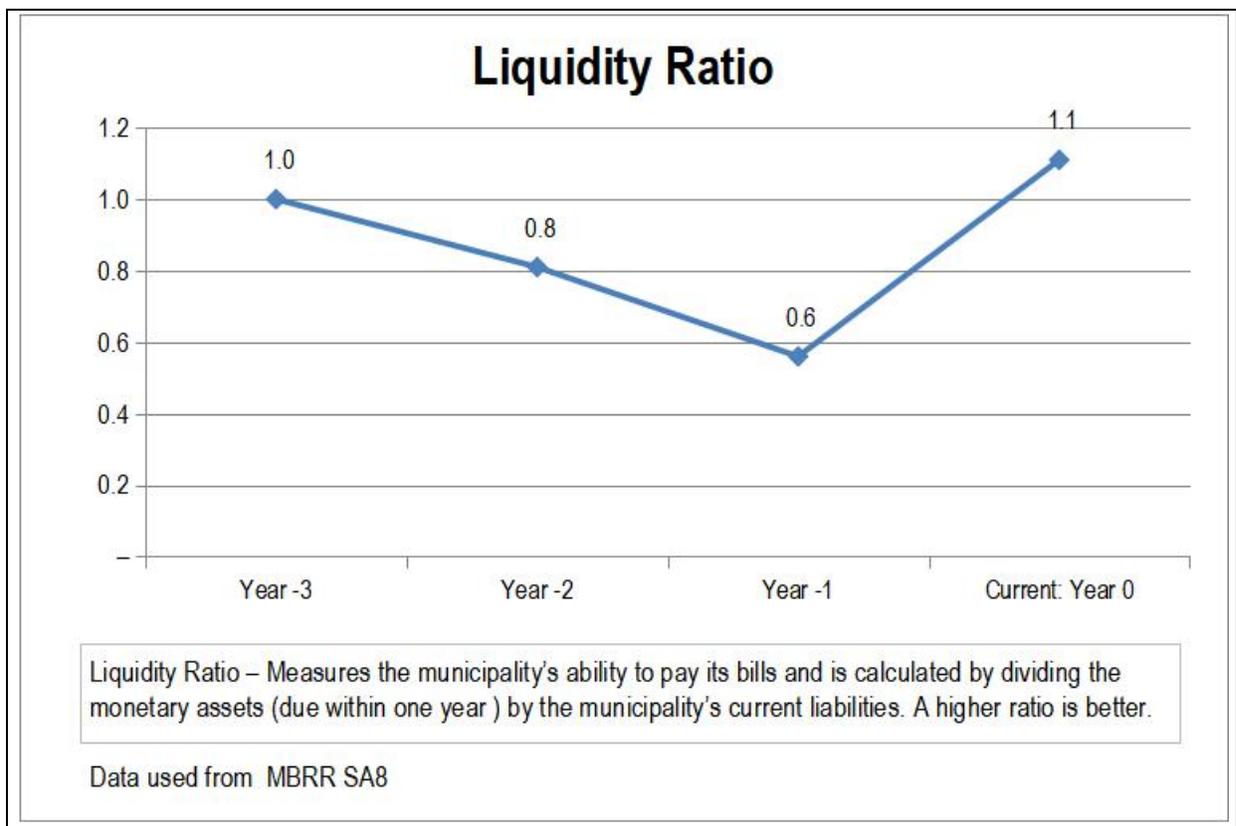
Grant Performance R' 000						
Description	2023/2024	2024/2025 (Year 0)		Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	570 613,	603 429,	603 194,	603 193,	0%	0%
Equitable share	566 087,	600 070,	600 070,	600 069,	0%	0%
Municipal Systems Improvement	–	–	–	–	0%	0%
Department of Water Affairs	–	–	–	–	0%	0%
Levy replacement	–	–	–	–	0%	0%
Other transfers/grants [insert description]	4 526,	3 359,	3 124,	3 124,	-7%	0%
Provincial Government:	1 139,	1 254,	2 041,	1 604,	28%	-21%
Health subsidy	–	–	–	–	0%	0%
Housing	–	–	–	–	0%	0%
Ambulance subsidy	–	–	–	–	0%	0%
Sports and Recreation	1 139,	1 254,	2 041,	1 604,	28%	-21%
Other transfers/grants [insert description]					0%	0%
District Municipality:	–	–	–	–	0%	0%
[insert description]					0%	0%
					0%	0%
Other grant providers:	5 400,	6 979,	5 799,	5 486,	-21%	-5%
Project Management Unit	5 400,	6 979,	5 799,	5 486,	-21%	-5%
Total Operating Transfers and Grants	577 152,	611 662,	611 034,	610 283,	0%	0%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.

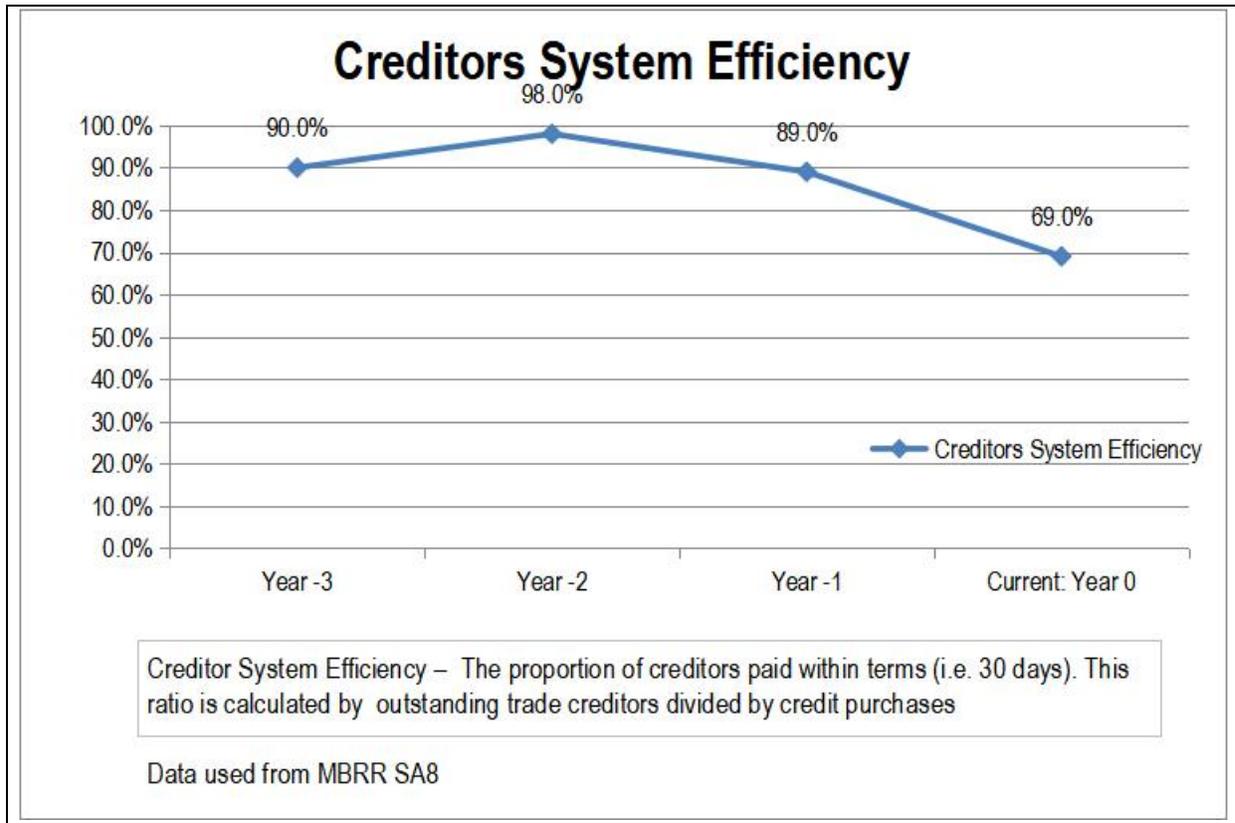
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Repair and Maintenance Expenditure: 2024/2025				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	96 894	96 601	118 033	22%

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Chapter 5



Chapter 5

Capital Expenditure - Funding Sources: Year -2023 to 2024/2025							
R' 000							
Details		Year - 2023/2024	Year 2024/2025				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	0	0	0	0	0	0
	Public contributions and donations	0	0	0	0	0	0
	Grants and subsidies	232 306	247 504	224 605	215 615	-9,25%	-12,88%
	Other	1 681	5 050	5 770	2 093	14,26%	-58,55%
Total		233 987	252 554	230 375	217 708	5,01%	-71,44%
<i>Percentage of finance</i>							
	External loans	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Public contributions and donations	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Grants and subsidies	99,3%	98,0%	97,5%	99,0%	1,1%	1,6%
	Other	0,7%	2,0%	2,5%	1,0%	-51,9%	-61,6%
Capital expenditure							
	Water and sanitation	178 367,00	179 865	152 281	147 520	-15,34%	-17,98%
	Electricity	3 808,00	5 000	9 123	6 563	82,46%	31,26%
	Housing	-	-	-		0,00%	0,00%
	Roads and storm water	48 450,00	51 275	63 201	61 532	23,26%	20,00%
	Other	1 681,00	16 414	5 770	2 093	-64,85%	-87,25%
Total		232 306	252 554	230 375	217 708	25,54%	-53,97%
<i>Percentage of expenditure</i>							
	Water and sanitation	76,8%	71,2%	66,1%	67,8%	-60,1%	33,3%
	Electricity	1,6%	2,0%	4,0%	3,0%	322,9%	-57,9%
	Housing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Roads and storm water	20,9%	20,3%	27,4%	28,3%	91,1%	-37,1%
	Other	0,7%	6,5%	2,5%	1,0%	-253,9%	161,7%

Chapter 5

5.6 SOURCES OF FINANCE

Cash Flow Outcomes				
R'000				
Description	2023/2024	Current: Year - 2024/2025		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts	R 1 025 758,00	R 1 062 060,00	R 1 062 060,00	R 1 004 415,00
Ratepayers and other	R 207 607,00	R 168 553,00	R 168 553,00	R 158 846,00
Government - operating	R 572 616,00	R 611 662,00	R 611 662,00	R 609 782,00
Government - capital	R 232 503,00	R 247 504,00	R 247 504,00	R 222 552,00
Interest	R 13 032,00	R 34 341,00	R 34 341,00	R 13 235,00
Dividends		R -	R -	R -
Payments	-R 773 873,00	-R 989 222,00	-R 989 222,00	-R 751 008,00
Suppliers and employees	-R 769 903,00	-R 989 222,00	-R 989 222,00	-R 748 851,00
Finance charges	-R 3 970,00	R -	R -	-R 2 157,00
Transfers and Grants	R -	R -	R -	R -
NET CASH FROM/(USED) OPERATING ACTIVITIES	R 251 885,00	R 72 838,00	R 72 838,00	R 253 407,00
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts	R -	R -	R -	R -
Proceeds on disposal of PPE	R -	R -	R -	R -
Decrease (Increase) in non-current debtors	R -	R -	R -	R -
Decrease (increase) other non-current receivables	R -	R -	R -	R -
Decrease (increase) in non-current investments	R -	R -	R -	R -
Payments	R -	R -	R -	R -
Capital assets	-R 230 115,00	-R 290 437,00	-R 290 437,00	-R 226 615,00
NET CASH FROM/(USED) INVESTING ACTIVITIES	-R 230 115,00	-R 290 437,00	-R 290 437,00	-R 226 615,00
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts	R -	R -	R -	R -
Short term loans	R -	R -	R -	R -
Borrowing long term/refinancing	R -	R -	R -	R -
Increase (decrease) in consumer deposits	R -	R -	R -	R -
Payments	R -	R -	R -	R -

Chapter 5

Repayment of borrowing	-R	17 047,00	-R	14 372,00	-R	14 372,00	-R	14 814,00
NET CASH FROM/(USED) FINANCING ACTIVITIES	-R	17 047,00	-R	14 372,00	-R	14 372,00	-R	14 814,00
NET INCREASE/ (DECREASE) IN CASH HELD	R	4 723,00	-R	231 971,00	-R	231 971,00	R	11 978,00
Cash/cash equivalents at the year begin:	R	38 864,00	R	16 937,00	R	16 937,00	R	43 587,00
Cash/cash equivalents at the year end:	R	43 587,00	-R	215 034,00	-R	215 034,00	R	55 565,00

Source: MBRR A7

5.7 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Actual Borrowings: Year 2022-2023 to Year 2024-2025			
R' 000			
Instrument	2022-203	2023-2024	2024-2025
<u>Municipality</u>			0
Long-Term Loans (annuity/reducing balance)	R8 844	R2 703	R1 711
Short-Term Loans (non-annuity)	R5 785	R901	R992
Local registered stock	R-	R-	R-
Instalment Credit	R-	R-	R-
Financial Leases	R22 441	R13 949	R9 029
PPP liabilities	R-	R-	R-
Finance Granted by Cap	R-	R-	R-

Chapter 5

Actual Borrowings: Year 2022-2023 to Year 2024-2025			
R' 000			
Instrument	2022-203	2023-2024	2024-2025
Equipment Supplier			
Marketable Bonds	R-	R-	R-
Non-Marketable Bonds	R-	R-	R-
Bankers Acceptances	R-	R-	R-
Financial derivatives	R-	R-	R-
Other Securities	R-	R-	R-
Municipality Total	R37 070	R17 553	R11 732
<u>Municipal Entities</u>			
Long-Term Loans (annuity/reducing balance)	R-	R-	R-
Long-Term Loans (non- annuity)	R-	R-	R-
Local registered stock	R-	R-	R-
Instalment Credit	R-	R-	R-
Financial Leases	R-	R-	R-
PPP liabilities	R-	R-	R-

Chapter 5

Actual Borrowings: Year 2022-2023 to Year 2024-2025			
R' 000			
Instrument	2022-203	2023-2024	2024-2025
Finance Granted by Cap Equipment Supplier	R-	R-	R-
Marketable Bonds	R-	R-	R-
Non-Marketable Bonds	R-	R-	R-
Bankers Acceptances	R-	R-	R-
Financial derivatives	R-	R-	R-
Other Securities	R-	R-	R-
Entities Total	R-	R-	R-

Chapter 5

Municipal and Entity Investments			
R' 000			
Investment* type	Year 2022/2023	Year 2023/2024	Year 2024/2025
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government	R-	R-	R-
Listed Corporate Bonds	R-	R-	R-
Deposits - Bank	R32 833	R27 642	R6 109
Deposits - Public Investment Commissioners	R-	R-	R-
Deposits - Corporation for Public Deposits	R-	R-	R-
Bankers' Acceptance Certificates	R-	R-	R-
Negotiable Certificates of Deposit - Banks	R-	R-	R-
Guaranteed Endowment Policies (sinking)	R-	R-	R-
Repurchase Agreements - Banks	R-	R-	R-
Municipal Bonds	R-	R-	R-
Other	R-	R-	R-
Municipality sub-total	R32 833	R27 642	R6 109

Chapter 5

Municipal and Entity Investments			
R' 000			
Investment* type	Year 2022/2023	Year 2023/2024	Year 2024/2025
	Actual	Actual	Actual
<u>Municipal Entities</u>			
Securities - National Government	R-	R-	R-
Listed Corporate Bonds	R-	R-	R-
Deposits - Bank	R-	R-	R-
Deposits - Public Investment Commissioners	R-	R-	R-
Deposits - Corporation for Public Deposits	R-	R-	R-
Bankers' Acceptance Certificates	R-	R-	R-
Negotiable Certificates of Deposit - Banks	R-	R-	R-
Guaranteed Endowment Policies (sinking)	R-	R-	R-
Repurchase Agreements - Banks	R-	R-	R-
Other	R-	R-	R-
Entities sub-total	R-	R-	R-
Consolidated total:	R32 833	R27 642	R6 109

Chapter 5

Municipal and Entity Investments			
R' 000			
Investment* type	Year 2022/2023	Year 2023/2024	Year 2024/2025
	Actual	Actual	Actual

COMPONENT D: OTHER FINANCIAL MATTERS

5.8 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Supply Chain Management in Moses Kotane Local Municipality is guided by the Municipal Finance Management Act, 2003, and applicable National Treasury Regulations to ensure a fair, equitable, transparent, competitive, and cost-effective procurement system. During the 2024/2025 financial year, the Municipality implemented SCM processes to support service delivery objectives, promote compliance, and strengthen governance and internal controls. Emphasis was placed on demand planning, contract management, and monitoring of procurement activities to minimize risks, enhance accountability, and ensure value for money.

Chapter 5

5.9 GRAP COMPLIANCE

GRAP COMPLIANCE

Moses Kotane Local Municipality continued to implement and apply Generally Recognized Accounting Practice (GRAP) during the 2024/2025 financial year to ensure credible, transparent, and comparable financial reporting. The Municipality made progress in strengthening accounting processes, asset management, and financial disclosures in line with applicable GRAP standards, supported by ongoing capacity building and oversight. Financial statements were prepared in accordance with GRAP requirements, with any areas of non-compliance or partial compliance identified, disclosed, and addressed through corrective action plans. Where deviations from specific GRAP standards occurred, these were primarily due to capacity constraints, system limitations, or challenges related to asset verification and valuation, and were adequately disclosed in the Annual Financial Statements. Continuous efforts are underway to achieve full GRAP compliance and enhance accountability to Council, National Treasury, and other stakeholders.

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS



Auditing to build public confidence

AUDITOR - GENERAL
SOUTH AFRICA

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Moses Kotane Local Municipality set out on pages 258 to 360, 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 the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Moses Kotane Local Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).
3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International Code of ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis on matters

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6. I draw attention to the matters below. My opinion is not modified in respect of these matters.
7. As disclosed in note 33 to the financial statements, material water losses of R53 572 643 (2023-24: R70 105 047) was incurred, which represent 32% (2023-24: 41%) of total water purchased.
8. As disclosed in note 32 to the financial statements, material losses of R254 051 337 (2023-24: R309 058 485) were incurred as a result of significant impairment of receivables.

Other matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters
10. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements.

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. 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.

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

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Report on the audit of the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance area presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
16. I selected the following key performance area presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected a key performance area that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Key performance area	Page numbers	Purpose
Basic service delivery infrastructure development and Infrastructure development		To develop and maintain infrastructure to provide basic service

17. I evaluated the reported performance information for the selected key performance area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
18. In performing the audit, my procedures focused on the material indicators relating to water, sanitation, human settlements and related infrastructure.
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

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- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
 - there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.
20. I performed the procedures only for the purpose of reporting material findings; and not to express an assurance opinion or conclusion.
21. I did not identify any material findings on the reported performance information for the key performance area.

Other matters

22. I draw attention to the matters below.

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Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.
24. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 109 to 150.

Key performance area 1: Basic services and Infrastructure and Development

<i>Targets achieved: 97%</i>		
<i>Budget spent: 86%</i>		
Key indicator not achieved	Planned target	Reported achievement
KPI 14 - Percentage of households with access to water (Mogwase and Madikwe)	100% of households with access to water (Mogwase and Madikwe) by June 2025	95% of households with access to water (Mogwase and Madikwe)

Material misstatement

25. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure development. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

26. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
27. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
28. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

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Annual financial statements, performance and annual reports

30. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.
31. Material misstatements of current assets, revenue, expenses and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

32. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 382 641, as disclosed in note 48 to the annual financial statements, in contravention of section 62(1)(d). The majority of the disclosed fruitless and wasteful expenditure was caused by potential fraudulent fuel transactions incurred through the use of petrol cards and interest on overdue accounts.
33. Reasonable steps were not taken to prevent irregular expenditure amounting to R181 823 518 as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by the incorrect use of panels which was not in line with legislation.
34. Money owed by the municipality was not always paid within 30 days as required by section 65(2) of the MFMA.

Consequence management

35. Some of the irregular expenditure incurred by the municipality was not investigated to determine whether any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
36. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
37. Some of the unauthorised expenditure incurred by the municipality was not investigated to determine whether any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

Human Resource Management

38. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1) of the Municipal Systems Act (MSA) and regulation 31 of Municipal Staff Regulations..

Procurement and contract management

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39. The preference point system was not applied to some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.
40. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by supply chain management (SCM) regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar noncompliance was also reported in the prior year.

Other information in the annual report

41. The accounting officer is responsible for the other information included in the annual report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported on in this auditor's report.
42. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
43. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
44. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information 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

45. 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.
46. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
47. The accounting officer did not adequately monitor the implementation of the post-audit action plan, resulting in delayed actions and the recurrence of compliance findings.

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48. The accounting officer did not ensure ongoing compliance with relevant laws and regulations throughout the year and did not follow up on the prior year's action plan, which led to repeat findings in the current year

Auditor General
Rustenburg

30 November 2025



COMPONENT B: AUDITOR-GENERAL OPINION YEAR 24-2025 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 2024-2025

Auditor-General Report on Financial Performance: Year 2024-2025	
Audit Report Status*:	Unqualified Audit Opinion

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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2024/25

PERIOD: 30 JUNE 2025

No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
1	COMAF 6	ISS.07	Internal control deficiency PAAP issues not adequately addressed	Other	Internal Audit	<p>During the planning phase of the audit, it was identified that the overall status of the implementation of the Post Audit Action Plan as of 22nd of September 2025 is not adequate despite there being senior management delegated to address audit findings as per the Post Audit Action Plan.</p> <p>The status and progress reflect that 100% of matters affecting the audit report are in progress and important matters on the management report are 49% completed, 51% are in progress and 0 not started.</p> <p>Management had targeted to address most of the findings by the 30th of July, however through inspection of the Internal audit report on the implementation status of the Post Audit Action Plan the actions have not yet being implemented.</p>	<p>There are no strict internal controls measures in place to ensure that the post audit action plan is properly implemented, monitored, updated and discrepancies followed up. Furthermore, the Municipality does not have controls in place to prevent repeat of findings as this issue occurred in the prior year. Management further stated that some findings were not addressed due to operating on an unfunded budget.</p>	<ol style="list-style-type: none"> 1. Management to prepare a PAAP before the 31 January 2026 and communicate the document to the other HOU's for their inputs. 2. Review all the Action Plans and confirm that they are all Specific to the issue and are time-bound. 3. Hou: Budget & Legislative reporting to do a monthly progress stock take on the implementation. 4. Full implementation should be achieved by 30 April 2026, with the exception of

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
								issues that can only be resolved as at year end.
2	COMAF 7	ISS.08	Consequence management Fruitless and wasteful expenditure & Unauthorised expenditure not investigated.	SCM	SCM	<p>Through inspection of the 24/25 registers, it was noted that there were no investigations conducted for Unauthorised, Irregular and Fruitless and wasteful expenditure incurred in the current and prior years.</p> <p>Also through inspection of the 24/25 council minutes, for the current year it was also confirmed that the current year unauthorised, irregular and fruitless and wasteful and expenditure was not reported to the council in terms of section 32.</p>	N/a	<p>> Going Forward, MPAC to include CRO in all meetings that they host.</p> <p>> Clear timelines(Quarterly) for investigating all outstanding UIFW items, including the remaining unauthorised expenditure not yet assessed.</p> <p>> An analysis will be conducted in order to determine priorities based on case age and materiality, ensuring the oldest and highest-value items are addressed first.</p> <p>> investigation reports to be submitted</p>

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
								timeously(as an when they become available) to MPAC and Council on a quarterly basis until the backlog is fully resolved.
3	COMAF 7	ISS.12	Internal control deficiency No evidence of review of registers	SCM	SCM	Registers review and approval As part of the audit planning procedures, we noted that there is no evidence of review of the registers for the following disclosures: -Fruitless and wasteful expenditure -Unauthorised expenditure	N/a	Registers to be reviewed by the HOU: SCM quarterly

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
4	COMAF 8	ISS.20	Review of registers	SCM	Commitments	During the audit, it was noted that the Commitments and Contingencies Registers were not signed or approved by the responsible official(s) as evidence of review.	The omission resulted from non-compliance with internal review procedures, as management failed to ensure that registers were properly reviewed and signed off prior to submission. This also suggests insufficient awareness or enforcement of control responsibilities related to review and approval processes.	Management to improve on internal controls to ensure effective review of documents and information > Commitment register to be updated monthly by PROJECT MANAGEMENT UNIT > HOU: Budget to assume custodianship of the register and review Monthly
5	COMAF 9	ISS.26	Limitation of scope Information not submitted for fuel and oil	Expenditure	Expenditure	The following information requested through RFI 75 for fuel and oil, which was issued on the 20th of October 2025 and was due on the 23rd of October 2025 has not been submitted to date:	The deficiency occurred due to non-enforcement of established internal control procedures relating to the monitoring and submission of supporting documentation for fuel expenditure by political office	Discussions are still to take place on mitigating controls that need to be put in place to ensure that this finding does not repeat itself

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
							bearers. The municipality does not have a formal, consistently implemented process to ensure that fuel slips and vehicle logbooks are submitted, reviewed, and filed for political office bearers	
6	COMAF 10	ISS.10	Employee Costs performance assessments	Human Resource Management	Employee Cost	<p>During the walk-through test on employee costs, the following discrepancies were identified:</p> <p>1. Although the head of units and managers have signed performance agreements; it was noted that performance assessments were not performed even though the legislation requires assessments to be performed quarterly.</p> <p>An invite was sent to head of units and managers to attend a workshop on how to complete the mid-term performance evaluation assessment, out of 60 employees expected to attend only 10 employees honor the invitation, therefore the mid-term performance assessment for heads of units and managers could be conducted.</p> <p>As a result, the municipality did not comply with section 38(1) (a) (i-iii) of the</p>	N/a	Management agrees with the finding. The HOU's and Managers only signed their Performance Agreements during the third quarter of the performance cycle 2024/2025, after intervention by COGTA around December 2024. The performance review and evaluation process will be ensured in the 2025/2026 full financial year. Management is also noting that

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						Municipal Systems Act. The lack of a performance management system limits the municipality from holding non-performing employees accountable.		more training will be required since this is new for most managers and may take time towards full comprehension. The OD unit has already started to workshop other levels to prepare for future compliance.
7	COMAF 10	ISS.14	Reference checks not conducted for the appointment made for 2024/25 financial year	Human Resource Management	Employee Cost	Local Government Municipal Staff Regulations Act 19(1) and (3) state that: -1. Reference checks and personal credential verification for shortlisted candidates must be conducted by: - (a) verifying the candidate's suitability for the job with the current or previous employer. (b) establishing the validity of candidate qualifications and any other verification required by the position before appointment. (c) determining whether the candidate has been dismissed previously for misconduct or poor performance by another municipality or employer, and if so, the nature of that misconduct or poor performance and (d) verifying any other additional personal credentials as may be required by the nature of the job such as criminal records, identification	N/a	Continued collaboration with service provider to ensure that verifications are conducted and are in line with the staff regulations. Further discussions are to take place to establish if there are other mitigating controls that can be put in place to ensure that this exception does not persist.

