

BLOUBERG LOCAL MUNICIPALITY



ANNUAL REPORT 2024-25

VISION

A Municipality that turns prevailing challenges into opportunities For growth and development through optimal utilization of available resources

MISSION

To ensure delivery of quality services through community participation and creation of enabling environment for economic growth and job creation

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1. TABLE OF ACRONYMS AND ABBREVIATIONS

| | |
|-------|---|
| MIG | Municipal Infrastructure Grant |
| MM | Municipal Manager |
| MPAC | Municipal Public Account Committee |
| MTAS | Municipal Turn Around Strategy |
| MSIG | Municipal Systems Improvement Grant |
| MTOD | Municipal Transformation and Organisational Development |
| MW | Municipal Wide |
| N/A | Not applicable |
| OPEX | Operational Expenditure |
| PIA | Project Implementing Agent |
| PMS | Performance Management System |
| PMU | Project Management Unit |
| RA | Registering Authority |
| R & S | Roads and Storm Water division |
| SCM | Supply Chain Management |
| SLP | Social and Labour Plan |
| SDBIP | Service Delivery and Budget Implementation Plan |
| SG | General Plan |
| SPE | Spatial Planning and Environment |
| TBC | To be Confirmed |
| WAC | Ward AIDS Council |
| WSP | Workplace Skills Plan |

2. DEFINITIONS OF CONCEPTS

2.1. Accounting Officer in relation to a municipality means a municipal official referred to in section 60 of the Municipal Finance Management Act and has the same meaning as Municipal Manager

2.2. Chief Financial Officer means a person who is designated in terms of section 80(2) (a) of the Municipal Finance Management Act

2.3. Financial year means the financial year of a municipality commencing on 1 July each year and ending on 30 June of the following year

2.4. Mayor means the mayor of a municipality as elected in terms of the Municipal Structures Act

2.5. Senior Manager means a municipal manager or acting municipal manager appointed in terms of section 57 of the Municipal systems Act, and includes a manager directly accountable to a municipal manager in terms of section 56 of the Act

ANNUAL REPORT 2024/25

OUR VISION

A participatory municipality that turns prevailing challenges into opportunities for growth and development through optimal utilization of available resources.

1. OUR MISSION

To ensure delivery of quality services through community participation and creation of an enabling environment for economic growth and job creation

2. OUR MOTTO

Kodumela Moepa Thutse

3. OUR VALUES

Transparency, Diligence and Honesty

GENERAL INFORMATION

| | |
|--|--|
| NAME OF ORGANISATION | BLOUBERG LOCAL MUNICIPALITY |
| TYPE OF ORGANISATION | LOCAL GOVERNMENT/ MUNICIPALITY CATEGORY B |
| PROVINCE | LIMPOPO |
| DISTRICT | CAPRICORN |
| REGISTERED PHYSICAL ADDRESS | MOGWADI/ DENDRON ROAD SENWABARWANA 0790 |
| POSTAL ADDRESS | BOX 1593 SENWABARWANA 0790 |
| TELEPHONE | 015 505 7100 |
| FAX | 015 505 0296 |
| EMAIL | <u>INFO@BLOUBERG.GOV.ZA</u> |
| WEBSITE | <u>WWW.BLOUBERG.GOV.ZA</u> |
| BANKERS | ABSA BANK LIMITED |
| SATELLITE OFFICES | ALLDAYS SATELLITE ELDORADO SATELLITE TOLWE SATELLITE LANGLAAGTE SATELLITE INVERAAN SATELLITE HARRISWICH SATELLITE |
| AUDITORS | AUDITOR GENERAL OF SOUTH AFRICA |
| MAYOR | CLLR MARIA THAMAGA |
| ACCOUNTING OFFICER/ MUNICIPAL MANAGER | RAMOTHWALA REFILWE |

A. FOREWORD BY THE HONORABLE MAYOR: CLLR THAMAGA MARIA

FOREWORD BY THE HONORABLE MAYOR OF BLOUBERG MUNICIPALITY CLLR THAMAGA N.M



Let me take this opportunity to present the 2024-25 Draft Annual report. The annual report provides the Municipality with an opportunity to look back at the previous financial year and reflect on the achievements and challenges encountered. It provides an opportunity to provide feedback to our Communities and Community stakeholders. It helps us to fulfil the notion that the people shall govern as contained in the freedom charter.

The annual report gives the stakeholders an opportunity to say, yes indeed this happened or improve here and there we will be happy. It provides a platform where the Municipality is called to account and report back to communities in line with batho pele principles.

We present this report to cover the performance of the municipality for the year 2024/2025 in relation to the approved IDP\Budget 2024/2025. This annual report is compiled in terms of the guidelines provided by the Local Government: Municipal Finance Management Act, Act 56 of 2004. The MFMA circular no 11 issued by the treasury provides guidelines on the reporting format for the compilation of the municipality and its entities in the formulation of their annual reports. Blouberg local municipality also presents its draft annual report 2024/2025 in terms of the prescribed guidelines.

The municipality was able to achieve amongst others the following in the 2024-25 financial year as outlined as per key performance areas.

Basic services and infrastructure

- Electrification of the following villages Swartz (45 households), Bayswater (30 households), Mochemi (25 households), Mongalo (50 households) and Sweethome (70 households)
- Tarring of the following roads Alldays 4 km, Lethaleng to Pickum 6,2 km, Mochemi 4,4 km.
- Re-graveling of Sefhlampšyana Access Road and stormwater control (6.0km)
- Completed Danzig and Mongalo creches

Municipal Transformation and Organizational development

- Appointment of Chief Finance Officer

Local economic Development

- Provided financial assistance to two LED projects
- Successful held LED Summit

Municipal Financial Viability and Management

- Approved funded budget 2024-25
- Submitted Financial statements 2023-24 and Annual performance report 2023-24

Good governance and Public participation

- Successfully held portfolio, Executive committee and Council meetings.
- Held annual ward committee conference
- IDP/Budget and Annual report Public consultations

Spatial planning

- Appointed Municipal planning tribunal

The municipality obtained UNQUALIFIED AUDIT OPINION and the basis for the qualification was on assets. We are committed to the audit outcome.

The overall performance of the Municipality in line with six key performance areas is per the table below

| Key performance area | Total Annual Targets | Total Annual Targets Achieved | Total Annual Targets not Achieved | Overall Percentage of Targets achieved |
|---|----------------------|-------------------------------|-----------------------------------|--|
| Basic Service and Infrastructure Development | 18 | 16 | 2 | 89% |
| Municipal Transformation and Organisational Development | 25 | 24 | 1 | 96% |
| Local Economic Development | 3 | 3 | 0 | 100% |
| Financial Viability and Management | 15 | 14 | 1 | 93% |
| Good Governance and Public Participation | 31 | 31 | 0 | 100% |
| Spatial Planning | 3 | 2 | 1 | 67% |
| Overall Total Municipal Targets | 95 | 90 | 5 | 95% |

N.B. Refer to Chapter 3 for details

Kodumela Moepathutse...

THAMAGA N.M
MAYOR

THAMAGA MN

CHAPTER ONE: OVERVIEW AND EXECUTIVE SUMMARY

CHAPTER ONE: OVERVIEW AND EXECUTIVE SUMMARY

1.1 NOTICE OF ESTABLISHMENT AND BRIEF BACKGROUND

Blouberg Local Municipality was established in terms of the demarcation notice as NP351 in the Extraordinary Gazette 100 of October 2000. The municipality is a category B as determined in terms of section 4 of the Local Government: Municipal Structures Act No 117 Of 1998.

It is the municipality with a collective executive system contemplated in section 2(a) of the Northern Province Determination of Types of Municipalities Act (4) of 2000. The boundaries are indicated in map 13 of the demarcation notice. The name of the municipality is Blouberg named after the Blouberg Mountains. Blouberg Local Municipality was originally established in the year 2000 after the amalgamation of the Bochum- My-Darling TLC, Alldays – Buysdorp TLC and other portions of Moletji- Matlala TLC. This municipality is one of the four municipalities constituting Capricorn District municipality. Other municipalities constituting the Capricorn District municipality are: Lepelle- Nkumpi, Molemole and Polokwane.

Blouberg Local Municipality is situated approximately 95 kilometers from Polokwane towards the far northern part of the Capricorn District municipality. It is bordered by Polokwane on the south, Molemole on the southwest, Makhado on the northeast, Lephale on the northwest, Mogalakwena on the southwest and Musina on the north.

| Variable | Community Survey 2007 | Census 2011 | Community Survey 2016 | Census 2022 |
|----------------------|-----------------------|-------------|-----------------------|-------------|
| Wards | 19 | 21 | 22 | 22 |
| Number of Villages | 125 | 125 | 137 | 137 |
| Number of Households | 35 595 | 41 416 | 43 747 | 57 575 |
| Population | 194 119 | 162 625 | 172 601 | 192 109 |

The above table depicts Municipal demographic trends since 2006. The number of Wards and settlements have increased due to 2006 and 2016 Municipal Demarcation processes respectively. That has resulted in some villages demarcated into Blouberg Municipality. In the year 2006 the government approved the decision by the municipal demarcation board to incorporate settlements of Vivo, Tolwe, Maastroom, and Swartwater Baltimore Uityk N0 1 which were in the Makhado Local municipality, Lephale and Aganang Local municipality. (**Notice 642, Gazette 1314, December 2006**). The disestablishment of Aganang Local Municipality in 2016 resulted in the following villages demarcated into Blouberg Local Municipality; Burgwal, Cooperspark, Mankgod, Terrebrugge, Leokaneng, Pinkie, Sebotse, Rosenkrantz, Ngwanallela, Mamehlabe, Boslagte and Prospect.

1.2 REGIONAL CONTEXT

Blouberg Local municipality is a predominantly rural municipality situated to the north-western boundary of the Republic of South Africa, with Botswana and Zimbabwe. Roads **R521 (P94/1 and P94/2)** provides a north-south link between Blouberg and Molemole, Polokwane and Makhado municipality. To the east the municipality is served by road **R523 (D1200)** which provides access to the towns such as Mogwadi, Morebeng, Duiwelskloof, Tzaneen and Lephalale. There is another important road (**N11**) from Mokopane town to Botswana that passes through the municipality, which has the potential to stimulate economy.

These road networks serves as key important linkages, which serve as corridors and gateways to major economic destinations (Venetia Mine, Coal of Africa and Lephalale such as Coal mines and Medupi power station).

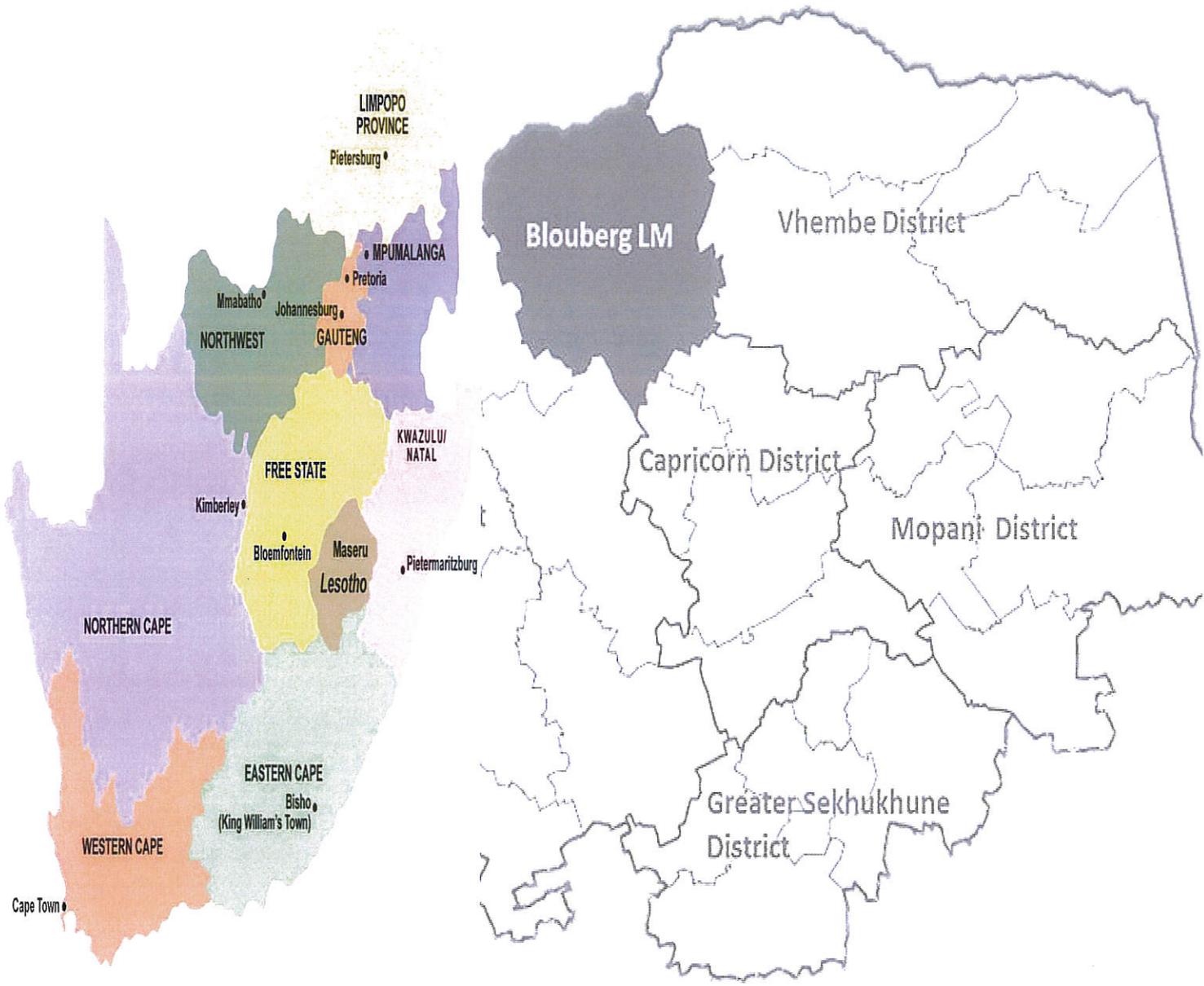
It is therefore imperative for the municipality to optimize the potential these important routes pose not only for access and mobility but also for economic development, especially for stimulating tourism development.

There are big rivers and tributaries that traverse the municipality with Mogalakwena being the biggest one. The Limpopo River serves as the border between the municipality and the neighbouring country of Botswana. As a result, the municipality is a gateway to the neighbouring countries. The rivers in the main are used for agricultural purposes by farmers, but again for domestic use by communities, which experience water shortages.

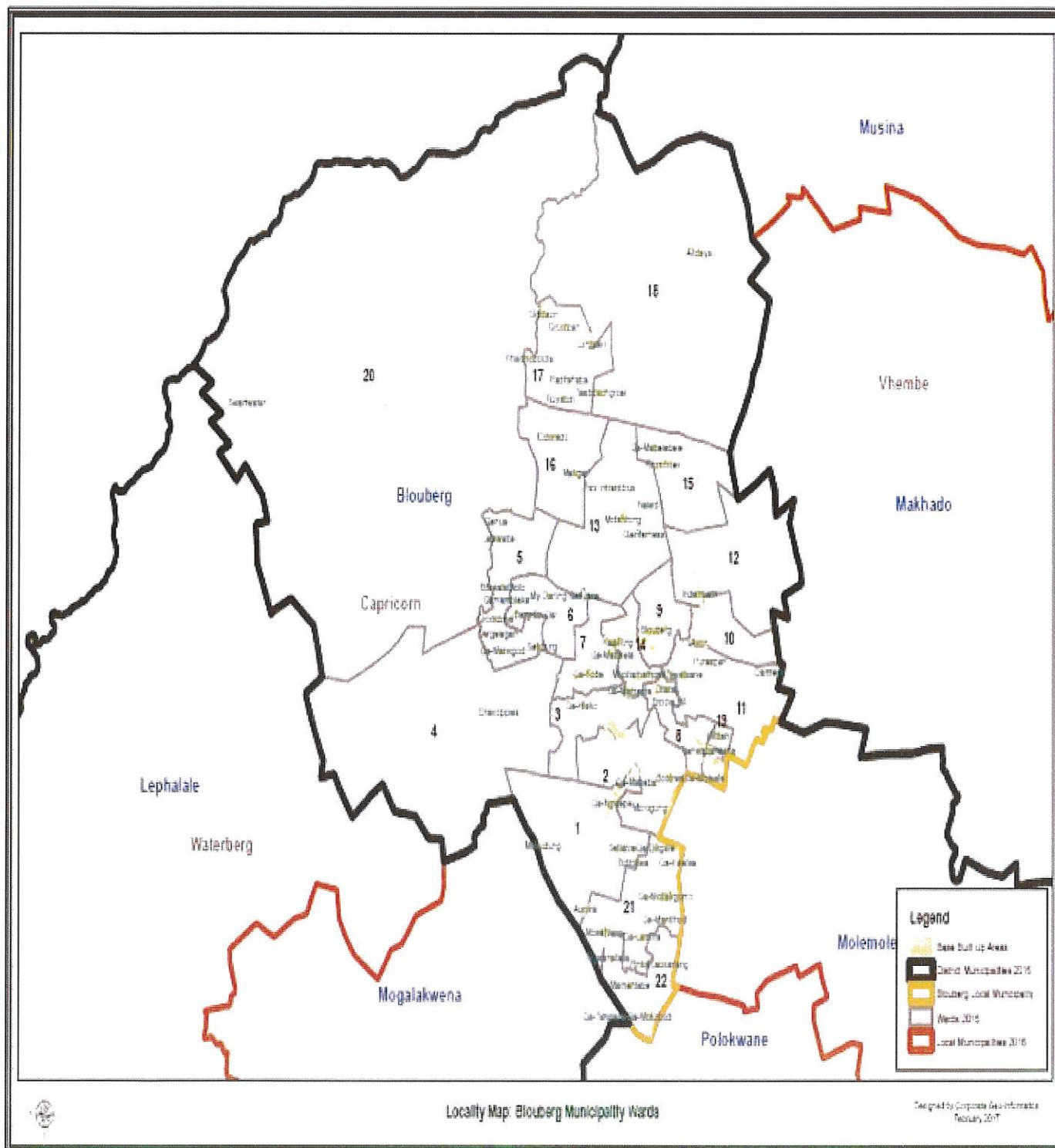
There are various mountain ranges found within the municipality with the Blouberg Mountain being the biggest mountain. The other mountains are the Makgabeng, which was declared the national heritage site because of its historical significant. The municipality is divided into three visible categories of land ownership. There is a portion of land owned by private individuals, which consists mainly of farms that are used for agricultural purposes, land owned by traditional leaders where large communities reside and live and state land.

Large parts of the municipality consist of private farms used for agricultural purposes

Map 1) Map of South Africa and Limpopo Province depicting the location of Blouberg Municipality within the Limpopo Province, in particular, and the country, in general.



Map 2: Blouberg map depicting its wards and outer boundaries



1.2. POWERS AND FUNCTIONS

| | |
|--|--|
| The provision and maintenance of childcare facilities | Control of public nuisances |
| Development of local tourism | Control of undertaking that sell liquor to the public |
| Municipal Planning | Fencing and fences |
| Municipal Public Works | Ensuring the provision of facilities for accommodation, care and burial of animals |
| Municipal Public Transport | Licensing of dogs |
| Storm Water management system | Licensing and control of undertakings that sell food to the public |
| Administration of trading regulations | Administration and maintenance of local amenities |
| Provision and maintenance of water and sanitation (need to amend the notice of establishment as the function lies with the CDM at present) | Development and maintenance of sports facilities |
| Administration of billboards and display of advertisements in public areas | Development and administration of markets |
| Administration of cemeteries, funeral parlours and crematoria | Development and maintenance of municipal parks and recreation |
| Cleansing | |
| Regulation of noise pollution | |
| Administration of pounds | |
| Development and maintenance of public places | |
| Refuse removal, refuse dumps and solid waste disposal | |
| Administration of street trading | |
| Provision of municipal health services (need to amend the notice of establishment as the function lies with the CDM at present) | |
| Electricity Provision | |

1.3 ENERGY PROVISION

The municipality is the energy services authority as it has license and is responsible for implementation and reticulation of electricity in all the areas of jurisdiction alongside Eskom. To date all the settlements in the municipal areas except for the extensions that do not have access to electricity. However, the Municipality with the assistance of ESKOM annually connects extensions.

1.4 ROADS AND PUBLIC TRANSPORT

The municipality is responsible for municipal roads only while there are roads assigned to RAL and SANRAL.

The municipality has developed and approved the Integrated Transport Plan

1.5. WATER AND SANITATION

Capricorn District municipality is both the water services authority and provider for water and sanitation.

The district is also responsible for operation and maintenance

1.6. REFUSE REMOVAL /WASTE COLLECTION

The municipality has approved waste management plan from 2022-23 and Integrated Waste Management plan (IWMP) that serves as the authority to manages waste removal and collection. The implementation of IWMP often focuses on the recommendations that covers the entire Municipality in terms of waste collection. . The function is rendered on daily basis in both Senwabarwana and Alldays and bi-weekly in other villages. This service also covers other 11 villages in the Municipality

The municipality has two licenced landfill sites and one transfer station which is far less enough to provide quality services to the entire Municipality. The Senwabarwana landfill site is managed and operated by a service provider for a period of 5 years

1.7. HOUSING PROVISION

The provincial department of CoGHSTA renders the function while the municipality coordinates and identifies beneficiaries. To date about 6200 low-cost houses have been completed in the municipality.

36 units were allocated to Blouberg and were all completed for the period under review

1.8. LOCAL ECONOMIC DEVELOPMENT

The pillars of the economy in the municipality are agriculture, mining, tourism and retail development.

To date mining prospects are growing in both wards 01, 02, and 03, while Venetia mine has moved from being open cast to underground mining activity. Agriculture remains the strongest pillar as it contributes two-thirds of the local GDP.

The second sector is the retail development, which is hampered by lack of land for development.

Most of the employment created was through municipal capital works program and EPWP.

