

MID-TERM PERFORMANCE ASSESSMENT REPORT MOSES KOTANE LOCAL MUNICIPALITY



2025/2026 Financial Year

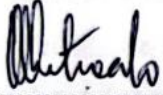


Re direla setšhaba




2025-2026 Mid-Year Performance Assessment, Section 72(1) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (1 July 2025 to 31 December 2025)

I, Mokopane Vaaltyn Letsoalo the Municipal Manager of Moses Kotane Local Municipality, hereby certify that the Mid-Year Performance Assessment Report for the period 1 July 2025 to 31 December 2025 has been prepared in accordance with Sections 72(1)(a) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA) and regulations made under the Act and accordingly submit the required progress made with the achievement of expenditure targets, key performance indicators, development priorities and targets determined as per the approved 2025/2026 Budget and 2025/2026 Top Layer Service Delivery and Budget Implementation Plan (SDBIP)


.....

M.V Letsoalo
Municipal Manager


.....

Date

As approved by,


.....

Cllr Nketu Nkotswe


.....

Date

Table of Contents

Legislative Background	4
Executive Summary	6
2025/2026 Performance Report Quarter 1	7
2025/2026 Quarter 1 Analysis	7
2025/2026 Quarter 1 chart	8
2025/2026 Performance Report Quarter 2	9
2025/2026 Quarter 2 Analysis	9
2025/2026 Second Quarter Performance Reports	11
Audit Action Plan	37

Legislative Background

In terms of MFMA Section 72: Mid - year budget and performance assessment

(1) The accounting officer of a municipality must by 25 January of each year –

(a) Assess the performance of the municipality during the first half of the financial year considering –

(i) the monthly statements referred to in section 71 for the first half of the financial year;

(ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and the performance indicators set in the service delivery and budget implementation plan;

(iii) the past year's annual report, and progress on resolving problems identified in the annual report; and

(b) submit a report on such assessment to-

(i) the Mayor of the municipality

(ii) the National Treasury; and

(iii) the relevant Provincial Treasury

Section 72 (3) further stipulates that as part of the assessment, recommendation must be made whether an adjustment budget is necessary, taking into consideration the revised projections for revenue and expenditure's extent.

The mid-term budget and performance must be consistent with the monthly budget statements on the implementation of the annual budget in accordance with the Service Delivery Budget and Implementation Plan (SDBIP) for the first half of the financial year and be submitted to the Executive Mayor, National Treasury and relevant Provincial Treasury.

The report is in line with the Municipal Budget and Reporting Regulation under Schedule C and includes all the required tables, charts and explanatory information. The Regulation further prescribes that the report be made public by placing it on the municipal website within 5 working days.

In terms of section 71 of the MFMA, the following must be reported in the monthly statements:

(i) Actual revenue per source;

(ii) Actual borrowings;

(iii) Actual expenditure per vote;

-
- (iv) Actual capital expenditure per vote;
 - (v) The amount of any allocations;
 - (vi) Actual expenditure on those allocations.

In addition to the above an explanation should be given if necessary, on the following:

- (i) Material variances in projected revenue and expenditure;
- (ii) Material variances in SDBIP;
- (iii) Remedial and corrective steps to ensure the projected revenue and expenditure remain within the approved budget.

The statement must also include revenue and expenditure projections and the results of the municipal entity should be included.

The accounting officer must also, in terms of section 72 (3) of the MFMA, make recommendations as to whether an adjustments budget is necessary and recommend revised projections for revenue and expenditure to the extent that it might be necessary.

Executive Summary

Financial Health Overview

The municipality adopted an operating revenue budget of R1.136 billion and an operating expenditure budget of R1.4 billion for 2025/26.

- Revenue Collection: Collection rates remain under pressure, particularly regarding water services which continue to operate at a loss. The projected 17% increase in property rates revenue is being monitored against actual billing.
- Expenditure Management: Employee-related costs (budgeted at ~5% increase) and contracted services (reduced to R184.4m) are the primary cost drivers.
- Grant Performance: Capital expenditure funded by MIG and WSIG (Total Capital Budget: ~R225m) the expenditure is currently at **28 %**

Service Delivery Challenges

- Replacement of asbestos pipes (Water Services).
- Upgrading of gravel roads to surface standards.

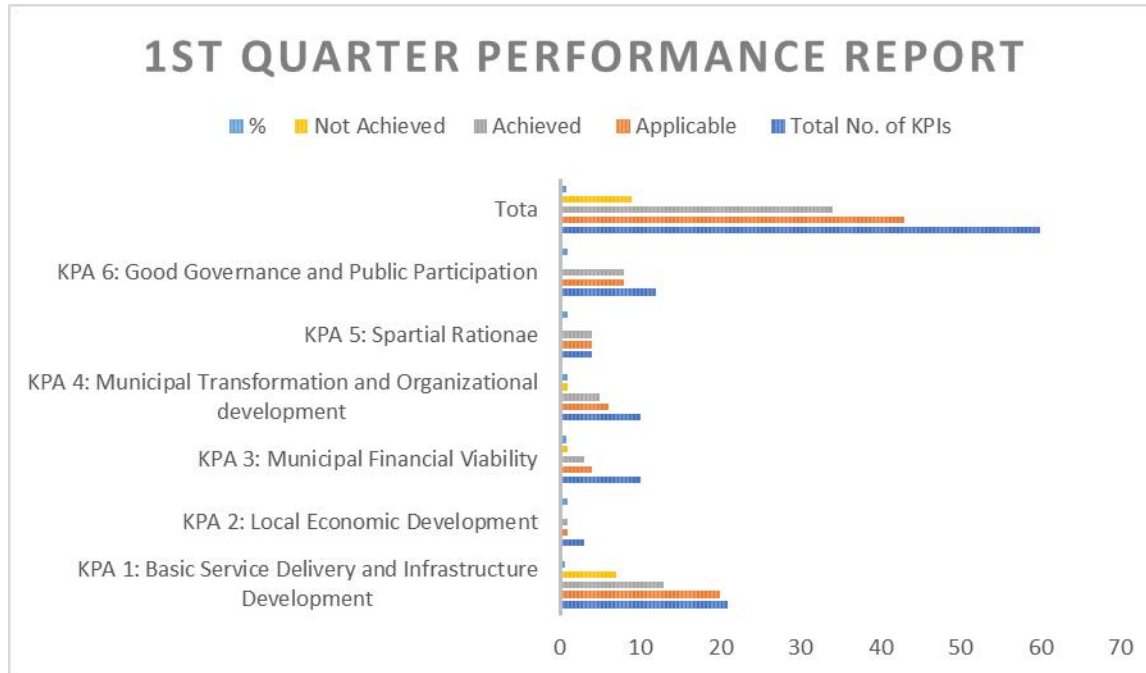
2025/2026 Performance Report Quarter 1

Key Performance Area	Total No. of KPIs	Applicable	Achieved	Not Achieved	%
KPA 1: Basic Service Delivery and Infrastructure Development	21	20	13	7	65%
KPA 2: Local Economic Development	3	1	1	0	100%
KPA 3: Municipal Financial Viability	10	4	3	1	75%
KPA 4: Municipal Transformation and Organizational development	10	6	5	1	86%
KPA 5: Spatial Rationae	4	4	4	0	100%
KPA 6: Good Governance and Public Participation	12	8	8	0	100%
Total	60	43	34	9	79%

2025/2026 Quarter 1 Analysis

The municipality achieved an overall performance of 79% (34 out of 43 applicable KPIs), indicating generally positive institutional performance, however there are notable disparities across Key Performance Areas. Strong performance was recorded in Local Economic Development, Spatial Rationale, and Good Governance and Public Participation, all achieving 100%, while Municipal Transformation and Organizational Development also performed well at 86%. Municipal Financial Viability showed moderate performance at 75%, suggesting some financial management gaps, while the most concerning area is Basic Service Delivery and Infrastructure Development at 65%, reflecting under-performance in core service delivery functions despite carrying the highest number of KPIs. Overall, while governance and planning functions are strong, the municipality's key priority should be improving infrastructure delivery and strengthening financial sustainability to ensure balanced and impact service performance.