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						documents, security clearance and, where necessary, credit checks. 2. A written report on the outcome of the reference checks and personal credential verification must be compiled and considered before the appointment is conducted. 3. Despite sub-regulation (1)(a) a candidate who does not have previous employment record may not be disqualified as a candidate for appointment to an advertised post.		

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
8	COMAF 10	ISS.13	Employee Cost Control deficiencies identified Leave taken but captured late	Human Resource Management	Employee Cost	<p>During the walkthrough test for leave the following discrepancies were identified:</p> <ol style="list-style-type: none"> 1. Application for Leave taken by Ngomane G employee no.11000018 for annual leave taken from 30/7/24 to 21/8/24 = 16day was captured late on the payday system. 2. Special leave relating to sports by Mogwera KS employee no. 25000018 from 14/10/24 to 18/10/24 = 5 days was in excess as per the collective agreement. <p>This is due to late approval of leave application form completed by the head of the department and the late submission of the leave book to the human resources department for processing.</p> <p>Delays in capturing leave after it is taken may result in misstatements of leave liabilities and incorrect payouts on resignation or retirement of employees.</p>	N/a	Management conducted road shows on leave management, this will be strengthened to improve on the findings. Furthermore, the municipality is moving to an automated system which will aid in the recurrence of such exceptions.

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
9	COMAF 11	ISS.11	Internal control deficiency Revenue (Service charges) Consumers billed on average reading for more than 12 months	Revenue	Service Charges	<p>During the planning phase of Revenue on service charges, we inspected the 12 months billing report and selected 1 customer and confirmed that the following consumers was billed on average consumption for more than 3 months which is in contravention with the municipality policy.</p> <p>70018099 WATER INTERIM 245.10 36.77</p>	Lack of management of resources and understaffing and Limited / Restricted access to households. Long-period property rate estimates may result in non-compliance with the Credit and Debt Collection Policy and revenue being materially misstated, either over- or under, due to reliance on outdated or unrealistic assumptions.	Replace the old metering infrastructure with prepaid meters by 30 June 2026.

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
10	COMAF 13	ISS.33	Limitation of scope RFI 89 (additional sample for fuel and oil) General expenditure	Expenditure	Operating Expenditure	<p>The following information requested through RFI 89 for fuel and oil, which was issued on the 27th of October 2025 and was due on the 30th of October 2025 has not been submitted to date:</p> <p>Registration number Vehicle description Merchant Purchase description Voucher date Purchase amount (R) Information outstanding KWC269NW TOYOTA HILUX 2.4 GD-6 RB SRX A TR GOODHOPE FUEL 7/5/2024 1666.3 Logbook KZP017NW BMW X1 SDRIVE20D A/T (F48) SAFARITUINE DIE FUEL 12/13/2024 965.02 Slip and Logbook KZP017NW BMW X1 SDRIVE20D A/T (F48) SUN VILLAGE ZEN FUEL 12/10/2024 1348.15 Logbook KWB797NW HINO 500 1627 (CC5) 4X2 SLWB A GLOBAL HIGHWAY FUEL 9/3/2024 7390.9 The slip submitted is not clear, and the transaction amount cannot be confirmed. KZP017NW BMW X1 SDRIVE20D A/T (F48) BOSHOCK ENGEN G FUEL 12/1/2024 533.35 Logbook</p>	<p>The deficiency occurred due to non-enforcement of established internal controls relating to the monitoring and submission of supporting documentation for fuel expenditure by political office bearers. The municipality does not have a formal, consistently implemented process to ensure that fuel slips and vehicle logbooks are submitted, reviewed, and filed for political office bearers</p> <p>The absence of supporting documents for the political office bearers (petrol slips and/or logbooks) means the auditor cannot confirm occurrence and</p>	<p>> During the audit, manager: AFS will be responsible to facilitate the submission of information to the AGSA. > Furthermore, During the audit, the management team will host meetings 2 days before ASC to ensure that all information or queries that are outstanding are responded to</p>

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
							<p>accuracy of the related expenditure.</p> <p>Furthermore, without proper tracking, the municipality cannot monitor fuel usage trends or ensure that vehicles are used for municipal purposes, potentially resulting in inefficient use of municipal assets</p>	

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
11	COMAF 13	ISS.32	Understated Accrued Bonus	Human Resource Management	Employee Cost	<p>During the audit of Moses Kotane Local Municipality for the financial year ended 30 June 2025, we noted that the Accrued bonus was incorrectly accounted for:</p> <p>Employee No. Amount as per accrued bonus listing Auditors' recalculation Differences</p> <p>15000155 37 877,46 47 346,825 -9 469,37</p> <p>25000031 8 407,78 21 019,45 -12 611,67</p> <p>-22 081,04</p> <p>Accrued bonus is understated by a projected amount of R 453 933,42</p>	Management did not correctly calculate the number of months to be included in the pro-rata calculation. This issue was previously raised during the 2023/24 financial year audit; however, it appears that management has not adequately addressed the matter.	Management will review the bonus accrual month/date per the bonus provision to ensure to agree to the employee start date on the employee file and pay slips.
12	COMAF 14	ISS.18	Consequence management Limitation of scope	SCM	SCM	The following information was not submitted for SCM	N/a	<p>> During the audit, manager AFS: will be responsible to facilitate the submission of information to the AGSA.</p> <p>> Furthermore, During the audit, the management team will host meetings 2 days before ASC to ensure that all information or</p>

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
								queries that are outstanding are responded to
13	COMAF 14	ISS.34	4 Investment Property register is not reviewed	Assets	Investment Property	The omission resulted from non-compliance with internal review procedures, as management failed to ensure that registers were properly reviewed and signed off prior to submission. This also suggests insufficient awareness or enforcement of control responsibilities related to review and approval processes. This results in an internal control deficiency and makes it difficult to confirm that management has performed adequate review procedures. Further there is an increased risk of misstated financial disclosures in the annual financial statements.	The omission resulted from non-compliance with internal review procedures, as management failed to ensure that registers were properly reviewed and signed off prior to submission. This also suggests insufficient awareness or enforcement of control responsibilities related to review and approval processes.	Development of a checklist and implementation. Reviews are to be conducted on a monthly basis
14	COMAF 16	ISS.09	Remuneration paid to section 56 & 57 is not in line with the upper limit prescribed in Government	Human Resource Management	Employee Cost	<p>1. During the audit of it was noted that the following could not be demonstrated by the Municipality to substantiate the waiver for the salary increase for section 56 & 57 employees:</p> <ul style="list-style-type: none"> • That an application for overpayment was made to the minister by council • That there was consultation with the MEC for local government 	Management did not review and monitor compliance with applicable laws and regulations	N/a-senior management has already made a payment arrangement to repay the overpayment

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution																											
						<ul style="list-style-type: none"> • That the Ministers' approval and consideration were received by the Municipality. • That there was no government gazette issued for the cost-of-living adjustment for section 57 & 56 for financial year 2024/25. <p>The Municipality overpaid the salaries of senior management in the year ended 2025 by implementing the 4,5% and 1.5% for the salary and wage increase for non-senior officials instead of an approved upper limit of total remuneration packages payable to municipal managers and senior managers on Government Gazette issued by Minister for Cooperative Governance and Traditional Affairs. refer to the schedule below:</p> <p>EMPLOYEE NO SALARY PAYMENT MADE UPPER LIMITS AS PER GAZETTE 50737 DATED 20 MARCH 2020 TOTAL</p> <table> <tr> <td>11000103</td> <td>2,161,487.06</td> <td>2,060,639.44</td> </tr> <tr> <td>100</td> <td>847,62</td> <td></td> </tr> <tr> <td>15000122</td> <td>1,954,068.96</td> <td>1,684,492.88</td> </tr> <tr> <td>269</td> <td>576,08</td> <td></td> </tr> <tr> <td>57000146</td> <td>1,741,407.27</td> <td>1,684,492.88</td> </tr> <tr> <td>56</td> <td>914,39</td> <td></td> </tr> <tr> <td>11000156</td> <td>1,737,823.63</td> <td>1,684,492.88</td> </tr> <tr> <td>53</td> <td>330,75</td> <td></td> </tr> <tr> <td colspan="2">TOTAL: 480 668,84</td> <td></td> </tr> </table> <p>2. That in addition to the above matter it</p>	11000103	2,161,487.06	2,060,639.44	100	847,62		15000122	1,954,068.96	1,684,492.88	269	576,08		57000146	1,741,407.27	1,684,492.88	56	914,39		11000156	1,737,823.63	1,684,492.88	53	330,75		TOTAL: 480 668,84				
11000103	2,161,487.06	2,060,639.44																																	
100	847,62																																		
15000122	1,954,068.96	1,684,492.88																																	
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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>was discovered that HEAD OF DEPARTMENT: Planning & Development, Mr. Masheleni whose service was terminated as a result of resignation was underpaid with an amount of R15,485.65, refer to the schedule below:</p> <p>EMPLOYEE NO SALARY PAYMENT MADE UPPER LIMITS AS PER GAZETTE 50737 DATED 20 MARCH 2020 TOTAL 12000035 265,263.16 280,748.81 15,485.65</p> <p>3. Furthermore, it was noted that the overpayment amount of R480,668.84 was disclosed under note 9 as Receivables from non-exchange relates to overpayments made to senior managers. In 2014 a regulation stipulating that for senior managers appointed after 1 July 2014, the upper limit gazette must be implemented. Management failed to adhere to the legislation of the implementation of the upper limits for senior managers appointed after 1 July 2014 and continued with the salary structures used for all municipal staff.</p> <p>Non-compliance with the upper limits prescribed, which may result in an overstatement of receivable from non-exchange with a factual amount of R</p>		

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution										
						480 668,84.												
15	COMAF 16	ISS.36	Omission of Principal and Agent Note	Revenue	Receivables	<p>The Municipality did not disclose the arrangement on the annual financial statement, accounting policy and the amounts resulting from the arrangement.</p> <p>Management did not ensure that they disclose the principal and agent arrangement as per the arrangement and GRAP 109.</p> <p>The omission of the notes is a material non-compliance with GRAP which will be reported on the audit report and management report.</p>	N/a	Review of the AFS will be done thoroughly as and when we prepare. Reconciliations will also be performed to ensure that the figures as disclosed are correct										
16	COMAF 16	ISS.40	Councilors did not attend the induction program	Human Resource Management	Employee Cost	<p>In terms of the local government framework, councilors should attend induction program within the first six months of the current councilor term, however the following councilors listed below did not attend the induction program:</p> <table border="0"> <tr> <td>Name & Surname</td> <td>Position</td> </tr> <tr> <td>Setlhodi Orapeleng</td> <td>Councilor</td> </tr> <tr> <td>Lucas Moate</td> <td>Councilor</td> </tr> <tr> <td>Selotlego Joyce Dikeledi</td> <td>Councilor</td> </tr> <tr> <td>Meki Violet Mpankeva</td> <td>Councilor</td> </tr> </table>	Name & Surname	Position	Setlhodi Orapeleng	Councilor	Lucas Moate	Councilor	Selotlego Joyce Dikeledi	Councilor	Meki Violet Mpankeva	Councilor	N/a	N/A-: Management is not responsible for the induction of Councilors, it is a function of SALGA
Name & Surname	Position																	
Setlhodi Orapeleng	Councilor																	
Lucas Moate	Councilor																	
Selotlego Joyce Dikeledi	Councilor																	
Meki Violet Mpankeva	Councilor																	

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>Hermina Lebogang Mogorosi Councilor Kagiso Kgwadi Councilor Prudence kgonono Councilor Mathobela Jack Councilor Morgen Thuthuga Molefe Councilor Sethibedi Joel Sikoane Councilor Gadifele Malwale Councilor Chris Chaka Councilor Beauty Chabedi Councilor Thomas Rammala Councilor</p> <p>As a result, the municipality did not comply with the SALGA framework for councillor induction.</p>		
17	COMAF 16	ISS.38	Statement of Cash Flow Differences	Budget and Reporting	Cash Flow Statement	<p>The following differences were identified between the amount disclosed in the statement of cash flow and the auditor's recalculation:</p> <p>Auditors Recalculation Annual Financial Statements Differences Sale of goods and rendering of services R 157 279 793,58 R 158 846 451,00 - R 1 566 657,42</p> <p>Interest income R 13 769 264,00 R 13 234 607,00 R 534 657,00</p> <p>Cash paid to suppliers and employees - R 749 171 680,58 - R748 850 543,00 - R 321 137,58</p>	<p>The differences identified are due to lack of sufficient review of the cash flow statement before submission for audit.</p> <p>The misstatements are not material and will be evaluated with other misstatements</p>	<p>Review of the AFS will be done thoroughly as and when we prepare. Reconciliations will also be performed to ensure that the figures as disclosed are correct</p>

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
18	COMAF 17	ISS.47	Material water losses disclosed	Expenditure	Bulk Purchases	<p>During testing water losses disclosed we noted that management disclosed material losses as 32% in the current financial year 2024/2025. This is contrary to the above mentioned and "Interpretation of Results</p> <p>A ratio within the norm depicts that water losses and water infrastructure are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, ageing water infrastructure or poor management, affecting the Municipality or Municipal Entity, which would require further analysis and explanation to determine the reasons for such losses. In addition, the root causes should be addressed".</p> <p>Water losses are considered material when it falls outside the norm and should be disclosed</p>	Water infrastructure not well managed	Action plan to be determined pending meeting the HOU
	COMAF 18	ISS.28	Limitation of scope RFI 86 indigents	Revenue	Revenue	<p>The following information listed below was requested and still outstanding on the 06th of November 2025;</p> <p>1. Kindly provide us with the 2024/25 application forms with supporting documents as listed in Annexure-A relating to Indigents and reasons for the exceptions identified by CAATS;</p> <ul style="list-style-type: none"> • Supporting documents of invalid ID's identified on the indigent register • Supporting documentation and 	<p>The municipality does not have an adequate record keeping system, as management was unable to provide information required for audit purposes.</p> <p>Misstatement of the financial statements</p>	<p>> During the audit, manager: revenue will be responsible to facilitate the submission of information to the AGSA.</p> <p>> Furthermore, During the audit, the management team will host</p>

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>reasons for duplicated ID's</p> <ul style="list-style-type: none"> • Supporting documents of ID's on the indigent register Over 100 Years • Supporting documentation of ID's on the indigent register with Spouses employed by other departments • Supporting documentation of ID's on the indigent register who are employed by government municipalities • Supporting documentation of ID'S on the indigent register who are CIPC Directors • Supporting documentation of ID'S on the indigent register with spouses who are directors on CIPC 	as a result of the limitation on the scope of the audit.	meetings 2 days before ASC to ensure that all information or queries that are outstanding are responded to
	COMAF 18	ISS.18	Allowance paid was incorrectly calculated.	Human Resource Management	Employee Cost	<p>Contrary to the above requirements, municipality did not implement the rates as per the salary and wages increase stipulated under the collective agreement, referring to the below schedule: Employee No Allowance Amount Its & Surname Month Paid Amount Paid Amount as per collective agreement salary and wages increase Standby Allowance Difference</p> <p>1002475 STANDBY 5 646,40 MR MA MODIMOLA Sept-24 5 646,40 5900,59 254,191002692 STANDBY 3 066,20 MR KJ MOLOTO May-25 3 066,20 2972,94 -93,2615000027 STANDBY 5 361,06 MR L BANGO Dec-24 5 361,06 5602,41 241,3515000030 STANDBY 2 495,52 MS RS MOKHUTSWANE Mar-</p>	N/a	Ensure that in future all calculations are reviewed thoroughly on a monthly basis by the manager payroll

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						25 2 495,52 2532,99 37,4720000001 STANDBY 3 055,34 MR BA MONYEKI Jan-25 3 055,34 3967,13 911,7920000003 STANDBY 3 150,88 MR SK SEROLE Jun-25 3 150,88 3292,73 141,85 22 775,40 24 268,79 1 493,39 Salary and wages increase percentage were not implemented to calculate the standby allowance as per the collective agreement requirements.Standby allowance may be understated by a projected amount of R23,328.56		

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
34	COMAF 19	ISS.45	late approval of the overtime authorisation	Human Resource Management	Employee Cost	<p>During audit of overtime the following discrepancies were identified:</p> <ul style="list-style-type: none"> • That overtime worked by MRS RZ Rakhudu employee no. 10000003 exceeds 10 hours per week. Even though the basic condition of employment Act further states that staff members can increase to 15 hours by collective agreement for 2 months/year, only per agreement, however there is no motivation/agreement attached to substitute that, refer to the below schedule: • That overtime worked by MR SK Ntsileng employee no.1002204 on the 1st and 2nd June 2024 for exposing a reported burst pipe 75mm and backfilling at Pella and open water valves at Vrede was authorised on the 31/06/2024. • That there were no time sheets or register or job card on the overtime claim forms, therefore we could not confirm that the validity of the overtime worked for the following employees listed below: MONTH PAID EMPLOYEE No. INTS & SURNAME OCCUPATION Jan-25 5913 MRS B MOKGOSI METER READER Aug-24 1002363 MR KI MOKGATLHE OFFICER: STORES Jan-25 10000003 MRS RZ RAKHUDU 	N/a	The municipality is moving to an automated system where overtime will be auto mated and controls will be put in place.

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>CORDINATOR: RURAL DEVELOPME Mar-25 11000115 MR MI NTANGA ADMIN CLERK: RECORDS Sept-24 13000013 MS NA MAMBA MANAGER: FINANCIAL AUDITS Nov-24 15000082 MR TJ MMOPE ELECTRICIAN Jun-25 30000062 MR TR MUTHOMBENI BRUSH CUTTER OPERATOR May-25 30000084 MR JS SETSHEDI PLUMBER May-25 57000086 MR TP TSELE PROCESS CONTROLLER Dec-24 57000193 MR ET ELS PROCESS CONTROLLER Oct-24 57000194 MR LR NGOBENI MILLWRIGHTS Mar-25 91000008 MR B J J RADEBE GENERAL ASSISTANT May-25 91000012 MR K R SEFULARO GENERAL WORKER GR 1</p> <p>Non-compliance with the basic conditions of employment.</p>		

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
35	COMAF 19	ISS.49	Municipal council did not adopt the Code of ethical Leadership	Human Resource Management	Employee Cost	<p>During audit it was noted that the Municipal council did not adopt the adopted Code of Ethical Leadership in Local Government through a council resolution. Furthermore, we could not confirm that this resolution was submitted to the MEC for local government, Department of Cooperative Governance (DCOG), and South African Local Government Association (SALGA). However, measures and timeframes were established to institutionalise the code within the municipality. Municipal council did not adopt the code for ethical leadership that the disciplinary committee was dismantled in 2022, therefore the committee is not yet implemented.</p> <p>Non-compliance to Joint Circular No.1 of 2024 Adoption of the code for ethical leadership in local Government issued 9 October 2024.</p>	N/a	Action plan to be determined pending meeting the HOU

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
36	COMAF 19	ISS.41	Personal Development Plan are not in place	Human Resource Management	Employee Cost	<p>Section 72 of the Municipal Systems Act, requires municipalities to develop Personal Development Plan for all employees and PDPs must be linked to:</p> <ul style="list-style-type: none"> o Skills audits (to identify gaps). o Performance Management and Development System (PMDS). o Workplace Skills Plan (WSP). <p>A Personal Development Plan (PDP) is a structured document that helps individuals to identify their goals, skills gaps, and actions to improve performance and career growth, however the municipality has did not implement the personal development plan for staff members.</p> <p>Furthermore, it was noted that the municipality has a budget for bursary amounting to R500,000.00 for 2024/25 financial year to consider the bursary applications which is linked to Personal development Plan of staff members to improve the staff career growth and qualifications</p>	<p>This is due to no Implementation of recommendations of Skill Audit report conducted by COGTA for example the awaiting of CFO's approval bursary budget to be affect hence the no development of personal development plan for staff members. Non-compliance to municipal staff regulations act section 72.</p>	<p>The municipality has developed a personal development plan for all its employees and that reflected on the WSP of the financial year 2024-2025.</p>

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
38	COMAF 21	ISS.50	Inaccurate Revenue Recognition due to prolonged estimates and unreliable measurement	Revenue	Receivables	<p>Management does not appropriately apply their estimates policy. Obtained and inspected the estimates requirements included in the credit control policy of the municipality and confirmed that the financial reporting framework requirements used to report the revenue were NOT appropriately applied as per the GRAP 9.</p> <p>There's a risk that the water consumption levied might be materially misstated due to unreasonable estimates being applied to consumer accounts. From the understanding of the municipality they recognised revenue from the provision of water based on the use of estimates, in the absence of obtaining actual water meter readings.</p> <p>The consumption of water constitutes a sale of goods in accordance with GRAP 9. GRAP 9.23(c) requires revenue from the sale of goods (water) to be recognised if it can be measured reliably.</p> <p>When discussing the concept of “measurement uncertainty” the GRAP Framework (par. 6.8) acknowledges that the use of estimates is an essential part of the accrual basis of accounting. This is confirmed in GRAP 1.35, which states</p>	<p>Management failed to adequately apply the provisions of its own policy when determining the estimated consumption for service charges, resulting in calculations for the estimated monthly consumption being determined using the preceding month's estimated monthly consumption that was estimated by the municipality and not the actual consumption. The municipality did not put much effort to obtain actual readings.</p>	<p>Revenue to take efforts in trying to get meter readings for all meters that are estimated. Discussions to be had in January with all relevant stakeholders (Internally) to formulate a way forward.</p>

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>that “The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability.”</p> <p>The use of estimates is further supported by: the example in GRAP 9.A13, which illustrates a scenario where consumers are invoiced based on estimates of consumption where no meter reading has taken place, and where these invoices are best estimates and enable revenue to be measured reliably. (Although this is only an example, its purpose is to illustrate the application of the requirements in GRAP 9 and to assist in clarifying their meaning.)</p> <p>It was identified that there were accounts where the consumption was estimated for prolonged period in some cases for more than 24-36months. This increases the risk of uncertainty as data used in the estimate might no longer be reliable and/or relevant.</p> <p>It was noted that the municipality failed to adequately apply the provisions of its own policy when determining the estimated consumption for service charges, resulting in calculations for the estimated monthly consumption being determined using the preceding month’s estimated monthly consumption that was estimated by the municipality and not the actual consumption. It was</p>		

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>further noted that the system is not adequately configured to calculate the estimates in accordance with the municipality's policy as the configuration of the system is based on the average of past three months' consumption divided by three.</p> <p>We also performed a 3 year (2022/23 – 2024/25) historic test on the selected sample obtained from the billing report and we identified that there were accounts that have been on estimate billing ranging from 24 to 36 months with no actual readings. This support the auditors concern that the estimates calculated are not reliable.</p> <p>The above information is a clear indication that the municipality did not deal with the root cause of unreasonable estimates which is "failure to regularly read the meters".</p> <p>Based on the above it was confirmed that the water revenue billing of the current year is materially misstated and cannot be relied on. It was also confirmed that management did not address the root cause for unreasonable estimates that are calculated by the system as there are still water meters that are not read for more than 24 months.</p> <p>Details as per Auditors Calculations Date Name of customer Account</p>		

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>Number Address METER NO Amount excluding VAT Estimated Months 20240731 MOLEKI NTOPA 70015701 STAND NO.324 POTE SECTION SEFIKILE 0300 134977 1 106,07 12 + more</p> <p>20240731 GOLDEN ERA 70004732 STAND 55 FACTORY 5 BODIRELO 0314 KIA196 1 094,90 12 + more</p> <p>20240830 Golden ERA Group 70004424 Stand 832 Flats, Unit 2, Mogwase, 0314 UZR 552 64 654,10 12 + more</p> <p>20250328 Real Ticon Property Management 70198958 Stand 723, Unit 8, Mogwase, 0314 KZR261 30 531,96 12 + more</p> <p>20240731 MOGAPI KGATSWETSWE 70196688 STAND 675 UNIT 1 BATLHALERWA/PHALANE 0314 URB 8074 810,96 12 + more</p> <p>20250130 NORTH WERST DEVELOPMENT 70004613 P.O.BOX 1490 MOGWASE 0314 NZT364 39 775,70 12 + more</p> <p>20241231 NEW ERA PACKAGING 70004728 STAND 55 FACTORY 2 BODIRELO 0309 ZJD183 31 340,90 12 + more</p> <p>20240731 MOIMA J 70004904 STAND 118B (E672) SEKGATLENG SECTION SANDFONTEIN 0000 52039 810,96 12 + more</p> <p>20250328 M Ntshabele 70015781</p>		

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>Stand 46, Ramanala Section, Sefikile, 0000 OAX423 1 460,97 12 + more 20240731 MATHE BEN 70015760 STAND NO.373 ATAMELANG SECTION SEFIKILE 0300 134993 813,57 12 + more 20241231 R Motsumi 70187488 Stand 6B(E2735), Dikweipi Section, 0000 18481 1 184,46 12 + more 20241001 ME Mosome 70194268 Lekubung Section, Stand 1136, Pella, 2640 COBP049 810,96 12 + more 20250130 M Modisakeng 70198285 50152, Ledig, Mogwase, 0338 943 455,46 12 + more 20250228 S Seriteng 70193671 Stand 50, Thabaneng, Phalane, 0000 888888 336,96 12 + more 20240731 MOSOEU , R J 70020450 HOUSE NO.1064 MADIKWE TOWNSHIP 2840 BXPB064 882,06 12 + more 20240731 SHERRIF OF COURT 70004583 STAND 956 UNIT 3 SMALL INDUSTRIES MOGWASE 0314 11749 829,50 12 + more 20250430 M Ramokgadi 70017410 Stand 5081, Atamelang, 0000 PAG2247 123,66 12 + more 20240731 M Phatse 70193987 House no213, Lesunyaneng Section, Pella, 2840 CNDO166 103,05 12 + more 20240731 SETSHOGOE IPELEGENG 70016931 STAND 1092 GOPANYANE</p>		

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						0000 20672 739,86 12 + more 20240731 TLHASI T T 70190837 STAND 275 TSWANENG SECTION LESETLHENG 0000 8043 1 129,86 12 + more 20250702 MOLEKI NTOPA 70015701 STAND NO.324 POTE SECTION SEFIKILE 0300 134977 1 106,07 12 + more 20250702 GOLDEN ERA 70004732 STAND 55 FACTORY 5 BODIRELO 0314 KIA196 1 094,90 12 + more 20240731 Golden ERA Group 70004424 Stand 832 Flats, Unit 2, Mogwase, 0314 UZR 552 64 654,10 12 + more 20241231 Real Ticon Property Management 70198958 Stand 723, Unit 8, Mogwase, 0314 KZR261 30 531,96 12 + more 20241001 M Ntshabele 70015781 Stand 46, Ramanala Section, Sefikile, 0000 OAX423 1 460,97 12 + more 20250702 MOSOEU , R J 70020450 HOUSE NO.1064 MADIKWE TOWNSHIP 2840 BXPB064 882,06 12 + more 20250529 ME Mosome 70194268 Lekubung Section, Stand 1136, Pella, 2640 COBP049 810,96 12 + more 279 536,94		

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
39	COMAF 22	ISS.48	Incorrect tariff used on consumption relating to prior years	Revenue	Billing	During execution, we noted differences between how management accounted for change in estimates disclosure on the amount billed and amount that was supposed to be billed. Misstatement between actual units billed and auditors' recalculations of actual units billed where identified. For each account affected, the system reversed the entire estimated units billed and processed the actual units using the current year rate. Management did not process journals to correct individual accounts affected by billing prior year actual consumption with the current year rate.	Management did not process journals to correct the incorrect tariff used on actual consumption relating to prior years.	Action plan to be determined pending meeting the HOU: Revenue
40	COMAF 23	ISS.06	Differences identified on depreciation for Motor Vehicles	Assets	PPE	During the audit of Motor Vehicles, we identified differences in the depreciation amounts between the auditors' recalculations and the amounts recorded in the fixed asset register for motor vehicles. Refer to the following table for the details of differences identified:	N/a	During the preparation of AFS, the HOU Assets will review the registers to ensure that all amounts pertaining to depreciation are indeed correct and complete.