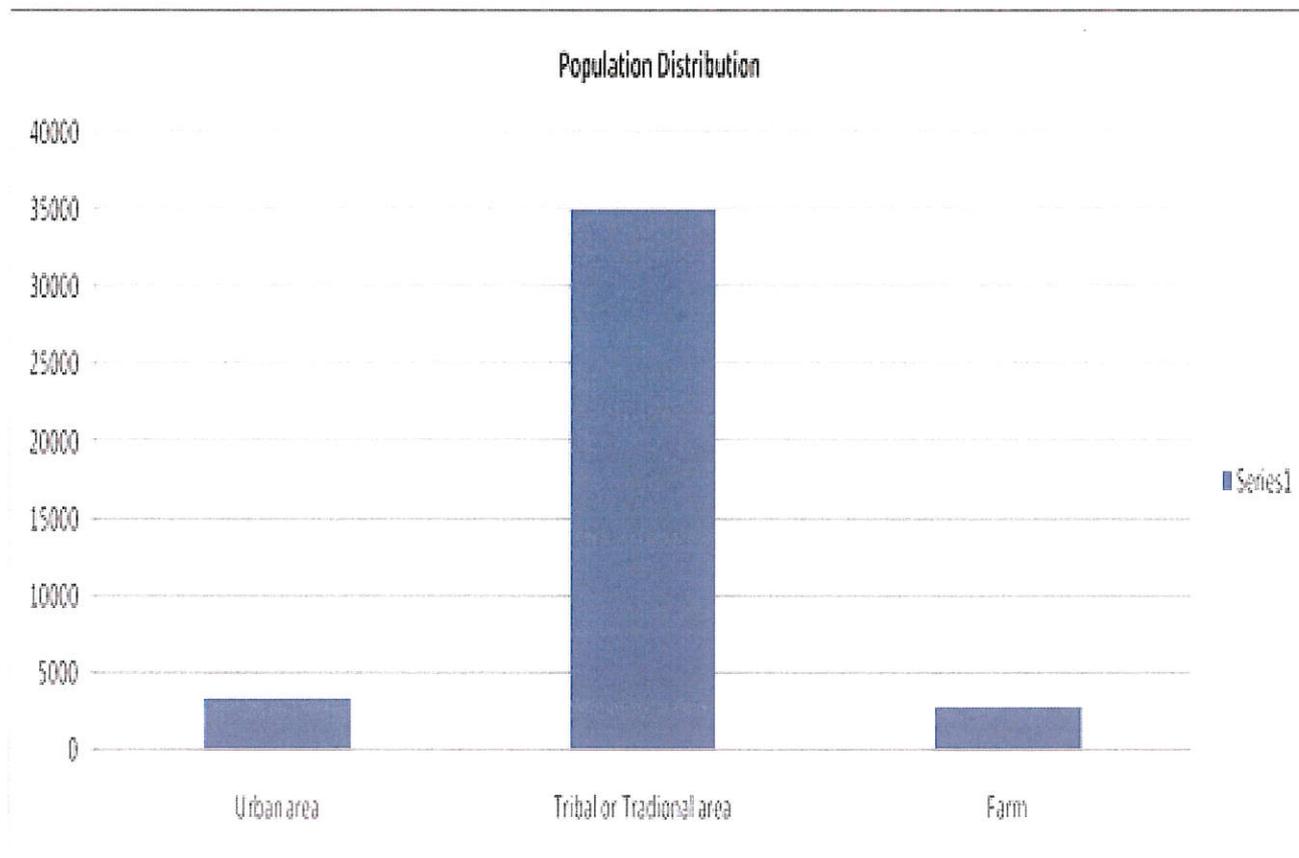
1.9. NATURAL RESOURCES

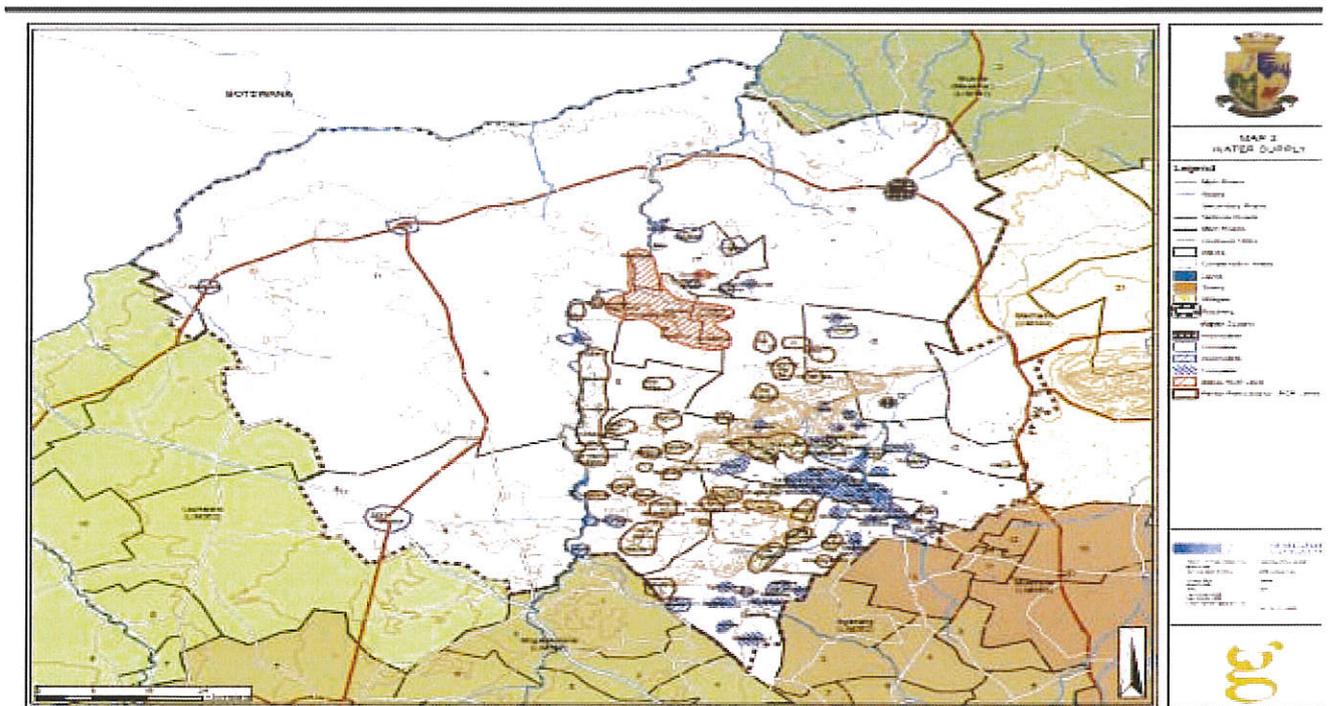
| | |
|-------------------------|---|
| Rivers and Streams | Livestock water and farming |
| Mountains and Hills | Heritage and Historical sites |
| Game Reserves and Farms | Wild game preservation and conservation |
| Wetlands and Swamps | Heritage sites |

1.10 DEMOGRAPHICS

According to Stats SA the municipality has five national groupings that residing within its area of jurisdiction and they are: Black Africans, Coloured, Indians and Whites. The majority is Black Africans who constitute 98% of the total population and live in the tribal areas. The female folk are dominant, and the majority is youths.

The graph below clearly indicates the population distributions of the municipal population.





1.11. STATISTICAL INFORMATION AND WARD PROFILING

1.11.1. STATISTICS SOUTH AFRICA (Census 2011 & Community Survey 2016)

| ITEM | (Census Stats) 2001 | 2007(Community Survey) | Census Stats SA 2011 | Community Survey 2016 |
|------------|---------------------|------------------------|----------------------|-----------------------|
| POPULATION | 171 721 | 194 119 | 162 629 | 172 601 |
| HOUSEHOLDS | 33 468 | 35 595 | 41 192 | 43 747 |

1.11.2. POPULATION GROUP BY GENDER

| GROUP | MALE | FEMALE | TOTAL |
|---------------|-------|--------|--------|
| BLACK AFRICAN | 73195 | 87 880 | 161075 |
| COLOURED | 40 | 26 | 65 |
| INDIAN | 129 | 22 | 151 |
| WHITE | 540 | 466 | 1006 |
| OTHER | 249 | 83 | 332 |

2. SERVICE DELIVERY OVERVIEW

For the financial year under review all the capital projects were completed in time except for Rehabilitation of Senwabarwana D12000 CBD road and Re-graveling of Dantzig Access Road and stormwater control.

The beneficiaries of the free basic alternative energy continued to access the services.

2.1. COMMENT ON ACCESS TO BASIC SERVICES

Electricity provision is currently at 98% as the municipality has license.

There is still a huge backlog on the access to sanitation services while water sources remain the challenge.

The problem of the illegal water connection and vandalism of the infrastructure persist.

There is also a remarkable backlog in the provision of low-cost houses.

The provision of free basic Services is also not adequately done.

The municipality is having the backlog in the maintenance and upgrading of the roads.

The roads are mainly the provincial and national roads.

Access to land for both residential and business development is a challenge.

Waste and refuse management is a challenge due to limited resources.

The municipal turnaround time in addressing disruptions and complaints has improved tremendously.

2.1.2. FINANCIAL HEALTH OVERVIEW

Blouberg is a rural municipality and one of the poorest in the province. The table above showed that 90% of the population lives in the rural areas. The report by Statistics South Africa indicated the bleak situation with high poverty levels, unemployment and illiteracy rates. The status definitely has a bearing on the financial state of the municipality. The municipality is dependent on the grants from national treasury while only 30% is own revenue.

The grants are equitable shares, Municipal Infrastructure grant, integrated national electrification programme, Municipal Disaster Management grant and EPWP grant.

The sources for own revenue are as follows: Sale of electricity (Pre-paid and Conventional), Sale of Sites, Assessment rates, Traffic services, Refuse collection and removal, Pound Services and Service Charges.

The revenue collection is relatively low as there is limited revenue base. Most of the population comprise of the indigents. It is a challenge in the payment of the services and the municipality applies debt control measures.

The austerity measures had to be applied to manage cash flow in the municipality.

Without reliable revenue sources the municipality is not financially viable and sustainable.

2.1.3. AUDITOR GENERAL REPORT FOR 2024-25 AND PREVIOUS FINANCIAL YEARS

The auditor general s office audits the municipalities for the period July- June every year in line with their financial cycle. The focus of the audit is always on Statement of financial position, Statement of financial performance, Statement of changes in net assets and cash flow statements, performance information and implementation of policies.

For the financial years, 2020-21, 2021/22, 2022-23 ,2023/24 and 2024-25 the opinion is thus

| 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---------------------|---------------------|-------------------|-------------------|-------------|
| UNQUALIFIED OPINION | UNQUALIFIED OPINION | QUALIFIED OPINION | QUALIFIED OPINION | UNQUALIFIED |

The issues raised in the auditor general report are addressed through the development and implementation of the audit action plan.

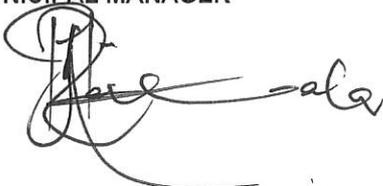
The full report is contained in the Chapter 6 of the Auditor General report.

2.1.4. STATUTORY ANNUAL REPORT PROCESS

| | | |
|----|--|------------------|
| 01 | Consideration of the next financial year's IDP/Budget process plan | August |
| 02 | Compilation of the fourth quarter performance report and annual performance report | August |
| 03 | Compilation of the Annual Financial Statements | August |
| 04 | Audit Activity by the Office of the Auditor General | August- November |
| 05 | Submission of the draft of the Annual report to council | January |
| | Draft Annual report is submitted to COGHSTA and treasury | January |
| 06 | The council publishes the annual report and embarks on public participation | February- March |
| 07 | Comments and inputs are consolidated | February- March |
| 08 | Oversight report is developed and tabled before council for approval | March |
| 09 | Oversight report is submitted to CoGHSTA and Treasury | April |

RAMOTHWALA REFILWE

MUNICIPAL MANAGER



CHAPTER TWO: GOVERNANCE

1. CHAPTER TWO: GOVERNANCE

2. CHAPTER TWO: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The first Council of the municipality consisted of 16 proportionally elected and 16 ward Councillors as determined in the Provincial Notice 15 dated 11 May 2000. The second Council consisted of 18 proportionally elected and 18 Ward Councillors (2006) while the third Council consisted of 20 proportionally elected and 21 Ward Councillors, which made the total of 41 Councillors (2011). Following the 2016 and 2021 municipal elections, the Municipality comprised of 22 Ward Councillors and 22 proportionally elected Councillors, which amount to a total of 44 Councillors respectively.

4.2. FULL-TIME COUNCILORS AND MEMBERS OF THE EXECUTIVE COMMITTEE

The Council composition is reflected as per the outcome of November 2021 local government elections. The Council has designated the following Councillors in terms of section 18 (4) of Act 117 of 1998 as full time.

The Mayor: Cllr Thamaga M.N:

The Speaker: Cllr Boloka M.P

The Chief Whip: Cllr Rangata M.J (Deceased June 2025)

Infrastructure Development Chairperson: Cllr Raseruthe M.A

Budget and Treasury Chairperson: Cllr Cllr Makobela S.R

Corporate Services: Cllr Motswabe L.P

And Chairperson of MPAC Cllr Maifo M.L

The following Councillors are the executive committee members and are not full time.

1. Cllr Mosena D.D: (Economic Development and Planning)
2. Cllr Raphasha D.S :(Community Services)
3. Cllr Phoshoko N.C :(Without Portfolio)
4. Cllr Tlouamma N.M (Without Portfolio)

4.3. FULL COUNCIL OF BLOUBERG MUNICIPALITY

| WARD COUNCILORS | PROPORTIONAL REPRESENTATIVES' COUNCILORS |
|-------------------------|---|
| 1. CLLR. MASEBE K.P | 1. CLLR THAMAGA M.N |
| 2. CLLR. LEHONG M.V | 2. CLLR BOLOKA M.P |
| 3. CLLR. MAIFO M.L | 3. CLLR RANGATA M.J |
| 4. CLLR. THLAKO | 4. CLLR MOSENA D.D |
| 5. CLLR. MASHAMAITE M.G | 5. CLLR RASERUTHE M.A |
| 6. CLLR. MOTSWABE L.P | 6. CLLR MAIFO M.L |
| 7. CLLR. MAPUNYA P.W | 7. CLLR LEHONG K |
| 8. CLLR. MAKOBELA S.R | 8. CLLR MOETJI M.T |
| 9. CLLR MANAKA N.A | 9. CLLR MAKHURA M.H |
| 10. CLLR. MAKHURA K.H | 10. CLLR SEOKOTSA M.M |
| 11. CLLR. MOLOKOMME M.J | 11. CLLR MOKOBODI M.M(REPLACED BY CLLR MATHIBELA N) |
| 12. CLLR MOTSOKO L | 12. CLLR DAU M.P |
| 13. CLLR MAHLAPE M.J | 13. CLLR NTJANA M.I |
| 14. CLLR MOLOKOMME M.M | 14. CLLR PHOSOKO N.C |
| 15. CLLR. MMOKO MM | 15. CLLR MAILULA M.S |
| 16. CLLR MPHAGO M.A | 16. CLLR MARIPA M.S |
| 17. CLLR MAPUTLA S.A | 17. CLLR MARIBENG M.K |
| 18. CLLR MOKAMI M.E | 18. CLLR LEHONYE T.J |
| 19. CLLR RAPHASHA D.S | 19. CLLR TLOUAMMA M.N |
| 20. CLLR MATHEKGA M.J | 20. CLLR MAPHOTO M.D |
| 21. CLLR THEMA N.R | 21. CLLR TLABELA F.P |
| 22. CLLR MAGWAI T.R | 22. CLLR KOBOLA S.J |
| | |

POLITICAL STRUCTURE AND RESPONSIBILITIES

| POSITION | RESPONSIBILITIES |
|---|--|
| <p>MAYOR: CLLR THAMAGA M.N</p> | <p>Chairperson of the Executive Committee</p> <p>Promote image of Municipality Lead Municipal IDP Promote Social and Economic Development Convene Public Meetings Promoting Inter- Governmental relations Implement Council decisions Performs Ceremonial role</p> |
| <p>SPEAKER: CLLR BOLOKA M.P</p> | <p>Presiding over Council meetings Performs duties and exercises powers delegated to the Speaker in terms of section 59 of MSA Ensures that Council meet Quarterly Maintain orders during the meeting</p> |
| <p>CHIEF WHIP: CLLR RANGATA M.J</p> | <p>Political management of Council and Committee meetings Maintains discipline of councilors Advice the Speaker on the amount of time allocated</p> |

ADMINISTRATIVE GOVERNANCE

TOP ADMINISTRATIVE STRUCTURE

| |
|--|
| TOP ADMINISTRATIVE STRUCTURE |
| <p>1. MUNICIPAL MANAGER</p> <p>MR REFILWE JONAS RAMOTHWALA - APPOINTED FROM 01ST JULY 2022</p> |
| <p>2. DIRECTOR, ECONOMIC DEVELOPMENT AND PLANNING</p> <p>ACTING DIRECTOR MS MABOTJA. K FROM JULY 2024 TO JUNE 2025</p> |
| <p>3. DIRECTOR, CORPORATE SERVICES</p> <p>MR. MDAKA N.R. APPOINTED FROM JANUARY 2024</p> |
| <p>4. CHIEF FINANCIAL OFFICER (BUDGET AND TREASURY)</p> <p>ACTING CFO MR MOTUPA M.J. FROM JULY 2024 TO MAY 2025 CFO MS THANGAVHUELELO M (FROM JUNE 2025)</p> |
| <p>5. DIRECTOR, TECHNICAL SERVICES:</p> <p>ACTING DIRECTOR MS RABUMBULU FROM JULY 2024 TO JUNE 2025</p> |
| <p>6. DIRECTOR, COMMUNITY SERVICES.</p> <p>MR MPHATENG M.F APPOINTED FROM JANUARY 2024</p> |
| Two senior manager positions were vacant, and CFO was appointed from the 01 June 2025 |

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO –OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality participates in national inter-governmental structures such as the following:

National municipal manager's forum

South African Local Government Association sessions including working groups.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Municipality participates in the following provincial intergovernmental structures:

- Premier –Mayor's forum (3)
- Monitoring and evaluation forum (4 x per annum)
- Provincial planning forum (4 x meetings)
- Provincial municipal manager's forum (4 x meetings)

RELATIONSHIP WITH MUNICIPAL ENTITIES

THERE WERE NO MUNICIPAL ENTITIES DURING THE PERIOD UNDER REVIEW

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Municipality participated in the following District

IGR structure during the period under review:

- District Speakers Forum
- District Mayors' Forum
- District Chief Whips Forum
- District Municipal Manager's Forum
- District CFOs Forum
- District Planning Forum
- District Monitoring and Evaluation Forum

The existence of the above IGR structures has assisted in the sharing of challenges, best practices and resources mobilization. Alignment of programmes and standardization of activities were also achieved from the district IGR structures. These forums contribute to learning and development

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality has organized its administration in such a way that accountability of its staff is realized and that a system of participatory governance is entrenched. The establishment of a unit to deal with community participation was done during the inception of the municipality. The unit is in Corporate Services Department various tools of communicating with the community were used in the period under review and the paragraphs supra explain in detail the functionality of such tools.

The municipality also used its local IGR structures such as sector forums to ensure sector specific programmes are aligned with those of other roles players in the sector and the following sector forums held four quarterly meetings during the period under view:

- Energy Forum
- Roads and Transport Forum
- Local Economic Development and Tourism
- Housing Forum
- Disaster Management Forum
- Waste Management Forum

2.4 PUBLIC MEETINGS

| |
|---|
| COMMUNICATION, PARTICIPATION AND FORUM |
|---|

The Municipality prides itself on its communication and stakeholders' participation structures. The Municipality has a communication strategy which indicates who communicates to who, when and how. There is a communications unit established, and such is in the Office of the Municipal Manager. The Municipality's Community participation model is one of the best models in the country and through such models, council and its committees can reach out to the Municipal constituencies. Council meetings are held in public at venues rotated throughout the municipal area. After every Council, meeting outreach programme is held. Views and issues raised by community members are recorded and feedback is provided to the members of the community who raised such matters. Council meetings for the period under review were followed by a public outreach programme referred to as Imbizo. Most EXCO and council were held physically.

The Municipal Website and Facebook are also useful tools, which the municipality employed to communicate with its stakeholders to cover the cyberspace community.

The Municipal Newsletter – Blouberg News – published two Municipal Newsletters for the year under review

Other forms of communication and public participation during the 2024/25 financial year include the usage of quarterly Ward Public meetings for the 22 wards wherein ward Councilors provided feedback and progress reports to ward members.

WARD COMMITTEES

The Municipality has a fully functional ward committee system. All the 22 wards have functioning ward committees with 220 participants translating into 10 ward committee members for the 22 wards

Ward committee held their meetings bi-monthly with the support from Administration, which plays a secretariat role. Resolutions and issues raised at ward committee are escalated to the office of Municipal Manger and then to all relevant departments.

2.5 IDP PARTICIPATION AND ALIGNMENT

The IDP is reviewed annually and in-house. Council approved the 2023/24 revised IDP/Budget. Like previous IDPs, the 2023/24 IDP was rated high in terms of credibility by the provincial Department of Co-Operative Government, Human Settlements and Traditional Affairs.

The IDP is reviewed in line with required standard and template, and it is aligned to the budget. The IDP Process Plan is developed and approved by council as the road map for the review of the IDP/Budget. The IDP Steering Committee is responsible for the review of the IDP and Budget. The IDP is aligned to the budget. The draft IDP/Budget is tabled before the council for public participation process to unfold and wards are clustered for the purpose of the community accessibility and inputs. The IDP representative's forum where all stakeholders are represented is also conducted to interrogate the IDP document. The other stakeholders that are consulted are the traditional authorities and farmers unions. Inputs to the IDP are also submitted physically to the office of the Accounting Officer or faxed and emailed through.

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

| IDP PARTICIPATION AND ALIGNMENT CRITERIA | YES/NO |
|--|--------|
| Does the Municipality have impact, outcome, input, and output indicators? | Yes |
| Does the IDP have priorities, objectives, KPIs, development strategies? | Yes |
| Does the IDP have multi-year targets? | Yes |
| Are the above aligned and can they calculate into a score? | Yes |
| Does the Budget align directly to the KPI's on the 12 outcomes? | Yes |
| Were the indicators communicated to the public? | Yes |
| Were the four quarterly aligned reports submitted within stipulated time frames? | Yes |

COMPONENT D: CORPORATE GOVERNANCE OVERVIEW OF CORPORATE GOVERNANCE

For the 2024/25 financial year, like the 2023/24, the Blouberg Municipality took leaf from King III report on good Governance by including in its operations the functionality of risk function as well as the development and implementation of corruption and anti-fraud strategies. Risk register was developed, and its focus was on strategic risks, operational risks and Human Resources risks.

Through IGR, the Municipality used the District Hotline, Premier and Presidential hotline to track areas of noncompliance to its Corporative Governance matters.

RISK MANAGEMENT

The Municipality regards risks management as one of the pillars required for the sustainability and Corporative Management. In compliance with the MFMA Sec 62 c (i) and sec 95 c (i) require the Municipality to have and maintain an effective, efficient and transparent system of financial, risk management and internal controls. Risk assessment sessions were conducted by municipality through risk management unit where the risk is identified, mitigated and monitored. The Accounting Officer had appointed a functional Risk Management Committee inclusive of the external member of the committee in accordance with the Public Sector Risk Management Framework. The committee reports to Audit Committee where afterwards the report is presented to the municipal Council on a quarterly basis as required by Treasury Regulations.