2025/2026 Quarter 1 chart



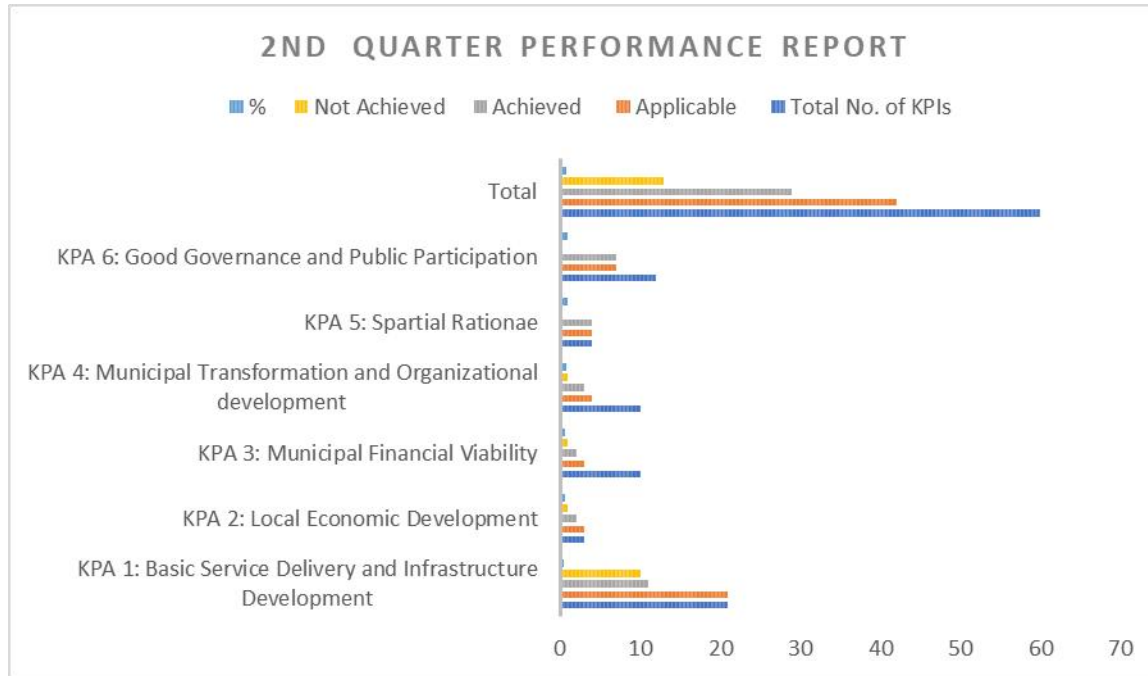
2025/2026 Performance Report Quarter 2

Key Performance Area	Total No. of KPIs	Applicable	Achieved	Not Achieved	%
KPA 1: Basic Service Delivery and Infrastructure Development	21	21	11	10	52%
KPA 2: Local Economic Development	3	3	2	1	67%
KPA 3: Municipal Financial Viability	10	3	2	1	67%
KPA 4: Municipal Transformation and Organizational development	10	4	3	1	75%
KPA 5: Spatial Rationae	4	4	4	0	100%
KPA 6: Good Governance and Public Participation	12	7	7	0	100%
Total	60	42	29	13	69%

2025/2026 Quarter 2 Analysis

The municipality recorded an overall performance of 69% (29 out of 42 applicable KPIs achieved), indicating a decline in institutional performance with notable weaknesses in key service delivery areas. KPA 1: Basic Service Delivery and Infrastructure Development is the poorest performing at 52%, reflecting significant challenges in delivering core infrastructure and basic services despite full KPI applicability. Local Economic Development and Municipal Financial Viability both achieved 67%, showing moderate but insufficient performance with recurring implementation gaps. Municipal Transformation and Organizational Development performed slightly better at 75%, while both Spatial Rationale and Good Governance and Public Participation achieved 100%, demonstrating strong performance in planning alignment and governance compliance. Overall, while governance and spatial planning remain strengths, the low performance in infrastructure delivery and moderate financial and economic outcomes significantly impact the municipality's ability to achieve its developmental mandate.

2025/2026 Quarter 2 Chart



2025/2026 Second Quarter Performance Reports

Moses Kotane Local Municipality 2025-2026 Quarterly Performance Report												
SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence	
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.												
KPI 1-Number of bulk water and augmentation projects constructed (5 bulk water supply projects constructed (Tweelagte phase 3, Tweelagte phase 4, Sandfontein phase 2, Boikhutso Ext, Mabeskraal to uitkyk phase 2 and David Katnagel)	Percentage construction of Tweelagte Water supply (Phase III)	100% of Percent of Tweelagte Water Supply (Phase III) constructed by June 2026	5% construction of Tweelagte water supply (Phase III)	Q1	20% construction of Tweelagte water supply (Phase III)	10% Construction of Tweelagte water supply (Phase III)	Not Achieved	R7,000,000.00	R0.00	The Contractor has been stopped from resuming with construction activities by Bapong Community, which has created delays on the project. These delays are primarily caused by disruption and disputes arising from community dynamics, following the conflict between Bapong and Tweelagte communities concerning the Location of the Boreholes, and prioritisation of the project scope.	The Municipality together with the appointed social facilitator are engaging all relevant stakeholders to resolve the matter and ensure resumption and successful completion of the project.	Final completion certificate
				Q2	50% construction of Tweelagte water supply (Phase III)	10% of Percent of Tweelagte Water Supply (Phase III)	Not Achieved		R490,370.03	The Contractor has been stopped from resuming with construction activities by Bapong Community, which has created delays on the project. These delays are primarily caused by disruption and disputes arising from community dynamics, following the conflict between Bapong and Tweelagte communities		

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence	
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.												
									concerning the Location of the Boreholes, and prioritisation of the project scope.	the project.		
	Percentage construction of Tweelagte water supply phase 4, New Stands	100% of Tweelagte water supply phase 4, New Stands constructed by June 2026	Design of Tweelagte water supply phase 4, New Stands completed by June 2026	Q1	Submission of the technical report to DWS for approval	Technical Report Submitted to DWS	Achieved	0R15,000,000.00	R0.00	None	None	Completion certificate
				Q2	Appraisal of the technical report by COGTA for MIG	Technical Report Submitted to DWS	Not Achieved		R0.00	Still awaiting approval by DWS	To be approved in the third quarter	
	Percentage construction of Sandfontein water supply phase 2, Boikhutso Ext.	30 percent of Sandfontein water supply phase 2, Boikhutso Ext. constructed by June 2026	Design of Sandfontein in water supply phase 2 (Boikhutso Ext) completed	Q1	Submission of the technical report to DWS for approval	Design Report Submitted to DWS	Achieved	R20,000,000.00 (Awaiting Approval)	R0.00	None	None	Progress report
				Q2	Appraisal of the technical report by COGTA for MIG	Consultant is busy finalizing the design	Not Achieved		R0.00	We experienced poor performance by the consultant failed to submit detailed designed/ technical report	the letter of non-performance has been prepared and will issued to the consultant	

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence	
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.												
	Percentage construction of Mabeskraal to Uitkyk bulk water pipeline phase 2	100% Percent of Mabeskraal to Uitkyk Bulk water pipeline phase 2 constructed by June 2026	10% of Mabeskraal to Uitkyk Bulk water pipeline (phase 2)	Q1	30% Percent of Mabeskraal to Uitkyk bulk water pipeline phase 2 constructed	40% Construction	Achieved	R5,000,000.00	R419,69,50	None	None	Completion certificate
				Q2	60% Percent of Mabeskraal to Uitkyk Bulk water pipeline phase 2 constructed	60% Percent of Mabeskraal to Uitkyk Bulk water pipeline phase 2	Achieved		R4,248,379.74			
	Percentage construction of David Katnagel water supply	100% Percentage of David Katnagel water supply constructed by June 2026	55 Percentage of David Katnagel water supply	Q1	30% Percentage of David Katnagel water supply	51% construction	Achieved	R6,000,000.00	R244,9,045,00	None	None	Completion certificate
				Q2	60% Percentage of David Katnagel water supply	65% Percentage of David Katnagel water supply	Achieved		R10,663,535.90			