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
42	COMAF 24	ISS.52	No application of PPR 2022 for quotations that are R30 000 and below	PERFORMANCE MANAGEMENT SYSTEM	AOPO	<p>During testing of quotations, it was noted that quotations that are below R30 000, management does not perform any form of evaluation nor apply the preference point system. On assessment of the documents submitted management awards the suppliers with the lowest quotes.</p> <p>It was further noted that on the email's management sends to suppliers for request to quote they only indicate the goods that are required, no form of evaluation criteria is communicated to invited suppliers.</p> <p>On inspection of the SCM policy, the auditors also identified that the policy is silent on procurement that are below R30 000.</p>	Management indicated that the price point system/PPR 2022 is applied for goods and services that are above R30 000.	Bid & quote evaluation to be conducted on all quotes before awarding.

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
43	COMAF 24	ISS.43	SCM Panels No evidence that work in the 2024/25 FY was allocated as per the Internal procurement SOPs	SCM	SCM	<p>During the audit of Supply Chain Management, allocation of work to panelists for the financial year 2024/25, the following issues were identified:</p> <p>Tender Issue GL expenditure Amount</p> <p>1. TJ Rasimeni Chartered accountants-*036/MOSES KOTANE LOCAL MUNICIPALITY/2022/2023 Through inspection of the request for quotations email dated 20 January 2025 Mr. T Pitse (Tshepang SCM HOU), sourcing quotations from JBFE and Samba solutions, confirmed that the evaluation criteria was not mentioned. Through inspection of the winning quotations, confirmed that the award to suppliers in the panel was evaluated in terms of price only and not to the supplier scoring the highest points in terms of price and preference point as required by PPPFA. R602 596,38</p> <p>2. MVL Investments, Entle & Bengo JV, and Khuwait Holdings (Pty) Ltd In the 2024/25 financial year, work was allocated to the above suppliers per the GL (MVL total: R1 579 550). For payment voucher 90082742: There is no allocation of work communication to the supplier on file for confirming if the sequence of allocation, scope of work, period, or duration is in line with the designed rotational plan. Furthermore,</p>	<p>Lack of awareness or disregard of legislative requirements among SCM officials.</p> <p>This finding results in the following:</p> <ol style="list-style-type: none"> 1. Non-compliance with Section 217 of the constitution 2. Limitation to confirm compliance with PPPFA 2(1)(a) 3. Overstatement of irregular expenditure amounting to R7 370 703.98 	<p>N/a- the management developed a rotation plan, a rotation registers and implemented sourcing quotations from service providers who are on the panel. Processes of PPR were done when establishing the panel. The municipality further evaluated the mentioned contract on PPR to proof aspects of fairness and competitiveness.</p>

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>no allocation of work tracking schedule that is kept ensuring compliance with the rotational plan. R1 579 550</p> <p>3. JBFE Systems (Pty) Ltd- *036/MOSES KOTANE LOCAL MUNICIPALITY/2022/2023 Through inspection of the request for quotations sent to TJ Rasemeni and Rushreeds on 20 January 2025, confirmed that the evaluation criteria were not mentioned for awarding the tender within the panel. Through inspection of the winning quotation, confirmed that the award to suppliers in the panel was evaluated in terms of price only and not to the supplier scoring the highest points in terms of price and preference point as required by PPPFA. 5188557,60 Total R7 370 703,98</p> <p>No allocation of work communication to the supplier on file confirming if the sequence of allocation, scope of work, period, or duration is in line with the designed rotational plan. The current SCM workflow for this specific panel does not include the issuance of formal allocation letters. Evaluation of tenders within the panel was done based on price only, ignoring preference points.</p>		

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
44	COMAF 25	ISS.54	Bid rigging on quotations	SCM	SCM	<p>During testing of quotations, it was identified in two separate requests that the company submitted quotations has the same directors.</p> <p>Refer to the table below for details:</p> <p>Voucher no. Description Comments 90085636 Supply and delivery of refuse bags (1) Bidder : Tsa Bokone Bophirima Quoted price :R24 640</p> <p>(2) Tlokwa Ya Batlhako Quoted price : 27 600 The above-mentioned bidders share the same director : Karabo Joseph Bogatsu. 90082169 Reversible Mink Blankets for disaster Re (1) Bidder : Onkgopotse Trading and projects Quoted price :R51 225</p> <p>(2) Mogashoa Consultants Quoted price :R69 000 The above-mentioned bidders share the same director : Kgosietsile Simon Mogashoa.</p>	Management did not perform any evaluation on suppliers who submitted quotations.	<p>The municipality has already implemented an internal control of attaching CSD reports for all service providers who submitted their quotations to verify issues of;</p> <ol style="list-style-type: none"> 1. Business status 2. Ownership information 3. Tax Information and 4. Government employee status <p>Continuous implementation of the above will continue at each evaluation stage to ensure compliance of all awarded bids.</p>

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
45	COMAF 26	ISS.42	Receivables from nonexchange transactions disclosed as financial asset with credit risk	Revenue	Receivables	<p>During the MFMA audit 2024/25 we obtained the Municipality's annual financial statement for audit. We reviewed Note 43 Financial Instrument to confirm that the financial instrument was fairly presented and disclosed. We noted that in Note 43 Financial Instrument for the current year 2024/25 and prior year Receivables from non-exchange transactions were included.</p> <p>The receivables from non-exchange transactions disclose under the Note 43 are not credit risk. Financial Instrument disclosure should only consist of credit risk line items, that is line item that consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors.</p>	Lack of oversight by management to ensure that the submitted AFS is in line with the GRAP standard.	Financial statements will be reviewed and the note will be updated on the coming interim financial statements. Emphasis will be placed on the requirements of financial instruments in accordance to GRAP
46	COMAF 27	ISS.58	Environmental policy/strategy and/or documented processes not established	Community Services	Water	Contrary to the above the municipality did not develop an environmental policy / strategy and no documented processes were established for the identification and/or monitoring of environmental risks relating to wastewater management.	The department couldn't manage to do the environmental policy on wastewater due to the capacity of the water unit.	The municipality has developed a draft environmental policy however the process was delayed due to the fact that the environmental management unit is still awaiting inputs from some internal

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
								stakeholders. Communication with the internal stakeholders will be fast-tracked to ensure that inputs are received. Policy to be presented to council for approval by 30 June 2026.
47	COMAF 27	ISS.59	No Water Services Development Plan	Community Services	Water	<p>Contrary to the above it was noted that the municipality did not prepare/update and adopt a Water Services Development Plan (WSDP) within the last 5 years, as part of the integrated development plan of the municipality as required in terms of paragraphs 12 to 16 of the Water Services Act, Act No 108 of 1997.</p> <p>Without the WSDP, the municipality will not be able to plan its activities accordingly to service the area it operates within. As a result, the municipality did not comply with the water service act.</p>	The municipality is aware of the importance of the water services development plan but due to lack of capacity the WSDP could not be developed and updated, as a result the municipality did not comply with the water service act.	Write a letter to DWS, by 30 June 2026 to do practical training on how to do updates on the system.

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
48	COMAF 27	ISS.60	No water infrastructure maintenance plan	Community Services	Community Services: Environmental	During the audit it was noted that no water infrastructure maintenance plan was established for the year under review, including preventative maintenance for water infrastructure for the municipality.	The municipality does not have approved policy in place to guide the maintenance of infrastructure assets in order to embrace planned and unplanned maintenance, repair and refurbishment of infrastructure assets and also to allow for the development of the emergency response plan, enabling quick recovery and restoration of essential services during crises.	Infrastructure asset must be updated on regular basis by both, Asset unit and Water unit, both units need to work together to achieve up to date conditional assessment. Based on this then a water infrastructure maintenance plan is to be established by ITS alongside assets.
49	COMAF 28	Iss.19	SCM CAATs Interests not declared	SCM	SCM	Contrary to the above, during the execution of procurement and contract management, it was noted that the following suppliers had completed the necessary MBD4 form but did not declare their interests stated below on the MBD4 form, • Suppliers in which persons in service of other state institutions have an interest:	The SCM directorate does not have proper systems to ensure/confirm that all necessary declarations are made by suppliers up on filling in the MBD4 form	The municipality will issue notices to service providers who falsely declared and inform them about the non-compliance. SCM officers will continue to

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>A - Information on person with interest # Name of person State institution where employed Position/ job title Appointment date Supplier name</p> <p>1 MI RAMASODI NAT: TRADE INDUSTRY & COMPETITION ADVANCED TEAM ASSISTANT 20111129 OARABILE PROJECTS PTY LTD</p> <p>2 R RAMOKGADI NW: EDUCATION & TRAINING Not Specified 20240501 TLHABOLOGANG BUSINESS AND PROJECTS</p> <p>3 OS MAROBE NAT: BASIC EDUCATION Not Specified 20210101 AKIM HOLDINGS PTY LTD</p> <p>4 KM MOSIA NW: ECON DEV, CONSERV, ENV&TOURISM DATA CAPTURER**OLD 20230901 KOPO ENTLE PTY LTD</p>		monitor forms to ensure that all people that have declared are noted as such and all the relevant steps are taken accordingly.
50	COMAF 28	ISS.57	SCM Deviations Nontax compliant supplier and invalid deviation reason	SCM	SCM	<p>During the testing of the current year SCM deviations, the following issues were identified:</p> <p>1. We obtained and inspected the CSD report of the supplier Retshepaone Trading and Projects, dated 22 May 2025 with supplier no: MAAA0087234 and we confirmed that the supplier's tax matter was validated by SARS to be Non-tax compliant as at appointment date.</p>	<p>Tax compliance issue Confirmation of the supplier's tax compliance status immediately before issuing the appointment letter was not performed.</p> <p>Invalid reason for deviation</p>	<p>The SCM HOU ensures that all suppliers are tax compliant before the awarding of the contract/Bid. This will be a check that is done before any warding. Compliance checks will be</p>

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>2. Reason for deviation not valid No. Deviation details as per the contract Motivation for deviation as per deviation form Auditor's conclusion 1. Supplier: Bophelong Civils Description: Equipping and refurbishment of borehole at Mokgalwaneng Amount:479077,35 Date: 13.09.2024</p> <p>Deviation no.5731 Allocation for service to repairs boreholes was done before end of the contract. Bophelong Civils was part of the panel that was appointed by the municipality did not have any contractual agreement with Bophelong Civils. Paperwork for the work completed was submitted by the service provider for payment purpose and that has led ITS to completing a deviation due to not following normal procurement processes. For a deviation to qualify as an "exceptional case where it is impractical or impossible to follow the official procurement process," the circumstances must be unforeseen, beyond the municipality's control, and must objectively prevent compliance with the competitive procurement process.</p> <p>In this instance, these conditions were</p>	The root cause of the deviation was poor planning and ineffective contract management within the SCM.	performed before awarding and work is allocated only to service providers with valid and active contractual agreements, with proper oversight and contract management controls in place

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>not met for the following reasons:</p> <p>A panel of service providers was already in place, meaning a competitive procurement process had previously been completed and could still have been followed.</p> <p>The absence of a valid contract with Bophelong Civils resulted from internal SCM failures, specifically the failure to issue or maintain contractual documentation, which is a controllable administrative weakness.</p> <p>Work was allocated before the commencement of the new contract, indicating a planning and contract-management oversight rather than an unforeseen or unavoidable circumstance.</p> <p>The deviation was processed only after the work had been completed, solely to enable payment, effectively ratifying non-compliance instead of addressing an actual exceptional situation.</p>		

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
51	COMAF 28	ISS.55	SCM Competitive bids Limitation of scope	SCM	SCM	<p>During the testing of Supply chain management, the following winning bidder file (returnable document) were not submitted to the auditors:</p> <ul style="list-style-type: none"> • Supply and delivery of cleaning material, toilet papers and refuse bags for MOSES KOTANE LOCAL MUNICIPALITY facilities for a period of thirty-six (36) months on as and when required basis. Tender number 002/MOSES KOTANE LOCAL MUNICIPALITY/2024/2025-Letaune Trading & Projects Pty Ltd. 	Lack of record keeping	<p>> During the audit, manager SCM: will be responsible to facilitate the submission of information to the AGSA.</p> <p>> Furthermore, During the audit, the management team will host meetings 2 days before ASC to ensure that all information or queries that are outstanding are responded to</p>
53	COMAF 29	ISS.21	Expenditure payments not made within 30days	Expenditure	Expenditure	<p>During the testing of expenditure, it was noted that the following suppliers were not paid for within 30 days:</p>	The municipality does not have adequate financial resources to ensure that payments are made timeously.	Action plan to be determined pending meeting the HOU:

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
56	COMAF 31	Iss.19	SCM CAATs Interests not declared	SCM	SCM	<p>During the testing of procurement and contract management, it was noted that for the following projects, payments made to date exceed contract value/amount: No evidence was provided of an additional approved variation or contract amendment authorizing payments above the revised contract amount:Project name Original budget Revised budget after extension Payments to date Difference Planned date of completion Physical progress as at June 2025Tender no.033/MOSES KOTANE LOCAL MUNICIPALITY/2022/2023 between MOSES KOTANE LOCAL MUNICIPALITY and Makone Consulting Engineers Pty Ltd (Turnkey) and noted that it was for Rehabilitation of Matau internal road and stormwaterInitial contract term: 9 October 2023 to 06 July 2024(contractor- Amawakawaka)Contract terminated on 15 March 2024New contractor : Initial contract term-10 May 2024 to 4 February 2025Variation 1 term- 05 February 2025 to 15 August 2025 R34 619 279,15 R37 947 285,00 R40 277 619,00 R2 330 334,00 R37 947 285,00 83%Provision of services for the operation and maintenance of the Madikwe landfill site and the infrastructure (GLASS G-M-B) in</p>	<p>This is caused by lack of Monitoring of contract expenditure against the approved contract amount was not performed timeously.This results in incomplete irregular expenditure amounting to R2 308 644,52.</p>	<p>The municipality will issue notices to service providers who falsely declared and inform them about the noncompliance.</p>

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>accordance with the national environment management waste act 59 Of 2008 and associated National norms and standards for a period of thirty-six (36) months. Tender number Re-advert 028/MOSES KOTANE LOCAL MUNICIPALITY/2020/2021 01 September 2021 to 30 August 2024 Variation term- 01 September 2024 to 31 January 2025 R17 683 283 R20 871 065,00 R23 179 709,52 R2 308 644,52 R20 871 065,00 Completed Total R63 457 328,52 R4 638 978,52 R58 818 350,00</p>		

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
57	COMAF 31	Iss.62	Contract management Ineffective monitoring of contracts	SCM	SCM	<p>During the audit of contract management for the Construction of the Mabeskraal to Uitkyk Bulk Water Pipeline, it was noted that although persistent under-performance was identified and communicated through several letters and emails (Letter No.1 dated 06 May 2024, emails dated 17 & 23 May 2024, Letter No.2 dated 10 June 2024, capital progress meeting on 18 June 2024, and Letter No.3 dated 25 June 2024), the steps prescribed in the GCC and the contract for addressing non-performance were not fully implemented in a timely manner. The engineers escalated concerns; however:</p> <ul style="list-style-type: none"> • The 14-day notice to remedy was not escalated to the subsequent contractual steps within the required timelines; • A single formal non-compliance notice and withholding of remuneration were not promptly executed as required; and • Termination was only effected in June 2025, even though intent to terminate was communicated in November 2024. <p>As a result, contract progress as at June 2025 reflected:</p> <ul style="list-style-type: none"> • Physical progress: 95% • Time lapsed: 187% <p>Inspections of monthly consultant progress reports showed that under-performance relating to rehabilitation of</p>	<p>The prescribed enforcement actions (penalties, non-compliance notices, withholding, and termination) were not applied timeously despite clear contractual triggers for escalation already being in place.</p>	<p>Revise the capital projects report to include a column dealing with challenges and corrective measures to be taken, which are monitored on a monthly. 2. Have both the consulting engineer and PROJECT MANAGEMENT UNIT technicians review and sign off all capital project reports on a monthly basis.</p>

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No	Finding number	Issue Number	Heading of Finding	Department / Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>works continued despite delayed escalation of contractual remedies. The municipality's annual performance assessment process intended to analyze progress, monitor risks, and identify improvement mechanisms did not lead to early corrective action. This indicates that the current performance-measurement practices were not sufficiently effective in triggering timely escalation in accordance with the GCC and the contract.</p> <p>The prescribed enforcement actions (penalties, non-compliance notices, withholding, and termination) were not applied timeously despite clear contractual triggers for escalation already being in place.</p> <p>This shall result in:</p> <ol style="list-style-type: none"> 1. Non-compliance with MFMA sec 116 (2) 2. Internal control 		

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Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators	Key After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National performance areas	Key <ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development

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	<ul style="list-style-type: none"> • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i>

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	<i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>
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APPENDICES

APPENDIX A – WARD REPORTING

Ward Name (number)	Name of ward Councilor and elected Ward committee members	Ward Committee Members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public meetings held during the year
1	Tebogo Sephoti	1. Refilwe Modise 2. Mmoloki Lekaba 3. Salekwa Oratile 4. Mishack Zwane 5. George Tyobeka 6. Wendy Matlapeng 7. Vuyisile Kitaya 8. Hermina Sibeko 9. Lerato Morapedi 10. Lesedi Panana	Yes	12	12	3
2	Sipho Kalipa	1. Mpho Mafora 2. Gladys Modimoeng 3. Modise Lesego 4. Michael Motswagosele 5. Tsekani Shivhambu 6. Elizabeth Motaung 7. Mariam Dithate 8. Nontombi Ntanga 9. Jeremia Radebe 10. Bakang Matlotle	Yes	12	12	3
3	Stephina Mashishi	1. Andries Leemisa 2. Kenneth Ramoitheki 3. David Maboke 4. Edward Manyako 5. Dikeledi Mokoena 6. Gaborone Malwale 7. Rosina Bogopane 8. Tsholofelo Dibobo 9. Karabo Mokgethi 10. Merriam Magano	Yes	12	12	3
4	Samuel Masokwane	1. Tryphina Seakento 2. Joseph Modise 3. Rosinah Ngakane 4. Dorah Mashabane 5. Jan Tau 6. Godfrey Sediro 7. Kebitsamang Majafe 8. Daniel Tshisi	Yes	12	12	3
5	Noah Ditsele	1. Susan Makete 2. Norah Monageng 3. Welhemina				

Ward Name (number)	Name of ward Councilor and elected Ward committee members	Ward Committee Members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public meetings held during the year
		Ramokgaba 4. Suzan Marengwa 5. Bonang Sedumedi 6. Mosala Mataboge 7. Sinah Mokwena 8. Andrew Mataboge 9. Kelebogile Medupe 10. Kefilwe Pholo	Yes	12	12	3
6	Justice Mabaso	1. Mbuso Sishange 2. Amogelang Magagane 3. Dina Matlhophe 4. Nokuthula Yende 5. Jeanette Sedikwe 6. Sarah Gaborone 7. Kgotso Sedikwe 8. Mothusi Rakuba 9. Rivonia Khunou	Yes	12	12	3
7	Patrick Serole	1. Odirile Mabuela 2. Simon Mokowe 3. Makaziwe Ntamo 4. Lungile Makwabasa 5. Moses Maifala 6. Kedibone Malapa 7. Mokgadi Rathebe 8. Lesego Molefe	Yes	12	12	3
8	Nelson Sefora	1. Charles Molefe 2. Vinolia Khunou 3. Masego Khunou 4. John Serole 5. Ben Nzala 6. Jane Gumede 7. Lesang Senne	Yes	12	12	3
9	Herman Magoleng	1. Kefilwe Mussica 2. Alfred Paledi 3. Thabo Lebotse 4. Iris Motlhaga 5. Mfetane Samuel 6. Seabelo Phetoe 7. Masego Kgwatisi 8. Magdeline Modibedi 9. Segwe Kgalalelo 10. Mmakina Ntsidi	Yes	12	12	3

Ward Name (number)	Name of ward Councilor and elected Ward committee members	Ward Committee Members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public meetings held during the year
10	Itumeleng Sekoboane	1. Kefiloe Mathe 2. George Shotholo 3. Martha Makgamatha 4. Sello Netsibo 5. Moipone Mfulwane 6. Dikeledi Molemisi 7. Jacob Tshisevhe 8. Tshireletso Matlou 9. Lindiwe Seleka 10. Nomsa Pheeha	Yes	12	12	3
11	Efesia Matshereng	1. Eva Mojela 2. Tshenolo Tladi 3. Simangela Motaung 4. Thabo Diale 5. Thabo Tshukudu 6. Lesego Matome 7. Annah Molebatsi 8. Kgomotso Mphela 9. Thalefang Mojela 10. Jeremia Monene	Yes	12	12	3
12	Bontle Bosielo	1. Norah Moatshe 2. Obakeng Molekoa 3. Mmakau Mauwane 4. Nkele Masisi 5. Rebecca Lebakeng 6. Pamela Makinita 7. Nkele Molefe 8. Tumisang Molobi 9. Kedibone Mateu	Yes	12	12	3
13	Fortune Luvuno	1. Nqobile Mahlangu 2. Abram Sekgole 3. Catherine Ditshwene 4. Setshego Tshilwane 5. Joseph Mangwegape 6. Peter Tsontsoyi 7. Neo Luvuno 8. Lethabo Molefe 9. Given Marobe 10. Edith Hild	Yes	12	12	3
14	Mpho Raboroko	1. Herman Mosito 2. Mapula Monkwe 3. Odirile Maphunye 4. Ophniel Modisakeng 5. Josephine Masilo	Yes	12	12	3

Ward Name (number)	Name of ward Councilor and elected Ward committee members	Ward Committee Members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public meetings held during the year
		6. Andrew Kekane 7. Motshwaidi Kedibone 8. Engline Tseladimitlwa 9. Seitebogeng Mompei				
15	Tshidi Kgotlhang	1. Martha Letshwini 2. Levy Van Rooi 3. Motshabi Mosia 4. Kearabetswe Selemele 5. Mantsho Rakgoro 6. Johannes Motloba 7. Moses Rakoma 8. Baleseng Dube 9. Peter Monosi 10. Ditiro Tlou	Yes	12	12	3
16	Mogomotsi Mogale	1. Otshepeng Masege 2. Joyce Segoe 3. Thomas Maunatlala 4. Dinah Diswai 5. Mary Phiri 6. Bareng Motsomane 7. Florah Kgonono 8. Hanna Banda 9. Isaac Makgwale 10. Tebogo Zondo	Yes	12	12	3
17	Brain Khunou	1. Nomathemba Ngixi 2. Thabang Motshegwe 3. Jacobeth Seakgosing 4. Reginah Letsholo 5. Simon Maema 6. Dinah Medupe 7. Neo Mosele 8. Peter Seemise 9. Petrus Motlhatswi 10. Ruele Lesole	Yes	12	12	3
18	Orapeleng Head Of Department	1. Mary Molokwane 2. Jantie Segoe 3. Annah Mathinye 4. Lebogang Khoza 4. Kgomotso Kgosiemang 5. Lucky Moreki 6. Micheal Lesejane	Yes	12	12	3