Top five risks identified are the following:

- Vandalism and theft of municipal assets
- Backlogs for municipal roads and stormwater
- Low revenue collection
- Unhealthy environment, occupational diseases and injuries
- Outdated ICT infrastructure

FRAUD AND ANTI – CORRUPTION STRATEGY

The Municipality has an anti – corruption and risk management strategies in place. Fraud and corruption identified risks are reviewed on a quarterly basis by the municipality.

The Internal Audit Unit has been established and is led by Manager Internal audit.

The Audit Committee is in place and comprised of four members who have relevant experience and qualifications to discharge their responsibilities. For the period under review the audit committee also performed the role of the performance audit committee. The Performance Audit Committee include politicians and officials as voting members performance assessments of top management. The period under review did not have any reported cases of fraud and corruption encountered by the municipality and submitted to authorities.

2.7 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

During the 2024/25 financial year the Supply Chain Management policy was tabled to council for revision alongside with other budget related policies. The revision considered the BBEEE codes and arears amended. For the record, no councillor is allowed to participate in the supply chain management processes including being part of committees. Functionality of the established SCM committees was also enhanced. Efforts were made to curb the

procurement of services from suppliers who are in the service of the state and the municipal records do not have any indication of services awarded to suppliers in the service of the state.

| BY- LAWS INTRODUCED DURING 2024/25 | | | | |
|------------------------------------|---------|--|-------------------------------|---------------------------|
| Newly Developed | Revised | Public Participation conducted prior to adoption of By-Laws (Yes/No) | Dates of Public Participation | By- Laws gazette (Yes/No) |
| Tariffs By-Law | N/A | Yes | May 2025 | Yes |
| Credit Control and debt Collection | N/A | Yes | May 2025 | Yes |

2.10 WEBSITES

| | YES/NO |
|--|--------|
| Current annual and adjustment budgets and all budget related document. | YES |
| All current budget related policies | YES |
| The previous Annual Report (2022/23) | YES |
| The Annual Report (2023/24) published to be published | YES |
| All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards | YES |
| All service delivery agreements (2024/25) | N/A |
| All long-term borrowing contracts (2024/25) | N/A |
| All supply chain management contracts above a prescribed value (R 300 000) for 2024/25) | N/A |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2024/25 | YES |
| Contracts agreed in 2024/25 to which subsection (1) of section 33 apply, subject to subsection (3) of that section. | YES |
| PPP agreements referred to in section 120 made in 2024/25 | YES |
| All quarterly reports tabled in the council in terms of section 52 (d) During 2024/25 | YES |

MUNICIPAL WEBSITE CONTENT AND ACCESS

Most of prescribed key website content materials were placed on the municipal website such as IDP, Budget, Annual Report, Performance Agreements and Budget related policies.

PUBLIC SATISFACTION ON MUNICIPAL SERVICES PUBLIC SATISFACTION LEVELS

No formal public participation surveys were conducted during the period under review. The Municipality relied on public participation sessions referred to above, as well as the usage of the Premier and Presidential Hotlines to gauge the level of satisfaction and / dissatisfaction with municipal services.

There were no changes to issues raised in the previous years' engagements.

Key general areas of dissatisfaction include:

- State of road conditions
- Water and sanitation supply
- Unemployment
- Health and education services

COMPONENT A: BASIC SERVICES

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

1. WATER PROVISION

Blouberg Municipality will not include Water and Sanitation in its 2024/25 Annual Report as such Powers and Functions lie at the Capricorn District Municipality and any attempts to include such information may result in non – alignment with the information provided by the District Municipality.

ELECTRICITY

INTRODUCTION TO ELECTRICITY

Electricity is one of our greatest achievements as we have electrified all settlements within the Municipality. The Municipality is now busy with electrification of extensions. As the electrification programme continues, the Municipality for the financial year completed Construction of Senwabarwana Substation phase 02 and phase 03.

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

WASTE MANAGEMENT

STATUS QUO

The Municipality has developed and adopted an Integrated Waste Management Plan (IWMP) in 2008 and reviewed in 2013 and 2019 respectively. The plan serves as a roadmap for the management of solid waste for the entire Municipality with R293 towns and nodal points, plus some rural villages, used as starting points since the capacity available cannot cover the entire municipal wide area. For the 2023/24 financial year the function was rendered in eleven settlements on a weekly basis while the towns of Alldays and Senwabarwana receive the service daily. Currently there are two landfill sites in Alldays and Senwabarwana. A waste management team is in place and five waste removal trucks, plus a tractor, have been purchased. To augment the waste and environmental section the Municipality enlisted the use of short term EPWP participants and distributed them across areas of high-volume waste generation. For the 2023/24 period the number of EPWP participants was increased to 260 with the budget of R3, 5 million. In Senwabarwana and Alldays two Recycling initiatives were established with PEACE Foundation playing a leading role in assisting with recycling initiatives at an identified location in Senwabarwana. The backlog is huge, we are still far away from Zero waste, since circular economy is still at low level. Only a tiny fraction of recycling initiative is functional

THE TABLE BELOW REFLECTS WARD WASTE REMOVAL SERVICE ROLL OUT AND BACKLOGS

| WARD | AVAILABLE | BACKLOG |
|------|------------------------------|---------|
| 1 | 0 | 11 |
| 2 | 0 | 7 |
| 3 | 0 | 6 |
| 4 | 0 | 9 |
| 5 | 0 | 7 |
| 6 | 0 | 5 |
| 7 | 0 | 6 |
| 8 | 1 | 6 |
| 9 | 0 | 6 |
| 10 | 1 | 0 |
| 11 | 0 | 6 |
| 12 | 2. INDERMARK UP TO DIKGOMONG | 0 |
| 13 | 2 (BURGERUGHT AND MOTLANA) | 5 |
| 14 | 0 | 7 |
| 15 | 2 (KROMHOEK AND DEVREDE) | 0 |
| 16 | 0 | 5 |
| 17 | 2 (GROOTPAN AND LONGDEN) | 6 |
| 18 | 2 (TAAIBOSCH AND ALLDAYS) | 0 |

| | | |
|-------|------------------|-----|
| 19 | 1 (SENWABARWANA) | 1 |
| 20 | 0 | 7 |
| 21 | 0 | 8 |
| TOTAL | 11 | 112 |

CHALLENGES

Capacity constraints: this involves lack of resources (financial and human) to roll out the service to the entire municipal area. Available plant and personnel are not enough to render the service for all areas. For the past two financial years, the Municipality could not purchase plant due to budgetary constraints.

The Taaibosch transfer station is not fully utilised.

Lack of education on the part of members of the community on waste matters does not help the situation. Lot of littering occurs in the town of Senwabarwana around the CBD mainly because much business activities are taking place there.

3. INTERVENTIONS

Blouberg Municipality renders the refuse removal service in **13 settlements** with the households serviced standing at 11 549. The backlog is **24 139**. Challenges are funding for roll out of the refuse service to all settlements.

The Environmental Management Plan (EMP) is partially implemented, and the document need to be reviewed to address the current situation. Solid waste and refuse removal by laws are not fully implemented due to capacity challenges that are currently being ironed out. Integrated Waste Management Plan is currently at implementation stage. The neighbourhood funding from the National Treasury earmarked for urban renewal shall come in handy to address some of the waste management challenges encountered.

The Municipal Infrastructure grant is another vehicle to increase waste equipment. The employment of Waste General Workers and drivers will be an ideal option to realise our WMP.

INTRODUCTION TO HOUSING

The powers and functions for the provision and construction of housing lies with the provincial government under the Department of Co-operative Governance, Human Settlements and Traditional Affairs. The role of the municipality is to identify housing demands needs through the development of the Housing Chapter and identification of beneficiaries.

No municipal entity renders the service on behalf of the municipality.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipality provides free basic services in the form of electricity, waste and water (as assisted by Capricorn District Municipality). The indigent register is updated annually.

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Indigents shall mean (in terms of municipal policy) residents of Blouberg Local Municipality, who cannot afford to pay for services they receive from the Municipality, the category of people being unemployed, disabled and pensioners who are unable to, pay the full costs of the average Municipal accounts. Conditions for qualification are that support is provided to households earning a joint income of NOT more than R 4 000 per month. Council reviews the threshold on an annual basis, taking into consideration the economic conditions of its citizens in line with the national policy.

INTRODUCTION TO ROADS

The municipality is not responsible for public transport, but the Department of Roads, Transport, and Capricorn District municipality have the powers and functions related to roads and transport. There was no road-upgrading project implemented by the Department of Roads and Transport through Roads Agency Limpopo (RAL).

| Gravel road infrastructure | | | | |
|-----------------------------------|---------------------------|-------------------------------------|-------------------------------------|---------------------------------------|
| Kilometers | | | | |
| | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Gravel roads graded/maintained |
| 2019/20 | 786.98km | 0 | 0 | 488.44 |
| 2020/21 | 786.98km | 0 | 0 | 488.44 |
| 2021/22 | 786.98km | 0 | 0 | 488.44 |
| 2022/23 | 786.98km | 0 | 0 | 488.44 |
| 2023/24 | 786.98km | 0 | 0 | 488.44 |
| 2024/25 | 786.98km | 0 | 0 | 488.44 |

Source: Department of Public Works, Roads and Infrastructure

3.8. TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

PUBLIC TRANSPORT

There is one mode of public transport in the municipal area viz road transport. The dominant public transport mode is the minibus taxi while another form of public transport is the bus transport with Great North, Motlapa and Mmabi busses being the main operators. The challenge with the municipal public transport is that it is only available between 6H00 in the morning and 20H00 leaving most commuters stranded outside these stipulated times. The movements of these modes of public transport are towards all the nodal points of Blouberg, viz, Alldays, Senwabarwana, Tolwe and Eldorado while outside Blouberg the major destinations are Musina, Louis Trichardt, Lephalale, Steilloop and Polokwane.

STATUS OF TAXI RANK FACILITIES

| LOCATION | STATUS | DESTINATIONS |
|----------------|--|---|
| Senwabarwana | The rank is formal with the following facilities: shelter, loading bays, ablution blocks and hawkers' facilities | The rank covers the rest of Blouberg and destinations such as Polokwane, Gauteng |
| Eldorado | The rank is formal with the following facilities: shelter, loading bays, ablution blocks | The rank covers the rest of Blouberg and areas such as Senwabarwana and it connects to Polokwane via Kromhoek taxi rank |
| Kromhoek | The rank is formal with the following facilities: shelter, loading bays, ablution blocks and hawkers' facilities | The rank covers the rest of Blouberg and destinations such as Polokwane, Johannesburg and Louis Trichardt |
| Alldays | The rank is formal with the following facilities: shelter, loading bays, ablution blocks | The rank covers the rest of Blouberg and destinations such as Musina and Louis Trichardt |
| Windhoek | The rank is informal | It covers Senwabarwana, Steilloop |
| Avon | The rank is informal | It covers Senwabarwana, Vivo, Indermark |
| Buffelshoek | The rank is informal | It covers Senwabarwana |
| Vivo | The rank is informal | It covers Senwabarwana, Alldays, Mogwadi and Makhado |
| Letswatla | The rank is informal | It covers Senwabarwana |
| Taaiboschgroet | The rank is informal | It covers Kibi, Kromhoek, Makhado and Polokwane |

3.5.4.2 PUBLIC TRANSPORT CHALLENGES

The challenge with the municipal public transport is that it is only available between 6H00 in the morning and 20H00 leaving most commuters stranded outside these stipulated times. The other main challenge is the bad state of roads that increases the operation and maintenance costs of public transport operators. Lack of formal taxi ranks with all related amenities in some strategic areas such as Avon, Vivo, Buffelshoek, Letswatla, Taaiboschgroet, Windhoek and Harriswich remains a challenge. Disputes over operating routes occasionally occur resulting in conflicts among taxi associations. There is a recent challenge where Taxi owners are barring community members from giving needy community members lifts

PERFORMANCE OF TRANSPORT OVERALL:

PUBLIC TRANSPORT INTERVENTIONS

The roads and transport forum has been established and all taxi associations operating within Blouberg are members of the forum. The matter of accessibility of public transport outside the 06H00 and 20H00 time periods has been referred to the operators for considerations. The state of poor road conditions has been highlighted to the MEC for Roads and Transport for intervention. The municipality and the CDM in collaboration with public transport operators will develop a priority list for formalization of taxi ranks. Taxi and bus shelters have been constructed along major routes such as D1200 (Senwabarwana-Windhoek Road), Wegdraai to Eldorado Road, Letswatla to Windhoek Road and D1598 (Kibi to Schiermoonikoog road). The Municipality should explore the introduction of Blouberg Bus as part of the Bus Rapid Transport System as is the case in the City of Joburg and Polokwane Municipalities.

Local integrated Transport Plan requires review; the Department of transport made a commitment to develop the new local ITP.

Licensing and registering authority

The municipality has a Licensing and Registering authority unit at head office Senwabarwana. The process of opening these services at Alldays and Eldorado Satellite Offices was continued in the period under review and culminated in the functioning of the Alldays and Eldorado learners licensing centres while other full licensing services remained unfulfilled. These services are now earmarked for Raweshi, Langlaagte and Tolwe.

Law Enforcement unit

For the period under review, the municipality had a Law Enforcement Unit at head office, Senwabarwana, Alldays and Tolwe Satellite Offices, which shares the service with Eldorado Satellite Office.

3.10. PLANNING

INTRODUCTION TO PLANNING

The responsibility of the municipal planning function relates to the following functions: settlement establishment and formalization, processing of land development applications, Approval of land use rights applications such as rezoning, consolidation, subdivisions and consent use applications, implementation of building regulations and enforcement of building By-law.

During the 2023/25 financial year, the following were achieved: Tolwe layout plan was implemented and completed and the pre-approval of the surveyor-diagram for the subdivision of the farm Monmouth. A total of 245 low-cost houses were constructed and handed over to beneficiaries

Main challenges experienced in the financial year 2023/24 are as follows:- None compliance to Land use policies, building regulations and illegal invasion of land in Senwabarwana, Borkum and Alldays. Three main Service delivery priorities -: Service delivery and Infrastructure development, LED and spatial Planning. The attraction of investors e.g. Establishment of the third mall in Alldays (Gillfillian) and Senwabarwana

Measures taken to improve the performance: Improved community engagement/public participation

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The municipality approved Local Economic Development Strategy and growth strategy. The strategy identifies the key sectors of the Blouberg Economy being retail development, agricultural development, SMME development, manufacturing, tourism development and community based public works. Amongst anchor projects identified in the strategy there is the development of retail centres in nodal points, the exploration of alternative energy sources and agricultural development initiatives.

The period under review witnessed the implementation of the following key service delivery priorities:

Implementation of the Venetia mine underground project with a budget of over R2m for hawker's stalls in Senwabarwana complex

Exploration of mineral resources by Ironveld\ HACRA at Harriet's wish, Cracouw and Aurora with strong positive prospects of mining continued. The exploration has yielded positive results, a mining license has been granted, and construction is expected to commence soon. The new explorations by Sylvania Platinum and Platinum Group Metals have brought some hope in the people of the municipality in terms of job creation.

The creation of over 1410 job opportunities through Community Works Programme, EPWP (260), and implementation of municipal capital works programme through labour-intensive methods was maintained.

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

During the period under review, there were no IDP targets for the provision of Aged Care and Social Programmes. The municipality only played a coordination role with the Department of Health and Social

COMPONENT D: COMMUNITY & SOCIAL SERVICES

The municipality did not play much role on community and social services such as libraries and archives; museums, arts and galleries; community halls; cemeteries and crematoria; childcare; aged care; social programmes, theatres due to capacity challenges. This statement only excludes cemeteries wherein the municipality coordinates the function in Alldays, Senwabarwana and, to a smaller extent, R293 towns of Witten, Dilaeneng, Puraspan and Indermark.

3.55 CEMETORIES AND CREMATORIUMS

The Municipality operated the cemetery function in the two R293 towns of Senwabarwana and Alldays. Cremation services are still outsourced as per request.

3.56. CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

These services are mainly with the relevant departments and Municipality is assuming a coordinating role.

. COMPONENT F: HEALTH

The provincial department of Health and Social Development renders the clinics and ambulance services.

COMPONENT G: SECURITY AND SAFETY

Law enforcement: there is a law enforcement service within our municipality, which has been decentralized to Alldays and Tolwe Satellite Office.

Licensing and Registering Authority: our municipality has this function, which was also decentralized to both Eldorado and Alldays Satellite.

Fire and disaster management services are functions of the district municipality; however, our municipality plays a coordinating role with regard to disaster management. A disaster coordinator was employed to that effect.

The licensing of animals is a function of the department of Agriculture; however, our municipality has a pounding function, which deals with the control of stray animals out of the public roads and at unauthorized places.

We have a by-law that deals with the control of public nuisances, but it is not implemented due to capacity constraints.

THE TABLE BELOW REFLECTS AVAILABILITY AND BACKLOG OF STANDARD SPORTS FACILITIES WITHIN WARDS

| WARD | AVAILABLE | BACKLOG |
|------|-----------|---------|
| 1 | 0 | 1 |
| 2 | 0 | 1 |
| 3 | 0 | 1 |
| 4 | 0 | 1 |
| 5 | 0 | 1 |
| 6 | 0 | 1 |
| 7 | 0 | 1 |
| 8 | 0 | 1 |
| 9 | 0 | 1 |

| | | |
|-------|-------------------------------------|----|
| 10 | 0 | 1 |
| 11 | 0 | 1 |
| 12 | 0 | 1 |
| 13 | 0 | 1 |
| 14 | 1 STANDARD BEN SERAKI | 0 |
| 15 | 0 | 1 |
| 16 | 1 STANDARD ELDORADO SPORTS FACILITY | 0 |
| 17 | 0 | 1 |
| 18 | 1 ALLDAYS SPORTS COMPLEX | 0 |
| 19 | 1 SENWABARWAN STADIUM | 0 |
| 20 | 0 | 1 |
| 21 | 0 | 1 |
| 22 | 1 PINKIE SEBOTSE SPORTS COMPLEX | |
| TOTAL | 5 | 17 |

The challenge is that some sports and recreation facilities available do not have enough facilities such as high mast lights for night games, athletic rubber tracks etc. Another challenge with the amenities is on the available halls, which are not used as multi-purpose community centres but are only used scarcely as normal halls.

5.5.3 INTERVENTIONS

The municipality, together with SAFA and private partners, construct and upgrades sports and recreational facilities annually. SAFA must construct an artificial soccer facility as part of its 2010 legacy projects. Regarding community halls, the plan is to move away from normal standard halls and build multi-purpose centres. The Municipality has completed construction Senwabarwana sports complex.

3.67 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

The municipality has a unit that specifically deals with disaster incidents and the rehabilitation of disaster victims. The unit is working in collaboration with Capricorn District Municipality (CDM). The budget is set aside annually to attend to disaster issues. The district provides its locals with resources and personnel for proper execution of their duties. The municipality has a credible Disaster Management Plan, which gave the municipality areas that need an urgent attention. The municipality hold Disaster Management Advisory Forum sitting on quarterly basis to inform communities about performance regarding incidents that occurred under the period review.

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

Disaster management is a district function; however, our municipality plays a coordinating role to this effect. A disaster coordinator has been employed at officer level to assist in coordination of disaster issues between the district municipality and the local communities

INTRODUCTION TO SPORT AND RECREATION

COMPONENT H: SPORT AND RECREATION

All settlements have access to cemeteries though such are not formalized. There is 5 standard sports facilities at Eldorado, Senwabarwana Pinkie Sebotse, Senwabarwana Sports Complex and at Ben Seraki (Buffelshoek).

Blouberg area has 11 community halls. There is one Thusong service centre at Eldorado and it hosts the municipal offices, Department of Education, Department of Agriculture, Department of Labour, SAPS and Department of Health.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc.

The components comprise Secretariat, Auxiliary Services, Human Resources, ICT Services and Communications, the main objective is to provide support and auxiliary services to all departments and the political components of the municipality. Some of the functions include fleet control, Office accommodation, Cleaning Services Effective Security Services reliable and efficient telecommunication services, timely and well-collated qualitative documents

3.69 EXECUTIVE AND COUNCIL

The Components includes The Mayor, Councillors and Municipal Manager, Introduction to executive council Blouberg Local Municipality was established in terms of demarcation notice as NP351 in the Extraordinary Gazette

100 of October 2000. The Municipality is a category B as determined in terms of section 4 of the Local Government Municipal Structures Act No 117 of 1998

It is a Municipality with a collective executive system as contemplated in section 2(a) of northern province Determination of types of municipalities act (4) of 2000 Blouberg Municipality has however and approved delegation system that seeks to decentralize decision making within the institution and improve the pace at which services are delivered to the community. This is intended to maximize administrative and operational efficiency and provide adequate checks and balances for line with the delegation system, some decisions making powers have been cascaded from council to the executive committee, its portfolio committee and full-time councillors. Other powers have been delegated to the Municipal Manager

Component includes executive office (mayor; councillors; and municipal manager)

INTRODUCTION TO EXECUTIVE AND COUNCIL

THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The support for councillors' policy is in place and councillors receive support in respect of the various aspects of their daily activities as public representatives, in-house workshops on governance and presentations. Tools of trade were provided in line with upper limits for Councillors

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The financial services of the municipality are in the Budget and Treasury office, which is responsible for the following Units: 1) Revenue services, 2) Expenditure Management, 3) Supply Chain Management, 4) Budget Management, and Assets Management. For the period under review, SCM and Assets Management were housed in one unit.

Most revenue on the finance department comes from equitable shares, financial management grants, conditional grants (MIG & INEP) and the other sources of income, such as interest earned, rent received, development fund and other sundry income. A full report on financial performance is contained in chapter 5 of this report, which deals with Annual Financial Statements and performance.

3.71. HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resources Unit is comprises of Human Resources Management, Skills Development, Occupational Health and safety, Employment Equity, Labour Relations, Compensation for Injuries and Diseases, and Employees

wellness. The unit priorities include timely filling of vacancies to support municipal vision and objectives, improving working conditions and skills development. Not all the funded positions for 2024/25 were filled. All Human Resources committee including the Occupational Health and Safety Committee were established comprising of employees from all levels and workstations and were crucial in helping Management identify and address working conditions that posed threat to the health and safety of employees.

STATISTICS FOR HUMAN RESOURCE SERVICES

i. Human Resources Development – The Workplace Skills Plan (WSP) and Annual Training Report were developed and submitted in April 2024 for implementation in the 2024/25 financial year as per the Local Government SETA directives. The municipality has developed training programmes for councillors and employees, bursaries for employees, internships and learner ships as informed by the WSP. There were no bursaries for employees during the year under review.

ii. Labour Relations and Occupational Health and Safety – The Local Labour Forum was revived and helped in sustaining employer-employee peace while the OHS had a committee established which met its full quota of meetings, which had a positive impact.