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence		
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.													
KPI 2- Number of designs for upgrading bulk water and augmentation projects completed (5 designs for upgrading, bulk water and augmentation projects completed by June 2026. (Molatedi, Greater Saulspoot, Madikwe, Mabalstad and Moubana)	Design of upgrading of water treatment plant in Molatedi – (Molatedi groundwater source developed) completed	Design of upgrading of water treatment plant in Molatedi – (Molatedi groundwater source developed) completed by June 2026	New	Q1	Submission of the technical report to DWS for approval	Technical Report Submitted to DWS	Achieved	R4,468,000.00	R0.00	None	None	Detailed design report	
				Q2	Appraisal of the technical report by COGTA for MIG	Technical Report Submitted to DWS	Not Achieved		R0.00	Technical Report has been submitted to DWS, awaiting recommendation	Moses Kotane to follow up with the sector department.		
	Design of Greater Saulspoot bulk water augmentation completed	Design of Greater Saulspoot bulk water augmentation completed by June 2026	New	Q1	Redrafting of the technical report	Consultant is busy with the redrafting of the technical Report	Not Achieved	R2,000,000.00	R0.00	The consultant is behind schedule in submitting the technical report. Due date has passed.	The municipality should issue the non-compliance letter to the consultant		Detailed design report
				Q2	Submission of the technical report to DWS	Scoping Report	Not Achieved		R0.00	The consultant delayed the submission of the technical report to the municipality.	The letter of non-performance has been prepared and will be issued to the consultant		

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence	
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.												
	Design of Madikwe bulk water augmentation scheme completed	Design of Madikwe bulk water augmentation scheme completed by June 2026	New	Q1	Redrafting of the technical report	Consultant has submitted a draft implementing Agent agreement for signatures	Not Achieved	R1,000,000.00	R0.00	Consultant has submitted a draft implementing Agent agreement for signatures.	The municipality should fast track the signing of the implementing Agent	Detailed design report
				Q2	Submission of the technical report to DWS	Implementing Agent application has been submitted to DWS	Not Achieved		R0.00	Awaiting approval from DWS	The municipality has submitted the Implementing Agent Application to DWS for RBIG funding.	
	Design of Mabaalstad water supply completed	Design of Mabaalstad water supply completed by June 2026	New	Q1	Appointment of PSP	No Appointment for PSP	Not Achieved	R2,800,000.00	R0.00	The municipality is in a process to appoint a panel of PSPs. The process is still at the evaluation stage.	The municipality is in a process to appoint a panel of PSPs. The process is still at the evaluation stage.	Detailed design report
				Q2	Scoping report	Appointment of the PSP	Not Achieved		R0.00	Municipality Delayed in appointment of the PSP.	SCM has commenced with the process of the appointment of the PSP	

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence	
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.												
	Design of Moubane water supply completed	Design of Moubane water supply completed by June 2026	New	Q1	Appointment of PSP	No Appointment for PSP	Not Achieved	R2,800,000.00	R0.00	The municipality is in a process to appoint a panel of PSPs. The process is still at the evaluation stage.	The municipality should fast-track the appointment of the PSPs	Detailed design report
				Q2	N/A	No Appointment for PSP	Not Achieved		R0.00	No appointment of the PSP	Municipality Delayed in appointment of the PSP.	
KPI 3	Percentage Replacement of Mogwase asbestos pipe phase 2	50% Percent of Mogwase asbestos pipe phase 2 replaced by June 2026	Designs for replacement of Mogwase asbestos pipeline finalised	Q1	Procurement of the contractor	No procurement of the contractor	Not Achieved	R20,000,000.00	R0.00	Delays in submission of technical and procurement documentation by the appointed consultant (PSP), which severely impacted the set procurement timelines and hindered progress towards achieving planned targets. A formal letter of non-performance was issued to the Consultant in accordance with the contract conditions.	Through the intervention of the Municipality. All outstanding procurement documentations are being finalised to enable the project to proceed to the tender stage.	Progress report
				Q2	Appointment of service provider	Appointment of PSP	Achieved		R0.00	None	None	
KPI 4	Percentage of households with access to water	100% of households with access to water (Mogwase &	100% of households with access to water	Q1	100% of households with access to water	95% of Households with access to water(Mog	Not Achieved	Operational	Operational	Valuation Roll and Billing Report are not equal to each other based on discrepancies not yet	Revenue unit and Valuation unit need to find a way to address the	Billing report and valuation roll.

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence	
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.												
	(Mogwase & Madikwe)	Madikwe) by June 2026	(Mogwase & Madikwe)		(Mogwase & Madikwe)	wase & Madikwe)			known	discrepancies based on meter reading or on the roll		
				Q2	100% of households with access to water (Mogwase & Madikwe)	96% of households with access to water (Mogwase & Madikwe)	Not Achieved		Operational	Valuation Roll and Billing Report are not equal to each other based on discrepancies not yet known	Revenue unit and Valuation unit need to find a way to address the discrepancies based on meter reading or on the roll	
KPI 5	Number of villages with access to water	107 villages with access to water by June 2026	107 Villages with access to water	Q1	107 villages with access to water	107 villages with access to water	Achieved	Operational	Operational	None	None	Signed water delivery reports on confirmation of services by ward councillors or ward committee members.
				Q2	107 villages with access to water	107 villages with access to water	Achieved		Operational	None	None	
KPI 6	Percentage of water quality standard compliance with SANS 241	95% Percentage of water quality standard compliance with SANS 241	New	Q1	95% of water quality standard compliant with SANS 241	95% of water quality standard compliant with SANS 241	Achieved	Operational	Operational	None	None	Water quality sampling reports

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence	
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.												
		by June 2026		Q2	95% of water quality standard compliant with SANS 241	95% of water quality standard compliant with SANS 241	Achieved		Operational	None	None	
KPI 7	Investigation of water conservation and demand management in Mogwase conducted	Investigation of water conservation and demand management in Mogwase conducted by June 2026	New	Q1	Appointment of service provider	No Appointment for PSP	Not Achieved	R2,000,000.00	R0.00	The municipality should fast-track the appointment of the PSPs	SCM has commenced with the process of the appointment of the PSP	Investigation report
				Q2	Investigation of water conservation and demand management in Mogwase conducted	Appointment of service provider	Not Achieved		R0.00	Municipality Delayed in appointment of the PSP.	SCM has commenced with the process of the appointment of the PSP	
KPI 8	Percentage construction of refurbishment of Mogwase waste water treatment plant phase	100% Percent of refurbishment of Mogwase waste water treatment plant phase 1(works) constructed	10% Percent of refurbishment of Mogwase waste water treatment plant	Q1	30% Percent of refurbishment of Mogwase waste water treatment plant phase	35% Percent of refurbishment of Mogwase waste water treatment plant phase	Achieved	R17,000,000.00	R 4 464 997.65	None	None	Completion certificate