Ward Name (number)	Name of ward Councilor and elected Ward committee members	Ward Committee Members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public meetings held during the year
		7. Letlhogonolo Tihapane 8. Minah Mothutsane 9. Samson Motlhabane				
19	Sello Hlojane	1. Abednigo Mojolwane 2. Thapelo Modiakgotla 3. Solly Selebogo 4. Petrus Gaelebale 5. Kgosiemang France 6. Amanda Kgosiemang 7. Daniel Kgosiemang 8. Judith Mhlanga 9. Majwafi Linkie 10. Barry Leyane	Yes	12	12	3
20	Obed Motsisi	1. Masoga Tolo 2. Brother Tsele 3. Onniccah Mogapi 4. Abueng Mabote 5. Dineo Disemelo 6. Cecilia Kgaswane 7. Kaledi Seretse 8. Mpipa Tiholoe 9. Francina Bogatsu	Yes	12	12	3
21	Tshepo Khumalo	1. Gabaipone Lebotse 2. Obakeng Mokgau 3. Josephine Modutwane 4. Boitumelo Matsafu 5. Sarah Moeti 6. Phaniel Molete 7. Mpho Motsatsi 8. Sebaeng Olebogeng 9. France Naane	Yes	12	12	3
22	Kabelo Letsatsi	1. Salome Bright 2. Wellminah Khunou 3. Christinah Montsho 4. Joel Moshabela 5. Doricca Mphalkana 6. Klass Tisane 7. Tsholofelo Foloti 8. Rapula Mothupi 9. Mmapula Kgaswane 10. Rantlane Letsebe	Yes	12	12	3
23	Thobego Mogaki	1. Katlego Kgasoe 2. Zondi Ubisse 3. Jeremia Modise				

Ward Name (number)	Name of ward Councilor and elected Ward committee members	Ward Committee Members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public meetings held during the year
		4. Mmatlala Matlapeng 5. Thabo Semakane 6. Tlhalefang Dibodu 7. Matlhomola Sovara 8. Lawrence Sebole 9. Tshepang Monedi 10. Salang Moilwe	Yes	12	12	3
24	Nomvula Sekao	1. Malebo Kgamanyane 2. Idah Mokgadi 3. Olebogeng Kau 4. Anna Koitsiwe 5. Rachel Lenkwane 6. Evelyn Matlakala 7. Lesego Letsholo 8. Solomon Penyenye 9. Clive Ramokgadi 10. Abigail Mabule	Yes	12	12	3
25	Peter Kanaomang	1. Kagiso Marokwane 2. Jacob Mogale 3. Rapula Raborife 4. Pauline Matuwe 5. Kagiso Marokwane 6. Molosiwa Monyatsi 7. Arnold Meko 8. Lenah Matshego 9. Esther Masoane 10. Keorapetse Makwane	Yes	12	12	3
26	Nkeko Letlape	1. Tshepiso Shongwane 2. Gloria Salahule 3. Esther Montshiwa 4. Jacobeth Molebatsi 5. Keorapetse Seopa 6. Martha Ramela 7. Isaac Hoskin 8. Olga Sithebe 9. Obakeng Makgolo 10. Thato Mogale	Yes	12	12	3
27	Joseph Sibanda	1. Mpho Mabele 2. Kgomotso Sibanda 3. George Thihire 4. Jeffrey Ngwenya 5. Nosa Ramotsei 6. Tryphina Mabue 7. Masego Bangalala	Yes	12	12	3

Ward Name (number)	Name of ward Councilor and elected Ward committee members	Ward Committee Members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public meetings held during the year
		8. Jane Nhasengo 9. Rachel Moabi 10. Karabo Molotsi				
28	Peter Radikeledi	1. Bonolo Mogakabe 2. Selina Minnies 3. Matshidiso Mahobe 4. Ikanyeng Mosito 5. Lizzy Genu 6. Grace Ramots 7. Brain Molefe 8. Dimakatso Kgakatsane 9. Mapula Motshwaedi 10. Peggy Pilane	Yes	12	12	3
29	Matsapa Mabula	1. Simon Ntlhabane 2. Lesego Njoro 3. Granny Matlou 4. Maria Mogotsi 5. Lebogang Rathipane 6. David Morua 7. Kgomotso Kwenaita 8. Odisitse Matlou 9. Adam Selebi 10. Tshegofatso Bubisi	Yes	12	12	3
30	Aobakwe Sebalo	1. Louisa Manyathela 2. James Thandazo 3. Elliot Dhlamini 4. Boitumelo Matlhabe 5. Alfred Shirindi 6. Thwala Gladys 7. Precious Nkosi 8. Thabiso Motaung 9. Velaphi Mdluli 10. Sibusiso Dhladhla	Yes	12	12	3
31	Mookamedi Thale	1. Sinah Modibe 2. Itumeleng Selokela 3. Boitumelo Mokotedi 4. Fetsang Phiri 5. Reneilwe Kupane 6. Isaac Morobane 7. Mable Motswasele 8. Katlego Mthimunye 9. Rebecca Pilane 10. Khutsafalo Tshoane	Yes	12	12	3

Ward Name (number)	Name of ward Councilor and elected Ward committee members	Ward Committee Members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public meetings held during the year
32	Obakeng Pilane	1. Hellen Phefo 2. Jerry Phefo 3. Elias Serole 4. Moipone Pooe 5. Ezekiel Galane 6. Edwin Rammutla 7. Kgomotso Seoke 8. Ruby Mothulwe 9. Lebogang Moeketsi 10. Ramokoka Kgamanyane	Yes	12	12	3
33	Thato Mosako	1. Gobakwang Pheto 2. Royal Phetoe 3. Thulaganyo Mabule 4. Obakeng Tsitsi 5. John Ncube 6. Wonder Ikaneng 7. Absalom Mataboge 8. Plantinah Freddie 9. Kgomotso Setsoe 10. Neo Bogopane	Yes	12	12	3
34	Precious Muleya	1. Rebecca Morake 2. Dipuo Letshedi 3. Dikeledi Mogale 4. Joyce Malope 5. Nella Tau 6. Thabo Moraka 7. Dikeledi Masilo 8. Mmapula Phefo 9. Emily Motshegwa 10. Masellane Moatshe	Yes	12	12	3
35	Lucky Pitso	1. Tsholofelo Motsumi 2. Tsakani Chauke 3. Mvikiseni Sithole 4. Sipehelele Noguma 5. Botsang Blignaut 6. Aluwani Mudau 7. Rapula Phiri 8. Moganetsi Molefe 9. Gaaitsewe Sehume	Yes	12	12	3

NO	Dates of the Committee Meetings	All Committee recommendations during 2024/2025	Recommendations adopted (enter Yes) If not adopted (provide explanation)
01.	Dates of AC Meetings held in the 24/25 Financial Year	Management should continuously monitor performance of grants expenditure and projects performance to ensure that high quality projects outputs are delivered on time and within the budget's allocations.	Resolution adopted
02	15 August 2024 26 August 2024	Management should improve implementation of designed approved internal control measures regarding overtime management in order to minimise unnecessary utilisations of overtime and to minimize overtime expenditure	Resolution adopted
03	02 October 2024 27 November 2024 29 November 2024	Management should develop and implement revenue enhancement strategy to <i>identify new sources</i> of revenue collection in order to fully fund operational needs of the municipality and to minimize reliance on transfers and subsidies	Resolution adopted
04	24 February 2025 02 April 2025	Capital spending against the budget should be accelerated to ensure that no under-expenditure is realised by the end of the financial year and that full services are delivered to the communities as expected	Resolution adopted
05.	15 August 2024	More actions should be implemented to collect money due to the municipality for services rendered, signing or renewal of lease agreements, enforcements of By-Laws to collect traffic fines, charging of market related rentals for the use of venues & facilities and taking proper	Resolution adopted

	26 August 2024 02 October 2024	actions against late or non-payments	
06.	27 November 2024 29 November 2024 24 February 2025	Full implementation of debt and credit control policies in the 2024/25 financial year against all types of debtors in order to collect money due to the municipality for all services rendered and consumed in order to improve financial stability of the municipality	Resolution adopted
07.	02 April 2025	Management should adequately implement debt and credit control policies and all necessary measures to improve collections to fully fund operations of municipality	Resolution adopted
08.		Management to regularly review and monitor quality of debtors and their movements to ensure that necessary measures are taken to impair debts where there are no reasonable hope expectations of collections	Resolution adopted
09.		Management to implement revenue collections measures to resolve financial constraints in order to ensure that all payments for goods and services received are made within 30 days of the receipts of	Resolution adopted
10.		Management should closely monitor investment portfolio performances to ensure that more returns are generated to fund operational requirements of the municipality	Resolution adopted
11.		Implementation of probity checks or proactive reviews of bids by Internal Audit on all supply chain management bids of R5 million per case before awards are made and signed-off by the Accounting Officer in order to curb the compounding amounts of irregular expenditure	Resolution adopted
12.		Investigations of all historical fuel supply transactions recorded as losses to touch down on what exactly transpired, identifications of all responsible officials involved and consequence	Resolution adopted

		management against non-compliances & wrong-doings should follow. A detailed scope will be discussed and agreed with management to ensure coverage	
13.	15 August 2024 26 August 2024 02 October 2024 27 November 2024 29 November 2024	Controls must be put in place to prevent repetitions of irregular expenditure transactions such as: <ul style="list-style-type: none"> ensuring proper issuing & usage of petrol cards, log book properly kept & updated with records of official usage of vehicles receipts should be adequately filed and or submitted for reconciliation and verification purposes and pre-authorizations of trips per vehicle should be done before they are issued to officials	Resolution adopted
14.	24 February 2025 02 April 2025	Preventative controls should be put in place to prevent UIFW expenditure such as monitoring & quality reviews to improve works done by officials, training officials on compliance with laws & regulations and consequence management against non-compliances & wrong-doings	Resolution adopted
15.		Contract extension and variations should be done in line with section 116 of the MFMA and MFMA Treasury Circular 42	Resolution adopted
16.		Management should improve contract management by regularly updating, monitoring and evaluations of contract register to prevent irregular expenditure as a result of procurements from expired contracts	Resolution adopted
17.		Management should exercise cautions when deviating from normal procurement process and only deviate when critically necessary to do so within the legal or regulatory parameters limits; and	Resolution adopted

		Decisions to deviate should be taken as action of last resort after trial & considerations of available measures to comply with normal procurement processes and deviations should not be resulting from the lack of procurement planning	
18.		Asset Register and Insurance register should be regularly reconciled to ensure alignment with premiums being paid and prevent being overcharged on premiums	Resolution adopted
19.		Development and implementations of Insurance Strategy in order to manage, control insurance claims, associated risks of possible rejections by Insurance companies and billings of high access amounts due to high risk status rating.	Resolution adopted
20.	15 August 2024 26 August 2024 02 October 2024	Information regarding dates of insurance cases reported to South African Police Service should be recorded in the Insurance Reporting Spreadsheet and presented in the next meeting	Resolution adopted
21.	27 November 2024 29 November 2024 24 February 2025	Loss Control Committee should be established to investigate theft and loss cases and recoup money from responsible employees, should negligence be established on their part as well as from Security Service Providers in circumstances where assets were vandalized, stolen or lost under the watch of their security guards consequence management must apply	Resolution adopted
22.	02 April 2025	Theft, losses and vandalism reporting should cover all assets of municipality as well as measures being taken by the municipality to improve security and safeguarding of the assets	Resolution adopted
23.		Management should expedite implementation of Post Audit Action Plans for both Internal Audit and AGSA findings before the end of 2024/2025 financial year to avoid repeated audit findings and regressions of audit outcomes or opinion	Resolution adopted

24.	Internal audit should regularly perform reviews of action plans reported to have been implemented on quarterly basis to validate the claims, assign dates, regular reminders, annoying follow-ups with responsible managers regarding correct and timeous implementations of action plans and make further recommendations for improvement purposes in resolving the previous audit findings	Resolution adopted
25.	Audit Steering Committee to meet on regular basis as planned to monitor and evaluate PAAP Progress implementations and should look on quality reviews of action plans reported to have been implemented including demanding supporting documentations and other necessary Portfolio of Evidences to validate performance achieved in order to improve control environment	Resolution adopted
26.	Management to update their PAAP excel spreadsheet with implementations progress, the Web-Based PAAP reporting spreadsheet should also be simultaneously updated with the same information	Resolution adopted
27.	Proper root-cause analysis and management should also identify additional root-causes of audit findings as they understand the control environment better than the External Auditor (AGSA)	Resolution adopted
28.	Action plans should be reviewed to ensure that they are credible, relevant and practical in terms of implementations and directly address identified root-causes of external audit findings	Resolution adopted
29.	A Special Meeting should be arranged to process and monitor PAAP implementations matters due to slow progress registered during quarter 1 and 2 under reviews	Resolution adopted
30.	Risk Management Implementation progress report should be included in the future Risk Management Committee Reports for reviews and monitoring	Resolution adopted

31.		Risk Management Committee Progress Reports should include target dates for resolutions implementations.	Resolution adopted
32.		Combined Assurance should be implemented and reported on	Resolution adopted
33.		Wide consultations of all critical stakeholders involved including mining, farming and tourism stakeholders in future financial years planning is recommended	Resolution adopted
34.		Full alignment between MTERF Budget Planning and IDP to ensure that IDP is fully funded, integrated implementations and that implementations challenges & financial constraints are timely resolved	Resolution adopted
35.	15 August 2024	Cases where the courts ruled in favour of the municipality with costs against the other opposing party, the municipality should urgently Finalise the taxations, recovery of costs due and report in the next meeting	Resolution adopted
36.	26 August 2024 02 October 2024	The municipality should liaise with other parties cited as respondents to the same applications to jointly share liability together with the municipality in order to prevent double- Deeping and separate trials for similar matters which normally end-up creating confusions	Resolution adopted

37.	27 November 2024 29 November 2024 24 February 2025	Reviews of the Business Continuity Plan & Disaster Recovery Plan into considering internal audit findings raised regarding ICT Business Continuity and Cyber-Security Controls Reviews for presentation in the next meeting	Resolution adopted
38.	02 April 2025	Development of 2025/2026 Three Year ICT Strategic Plan which is aligned to the IDP & MTERF for reviews to ensure integrated planning, implementations and reporting integrations approaches	Resolution adopted
39.		Measures should be put place to expedite finalisations and approval of draft policies for presentations in the next meeting in order to improve compliance to ICT norms and standards	Resolution adopted
40.		Municipality should prioritize development and implementations of ICT security management policies to combat security risks and ensure business continuity.	Resolution adopted
41.		ICT Unit should speedily implement all recommendations of internal audit ICT audit findings to improve ICT general & applications controls and to ensure business continuity	Resolution adopted
42.	15 August 2024 26 August 2024	Management should apply diagnosis on what is contributing into high number sick leaves being taken, monitor, control the abuse of sick leaves by employees including medical conditions surveillance, medical boarding and present progress status in the next meeting for reviews and monitoring	Resolution adopted
43.	02 October 2024 27 November 2024	Management should ensure that employees develop leave plans and utilize their leaves accordingly to avoid accumulations of unused leaves which normally compound to huge financial liability to the municipality	Resolution adopted

44.	29 November 2024 24 February 2025 02 April 2025	Management should manage natural attritions to ensure that they maintain acceptable vacancy rate of 5% at all times in order to prevent compromise on service delivery.	Resolution adopted
45.		2024/2025 Training plan and 2024/2025 Budget allocation, expenditure and actuals.	Resolution adopted
46.		Training report with all training provided indicating the following: All training provided and Training service provider name, cost implications, number of learners and timeframes for training/period. The report must form part of the quarterly AC agenda items.	Resolution adopted
47.		Management should develop critical posts filling plan which is aligned to prescribed norms and standards for filling of vacant posts within acceptable turnaround times for implementations in order to ensure that necessary steps or actions are taken on time to fill the funded vacated posts so that service delivery does not get compromised.	Resolution adopted
48.		Employment Equity Statistical Report which was submitted to the Department of Employment of Labour based on 3-year Employment Equity Plan should be shared in the next meeting together with the 3-year plan in order to establish compliance with Employment Equity Act.	Resolution adopted
49.		Reporting in terms of functions of AC committee should form part of agenda items of Risk Management Committee to consider and monitor its functioning	Resolution adopted
50.	15 August 2024 26 August 2024	Disciplinary Statistics report must indicate compliance with disciplinary procedural and substantives requirements in terms of collective bargaining agreements.	Resolution adopted

51.	02 October 2024 27 November 2024 29 November 2024	Costs benefit analysis should be conducted on how filling of critical funded vacant posts would decrease overtime expenditures, this analysis should exclude unfunded posts with considerations and alignments of mental health prevalence of employees who may be overburdened or feeling pressures because of performing extra works for vacant positions	Resolution adopted
52.	24 February 2025 02 April 2025	Exit interviews should be conducted with employees where practical and possible to source their inputs, before they leave the municipality to find their reasons for exits and improve controls where necessary	Resolution adopted
53.		Turnaround times for resolving grievances should be given more attention to ensure that grievances should not stay unresolved for prolonged period of time as this negatively affect morale and productivity of employees. Management should also address the root-causes for grievances while resolving them to prevent recurrence in one way or another	Resolution adopted
54.		Refurbishment of all Parks and Recreational Facilities are to be completed for them to be user friendly, attractive and comply with technological advancements so that market related fees should begin to be charged for the use of these facilities to improve revenue collections as part of revenue enhancement strategy	Resolution adopted
55.		The matter is resolved, however, the department committed to allocate budget in the next FY (2026/2027) in order to update / upgrade the software. The matter of the disability software has been upgraded	Resolution adopted
56.		Recycling Policy should be developed to regulate recycling and municipal database of Recyclers constructed and regularly updated continuously with the emerging recyclers	Resolution adopted

57.	15 August 2024 26 August 2024 02 October 2024	Statistical records be maintained for waste collections from households to prevent over-billings and overpayments and be used for future procurement estimates of quotations amounts	Resolution adopted
58.	27 November 2024 29 November 2024	Establishment Law Enforcement Unit and appointments of Law Enforcements Officers should be expedited in order to enforce implementations of existing By-Laws to promote peace and in return improve revenue collections as part of revenue enhancement strategy	Resolution adopted
59.	24 February 2025 02 April 2025	A multi-year plan should be provided in the next meeting on how other areas affected by illegal dumping and pollutions are going to be covered by safe and clean campaign program	Resolution adopted
60.		Information regarding all By-Laws municipality is supposed to have, the ones on draft formats, that gazette and being implemented together with revenue generated (outputs derived) from implementations should be provided in the next meeting.	Resolution adopted
61.		Municipality should also enforce employment and empowerment of local community peoples during implementations of grants projects in order to reduce unemployment and poverty.	Resolution adopted
62.		Information should be provided on how tourism, mining and agricultural sectors are contributing to local economic development through their approved Social Labour Plans and ongoing implementations	Resolution adopted
63.		Information should be provided on how tuck and spaza shops permits are going to enhance revenue collections for the municipality and contributions to local economic development	Resolution adopted

64.		Projects spending and actual performances should be strictly monitored and evaluated to ensure that they are delivered within the planned budget and of high quality.	Resolution adopted
65.		Project durations should be clearly indicated in order to measure the timeframes in which projects are supposed to be delivered and timely handed over to the municipality for utilizations.	Resolution adopted
66.		Management should start to report on local community jobs created by spending of conditional grants and overall contributions to community upliftment and empowerment.	Resolution adopted
67.		Project budgets and costs should be split between consultants and contractors so that spending can be clearly monitored and evaluated at these levels to prevent projects underspending and over-pending.	Resolution adopted
68.		Project risks be identified, managed and mitigated throughout the projects life cycles to ensure success of projects deliveries.	Resolution adopted
69.		Cost and benefits analysis should be performed to ensure that money spent (input costs) is resulting into tangible benefits or values derived (outputs derived or gains).	Resolution adopted
70.		Outputs derived or gains from money spent should be clear and measurable in terms of reductions of distributions losses achieved for accountability purposes.	Resolution adopted



APPENDICES

VOLUME II: ANNUAL FINANCIAL STATEMENTS



Moses Kotane Local Municipality
Annual Financial Statements
for the year ended 30 June 2025

Moses Kotane Local Municipality

(Registration number NW375)

Annual Financial Statements for the year ended 30 June 2025

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Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts

Moses Kotane Local Municipality

(Registration number NW375)

Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

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

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

The annual financial statements set out from page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 29 November 2025 and were signed by:



Accounting Officer
Mr. MV. Letsolo

Moses Kotane Local Municipality

(Registration number NW375)

Annual Financial Statements for the year ended 30 June 2025

Audit Committee Report

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

Audit committee members and attendance

The audit committee consists of the listed members hereunder and should meet 4 times per annum as per its approved audit committee charter and section 166(4)(b) of the MFMA. During the financial period under review 7 meetings were held and attendance of members was as follows

Name	Number of meetings
Mr R Tshimomola Chairperson	7
Mr B Seabela	7
Ms L Moyo	7
Mr G Makaba	6
Mr E Phalandwa	7

Audit committee responsibility

The Audit Committee reports that it has carried out its responsibilities and it has acted in conformance to sections 165 and 166 of the MFMA and MFMA Circular 65. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, which codifies specific responsibilities entrusted and delegated to it by the Municipal Council, and details the manner in which the Audit Committee operates. The unaudited Interim Financial Statements for the 2024/2025 financial year were reviewed by the Audit Committee.

The Audit Committee expresses its satisfaction that the Internal Audit function is operated independently, efficiently and effectively, and that they were involved in addressing the risks pertinent to the Municipality during the financial period under review. It is confirmed that the Internal Audit activity was also afforded the opportunity to review the unaudited Annual Financial Statements and Annual Performance Report.


Mr R. Tshimomola: Chairperson of the Audit Committee
Date: 29 November 2025

Moses Kotane Local Municipality

(Registration number NW375)

Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Report

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

1. Review of activities

Main business and operations

The municipality is engaged in local service delivery to the surrounding community of Moses Kotane and operates under the Bojanala Platinum District Municipality.

Net surplus of the municipality is 37 052 750 (June 2024: surplus 47 574 730).

2. Going concern

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

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the year.

4. Accounting policies

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

5. Accounting Officer

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

Name	Nationality
Mr V Letsoalo	South African

6. Corporate governance

General

The accounting officer is committed to business integrity, transparency and professionalism in all Municipality's activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

The Municipality confirms and acknowledges its responsibility to exercise the Municipality's executive and legislative authority within the constitutional system of cooperative governance envisaged in Section 41 of the Constitution, as stated in the Local Government Municipal Systems Act. The accounting officer discuss the responsibilities of management in this respect, at Council meetings and monitor the municipality's compliance with the MSA on a three monthly basis.

Remuneration

The upper limits of the remuneration, allowances and benefits of the Accounting Officer, the Head of Departments and the Councillors of the municipality, as disclosed in note 28 and in note 29 of the financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with the Remuneration of the Public Office Bearers Act and the Minister of the Provincial and Local Governments determination in accordance with the Act.

Moses Kotane Local Municipality

(Registration number NW375)

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	7	55 564 854	43 588 917
Inventories	8	32 316 770	21 350 667
Receivables from non-exchange transactions	9	3 655 202	2 283 869
Receivables from exchange transactions	10	35 032 257	30 416 274
Consumer debtors	11	171 115 199	182 403 038
Non current assets held for sale	12	554 938	554 938
Other receivables	13	537 714	1 067 938
		298 776 934	281 663 641
Non-Current Assets			
Investment property	3	161 643 268	150 822 451
Property, plant and equipment	4	3 164 923 504	3 098 119 743
Intangible assets	5	12 327 663	12 478 228
Heritage assets	6	14 000	14 000
Receivables from non-exchange transactions	9	18 716 251	17 825 041
Other receivables	13	-	537 714
		3 357 624 686	3 279 797 177
Total Assets		3 656 401 620	3 561 460 818
Liabilities			
Current Liabilities			
Other financial liabilities	14	991 781	901 349
Finance lease obligation	15	9 029 436	13 949 236
Payables from exchange transactions	19	332 807 989	269 477 761
Employee benefit obligation	16	3 050 000	3 879 000
Unspent conditional grants and receipts	20	9 739 969	3 304 790
Provisions	17	2 668 485	2 431 068
		358 287 660	293 943 204
Non-Current Liabilities			
Other financial liabilities	14	1 711 498	2 703 279
Finance lease obligation	15	-	8 995 364
Employee benefit obligation	16	20 218 000	21 676 000
Provisions	17	28 026 874	23 040 914
Consumer deposits	18	601 513	598 725
		50 557 885	57 014 282
Total Liabilities		408 845 545	350 957 486
Net Assets		3 247 556 075	3 210 503 332
Accumulated surplus		3 247 556 271	3 210 503 332
Total Net Assets		3 247 556 271	3 210 503 332

Moses Kotane Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand	-32	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	22	148 978 436	207 677 023
Other income	23	6 552 264	6 370 049
Interest from exchange transactions	24	73 037 744	62 710 017
Total revenue from exchange transactions		228 568 444	276 757 089
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	165 034 514	150 271 916
Interest from non exchange transactions		36 517 704	35 160 963
Transfer revenue			
Government grants & subsidies	27	825 898 824	809 459 933
Public contributions and donations	28	-	7 535 109
Fines, Penalties and Forfeits		1 825 950	1 758 600
Total revenue from non-exchange transactions		1 029 276 992	1 004 186 521
Total revenue	21	1 257 845 436	1 280 943 610
Expenditure			
Employee related costs	28	(323 273 637)	(321 973 025)
Remuneration of councillors	29	(30 909 269)	(30 294 307)
Depreciation and amortisation	30	(125 903 093)	(121 296 479)
Finance costs	31	(4 616 064)	(6 434 212)
Lease rentals on operating lease	39	(4 698 295)	(1 813 753)
Debt Impairment	32	(254 051 337)	(309 058 485)
Bulk purchases	33	(147 808 566)	(157 715 356)
Contracted services	34	(118 032 994)	(100 852 869)
Financial loss under investigation	35	(629 593)	(4 673 807)
General Expenses	36	(198 875 398)	(169 794 120)
Total expenditure		(1 208 798 246)	(1 223 906 413)
Operating surplus		49 047 190	57 037 197
Loss on disposal of assets and liabilities		(13 016 593)	(9 443 601)
Gain (Loss) on foreign exchange		81 212	43 114
Fair value adjustments		11 329 715	1 587 810
Impairment loss	37	(10 096 263)	(1 654 326)
Inventories losses/write-downs		(292 511)	4 536
		(11 994 440)	(9 462 467)
Surplus for the year		37 052 750	47 574 730

Moses Kotane Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	3 158 039 367	3 158 039 367
Adjustments		
Prior year adjustments 45	4 889 424	4 889 424
Balance at 01 July 2023 as restated*	3 162 928 602	3 162 928 602
Changes in net assets		
Surplus for the year	47 574 730	47 574 730
Total changes	47 574 730	47 574 730
Restated* Balance at 01 July 2024	3 210 503 521	3 210 503 521
Changes in net assets		
Surplus for the year	37 052 750	37 052 750
Total changes	37 052 750	37 052 750
Balance at 30 June 2025	3 247 556 271	3 247 556 271

Moses Kotane Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and rendering of services		158 846 451	207 606 647
Grants and subsidies		832 334 003	805 119 000
Interest income		13 234 607	13 031 950
		<u>1 004 415 061</u>	<u>1 025 757 597</u>
Payments			
Cash payments to supplier and employees		(748 850 543)	(769 902 894)
Finance costs		(2 157 508)	(3 970 273)
		<u>(751 008 051)</u>	<u>(773 873 167)</u>
Net cash flows from operating activities	38	<u>253 407 010</u>	<u>251 884 430</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(224 722 177)	(228 433 045)
Purchase of other intangible assets	5	(1 893 171)	(1 681 497)
Net cash flows from investing activities		<u>(226 615 348)</u>	<u>(230 114 542)</u>
Cash flows from financing activities			
Finance lease payments		(13 915 164)	(11 808 577)
Repayment of other financial liabilities		(898 561)	(5 238 484)
Net cash flows from financing activities		<u>(14 813 725)</u>	<u>(17 047 061)</u>
Net increase/(decrease) in cash and cash equivalents		11 977 937	4 722 827
Cash and cash equivalents at the beginning of the year		43 586 917	38 864 090
Cash and cash equivalents at the end of the year	7	<u>55 564 854</u>	<u>43 586 917</u>

The accounting policies on pages 13 to 38 and the notes on pages 39 to 105 form an integral part of the annual financial statements.