Employees Health and Wellness – Employee Wellness Day was held and employees participated in activities that included among other various forms of testing e.g. HIV, High Blood Pressure, Sugar Diabetes etc. and a few presentations were made in respect of employee welfare by different banking institutions, insurance companies etc.

Compensation for Injuries and Diseases – there was no reported injuries on duty during the period under review.

Employment Equity – One aspect that we were found wanting on is the Employment Equity. Though the Employment Equity Committee is in place, it could not influence employment/hiring of people from the designated groups.

Organizational Design – Council approved the Organizational Structure.

Compensation and employee's benefits – all pension pay-outs were done within fourteen days of application receipt.

Recruitment, selection and placement – all funded posts were filled.

Condition of Services – all employees employed during the period in issue signed their contracts of employment.

Leave Management – all leaves were captured

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Human Resource Division performed relatively well particularly on the aspect of recruitment. Not all the budgeted positions were filled as amongst others two senior manager positions are still vacant. The appointed made for 2024 were as follows; CFO, Manager ICT, Secretaries for MM and Mayor' Office and Asset accountant. Employment Equity is the area where the division was found more wanting with middle management the most glaring. Out of twenty-four (24) managers, only four (4) are female and none of those was employed during the period under review. The Training Committee was functional and assisted in the enhancement of capacity building wherein at least seven (7) employees were awarded municipal employees' bursaries. Training programmes were well-coordinated. The Employment Equity and Occupational Health and Safety Committee did relatively well by complying with the schedule of meetings completing their quota though implementation of resolutions taken in

those fora remain a challenge. The Workplace Skills Plan and Annual Training Report were timeously compiled and submitted, and programmes thereof were accordingly followed

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information and Communication Technology is but one area that is cardinal in ensuring that communication lines from within and outside the municipality are maintained. Its major service delivery priorities include; i. improvement of citizen participation within the municipality governance; ii. To enable and support technology integration throughout the municipality. To deploy technology for cost effective, responsive service delivery to citizens, business, employees and government. Council and the Executive Committee respectively adopted the IT Governance Framework and several policies and plans notably Change Management Policy, ICT Security Policy as well as the Data and Laptop Policy. The Corporate Services Portfolio Committee was favoured with compliance monitor reports to track progress in that regard.

PERFORMANCE OF ICT SERVICES OVERALL:

The ICT did not perform well mainly due to lack of budget. The Disaster Recovery and Business Continuity Plans could not be put to a test due to constraints relating to time and resources. There was also a lack of sufficient environmental control equipment – no fire suppression, water and smoke detectors. Lack of user account management procedures also contributed to the not-so-great performance. These safety and environmental controls could not be fitted due to lack of funds.

**CHAPTER 3:
2024-25 ANNUAL
PERFORMANCE
REPORT**

2. INTRODUCTION AND LEGISLATIVE BACKGROUND

The Blouberg Municipality 2024-25 Annual Performance Report highlights the service delivery and developmental achievements, challenges, measures to improve on the performance. The Report has been compiled in terms of legislative provisions; amongst others, these include Municipal Systems Act (MSA) No. 32 of 2000, Municipal Finance Management Act (MFMA) No 56 of 2003, and National Treasury Circulars (circulars 11 and 63). Section 46 of MSA states that a Municipality must prepare for each financial year a Performance Report and further that the said report must form part of the Municipality's Annual Report for each financial year in terms of chapter 12 of the MFMA. Annual Performance Report is a reflection of the Municipality's actual performance in relation to what was planned for in the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP). It is therefore a post-reflection of planned targets and their actual performance with a provision for reasons for variance as well as mitigating and corrective measures taken. The Annual Performance Report 2024-25 is aligned to the Municipal IDP and Budget for the 2024-25 financial year and that it is further aligned to the Service Delivery and Budget Implementation Plan and in-year reports.

The Annual Performance Report 2024-25 evolved over time. It is a product of the in-year engagements monthly, quarterly, half-yearly and ultimately annual basis. These reports served at various committees namely Management, Steering Committee, Portfolio committees, and Review Sessions, Executive Committee, Audit Committee, Municipal Public Accounts Committee (MPAC) and Municipal Council.

3. PURPOSE OF THE ANNUAL INSTITUTIONAL PERFORMANCE REPORT 2023/24

The Annual Performance Report serves the following Purposes:

The provision of a report on performance in service delivery and budget implementation plan for the 2024-25 financial year

To promote transparency and accountability for the activities and programmes of the municipality vis-à-vis the six key performance areas

To provide a record of activities of the municipality for the 2024-25 financial year to which this report relates.

4. ANNUAL PERFORMANCE FOR THE 2024-25 FINANCIAL YEAR.

4.1. SUMMARY OF ANNUAL PERFORMANCE FOR THE 2024-25 FINANCIAL YEAR

The table below indicates the summary of Annual SDBIP Performance 2024-25 per KPA. Out of 94 targets for the year, 87 targets were achieved while 7 targets were not achieved. The overall Annual Performance stands at 93 %

| Key performance area | Total Annual Targets | Total Annual Targets Achieved | Total Annual Targets not Achieved | Overall Percentage of Targets achieved |
|---|----------------------|-------------------------------|-----------------------------------|--|
| Basic Service and Infrastructure Development | 18 | 15 | 3 | 83% |
| Municipal Transformation and Organizational Development | 25 | 24 | 1 | 96% |
| Local Economic Development | 2 | 2 | 0 | 100% |
| Financial Viability and Management | 15 | 14 | 1 | 93% |
| Good Governance and Public Participation | 31 | 30 | 1 | 97% |
| Spatial Planning | 3 | 2 | 1 | 67% |
| Overall Total Municipal Targets | 94 | 87 | 7 | 93% |

4.2. COMPARISON OF 2024-25 AND 2023-24 SDBIP PERFORMANCE

The table below illustrates comparison of 2024-25 and 2023-24 performance

| Department | Total Targets | | Total Targets Achieved | | Total Targets not Achieved | | Overall Percentage of Targets achieved | |
|---|---------------|------------|------------------------|------------|----------------------------|-----------|--|------------|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| Basic Service and Infrastructure Development | 18 | 30 | 15 | 22 | 3 | 8 | 83% | 73% |
| Municipal Transformation and Organizational Development | 25 | 26 | 24 | 25 | 1 | 1 | 96% | 96% |
| Local Economic Development | 2 | 4 | 2 | 3 | 0 | 1 | 100% | 75% |
| Financial Viability and Management | 15 | 14 | 14 | 13 | 1 | 1 | 93% | 93% |
| Good Governance and Public Participation | 31 | 36 | 30 | 35 | 1 | 1 | 97% | 100% |
| Spatial Planning | 3 | 2 | 2 | 2 | 1 | 0 | 67% | 100% |
| Overall Total Municipal Targets | 94 | 112 | 87 | 100 | 7 | 12 | 93% | 89% |

Comment on performance per Key performance area

| Department | Improved | Maintained | Declined | | Comment |
|---|------------------|------------|-----------------|--|--|
| Basic Service and Infrastructure Development | Improved by 10 % | | | | 3 targets were not achieved compared to 8 in 2023-24 |
| Municipal Transformation and Organisational Development | | Maintained | | | 1 target was not achieved |
| Local Economic Development | Improved by 25 % | | | | All targets were achieved |
| Financial Viability and Management | | Maintained | | | 1 target was not achieved |
| Good Governance and Public Participation | | | Declined by 3 % | | 1 target was not achieved |
| Spatial Planning | | | Declined by 33% | | 1 target was not achieved |
| Overall Total Municipal Targets | Improved by 4 % | | | | |

4. PERFORMANCE OF EACH EXTERNAL SERVICE PROVIDER

The municipality is compelled in terms section 46 (1) (a) of Municipal Systems Act of 2000 to prepare for each financial year a performance report reflecting performance of each external service provider during that financial year. Here under follows the performance of each external service provider during the referred to financial year

5.1 PERFORMANCE RATING IN RESPECT OF CONTRACTED SERVICE PROVIDERS DURING 2024/25

THE ASSESSMENT OF THE PERFORMANCE OF SERVICE PROVIDERS WILL BE + BASED ON THE FOLLOWING RATING SCALE.

| LEVEL | TERMINOLOGY | DESCRIPTION |
|-------|--|--|
| 5 | Excellent/Outstanding Performance | Performance far exceeds the standard expected of the service provider at this level. The appraisal indicates that the service provider has achieved above fully effective results against all performance criteria and indicators as specified in the awarded contract. |
| 4 | Very Good/Performance significantly above expectations | Performance is significantly higher than the standard expected in the job awarded. The appraisal indicates that the service provider has achieved above the fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the period of the contract awarded. |
| 3 | Good/fully effective | Performance fully meets the standard expected in all areas of the job awarded. The appraisal indicates that the service provider has fully achieved effective results against all significant performance criteria and indicators as specified in the awarded contract. |
| 2 | Fair /not effective | Performance is below the standard required for the specified job. Performance meets some of the standards expected for the job and the assessment indicates that the service provider has achieved fully effective results against more than half of the key performance criteria and indicators as specified in the contract awarded. |
| 1 | Poor /unacceptable | Performance does not meet the standard expected for the job awarded. The assessment indicates that the service provider has achieved below fully effective results against all of the performance criteria and indicators specified in the awarded contract. Further that the service provider failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement. |

| PROJECT NAME | APPOINTED SERVICE PROVIDERS | VALUE FOR THE CONTRACT AWARDED | EXPENDITURE TO DATE | ACTUAL PERFORMANCE (COMPLETED OR INCOMPLETED) | | REASON FOR NON-COMPLETION | SERVICE PROVIDERS PERFORMANCE (i.e. Poor, fair, good etc.) | COMMENTS AND RECOMMENDATION |
|---|--|--------------------------------|---------------------|---|-------------|---------------------------|--|---|
| | | | | Completed | Incompleted | | | |
| Construction of Avon Multi-purpose community Centre | Oltatech Consulting MNJ MVelasa JV | R3,588,028.37 | R3,588,028.37 | Completed | | N/A | Good | The project annual target was completed on time |
| Senwarwana electricity substation (Phase2) | Volt Consulting Engineers NSK JV F-TECH | R 5 412 286 | R 5 412 286 | Completed | | N/A | Good | The project annual target was completed on time |

| | | | | | | | |
|--|--|----------------|----------------|------------|---|------|--|
| Rehabilitation of Senwabarwana Internal Streets and Stormwater Control | Morwa consulting engineers Bukuta cc | R22 701 014,34 | R20 789 344,19 | Incomplete | Slow progress by the contractor and hardrock. | Fair | Closely monitoring of the project to ensure that the outstanding work is completed |
| Rehabilitation of Alldays Internal Streets and Stormwater Control | Sizeya Consulting Engineers Maphala Group | R16 013 015.93 | R16 013 015.93 | Completed | N/A | Good | The project annual target was completed on time |
| Re-graveling of Ga-Kgatha Access Road and stormwater control (4.0km) | PJMJ Engineering and plant hire | R3,806,557.68 | R3,806,557.68 | Completed | N/A | Good | The project annual target was completed on time |
| Construction of Kwarung internal streets and stormwater control | Sizeya Consulting Engineers Elimash Trading JV MDB | R12,953,892.99 | R12,953,892.99 | Completed | N/A | Good | The project annual target was completed on time |

| | | | | | | | |
|--|--|-----------------|-----------------|-----------------------|--|------|--|
| Construction of access road from Bosehla to Thlane | Sizeya Consulting Engineers LMC Enterprise (Pty)Ltd JV MAT Supply and services (Pty)Ltd | R14,711,150.05 | R14,711,150.05 | Completed | N/A | Good | The project annual target was completed on time |
| Construction of Kobe internal streets and stormwater control | Dolmen Consulting Engineers | R4,006,562.30 | R4,006,562.30 | Completed | N/A | Good | The project annual target was completed on time. |
| Reconstruction of the stormwater retention pond and re-graveling of the access road at Dantzig | Mokhutloane Trading Enterprise | R5 700 000 | R5 700 000 | Practically Completed | Delay in delivery of materials from the supplier | Good | Closely monitoring of the project to ensure that the outstanding work is completed |
| Substation (Senwabarwana 132/22KV, 20 MVA) Phase 3 | Volt Consulting Engineers Oakantswe Construction and Projects | R 15 353,496.00 | R 13,154,648.63 | Completed | N/A | Good | The project annual target was completed on time. |
| Construction of Lethaleng to Pickum access roa | SVM Civil Engineers Lexy H World (PTY)LTD JV Ngojama Trading Enterprise CC | R 18,678,333.00 | R 18,638,345.87 | Completed | N/A | Good | The project annual target was completed on time. |

| | | | | | | | |
|---|--|---------------|---------------|-----------|-----|------|--|
| Construction of stormwater Retention Ponds at Avon | Morula Consulting Engineers Risima Project Management | R5,000,000.00 | R 783 265.00 | Completed | N/A | Good | The project annual target was completed on time. |
| Construction of stormwater Retention Ponds at Indermark | Morula Consulting Engineers Kumbatia Holdings (PTY)Ltd | R5,000,000.00 | R1,457,525.78 | Completed | N/A | Good | The project annual target was completed on time. |

5.2. COMPARISON OF PERFORMANCE OF SERVICE PROVIDERS FOR 2024-25 AND 2023-24

Eleven service providers are rated good and only one service provider is rated fair. And no service provider was terminated for 2024-25 compared to 2023-24.

| Year | Total number of service providers | Service providers rated good | Service providers rated fair | Service providers rated poor | Service provider/s terminated |
|---------|-----------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|
| 2023-24 | 20 | 16 | 3 | 1 | 1 |
| 2024-25 | 12 | 11 | 1 | 0 | 0 |

**6. CAPITAL
GRANT
SPENDING**

**6.1. CAPITAL GRANTS SPENDING
2024-25**

The Municipality was allocated R 51,769,000.00 for MIG for the financial year 2024-25fy. The Municipality has managed to spend 100% of the total allocation inclusive of the approved rollover amount. The Municipality was allocated R15,716,000.00 for MDRG for the financial year 2024-25. The Municipality has managed to spend 50.5% of the allocated budget and spend 95.52% of the approved rollover amount.

The Municipality was not allocated INEP grant for the financial year 2024-25.

**6.2. COMPARISON OF CAPITAL GRANTS SPENDING
2024-25 AND 2023-24**

Municipality has managed to spend 100% of MIG grant for both 2024-25 and 2023-24 fy

| Grant | 2024-25 Allocation | 2024-25 Percent Spending | 2023-24 Allocation | 2023-24 Percent Spending | 2024-25 Comments |
|----------------|--------------------|--------------------------|--------------------|--------------------------|---------------------------|
| MIG | R51,769,000.00 | R100% | R59 059 000 | 99% | N/A |
| MIG- Rollover | R625,000.00 | R100% | N/A | N/A | N/A |
| INEP -Rollover | R 15 353,496.00 | 86% | R33,000,000.00 | 53% | N/A |
| MDRG | R15,769,000.00 | 50,53% | R51,100,000 | 16,40% | One project not completed |
| MDRG- Rollover | R42,704,976.20 | 95,52% | N/A | N/A | One project not completed |

7. OPERATING REVENUE COLLECTION

7.1. 2024-25 OPERATING REVENUE COLLECTION

The Municipality has managed to collect R 68 580 533.98 out of R 129 987 401 Operating Revenue budget for 2024-25. This represents 53 % of operating revenue collected.

7.2. COMPARISON OF 2024-25 AND 2023-24 OPERATING REVENUE COLLECTION

| Item | 2024-25 | | 2023/24 | | 2024-25 Comments |
|------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|---|
| Operating Revenue Collection | 2024-25 Operating budget | 2024-25 Actual Collection | 2023-24 Operating budget | 2023-24 Actual Collection | The 2024-25 collection has decreased from 2023-24 financial year due to poor collection on government properties. |
| | R129 987 401 | R68 580 533.98 | R 114 506 855 | R 132 709 223.51 | |
| Overall Percentage | 53% | | 115% | | |

8. PERFORMANCE CHALLENGES AND MEASURES FOR IMPROVEMENT

Despite overall performance, there are challenges that needs to be highlighted to improve going forward.

The table below illustrate some of the challenges and measures for improvement.

| Challenge/s | Measures for Improvement |
|--|--|
| Inadequate collection i.e. electricity collection, and traffic revenue sources | Improve on billing system and collection measures Identification of additional revenue sources. Support the work of revenue management committee |
| Land invasions | Implement forward planning and proactive land use measures that will alleviate land invasions, for example township establishment and registration, sale of sites and by-law enforcement |

| | |
|-------------------------------------|--|
| Ageing machinery and infrastructure | Appointment of term contractor for plant maintenance and budgeting for purchase of plant annually |
| Electricity loss | Appointment of electricians and budget allocation for smart, split meters, cables and meter audit. |
| | |

10. CERTIFICATION OF ANNUAL REPORT 2024/25

The Annual Performance report 2024/25 has been compiled in line in terms of Section 46 of Municipal System Act no 32 of 2000, circular 11 and 63 of Municipal Finance Management Act no 56 of 2003.

I therefore certify that this report represents the highlights of the performance of the Municipality during 2024-25

RAMOTHWALA REFILWE
MUNICIPAL MANAGER BLOUBERG LOCAL MUNICIPALITY

DETAILED SDBIP REPORT 2024-25

| BASIC SERVICES AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | | | | | | | | | |
|--|--------------------|--|---------------------------------|----------|---|------------------|--|------------------------|--|---------------------------------|---------------------|--------------------|----------------|----------------|--------------------|-------------------------------------|------------------------|
| BUILDING KEY CAPABILITIES(HUMAN,PHYSICAL AND INSTITUTIONAL | | | | | | | | | | | | | | | | | |
| IMPROVE ACCESS TO BASIC SERVICES (OUTPUT 2) | | | | | | | | | | | | | | | | | |
| Project Details | | | | | | | | | | | | | | | | | |
| Project/KPI Number | Project Name | Project Description (major activities) | Strategic Objective | Location | Key Performance Indicator | 2023-24 Baseline | 2024-25 Annual Target | Revised 2024-25 Target | 2024-25 Actual Performance | Target achieved or not achieved | Reason for Variance | Corrective Measure | 2024-25 Budget | Revised Budget | Actual Expenditure | Portfolio of evidence | Responsible Department |
| BSID 2 | Digging Compressor | Purchasing of Digging Compressor | To improve maintenance capacity | BLM | Number digging compressor or purchased by June 2025 | New indicator | 01 digging Compressor purchased by June 2025 | N/A | 01 digging Compressor purchased by June 2025 | Target achieved | N/A | N/A | R150 000 | N/A | R148 500 | Proof of purchase and Delivery note | Community services |

| | | | | | | | | | | | | | | | | | |
|-------|--------------|---|---------------------------------------|-----|---|---------------|--|-----|---|-----------------|-----|-----|---------------|---------------|------------|---|--------------------|
| BSD 4 | Transformers | Purchasing and Installation of emergency Transformers | To ensure uninterrupted energy supply | BLM | Percentage of new transformers purchased and installed by June 2025 as an when a need arise | New indicator | 100% new transformers purchased and installed by June 2025 as an when a need arise | N/A | 100% new transformers purchased and installed by June 2025 as an when a need arise(21 transformers were reported faulty and 21 transformers were purchased and installed) | Target achieved | N/A | N/A | R1 000 000.00 | R1 900 000.00 | R1 837 799 | Proof of Purchase, Register and installation report | Technical services |
|-------|--------------|---|---------------------------------------|-----|---|---------------|--|-----|---|-----------------|-----|-----|---------------|---------------|------------|---|--------------------|

| | | | | | | | | | | | | | | | | | |
|--------|---------------|--|---------------------------------------|-----|---|-----------------------------------|---|-----|--|---------------------|---|--|---------------|--------------|------------|--|--------------------|
| BSID 7 | TID Roll-over | Replacement of meters installed before 2015 to STS6 compliant by November 2024 | To ensure uninterrupted energy supply | BLM | Number meters replaced by June 2025 | 6380 meters replaced by June 2024 | 8645 meters replaced by June 2025 | N/A | 864 meters were replaced by June 2025 | Target not achieved | Only 864 replaced in line with TID rollover programme | Allocate more budget for replacement of meters | R3,500,000.00 | N/A | R2 567 659 | Report | Budget & Treasury |
| BSID 8 | Poles | Purchasing and new Poles | To ensure uninterrupted energy supply | BLM | Percentage new poles purchased and installed by June 2025 as an when a need arise | New indicator | 100% new poles purchased and installed by June 2025 as an when a need arise | N/A | 100% new poles purchased and installed by June 2025 as an when a need arise (83 poles were reported broken and 83 poles were purchased and installed) | Target achieved | N/A | N/A | R300 000.00 | R3600 000.00 | R2 181 959 | Proof of Purchase, Register and installation report. | Technical services |

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|---------|---|--|---|--------------|--|---|---|-----|--|---------------------|---|--|--------------|--------------|--------------------|---|--------------------|
| BSID 26 | Rehabilitation of Senwabarwana D1200 CBD road and the construction of storm water drainage system | To rehabilitate the Senwabarwana D1200 CBD road and to construct the storm water drainage system | To maintain internal streets and access roads on continuous basis | Senwabarwana | Kilometres of Senwabarwana D1200 CBD and internal streets road rehabilitated and Storm-water drainage constructed by June 2025 | One Design report developed and approved for Senwabarwana D1200 CBD and internal streets road rehabilitated and Storm-water drainage constructed by June 2024 | 2.5km of Senwabarwana D1200 CBD road and internal streets rehabilitated and Storm-water drainage constructed by June 2025 | N/A | 100% Resurfacing of the road completed | Target not achieved | Slow progress by the contractor and hardwork. | Closely monitor the project to ensure that outstanding work is completed | R 15 716 000 | R 701 014.34 | R 22 22 085 953.00 | Advert, appointment letters, handover minutes, Site visit report, pictures and Completion certificate | Technical services |
|---------|---|--|---|--------------|--|---|---|-----|--|---------------------|---|--|--------------|--------------|--------------------|---|--------------------|