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence	
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.												
	1 (Works)	by June 2026		1(works)	1(works)							
				Q2	60% Percent of refurbishment of Mogwase waste water treatment plant phase 1(works)	Construction on 45% percentage of Mogwase WWTW	Not Achieved	R11 312 944,24	The contractor suffered delays due to SMMEs disruptions and vandalism.	The municipality has resolved all social issues. Police cases have been opened for theft and vandalism. No arrest have been made to date.		
KPI 9	Percentage construction of upgrading of Madikwe sewer setwork	5% Percent n of Upgrading of Madikwe sewer network constructed by June 2026	Design for the Upgrading of Madikwe sewer network completed	Q1	Approval by DWS	Technical approved by DWS	Achieved	R10 000.000.00	R1 473 512 ,80	None	None	Progress report
				Q2	Procurement of the contractor	Procurement Stage (Bid Specification)	Not Achieved		R3 348 892.38	Delay in the bid specification process	The contractor to be appointed in the third quarter	
KPI 10 - Number of internal roads projects constructed (4 internal roads projects constructed by June 2026.	Percentage construction of Tlokweng internal road	5% of Tlokweng internal road constructed by June 2026	5% of Tlokweng internal road constructed by June 2026	Q1	Specifications and advert	Projects advertise, currently at evaluation	Achieved	R15,000,000.00	R2 676 459.43	None	None	Progress report
				Q2	Evaluation and adjudication	Appointment of the contractor, site establishment	Achieved		R9 516 090.01	None	None	

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence	
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.												
(Tlokwen, Welverdiend, Mogwase and Kraalhoek)						ent and purchase of material						
	Percentage construction of Welverdiend internal road	5% of Welverdiend internal road construed by June 2026	Design for Rehabilitation of Welverdiend internal road completed	Q1	Specifications and advert	Projects advertise, currently at evaluation	Achieved	R15,000,000.00	R0.00	None	None	Progress report
				Q2	Evaluation and adjudication	Appointment of the contractor, site establishment and purchase of material	Achieved		R7 882 975.73	None	None	
	Percentage construction of rehabilitation of Mogwase internal roads	5% of rehabilitation of Mogwase internal roads constructed by June 2026	Design of the rehabilitation of Mogwase internal roads completed	Q1	Specifications and advert	Projects advertise, currently at evaluation	Achieved	R15,000,000.00	R1 243 752.54	None	None	Progress report
Q2				Evaluation and adjudication	Appointment of the contractor, site establishment and purchase of material	Not Achieved	R6 925 354.90		N/A	N/A		

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence	
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.												
	Percentage construction of rehabilitation of Kraalhoek internal roads	100% of rehabilitation of Kraalhoek internal roads constructed 2026	5% of rehabilitation of Kraalhoek internal roads constructed	Q1	30% of rehabilitation of Kraalhoek internal roads constructed	54% construction	Achieved	R17,000,000.00	R5 052 790.01	None	None	Completion certificate
				Q2	60% of rehabilitation of Kraalhoek internal roads constructed	75% of rehabilitation of Kraalhoek internal roads constructed	Achieved		R9 405 316.45	None	None	
KPI 11 - Number of internal roads designs completed (3 internal roads designs completed by June 2026. (Mabeskraal, Green Side ward 9 and Welgeval Block C)	Design of Mabeskraal internal roads and stormwater completed	Design of Mabeskraal internal roads and stormwater completed 2026	New	Q1	Appointment of PSP	No Appointment for PSP	Not Achieved	R2,000,000.00	R0.00	The municipality is in a process to appoint a panel of PSPs. The process is still at the evaluation stage.	The municipality should fast-track the appointment of the PSPs	Detailed design report
				Q2	Scoping report	No appointment of the PSP	Not Achieved		R0.00	Municipality Delayed in appointment of the PSP.	SCM has commenced with the process of the appointment of the PSP	
	Design of Green side Internal Road (Ward	Design of Green side Internal Road (Ward	New	Q1	Appointment of PSP	No Appointment for PSP	Not Achieved	R1,500,000.00	R0.00	The municipality is in a process to appoint a panel of PSPs. The process is still at the evaluation	The municipality should fast-track the appointment of the PSPs	Detailed design report

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.											
	9) completed	9) completed by 2026							stage.		
				Q2	Scoping report	No appointment of the PSP		R0.00	Municipality Delayed in appointment of the PSP.	SCM has commenced with the process of the appointment of the PSP	
	Design of Welgeval block C internal road (Ward 16) completed	Design of Welgeval block C internal road (Ward 16) completed by 2026	New	Q1	Appointment of PSP	No Appointment for PSP		R1,500,000.00	The municipality is in a process to appoint a panel of PSPs. The process is still at the evaluation stage.	The municipality should fast-track the appointment of the PSPs	Detailed design report
				Q2	Scoping Report	No appointment of the PSP		R0.00	Municipality Delayed in appointment of the PSP.	SCM has commenced with the process of the appointment of the PSP	
KPI 12	Percentage upgrading of Stormwater Management – Goedeheop, Nonceba, and Losmytjerie	5% of Goedeheop, Nonceba, and Losmytjerie Stormwater Management upgraded by June 2026	Design of Goedeheop, Losmytjerie and Nonceba storm water management completed	Q1	Appraisal of the technical report by COGTA for MIG	Project appraised with COGTA, currently waiting for the approval letter.		R18,000,000.00	None	None	Progress report
				Q2	Registration of the project through	Registration of the project through		R6 007 180.60	None	None	

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.											
					MIG	MIG					
KPI 13	Number of HML and community halls energized	28 Number of HML and community halls energized by June 2026	40 HMLs and 1 community hall energised in various villages	Q1	Appointment of the service provider	Service provider not appointment	R7,000,000.00	R0.00	Delays in issuing of Invoices by Eskom	The municipality is seeking alternatives to fast track the energizing of the HMLs	Completion Certificate
				Q2	10 Number of HML and community halls energized by June 2026	0 HML and community halls energized		Not Achieved	R453 479,08	Delays in issuing of Invoices by Eskom	
KPI 14	Design of Mogwase disaster management centre completed	Design of Mogwase disaster management centre completed by June 2026	New	Q1	Scoping Report	Scoping Report submitted.	R2,000,000.00	R0.00	None	None	Detailed design report
				Q2	Preliminary design report	Preliminary Design Report		Achieved	R0.00	N/A	
KPI 15	Percentage Refurbishment of Tlokweng cemeteries	10% percent of Tlokweng cemeteries refurbished by June 2026	Old Cemeteries	Q1	Appraisal of the technical report by COGTA for MIG	Project appraised with COGTA, currently waiting for the approval	R14,000,000.00	R0.00	None	None	Progress report

**Moses Kotane Local Municipality
2025-2026 Quarterly Performance Report**

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets	2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence	
KPA 1: Basic Service Delivery and Infrastructure Development Strategic objective: To develop and maintain infrastructure to provide basic services.												
					letter.							
				Q2	Registration of the project through MIG	Registration of the project through MIG	Achieved	R3 140 077.84	N/A	N/A		
KPI 16	Design for upgrading of Madikwe landfill site completed	Design for upgrading of Madikwe landfill site completed by June 2026	New	Q1	Scoping report	Scoping Report submitted.	Achieved	R2,000,000.00 (Awaiting Approval)	R0.00	None	None	Detailed design report
				Q2	Preliminary design report	Preliminary Design Report	Achieved		R0.00	N/A	N/A	

Key Performance Area No 1: Basic Service Delivery and Infrastructure Development
Strategic Objectives: To Develop and Improve Community Infrastructure Facilities

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets		2025/2026 Actual Performance Reported	Achieved/ Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence
				Q1	Q2							
KPI 17	Number of municipal buildings (old building, Losmetjerie and Vrede community halls) renovated	3 Municipal buildings renovated by June 2026 (old building, Losmetjerie and Vrede community halls)	2 Municipal Building (LED office and Mopyane renovated)	Q1	N/A	N/A	N/A	Operational	Operational		N/A	N/A
				Q2	Evaluation and adjudication	Evaluation and Adjudication	Not Achieved					
KPI 18	Number of roadblocks conducted	4 Roadblocks conducted by June 2026.	4 Roadblocks conducted	Q1	1 Roadblock conducted	1 Roadblock conducted at R510 NW/Limpopo borderline, 26/09/2025	Achieved	Operational	Operational	None	None	Reports and attendance registers
				Q2	1 Roadblock conducted	3 Roadblocks conducted	Achieved					
KPI 19	Number of road safety campaigns conducted	12 Road safety campaigns conducted by 2026	12 Road and Safety campaigns conducted	Q1	3 Road safety campaigns conducted	3Roadsafety Campaign: Rantlhaka Secondary school (04/08/2025 , Sun city/ ledig Road 23/07/2025 & R510 Sandfontein 13/08/2025	Achieved	Operational	Operational	None	None	Reports and attendance registers
				Q2	3 Road safety campaigns conducted	3 Road Safety campaigns conducted	Achieved					