Moses Kotane Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	213 534 203	1 854 000	215 388 203	148 978 436	(66 409 767)	51.1
Other income	4 090 133	-	4 090 133	6 552 264	2 462 131	51.15
Interest received - investment	53 804 296	14 795 359	68 599 655	73 037 744	4 438 089	51.3
Total revenue from exchange transactions	271 428 632	16 649 359	288 077 991	228 568 444	(59 509 547)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	144 685 665	-	144 685 665	165 034 514	20 348 849	51.4
Interest - Taxation revenue	31 498 345	1 534 600	33 032 945	36 517 704	3 484 759	51.5
Transfer revenue						
Government grants & subsidies	859 166 000	(23 526 998)	835 639 002	825 898 824	(9 740 178)	51.6
Fines, Penalties and Forfeits	1 800 000	-	1 800 000	1 825 950	25 950	51.2
Total revenue from non-exchange transactions	1 037 150 010	(21 992 398)	1 015 157 612	1 029 276 992	14 119 380	
Total revenue	1 308 578 642	(5 343 039)	1 303 235 603	1 257 845 436	(45 390 167)	
Expenditure						
Employee related costs	(396 069 792)	(1 599 835)	(397 669 627)	(323 273 637)	74 395 990	51.7
Remuneration of councillors	(31 801 862)	-	(31 801 862)	(30 909 269)	892 593	51.2
Depreciation and amortisation	(162 638 301)	-	(162 638 301)	(125 903 093)	36 735 208	51.8
Finance costs	(2 252 093)	-	(2 252 093)	(4 616 064)	(2 363 971)	51.2
Lease rentals on operating lease	-	-	-	(4 698 295)	(4 698 295)	51.2
Debt Impairment	(194 641 596)	(121 366 528)	(316 008 124)	(254 051 337)	61 956 787	51.9
Bulk purchases	(198 055 000)	24 755 000	(173 300 000)	(147 808 566)	25 491 434	51.10
Contracted Services	(205 879 621)	3 150 000	(202 729 621)	(118 032 994)	84 696 627	51.11
Financial loss	-	-	-	(629 593)	(629 593)	51.2
General Expenses	(155 163 200)	(24 972 486)	(180 135 686)	(198 875 398)	(18 739 712)	51.12
Total expenditure	(1 346 501 465)	(120 033 849)	(1 466 535 314)	(1 208 798 246)	257 737 068	
Operating surplus	(37 922 823)	(125 376 888)	(163 299 711)	49 047 190	212 346 901	
Loss on disposal of assets and liabilities	-	-	-	(13 016 593)	(13 016 593)	51.14
Gain (Loss) on foreign exchange	-	-	-	81 212	81 212	51.2
Fair value adjustments	-	-	-	11 329 715	11 329 715	51.13
Impairment loss	-	-	-	(10 096 263)	(10 096 263)	49.1
Inventories losses/write-downs	-	-	-	(292 511)	(292 511)	51.2
	-	-	-	(11 994 440)	(11 994 440)	
Surplus before taxation	(37 922 823)	(125 376 888)	(163 299 711)	37 052 750	200 352 461	

Moses Kotane Local 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						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	213 534 203	1 854 000	215 388 203	148 978 436	(66 409 767)	51.1
Other income	4 090 133	-	4 090 133	6 552 264	2 462 131	51.15
Interest received - investment	53 804 296	14 795 359	68 599 655	73 037 744	4 438 089	51.3
Total revenue from exchange transactions	271 428 632	16 649 359	288 077 991	228 568 444	(59 509 547)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	144 685 665	-	144 685 665	165 034 514	20 348 849	51.4
Interest - Taxation revenue	31 498 345	1 534 600	33 032 945	36 517 704	3 484 759	51.5
Transfer revenue						
Government grants & subsidies	859 166 000	(23 526 998)	835 639 002	825 898 824	(9 740 178)	51.6
Fines, Penalties and Forfeits	1 800 000	-	1 800 000	1 825 950	25 950	51.2
Total revenue from non-exchange transactions	1 037 150 010	(21 992 398)	1 015 157 612	1 029 276 992	14 119 380	
Total revenue	1 308 578 642	(5 343 039)	1 303 235 603	1 257 845 436	(45 390 167)	
Expenditure						
Employee related costs	(396 069 792)	(1 599 835)	(397 669 627)	(323 273 637)	74 395 990	51.7
Remuneration of councillors	(31 801 862)	-	(31 801 862)	(30 909 289)	892 573	51.2
Depreciation and amortisation	(162 638 301)	-	(162 638 301)	(125 903 093)	36 735 208	51.8
Finance costs	(2 252 093)	-	(2 252 093)	(4 616 064)	(2 363 971)	51.2
Lease rentals on operating lease	-	-	-	(4 698 295)	(4 698 295)	51.2
Debt Impairment	(194 641 596)	(121 366 528)	(316 008 124)	(254 051 337)	61 956 787	51.9
Bulk purchases	(198 055 000)	24 755 000	(173 300 000)	(147 808 566)	25 491 434	51.10
Contracted Services	(205 879 621)	3 150 000	(202 729 621)	(118 032 994)	84 696 627	51.11
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Total expenditure	(1 346 501 465)	(120 033 849)	(1 466 535 314)	(1 208 798 246)	257 737 068	
Operating surplus	(37 922 823)	(125 376 888)	(163 299 711)	49 047 190	212 346 901	
Loss on disposal of assets and liabilities	-	-	-	(13 016 593)	(13 016 593)	51.14
Gain (Loss) on foreign exchange	-	-	-	81 212	81 212	51.2
Fair value adjustments	-	-	-	11 329 715	11 329 715	51.13
Impairment loss	-	-	-	(10 096 263)	(10 096 263)	49.1
Inventories losses/write-downs	-	-	-	(292 511)	(292 511)	51.2
	-	-	-	(11 994 440)	(11 994 440)	
Surplus before taxation	(37 922 823)	(125 376 888)	(163 299 711)	37 052 750	200 352 461	

Moses Kotane Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(37 922 823)	(125 376 888)	(163 299 711)	37 052 750	200 352 461	

Statement of Financial Position

Assets

Current Assets

Inventories	19 496 058	(2 126 515)	17 369 543	32 316 770	14 947 227	51.16
Receivables from exchange transactions	26 121 732	-	26 121 732	35 032 257	8 910 525	51.17
Receivables from non-exchange transactions	-	-	-	3 655 202	3 655 202	51.18
Consumer debtors	195 350 755	-	195 350 755	171 115 199	(24 235 556)	51.19
Other asset 1	-	-	-	554 938	554 938	51.2
Other receivables	2 048 640	-	2 048 640	537 714	(1 510 926)	51.20
Cash and cash equivalents	38 449 949	-	38 449 949	55 564 854	17 114 905	51.21
	281 467 134	(2 126 515)	279 340 619	298 776 934	19 436 315	

Non-Current Assets

Investment property	152 952 295	-	152 952 295	161 643 268	8 690 973	51.22
Property, plant and equipment	3 680 870 401	(22 179 318)	3 658 691 083	3 164 923 504	(493 767 579)	51.23
Intangible assets	15 354 246	-	15 354 246	12 327 663	(3 026 583)	51.24
Heritage assets	14 000	-	14 000	14 000	-	
Receivables from non-exchange transactions	-	-	-	18 716 251	18 716 251	51.25
	3 849 190 942	(22 179 318)	3 827 011 624	3 357 624 686	(469 386 938)	

Total Assets

	4 130 658 076	(24 305 833)	4 106 352 243	3 656 401 620	(449 950 623)	
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Liabilities

Current Liabilities

Other financial liabilities	14 371 944	-	14 371 944	991 781	(13 380 163)	51.26
Finance lease obligation	-	-	-	9 029 436	9 029 436	51.27
Payables from exchange transactions	204 740 876	(3 094 003)	201 646 873	332 807 989	131 161 116	51.28
Employee benefit obligation	-	-	-	3 050 000	3 050 000	51.29
Unspent conditional grants and receipts	-	-	-	9 739 969	9 739 969	51.30
Provisions	3 860 601	-	3 860 601	2 668 485	(1 192 116)	51.31
	222 973 421	(3 094 003)	219 879 418	358 287 660	138 408 242	

Non-Current Liabilities

Other financial liabilities	20 867 697	-	20 867 697	1 711 498	(19 156 199)	51.26
Employee benefit obligation	-	-	-	20 218 000	20 218 000	51.29
Provisions	41 637 677	-	41 637 677	28 026 874	(13 610 803)	51.31
Consumer deposits	600 000	-	600 000	601 513	1 513	51.2
	63 105 374	-	63 105 374	50 557 885	(12 547 489)	

Total Liabilities

	286 078 795	(3 094 003)	282 984 792	408 845 545	125 860 753	
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Moses Kotane Local Municipality

(Registration number NW375)

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Net Assets	3 844 579 281	(21 211 830)	3 823 367 451	3 247 556 075	(575 811 376)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	3 844 579 281	(21 211 830)	3 823 367 451	3 247 556 271	(575 811 180)	
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	168 552 610	-	168 552 610	158 846 451	(9 706 159)	51.36
Grants	859 166 000	-	859 166 000	832 334 003	(26 831 997)	51.37
Interest income	34 340 794	-	34 340 794	13 234 607	(21 106 187)	51.38
	1 062 059 404	-	1 062 059 404	1 004 415 061	(57 644 343)	
Payments						
Payments to suppliers and employee costs	(989 221 568)	-	(989 221 568)	(748 850 543)	240 371 025	51.39
Finance costs	-	-	-	(2 157 508)	(2 157 508)	51.40
	(989 221 568)	-	(989 221 568)	(751 008 051)	238 213 517	
Net cash flows from operating activities	72 837 836	-	72 837 836	253 407 010	180 569 174	
Cash flows from investing activities						
Purchase of property, plant and equipment	(252 554 010)	(37 883 098)	(290 437 108)	(224 722 177)	65 714 931	51.41
Purchase of other intangible assets	-	-	-	(1 893 171)	(1 893 171)	51.42
Net cash flows from investing activities	(252 554 010)	(37 883 098)	(290 437 108)	(226 615 348)	63 821 760	
Cash flows from financing activities						
Other financial liabilities	(1 000 000)	-	(1 000 000)	(898 561)	101 439	51.2
Finance lease payments	(13 371 944)	-	(13 371 944)	(13 915 164)	(543 220)	55.2
Net cash flows from financing activities	(14 371 944)	-	(14 371 944)	(14 813 725)	(441 781)	
Net increase/(decrease) in cash and cash equivalents	(194 088 118)	(37 883 098)	(231 971 216)	11 977 937	243 949 153	
Cash and cash equivalents at the beginning of the year	1 411 402	15 525 406	16 936 808	43 586 917	26 650 109	
Cash and cash equivalents at the end of the year	(192 676 716)	(22 357 692)	(215 034 408)	55 564 854	270 599 262	
Reconciliation						

Moses Kotane Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1. Significant accounting policies

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

1.1 Basis of preparations

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

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

1.2 Presentation currency

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

1.3 Going concern assumption

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

1.4 Significant judgements and sources of estimation uncertainty

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

- Debt impairment
- Useful life of Property Plant and Equipment
- Fair Value of Investment Property
- Effective Interest rate for Finance leases
- Provision for slow moving/ obsolete inventory
- Actuarial gains and loss

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the related notes.

Trade receivables / Held to maturity investments and/or loans and receivables

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

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

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

Moses Kotane Local Municipality

(Registration number NW375)

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

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

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

Provisions

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

Useful lives

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

Employee Benefit Obligation

The present value of the Employee benefit 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 employee benefit obligations.

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

Other key assumptions for employee benefit obligations are based on current market conditions. Additional information is disclosed in Note 18.

Allowance for doubtful debts

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

Moses Kotane Local Municipality

(Registration number NW375)

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Impairment of statutory receivables

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

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

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

1.5 Investment property

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

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

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

Investment property is initially recognised at cost. 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.

Derecognition

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

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

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

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

Moses Kotane Local Municipality
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Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.5 Investment property (continued)

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.

1.6 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

Major 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 are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

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

Item	Depreciation method	Average useful life
Land		Infinite
Buildings	Straight-line	5 - 100 years
Infrastructure - Electricity	Straight-line	10 - 100 years
Infrastructure - Roads	Straight-line	5 - 100 years
Infrastructure - Water	Straight-line	5 - 100 years
Infrastructure - Stormwater	Straight-line	5 - 50 years
Infrastructure - Sewerage	Straight-line	15 - 100 years
Infrastructure - ICT	Straight-line	10 - 50 years
Access control security measures	Straight-line	3 - 5 years

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Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.6 Property, plant and equipment (continued)

Recreation facilities	Straight-line	10 - 100 years
Furniture and Fittings	Straight-line	7 years
Motor Vehicles	Straight-line	5 - 15 years
Plant and Equipment	Straight-line	4 - 15 years

For the detailed useful lives of assets, refer to the municipality's asset management policy.

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.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

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

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

1.7 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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Accounting Policies

1.7 Intangible assets (continued)

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

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

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

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

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

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

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	Straight-line	1 - 15 years

Intangible assets are derecognised:

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

1.8 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.

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

Recognition

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

Initial measurement

Heritage assets are measured at cost.

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

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1.8 Heritage assets (continued)

Subsequent measurement

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

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

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.

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.

1.9 Financial instruments

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

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

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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1.9 Financial instruments (continued)

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

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

A financial asset is:

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

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

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

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

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1.9 Financial instruments (continued)

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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1.9 Financial instruments (continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from non exchange transactions	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Consumer debtors	Financial asset measured at amortised cost
Other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost

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1.9 Financial instruments (continued)

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Subsequent measurement of financial assets and financial liabilities

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

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

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

Impairment and uncollectibility of financial assets

The entity 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 through the use of an allowance account.

The amount of the loss is recognised in surplus or deficit.

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

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 financial assets using trade date accounting.

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 entity 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 entity:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the

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1.9 Financial instruments (continued)

consideration received is recognised in surplus or deficit.

Financial liabilities

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

The obligation for retentions is considered to have expired when the retention is unclaimed for more than 3 years from the date the defect liability period expired.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

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.

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

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

1.10 Statutory receivables

Identification

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

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

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

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

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

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1.10 Statutory receivables (continued)

Accrued interest

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

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

Impairment losses

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

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

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

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

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

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

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

Derecognition

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

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

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1.10 Statutory receivables (continued)

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

1.11 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.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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1.12 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.13 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

1.14 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Useful life is either:

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

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1.14 Impairment of cash-generating assets (continued)

Identification

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

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

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

Value in use

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

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

Discount rate

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

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1.14 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

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

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

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

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

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

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

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

1.15 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.

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

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

Useful life is either:

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

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

[Specify judgements made]

1.16 Employee benefits

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

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

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

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

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Accounting Policies

1.16 Employee benefits (continued)

Employee benefit Obligation

The municipality's obligation for Long Service Awards is a defined benefit plan. This plan is wholly unfunded as no contributions are made by the municipality into funds that are legally separate from the municipality and from which the employee benefits are paid (each subsequent financial year's expected payments of long service bonuses are budgeted for). The municipality, in substance, underwrites the actuarial and investment risks associated with the plan.

Consequently, the expense recognised for the defined benefit plan is the full additional liability accrued due to additional benefit entitlement. The municipality's net obligation in respect of the defined benefit long service awards is the present value of the defined benefit obligation less the fair value of any plan assets, together with adjustments for unrecognised actuarial gains or losses and past service cost.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows of the benefits that will be paid to employees and using suitable interest rates.

1.17 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.

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.

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1.17 Provisions and contingencies (continued)

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 40.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.14 and 1.15.

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
 - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and net assets. If a revaluation is necessary, all assets of that class is revalued; and
- the Standard of GRAP on Presentation of Financial Statements requires disclosure on the face of the statement of changes in net assets of each item of revenue or expense that is recognised directly in net assets. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability is separately identified and disclosed as such.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

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

1.18 Commitments

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

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Accounting Policies

1.18 Commitments (continued)

Disclosures are required in respect of unrecognised contractual commitments.

Capital commitments are disclosed in the financial statements and they represent the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

Commitments for which disclosure is necessary to achieve a fair presentation are 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 ; and
- Contracts should relate to something other than the routine, steady, state business of the municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.19 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.

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Accounting Policies

1.19 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by .

Interest, royalties and dividends

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

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

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

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.20 Revenue from non-exchange transactions

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

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

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Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

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

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

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

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

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

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

Recognition

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

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

Measurement

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

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.

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Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

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

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for income tax is the earning of assessable income during the taxation period by the taxpayer.

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

The taxable event for customs duty is the movement of dutiable goods or services across the customs boundary.

The taxable event for estate duty is the death of a person owning taxable property.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

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

Taxation revenue are not grossed up for the amount of tax expenditures.

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.

Gifts and donations, including goods in-kind

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

1.21 Investment income

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

1.22 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.23 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

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Accounting Policies

1.24 Unauthorised expenditure

Unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with this Act;

1.25 Fruitless and wasteful expenditure

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

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

1.26 Irregular expenditure

irregular expenditure", in relation to a municipality or municipal entity, means—

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

1.27 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.

1.28 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 2024/07/01 to 2025/06/30.

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Accounting Policies

1.28 Budget information (continued)

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.29 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.

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.

1.30 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.

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Notes to the Annual Financial Statements

Figures in Rand

3. Investment property

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	161 643 268	-	161 643 268	150 822 451	-	150 822 451

Reconciliation of investment property - June 2025

	Opening balance	Transfers	Fair value adjustments	Total
Investment property	150 822 451	(508 898)	11 329 715	161 643 268

Reconciliation of investment property - June 2024

	Opening balance	Fair value adjustments	Total
Investment property	149 188 366	1 634 085	150 822 451

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2025

2024

3. New standards and interpretations (continued)

Pledged as security

Investment property was not pledged as security for financial liabilities.

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.

Details of valuation

The value indicated is established by comparing the subject property with similar properties, called comparable sales.

Comparable sales are recent property transactions of property that were sold in accordance with the definition of market value.

These comparable sales are judged as being the most comparable to the subject property to indicate a range of value in which the subject property's value could be determined. The subject property is then measured against the comparable sales, in various elements of comparison that might influence and ultimately determine the value of the subject property.

Maintenance of investment property

The following maintenance costs were incurred:

There were no direct operating expenses, repairs and maintenance arising from investment property.

Amounts recognised in surplus or deficit

Rental revenue from Investment property

-

-

From Investment property that generated rental revenue

Direct operating expenses (excluding repairs and maintenance)

-

-

Repairs and maintenance

-

-

From Investment property that did not generate rental revenue

Direct operating expenses (excluding repairs and maintenance)

-

-

Repairs and maintenance

-

-

-

-

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Notes to the Annual Financial Statements

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4. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	17 290 211	-	17 290 211	17 290 211	-	17 290 211
Buildings	217 301 425	(126 384 033)	90 917 392	216 836 663	(120 215 243)	96 621 420
Plant and machinery	3 527 554	(3 234 254)	293 300	3 529 270	(3 027 906)	501 364
Furniture and Fixtures	50 039 130	(43 438 791)	6 600 339	49 871 724	(42 727 198)	7 144 526
Motor vehicles	35 171 712	(28 503 475)	6 668 237	34 443 282	(27 932 676)	6 510 606
Infrastructure	5 522 218 501	(2 741 872 443)	2 780 346 058	5 333 755 967	(2 644 846 637)	2 688 909 330
Community	561 006 190	(319 091 378)	241 914 812	561 082 881	(304 783 113)	256 279 768
Leased vehicles	30 872 822	(9 979 667)	20 893 155	30 872 822	(6 010 304)	24 862 518
Total	6 437 427 545	(3 272 504 041)	3 164 923 504	6 247 662 820	(3 149 543 077)	3 098 119 743

Reconciliation of property, plant and equipment - June 2025

	Opening balance	Additions	Transfer to out to general expenses	Disposals	Landfill site provision	Depreciation	Impairment loss	Total
Land	17 290 211	-	-	-	-	-	-	17 290 211
Buildings	96 621 420	487 557	-	(1 824)	-	(6 199 761)	-	90 917 392
Plant and machinery	501 364	-	-	(1 706)	-	(200 053)	(6 305)	293 300
Furniture and fixtures	7 144 526	1 585 025	-	(168 765)	-	(1 912 282)	(48 165)	6 600 339
Motor vehicles	6 510 606	932 833	-	(24 391)	-	(298 158)	(452 653)	6 668 237
Infrastructure	2 688 909 330	221 493 535	(14 182 340)	(12 416 321)	2 527 403	(96 409 024)	(9 576 525)	2 780 346 058
Community	256 279 768	676 356	-	(346 817)	-	(14 680 880)	(12 615)	241 914 812
Leased vehicles	24 862 518	-	-	-	-	(3 969 363)	-	20 893 155
Total	3 098 119 743	225 174 306	(14 182 340)	(12 959 824)	2 527 403	(123 659 521)	(10 096 263)	3 164 923 504

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Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - June 2024

	Opening balance	Additions	Disposals	Transfers	Landfill site provision	Depreciation	Impairment loss	Total
Land	17 290 211	-	-	-	-	-	-	17 290 211
Buildings	101 378 159	1 593 550	(191 735)	-	-	(8 158 554)	-	96 621 420
Plant and machinery	898 238	58 130	(13 316)	-	-	(241 686)	-	501 364
Furniture and fixtures	8 861 471	2 855 179	(89 025)	-	-	(2 483 099)	-	7 144 526
Motor vehicles	7 689 860	1 191 004	(26 388)	(386 585)	-	(1 957 285)	-	6 510 606
Infrastructure	2 564 070 307	225 085 592	(8 865 508)	-	(995 655)	(88 731 082)	(1 854 326)	2 688 909 330
Community	286 544 057	5 435 707	(552 140)	-	-	(15 147 856)	-	256 279 768
Building WIP	-	129 700	-	(129 700)	-	-	-	-
Leased vehicles	28 842 758	-	-	-	-	(3 980 238)	-	24 862 518
	2 993 375 057	236 348 862	(9 738 110)	(516 285)	(995 655)	(118 699 800)	(1 854 326)	3 098 119 743

Pledged as security

Leased vehicles

20 893 155

24 862 518

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets

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4. Property, plant and equipment (continued)

Property, plant and equipment in the process of being constructed or developed

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected

KOFFIEKRAAL HIGHMAST LIGHT	2 734 518	2 734 518
MANAMELA HIGHMAST LIGHT	1 551 759	1 389 365
RATAU HIGHMAST LIGHT	882 401	478 245
HIGH MAST LIGHT_NKOGOLWE	983 178	983 178
HIGH MAST LIGHT_WELVERDIEN	1 247 575	1 247 575
LEGKRAAL HIGHMAST LIGHT	1 892 485	1 892 485
MONONONO HIGHMAST LIGHT	1 132 437	884 236
HIGH MAST LIGHT - LERULENG	1 026 169	1 026 169
HIGH MAST LIGHT - KRAALHOEK	943 664	943 664
HIGH MAST LIGHT - LEROME	1 474 048	1 474 048
HIGHMASTLIGHT-GOEDEHOOP	565 098	437 952
HIGHMAST LIGHT-SESOBE	751 192	751 192
SUPPLY AND INSTALLATION OF HML (SESOBE)	514 341	512 027
SUPPLY AND INSTALLATION OF HML (LOSMYTJERIE)	1 794 385	1 301 449
SUPPLY AND INSTALLATION OF HML (LEDIG)	2 519 146	2 519 146
SUPPLY AND INSTALLATION OF HML (GOEDEHOOP)	555 507	555 507
SUPPLY AND INSTALLATION OF HML (MORULENG WARD 9)	1 473 863	1 097 529
HIGH MAST LIGHT_MORULENG_WARD 32	1 421 287	1 421 287
HIGH MAST LIGHT_MORULENG_WARD 17	1 892 092	1 892 092
MONONONO HIGHMAST LIGHT	320 915	320 915
KOFFIEKRAAL HIGHMAST LIGHT	1 014 637	1 014 637
MASEKOLOANE HIGHMAST LIGHT	700 069	700 069
MORULENG_RENOVATE TESTING STATION	753 272	753 272
	27 724 036	26 108 555

The High Mast Lights have been identified as taking significantly longer period to completed as expected, due to the delay in connection of energizing of the Eskom power grid. 70 Connections points have been installed by Eskom. The Municipality planning to Appoint consultant to connect the HML with the connection point in the 2025/26 financial year.

ASSET UTILIZED FOR OTHER SERVICE.

Under Community Assets, the Community Hall of Disake is temporary in use by the North West Department of Health as a clinic. Due to the damages of the Clinic in Disake Village community members had problem in receiving health care services. The Community Hall was made available to render health services to the Community of Disake for the use of no cost.