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|---------|---|--|--------------------------------|---------|---|--|---|-----|-----------------|-----|-----|-------------|-------------|-------------|--|--------------------|
| BSID 35 | Construction of Kwarung internal street and storm water control | Construction of Kwarung internal street and stormwater control | To improve road infrastructure | Kwarung | Kilometres Roadbed layer, Sub base and base layer for Kwarung internal street construction from gravel pavement completed by June 2025 | One Design report developed and approved for Kwarung internal street and stormwater control completed by June 2024 | Construction of 1,240 km of Roadbed layer, Sub base and base layer for Kwarung internal street construction from gravel pavement completed by June 2025 | N/A | Target achieved | N/A | N/A | R 7 830 208 | R12 953 893 | R11 264 254 | Advertisement letters, handover minutes, Site visit report ,pictures | Technical services |
|---------|---|--|--------------------------------|---------|---|--|---|-----|-----------------|-----|-----|-------------|-------------|-------------|--|--------------------|

| | | | | | | | | | | | | | | | | |
|---------|---|--------------------------------|----------------------|--|--|--|-----|--|-----------------|-----|-----|-------------|-----|-------------|---|--------------------|
| BSID 36 | Construction of Lethaleng to Pickum access road | To improve road infrastructure | Lethaleng and Pickum | Kilometres of Lethaleng to Pickum access road constructed from gravel to pavement and Storm-water channel completed by June 2025 | Construction of Roadbed layer, Subbase and Base layer for Lethaleng to Pickum access road completed by June 2024 | Construction of Lethaleng to Pickum access road completed by June 2025 | N/A | Construction of 6,2 kilometres of Lethaleng to Pickum access road completed by June 2025 | Target achieved | N/A | N/A | R18 678 333 | N/A | R16 103 585 | Advertisement letters, handover minutes, Site visit report, pictures and Completion certificate | Technical services |
|---------|---|--------------------------------|----------------------|--|--|--|-----|--|-----------------|-----|-----|-------------|-----|-------------|---|--------------------|

| | | | | | | | | | | | | | | | | |
|---------|--|--------------------------------|------------------|--|---|---|-----|---|-----------------|-----|-----|---------------|-------------|-------------|--|-------------------|
| BSID 37 | Construction of Bosehla to Thalane access road | To improve road infrastructure | Bosehla, Thalane | Kilometres of Bosehla to Thalane access road constructed from gravel to pavement and stormwater control completed by June 2025 | One Design report developed and approved for Bosehla to Thalane access road and stormwater control completed by June 2024 | Construction of 2,720km of Roadbed layer, Sub base and base layer for Bosehla to Thalane access road constructed from gravel to pavement completed by June 2025 | N/A | Construction of 2,720km of Roadbed layer, Sub base and base layer for Bosehla to Thalane access road constructed from gravel to pavement completed by June 2025 | Target achieved | N/A | N/A | R9,043,602.61 | R14 041 762 | R12 828 814 | Advert, appointment letters, handover minutes, Site visit report ,pictures | Budget & Treasury |
|---------|--|--------------------------------|------------------|--|---|---|-----|---|-----------------|-----|-----|---------------|-------------|-------------|--|-------------------|

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|---------|---|--------------------------------|---------|--|---------------|---|-----|---|-----------------|-----|-----|---------------|------------|------------|---|--------------------|
| BSID 38 | Construction of Ga-Kobe internal streets and stormwater control | To improve road infrastructure | Ga-Kobe | Number Design report developed and approved for Ga-Kobe internal streets and stormwater control by June 2025 | New indicator | 01 Design report developed and approved for Ga-Kobe internal street and stormwater control by June 2025 | N/A | 01 Design report developed and approved for Ga-Kobe internal street and stormwater control by June 2025 | Target achieved | N/A | N/A | R4 223 999,99 | R4 224 000 | R3 483 967 | Scoping report, preliminary design report and detailed approved design report | Technical services |
|---------|---|--------------------------------|---------|--|---------------|---|-----|---|-----------------|-----|-----|---------------|------------|------------|---|--------------------|

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|---------|---|--|---|---|--|--|--|--|-----------------|-----|-----|-------------|-------------|-------------|--|--------------------|
| BSID 39 | Construction of Senwabarwana Substation Phase 3 | Confirmation of the Project on the IDP, Project Registration, Compilation of Specifications/Tender documents, Tender advert, Evaluation, Appointments, Design, Construction, closeout. | To provide sustainable energy to all households | Senwabarwana electricity substation Phase 3 | Number 20MVA 132/22KV Power Transformer, NECRT, AC/DC Distribution panel procured and installed and construction 100 metres paving Internal Access Road by June 2025 | Perimeter fence(120m), Drilling and equipping of borehole(01) and Building of Substation construction House(160m2), Paving Internal (350m2), Access road (1.3km). Construction of Primary Plant Platform | Procurement and installation of 1 x 20MVA 132/22KV Power Transformer, 1X NECRT, 1 x AC/DC Distribution panel and construction of 100 metres paving Internal Access Road by June 2025 | Procurement and installation of 1 x 20MVA 132/22KV Power Transformer, 1X NECRT, 1 x AC/DC Distribution panel and construction of 100 metres paving Internal Access Road by June 2025 | Target achieved | N/A | N/A | R16 000 000 | R15 353 496 | R11 560 353 | Advertisement letters,handover minutes, Site visit report ,pictures, completion certificate. | Technical services |
|---------|---|--|---|---|--|--|--|--|-----------------|-----|-----|-------------|-------------|-------------|--|--------------------|

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ions, Supply
and Installati
on of
Primary
Plant
Equipm
ents by
June
2024

| | | | | | | | | | | | | | | | | |
|---------|---|---|---------|---|---|---|-----|---|------------------|-----|-----|-----------------------|-----|------------------|---|--------------------|
| BSID 40 | Rehabilitation of the Alldays internal streets and to construct the storm water drainage system | To maintain internal streets and access roads on continuous basis | Alldays | Kilometres of internal streets road rehabilitated and Storm-water drainage constructed by June 2025 | 01 Design report developed and approved for Alldays internal streets and stormwater drainage control completed by June 2024 | Construction of 1.1km of internal streets rehabilitated and Storm-water drainage constructed by June 2025 | N/A | Construction of 1.1km of internal streets rehabilitated and Storm-water drainage constructed by June 2025 | Target achieved. | N/A | N/A | R 16 013 015.00 | N/A | R 9936 372.05 | Advertisement letters, handover minutes, Site visit report, pictures, completion certificate. | Technical services |
|---------|---|---|---------|---|---|---|-----|---|------------------|-----|-----|-----------------------|-----|------------------|---|--------------------|

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|---------|--|--|--|----------|---|---------------|--|-----|---|-----------------|-----|-----|-----------------|------------------|---|
| BSID 41 | Re-graveling of Ga-Kgati access Road and storm water control (4.0km) | To regravelling of Ga-Kgati access road and to construct the storm water drainage system | To ensure availability of infrastructure to support public transport | Ga-Kgati | Kilometer access road and stormwater control completed by June 2025 | New Indicator | 4 Km of Ga-Kgati Access Road regravelled and stormwater control completed by June 2025 | N/A | 4Km of Ga-Kgati Access Road regravelled and stormwater control completed by June 2025 | Target achieved | N/A | N/A | R 896 791.00 | R 4163 250.00 | Technical services |
| | | | | | | | | | | | | | | | Advert, appointment letters, handover minutes, Site visit report ,pictures, completion certificate. |

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| BSID 42 | Re-graveling of Dantzig Access Road and storm water control (3.0km) | To regravell Dantzig access road and to construct the storm water drainage system | To ensure availability of infrastructure to support public transport | Dantzig | Kilometer of access road and stormwater control completed by June 2025 | New Indicator | 3 km of Dantzig access road regravelled and stormwater control completed by June 2025 | N/A | 100% Earthworks completed | Target not achieved. | Delay in delivery of culverts material from suppliers | Closely monitor the project to ensure that outstanding work is completed | R 716 000.00 | R 4 956 470.00 | Advert, appointment letters, handover minutes, Site visit report ,pictures, completion certificate. | Technical services |
|---------|---|---|--|---------|--|---------------|---|-----|---------------------------|----------------------|---|--|--------------|----------------|---|--------------------|

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| BSID 43 | Construction of Bloubaire Stormwater Retention Pond (Indermark) | To construct the storm water drainage system in Indermark and Avon | To ensure proper control of stormwater | Indermark | Kilometer of stormwater channels completed (km earth berm, km earth drain, number box culverts, number road signs, water retention pond) by June 2025 | New Indicator | 0,6 Km of stormwater channels completed (0.6km earth berm, 1,430km earth drain, 3 box culverts, 10 road signs, water retention pond) by June 2025 | N/A | 0,6 Km of stormwater channels completed (0.6km earth berm, 1,430km earth drain, 3 box culverts, 10 road signs, water retention pond) by June 2025 | Target achieved. | N/A | N/A | R 000 000.00 | R 457 525.82 | Advertisement letters, handover minutes, Site visit report, pictures. | Technical services |
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| BSID 44 | Construction of Bloubaerg Stormwater Retention Ponds | To construct the storm water drainage system in Indermark and Avon | To ensure proper control of stormwater | Avon | Kilometer of stormwater channels completed (km earth berm, km earth drain, number box culverts, number road signs, water retention pond) by June 2025 | New Indicator | 0,6 Km of stormwater channels completed (0.6km earth berm, 1,430km earth drain, 4 box culverts, 10 road signs, water retention pond) by June 2025 | N/A | 0,6 Km of stormwater channels completed (0.6km earth berm, 1,430km earth drain, 4 box culverts, 10 road signs, water retention pond) by June 2025 | Target achieved. | N/A | N/A | R 500000.00 | N/A | R 783265.00 | Advertisement letters, handover minutes, Site visit report, pictures. | Technical services |
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| BSDID 45 | Construction of Avon Multipurpose community centre | Confirmation of the Project on the IDP, Project Registration, Compilation of Specifications/ Tender documents, Tender advertisement, Evaluation, Appointments, Design, Construction, closeout. | To provide safe and sustainable recreational and social facilities | Avon | Number of multi-purpose Community centre constructed at Avon by June 2025 | New Indicator | Construction of one Multi-purpose Community centre at Avon Completed by June 2025 | N/A | Construction of one Multi-purpose Community centre at Avon Completed by June 2025 | Target achieved | N/A | N/A | R 3 588 028.37 | N/A | R 3 588 028.37 | Advertisement letters, handover minutes, Site visit report, pictures, completion certificate. | Technical services |
|----------|--|--|--|------|---|---------------|---|-----|---|-----------------|-----|-----|----------------|-----|----------------|---|--------------------|

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| BSID 46 | Construction of Senwabarwana Substation Phase 02 | Confirmation of the Project on the IDP, Project Registration, Completion of Specifications/Tender documents, Tender adverts, Evaluation, Appointments, Design, Construction, closeout. | To provide sustainable energy to all households | Senwabarwana electricity substation phase 2 | Number of substations constructed at Senwabarwana (Phase 2) by September 2024 (installation of highmast lights). | Isolators (8x132kv) Current transformers (15x132kv), Voltage transformers (6x132kv) Circuit breaker (5x132kv), Twin tubular bus bars (2x132kv), Columns (2x132kv) and Perimeter fence (2,4m height x 170m length) | 01 Substation constructed at Senwabarwana (Phase 2) by September 2024 (4x highmast lights) | 01 Substation constructed at Senwabarwana (Phase 2) by September 2024 (4x highmast lights) | N/A | Target achieved | N/A | N/A | R 292,775.26 | N/A | R 139 757.72 | Site visit report, pictures, completion certificate. | Technical Services |
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| BSID 47 | Indigent relief | Provision of indigent services | To provide indigent relief | BLM | Number of indigent households provided with free basic electricity by June 2025 | 3500 indigent households provided with Free basic electricity by June 2024 | 2696 indigent households provided with Free basic electricity by June 2025 | 2696 indigent households provided with Free basic electricity by June 2025 | Target achieved | N/A | N/A | R588 513 | N/A | R576 640 | Indigents register | Budget & Treasury |
|---------|-----------------|--------------------------------|----------------------------|-----|---|--|--|--|-----------------|-----|-----|----------|-----|----------|--------------------|-------------------|

INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

NDP BUILDING CAPABLE AND DEVELOPMENTAL STATE

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| OUTCOME 9 | ADMINISTRATIVE AND FINANCIAL CAPABILITY | | | | | | | | | | | | | | | |
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Project Details

| Project/KPI Number | Project Name | Project Description (major activities) | Strategic Objective | Location | Key Performance Indicator | 2023-24 Baseline | 2024-25 Annual Target | Revised 2024-25 Target | 2024-25 Actual Performance | Target achieved or not achieved | Reason for Variance | Corrective Measure | 2024-25 Budget | Revised Budget | Actual Expenditure | Portfolio of evidence | Responsible Department |
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| MTOD 01 | Fleet management | Procurement of vehicles | Improve fleet assets of the Municipality | BLM | Number Electrical Bakkie purchased by June 2025 | New Indicator | 01x Tipper Truck, 2x Electrical Bakkies, 1 xCrane Truck, 2x Traffic vehicles purchased by June 2025 | 2x Electrical Bakkies purchased by June 2025 | 2x Electrical Bakkies vehicles purchased by June 2025 | Target achieved | N/A | N/A | R4 300 000 | R800 000 | R610 178 | Delivery note and Invoices | Corporate services |
| MTOD 03 | Micro soft License | Procurement of Microsoft License | Improve ICT | BLM | Number Microsoft License purchased by June 2025 | New Indicator | 1 Microsoft License purchased by June 2025 | N/A | 1 Microsoft License purchased by June 2025 | Target achieved | N/A | N/A | R700 000 | N/A | R473 446 | Delivery note | Corporate services |

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| MTOD05 | Procurement of IT Services | Procurement of IT Services | Improve municipal ICT | BLM | Number of IT servers procured and installed by June 2025 | New Indicator | 1 IT server procured and installed by June 2025 | N/A | 1 IT server procured and installed by June 2025 | Target achieved | N/A | N/A | R500 000 | N/A | R496 259 | Delivery note. | Corporate services |
| MTOD 09 | Training of Councillors | Training of Councillors | To capacitate Councillors to perform the oversight role | BLM | Number of Councillors trained by June 2025 | 20 Councillors trained by June 2024 | 15 Councillors trained by June 2025 | N/A | 27 Councillors trained by June 2025 | Target achieved | Training with assistance of external stakeholders. | N/A | R500 000 | R200 000 | R0 | Training Report | Corporate services |
| MTOD 10 | Training of employees | Training of Municipal Employees | To enhance skills of employees | BLM | Number of Employees trained by June 2025 | 15 Employees to be trained by June 2024 | 10 Employees to be trained by June 2025 | N/A | 31 Employees trained by June 2025 | Target achieved | Training with assistance of external stakeholders. | N/A | R400 000 | R200 000 | R38 375 | Training Report | Corporate services |

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|---------|-----------------------------|-------------------------------------|--|-----|--|---|---|-----|---|-----------------|-----|----------|------|---------|---|--------------------|
| MTOD 11 | Municipal employees bursary | Granting of bursaries | Skilling of Municipal Employees | BLM | Number of employees granted bursary by June 2025 | Bursaries granted to 4 employees by June 2024 | Bursaries granted to 4 employees by June 2025 | N/A | Bursaries granted to 4 employees by June 2025 | Target achieved | N/A | R300 000 | N/A | R96 930 | Bursary allocation report | Corporate services |
| MTOD 15 | Employee wellness | Wellness programmes to be conducted | Offer awareness to employees to increase the morale of employees | BLM | Number of Wellness programmes conducted by June 2025 | 2 Wellness programmes conducted by June 2024 | 2 Wellness programmes conducted by June 2025 | N/A | 2 Wellness programmes conducted by June 2025 | Target achieved | N/A | OPEX | OPEX | OPEX | Wellness report and Attendance register | Corporate services |

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| MTOD 18 | Conduct waste disposal facilities external audits | To ensure efficient Waste Management | BLM | Number of waste disposal facilities external audits conducted by June 2025 | New Indicator | 01 waste disposal facilities external audit conducted by June 2025 | Target achieved | N/A | N/A | R 200 000 | N/A | R199 145 | Waste facilities external audit report | Community Services |
| MTOD 22 | Conduct Cleaning Campaigns | To ensure awareness on waste management | BLM | Number of cleaning campaigns conducted by June 2025 | 04 cleaning campaigns conducted | 04 cleaning campaigns conducted by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | Cleaning campaigns reports and photos | Community Services |

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| MTOD 24 | Waste Management | Management of Senwabarwana landfill site | To ensure proper maintenance and operation of site | BLM | Number of landfill site maintenance reports compiled by June 2025 | 12 landfill site maintenance reports compiled | 12 landfill site maintenance reports compiled by June 2025 | N/A | 12 landfill site maintenance reports compiled by June 2025 | Target achieved | N/A | N/A | R5 000 000 | R4 800 000 | R4 480 007 | Landfill maintenance reports | Community Services |
| MTOD 36 | Traffic law enforcement | Calibration of speed machines | Maintenance | BLM | Number of Maintenance Report compiled by June 2025 | 4 Maintenance Report compiled by June 2024 | 4 Maintenance Report compiled by June 2025 | 2 Maintenance Report compiled by June 2025 | 2 Maintenance Report compiled by June 2025 | Target achieved | N/A | N/A | R100 000 | N/A | R72 531 | Maintenance Report | Community Services |

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| MTOD 38 | Traffic law enforcement | Road safety campaigns | To celebrate transport month and promote awareness | BLM | Number transport Awareness Events conducted by June 2025 | 2 transport Awareness Events conducted by June 2024 | 4 transport Awareness Events conducted by June 2025 | 3 transport Awareness Events conducted by June 2025 | 3 transport Awareness Events conducted by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Attendance register, report and pictures | Community Services |
| MTOD 39 | Licensing Management | Maintenance of equipment | To ensure proper working equipment | BLM | Number VTS machines calibrated by June 2025 | 1 VTS machine calibrated by June 2024 | 1 VTS machines calibrated by June 2025 | N/A | 1 VTS machines calibrated by June 2025 | Target achieved | N/A | N/A | R77 000 | R61 195 | Equipment maintenance report | Community Services | | |
| MTOD 41 | Pound management. | Awareness campaigns | Promote safety | BLM | Number awareness campaigns conducted by June 2025 | 4 awareness campaigns conducted by June 2024 | 4 awareness campaigns conducted by June 2025 | N/A | 4 awareness campaigns conducted by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | Pound awareness campaigns reports | Community Services | |

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| MTOD 45 | Facility management | Maintenance of buildings | To ensure safe Municipal facilities | BLM | Number municipal buildings maintained by June 2025 | 3 municipal buildings maintained by June 2024 | 7 municipal buildings maintained by June 2025 | N/A | 7 municipal buildings maintained by June 2025 | Target achieved | N/A | N/A | R300 000 | R600 000 | R587 000 | Municipal building maintenance reports and pictures | Technical services |
| MTOD 46 | Facility management | Maintenance of sports facilities | To ensure user-friendly Sports facilities | BLM | Number sports facilities maintained by June 2025 | 2 sports facilities maintained by June 2024 | 3 sports facilities maintained by June 2025 | N/A | 3 sports facilities maintained by June 2025 | Target achieved | N/A | N/A | R100 000 | R50 000 | R54 948 | Sports facilities maintenance reports | Technical services |
| MTOD 47 | Facility management | Maintenance of community halls | To ensure user-friendly Sports facilities | BLM | Number sports facilities maintained by June 2025 | 2 sports facilities maintained by June 2024 | 3 sports facilities maintained by June 2025 | N/A | 3 sports facilities maintained by June 2025 | Target achieved | N/A | N/A | R100 000 | R19 742 | R19 742 | Community halls maintenance reports | Technical services |

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| MTOD 49 | Conduct Disaster Management campaigns | To ensure effective Disaster Management | BLM | Number of disaster education and awareness campaigns conducted by June 2025 | 4 Education and awareness campaigns conducted by June 2024 | 4 disaster Education and awareness campaigns conducted by June 2025 | N/A | 4 disaster Education and awareness campaigns conducted by June 2025 | N/A | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Attendee register, report and pictures | Community Services |
| MTOD 51 | IDP Steering Committee and Review Sessions | Compliance with legislation | BLM | Number of SDBIP Reports compiled by June 2025 | 4 SDBIP Reports compiled by June 2024 | 4 SDBIP Reports compiled by June 2025 | N/A | 4 SDBIP Reports compiled by June 2025 | N/A | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | SDBIP Reports | MM/Mayor Office |

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|---------|-------------------------|---|--------------------------------|-----|--|---|---|-----|---|-----------------|-----|-----|-------------|------|-------------|-----------------------------------|--------------------|
| MTOD 52 | Performance Assessments | Conducting individual performance Assessments | Enhanced Municipal performance | BLM | Number individual performance assessments conducted (Annual and mid-year) by June 2025 | 2 Individual Assessments conducted (Annual and Mid-year) by June 2024 | 2 Individual Assessments conducted (Annual and Mid-year) by June 2025 | N/A | 2 Individual Assessments conducted (Annual and Mid-year) by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | Reports and Registers | MM/Mayor Office |
| MTOD 53 | Security Management | Appointment and payment of Physical Security service provider | Secure municipal property | BLM | Number Physical security services reports compiled by June 2025 | 12 Physical security services reports compiled by June 2024 | 12 Physical security services reports compiled by June 2025 | N/A | 12 Physical security services reports compiled by June 2025 | Target achieved | N/A | N/A | R20 000 000 | N/A | R18 295 289 | Monthly physical security Reports | Community Services |
| KPA | LED | | | | | | | | | | | | | | | | |

| OUTCOME 9 | IMPLEMENTATION OF COMMUNITY WORKS PROGRAMME | | | | | | | | | | | | | | | | |
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| Project/KPI Number | Project Name | Project Description (major activities) | Strategic Objective | Location | Key Performance Indicator | 2023-24 Baseline | 2024-25 Annual Target | Revised 2024-25 Target | 2024-25 Actual Performance | Target achieved or not achieved | Reason for Variance | Corrective Measure | 2024-25 Budget | Revised Budget | Actual Expenditure | Portfolio of evidence | Responsible Department |
| LED 03 | Informal traders | management of hawkers | To create and promote LED initiatives in the business sector | BLM | Number quarterly reports on management of hawkers compiled by June 2025 | 1 quarterly reports on management of hawkers compiled by June 2024 | 4 quarterly reports on management of hawkers compiled by June 2025 | N/A | 4 quarterly reports on management of hawkers compiled by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | Hawkers Management report | Economic Development & Planning |