Key Performance Area No 1: Basic Service Delivery and Infrastructure Development
Strategic Objectives: To Develop and Improve Community Infrastructure Facilities

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets		2025/2026 Actual Performance Reported	Achieved/ Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence
				Q1	Q2							
KPI 20	Percentage of households provided with access to solid waste removal (Madikwe and Mogwase)	100% of households provided with access to solid waste removal (Madikwe and Mogwase) by 2026	100% of households provided with access to solid waste removal (Madikwe and Mogwase)	Q1	100% of households provided with access to solid waste removal (Madikwe and Mogwase)	100% households provided with access to refuse removal services	Achieved	Operational	Operational	None	None	Reports on % of households provided with access to solid waste removal (Madikwe and Mogwase)
				Q2	100% of households provided with access to solid waste removal (Madikwe and Mogwase)	100% of households provided with access to solid waste removal (Madikwe and Mogwase)	Achieved			None	None	
KPI 21	Number of villages provided with access to solid and waste removal	107 villages provided with access to solid and waste removal by 2026	107 villages provided with access to solid and waste removal	Q1	107 villages provided with access to solid and waste	107 villages provided with access to refuse removal services	Achieved	Operational	Operational	None	None	Number of villages provided with access to solid and waste removal
				Q2	107 villages provided with access to solid and waste	107 villages provided with access to solid waste removal	Achieved			None	None	

KPA 2: Local Economic Development
Strategic Objective: To create and enabling environment for social development and economic growth

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets		2025/2026 Actual Performanc e Reported	Achieved/ Not Achieved	2025-2026 Approved Budget	2020-2025 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence
				Q1	Q2							
KPI 22	Number of agriculture, tourism, sports, arts and culture and business Enterprise programmes facilitated	9 Agriculture, tourism, sports, arts and culture and business enterprise programmes facilitated by June 2026	1 SMME, tourism and agricultural programmes facilitated	Q1	N/A	N/A	N/A	Operational	Operational	None	None	Reports and attendance registers
				Q2	3 Agriculture, tourism, sports, arts and culture and business enterprise programmes facilitate	0 Agriculture, tourism, sports, arts and culture and business enterprise programmes facilitate	Not Achieved					
KPI 23	Business licensing authority application approved by council	Business licensing authority application approved by council by June 2026	New	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	License authority document, licensing document and council resolution
				Q2	Setting up of licensing board	Not reported	Not Achieved			None	None	
KPI 24	Number job opportunities created through, EPWP	50 Job opportunities created through EPWP and capital projects by June 2026	76 Jobs opportunities created through and capital projects	Q1	40 Jobs opportunities created through EPWP and capital projects	98 job opportunities created through EPWP and capital projects	Achieved	Operational	Operational	None	None	Beneficiary list and appointment letters
				Q2	36 Job opportunities created through EPWP and capital projects	6 job opportunities created through EPWP and capital projects	Achieved					

KPA 3: Municipal Financial Viability

Strategic Objective: 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

SDBIP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025-2026 Quarterly Targets		2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025/2026 YTD Expenditure	Reasons for Variance	Correctiv e Measures	Portfolio of Evidence
				Q1	Q2							
KPI 25	2025-2026 Adjusted budget tabled to Council	2025-2026 Adjusted budget tabled to Council by 28 February 2026	2024-2025 Adjusted budget Tabled to council	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Council Agenda & resolution
				Q2	N/A	N/A	N/A			N/A	N/A	
KPI 26	2026-2027 Draft budget approved by council	2026-2027 Draft budget approved by council by 31 March 2026	2025-2026 Draft budget approved by council	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Council Agenda & resolution
				Q2	N/A	N/A	N/A			A	N/A	
KPI 27	2026-2027 Final budget approved by council	2026-2027 final budget approved by council by 31 May 2026	2025-2026 Final budget approved by council	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Council Agenda & resolution
				Q2	N/A	N/A	N/A			N/A	N/A	
KPI 28	Annual financial statements submitted to Auditor General	2025-2026 Annual financial statements submitted to Auditor General	2024-2025 Annual financial statements submitted to Auditor General by 31 August 2026	Q1	2025-2026 Annual financial statement s submitted	2025-2026 Annual financial statements submitted	Achieved	Operational	Operational	None	None	Acknowledge ment letter from AG
				Q2	N/A	N/A	N/A			N/A	N/A	
KPI 29	Number of MFMA section 52 report Submitted to Council	4 MFMA section 52 reports Submitted to Council within 30 days of the end of each Quarter	4 MFMA section 52 reports Submitted to council	Q1	1 MFMA section 52 report Submitted to council	1 MFMA section 52 report Submitted to council	Achieved	Operational	Operational	None	None	Council Agenda and resolutions
				Q2	1 MFMA section 52 report Submitted to council	1 MFMA section 52 report Submitted to council	Achieved			1 MFMA section 52 report Submitted to council	Achieved	
KPI 30	Percentage of competitive bids processed within 90 days of advert	100% Competitive bids processed within 90 days of advert by	100 % competitive bids processed within 90 days of advert	Q1	100% Competitiv e bids processed within 90 days of	50% Competitive bids processed within 90 days of advert.	Not achieved	Operational	Operational	3 bids closed in September (Last month of the quarter)	Appointme nt will be finalised in the second quarter	Adverts and Verdict of the Accounting Officer per bid.

		June 2026			advert.							
				Q2	100% Competitive bids processed within 90 days of advert.	Not reported	Not reported			None	None	
KPI 31	Number of reports on the update of the indigent register	2 reports on the update of indigent register June 2026	100 % of indigent register updated	Q1	N/A	N/A	N/A	s	Operational	N/A	N/A	1 report on the update of indigent register
				Q2	1 report on the update of indigent register	1 report on the update of indigent register	Achieved			None	None	
KPI 32	Percentage increase in revenue	5 % increase in revenue by June 2026	73 % revenue	Q1	N/A	N/A		Operational	Operational	N/A	N/A	90-day age analysis report
				Q2	2.5 % increase in revenue	N/A						
KPI 33	Number of reports on the update of asset register	2 reports on the update of asset register by June 2026	100 % of asset register updated	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Report on the updated asset register
				Q2	1 report on the update of asset register	1 report on the update of asset register	Achieved			None	None	
KPI 34	Number of reports on the implementation of post audit action plan updated	6 reports on the implementation of post audit action plan by June 2025	2022-2023 Audit Action Plan	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Audit action plan reports
				Q2	N/A	N/A	N/A			N/A	N/A	

KPA 4: Municipal Transformation and Organizational Development
Strategic Objective: To Promote Accountability, Efficiency and Professionalism Within the Organization