Reconciliation of Work-in-Progress June 2025

	Included within Infrastructure	Included within Buildings	Total
Opening balance	347 685 477	753 272	348 438 749
Additions/capital expenditure	187 652 940	-	187 652 940
Disposal	(14 182 340)	-	(14 182 340)
Transferred to completed assets	(234 437 449)	-	(234 437 449)
	286 718 628	753 272	287 471 900

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4. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress June 2024

	Included within Infrastructure	Included within Community	Included within Buildings	Total
Opening balance	238 894 881	14 140 014	753 272	251 588 167
Additions/capital expenditure	202 103 189	6 556 223	129 700	208 789 112
Transferred to completed assets	(91 112 593)	(20 896 237)	(129 700)	(111 938 530)
	<u>347 685 477</u>	<u>-</u>	<u>753 272</u>	<u>348 438 749</u>

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

Employee related costs	15 324 396	13 059 150
Contracted services	32 520 694	27 172 686
Material and other expenditure	11 364 925	7 510 607
Hire charges	2 402 864	3 211 000
	<u>61 612 879</u>	<u>50 953 443</u>

In determining the repairs and maintenance amount the municipality has exclusively disclosed amounts charged by service providers.

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5. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	31 355 331	(19 027 668)	12 327 663	31 128 615	(18 650 387)	12 478 228

Reconciliation of intangible assets - June 2025

	Opening balance	Additions	Amortisation	Total
Computer software, other	12 478 228	2 093 000	(2 243 565)	12 327 663

Reconciliation of intangible assets - June 2024

	Opening balance	Additions	Amortisation	Total
Computer software, other	13 393 410	1 661 497	(2 596 679)	12 478 228

Pledged as security

Intangible assets were not pledged as security for financial liabilities

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6. Heritage assets

	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical monuments	14 000	-	14 000	14 000	-	14 000

Reconciliation of heritage assets - June 2025

	Opening balance	Total
Historical monuments	14 000	14 000

Reconciliation of heritage assets June 2024

	Opening balance	Total
Historical monuments	14 000	14 000

Pledged as security

Heritage assets were not pledged as a security for financial liabilities

Expenditure incurred to repair and maintain heritage assets

There were no expenditure incurred to repair and maintain heritage assets during the year under review

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7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	20 000	15 092
Bank balances	49 435 566	15 929 676
Short-term deposits	6 109 288	27 642 149
	<u>55 564 854</u>	<u>43 586 917</u>

Cash and cash equivalents held by the entity that are not available for use by the economic entity	107 700	107 700
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The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2025	30 June 2024	30 June 2023	30 June 2025	30 June 2024	30 June 2023
Standard Bank	47 965 228	12 752 060	4 677 337	47 939 894	12 752 060	4 677 537
Current Account- 041980182						
Call MIG Standard	127 083	1 473 301	10 683 660	127 083	1 473 301	10 683 660
Bank Account Number 0228810957004						
Call MKLM StandardBank	930 171	25 871	5 160 909	930 171	25 871	5 160 909
228810957002						
WSIG Account MKLM	4 138 236	25 304 938	11 690 577	4 138 236	25 304 938	11 690 577
MUNIC I NFRA- Account number - 0228810957003						
ABSA Rustenburg Branch	218 769	987 937	377 515	218 769	987 937	367 426
AccountNumber 4050414471						
ABSA Fixed Deposit- 12 months Eskom-Account	502 453	458 113	425 755	502 453	458 113	455 187
Number - 2 062250801						
Standard BANK Barongwa	285 018	12 004	46 681	285 018	12 004	37 980
Traffic Registration Account Number -041980255						
Traffic- Account Number	113 423	886 160	586 380	113 423	886 160	586 380
041980247						
Standard Bank - Fleet	411 345	379 917	4 842 692	411 345	379 917	4 842 692
Account Number 0228810957001						
Standard bank Licence- Account Type - 033099936	878 472	1 291 524	332 887	878 472	1 291 524	332 887
Total	<u>55 570 198</u>	<u>43 571 825</u>	<u>38 824 393</u>	<u>55 544 864</u>	<u>43 571 825</u>	<u>38 835 235</u>

8. Inventories

Maintenance materials	30 476 849	19 907 550
Water for distribution	1 405 121	1 008 317
Land held for sale	434 800	434 800
	<u>32 316 770</u>	<u>21 350 667</u>

There is no inventory pledged as security.

Inventories recognised as an expense during the year	10 050 328	10 861 009
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Figures in Rand	2025	2024
8. Inventories (continued)		
Inventory valuation		
Inventory carried at cost	32 316 770	21 350 867
Water for distribution		
Water in the reservoirs	324 297	84 708
Water in the pipes (reticulation)	1 080 824	923 611
Closing balance	1 405 121	1 008 317

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9. Receivables from non-exchange transactions		
Total receivables from non-exchange transactions	22 371 453	20 108 910
Fines	260 327	339 415
Other receivables from non exchange transactions	3 304 875	1 944 454
Deposits	18 716 251	17 825 041
	22 371 453	20 108 910
Non-current assets	18 716 251	17 825 041
Current assets	3 655 202	2 283 869
	22 371 453	20 108 910
Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Fines	260 327	339 415
	260 327	339 415
Financial asset receivables included in receivables from non-exchange transactions above	22 111 126	19 769 495

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9. Receivables from non-exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

Fines are issued in terms of the National Road Traffic Regulations of 2000 and the National Road Traffic Act 93 of 1996.

Determination of transaction amount

All fines are governed by the specific regulation which is applicable to the offence

Interest or other charges levied/charged

Fines - No interest or other charges are charged on outstanding fines.

No discount rate is applied on the above mentioned statutory receivables to estimate future cash flows

Basis used to assess and test whether a statutory receivable is impaired

Fines - Payment percentage of fines is used to assess whether fines are impaired.

There are no trade and other receivables from non exchange pledged as security during the year.

The aging- June 2025	Fines	Deposits	Other receivables	Total
Current (0-30 days)	140 600	213 210	1 512 669	1 866 479
31-60 days	107 350	596 640	-	703 990
61-90 days	148 400	-	-	148 400
91-120 days	192 100	81 360	-	273 460
121 days and above	16 806 783	17 825 041	1 882 207	36 514 031
Less: Allowance for impairment	(17 134 906)	-	-	(17 134 906)
	<u>260 327</u>	<u>18 716 251</u>	<u>3 394 876</u>	<u>22 371 454</u>
The aging- June 2024	Fines	Deposits	Other receivables	Total
Current (0-30 days)	416 600	-	810 574	1 227 174
31-60 days	82 000	-	-	82 000
61-90 days	114 350	-	-	114 350
91-120 days	107 300	-	-	107 300
121 days and above	15 089 826	17 825 041	1 133 880	34 048 747
Less: Allowance for impairment	(15 470 661)	-	-	(15 470 661)
	<u>339 415</u>	<u>17 825 041</u>	<u>1 944 454</u>	<u>20 108 910</u>

There are no receivables from non exchange transactions pledged as security as at 30 June 2025.

10. Receivables from exchange transactions

Accrued Interest	-	534 657
Other receivables	3 042 051	3 048 719
Input VAT accrual	28 295 848	23 565 356
Vat receivable due from SARS	3 694 358	3 267 542
Bakwena systems	2 443 423	2 443 423
Less: Impairment allowance	(2 443 423)	(2 443 423)
	<u>35 032 257</u>	<u>30 416 274</u>

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10. Receivables from exchange transactions (continued)		
Statutory receivables included in receivables from exchange transactions above are as follows:		
Input VAT accrual	27 909 000	23 565 356
VAT receivable from SARS	3 694 358	3 267 542
	31 603 358	26 832 898
Financial asset receivables included in receivables from exchange transactions above	3 428 899	3 583 376
Total receivables from exchange transactions	35 032 257	30 416 274

Statutory receivables general information

Transaction(s) arising from statute

The Municipality claims VAT in terms of the VAT Act 89 of 1991.

VAT input is claimed for goods and services received from suppliers who are registered as VAT vendors. The VAT receivable at the end of the financial year is based on the input VAT charged on operational goods and services supplied to the Municipality, input VAT charged on capital goods and services.

The current VAT rate used, as determined by National Government is, 15% The municipality is registered for VAT on the Payment Basis.

The ageing of other receivables

June 2025	Other receivables	Bakwena system	Input VAT accrual	VAT receivables due from SARS	Total
0 to 30 days	143 153	-	11 980 528	3 694 358	15 818 039
31 to 60 days	127 198	-	2 957 322	-	3 084 520
61 to 90 days	102 141	-	3 555 032	-	3 657 173
91 to 120 days	105 050	-	524 471	-	629 530
Above 120 days	2 564 500	2 443 422	9 278 495	-	14 286 417
Less: Allowance for impairment	-	(2 443 422)	-	-	(2 443 422)
	3 042 051	-	28 295 848	3 694 358	35 032 257

Trade and other receivables pledged as security

There are no trade and other receivables pledged as security at the end of the year.

Other receivables aging

The municipality acts as an agent on behalf of the department. Other receivables relates to debt owed by Nort West Traffic Department for the vehicle registration fees issued by the municipality on behalf of the department. 80% of the fees is due to the department and 20% is paid to the municipality as agency fees. During the year the department owed the municipality R 3 042 051 (R 3 048 719 in 2024).

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11. Consumer debtors		
Gross balances		
Rates	867 406 519	817 311 756
Water	899 135 478	796 740 796
Sewerage	18 547 832	15 877 673
Refuse	60 032 877	43 471 094
Sundry debtors	2 116 586	1 429 901
Water consumption from the last readings	1 454 835	3 921 710
	1 648 694 127	1 478 752 930
Less: Allowance for impairment		
Rates	(568 642 036)	(534 289 742)
Water	(832 297 492)	(705 588 968)
Sewerage	(14 904 248)	(12 172 595)
Refuse	(59 638 215)	(42 873 900)
Sundry debtors	(2 096 937)	(1 424 687)
	(1 477 578 928)	(1 296 349 892)
Net balance		
Rates	98 764 483	83 022 014
Water	66 837 986	91 151 828
Sewerage	3 643 584	3 705 078
Refuse	394 662	597 194
Sundry debtors	19 649	5 214
Water consumption from the last readings	1 454 835	3 921 710
	171 115 199	182 403 038
Statutory receivables included in consumer debtors above are as follows:		
Rates	98 764 483	83 022 014
Financial asset receivables included in consumer debtors above	72 350 716	99 381 024
Total consumer debtors	171 115 199	182 403 038
Included in above is receivables from exchange transactions		
Water	66 837 984	91 151 828
Sewerage	3 643 081	3 705 078
Refuse	394 662	597 194
Water consumption from the last readings	1 454 835	3 921 710
	72 330 562	99 375 810
Included in above is receivables from non-exchange transactions (taxes and transfers)		
Rates	98 764 483	83 022 014
Sundry debtors	19 649	5 214
	98 784 132	83 027 228
Net balance	171 114 694	182 403 038

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11. Consumer debtors (continued)		
Rates		
Current (0 -30 days)	15 539 726	14 295 446
31 - 60 days	14 387 614	12 200 336
61 - 90 days	13 905 670	12 077 307
91 - 120 days	13 886 857	12 031 925
121 - 365 days	609 686 757	566 706 742
Allowance for impairment	(568 642 141)	(534 289 742)
	98 764 483	83 022 014
Water		
Current (0 -30 days)	24 266 122	22 834 565
31 - 60 days	22 480 419	23 932 019
61 - 90 days	24 162 051	23 717 292
91 - 120 days	22 369 528	24 170 574
121 - 365 days	863 678 301	702 086 346
Allowance for impairment	(890 118 435)	(705 588 968)
	66 837 986	91 151 828
Sewerage		
Current (0 -30 days)	570 543	496 669
31 - 60 days	383 803	769 530
61 - 90 days	646 310	504 767
91 - 120 days	397 982	465 743
121 - 365 days	16 549 696	13 640 964
Allowance for impairment	(14 904 750)	(12 172 595)
	3 643 584	3 705 078
Refuse		
Current (0 -30 days)	1 670 472	1 401 870
31 - 60 days	1 519 391	1 382 530
61 - 90 days	1 516 880	1 384 395
91 - 120 days	1 508 302	1 379 054
121 - 365 days	53 817 831	37 923 245
Allowance for impairment	(59 638 214)	(42 873 900)
	394 662	597 194
Business service levies		
Current (0 -30 days)	64 627	63 952
31 - 60 days	62 619	58 624
61 - 90 days	63 215	58 239
91 - 120 days	63 758	58 446
121 - 365 days	1 861 760	1 190 641
Allowance for impairment	(2 096 330)	(1 424 688)
	19 649	5 214
Other (specify)		
Current (0 -30 days)	1 454 835	3 921 710

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11. Consumer debtors (continued)

Reconciliation of allowance for impairment

Balance at beginning of the year	(1 296 349 892)	(1 831 578 857)
Debt impairment written off against allowance and other adjustments	87 228 574	859 568 033
Contributions to allowance	(268 457 810)	(324 339 088)
	<u>(1 477 578 928)</u>	<u>(1 296 349 892)</u>

Statutory receivables general information

Transaction(s) arising from statute

Municipal Property Rates Act (MRP Act) section 2 states that a metropolitan or local municipality may levy a rate on property in its area.

Determination of transaction amount

Rates amounts are determined in terms of section 11 of the MRP Act and the approved rates policy of the municipality

Interest or other charges levied/charged

Interest is charged on past due balances

Basis used to assess and test whether a statutory receivable is impaired

Payment history of receivables is used to assess whether the receivable is impaired

Discount rate applied to the estimated future cash flows

No discount rate is applied on above mentioned statutory receivables to estimate future cash flow

Credit quality of consumer debtors

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables

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12. Non current assts held for sale

Management took a decision to dispose the transport assets as these assets had become expensive to maintain, the mileage of the assets was very high and the physical condition of the assets had deteriorated.

Reconciliation - June 2025	Opening Balance	Additions	Transfers	Total
Vehicles held for sale	554 938	-	-	554 938

Reconciliation - June 2024	Opening Balance	Additions	Transfers	Total
Vehicles held for sale	124 896	430 042	-	554 938

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13. Other receivables			
Other receivables relates to the maintenance plan of leased vehicles from Standard Bank.			
Reconciliation June 2025			
		Opening balance	Expensed during the year
Maintenance plan		1 605 652	(1 067 938)
			Total
			537 714
Reconciliation June 2024			
	Opening balance	Additions	Expensed during the year
Maintenance plan	2 673 590	-	(1 067 938)
			Total
			1 605 652
Non current			-
Current			537 714
			537 714
			1 605 652
14. Other financial liabilities			
At amortised cost			
INCA annuity loan		2 703 279	3 588 133
ABSA annuity loan		-	16 495
		2 703 279	3 604 628
Total other financial liabilities			
		2 703 279	3 604 628
INCA Civic Ext 2			
Type of loan	Annuity loan		
Original amount	R10 000 000		
Period of loan	20 years		
Loan raised	January 2008		
Redemption date	December 2027		
Interest rate	9.48%		
Purpose of loan	Extention Civic Centre		
Terms and conditions	Payable half yearly December and June		
Non-current liabilities			
At amortised cost		1 711 498	2 703 279
Current liabilities			
At amortised cost		991 781	901 349

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15. Finance lease obligation		
Minimum lease payments due		
- within one year	9 361 109	15 349 180
- in second to fifth year inclusive	-	9 694 599
	<u>9 361 109</u>	<u>25 043 779</u>
less: future finance charges	(330 728)	(2 099 179)
Present value of minimum lease payments	<u>9 030 381</u>	<u>22 944 600</u>
Present value of minimum lease payments due		
- within one year	9 029 436	13 949 236
- in second to fifth year inclusive	-	8 995 364
	<u>9 029 436</u>	<u>22 944 600</u>
Non-current liabilities	-	8 995 364
Current liabilities	9 029 436	13 949 236
	<u>9 029 436</u>	<u>22 944 600</u>

The average lease term is 3 years and the average effective borrowing rate was 12% (June 2024: 12%).

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. Refer to note 4.

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16. Employee benefit obligations		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(23 268 000)	(25 555 000)
Non-current liabilities	(20 218 000)	(21 678 000)
Current liabilities	(3 050 000)	(3 879 000)
	(23 268 000)	(25 555 000)

The municipality's obligation for Long Service Awards is a defined benefit plan. This plan is wholly unfunded as no contributions are made by the municipality into funds that are legally separate from the municipality and from which the employee benefits are paid (each subsequent financial year's expected payments of long service bonuses are budgeted for). The municipality, in substance, underwrites the actuarial and investment risks associated with the plan.

Consequently, the expense recognised for the defined benefit plan is the full additional liability accrued due to additional benefit entitlement. The municipality's net obligation in respect of the defined benefit long service awards is the present value of the defined benefit obligation less the fair value of any plan assets, together with adjustments for unrecognised actuarial gains or losses and past service cost.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows of the benefits that will be paid to employees and using suitable interest rates.

The calculation is performed by registered actuaries using the projected unit credit method. The most recent actuarial valuations of the present value of the defined benefit obligation were carried out as at 30 June 2025.

There are 542 employees that are currently entitled to Long Service Awards.

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

Opening balance	25 555 000	21 361 000
Benefits paid	(3 366 178)	(3 525 922)
Net expense recognised in the statement of financial performance	1 079 178	7 719 922
	23 268 000	25 555 000
Net expense recognised in the statement of financial performance		
Current service cost	2 159 000	1 951 000
Interest cost	2 614 000	2 210 000
Actuarial (gains) losses	(3 693 822)	3 558 922
	1 079 178	7 719 922

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16. Employee benefit obligations (continued)		
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used	9,70 %	11,05 %
CPI inflation rate	3,80 %	5,20 %
General earnings inflation rate	4,80 %	6,20 %

It is difficult to predict future investment returns and inflation rates. The relationship between them is more stable and therefore easier to predict. GRAP 25 requires that financial assumptions be based on market expectations at this valuation for the period over which the DBO is to be settled.

Discount Rate

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the employee benefit 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 9.7% per annum has been used. The corresponding index-linked yield is 5.3%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2025.

These yields were obtained by calculating the duration of the DBO and then taking the fixed-interest and index-linked yields from the respective yield curves at that duration using an iterative process (because the yields depend on the duration, which in turn depends on the DBO). The duration of the DBO was estimated to be 8 years.

Earnings Inflation Rate

This assumption is required to reflect the estimated growth in earnings of the eligible employees until retirement. It is important in that the LSA are based on an employee's earnings at the date of the award.

The assumption is traditionally split into two components, namely General Earnings Inflation and Promotional Earnings Escalation. The latter is considered under demographic assumptions.

The assumption is traditionally split into two components, namely general earnings inflation and promotional earnings escalation. The latter is considered under demographic assumptions.

General Earnings Inflation Rate

This assumption is more stable relative to the growth in consumer price index (CPI) than in absolute terms. In most industries, experience has shown that over the long term, earnings inflation is between 1.0% and 1.5% above CPI inflation.

The CPI inflation assumption of 3.8% per annum was obtained from the differential between market yields on index-linked bonds (5.3%) consistent with the estimated term of the DBO and those of nominal bonds (9.7%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%).

Thus, a general earnings inflation rate of 4.8% per annum over the expected term of the DBO has been assumed, which is 1.00% higher than the estimate of CPI inflation over the same term. This assumption reflects a net discount rate of 4.7%.

It was assumed that the next general earnings increase will take place on 1 July 2026.

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16. Employee benefit obligations (continued)

Demographic Assumptions

Demographic assumptions are required about the future characteristics of current employees who are eligible for LSA.

Promotional Earnings Scale

The annual inflation rates below are in addition to the General Earnings Inflation assumption of 4.8% per annum for all employees.

Promotional earnings scale

Age Band	Additional Promotional Scale
20 – 24	5.0%
25 – 29	4.0%
30 – 34	3.0%
35 – 39	2.0%
40 – 44	1.0%
45+	0.0%

Average Retirement Age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

Mortality During Employment

SA85-90 ultimate table, adjusted for female lives.

Termination of Service

If an eligible employee leaves due to resignation or retrenchment, the employer's DBO in respect of that employee ceases. It is therefore important not to overstate termination rates. The assumed annual rates are set out below.

Termination rates per annum

Age Band	Rate
20 – 24	9.0%
25 – 29	8.0%
30 – 34	6.0%
35 – 39	5.0%
40 – 44	5.0%
45 – 49	4.0%
50 – 54	3.0%
>55	0.0%

Other assumptions

Assumed general earnings rate have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed general earnings 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	23 268 000	25 555 000	21 361 000	19 034 000	17 814 000

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Figures in Rand	2025	2024
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17. Provisions (continued)

Environmental rehabilitation provision

Unit Costs

Unit costs for each of the cost elements are obtained annually by means of a commercial quotation. Details of this are provided separately.

CPI

The CPI is used for determining the future value of current costs in the year when the cost is projected to be incurred. The CPI figure used in the GLCCM is based on the three-month average CPI for the quarter that includes the financial year-end date. The average of the CPI for the last quarter amounted to 2.8878%

Discount Rate

GRAP 19 states that where the effect of the time value of money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. In view of the long operational life of landfills, the time value of money is considered material. GRAP 19 prescribes that the discount rate shall be the pre-tax rate that reflects current market assessments of the time value of money, and the risks specific to the liability. Normally corporate bond rates are used to determine the discount rate. In line with GRAP 25 Defined benefit plans, government bond rates may also be used to determine the discount rate. The liability for this purpose is in most cases determined for a government entity (municipality). Therefore, government bond rates are considered a more appropriate indicator of the risk associated with the entity than corporate bond rates to determine the discount rate. The government bond rate most consistent with the estimated term of the liability should be used. As inflation-linked RSA retail bond rates have longer terms than fixed RSA retail bond rates, inflation linked rates are used.

The rate most consistent with the remaining life of the landfills published at the end of the quarter that includes the financial year-end date was used.

- For landfills with an expected remaining life of three years or less, the rate associated with a maximum period of 3 years is used.

- For landfills with an expected remaining life of four of five years, the rate associated with a maximum period of 5 years is used.

- For landfills with an expected remaining life of more than five years, the rate associated with a maximum period of 10 years is used.

Assumption

CPI	2.8878%
Discount rate	8.6378%
Net effective discount rate	5.75%

18. Consumer deposits

Consumer water deposit received	801 513	598 725
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Consumer deposits relates the security amounts charged and held by the Municipality for water connections

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
19. Payables from exchange transactions		
Trade payables	146 703 429	97 559 475
Payments received in advance	70 099 139	60 504 774
Other payables	1 253 737	1 365 659
Accrued leave pay	48 474 654	44 754 305
Retentions	46 146 434	41 540 972
Unallocated receipts	3 550 500	3 951 000
Accrued Bonus	8 274 771	8 781 557
Vat Payable	8 305 325	11 020 019
	332 807 989	269 477 761
Vat Payable		
Output Vat Accrual	114 676 798	97 698 495
Provision for doubtful debt impairment	(106 371 473)	(86 678 476)
	8 305 325	11 020 019

The Municipality levies VAT in terms of the VAT Act 89 of 1991.

VAT output is levied for goods and services supplied by the municipality for taxable supplies. The VAT payable at the end of the financial year is based on the output VAT levied for municipal services.

The current VAT rate used, as determined by National Government is, 15% The municipality is registered for VAT on the Payment Basis.

20. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal Infrastructure Grant	5 944 310	158 079
Library Grant	437 401	1 041 486
Water Service Infrastructure Grant	3 045 133	2 052 516
EPWP Grant	-	52 709
PMU Grant	313 125	-
	9 739 969	3 304 790
Movement during the year		
Balance at the beginning of the year	3 304 790	8 099 389
Additions during the year	232 475 000	243 682 000
Income recognition during the year	(225 829 033)	(243 372 934)
Roll over denied	(210 788)	(5 103 665)
	9 739 969	3 304 790

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Figures in Rand	2025	2024
23. Other income		
Clearance certificates	171 451	28 352
Drainage fees	387	872
Sale of tender documents	302 935	438 118
Valuation services	4 415	3 671
Cemetery	35 021	28 119
Town planning	189 347	264 874
Recoveries	1 749 026	890 106
Photocopies and faxes	9 570	28 870
Advertisements	8 939	-
Water connections	15 778	43 927
Skills Development Fund	535 766	599 388
Commission	256 857	-
Insurance claims received	641 171	277 235
Licence fees	2 587 508	3 128 182
Skip Bin - Waste removal	8 461	247 936
Rental income	25 184	98 899
Sale of properties	10 448	291 500
	6 552 264	6 370 049

The amounts disclosed above for other income are in respect of services rendered which are billed to or paid for by the users of the services as required according to approved tariffs.

24. Interest Income - Exchange items

Interest revenue		
Bank	13 234 607	13 500 249
Interest charged on receivables	59 803 137	49 209 768
	73 037 744	62 710 017

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Figures in Rand	2025	2024
21. Revenue		
Service charges	148 978 436	207 677 023
Other income	6 552 264	6 370 049
Interest charged on receivables	73 037 744	62 710 017
Property rates	165 034 514	150 271 916
Interest on non exchange receivables	36 517 704	35 160 963
Government grants & subsidies	825 898 824	809 459 933
Public contributions and donations	-	7 535 109
Fines, Penalties and Forfeits	1 825 950	1 758 600
	1 257 845 436	1 280 943 610
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	148 978 436	207 677 023
Other income	6 552 264	6 370 049
Interest received - investment	73 037 744	62 710 017
	228 568 444	276 757 089
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	165 034 514	150 271 916
Interest on receivables from non exchange transactions	36 517 704	35 160 963
Transfer revenue		
Government grants & subsidies	825 898 824	809 459 933
Public contributions and donations	-	7 535 109
Fines, Penalties and Forfeits	1 825 950	1 758 600
	1 029 276 992	1 004 186 521
22. Service charges		
Sale of water	130 816 069	190 274 590
Sewerage and sanitation charges	4 878 811	4 786 279
Refuse removal	13 283 556	12 616 154
	148 978 436	207 677 023

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Figures in Rand	2025	2024
25. Property rates		
Rates received		
Commercial	54 719 643	53 587 646
State	87 307 218	77 969 245
Residential: Developed	1 901 974	1 261 318
Agricultural properties	304 285	248 802
Vacant Land	6 845 270	6 741 892
Mining	16 861 820	13 430 897
Industrial	1 066 666	1 030 907
Public Service Infrastructure	8 190	5 494
Less: Income forgone	(3 980 351)	(4 004 284)
	165 034 515	150 271 917

Assessment rates are levied on the total value of property of which the valuation must be performed every four years in terms of the Municipal Property Rates Act. Interim valuations are processed on a monthly basis to take into account changes in individual property value due to alterations, completions, consolidations and subdivisions.