Project Details

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| LED 05 | EPW P - Grant | Appointment of EPWP PRACTITIONERS | To create job opportunities through EPWP programme | BLM | Number of job opportunities created through EPWP programme by June 2025 | 250 opportunities created by June 2024 | 260 job opportunities created through EPWP programme by June 2025 | N/A | 260 job opportunities created through EPWP programme by June 2025 | Target achieved | N/A | R7 100 000 | N/A | R7 023 458 | List of EPWP participants and reports | Community Services |
| FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | | | | | | | |
| NDP | BUILDING OF KEY CAPABILITIES (HUMAN, PHYSICAL & INSTITUTIONAL) | | | | | | | | | | | | | | | |
| OUTCOME 9 | ADMINISTRATIVE AND FINANCIAL CAPABILITY (OUTPUT 6) | | | | | | | | | | | | | | | |
| Project Details | | | | | | | | | | | | | | | | |

| Project/KPI Number | Project Name | Project Description (major activities) | Strategic Objective | Location | Key Performance Indicator | 2023-24 Baseline | 2024-25 Annual Target | Revised 2024-25 Target | 2024-25 Actual Performance | Target achieved or not achieved | Reason for Variance | Corrective Measure | 2024-25 Budget | Revised Budget | Expenditure | Portfolio of evidence | Responsible Department |
|--------------------|-------------------------------------|--|--|----------|---|---|--|------------------------|--|---------------------------------|---------------------|--------------------|----------------|----------------|-------------|--|------------------------|
| MFVM 01 | Annual financial statement | Compilation of AFS | Enhance Sound Municipal financial viability and management | BLM | Number set of AFS 2023-24 Compiled & submitted to AGSA, LP T, COGOH STA & NT by June 2025 | 2022/23 AFS compiled & submitted to AGSA, LPT & NT | 1 set of AFS 2023-24 Compiled & submitted to AGSA, LP T, COGOH STA & NT by June 2025 | N/A | 1 set of AFS 2023-24 Compiled & submitted to AGSA, LP T, COGOH STA & NT by June 2025 | Target achieved | N/A | N/A | R1 200 000 | R1 100 000 | R1 030 120 | Acknowledgement of the receipt from AGSA, LPT, CoGHST A & NT | Budget & Treasury |
| MFVM 02 | Quarterly mSCOA data strings report | Compilation of reports | Enhance Sound Municipal financial viability and management | BLM | Number Quarterly mSCOA data strings report compiled by June 2025 | 4 Quarterly mSCOA data strings report compiled by June 2024 | 4 Quarterly mSCOA data strings report compiled by June 2025 | N/A | 4 Quarterly mSCOA data strings report compiled by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | MSCOA Data String Reports | Budget & Treasury |

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| MFVM 03 | Monthly budget statement (Sec 71 reports) | Compilation of reports | Enhance Sound Municipal financial viability and management | BLM | Number monthly budget statements submitted to Treasury within 10 working days after month-end | 12 monthly budget statements submitted to Treasury within 10 working days after month-end | 12 monthly budget statements submitted to Treasury within 10 working days after month-end | N/A | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Budget Statement Reports | Budget & Treasury |
| MFVM 05 | MOA projects implementation | Compilation of reports | Enhance Sound Municipal financial viability and management | BLM | Number MSCOA projects implementation reports compiled by June 2025 | One MSCOA projects implementation reports compiled by June 2024 | 4 x MSCOA projects implementation reports compiled by June 2025 | 4 x MSCOA projects implementation reports compiled by June 2025 | 4 x MSCOA projects implementation reports compiled by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | MSCOA Project Implementation Reports | Budget & Treasury |

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| MFVM 06 | Reconciliation and registers | Compilation of reports | Enhance Sound Municipal financial viability and management | BLM | Number monthly reconciliation, registers and schedules compiled by June 2025 | 12 monthly reconciliation and registers reported to portfolio by June 2024 | 400 x monthly reconciliation, registers and schedules compiled by June 2025 | N/A | 400 x monthly reconciliation, registers and schedules compiled by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Reconciliation, registers and schedules compiled/performed | Budget & Treasury |
| MFVM 07 | Annual Budget (Draft) | Compilation of reports | Enhance Sound Municipal financial viability and management | BLM | Number draft budget compiled and tabled by June 2025 | 1 draft budget compiled & tabled by June 2024 | 1 x draft budget compiled and tabled by March 2025 | N/A | 1 x draft budget compiled and tabled by March 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Council Resolution | Budget & Treasury |

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| MFVM 08 | Annual Budget (Final) | Completion of reports | Enhance Sound Municipal financial viability and management | BLM | Number final budget compiled by June 2025 | 1 Final budget compiled by June 2024 | 1 x Final budget compiled by June 2025 | 1 x Final budget compiled by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Council Resolution | Budget & Treasury |
| MFVM 09 | Adjusted budget | Completion of adjustment budget | Enhance Sound Municipal financial viability and management | BLM | Number adjustment budget compiled by June 2025 | Adjusted budget compiled | 1 x adjustment budget compiled and submitted to council, LP & NT by June 2025 | 1 x adjustment budget compiled and submitted to council, LP & NT by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Council resolution | Budget & Treasury |

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| MFVM 12 | Compile financial report, (section 52) | Compilation of report | Enhance Sound Municipal financial viability and management | BLM | Number quarterly financial reports compiled and reported to Executive Committee (EXCO) and Council by June 2025 | 4 x quarterly financial report compiled and reported to EXCO & Council by June 2024 | 4 x quarterly financial report compiled and reported to Executive committee and Council by June 2025 | N/A | 4 x quarterly financial report compiled and reported to Executive committee and Council by June 2025 | N/A | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Financial Reports | Budget & Treasury |
| MFVM 13 | Procurement plan | Compilation of report | Enhance Sound Municipal financial viability and management | BLM | Number procurement plan developed and approved by June 2025 | 1 x procurement plan developed and approved | 1 x procurement plan developed and approved by June 2025 | N/A | 1 x procurement plan developed and approved by June 2025 | N/A | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Procurement plan | Budget & Treasury |

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| MFVM 15 | Conduct training of SCM practitioner | Conduct training of SCM practitioner | Enhance Sound Municipal financial viability and management | BLM | Number of SCM Training attended by June 2025 | SCM Training attended | 1 x SCM Training conducted by June 2025 | N/A | 1 x SCM Training conducted by June 2025 | Target achieved | Free training was provided through CBID | N/A | R 300,000.00 | N/A | R0.00 | Attendance Register | Budget & Treasury |
| MFVM 16 | Acquisition management (Bids Register) | Compilation of reports | Enhance Sound Municipal financial viability and management | BLM | Number of updated awarded Bids reports by June 2025 | 12 x updated awarded Bids reports by June 2024 | 4 x updated awarded Bids placed on website by June 2025 | N/A | 4 x updated awarded Bids placed on website by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | List of awarded Bids (updated) | Budget & Treasury |

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| MFVM 17 | Revenue management committee | Enhance Sound Municipal financial viability and management | BLM | Number revenue management meetings held by June 2025 | Two revenue management meetings held | 4 x revenue management meetings to be held by June 2025 | N/A | 3 x revenue management meetings held by June 2025 | Target not achieved | Q2 meeting was not held due to clashing of activities | Convene virtual meetings of the committee | OPEX | OPEX | OPEX | Attendance Register | Budget & Treasury |
| MFVM 28 | Revenue management committee | Enhance Sound Municipal financial viability and management | BLM | Number revenue management meetings held by June 2025 | Asset unbundling reports | 1 x unbundling of assets report compiled by June 2025 | N/A | 1 x unbundling of assets report compiled by June 2025 | Target achieved | N/A | N/A | R1 900 000 | N/A | R971 520 | Unbundling of Asset report | Budget & Treasury |

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| MFVM 30 | Reporting of incidents occurred | Reports | Enhance Sound Municipal financial viability and management | BLM | Number incidents reports compiled by June 2025 | 12 monthly incident reports compiled by June 2024 | 12 monthly incidents reports compiled by June 2025 | 12 monthly incidents reports compiled by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | Incidents Reports | Budget & Treasury | |
| GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | | | | | | | | |
| NDP | | | | | | | | | | | | | | | | | |
| ACTIVE ENGAGEMENT OF CITIZENS IN THEIR OWN DEVELOPMENT | | | | | | | | | | | | | | | | | |
| OUTCOME 9 | | | | | | | | | | | | | | | | | |
| DEEPEN DEMOCRACY THROUGH A REFINED WARD COMMITTEE MODEL(OUTPUT 5) | | | | | | | | | | | | | | | | | |
| Project Details | | | | | | | | | | | | | | | | | |
| Project/KPI Number | Project Name | Project Description (major activities) | Strategic Objective | Location | Key Performance Indicator | 2023-24 Baseline | 2024-25 Annual Target | Revised 2024-25 Target | 2024-25 Actual Performance | Target achieved or not achieved | Reason for Variance | Corrective Measure | 2024-25 Budget | Revised Budget | Actual Expenditure | Portfolio of evidence | Responsible Department |
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|---------|-----------------------------------|---|-----------------------|-----|---|--|--|-----|--|---------------------|------------------------------------|---|------------|----------|------------|-----------------------|-------------------|
| GGPP 01 | Auditing | Coordination of external Audit process | Improve audit opinion | BLM | Number unqualified audit opinion obtained for 2023-24 financial year by June 2025 | Qualified audit opinion obtained for 2022-23 | One unqualified audit opinion obtained for 2023-24 financial year by June 2025 | N/A | Qualified audit opinion obtained for 2023-24 financial year by June 2025 | Target not achieved | AGSA raised 6 qualifications items | Develop and implement audit action plan 2023-24 | R5 200 000 | N/A | R5 068 109 | Audit report 2023-24 | MM/Mayor's Office |
| GGPP 02 | Audit & Risk Committee Allowances | Coordination of Risk and Audit Committee meetings | Improve audit opinion | BLM | Number Risk and Audit Committee meetings by June 2025 | 08 meetings held by June 2024 | 04 Risk and 04 Audit Committee meetings by June 2025 | N/A | 04 Risk and 04 Audit Committee meetings by June 2025 | Target achieved | N/A | N/A | R700 000 | R600 000 | R484 982 | Minutes and Registers | MM/Mayor's Office |

| | | | | | | | | | | | | | | | | |
|---------|--------------------------|--|----------------------------------|-----|---|--|--|--|-----------------|-----|-----|------------|----------|----------|------------------------------------|--------------------|
| GGPP 03 | Printing and Publication | Production of Municipal newsletter, diaries, calendars | To improve communication | BLM | Number newsletter editions, diaries and calendars produced by June 2025 | 2 editions newsletters, 100 diaries and 1000 calendars produced by June 2024 | 2 newsletter editions, 60 diaries and 2000 calendars produced by June 2025 | 2 newsletter editions, 60 diaries and 2000 calendars produced by June 2025 | Target achieved | N/A | N/A | R500 000 | N/A | R378 948 | Copy of newsletter, order and PoP | Corporate services |
| GGPP 08 | Community Participation | Meetings | Enhanced Community participation | BLM | Number Council outreach programmes coordinated and supported by June 2025 | 6 Council outreach programmes coordinated and supported by June 2024 | 4 Council outreach programmes coordinated and supported by June 2025 | 4 Council outreach programmes coordinated and supported by June 2025 | Target achieved | N/A | N/A | R1 000 000 | R974 500 | R117 789 | Council Outreach programmes Report | Corporate services |

| | | | | | | | | | | | | | | | | | |
|---------|---------------------|-------------------------------|---------------------------------|-----|---|--|--|-----|--|-----------------|-----|-----|---------|-----|---------|--------------------------|--------------------|
| GGPP 09 | Whippery Management | Meetings | Promote multiparty relations | BLM | Number Whippery management meeting coordinated and supported by June 2025 | 4 Whippery management meeting coordinated and supported by June 2024 | 4 Whippery management meeting coordinated and supported by June 2025 | N/A | 4 Whippery management meeting coordinated and supported by June 2025 | Target achieved | N/A | N/A | R100000 | N/A | R29900 | Whippery meetings Report | Corporate services |
| GGPP 10 | MPAC Programs | Coordination of MPAC programs | To improve public participation | BLM | Number MPAC programs coordinated by June 2025 | 5 program mes coordinated by June 2024 | 5 MPAC programs coordinated by June 2025 | N/A | 5 MPAC programs coordinated by June 2025 | Target achieved | N/A | N/A | R568000 | N/A | R543829 | MPAC program mes Report | Corporate services |

| | | | | | | | | | | | | | | | | | | | |
|---------|--------------------------------------|--|---------------------------------|-----|---|---|---|---|--|--|--|-----------------|-----|-----|------------|------------|------------|----------------------------------|--------------------|
| GGPP 11 | Ward Committee Conference Programmes | Convene a Ward Committee Conference Programmes | To improve public participation | BLM | Number of Ward Committee Conference held by June 2025 | 1 Ward Committee Conference held by June 2025 | 1 Ward Committee Conference held by June 2025 | N/A | 100% Ward Committee members receiving monthly stipend by June 2025 | 100% Ward Committee members receiving monthly stipend by June 2025 | 100% Ward Committee members receiving monthly stipend by June 2025 | Target achieved | N/A | N/A | R2 000 000 | R1 750 000 | R1 746 988 | Ward committee conference Report | Corporate services |
| GGPP 12 | Remuneration of ward committees | Payment of stipends for Ward Committees | To improve public participation | BLM | Percentage of Ward Committee members receiving monthly stipend by June 2025 | 220 Ward Committee members receiving monthly stipend by June 2025 | 220 Ward Committee members receiving monthly stipend by June 2025 | 220 Ward Committee members receiving monthly stipend by June 2025 | 100% Ward Committee members receiving monthly stipend by June 2025 | 100% Ward Committee members receiving monthly stipend by June 2025 | 100% Ward Committee members receiving monthly stipend by June 2025 | Target achieved | N/A | N/A | R 5,1 M | R5 418 492 | R5 413 600 | Ward committee stipend Report | Corporate services |

| | | | | | | | | | | | | | | | | | | |
|---------|-------------------------|----------------------------------|--|-----|---|--|--|-----|--|-----------------|-----|-----|------|------|------|------|------------------------------------|-----------------|
| GGPP 14 | IDP Review | Review of IDP/Budget | To ensure successful review of the IDP | BLM | Number IDP/Budget 2025-26 reviewed compiled by June 2025 | IDP public participation report | 1 IDP/Budget 2025-26 reviewed compiled by June 2025 | N/A | 1 IDP/Budget 2025-26 reviewed compiled by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Copy of IDP and Council resolution | MM/Mayor Office |
| GGPP 15 | IDP/Budget Process plan | development and approval of plan | To ensure successful review of the IDP | BLM | Number IDP Process plan developed and approved by June 2025 | One IDP Process plan developed and approved by June 2024 | 1 IDP Process plan developed and approved by June 2025 | N/A | 1 IDP Process plan developed and approved by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Copy and Council Resolution | MM/Mayor Office |

| | | | | | | | | | | | | | | | | | | |
|---------|---------------------------------|-------------------------------|---|-----|--|---------------------------------------|---|---|---|-----------------|-----|-----|----------|----------|----------|--------------------------------|--------------------------|-----------------|
| GGPP 17 | Strategic planning sessions | Hold sessions | To ensure successful review of the IDP | BLM | Number strategic sessions held by June 2025 | 2 Strategic session held by June 2024 | 6 Strategic session held by June 2025 | 6 Strategic session held by June 2025 | N/A | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Strategic session Report | MM/Mayor Office |
| GGPP 18 | IDP/Budget Public participation | IDP stakeholder consultations | To ensure effective public participation in the review of the IDP | BLM | Number IDP consultative meetings conducted, IDP consultative reports compiled by June 2025 | IDP public participation report | 13 IDP consultative meetings conducted and One IDP consultative reports compiled by June 2025 | 10 IDP consultative meetings conducted and One IDP consultative reports compiled by June 2025 | 10 IDP consultative meetings conducted and One IDP consultative reports compiled by June 2025 | Target achieved | N/A | N/A | R667 000 | R807 164 | R734 595 | IDP/Budget Consultation Report | MM/Mayor Office | |

| | | | | | | | | | | | | | | | | | | |
|---------|--|----------------------------------|--|-----|--|--|---|----------------------------------|---|-----------------|-----|-----|------|------|------|------|------------------------|--------------------|
| GGPP 19 | Development and approval of municipal multi sectoral implementation plan | development and approval of plan | To Provide support on HIV/AIDS programme | BLM | Number Municipal HAST plan approved by the Local AIDS council and submitted to DAC and LPAC by June 2025 | One plan developed, approved and submitted by 2024 | 1 Municipal HAST plan approved by the Local AIDS council and submitted to DAC and LPAC by June 2025 | N/A | 1 Municipal HAST plan approved by the Local AIDS council and submitted to DAC and LPAC by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | HAST Plan | Community services |
| GGPP 20 | Conduct HIV/AIDS programmes | meetings | Implementation HIV/AIDS programmes | BLM | Number M&E meetings held by June 2025 | 2 HIV/AIDS programmes coordinated by June 2024 | 4 M&E meetings held by June 2025 | 3 M&E meetings held by June 2025 | 3 M&E meetings held by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | M & E Meetings Reports | Community services |

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|---------|--------------------------------------|----------|------------------------------------|-----|--|--|---|-----|---|-----------------|-----|-----|------|------|------|------|------------------------|--------------------|
| GGPP 21 | HIV/AIDS Council technical committee | meetings | Implementation HIV/AIDS programmes | BLM | Number AIDS Council technical committee meetings held by June 2025 | 4 HIV/AIDS programmes coordinated by June 2024 | 4 AIDS Council technical committee meetings held by June 2025 | N/A | 4 AIDS Council technical committee meetings held by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Reports and attendance | Community services |
| GGPP 22 | Local Aids council meetings | meetings | Implementation HIV/AIDS programmes | BLM | Number Local Aids council meetings held by June 2025 | 4 Local Aids council meeting held by June 2024 | 4 Local Aids council meetings held by June 2025 | N/A | 4 Local Aids council meetings held by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Reports and attendance | Community services |

| | | | | | | | | | | | | | | | | | |
|---------|---|--|-----|--|---|---|---|---|-----------------|-----|-----|------|------|------|------|------------------------|--------------------|
| GGPP 24 | HIV/AIDS Ward/Cluster meetings | Promote advocacy and stakeholder collaboration | BLM | Number HIV/AIDS ward/cluster meeting coordinated by June 2025 | 2 HIV/AIDS coordinated | 12 HIV/AIDS ward/cluster meeting coordinated by June 2025 | 06 HIV/AIDS ward/cluster meeting coordinated by June 2025 | 06 HIV/AIDS ward/cluster meeting coordinated by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Reports and attendance | Community services |
| GGPP 25 | Prevent spread of communicable diseases | To prevent spread of communicable diseases | BLM | Number HAST awareness campaigns and prevention held by June 2025 | 4 HAST awareness campaigns and prevention held by June 2024 | 4 HAST awareness campaigns and prevention held by June 2025 | 3 HAST awareness campaigns and prevention held by June 2025 | 3 HAST awareness campaigns and prevention held by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Reports and attendance | Community services |

| | | | | | | | | | | | | | | | | | | |
|---------|---|----------------------------|--|-----|--|---|---|---|---|-----------------|-----|-----|------|------|------|------|-----------------------|--------------------|
| GGPP 26 | Gender Programme | Support to gender programs | To provide support to special focus groups | BLM | Number men and women councils meeting coordinated by June 2025 | 4 men and 4 women councils meeting coordinated by June 2024 | 4 men and 4 women councils meeting coordinated by June 2025 | 3 men and 3 women councils meeting coordinated by June 2025 | 3 men and 3 women councils meeting coordinated by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Minutes and Registers | Community services |
| GGPP 27 | Special focus groups and gender mainstreaming | coordination of events | promote the needs and interests of special focus groups and gender mainstreaming | BLM | Number gender mainstreaming activities conducted as per calendar events by June 2025 | Four gender programs and mainstreaming supported by June 2024 | 4 gender mainstreaming activities conducted as per calendar events by June 2025 | 3 gender mainstreaming activities conducted as per calendar events by June 2025 | 3 gender mainstreaming activities conducted as per calendar events by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Reports | Community services |

| | | | | | | | | | | | | | | | | | | |
|---------|---|-------------------------------------|---|-----|--|--|---|---|---|-----------------|-----|-----|------|------|------|------|---------------------------------|--------------------|
| GGPP 28 | Special focus groupings and gender mains training (capacity building) | Conduct capacity building workshops | To provide support to disability groups | BLM | Number capacity building workshop conducted by June 2025 | 2 capacity building workshops conducted by June 2024 | 1 capacity building workshop conducted by June 2025 | 1 capacity building workshop conducted by June 2025 | 1 capacity building workshop conducted by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Report and attendance registers | Community services |
| GGPP 29 | Elderly and disability programmes | Coordination of events | To provide support to disability and elderly groups | BLM | Number events coordinated by June 2025 | Two programmes supported | 02 events coordinated by June 2025 | N/A | 02 events coordinated by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Report and attendance registers | Community services |

| | | | | | | | | | | | | | | | | | | |
|---------|---|-----------|---|-----|---|--|--|--|--|-----------------|-----|-----|------|------|------|------|------------------------------------|--------------------|
| GGPP 30 | Elderly and disability programmes (Council meetings) | meetings | To provide support to disability and elderly groups | BLM | Number elderly and disability council meetings coordinated by June 2025 | 4 elderly and 4 disability council meetings coordinated by June 2024 | 4 elderly and 4 disability council meetings coordinated by June 2025 | 3 elderly and 3 disability council meetings coordinated by June 2025 | 3 elderly and 3 disability council meetings coordinated by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Minutes and Registers | Community services |
| GGPP 31 | Elderly and disability programmes (Capacity building) | Workshops | To provide support to elderly groups | BLM | Number capacity building workshops conducted by June 2025 | 02 capacity building workshop conducted by June 2024 | 02 capacity building workshop conducted by June 2025 | 01 capacity building workshop conducted by June 2025 | 01 capacity building workshop conducted by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Capacity building workshop Reports | Community services |

| | | | | | | | | | | | | | | | | | | |
|---------|--|-------------------------------------|--|-----|--|--|--|--|--|-----------------|-----|-----|------|------|------|------|--|--------------------|
| GGPP 32 | Youth and children programme (Youth Council meetings) | meetings | To provide support to Youth and children | BLM | Number Youth Council meetings held by June 2025 | 4 Youth Council meetings held by June 2024 | 4 Youth Council meetings held by June 2025 | 3 Youth Council meetings held by June 2025 | 3 Youth Council meetings held by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Minutes and Registers | Community services |
| GGPP 33 | Youth and children programme (Back to school campaign) | Conduct the back to school campaign | To provide support to Youth and children | BLM | Number schools visited during back to school campaign by June 2025 | 17 back to school campaigns conducted. | 10 schools visited during back to school campaign by June 2025 | 10 schools visited during back to school campaign by June 2025 | 10 schools visited during back to school campaign by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Back to school Report and attendance registers | Community services |