SDBIP KPI Ref.	Key Performance Indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets		2025/2026 Actual Performance Reported	Achieved/ Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence
				Q1	Q2							
KPI 35	2025-2026 Employment equity plan developed	2025-2026 Employment equity plan developed by September 2025	2025-2026 Employment equity plan developed	Q1	2025/2026 Employment equity plan developed	2025/2026 Employment equity plan developed	Achieved	Operational	Operational	None	None	Employment equity plan
				Q2	N/A	N/A	N/A			N/A	N/A	
KPI 36	2025/2026 Employment equity report submitted to department of employment and labour	2025/2026 Employment equity report submitted to department of employment and labour by 15 January 2026	2024-2025 Employment equity report not submitted to department of employment and labour	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Acknowledgement letter from the department of employment and labour
				Q2	N/A	N/A	N/A			N/A	N/A	
KPI 37	2025/2026 Workplace skills plan and ATR submitted to LG_SETA	2025-2026 Workplace skills plan and ATR submitted LG-SETA by April 2026	2024-2025 Workplace skills plan submitted LG-SETA	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Acknowledgement letter from LGSETA
				Q2	N/A	N/A	N/A			N/A	N/A	
KPI 38	Number of LLF meetings held	6 LLF meetings held by 30 June 2025	1 Local labour forum meeting held	Q1	2 LLF meetings held	2 LLF meetings held	Achieved	Operational	Operational	None	None	Agenda, attendance register and minutes
				Q2	2 LLF meetings held	0 LLF meetings held	Not Achieved			Unavailability of members	Reconvene meetings in the 3rd quarter	
KPI 39	Percentage of grievances processed within 30 days of receipt	100 % of grievance processed within 30 days of receipt	0 % of grievances processed within 30 days of receipt	Q1	100 % of grievances processed within 30 days of receipt	N/A	N/A	Operational	Operational	N/A	N/A	Grievance forms, grievance report register
				Q2	100 % of grievances processed within 30 days of receipt	N/A	N/A			N/A	N/A	
KPI 40	2026-2027 institutional performance management	2026/2027 institutional performance management	2025-2026 institutional performance management	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Council resolution

KPA 4: Municipal Transformation and Organizational Development
Strategic Objective: To Promote Accountability, Efficiency and Professionalism Within the Organization

SDBIP KPI Ref.	Key Performance Indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets		2025/2026 Actual Performance Reported	Achieved/ Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence
	framework approved by council	framework approved by council by June 2026	t framework approved by council	Q2	N/A	N/A	N/A			N/A	N/A	
KPI 41	KPI 28 - 2024-2025 annual performance report submitted to Auditor General	2024-2025 annual performance report submitted to Auditor General by August 2025	2023-2024 annual performance report submitted to Auditor General	Q1	2024-2025 annual performance report submitted to Auditor General by August 2025	2024-2025 APR submitted to AG by August 2025	Achieved	Operational	Operational	None	None	Acknowledgement letter
				Q2	N/A	N/A	N/A					
KPI 42	KPI 29 - Number of quarterly performance reports submitted to council	4 quarterly performance reports submitted to council by June 2026	4 quarterly performance reports submitted to council	Q1	1 quarterly performance report submitted to council	1 quarterly performance report submitted to council	Achieved	Operational	Operational	None	None	Council resolution
				Q2	1 quarterly performance report submitted to council	1 quarterly performance report submitted to council	Achieved					
KPI 43	KPI 30 - 2024-2025 Annual report tabled to council	2024-2025 annual report tabled to council by January 2025	2023-2024 annual report approved by council	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Council resolution
				Q2	N/A	N/A	N/A					
KPI 44	KPI 31 - Number of 2025-2026 performance agreements signed by senior managers	7 2025-2026 performance agreements signed by senior managers by July 2025	7 performance agreements signed for 2024-2025 by senior managers	Q1	7 performance agreements signed for 2025-2026 by senior managers	7 performance agreements signed for 2025-2026 by senior managers	Achieved	Operational	Operational	None	None	Copies of signed performance agreements
				Q2	N/A	N/A	N/A					

KPA 5: Planning and Development

Strategic Objective: To establish economically, socially and environmentally integrated sustainable land use and human settlements

SDB IP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets		2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence
				Q1	Q2							
KPI 45	Percentage of building plans processed within 60 days of request	100% of building plans processed within 60 days of request	100% of building plans approved within 60 days of request	Q1	100% of building plans processed within 60 days of request	100% of building plans inspections attended within 5 days of request	Achieved	Operational	Operational	None	None	Building plans register
				Q2	100% of building plans processed within 60 days of request	100% of building plans processed within 60 days of request	Achieved			None	None	
KPI 46	Percentage of building plans inspections attended to within 5 days of request	100% of building plans inspections attended to within 5 days of request	100% of building inspections attended to within 5 days of request	Q1	100% of building plans inspections attended to within 5 days of request	100% of building plans inspections attended to within 5 days of request	Achieved	Operational	Operational	None	None	Inspection registers/sheets
				Q2	100% of building plans inspections attended to within 5 days of request	100% of building plans inspections attended to within 5 days of request	Achieved			None	None	
KPI 47	Percentage of occupation certificate issued within 14 days of request	100% of occupation certificates issued within 14 days of request	100% of occupation certificates issued within 14 days of request	Q1	100% of occupation certificates issued within 14 days of request	100% of occupation certificates issued within 14 days of request	Achieved	Operational	Operational	None	None	Copies of occupation certificates and OHS register.
				Q2	100% of occupation certificates issued within 14 days of	100% of occupation certificates issued within 14 days of request	Achieved			None	None	

KPA 5: Planning and Development

Strategic Objective: To establish economically, socially and environmentally integrated sustainable land use and human settlements

SDB IP KPI Ref.	Key Performance indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets		2025/2026 Actual Performance Reported	Achieved/Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence
					request							
KPI 48	Housing needs beneficiary register compiled	Housing needs beneficiary register compiled in 8 wards by June 2026	Housing needs beneficiary register compiled in 9 wards	Q1	Housing needs beneficiary register compiled in 2 wards	Housing needs beneficiary register compiled in 2 wards	Achieved	Operational	Operational	None	None	Internal housing needs register & generated national housing needs register system report
				Q2	Housing needs beneficiary register compiled in 2 wards	Housing needs beneficiary register compiled in 2 wards	Achieved			None		

KPA 6: Good Governance and Public Participation
To ensure ethical and transparent government that is responsive to community needs and encourage public participation
Strategic Objective: To establish economically, socially and environmentally integrated sustainable land use and human settlements
Strategic Objective: To Promote Accountability, Efficiency and Professionalism Within the Organization

SDBIP KPI Ref.	Key Performance Indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets		2025/2026 Actual Performance Reported	Achieved/ Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence
				Q1	Q2							
KPI 49	Catalytic projects submitted for inclusion in DDM one plan	Catalytic projects submitted for inclusion in DDM one plan by November 2025	New	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Acknowledge ment by the district
				Q2	Catalytic projects submitted for inclusion in DDM one plan	Catalytic projects submitted for inclusion in DDM one plan	Achieved			None	None	
KPI 50	Number of ordinary council meetings held	4 ordinary council meetings held by June 2026	4 council meetings held	Q1	1 ordinary council meeting held	2 council meetings held	Achieved	Operational	Operational	None	None	Agenda, attendance register and minutes
				Q2	1 ordinary council meeting held	3 council meetings held	Achieved			None	None	
KPI 51	Number of EXCO meeting held	12 EXCO meetings held by 30 June 2026	12 EXCO meetings held	Q1	3 EXCO meetings held	3 exco meetings held	Achieved	Operational	Operational	None	None	Agenda, attendance register and minutes
				Q2	3 EXCO meetings held	3 exco meetings held	Achieved			None	None	
KPI 52	2025/2026 Risk based audit plan (RBAP) submitted to audit committee	2025/2026 Risk-based audit plan (RBAP) submitted to audit committee by September 2026	2024/2025 Risk-based audit plan (RBAP) submitted to audit committee	Q1	2025/2026 Risk-based audit plan (RBAP) submitted to audit committee	2025/2026 Risk-based audit plan (RBAP) submitted to audit committee	Achieved	Operational	Operational	None	None	Agenda, minutes and attendance Register
				Q2	N/A	N/A	N/A			N/A	N/A	
KPI 53	Number of audit committee	4 audit committee meetings held	4 audit committee meetings	Q1	1 audit committee meeting held	1 audit committee meeting held	Achieved	Operational	Operational	None	None	Agenda, minutes and attendance