Rates are levied monthly on property owners and are payable at the end of each month. Owners are allowed to pay the 12 monthly instalments annually by 30 September each year. Interest is levied on outstanding rates amounts.

The new general valuation was implemented on 01 July 2021.

Valuations

Residential	1 832 131 436	2 194 586 000
Commercial	1 330 567 500	477 433 000
Industrial	157 639 000	135 021 000
State	1 512 309 448	2 046 753 600
Church and parks	16 255 000	2 600 000
Mining	25 031 000	147 280 000
Public Benefit Organizations	419 800	419 800
Agriculture	1 828 996 902	1 525 359 600
Municipal (non taxable valuations)	531 051 300	76 265 100
Public Service infrastructure	30 683 300	30 184 100
Vacant land	53 128 000	33 497 100
	7 318 212 686	6 669 399 300

26. Public contributions and donations

Public contributions and donations 1	-	7 535 109
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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
27. Government grants & subsidies		
Operating grants		
Equitable share	600 069 789	566 087 000
Expanded Public Works Programme Grant	1 124 000	1 576 618
Project Management Unit Grant	5 485 700	5 400 000
Financial Management Grant	2 000 000	1 950 898
Library Grant	1 604 086	1 139 056
Energy, Efficiency Demand Side Management	-	1 000 000
	610 283 575	577 153 572
Capital grants		
Municipal Infrastructure Grant	161 607 865	162 524 338
Water Service Infrastructure Grant	54 007 384	69 782 023
	215 615 249	232 306 361
	825 898 824	809 459 933
Municipal Infrastructure Grant		
Balance unspent at beginning of year	158 079	179 418
Current-year receipts	167 552 175	162 503 000
Conditions met - transferred to revenue	(161 607 865)	(162 524 339)
Roll over denied	(158 079)	-
	5 944 310	158 079
The grant was utilised to construct roads, streetlighting, water and sewerage infrastructure. Conditions still to be met - remain liabilities (see note 20).		
Library Grant		
Balance unspent at beginning of year	1 041 486	1 434 206
Current-year receipts	1 000 000	1 200 000
Conditions met - transferred to revenue	(1 604 085)	(1 139 056)
Other	-	(453 664)
	437 401	1 041 486
The grant is utilised for the operation and maintenance of the libraries in the area. Conditions still to be met - remain liabilities (see note 20).		
Water Services Infrastructure Grant		
Balance unspent at beginning of year	2 052 516	1 834 540
Current-year receipts	55 000 000	70 000 000
Conditions met - transferred to revenue	(54 007 383)	(69 782 024)
	3 045 133	2 052 516
Conditions still to be met - remain liabilities (see note 20).		
Expanded Public Works Grant		
Balance unspent at beginning of year	52 709	327
Current-year receipts	1 124 000	1 629 000
Conditions met - transferred to revenue	(1 124 000)	(1 576 618)
Roll over denied	(52 709)	-

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Figures in Rand	2025	2024
27. Government grants & subsidies (continued)		
	-	52 709
Conditions still to be met - remain liabilities (see note 20).		
Financial Management Grant		
Balance unspent at beginning of year	-	898
Current-year receipts	2 000 000	1 950 000
Conditions met - transferred to revenue	(2 000 000)	(1 950 898)
	-	-
Conditions still to be met - remain liabilities (see note 20).		
MIG (PMU) Grant		
Current-year receipts	5 798 825	5 400 000
Conditions met - transferred to revenue	(5 485 700)	(5 400 000)
	313 125	-
Conditions still to be met - remain liabilities (see note 20).		
Energy, Efficiency Demand Side Management Grant		
Balance unspent at beginning of year	-	4 650 000
Current-year receipts	-	1 000 000
Conditions met - transferred to revenue	-	(1 000 000)
Roll over denied	-	(4 650 000)
	-	-
Conditions still to be met - remain liabilities (see note 20).		

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Figures in Rand	2025	2024
28. Employee related costs		
Basic	216 547 446	208 402 097
Bonus	15 214 601	16 238 285
Medical aid - company contributions	17 687 520	16 360 350
UIF	1 286 085	1 273 051
SDL	2 437 329	2 634 351
Increase/(Decrease) in leave provision	4 034 739	4 059 426
Bargaining council	86 527	83 324
Travel, motor car, accommodation, subsistence and other allowances	1 311 247	1 708 485
Overtime payments	18 282 652	19 897 665
Long-service awards	1 079 178	7 719 922
Acting allowances	1 542 322	1 249 032
Housing benefits and allowances	852 707	763 266
Standby allowances	3 895 257	4 064 482
Pension fund company contributions	38 746 562	37 234 734
Shift allowance	269 465	284 555
	323 273 637	321 973 025
Remuneration of Municipal Manager		
Annual Remuneration	1 487 591	1 415 945
Car Allowance	265 000	265 000
Structured Bonuses	124 098	117 995
Contributions to UIF, SDL, Medical and Pension Funds	284 798	257 132
Amount paid above upper limits (recoverable)	(100 848)	-
	2 060 639	2 056 072
Remuneration for the Acting Corporate Services		
Acting allowance	-	3 441
SP Piek acted as director corporate services from 20 November 2023 to 3 December 2023.		
Remuneration of the Chief Finance Officer		
Annual Remuneration	1 363 589	963 008
Car Allowance	216 000	162 000
Structured Bonus	113 740	-
Contributions to UIF, Medical and Pension Funds	260 740	188 932
Amount paid above upper limits (recoverable)	(269 576)	-
	1 684 493	1 313 940
Remuneration of Acting CFO		
Acting Allowance	49 779	64 740
Ms B Kutumela acted as CFO from 01 October 2023 until 31 December 2023.		
Mr. T. Pitse acted as CFO from 05 May to 22 May 2025		
Remuneration of HOD Community Services		
Annual Remuneration	-	1 348 238
Car Allowance	-	240 000
Structured Bonus	-	60 000

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
28. Employee related costs (continued)		
Contributions to UIF, Medical and Pension Funds	-	2 262
	<u>-</u>	<u>1 650 500</u>
Remuneration of HOD Technical Services		
Annual Remuneration	1 662 038	1 588 238
Car Allowance	60 000	60 000
Contributions to UIF,SDL,Medical and Pension Funds	19 369	2 262
Amount paid above upper limits (recoverable)	(56 914)	-
	<u>1 684 493</u>	<u>1 650 500</u>
Remuneration of HOD Planning and Development		
Annual Remuneration	158 466	950 794
Car Allowance	65 247	391 485
Structured Bonuses	-	79 233
Contributions to UIF,SDL, Medical and Pension Funds	41 550	231 589
	<u>265 263</u>	<u>1 653 101</u>
Remuneration for Acting HOD: Planning and Development		
Acting Allowance	35 735	4 132
	<u>-</u>	<u>-</u>
Mr MV MMope acted as HOD planning from 13 March 2024 until 28 March 2024. and 30 August 2024 to 30 June 2025.		
Remuneration of Acting HOD: Local Economic Development		
Acting Allowance	<u>201 640</u>	<u>220 347</u>
FT Mogolwane acted from 01 July 2023 to 31 August 2023 and also 01 March 2024 to 28 March 2024.		
TG Masheleni acted from 1 December 2023 until 29 February 2024.		
AT Mogashoa acted from 02 April 2024 until 30 June 2024, 1 July 2024 to 28 February 2025 and 1 May 2025 to 30 June 2025..		
Remuneration of HOD: Corporate Services		
Annual Remuneration	1 358 225	1 299 615
Structured Bonuses	30 000	30 000
Contributions to UIF, Medical and Pension Funds	349 599	322 251
Amount paid above upper limits (recoverable)	(53 331)	-
	<u>1 684 493</u>	<u>1 651 867</u>
Remuneration of Acting HOD: Community Services		
Acting Allowance	<u>55 483</u>	<u>10 417</u>
	<u>-</u>	<u>-</u>
ND Moeng acted from 31 July 2023 to 11 August 2023 and from 1 July 2024 to 30 May 2025.		
Ms. J. Malinga acted as HOD: Corporate Services from 26 May to 06 June 2025		

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
29. Remuneration of councillors		
Mayor	858 978	843 566
Single WHIP	636 435	631 368
Executive Committee	5 898 913	5 686 716
Speaker	704 122	770 832
Councillors	14 941 621	14 714 642
Councillors pension, medical aid contributions and SDL	3 737 132	3 422 109
Traveling allowance	959 411	1 098 786
Cell phone allowance	3 172 657	3 126 288
	30 909 269	30 294 307
In-kind benefits		
The Mayor, Speaker, Single Whip and Mayoral Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Mayor is entitled to stay at the mayoral residence owned by the Municipality and has use of a Council owned vehicle for official duties.		
30. Depreciation and amortisation		
Property, plant and equipment	123 659 529	118 699 800
Intangible assets	2 243 564	2 596 679
	125 903 093	121 296 479
31. Finance costs		
Non Current Borrowings	2 157 507	3 970 273
Finance cost from landfill site provision	2 458 557	2 463 939
	4 616 064	6 434 212
32. Debt impairment		
Consumer Debtors	302 687 193	307 869 973
Traffic Fines	1 640 756	1 188 512
	304 327 949	309 058 485
33. Bulk purchases		
Water	147 808 566	157 715 356

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Figures in Rand	2025	2024
33. Bulk purchases (continued)		
Water losses		
Units purchased	14 390 424	16 950 132
Units sold	(9 749 613)	(9 978 935)
Total loss	4 640 811	6 971 197
Value of loss	53 572 643	70 105 047
Percentage Loss	32 %	41 %
34. Contracted services		
Outsourced Services		
Accounting fees and asset management	21 158 151	15 677 720
Vat consultants fees	6 215 777	4 172 302
Debt collection fees	4 427 179	1 803 790
Information technology services	1 455 544	1 653 331
Refuse Removal	21 216 372	22 709 328
Consultants and Professional Services		
Financial systems support	3 561 785	2 223 680
Property valuation cost	-	1 643 613
Contractors		
Electrical	-	1 300 000
Maintenance of buildings and facilities	4 863 884	3 419 884
Maintenance of motor vehicles	3 767 645	2 512 700
Maintenance of infrastructure	51 366 657	43 736 521
	118 032 994	100 852 869
Contracted services are expenditure relating to mandated services in terms of the Structures Act, a municipal by-law or the IDP where the municipality is expected to have the capacity and expertise to carry out these services, but is outsourcing these services.		
35. Fuel fraud under investigation		
Financial loss under investigation	629 593	4 673 807

Financial loss under investigation relates to fuel which was paid for by the municipality but which might not have been incurred for municipal purposes. The fraud is still under investigation.

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
36. General expenses		
Auditors remuneration	6 035 381	6 186 146
Cleaning	1 788 407	-
Legal costs	2 127 753	1 915 306
Consumables	10 050 328	10 861 009
Fines and penalties	751 640	-
Insurance	6 453 668	4 674 218
IT expenses	15 493 170	10 218 576
Promotions and sponsorships	11 374 245	14 176 142
Fuel and oil	10 919 290	10 477 356
Repairs and maintenance	-	-
Security (Guarding of municipal property)	32 571 660	25 203 940
Worken's compensation fund	2 669 303	2 431 068
Subscriptions and membership fees	3 270 150	3 234 758
Telephone and fax	8 388 931	7 331 574
Training	2 635 496	641 331
Travel - local	4 379 154	6 954 459
Water Tankering	4 232 042	2 393 538
Rural sanitation	14 182 340	-
Electricity	42 143 728	44 384 616
Uniforms	1 971 919	1 247 540
Maintenance plan - write down	1 067 938	1 067 938
Ward committee fees	5 255 325	4 612 950
Water quality and chemicals	4 517 590	6 746 987
Other expenses	6 615 940	5 034 668
	198 875 398	169 794 120
37. Impairment of assets		
Impairments		
Property, plant and equipment	10 096 263	1 654 326

The main classes of assets affected by impairment losses are:

Infrastructure assets

Value in use

The value in use for the high mast lights impaired is Nil as these assets are not in use..

Fair value less cost to sell

The fair value less cost to sell for the high mast lights is nil because there is no active market to sell the assets.

Value in use

The value in use for the high mast lights impaired is Nil as these assets are not in use.

Fair value less cost to sell

The fair value less cost to sell for the high mast lights is nil because there is no active market to sell the assets.

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
38. Cash generated from operations		
Surplus	37 052 750	47 574 730
Adjustments for:		
Depreciation and amortisation	125 903 093	121 296 479
Gain on sale of assets and liabilities	13 016 593	9 443 601
Public donations	-	(7 535 109)
Inventory write off	292 511	(4 536)
Maintenance plan- Write down	1 067 938	1 067 938
Fair value adjustments	(11 329 715)	(1 587 810)
Finance costs	2 458 557	2 463 939
Impairment loss	10 096 263	1 654 326
Debt impairment	254 051 337	309 058 485
Movements in employee benefits	1 079 178	7 719 922
Movements in provisions	-	180 600
Movement in accrued leave	4 034 739	2 532 334
Movement in accrued bonus	(506 786)	1 917 443
VIP toilets	14 182 340	-
Changes in working capital:		
Inventories	(11 258 614)	(4 121 220)
Receivables from exchange transactions	(4 615 983)	4 420 846
Consumer debtors	(264 714 100)	(239 380 584)
Other receivables from non-exchange transactions	(3 903 299)	(3 112 984)
Payables from exchange transactions	83 193 790	4 177 551
Unspent conditional grants and receipts	6 435 179	(4 794 599)
Consumer deposits	-	7 932
Provisions	237 417	2 431 068
Employee benefits obligation	(3 366 178)	(3 525 922)
	253 407 010	251 884 430

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Figures in Rand	2025	2024
39. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	<u>159 790 674</u>	<u>132 025 522</u>
Total capital commitments		
Already contracted for but not provided for	<u>159 790 674</u>	<u>132 025 522</u>
Total commitments		
Total commitments		
Authorised capital expenditure	<u>159 790 674</u>	<u>132 025 522</u>
This committed expenditure relates to infrastructure projects and will be financed by grants from National and Provincial Treasury.		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	2 644 742	-
- in second to fifth year inclusive	<u>2 964 608</u>	<u>-</u>
	<u>5 609 350</u>	<u>-</u>

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of three years and rentals are fixed for an average of three years. No contingent rent is payable.

Operating leases relate to property, plant and equipment with lease terms not longer than 5 years with an option to extend for a further period. The operating lease contract contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the leased period.

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40. Contingencies		
Claims against the municipality		
Van Heerden Construction	1 078 782	1 078 782
Enigma Chartered Accountants	-	5 211 874
R.I Mogotsi	8 000 000	8 000 000
Norman Montshiwa & 33 others V MKLM	12 000 000	12 000 000
Sandra Mafisa V MKLM	2 400 000	2 400 000
SAMWU obo TKL V MKLM	300 000	300 000
Tsholo Moloi V MKLM	754 481	754 481
J Malinga, J Rasepae	150 000	150 000
Maragela Consulting Engineers	-	949 770
Rushreeds holdings	2 349 545	-
	27 032 808	30 844 907

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40. Contingencies (continued)

Van Heerden Construction

Van Heerden Construction is a sub-contractor of Lefika La Thaba, a contractor that was appointed by the Municipality. Van Heerden is claiming R 1 078 782. Van Heerden obtained a Court order and Writ of execution against Lefika La Thaba, Dr. Mokgothu, the owner of Lefika La Thaba as well as the Municipality.

It was established that the Municipality has an amount of R 833 000 left on the project. The amount was paid over to the trust account of Sakkie Smith Attorneys for safekeeping pending finalisation of the matter. The case is handled by Sakkie Smith Attorneys in Mogwase and is still in progress.

Enigma Chartered Accountants

Claim by Enigma for R 5 211 872.84. The Municipality appointed Enigma to investigate and claim back VAT paid. Enigma would then be entitled to 20% commission on recovered amount. Notice of Motion received in October 2019. Matter was set down for hearing on 15 November 2024 in the North West High Court. Application was dismissed with costs. The case was being handled by Setshedi, Makgale and Matlapeng Attorneys in Rustenburg.

R.I Mogotsi

Mr Mogotsi claims to have bought stands from the Municipality which are burdened by servitudes. He claims compensation of an amount of R8 000 000 and loss of rental income.

Norman Montshiwa & 33 others V MKLM

Claim for payment in respect of leave encashment, the matter is pending before Labour Court. The claim against the municipality is estimated to being above R12 million however, there are no prospects of success.

Sandra Mafisa V MKLM

Claim of unfair dismissal, the employee seek reinstatement. The matter is pending before the Labour Court. There is no prospects of success. The employee concerned has reached retirement age. The financial exposure is estimated at R2,4 million

SAMWU obo TKL Matlapeng V MKLM

Claim for unfair Labour Practice. The matter is pending before the Labour Court. Employee does not have prospects of success, however the municipality is exposed to a financial claim in excess of R300 000.

Tsholo Moloi V MKLM

Claim for unfair dismissal. The matter is before the Labour Appeal Court. The claim could be estimated as per her salary from the period of dismissal. However there are no prospects of success.

Jeanette Malinga, Irene Rasepae V MKLM

Two employees who's positions got affected by the review of an organisation structure resulting in them having to perform duties of two positions whilst not being compensated for additional duties that they are performing. The Municipality is exposed to a financial claim of R150 000.

Maragela Consulting Engineers

Claim for R949 770.35 with regard to Sandfontein Water Supply Phase 2. Maragela Consulting Engineers drew plans for a road project. The Project is still to be approved by COGTA. Claim has some probability to succeed. The project is funded by conditional grants (MIG) and provincial government has not yet approved or allocated funding to this project.

Rushreeds holdings

Rushreeds is claiming an amount of R 2 349 544.57 due to not aligning their billing to include CPIX increase per clause 5.2 of their contract. There are no prospects of success on the case.

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41. Related parties

Relationships

Head of Departments

Municipal Manager

Chief Financial Officer

Planning and Development

Technical Services

Corporate Services

For remuneration of head of departments

For remuneration of councillors

Mr M.V Letsoalo

Mr M Mkhize

Mr TG Masheleni

Mr B Maseloane

Mr FD Radiokana

Refer to note 28

Refer to note 29

Related party balances

Receivables from non exchange - Owing by related parties

Municipal Manager	100 848	-
Chief Financial Officer	289 576	-
HOD: Technical Services	58 914	-
HOD: Corporate Services	53 331	-

Receivables from non exchange relates to overpayments made to senior managers above upper limits.

42. Risk management

Financial risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2025	Less than 1 year	Between 2 and 5 years	Over 5 years	Total
Trade and other payables from exchange transactions	192 849 863	-	-	192 849 863
Other financial liabilities	991 781	1 711 498	-	2 703 279
Consumer deposits	-	-	601 513	601 513
Finance lease obligations	9 029 436	-	-	9 029 436
	<u>202 871 080</u>	<u>1 711 498</u>	<u>601 513</u>	<u>205 184 091</u>
At 30 June 2024	Less than 1 year	Between 2 and 5 years	Over 5 years	Total
Trade and other payables from exchange transactions	145 837 954	-	-	145 837 954
Other financial liabilities	901 349	2 703 279	-	3 604 628
Consumer deposits	-	-	598 725	598 725
Finance lease obligations	13 949 236	8 995 364	-	22 944 600
	<u>160 688 539</u>	<u>11 698 643</u>	<u>598 725</u>	<u>172 985 907</u>

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42. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	June 2025	June 2024
Receivables from non exchange	21 339 453	19 765 314
Cash and Cash equivalents	55 564 854	43 586 917
Consumer Debtors	72 330 562	99 381 024
Receivables from exchange transactions	3 042 051	3 583 376

Market risk

Interest rate risk

Interest rate risk is defined as that fair value of future cashflows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk

The municipality does not hedge foreign exchange fluctuations.

Price risk

The effect of any price risk in the foreseeable future is regarded as minimal given the fact that amounts receivable from the municipality's customers are levied in terms of the relevant statutes. It is not anticipated that given the nature of the municipality's business that changes in market prices will have a material impact on the trading results of the municipality. There has been no change, since the previous financial year, to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

43. Financial instruments disclosure

Categories of financial instruments

June 2025

Financial assets

	At fair value	At amortised cost	Total
Receivables from non exchange transactions	-	22 111 128	22 111 128
Consumer debtors	-	72 350 562	72 350 562
Cash and cash equivalent	55 564 854	-	55 564 854
Receivables from exchange transactions	-	3 042 051	3 042 051
	<u>55 564 854</u>	<u>97 503 739</u>	<u>153 068 593</u>

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43. Financial instruments disclosure (continued)			
Financial liabilities			
	At amortised cost	Total	
Trade and other payables from exchange transactions	189 889 840	189 889 840	
Consumer deposits	601 513	601 513	
	<u>190 491 353</u>	<u>190 491 353</u>	
June 2024			
Financial assets			
	At fair value	At amortised cost	Total
Receivables from non exchange transactions	-	19 769 495	19 769 495
Consumer debtors	-	99 375 810	99 375 810
Cash and cash equivalent	43 586 917	-	43 586 917
Receivables from exchange transactions	-	3 583 376	3 583 376
	<u>43 586 917</u>	<u>122 728 681</u>	<u>166 315 598</u>

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43. Financial instruments disclosure (continued)

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	139 100 454	139 100 454
Consumer deposits	598 725	598 725
	<u>139 699 179</u>	<u>139 699 179</u>

44. Change in estimate

Property, plant and equipment

The municipality reviews the useful lives of the assets in the asset register regularly and makes adjustments as needed. The effect of the adjustments on the useful life of the assets had the following effect on the depreciation of the assets compared to the prior year:

Property, plant and equipment

Infrastructure Assets	-	(8 615 214)
Community Assets	-	(666 757)
Buildings	-	(605 992)
Furniture and Fittings	(1 801 331)	(1 168 413)
Motor Vehicles	(3 359 483)	(361 353)
Plant and Equipment	(73 914)	(21 611)
	<u>(5 234 728)</u>	<u>(11 439 340)</u>

Service charges

The municipality bills estimates for water accounts where there are no actual readings. The estimates are then reversed once the actual readings have been confirmed. The change in estimates resulted in decrease in revenue for the current year by R 10 305 938,50.

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45. Prior period errors and reclassifications

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

1. Investment property

In the current year we noted that investment property was overstated with 3 properties that were included in the investment property register but these properties did not belong to the municipality. Correction of the error resulted in decrease in investment property by R 1 475 418 in both 2024 and 2023 financial years.

2. Property Plant and Equipment

2.1 Movables

In the Current Year we noted a Vehicle was classified under Furniture and Fittings and not Motor Vehicles. The Correction of this error results of an increase of Cost for Motor Vehicle with R1 000 000 and decrease of Cost for Furniture and Fittings with R 1 000 000 also increase of Accumulated Depreciation for Motor Vehicles with R 993 896,76 and decrease of Accumulated Depreciation for Furniture and Furniture with R 993 896,76. The Depreciation of Motor Vehicles Increase with R 20 876,48 and depreciation of Furniture and Fittings decrease with R 20 876,48.

2.2 Infrastructure

In the Current Year we noted that, a WIP Project that was completed in the prior year and transferred from the WIP Register to Completed Assets. Additional cost was spend in the current year, and the projects was only finalised in the current year. Correction of this error resulted of an increase in Infrastructure WIP with R 26 324 593, decrease of Infrastructure completed assets with R 26 324 593. The Accumulated depreciation and depreciation expense decrease with R 5 882,56

In the current year we noted that an assets was Donated to the municipality in the prior years and was not included in the fixed asset registers. Correction of this error resulted of an increase in Infrastructure cost of R 4 882 370 and increase of accumulated depreciation with R 280 528 and increase of depreciation with R 151 710,56.

Assets components were identified during physical verification procedures omitted during the years. These have been included in the current year. Infrastructure cost increased R 844 655, accumulated depreciation increase with R 446 089 and depreciation increased with R 32 965,70. Community Asset cost increased with R 60 904,38, accumulated depreciation increase with R 21 519,55 and depreciation increase with R 2 030,15.

During the year we notice Assets components were replaced during 2023.2024 FY with repairs and maintenance, but not derecognise in the FAR. Correction of this error results a Decrease of Infrastructure Cost with R 6 101 016, decrease of Accumulated Depreciation with R 1 451 540, Depreciation decrease with R 192 687 and Loss on Disposal increase with R 4 842 163,84.

2. Receivables from exchange transactions, VAT and Payables from exchange transactions reclassification.

In the current year VAT has been reclassified to receivables from exchange transactions and payables from exchange transactions in terms of the FACT SHEET (Classification of VAT) issued by Accounting Standards Board (ASB). The reclassification resulted in decrease in VAT by R 15 837 899, increase in receivables from exchange transactions by R 26 857 918 and increase in payables from exchange transactions by R 11 020 019. In addition in 2023 financial year the reclassification also resulted in decrease in VAT by R 24 035 455, increase in receivables from exchange transactions by R 32 326 813 and increase in payables from exchange transactions by R 8 291 358.

3. Payables from exchange transactions

In the prior year payables from exchange transactions was overstated due to PIG grant that was received in 2019 and was not allocated to revenue. Correction of the error resulted in decrease in payables from exchange by R 1 478 580 and increase in accumulated surplus by R 1 478 580 in both 2024 and 2023 financial years.

4. General expenses and contracted services

In the current year repairs and maintenance has been reclassified from general expenses to contracted services. The reclassification resulted in increase in contracted services and decrease in general expenses by R 21 668 193.

5. General expenses Note 36

In the current year entertainment expenses were reclassified to promotions and sponsorships. The reclassification resulted in decrease in entertainment expenses and increase in promotions by R 1 849 603.