| | | | | | | | | | | | | | | | | | | |
|---------|---|-----------------------|--|-----|--|---|---|-----|---|-----------------|-----|-----|------|------|------|------|--------------------|--------------------|
| GGPP 34 | Youth and children programme (Career guidance and EXP O) | Coordination of event | To provide support to Youth and children | BLM | Number Career guidance and EXPO held by June 2025 | 1 Career guidance and EXPO held by June 2024 | 1 Career guidance and EXPO held by June 2025 | N/A | 1 Career guidance and EXPO held by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Career EXPO Report | Community services |
| GGPP 35 | Youth and children programme (Commemoration of youth month) | Coordination of event | To provide support to Youth and children | BLM | Number Youth month commemoration event hosted by June 2025 | 1 Youth month commemoration event hosted by June 2024 | 1 Youth month commemoration event hosted by June 2025 | N/A | 1 Youth month commemoration event hosted by June 2025 | Target achieved | N/A | N/A | OPEX | OPEX | OPEX | OPEX | Report | Community services |

| | | | | | | | | | | | | | | | | |
|---------|--|----------------------------------|--|-----|---|---|---|---|-----|-----|-----|-----|----------|----------|---------------------------------|--------------------|
| GGPP 36 | Youth and children programme (Youth capacity building) | Workshops | To provide support to Youth and children | BLM | Number Youth capacity building event conducted by June 2025 | 4 youth capacity building events conducted by June 2024 | 4 youth capacity building events conducted by June 2025 | 4 youth capacity building events conducted by June 2025 | N/A | N/A | N/A | N/A | R70 000 | R45 000 | Report and attendance registers | Community services |
| GGPP 37 | Youth and children programme (Children' day) | Support to the children programs | To provide support to Youth and children | BLM | Number children's day celebrated by June 2025 | 2 children's programs supported | 1 children's day celebrated by June 2025 | 1 children's day celebrated by June 2025 | N/A | N/A | N/A | N/A | R100 000 | R100 000 | Report and attendance registers | Community services |

| | | | | | | | | | | | | | | | | | |
|---|------------------|--|-------------------------------|----------|---|---|--|--|----------------------------|---------------------------------|---------------------|--------------------|----------------|----------------|-----------------------|-----------------------|------------------------|
| GGPP 39 | Mayor - Mago shi | Hosting of Mayor Magoshi | Improve stakeholder relations | BLM | Number Mayor-Magoshi meetings held by June 2025 | 1 Mayor-Magoshi meeting held by June 2024 | 4 Mayor-Magoshi meetings held by June 2025 | 4 Mayor-Magoshi meetings held by June 2025 | Target achieved | N/A | N/A | R 566 460.00 | N/A | R328 355 | Reports and registers | Community services | |
| SPATIAL RATIONALE | | | | | | | | | | | | | | | | | |
| ACTIVE ENGAGEMENT OF CITIZENS IN THEIR OWN DEVELOPMENT | | | | | | | | | | | | | | | | | |
| OUTCOME 9 ACTION SUPPORTIVE TO HUMAN SETTLEMENT(OUTPUT 1) | | | | | | | | | | | | | | | | | |
| Project Details | | | | | | | | | | | | | | | | | |
| Project/KPI Number | Project Name | Project Description (major activities) | Strategic Objective | Location | Key Performance Indicator | 2023-24 Baseline | 2024-25 Annual Target | Revised 2024-25 Target | 2024-25 Actual Performance | Target achieved or not achieved | Reason for Variance | Corrective Measure | 2024-25 Budget | Revised Budget | Actual Expenditure | Portfolio of evidence | Responsible Department |

| | | | | | | | | | | | | | | | | | |
|--------|------------------------------|-------------|-----------------------------------|-----|--|--|--|-----|--|-----------------|-----|-----|----------|-----|----------|---------------------------------|-----------------------------------|
| SPR 08 | Survey Software | Purchase | To improve on land use management | BLM | Number set of survey software purchased by June 2025 | New Indicator | 1 set of survey software purchased by June 2025 | N/A | 1 set of survey software purchased by June 2025 | Target achieved | N/A | N/A | R600 000 | N/A | R599 077 | Specification and delivery note | Economic Development and Planning |
| SPR 10 | Supplementary Valuation roll | Compilation | To improve on land use management | BLM | Number of supplementary valuation roll compiled by June 2025 | 1 supplementary valuation roll compiled by June 2024 | 1 supplementary valuation roll compiled by June 2025 | N/A | 1 supplementary valuation roll compiled by June 2025 | Target achieved | N/A | N/A | R800 000 | N/A | R695 652 | Council resolution | Economic Development and Planning |

| | | | | | | | | | | | | | | | | | |
|--------|-------------------------------|----------------------|--------------------------------|-----|--|---------------|--|-----|---|---------------------|---|---------------------------------------|----------|-----|----------|-----------------------------|-----------------------------------|
| SPR 16 | Township Establishment Ext 11 | Township development | To improve land use management | BLM | Number township establishment project completed by June 2025 | New Indicator | 1 township establishment project completed at Township Establishment Ext 11 by June 2025 | N/A | Layout plan approved, EIA done & draft application report received. | Target not achieved | Delayed by attending and clearing lodged objections | Deferred to Q1 2025-26 for completion | R850 000 | N/A | R364 565 | Township development report | Economic Development and Planning |
|--------|-------------------------------|----------------------|--------------------------------|-----|--|---------------|--|-----|---|---------------------|---|---------------------------------------|----------|-----|----------|-----------------------------|-----------------------------------|

CHAPTER 4: ORGANIZATIONAL DEVELOPMENT AND PERFORMANCE (HUMAN RESOURCES)

CHAPTER 4

ORGANIZATIONAL DEVELOPMENT AND PERFORMANCE (HUMAN RESOURCES) INTRODUCTION

- The municipal Organizational structure was aligned to IDP and budget. The council also adopted the Organisational structure as part of IDP/Budget 2024-25. All skills gaps that were crucial in work performance were identified and training interventions were made to address skills gap. The institution complies with the national legislations.

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

| • Description | • 2024//25 | | | • 2023//24 | | |
|--------------------------------------|--------------------|--------------------|------------------|--------------------|--------------------|------------------|
| | • No. of employees | • No. of vacancies | • % of vacancies | • No. of employees | • No. of vacancies | • % of vacancies |
| • Water | • 0 | • 0 | • | • 0 | • 0 | |
| • Waste Water (sanitation) | • 0 | • 0 | • | • 0 | • 0 | |
| • Electricity | • 14 | • 6 | 30 % | • 14 | • 6 | 30 % |
| • Waste Management | • 8 | • 6 | 43% | • 8 | • 6 | 43% |
| • Housing | • 1 | • 0 | 0 % | • 1 | • 0 | 0 % |
| • Waste Water (Storm water Drainage) | • 0 | • 0 | 0 % | • 0 | • 0 | 0 % |

| | | | | | | |
|-------------------------------------|-------|------|---------|-------|------|------|
| • Roads | • 18 | • 12 | 40 % | • 18 | • 12 | 40 % |
| • Transport | • 7 | • 0 | 0 % | • 7 | • 0 | 0 % |
| • Planning | • 5 | • 3 | 37 % | • 5 | • 3 | 37 % |
| • Local Economic Development | • 3 | • 1 | 25 % | • 3 | • 1 | 25 % |
| • Planning (Strategic & Regulatory) | • 0 | • 0 | 0 % | • 0 | • 0 | 0 % |
| • Community & social services | • 0 | • 0 | 0 % | • 0 | • 0 | 0 % |
| • Environmental protection | • 5 | • 0 | 0 % | • 5 | • 0 | 0 % |
| • Health | • 0 | • 0 | 0 % | • 0 | • 0 | 0 % |
| • Security & safety | • 1 | • 3 | 75 % | • 1 | • 3 | 75 % |
| • Sport & recreation | • 0 | • 0 | 0 % | • 0 | • 0 | 0 % |
| • Corporate Policy offices & other | • 110 | • 27 | 19.09 % | • 109 | • 28 | 20 % |
| • Totals | • 168 | • 58 | 26 % | • 167 | • 59 | 26 % |

| • Vacancy Rate: | | | |
|---|----------------------------------|--|---|
| • Designation | • *Total approved posts • No. | • *Variances (Total time that vacancies exist using fulltime equivalents) • No. | • *Variances (as a proportion of total posts in each category) • % |
| • Municipal Manager | • 1 | | 0 % |
| • CFO | 1 | | 0 % |
| • Other S57 Managers (excluding Finance Posts) | • 5 | • 36 months | • |
| • Other S57 Managers (Finance posts) | • 5 | • 6 months | • |
| • Municipal Police | N/A | N/A | N/A |
| • Fire Fighters | N/A | N/A | N/A |
| • Management: | • 36 | • 1 YEAR | • |
| • Senior Management: Levels 13-15 (Finance Posts) | • | • | • |
| • Highly skilled supervision: Levels 9-12 (excluding Finance posts) | • 14 | • | • |
| • Highly skilled supervision: Levels 9-12 (Finance posts) | • 4 | • | • |
| • Total | • 61 | • | • |

| • Turn-over Rate | | | |
|------------------|---|---|-------------------|
| • Details | • Total Appointments as of beginning of financial year • No. | • Terminations during the financial year • No. | • Turn-over Rate* |
| • 2021/22 | • 179 | • 05 | • |
| • 2022/23 | • 182 | • 03 | • |
| • 2023-24 | • 195 | • 0 | • |

- **COMMENT ON VACANCIES AND TURNOVER:**

- Unavailability of Succession Plan/Policy makes it impossible to ideally source personnel from the institution to fill the vacated posts. The Plan will come in handy in preparing potential incumbents of the challenges that lie ahead. Most of the vacancies were filled except for Senior Management level.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

- **INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT**

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

- **4.2 POLICIES**

| • | • HR Policies & Plans | | | |
|-----|---|--------------------|-------------------|--|
| • | • Name of Policy | • Completed • % | • Reviewed • % | • Date adopted by council or comment on failure to adopt |
| • 1 | • Staff establishment policy | • 100% | • 100 % | • Using employment equity policy |
| • | • Job Evaluation | • 100% | • 100% | • 2024/06 |
| • | • Recruitment and selection and appointment policy | • 100% | • 100% | • 2024/06 |
| • | • Promotion, transfer, secondment and acting appointment policy | • 100% | • 100% | • 2024/06 |

| | | | | |
|---|--|--------|--------|-----------|
| • | • Placement policy | • 100% | • 100% | • 2024/06 |
| • | • Termination of service policy | • 100% | • 100% | • 2024/06 |
| • | • Performance management policy | • 100% | • 100% | • 2024/06 |
| • | • Working hours and punctuality policy | • 100% | • 100% | • 2024/06 |
| • | • Skills development policy | • 100% | • 100% | • 2024/06 |
| • | • Internal bursary policy | • 100% | • 100% | • 2024/06 |
| • | • Grievance Resolution policy | • 100% | • 100% | • 2024/06 |
| • | • Discipline policy | • 100% | • 100% | • 2024/06 |
| • | • Incapacity due to poor work Policy | • 100% | • 100% | • 2024/06 |
| • | • Incapacity due to ill health and injury policy | • 100% | • 100% | • 2024/06 |
| • | • Incapacity due to operational requirement policy | • 100% | • 100% | • 2024/06 |
| • | • Remuneration policy | • 100% | • 100% | • 2024/06 |
| • | • Overtime allowance policy | • 100% | • 100% | • 2024/06 |
| • | • Advances and reimbursable expenses policy | • 100% | • 100% | • 2024/06 |
| • | • Leave policy | • 100% | • 100% | • 2024/06 |
| • | • Legal aid policy | • 100% | • 100% | • 2024/06 |
| • | • Private work and declaration of interests policy | • 100% | • 100% | • 2024/06 |
| • | • Harassment policy | • 100% | • 100% | • 2024/06 |
| • | • Intoxicating substance abuse policy | • 100% | • 100% | • 2024/06 |
| • | • HIV/AIDS Policy | • 100% | • 100% | • 2024/06 |
| • | • Occupational health and safety policy | • 100% | • 100% | • 2024/06 |
| • | • Staff member wellness programme policy | • 100% | • 100% | • 2024/06 |

| | | | | |
|-----|--|---------|--------|-----------|
| • | • Smoking policy | • 100% | • 100% | • 2024/06 |
| • | • Human resources communication policy | • 100% | • 100% | • 2024/06 |
| • | • Dress code policy | • 100% | • 100% | • 2024/06 |
| • | • Bereavement policy | • 100% | • 100% | • 2024/06 |
| • | • Identification policy | • 100% | • 100% | • 2024/06 |
| • 2 | • Attraction & Retention | • 100 % | • 100% | • 2024/06 |
| • 8 | • Employment Equity Policy | • 100% | • 100% | • 2024/06 |

COMMENT ON HUMAN RESOURCES POLICIES DEVELOPMENT:

- Over the years the Municipality has managed to develop all priority human resource policies, procedures and systems in line with the MSA 2000 (S67) to ensure fair, efficient, effective and transparent personnel administration. During the year in issue emphasis was placed on improving implementation of the policies and amendment of those policies that were becoming outdated. Policies were developed and adopted by the council. Bursaries will be issued to eligible employees for career development purposes. The municipality will continue to make funds available on each financial year to ensure that capacity building is funded and both organization and employees benefit from the project

4.3 INJURIES, SICKNESS AND SUSPENSIONS

| • Number and cost of injuries on duty | | | | | |
|--|------------------------------|------------------------------|--|--|---------------------------------|
| Type of injury | Injury leave taken • Days | Employees using injury leave | Proportion employees using sick leave • % | Average injury leaves per employee • Days | Total estimated cost • R'000 |
| • Required basic medical attention only | • 01 | • 10 | • 68% | • 01 | • 0 |
| • Temporary total disablement | • 0 | • 0 | • | • | • |
| • Permanent disablement | • 0 | • 0 | • | • | • |
| • Fatal | • 01 | • 0 | • | • 01 | • |
| • Total | • 02 | • 10 | • 68% | • | • |
| • Number of days and cost of sick leave (excluding injuries on duty) | | | | | |

| • Designations | • Total sick leave | • Proportion of sick leave without medical certification | • Employees using sick leave | • Total employees in post* | • *Average sick leave per employees | • Estimated cost |
|-----------------------|--------------------|--|------------------------------|----------------------------|-------------------------------------|------------------|
| • (level 1-2) | • 7 | • 0 | • 6 | • 26 | • 1.07 | • 20 230 |
| • Skilled (level 3-5) | • 11 | • 2 | • 9 | • 49 | • 0.7 | • 13 000 |
| • (levels 6-8) | • 6 | • 2 | • 5 | • 44 | • 0.38 | • 16 000 |
| • (level 9-10) | • 4 | • 0 | • 2 | • 28 | • 0.60 | • 6 232 |
| • (levels 11) | • 5 | • 0 | • 4 | • 32 | • 0.59 | • 12 400 |
| • MM & S57 | • 0 | • 0 | • 0 | • 0 | • 0 | • |
| • Total | • | • | • | • 182 | • 3.48 | • |

• *Number of employees in post at the beginning of the year

• *Average calculated by taking sick leave in column 2 divided by total employees in column 5

COMMENT ON INJURY AND SICK LEAVE:

- Minor injuries were encountered which only needed basic medical attention during the year under review. Occupational Health and Safety Committee conducted risk assessment. Recommendations to minimize risks were made and implemented to minimize risks.

| • Number and period of suspensions | | | | |
|------------------------------------|--------------------------------|----------------------|--|------------------|
| • Position | • Nature of alleged misconduct | • Date of suspension | • Details of disciplinary action taken or status of case and reasons why not finalized | • Date finalized |
| | None | None | None | None |
| • | None | None | None | None |

| • Disciplinary action taken on cases of financial misconduct | | | |
|--|---|-----------------------------|------------------|
| • Position | • Nature of alleged misconduct and rand value of any loss to the municipality | • Disciplinary action taken | • Date finalized |
| • 0 | • 0 | • 0 | • 0 |

- COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:
- There were no cases related to financial misconduct during 2024/25

4.4. PERFORMANCE REWARDS

| Performance Rewards by Gender (THERE WERE NO PERFORMANCE REWARDS FOR THE PERIOD UNDER REVIEW) | | | | | | |
|---|---------------------|------------------------------------|-------------------------|--------------------------------|--|---|
| Designation | Beneficiary Profile | | | | | |
| | Gender | Total number of employees in group | Number of beneficiaries | Expenditure on rewards 2023/24 | Proportion of beneficiaries within group | % |
| Lower skilled (levels 1-2) | Female | 0 | 0 | R'000 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Skilled (levels 3-5) | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (levels 6-8) | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (levels 9-12) | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|--|----------|-----|-----|-----|-----|-----|
| • Senior Management (levels 13-15) | • Female | • 0 | • 0 | • 0 | • 0 | • 0 |
| | • Male | • 0 | • 0 | • 0 | • 0 | • 0 |
| • MM and S57 | • Female | • 0 | • 0 | • 0 | • 0 | • 0 |
| | • Male | • 0 | • 0 | • 0 | • 0 | • 0 |
| • Total | • | • | • | • | • | • |
| Has the statutory municipal calculator been used as part of the evaluation process? | | | | | | |
| <p>Note: MSA 2000 S51 (d) requires that ... performance plans, on which rewards are based should be aligned with the IDP ... (IDP objectives and targets are set out in chapter 3) and that service delivery and budget implementation plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'number of beneficiaries' column as well as in the numbers at the right-hand side of the column (as illustrated above).</p> | | | | | | |

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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

SKILLS DEVELOPMENT AND TRAINING

| Skills Matrix | | | | | | | | | | | | | | | |
|---|--------|--------------------------------------|--|---------------------|--------|---------------------|--|--------|---------------------|---------------------|-------------------------|---------------------|---------------------|--------|--|
| Management | Gender | Employees in post as at 30 June 2024 | Number of skilled employees required and actual as at 30 June 2025 | | | | Skills programme & other short courses | | | | Other forms of training | | | Total | |
| | | No. | Actual 30 July 2024 | Actual 30 June 2025 | Target | Actual 30 July 2024 | Actual 30 July 2025 | Target | Actual 30 July 2024 | Actual 30 June 2025 | Target | Actual 30 July 2024 | Actual 30 June 2025 | Target | |
| Councilors, senior officials & managers | Female | 0 | 0 | 00 | 0 | 0 | 00 | 02 | 02 | 02 | 02 | 02 | 02 | 02 | |
| | Male | 0 | 0 | 0 | 06 | 16 | 16 | 16 | 0 | 0 | 0 | 06 | 06 | 06 | |
| Technicians & associates | Female | 0 | 0 | 0 | 0 | 09 | 09 | 07 | 0 | 0 | 0 | 07 | 07 | 07 | |
| | Male | 0 | 0 | 0 | 0 | 10 | 10 | 06 | 0 | 0 | 0 | 06 | 06 | 06 | |
| MM & S57 | Female | 0 | 0 | 00 | 0 | 0 | 00 | 02 | 02 | 02 | 02 | 02 | 02 | 02 | |
| | Male | 0 | 0 | 0 | 0 | 01 | 00 | 01 | 0 | 0 | 0 | 0 | 00 | 00 | |
| | Female | 0 | 0 | 0 | 0 | 11 | 11 | 11 | 0 | 0 | 0 | 15 | 15 | 15 | |
| | Male | 0 | 0 | 0 | 0 | 16 | 16 | 16 | 0 | 0 | 0 | 06 | 06 | 06 | |

Financial competency development: progress report

| Description | A Total number of officials employed by municipality (Regulation 14 (4)(a) and (c)) | B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)) | Consolidated: Total of A and B | Consolidated: competency assessment completed for a and B (regulation 14(4)(b) and (d)) | Consolidated: Total number of officials whose performance agreements comply with regulation 16 (Regulation 14(4)(f)) | Consolidated: Total Number of officials that meet prescribed competency levels (Regulation 14(4)(a)) |
|-----------------------------------|--|---|--------------------------------|---|--|--|
| Financial officials | 22 | 00 | 22 | 00 | 00 | 20 |
| Accounting officer | 01 | 00 | 01 | 01 | 01 | 02 |
| Chief Financial Officer | 01 | 00 | 01 | 0 | 01 | 01 |
| Senior Managers | 02 | 02 | 04 | 02 | 02 | 02 |
| Any other financial officials | 12 | 00 | 12 | 0 | 12 | 0 |
| Supply Chain Management officials | 03 | 00 | 03 | 0 | 00 | 03 |
| Heads of SCM units | 01 | 00 | 01 | 0 | 00 | 01 |
| SCM senior managers | 00 | 00 | 00 | 0 | 00 | 00 |
| Total | 42 | 02 | 44 | 03 | 16 | 49 |

| Skills Development Expenditure | | | | | | | | | | |
|--|--------|---|--|---|-------------------------|--------|-----------------|--------|-----------------|--------|
| Management Level | Gender | Employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development 2024/25 | | | | Total | | | |
| | | | Learnerships | Skills programmes & other short courses | Other forms of training | Total | | | | |
| | | No. | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual |
| MM and S57 | Female | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| | Male | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| | Female | 22 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| | Male | 22 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| Legislators, senior officials and managers | Female | 21 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| | Male | 06 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| Professionals | Female | 06 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| | Male | 06 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| | Female | 06 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |

| | | | | | | | | | | | | | |
|--|--------|----|----|----|----|----|----|----|----|----|----|----|----|
| Technicians and associate professionals | Male | 12 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| | Female | | | | | | | | | | | | |
| Clerks | Female | 18 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| | Male | 05 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| Service and sales workers | Female | 38 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| | Male | 25 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| Plant and machine operators and assemblers | Female | 15 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| | Male | 12 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| Elementary occupation | Female | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| | Male | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| Sub Total | Female | 14 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| | Male | 20 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Not all Managers and Finance officials were trained on financial competency regulations due to insufficient budget

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6. EMPLOYEE EXPENDITURE

| Number of employees whose salaries were increased due to their positions being upgraded | | |
|--|---------------|--------------|
| Beneficiaries | Gender | Total |
| Lower skilled (level 1-2) | Female | 0 |
| | Male | |
| Skilled (level 3-5) | Female | |
| | Male | |
| Highly skilled production (levels 6-8) | Female | |
| | Male | |
| Highly skilled supervision (level 9-12) | Female | 0 |
| | Male | 0 |
| (levels 13-15) | Female | |
| | Male | 0 |
| MM & S57 | Female | |
| | Male | |
| Total | | 0 |

| Employees whose salary levels exceed the grade determined by Job Evaluation (NONE) | | | | |
|---|----------------------------|-----------------------------|---------------------------|-----------------------------|
| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
| General workers | 28 | 3 | T3 | Above the grade |
| Admin Officer | 5 | 09 | T9 | Above grade |
| Process officer | 1 | 09 | T9 | Above grade |
| Supervisor cleaning | 1 | 8 | T8 | Above grade |
| Records Administrator | 1 | 9 | T9 | Above grade |

| Employees appointed to posts not approved (NONE) | | | | |
|--|-------|---------------------|---------------|--|
| | Level | Date of appointment | No. appointed | Reason for appointment when no established post exists |
| 0 | 0 | 0 | 0 | 0 |

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

There were no upgraded posts during the period under review.