KPA 6: Good Governance and Public Participation
To ensure ethical and transparent government that is responsive to community needs and encourage public participation
Strategic Objective: To establish economically, socially and environmentally integrated sustainable land use and human settlements
Strategic Objective: To Promote Accountability, Efficiency and Professionalism Within the Organization

SDBIP KPI Ref.	Key Performance Indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets		2025/2026 Actual Performance Reported	Achieved/ Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence
				Q1	Q2							
	meetings held	by June 2026	held	Q2	1 audit committee meeting held	1 audit committee meeting held	Achieved			None	None	register.
KPI 54	Number of audit committee reports submitted to council	2 audit committee reports submitted to council by June 2026	2 audit committee reports submitted to council	Q1	1 audit committee reports submitted to council	1 audit committee reports submitted to council	Achieved	Operational	Operational	None	None	Agenda of council
				Q2	N/A	N/A	N/A			N/A	N/A	
KPI 55	Turnaround time for development of service level agreements with 14 days upon request	Turnaround time for development of service level agreements within 14 days upon request	100% of service level agreements developed within 14 days upon request	Q1	Service level agreements developed within 14 days upon request	Service level agreements developed within 14 days upon request	Achieved	Operational	Operational	None	None	Service level agreements register
				Q2	Service level agreements developed within 14 days upon request	Service level agreements developed within 14 days upon request	Achieved			None	None	
KPI 56	2025/2026 IDP, PMS and Budget process plan approved by Council	2025-2026 IDP, PMS and Budget process plan approved by Council by 31 August 2025	2024-2025 IDP, PMS and Budget process plan approved by Council	Q1	2025-2026 IDP, PMS and Budget process plan approved by Council	2025-2026 IDP, PMS and Budget process plan approved by Council	Achieved	Operational	Operational			Council Resolution
				Q2	N/A	N/A	N/A			N/A	N/A	
KPI 57	2026/2027 Final IDP approved by council	Final IDP approved by council by 31 May 2026	2025-2026 Final IDP approved by council by 31 May	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Council resolution
				Q2	N/A	N/A	N/A			N/A	N/A	

KPA 6: Good Governance and Public Participation
To ensure ethical and transparent government that is responsive to community needs and encourage public participation
Strategic Objective: To establish economically, socially and environmentally integrated sustainable land use and human settlements
Strategic Objective: To Promote Accountability, Efficiency and Professionalism Within the Organization

SDBIP KPI Ref.	Key Performance Indicator	Annual Targets 2025/2026	2024-2025 Baseline	2025/2026 Quarterly Targets		2025/2026 Actual Performance Reported	Achieved/ Not Achieved	2025-2026 Approved Budget	2025-2026 YTD Expenditure	Reasons for Variance	Corrective Measures	Portfolio of Evidence
			2025									
KPI 58	Number of IDP representative forum held	3 IDP representative forum held June 2026	3 IDP representative forum held	Q1	1 IDP representative forum held	1 IDP representative forum held	Achieved	Operational	Operational	None	None	Agenda and attendance register
				Q2	1 IDP representative forum held	1 IDP representative forum held	Achieved			None	None	
KPI 59	2026-2027 Risk management strategy approved by council	2026-2027 Risk management strategy approved by council by June 2026	2023-2024 Risk management strategy approved by council	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Council resolution
				Q2	N/A	N/A	N/A			N/A	N/A	
KPI 60	2026-2027 Risk management policy approved by council	2026-2027 Risk management policy approved by council June 2026	2024-2025 Risk management policy approved by council	Q1	N/A	N/A	N/A	Operational	Operational	N/A	N/A	Council resolution
				Q2	N/A	N/A	N/A			N/A	N/A	

Audit Action Plan

#	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. 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 thier 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 stocktake on the implementation. 4. Full implementation should be achieved by 30 April 2026, with the exception of issues that can only be resolved as at year end.

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
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 Unauthorized, 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>I> nvestigation reports to be submitted timeously(as an when they become available) to MPAC and Council on a quarterly basis until the backlog is fully resolved.</p>
3	COMAF 7	ISS.12	Internal control deficiency No evidence of review of registers	SCM	SCM	<p>Registers review and approval</p> <p>As part of the audit planning procedures, we noted that there is no evidence of review of the registers for the following disclosures:</p> <ul style="list-style-type: none"> -Fruitless and wasteful expenditure -Unauthorised expenditure 	N/a	Registers to be reviewed by the HOU: SCM quarterly

#	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 PMU > 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 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	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

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
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 Municipal Systems Act. The lack of a performance management system limits the municipality from holding non-performing employees accountable.</p>	N/a	<p>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 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.</p>

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
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 ofr 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 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.	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.

#	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.

#	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.

#	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) BOSHOEK 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 barriers (petrol slips and/or logbooks) means the auditor cannot confirm occurrence and 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>	<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 queires that are outstanding are responded to</p>

#	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 agrees to the employee start date on the employee file and payslips.
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 queires that are outstanding are responded to</p>

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
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 • 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. 	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

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<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> <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</p> <p>2. That in addition to the above matter it was discovered that HOD: 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>		

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<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.</p> <p>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 480 668,84.</p>		

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
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. 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> <p>Name & Surname Position</p> <p>Setlhodi Orapeleng Councilor</p> <p>Lucas Moate Councilor</p> <p>Selotlego Joyce Dikeledi Councilor</p> <p>Meki Violet Mpankeva Councilor</p> <p>Hermina Lebogang Mogorosi Councilor</p> <p>Kagiso Kgwadi Councilor</p> <p>Prudence kgonono Councilor</p> <p>Mathobela Jack Councilor</p> <p>Morgen Thuthuga Molefe Councilor</p> <p>Sethibedi Joel Sikoane Councilor</p> <p>Gadifele Malwale Councilor</p> <p>Chris Chaka Councilor</p>	N/a	N/a:- Management is not responsible for the induction of councilors, it is a function of SALGA

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						Beauty Chabedi Councilor Thomas Rammala Councilor As a result, the municipality did not comply with the SALGA framework for councilor induction.		
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 Interest income R 13 769 264,00 R 13 234 607,00 R 534 657,00 Cash paid to suppliers and employees - R 749 171 680,58 - R748 850 543,00 - R 321 137,58</p>	The differences identified are due to lack of sufficient review of the cash flow statement before submission for audit. The misstatements are not material and will be evaluated with other misstatements	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
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 A ratio within the norm depicts that water losses and water infrastructure are well managed. If the Ratio exceeds the norm it could</p>	Water infrastructure not well managed	Action plan to be determined pending meeting the HOU

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>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>		
	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 reasons for duplicated ID's • 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 	<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 as a result of the limitation on the scope of the audit.</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 meetings 2 days before ASC to ensure that all information or queires that are outstanding are responded to</p>

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>employed by government municipalities</p> <ul style="list-style-type: none"> • 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 		
	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-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</p>	N/a	Ensure that in future all calculations are reviewed thoroughly on a monthly basis by the manager payroll

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						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		

#	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. 1000003 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: <p>MONTH PAID EMPLOYEE No. INTS & SURNAME OCCUPATION Jan-25 5913 MRS B MOKGOSI METER READER Aug-24 1002363 MR KI MOKGATLHE OFFICER: STORES</p>	N/a	The municipality is moving to an automated system where overtime will be auto mated and controls will be put in place.