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45. Prior period errors and reclassifications (continued)

Statement of financial position

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Investment property		152 297 869	(1 475 418)	-	150 822 451
Property, plant and equipment	3 098	277 050	(157 307)	-	3 098 119 743
Intangible assets		12 478 228	-	-	12 478 228
Heritage assets		14 000	-	-	14 000
Receivables from non exchange transactions		17 825 041	-	-	17 825 041
Other receivables		537 714	-	-	537 714
Inventories		21 350 867	-	-	21 350 867
Receivables from exchange transactions		3 583 376	(25 020)	26 857 918	30 416 274
Receivables from non exchange transactions		2 283 869	-	-	2 283 869
VAT receivables		15 837 899	-	(15 837 899)	-
Consumer debtors		182 403 038	-	-	182 403 038
Non current assets held for sale		554 938	-	-	554 938
Other receivables		1 067 938	-	-	1 067 938
Cash and cash equivalents		43 586 917	-	-	43 586 917
Other financial liabilities		(2 703 279)	-	-	(2 703 279)
Finance lease obligation		(8 995 364)	-	-	(8 995 364)
Employee benefit obligation		(21 678 000)	-	-	(21 678 000)
Provisions		(23 040 914)	-	-	(23 040 914)
Consumer deposits		(598 725)	-	-	(598 725)
Other financial liabilities		(901 349)	-	-	(901 349)
Finance lease Obligation		(13 949 236)	-	-	(13 949 236)
Payables from exchange transactions		(260 128 145)	1 670 396	(11 020 019)	(269 477 768)
Employee benefit obligation		(3 879 000)	-	-	(3 879 000)
Unspent conditional grants and receipts		(3 304 790)	-	-	(3 304 790)
Provisions		(2 431 068)	-	-	(2 431 068)
Accumulated surplus		(3 210 490 674)	(12 651)	-	(3 210 503 325)
		-	-	-	-

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Figures in Rand	2025	2024			
45. Prior period errors and reclassifications (continued)					
Statement of financial performance					
June 2024					
	Note	As previously reported	Correction of error	Re-classification	Restated
Service charges		207 677 023	-	-	207 677 023
Other income		6 370 049	-	-	6 370 049
Interest from exchange transactions		62 710 017	-	-	62 710 017
Property rates		150 271 916	-	-	150 271 916
Interest from non exchange transactions		35 160 963	-	-	35 160 963
Government grants and subsidies		809 459 933	-	-	809 459 933
Public contributions and donations		7 535 109	-	-	7 535 109
Fines and penalties		1 758 600	-	-	1 758 600
Employee related costs		(321 973 025)	-	-	(321 973 025)
Remuneration of councillors		(30 294 307)	-	-	(30 294 307)
Depreciation and amortisations		(121 308 342)	11 863	-	(121 296 479)
Finance costs		(6 434 212)	-	-	(6 434 212)
Lease rentals		(1 813 753)	-	-	(1 813 753)
Debt impairment		(309 058 485)	-	-	(309 058 485)
Bulk purchases		(157 715 356)	-	-	(157 715 356)
Contracted services		(79 184 676)	-	(21 668 193)	(100 852 869)
Financial loss		(4 673 807)	-	-	(4 673 807)
General Expenses		(191 462 312)	-	21 668 193	(169 794 119)
Loss on disposal of assets		(4 601 437)	(4 842 164)	-	(9 443 601)
Gain/(loss) on foreign exchange		43 114	-	-	43 114
Fair value adjustment		1 634 085	(46 275)	-	1 587 810
Impairment loss		(1 654 326)	-	-	(1 654 326)
Inventories loss		4 536	-	-	4 536
Surplus for the year		52 451 307	(4 876 576)	-	47 574 731

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Figures in Rand	2025	2024			
45. Prior period errors and reclassifications (continued)					
General expenses Note 36					
	Note	As previously reported	Correction of error	Re-classification	Restated
Auditors remuneration		6 186 148	-	-	6 186 148
Consulting and professional fees		1 915 306	-	-	1 915 306
Consumables		10 861 009	-	-	10 861 009
Entertainment		1 849 603	-	(1 849 603)	-
Insurance		4 674 218	-	-	4 674 218
IT expenses		10 218 576	-	-	10 218 576
Promotions and sponsorships		12 326 539	-	1 849 603	14 176 142
Fuel and oil		10 477 356	-	-	10 477 356
Repairs and maintenance		21 668 192	(21 668 192)	-	-
Security (Guarding of municipal property)		25 203 940	-	-	25 203 940
Workmen's compensation fund		2 431 068	-	-	2 431 068
Subscriptions and membership fees		3 234 758	-	-	3 234 758
Telephone and fax		7 331 574	-	-	7 331 574
Training		641 331	-	-	641 331
Travel - local		6 954 459	-	-	6 954 459
Water Tankering		2 393 538	-	-	2 393 538
Electricity		44 384 616	-	-	44 384 616
Uniforms		1 247 540	-	-	1 247 540
Maintenance plan - write down		1 067 938	-	-	1 067 938
Ward committee fees		4 612 950	-	-	4 612 950
Water quality and chemicals		6 746 987	-	-	6 746 987
Other expenses		5 034 668	-	-	5 034 668
Surplus for the year		191 462 312	(21 668 192)	-	169 794 120

Notes to the financial year

Irregular expenditure

Opening balance	1 361 564 599	1 361 564 599
Adjustments made	9 267 254	-
Restated opening balance	1 370 831 853	1 361 564 599

During the current year we noted that irregular expenditure was understated by R 9 267 253.54. This was due to irregular expenditure identified by AGSA using the CAATS system of R 1 878 741 and R 7 388 513 due to expenditure incurred last year but was only paid in the current year. There was no effect in the 2023 financial year.

46. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of 3 247 556 271 and that the municipality's total assets exceed its liabilities by 3 247 556 271.

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

The municipality is experiencing cashflow challenges as a result of low debtors collection rate which has an impact on the municipality's ability to pay creditors timeously. This will not result in any material uncertainty for the municipality to continue as going concern since it also relies on grants from national government in order to fund its operations. The municipality is a service delivery vehicle of government and there has not been any indication from National Government to discontinue the operation of the municipality and the medium term revenue and expenditure framework has made allocations to the municipality. The most significant of these is that the accounting officer will continue to procure funding for the ongoing operations of the municipality.

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47. Unauthorised expenditure		
Opening balance as previously reported	291 797 965	208 931 229
Add: Unauthorised expenditure - current	-	82 866 736
Less: Written off ITEM 83/01/2025	(63 394 134)	-
Closing balance	228 403 831	291 797 965
The over expenditure incurred by municipal departments during the year is attributable to the following categories:		
Non-cash	-	63 394 134
Cash	-	19 472 602
	-	82 866 736
The write off refers to Non Cash items which were condoned by council per Item 18/01/2025 (R 63 394 134).		
Analysed as follows: non-cash		
Long Service Awards	-	7 719 922
Provision of impairment	-	55 674 212
	-	63 394 134
Analysed as follows: cash		
Audit fees	-	2 183 253
Business Management fees	-	10 961 404
Research and advisory services	-	104 364
Transport	-	1 820 121
Accommodation	-	1 436 178
Workmans compensation salaries	-	2 278 923
	-	688 359
	-	19 472 602
Unauthorised expenditure: Budget overspending – per municipal department:		
Municipal Council	-	5 535 222
Municipal Manager	-	9 903 175
Budget and Treasury	-	67 323 974
Local Economic Development	-	104 364
	-	82 866 735

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48. Fruitless and wasteful expenditure		
Opening balance as previously reported	152 176 630	134 275 861
Add: Fruitless and wasteful expenditure identified - current	1 382 641	5 580 067
Add: Fruitless and wasteful expenditure identified - prior period	-	12 340 702
Closing balance	153 559 271	152 176 630

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48. Fruitless and wasteful expenditure (continued)		
Details of fruitless and wasteful expenditure		
ICT Expenditure	-	114 938 123
Interest on overdue accounts	753 047	11 739 541
Reversal of recoverable amount (not yet recovered)	-	1 218 685
Hall construction expenditure	-	385 825
Fines	-	20 000
Unearned remuneration	-	778 557
Penalties	-	4 228 043
Fuel Transactions	629 593	18 867 856
	1 382 640	152 176 630

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49. Irregular expenditure		
Opening balance as previously reported	1 361 564 600	1 562 731 374
Add: Irregular expenditure - current	181 823 518	179 547 118
Add: Irregular expenditure - prior period	9 267 254	43 714 109
Less: Amount written off - current	(772 929 318)	(424 428 001)
Closing balance	779 726 054	1 361 564 600

Incidents/cases identified/reported in the current year include those listed below:

Competitive bidding not invited	671 244	690 829
Three written quotations not invited	43 954	36 744 308
SCM processes not followed	24 582 551	132 571 927
Deviations	4 093 798	15 083 802
Non-disclosure of Interest	7 375 310	31 062 859
Non-compliant tax status	9 250	112 701
MSCMR-section 2(1)(b) Fairness	145 047 411	-
	181 823 518	216 266 426

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Notes to the Annual Financial Statements

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50. 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.

In terms of section 36 of the municipal SCM regulations, any deviations from SCM policy needs to be approved by the accounting officer and noted by Council. The awards listed below have been approved by the Accounting Officer and noted by Council.

Description	2025	2024
Deviation as per section 36(1)(i) of the SCM regulations (Emergencies in urgent procurements)	2 500	-
Deviation as per section 36(1)(ii) of the SCM regulations (Sole supplier)	2 365 523	2 061 861
Deviation as per section 36(1)(v) of the SCM regulations (Exceptional case)	754 985	541 087
	<u>3 123 008</u>	<u>2 602 948</u>

Supplier

DENT TECH CC (Impractical/Exceptional case)	-	15 000
GLASFIT (Impractical/Exceptional case)	2 667	26 273
GOVERNMENT PRINTING WORKS (sole Supplier)	-	17 654
KGATLENG COMMUNITY RADIO (Impractical/Exceptional case)	-	19 700
MALL OF THE NORTH (Impractical/Exceptional case)	-	12 259
MICROSOFT IRELAND OPERATIONS (Sole Supplier)	2 337 675	1 893 171
PANEL BEATING UNLIMITED (Impractical/Exceptional case)	56 845	22 500
PG GLASS (Impractical/Exceptional case)	-	3 500
PRESTIGE PANELBEATERS (Impractical/Exceptional case)	-	10 000
REED EXIBITION (PTY) LTD (Impractical/Exceptional case)	-	73 572
SALGBC (Sole Supplier)	-	4 529
SYNERGY BUSINESS EVENT (Impractical/Exceptional case)	-	68 283
THE INSTITUTE OF INTERNAL AUDITORS (Sole Supplier)	20 148	21 228
TRANSPORT DRIVING LICENSE CARD (Sole Supplier)	-	122 609
SOUTH AFRICAN POST OFFICE (sole supplier)	-	2 670
WITS SCHOOL OF GOVERNANCE (Impractical/Exceptional case)	600 000	290 000
Kallies Panelbeaters (Impractical/Exceptional case)	8 672	-
KBS Panelbeaters (Impractical/Exceptional case)	10 000	-
Kunene Makopo Risk Solutions (Impractical/Exceptional case)	46 354	-
Mystic River Trading (Impractical/Exceptional case)	30 447	-
IT Sure Procurement (Pty) LTD (Impractical/Exceptional case)	2 500	-
South African Society of Arc	7 700	-
	<u>3 123 008</u>	<u>2 602 948</u>

51. Events after the reporting date

There were no material events after reporting date..

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52. Budget differences

Material differences between budget and actual amounts

51.1 Service charges

The variance is due to the many disruptions in the supply of water by the Water board. The disruptions resulted in actual expenditure being low than the budget.

51.2 Differences below R1 000 000

The variance is immaterial.

51.3 Interest received from exchange transactions

Increase in additional funds available to invest resulted in the increase in interest.

51.4 Property Rates

The variance is due to the adjustment of property rates billed on property owners as well as state owned properties during the financial year

51.5 Interest from non exchange

The variance is due to the increase in outstanding debts not paying property rates billed on private own properties

51.6 Government Grants

The reason for the variance is due to under spend on capital and operating grant grants and will request for roll over

51.7 Employee related services

The variance is due to the municipality not filling of all vacancies and late appointments made during the year.

51.8 Depreciation and amortisation

The decrease in the provision for depreciation of municipal assets is due to the non completion of projects which will only be depreciated once they are completed.

51.9 Debt impairment

The variance is due to debtors written off which resulted in the decrease of provision for debt impairment.

51.10 Bulk purchases

The variance is due to under budget for bulk purchases.

51.11 Contracted services

The main reason for the variance is due to the reclassification of expenditure between contracted services and general expenses.

51.12 General expenses

The main reason for the variance is due to the reclassification of expenditure between contracted services and general expenses.

51.13 Gains/losses on disposal of assets

The reason for the difference is because there was no budget raised for the loss.

51.14 Loss on disposal

The reason for the difference is that there was no budget for loss on disposal.

51.15 Other Income

The reason for the difference is due to additional income raised in current year from legal fees on court cases that were dismissed with cost in favour of the municipality.

51.16 Inventories

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52. Budget differences (continued)

The reason for the variance is due to less inventory issued as compared to what was budgeted for.

51.17 Receivables from exchange transactions

The budget did not VAT that was reclassified to exchange in the current year.

51.18 Receivables from non exchange

There was no budget for receivable from non exchange.

51.19 Consumer debtors

The reason for variance is due to significant impairment raised at year as compared to what was budgeted for.

51.20 Other receivables

The municipality budgeted more for other receivables as compared to actual.

51.21 Cash and cash equivalent

The reason for the variance is due to the municipality paying less expenditure at year end than originally budgeted for.

51.22 Investment property

The reason for the variance is due to prior year adjustment and also a significant fair value adjustment.

51.23 Property plant and equipment

The municipality acquired less assets in the current year than budgeted for.

51.24 Intangible assets

The reason for the variance is due to amortisation not correctly accounted for on the budget.

51.25 Receivable for non exchange transactions

There was no budget raised for receivable from non exchange.

51.26 Other financial liabilities

The municipality budgeted more than the actual loans outstanding.

51.27 Finance lease

There was no budget raised for financial lease obligation.

51.28 Payables from exchange

The municipality had more creditors at year end than originally anticipated.

51.29 Employee benefits

There was no budget raised for employee benefits obligation.

51.30 Unspent grant

The municipality expected to spend the full amount of grants received during the year.

51.31 Provisions

The municipality budgeted more for provisions than the actual.

Cashflow

51.36 Sale of goods

The reason for the balance is that the municipality received less from consumers than initially budgeted for.

51.37 Grants

The municipality received less grants in the current year than they had initially budgeted for.

51.38 Interest Income

The municipality received less interest than budgeted for.

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2024

52. Budget differences (continued)

51.39 Payments to suppliers

The municipality incurred less expenditure than what was budgeted for.

51.40 There was no budget for finance costs incurred.

51.41 Purchase of PPE

The municipality incurred less expenditure than what was originally budgeted for.

51.42 Intangible assets

There was no budget for intangible assets.

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53. Segment information

General information

Identification of segments

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. 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.

Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment are not required to be disclosed.

Types of goods and/or services by segment

The Municipality has several departments/functional areas and accordingly the segments were aggregated for reporting purposes as set out below:

Reportable segment

Unallocated

Economic & Environmental Services

Community & Public Safety

Water management

Waste water Management

Waste Management

Goods and/or services

Relates all amounts which do not meet the definition of a segment

Provision of economic development activities in the municipality

Construction and maintenance of community facilities owned and ensuring safety and security to the communities by the municipality.

Provision of water basic services

Provision of Sanitation basic services

Provision of refuse removal basic services

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53. Segment information (continued)

Segment surplus or deficit, assets and liabilities

June 2025

	Unallocated	Community and Public Safety	Planning	Water management	Waste water management	Waste management	Total
Revenue							
Service charges	-	-	-	130 816 069	4 878 811	13 283 556	148 978 436
Other income	3 673 699	2 518 658	198 286	153 160	8 461	-	6 552 264
Interest from exchange	73 037 745	-	-	-	-	-	73 037 745
Property Rates	165 034 513	-	-	-	-	-	165 034 513
Interest income from non exchange	36 517 704	-	-	-	-	-	36 517 704
Government grants and subsidies	408 941 649	1 604 086	-	297 238 412	25 612 982	92 501 695	825 898 824
Fines	-	1 825 950	-	-	-	-	1 825 950
Total segment revenue	687 205 310	5 948 694	198 286	428 207 641	30 500 254	105 785 251	1 257 845 436
Entity's revenue							1 257 845 436

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	Unallocated	Community and Public Safety	Planning	Water management	Waste water management	Waste management	Total
53. Segment information (continued)							
Expenditure							
Employee costs	(190 132 345)	(36 557 954)	(11 219 279)	(66 172 006)	(14 165 792)	(5 026 263)	(323 273 639)
Remuneration of councillors	(30 909 269)	-	-	-	-	-	(30 909 269)
Depreciation and amortisation	(48 868 899)	(16 647 181)	-	(57 593 107)	(2 134 010)	(659 896)	(125 903 093)
Finance costs	(4 616 064)	-	-	-	-	-	(4 616 064)
Lease rentals	(4 698 295)	-	-	-	-	-	(4 698 295)
Debt impairment	(98 986 430)	(2 367 760)	-	(133 818 640)	(3 051 995)	(15 826 512)	(254 051 337)
Bulk purchases	-	-	-	(147 808 566)	-	-	(147 808 566)
Contracted services	(48 648 288)	-	-	(29 970 614)	(5 028 837)	(34 385 255)	(118 032 994)
General expenses	(93 339 316)	(44 507 544)	-	(46 684 498)	(14 182 340)	(161 699)	(198 875 397)
Loss on disposal of assets	(1 721 554)	(346 817)	-	(10 763 075)	(185 147)	-	(13 016 593)
Gain foreign exchange	81 212	-	-	-	-	-	81 212
Financial loss under investigation	(629 593)	-	-	-	-	-	(629 593)
Fair Value adjustment	11 329 715	-	-	-	-	-	11 329 715
Inventory losses/writeoff	(292 511)	-	-	-	-	-	(292 511)
Impairment loss	(507 123)	-	-	(5 841)	-	(9 583 300)	(10 096 264)
Total segment expenditure	(511 938 760)	(100 427 256)	(11 219 279)	(492 816 347)	(38 748 121)	(65 642 925)	(1 220 792 688)
Total segmental surplus/(deficit)	175 266 550	(94 478 562)	(11 020 99)	(64 608 706)	(8 247 867)	40 142 32	37 052 748

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53. Segment information (continued)

June 2024

	Unallocated	Community and Public safety	Economic and Envoronment al services	Water Management	Waste Water Management	Waste Management	Total
Revenue							
Service charges	-	-	-	190 274 591	4 786 279	12 616 154	207 677 024
Interest received on outstanding debtors	97 870 980	-	-	-	-	-	97 870 980
Other income	2 628 023	3 434 345	263 754	43 927	-	-	6 370 049
Property rates	150 271 917	-	-	-	-	-	150 271 917
Government grants and subsidies	629 153 767	1 139 055	-	179 167 110	-	-	809 459 932
Fines, Penalties and Forfeits	-	1 758 600	-	-	-	-	1 758 600
Donations	-	7 535 110	-	-	-	-	7 535 110
Total segment revenue	879 924 687	13 867 110	263 754	369 485 628	4 786 279	12 616 154	1 280 943 612
Entity's revenue							1 280 943 612

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	Unallocated	Community and Public safety	Economic and Environmental services	Water Management	Waste Water Management	Waste Management	Total
53. Segment information (continued)							
Expenditure							
Employee related cost	(176 059 932)	(40 115 615)	(21 579 570)	(62 368 263)	(16 625 362)	(5 224 283)	(321 973 025)
Remuneration of councillors	(30 294 307)	-	-	-	-	-	(30 294 307)
Depreciation and amortisation	(37 538 543)	(26 376 462)	-	(54 628 306)	(1 989 150)	(764 018)	(121 296 479)
Finance cost	(3 339 446)	(2 995 487)	-	(99 279)	-	-	(6 434 212)
Lease rentals on operating lease	(1 813 753)	-	-	-	-	-	(1 813 753)
Debt Impairment	(156 030 340)	(1 188 512)	-	(134 432 967)	(3 192 183)	(14 214 484)	(309 058 486)
Fair value adjustments	1 587 810	-	-	-	-	-	1 587 810
Bulk purchases	-	-	-	(157 715 356)	-	-	(157 715 356)
Contracted services	(37 106 414)	(1 680 157)	-	(21 668 193)	(6 860 902)	(33 537 203)	(100 852 869)
Fuel fraud under investigation	(4 673 807)	-	-	-	-	-	(4 673 807)
General Expenses	(71 425 296)	(37 476 355)	(3 755 011)	(57 094 713)	-	(42 745)	(169 794 120)
Gains on disposal of assets and liabilities	(222 091)	(602 655)	-	(8 529 659)	(89 196)	-	(9 443 601)
Loss on foreign exchange	43 114	-	-	-	-	-	43 114
Inventory losses	4 536	-	-	-	-	-	4 536
Impairment loss	(1 654 326)	-	-	-	-	-	(1 654 326)
Total segment expenditure	(518 522 795)	(110 435 243)	(25 334 581)	(496 536 736)	(28 756 793)	(53 782 733)	(1 233 368 881)
Total segmental surplus/(deficit)	361 401 892	96 568 133	(25 070 827)	(127 051 108)	(23 970 514)	(41 166 579)	47 574 731

54. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government-SALGA

Current year subscription / fee	3 131 040	3 230 229
Amount paid - current year	(3 131 040)	(3 230 229)
	-	-

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54. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Audit fees		
Opening balance	780 214	-
Current year subscription / fee	6 940 616	7 114 068
Amount paid - current year	(7 720 830)	(6 333 854)
	<u>-</u>	<u>780 214</u>
PAYE and UIF		
Current year subscription / fee	58 730 294	55 729 401
Amount paid - current year	(58 730 294)	(55 729 401)
	<u>-</u>	<u>-</u>
Pension and Medical Aid Deductions		
Current year subscription / fee	90 549 928	85 819 833
Amount paid - current year	(90 549 928)	(85 819 833)
	<u>-</u>	<u>-</u>
VAT		
VAT receivable	31 603 358	26 832 898
VAT payable	(8 305 325)	(11 020 019)
	<u>23 298 033</u>	<u>15 812 879</u>

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

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54. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2025:

30 June 2025	Outstanding more than 90 days	Total
Councillor A LETSOALO	203 275	203 275
Councillor B J SEMAKANE	42 164	42 164
Councillor C.N MOTSHABI	37 977	37 977
Councillor D RADIOKANA	25 119	25 119
Councillor E APHIRI	15 690	15 690
Councillor EN MATABOGE	66 403	66 403
Councillor G.D MINTE	28 378	28 378
Councillor M MAGOLENG	49 768	49 768
Councillor M NKOTSWE	5 826	5 826
Councillor M.Z MOTSOENYANE	36 401	36 401
Councillor P THOBOKE POULOS	90 508	90 508
Councillor R.J. MANGANYE	53 499	53 499
Councillor S MOSAKO	57 983	57 983
Councillor S SEKOBOANE	6 601	6 601
	719 592	719 592
30 June 2024	Outstanding more than 90 days	Total
Councillor Minte G.D	24 991	24 991
Councillor Motshabi C.N	31 653	31 653
Councillor Modisakeng E.T	153 904	153 904
Councillor Aphiri E	13 096	13 096
Councillor Thoboke P	65 356	65 356
Councillor Radiokana DH	21 757	21 757
Councillor Letsoalo A	177 290	177 290
Councillor Mataboge E.N	57 220	57 220
Councillor Lentswe E	10 019	10 019
Councillor Semakane B.J	37 050	37 050
Councillor Magoleng M	40 830	40 830
Councillor Manganye R.J	37 492	37 492
	670 658	670 658

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54. Additional disclosure in terms of Municipal Finance Management Act (continued)

Purchase from relatives of persons in service of the state

Supplier name	Related person	Organ of state	Capacity at Municipality	Relationship	June 2025	June 2024
Mo Kasi Creations and Media Pty Ltd	Mr MS Magoro	Moses Kotane Local Municipality	Supplier	State Employee & Partner	945 313	712 703
Genplay Broadcast Media	Kefilwe Motlaba	Moses Kotane Local Municipality	Supplier	State Employee & Associate	-	31 500
Kamogelo Investments	Mr M Ramagaga	Moses Kotane Local Municipality	Supplier	State Employee & Brother	-	143 508
Mmolawa Investments	Mr D Mmolawa	Moses Kotane Local Municipality	Supplier	Municipal Councillor & Brother	-	478 429
Oarabile Projects Pty Limited	MI Ramasodi	Moses Kotane Local Municipality	Supplier	State Employee & Associate	-	127 150
Bothlale Consulting	Ms B Molefe	Moses Kotane Local Municipality	Supplier	State Employee & Spouse	51 050	144 900
Mokoka and Partners attorneys		Moses Kotane Local Municipality	Supplier	State Employee & Associate	285 938	-
Deepermas Projects Pty (Ltd)		Moses Kotane Local Municipality	Supplier	State Employee & Partner	91 500	-
Gijima Holdings	Ashwin Hirjee trimjee	Moses Kotane Local Municipality	Supplier	State Employee & Partner	-	36 000
Tsele Services (Pty) Ltd	Mr P Dantye	Moses Local Municipality	Supplier	State Employee & Partner	51 500	55 510
Lerako Resources (Pty) Ltd	Mr D Lekalakala	Moses Kotane Local Municipality	Supplier	State Employee & Partner	15 000	11 000
Kaboentle Safety and Training Consulting Pty (Ltd)		Moses Kotane Local Municipality	Supplier	State Employee & Partner	21 850	-
Frigate bird Holdings (Pty) Ltd	Mr EL Kgoroba	Moses Kotane Local Municipality	Supplier	State Employee & Partner	-	404 743
Monna Mo Africa Transport and Trading		Moses Kotane Local Municipality	Supplier	State Employee & Partner	370 500	-
Lethowe confectionery and projects	Elizabeth Wendy Lethowe	Moses Kotane Local Municipality	Supplier	State Employee & Partner	-	45 000
Kholagano Enterprise	Kgakgamatso Fortunate Thebe	Moses Kotane Local Municipality	Supplier	State Employee & Partner	-	45 161
Reatlega enterprise	Virgina Mahole Refilwe Mahole	Moses Kotane Local Municipality	Supplier	State Employee & Partner	-	23 000

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54. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Levies	<u>1 832 651</u>	<u>2 258 604</u>