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>Jan-25 10000003 MRS RZ RAKHUDU CORDINATOR: RURAL DEVELOPME</p> <p>Mar-25 11000115 MR MI NTANGA ADMIN CLERK: RECORDS</p> <p>Sept-24 13000013 MS NA MAMBA MANAGER: FINANCIAL AUDITS</p> <p>Nov-24 15000082 MR TJ MMOPE ELECTRICIAN</p> <p>Jun-25 30000062 MR TR MUTHOMBENI BRUSH CUTTER OPERATOR</p> <p>May-25 30000084 MR JS SETSHEDI PLUMBER</p> <p>May-25 57000086 MR TP TSELE PROCESS CONTROLLER</p> <p>Dec-24 57000193 MR ET ELS PROCESS CONTROLLER</p> <p>Oct-24 57000194 MR LR NGOBENI MILLWRIGHTS</p> <p>Mar-25 91000008 MR B J J RADEBE GENERAL ASSISTANT</p> <p>May-25 91000012 MR K R SEFULARO GENERAL WORKER GR 1</p> <p>Non-compliance with the basic conditions of employment.</p>		

#	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

#	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>

#	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 recognise 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</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>

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>accrual basis of accounting. This is confirmed in GRAP 1.35, which states 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 24-36 months. 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</p>		

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>being determined using the preceding month's estimated monthly consumption that was estimated by the municipality and not the actual consumption. It was 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. 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</p>		

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>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</p> <p>Date Name of customer Account Number Address METER NO Amount exc VAT Estimated Months</p> <p>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</p>		

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>12 + more 20240731 MOIMA J 70004904 STAND 118B (E672) SEKGATLENG SECTION SANDFONTEIN 0000 52039 810,96 12 + more 20250328 M Ntshabele 70015781 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 BXPBo64 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</p>		

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>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 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</p>		

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						TOWNSHIP 2840 BXPBo64 882,06 12 + more 20250529 ME Mosome 70194,268 Lekubung Section, Stand 1136, Pella, 2640 COBPo49 810,96 12 + more 279 536,94		
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	N/a	During the preparation of AFS, the HOU Assets will review the registers to ensure that all amounts pertaining to depreciation

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						register for motor vehicles. Refer to the following table for the details of differences identified:		are indeed correct and complete.
42	COMAF 24	ISS.52	No application of PPR 2022 for quotations that are R30 000 and below	PMS	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 emails 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.

#	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 Chatered accountants-*036/MKLM/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</p>	<p>Lack of awareness or disregard of legislative requirements among SCM officials.</p> <p>This finding results in the following:</p> <p>1.Non-compliance with Section 217 of the constitution</p> <p>2.Limitation to confirm compliance with PPPFA 2(1)(a)</p> <p>3.Overstatement of irregular expenditure amounting to R7 370 703.98</p>	<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>

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>duration is in line with the designed rotational plan. Furthermore, no allocation of work tracking schedule that is kept ensuring compliance with the rotational plan. R1 579 550 3. JBFE Systems (Pty) Ltd- *036/MKLM/2022/2023 Through inspection of the request for quotations sent to TJ Rasemeni and Rushreeds on 20 January 2025, confirmed that the evaluation criteria was 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.</p> <p>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>		

#	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> <table border="1"> <thead> <tr> <th>Voucher no.</th> <th>Description</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>90085636</td> <td>Supply and delivery of refuse bags (1) Bidder : Tsa Bokone Bophirima</td> <td>Quoted price :R24 640</td> </tr> <tr> <td>(2) Tlokwa Ya Batlhako</td> <td></td> <td>Quoted price : 27 600</td> </tr> <tr> <td colspan="3">The above-mentioned bidders share the same director : Karabo Joseph Bogatsu.</td> </tr> <tr> <td>90082169</td> <td>Reversible Mink Blankets for disaster Re (1) Bidder : Onkgopotse Trading and projects</td> <td>Quoted price :R51 225</td> </tr> <tr> <td>(2) Mogashoa Consultants</td> <td></td> <td>Quoted price :R69 000</td> </tr> <tr> <td colspan="3">The above-mentioned bidders share the same director : Kgosietsile Simon Mogashoa.</td> </tr> </tbody> </table>	Voucher no.	Description	Comments	90085636	Supply and delivery of refuse bags (1) Bidder : Tsa Bokone Bophirima	Quoted price :R24 640	(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	(2) Mogashoa Consultants		Quoted price :R69 000	The above-mentioned bidders share the same director : Kgosietsile Simon Mogashoa.			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 implimentation of the above will continue at each evaluation stage to ensure compliance of all awarded bids.</p>
Voucher no.	Description	Comments																											
90085636	Supply and delivery of refuse bags (1) Bidder : Tsa Bokone Bophirima	Quoted price :R24 640																											
(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																											
(2) Mogashoa Consultants		Quoted price :R69 000																											
The above-mentioned bidders share the same director : Kgosietsile Simon Mogashoa.																													

#	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 stakeholders. Communication with the internal stakeholders will be fasttracked to ensure that inputs are

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
								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	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. 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.	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.
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 along side assets.

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
49	COMAF 28	Iss.19	SCM CAATs Interests not declared	SCM	SCM	<p>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,</p> <ul style="list-style-type: none"> Suppliers in which persons in service of other state institutions have an interest: <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 2 R RAMOKGADI NW: EDUCATION & TRAINING Not Specified 20240501 TLHABOLOGANG BUSINESS AND PROJECTS 3 OS MAROBE NAT: BASIC EDUCATION Not Specified 20210101 AKIM HOLDINGS PTY LTD 4 KM MOSIA NW: ECON DEV, CONSERV, ENV&TOURISM DATA CAPTURER**OLD 20230901 KOPO ENTLE PTY LTD</p>	The SCM directorate does not have proper systems to ensure/confirm that all necessary declarations are made by suppliers up on filling in the MBD ₄ form	The municipality will issue notices to service providers who falsely declared and inform them about the non-compliance. SCM officers will continue to monitor forms to ensure that all people that have declared are noted as such and all the relevant steps are taken accordingly.

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
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 were validated by SARS to be Non-tax compliant as at appointment date.</p> <p>2. Reason for deviation not valid No. Deviation details as per the contract Motivation for deviation as per deviation form Auditor's conclusion</p> <p>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</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 The root cause of the deviation was poor planning and ineffective contract management within the SCM .</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 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</p>

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>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 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</p>		

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>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>		

#	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	During the testing of Supply chain management, the following winning bidder file(returnable document) were not submitted to the auditors: • Supply and delivery of cleaning material, toilet papers and refuse bags for MKLM facilities for a period of thirty-six (36) months on as and when required basis. Tender number 002/MKLM/2024/2025-Letaune Trading & Projects Pty Ltd.	Lack of record keeping	> During the audit, manager SCM: 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 queires that are outstanding are responded to
53	COMAF 29	ISS.21	Expenditure payments not made within 30days	Expenditure	Expenditure	During the testing of expenditure, it was noted that the following suppliers were not paid for within 30 days:	The municipality does not have adequate financial resources to ensure that payments are made timeously.	Action plan to be determined pending meeting the HOU:

#	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 authorising 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/MKLM/2022/2023 between MKLM and Makone Consulting Engineers Pty Ltd (Tunkey) 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 accordance with the national</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>

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>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/MKLM/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>		

#	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</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 PMU technicians review and sign off all capital project reports on a monthly basis.</p>

#	Finding number	Issue Number	Heading of finding	Department/Unit	Audit Finding: Component	Detail Audit Findings	Management Root Cause	Management proposed solution
						<p>progress reports showed that under-performance relating to rehabilitation of works continued despite delayed escalation of contractual remedies.</p> <p>The municipality's annual performance assessment process intended to analyse 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 		

Municipal Challenges

1. Late submission of performance information to PMS and internal audits units.
2. Inconsistencies between the SDBIP and quarterly performance report
3. Insufficient supporting portfolio of evidence (reported achievement in the performance report not supported by appropriate evidence)
4. Inconstancies between the IDP and the SDBIP.

Recommendations

1. Management to ensure that sufficient evidence is available to support actual achievement on quarterly basis.
2. HOD's must ensure that the performance information provided for quarterly performance reporting is accurate prior submission to PMS and Internal audit.
3. Review the SDBIP to ensure alignment between the IDP, SDBIP and the Budget.
4. Where necessary Adjustment budget and revision of the KPI and targets on the SDBIP be considered.

Progress on resolving problems identified in the annual report 2024-2025

1. The annual report for 2024-2025 will be tabled to council during 29 January 2026.
2. The Post Audit Action Plan is developed to address findings raised in the annual report.