DISCLOSURES OF FINANCIAL INTERESTS

All Senior Managers and Councillors Completed and Submitted their Disclosure of Financial Interests and submitted same to The Office of the Municipal Manager

CHAPTER 5: 2024/25 ANNUAL FINANCIAL STATEMENTS

ANNEXURE A



Blouberg Local Municipality
(Registration number LIM351)
Annual Financial Statements
for the year ended 30 June 2025

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2025

General Information

| | |
|--|--|
| Legal form of entity | Local Municipality Category B |
| Nature of business and principal activities | Local Government and the provision of basic services to the local community |
| Executive committee | |
| Executive Mayor | Thamaga MN |
| Speaker | Boloka MP |
| Chief Whip | Rangata MJ |
| Members of executive committee | Makobela SR Raseruthe MA Raphasha DS Mosena DD Motswabe LP Tlouamma NM Maifo ML Phoshoko NC |
| Councillors | |
| | Masebe KP Lehong MV Tlhako NB Mashamaite MG Mapunya PW Manaka NA Makhura KH Baloyi HP Motsoko L Mahlape NJ Molokomme MM Mmoko ML Mphago MA Tlepyane S Mokami ME Mathekga MJ Thema NR Magwai RT Pheedi MS Makhura MH Seokotsa MM Moetji NT Mokobodi MM (deceased) Sehata NA Ntjana MI Lehonye TJ Maripa MS Mailula MS Maribeng MK Dau MP Maphoto MD |

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2025

General Information

| | |
|---|---|
| | Kobola JS Tlabela FP |
| Grading of local authority | Grade 3 |
| Acting Chief Finance Officer (CFO) | Motupa MJ Riba M |
| Municipal Manager | Ramothwala RJ |
| Registered office | 2nd Building Dendron Road Senwabarwana 0790 |
| Business address | 2nd Building Dendron Road Senwabarwana 0790 |
| Postal address | P.O.Box 1593 Senwabarwana 0790 |
| Bankers | ABSA |
| Auditors | Auditor- General of South Africa |
| Audit committee members | Mr. Poopedi MD (Chairperson) (term expired 31 January 2025) Adv. Nevondwe T(Member) (term expired 31 January 2025) Ms. Ngwenya L (Member) (term expired 31 January 2025) Mr. Ramalatso S (Member) (term expired 31 January 2025) Adv Nevondwe L T (Chairperson) (appointed 01 February 2025) Mr Mpjane JN CA (SA) RA (appointed 01 February 2025) Mr Kekana MF CA (SA) (appointed 01 February 2025) Ms Majuta MS CA (SA) (appointed 01 February 2025) Ms Mangoma APC (appointed 01 February 2025) |
| Attorneys | GSM Mohlabi Incorporated Attorneys Kgoroane Shabalala Incorporated Kuaho Attorneys Lebea and Associates Attorneys Lebetha Attorneys & Associates Machaba Incorporated Attorneys Modise Mabule Incorporated Attorneys Tshikovhi Incorporated |
| Published | 31 August 2025 |

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2025

Index

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

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| Accounting Officer's Responsibilities and Approval | 6 |
| Statement of Financial Position | 7 |
| Statement of Financial Performance | 8 |
| Statement of Changes in Net Assets | 9 |
| Cash Flow Statement | 10 |
| Statement of Comparison of Budget and Actual Amounts | 11 - 15 |
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Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2025

Index

Abbreviations used:

| | |
|---------|--|
| MFMA | Municipal Finance Management Act |
| AFS | Annual Financial Statements |
| AGSA | Auditor General South Africa |
| CFO | Chief Financial Officer |
| GRAP | Generally Recognised Accounting Practice |
| FMCMM | Financial Management Capability Maturity Model |
| FMG | Financial Management Grants |
| IAS | International Accounting Standards |
| CIGFARO | Chartered Institute of Government Finance, Audit and Risk Officers (previously IMFO) |
| IPSAS | International Public Sector Accounting Standards |
| IDP | Integrated Development Plan |
| MEC | Member of the Executive Council |
| MIG | Municipal Infrastructure Grant (Previously CMIP) |
| VAT | Value Added Tax |
| LED | Local Economic Development |
| CDM | Capricorn District Municipality |
| WIP | Work In Progress |
| COIDA | Compensation for Occupational Injuries and Diseases Act |
| IFRS | International Financial Reporting Standards |
| MISA | Municipal Infrastructure Support Agent |
| MM | Municipal Manager |
| NT | National Treasury |
| LPT | Limpopo Provincial Treasury |
| SDBIP | Service Delivery Budget and Implementation Plan |
| mSCOA | Municipal Standard Chart of Accounts |
| COGHSTA | Cooperative Governance, Human Settlements and Traditional Affairs |
| NSF | National Skills Fund |
| SALBC | South African Local Government Bargaining Council |

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2025

Index

| | |
|-------|---|
| WSP | Water Service Provider |
| INEP | Integrated National Electrification Programme Grant |
| EPWP | Expanded Public Works Programme |
| SETAS | Sector Education and Training Authority |
| EEDSM | Energy Efficiency Demand Side Management |
| EEDMG | Energy Efficiency and Demand-side Management Grant |
| UIF | Unemployment Insurance Fund |
| SDL | Skills Development Levy |

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

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

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

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 7.

The annual financial statements set out on pages 7 to 81, which have been prepared on the going concern basis, were approved by 31 August 2025 and were signed on its behalf by:



Ramothwala RJ
Municipal Manager

Date: 30-Nov-2025

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

| Figures in Rand | Note(s) | 2025 | 2024 Restated* |
|--|---------|----------------------|----------------------|
| Assets | | | |
| Current Assets | | | |
| Inventories | 3 | 7,788,916 | 4,618,097 |
| Receivables from exchange transactions | 4 | 2,212,289 | 5,069,547 |
| Receivables from non-exchange transactions | 5 | 70,232,137 | 55,202,096 |
| VAT receivable | 6 | 2,885,711 | - |
| Consumer debtors | 7 | 16,167,628 | 12,216,896 |
| Cash and cash equivalents | 8 | 102,577,775 | 186,399,745 |
| | | 201,864,456 | 263,506,381 |
| Non-Current Assets | | | |
| Investment property | 9 | 10,500,000 | 9,916,000 |
| Property, plant and equipment | 10 | 1,181,347,446 | 1,134,534,359 |
| Intangible assets | 11 | 43,484 | 108,885 |
| Other financial assets | 12 | 11,598,226 | 11,399,735 |
| | | 1,203,489,156 | 1,155,958,979 |
| Total Assets | | 1,405,353,612 | 1,419,465,360 |
| Liabilities | | | |
| Current Liabilities | | | |
| Finance lease obligation | 13 | 3,391,083 | 6,537,705 |
| Payables from exchange transactions | 14 | 78,807,256 | 96,374,672 |
| VAT payable | 15 | 2,920,505 | 3,090,667 |
| Employee benefit obligation | 16 | 1,720,000 | 1,399,000 |
| Unspent conditional grants and receipts | 17 | 11,378,005 | 59,646,503 |
| Provisions | 18 | 479,112 | 455,407 |
| | | 98,695,961 | 167,503,954 |
| Non-Current Liabilities | | | |
| Finance lease obligation | 13 | 1,013,479 | 2,768,429 |
| Employee benefit obligation | 16 | 10,454,000 | 6,739,000 |
| Provisions | 18 | 19,321,124 | 16,860,685 |
| | | 30,788,603 | 26,368,114 |
| Total Liabilities | | 129,484,564 | 193,872,068 |
| Net Assets | | 1,275,869,048 | 1,225,593,292 |
| Accumulated surplus | | 1,275,869,048 | 1,225,593,292 |
| Total Net Assets | | 1,275,869,048 | 1,225,593,292 |

* See Note 42

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand

| | Note(s) | 2025 | 2024 Restated* |
|---|---------|----------------------|----------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Service charges | 19 | 44,100,134 | 37,518,573 |
| Rental of facilities and equipment | 20 | 2,638,730 | 604,906 |
| Licences and permits | | 3,943,619 | 3,997,903 |
| Electricity illegal connections | | 8,720 | 5,880 |
| CDM - Commissions received | | 277,511 | 250,126 |
| Landfill site provision reversal | | - | 8,218,745 |
| Skills development levy refund | | 238,316 | 81,985 |
| Cemetery, Burial and Plans approval fees | | 594,296 | 201,154 |
| Valuation Services | | 698 | 3,167 |
| Interest charged on outstanding debtors | | 1,309,150 | 1,065,528 |
| Sale of Inventory - Sites/Land | | 7,409,218 | 8,476,924 |
| Cattle Grazing | | 214,760 | 383,248 |
| Investment revenue | 21 | 7,421,387 | 7,844,236 |
| Gain on disposal of assets and liabilities | | - | 822,001 |
| Fair value adjustments | 9 | 584,000 | 482,400 |
| Total revenue from exchange transactions | | 68,740,539 | 69,956,778 |
| Revenue from non-exchange transactions | | | |
| Taxation revenue | | | |
| Property rates | 22 | 73,175,574 | 68,960,737 |
| Interest charges on overdue account | 22 | 1,775,163 | 1,396,171 |
| Transfer revenue | | | |
| Government grants & subsidies | 23 | 365,890,498 | 336,832,636 |
| Traffic fines | 24 | 2,620,470 | 1,133,750 |
| Total revenue from non-exchange transactions | | 443,461,705 | 408,323,294 |
| Total revenue | 25 | 512,202,244 | 478,280,072 |
| Expenditure | | | |
| Employee related costs | 26 | (144,553,444) | (131,281,386) |
| Remuneration of councillors | 27 | (19,780,450) | (19,212,717) |
| Depreciation and amortisation | 28 | (55,747,435) | (51,143,823) |
| Impairment loss | 29 | (6,282,409) | (143,588) |
| Repairs and maintenance | 30 | (6,485,152) | (6,622,826) |
| Finance costs | 31 | (5,138,863) | (6,061,142) |
| Debt Impairment/(impairment reversal) | 32 | (54,486,926) | 12,036,581 |
| Bad debts written off | | - | (73,367) |
| Bulk purchases | 33 | (71,353,727) | (60,926,195) |
| Contracted services | 34 | (31,240,844) | (36,824,707) |
| Loss on disposal of assets and liabilities | | (1,178,773) | - |
| Actuarial losses | | (697,131) | (28,871) |
| General Expenses | 35 | (64,981,337) | (70,924,301) |
| Total expenditure | | (461,926,491) | (371,206,342) |
| Surplus for the year | | 50,275,753 | 107,073,730 |

* See Note 42

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus / deficit | Total net assets |
|---|-------------------------------|----------------------|
| Opening balance as previously reported | 1,079,515,483 | 1,079,515,483 |
| Adjustments | | |
| Prior year adjustments 42 | 39,004,079 | 39,004,079 |
| Balance at 01 July 2023 as restated* | 1,118,519,562 | 1,118,519,562 |
| Changes in net assets | | |
| Surplus for the year | 107,073,730 | 107,073,730 |
| Total changes | 107,073,730 | 107,073,730 |
| Opening balance as previously reported | 1,198,760,767 | 1,198,760,767 |
| Adjustments | | |
| Prior year adjustments 42 | 26,832,528 | 26,832,528 |
| Restated* Balance at 01 July 2024 as restated* | 1,225,593,295 | 1,225,593,295 |
| Changes in net assets | | |
| Surplus for the year | 50,275,753 | 50,275,753 |
| Total changes | 50,275,753 | 50,275,753 |
| Balance at 30 June 2025 | 1,275,869,048 | 1,275,869,048 |
| Note(s) | | |

* See Note 42

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand

| | Note(s) | 2025 | 2024 Restated* |
|---|---------|-----------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Cash receipts from rate payers and other | | 60,726,613 | 96,063,143 |
| Grants | | 317,622,000 | 376,321,000 |
| Interest income | | 10,505,700 | 9,930,786 |
| | | <u>388,854,313</u> | <u>482,314,929</u> |
| Payments | | | |
| Employee costs | | (161,767,320) | (150,494,103) |
| Suppliers | | (193,547,154) | (148,748,704) |
| Finance costs | | - | - |
| | | <u>(355,314,474)</u> | <u>(299,242,807)</u> |
| Net cash flows from operating activities | 37 | <u>33,539,839</u> | <u>183,072,122</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 10 | (107,750,220) | (84,217,000) |
| Proceeds from sale of property, plant and equipment | 10 | - | 1,559,868 |
| Movement in financial assets | | (198,491) | (6,535,131) |
| Net cash flows from investing activities | | <u>(107,948,711)</u> | <u>(89,192,263)</u> |
| Cash flows from financing activities | | | |
| Finance lease payments | | (6,869,337) | (4,880,911) |
| Interest paid on finance lease | | (2,543,761) | (4,441,877) |
| Net cash flows from financing activities | | <u>(9,413,098)</u> | <u>(9,322,788)</u> |
| Net increase/(decrease) in cash and cash equivalents | | (83,821,970) | 84,557,071 |
| Cash and cash equivalents at the beginning of the year | | 186,399,745 | 101,842,674 |
| Cash and cash equivalents at the end of the year | 8 | <u>102,577,775</u> | <u>186,399,745</u> |

The accounting policies on pages 16 to 38 and the notes on pages 39 to 82 form an integral part of the annual financial statements.

* See Note 42

Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|--------------------|-------------------|----------------------|------------------------------------|--|-----------------------|
| Figures in Rand | | | | | | |
| Statement of Financial Performance | | | | | | |
| Revenue | | | | | | |
| Revenue from exchange transactions | | | | | | |
| Service charges | 57,958,333 | (200,000) | 57,758,333 | 44,100,134 | (13,658,199) | Refer to note 54 (1) |
| Rental of facilities and equipment | 926,053 | 2,300,000 | 3,226,053 | 2,638,730 | (587,323) | Refer to note 54 (2) |
| Licences and permits | 5,245,000 | - | 5,245,000 | 3,943,619 | (1,301,381) | Refer to note 54 (3) |
| Agency services | 314,700 | (114,700) | 200,000 | 594,296 | 394,296 | Refer to note 54 (4) |
| Interest earned - outstanding debtors | 1,500,000 | (350,000) | 1,150,000 | 1,309,150 | 159,150 | Refer to note 54 (5) |
| Other income | 2,710,947 | 4,300,000 | 7,010,947 | 8,149,223 | 1,138,276 | Refer to note 54 (6) |
| Investment revenue | 8,063,596 | - | 8,063,596 | 7,421,387 | (642,209) | Refer to note 54 (7) |
| Total revenue from exchange transactions | 76,718,629 | 5,935,300 | 82,653,929 | 68,156,539 | (14,497,390) | |
| Revenue from non-exchange transactions | | | | | | |
| Taxation revenue | | | | | | |
| Property rates | 34,586,407 | 35,169,290 | 69,755,697 | 73,175,574 | 3,419,877 | Refer to note 54 (8) |
| Property rates - penalties imposed | 1,328,478 | 500,000 | 1,828,478 | 1,775,163 | (53,315) | Refer to note 54 (9) |
| Transfer revenue | | | | | | |
| Government grants & subsidies | 250,671,000 | 1,006,000 | 251,677,000 | 365,890,498 | 114,213,498 | Refer to note 54 (10) |
| Traffic fines | 2,801,725 | (635,300) | 2,166,425 | 2,620,470 | 454,045 | Refer to note 54 (11) |
| Total revenue from non-exchange transactions | 289,387,610 | 36,039,990 | 325,427,600 | 443,461,705 | 118,034,105 | |
| Total revenue | 366,106,239 | 41,975,290 | 408,081,529 | 511,618,244 | 103,536,715 | |
| Expenditure | | | | | | |
| Personnel | (140,755,081) | (8,310,000) | (149,065,081) | (144,553,444) | 4,511,637 | Refer to note 54 (12) |
| Remuneration of councillors | (21,997,665) | 1,590,000 | (20,407,665) | (19,780,450) | 627,215 | Refer to note 54 (13) |
| Depreciation and amortisation | (33,513,635) | (1,999,000) | (35,512,635) | (55,747,435) | (20,234,800) | Refer to note 54 (14) |
| Impairment loss/ Reversal of impairments | - | - | - | (6,282,409) | (6,282,409) | |
| Finance costs | - | - | - | (5,138,863) | (5,138,863) | |
| Debt Impairment | (49,170,559) | - | (49,170,559) | (54,486,926) | (5,316,367) | Refer to note 54 (15) |

Blouberg Local Municipality

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|----------------------|--------------------|----------------------|------------------------------------|--|-----------------------|
| Figures in Rand | | | | | | |
| Bulk purchases | (61,440,000) | (3,000,000) | (64,440,000) | (71,353,727) | (6,913,727) | Refer to note 54 (16) |
| Contracted Services | (54,287,316) | 4,343,413 | (49,943,903) | (31,240,844) | 18,703,059 | Refer to note 54 (17) |
| General Expenses | (71,738,309) | 12,586,269 | (59,152,040) | (71,466,486) | (12,314,446) | Refer to note 54 (19) |
| Total expenditure | (432,902,565) | 5,210,682 | (427,691,883) | (460,050,584) | (32,358,701) | |
| Operating surplus | (66,796,326) | 47,185,972 | (19,610,354) | 51,567,660 | 71,178,014 | |
| Loss on disposal of assets and liabilities | - | - | - | (1,178,773) | (1,178,773) | |
| Fair value adjustments | - | - | - | 584,000 | 584,000 | |
| Actuarial gains/losses | - | - | - | (697,131) | (697,131) | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 67,485,000 | 58,683,000 | 126,168,000 | - | (126,168,000) | |
| | 67,485,000 | 58,683,000 | 126,168,000 | (1,291,904) | (127,459,904) | |
| Surplus before taxation | 688,674 | 105,868,972 | 106,557,646 | 50,275,756 | (56,281,890) | |
| Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement | 688,674 | 105,868,972 | 106,557,646 | 50,275,756 | (56,281,890) | |

Blouberg Local Municipality

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|----------------------|---------------------|----------------------|------------------------------------|--|-----------------------|
| Figures in Rand | | | | | | |
| Statement of Financial Position | | | | | | |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Inventories | 62,056,410 | (50,000,000) | 12,056,410 | 7,788,916 | (4,267,494) | Refer to note 54 (20) |
| Receivables from exchange transactions | 4,649,905 | - | 4,649,905 | 2,212,289 | (2,437,616) | Refer to note 54 (21) |
| Receivables from non-exchange transactions | 35,928,077 | 46,642,854 | 82,570,931 | 70,232,137 | (12,338,794) | Refer to note 54 (22) |
| VAT receivable | 2,930,660 | - | 2,930,660 | 2,885,711 | (44,949) | Refer to note 54 (23) |
| Consumer debtors | 12,768,748 | 5,000,000 | 17,768,748 | 16,167,628 | (1,601,120) | Refer to note 54 (24) |
| Cash and cash equivalents | 204,752,687 | (59,420,217) | 145,332,470 | 102,577,775 | (42,754,695) | Refer to note 54 (25) |
| | 323,086,487 | (57,777,363) | 265,309,124 | 201,864,456 | (63,444,668) | |
| Non-Current Assets | | | | | | |
| Investment property | 9,516,517 | - | 9,516,517 | 10,500,000 | 983,483 | Refer to note 54 (26) |
| Property, plant and equipment | 1,117,417,188 | 70,600,639 | 1,188,017,827 | 1,181,347,446 | (6,670,381) | Refer to note 54 (27) |
| Intangible assets | 783,368 | - | 783,368 | 43,484 | (739,884) | Refer to note 54 (28) |
| Other financial assets | 10,708,603 | 1,000,000 | 11,708,603 | 11,598,226 | (110,377) | Refer to note 54 (29) |
| | 1,138,425,676 | 71,600,639 | 1,210,026,315 | 1,203,489,156 | (6,537,159) | |
| Total Assets | 1,461,512,163 | 13,823,276 | 1,475,335,439 | 1,405,353,612 | (69,981,827) | |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Finance lease obligation | 9,322,788 | (5,000,000) | 4,322,788 | 3,391,083 | (931,705) | Refer to note 54 (30) |
| Payables from exchange transactions | 35,483,462 | 13,000,000 | 48,483,462 | 78,807,256 | 30,323,794 | Refer to note 54 (31) |
| VAT payable | 5,300,000 | - | 5,300,000 | 2,920,505 | (2,379,495) | Refer to note 54 (32) |
| Employee benefit obligation | - | - | - | 1,720,000 | 1,720,000 | |
| Unspent conditional grants and receipts | 23,000,000 | (8,000,000) | 15,000,000 | 11,378,005 | (3,621,995) | Refer to note 54 (33) |
| Provisions | 2,200,906 | - | 2,200,906 | 479,112 | (1,721,794) | Refer to note 54 (34) |
| | 75,307,156 | - | 75,307,156 | 98,695,961 | 23,388,805 | |
| Non-Current Liabilities | | | | | | |
| Finance lease obligation | 4,864,257 | (2,000,000) | 2,864,257 | 1,013,479 | (1,850,778) | Refer to note 54 (35) |
| Employee benefit obligation | - | - | - | 10,454,000 | 10,454,000 | |

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|----------------------|-------------------|----------------------|------------------------------------|--|-----------------------|
| Figures in Rand | | | | | | |
| Provisions | 22,339,560 | 2,000,000 | 24,339,560 | 19,321,124 | (5,018,436) | Refer to note 54 (36) |
| | 27,203,817 | - | 27,203,817 | 30,788,603 | 3,584,786 | |
| Total Liabilities | 102,510,973 | - | 102,510,973 | 129,484,564 | 26,973,591 | |
| Net Assets | 1,359,001,190 | 13,823,276 | 1,372,824,466 | 1,275,869,048 | (96,955,418) | |
| Net Assets | | | | | | |
| Net Assets Attributable to Owners of Controlling Entity | | | | | | |
| Reserves | | | | | | |
| Accumulated surplus | 1,339,319,667 | 118,660,107 | 1,457,979,774 | 1,275,869,048 | (182,110,726) | |

Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---------------------|---------------------|----------------------|------------------------------------|--|-----------------------|
| Figures in Rand | | | | | | |
| Cash Flow Statement | | | | | | |
| Cash flows from operating activities | | | | | | |
| Receipts | | | | | | |
| Cash receipts from rate payers and other | 103,657,000 | 18,375,313 | 122,032,313 | 60,726,615 | (61,305,698) | Refer to note 54 (37) |
| Interest income | 8,064,000 | 3,000,000 | 11,064,000 | 10,505,700 | (558,300) | Refer to note 54 (38) |
| Grants | 318,156,000 | 58,683,000 | 376,839,000 | 317,622,000 | (59,217,000) | Refer to note 54 (39) |
| | 429,877,000 | 80,058,313 | 509,935,313 | 388,854,315 | (121,080,998) | |
| Payments | | | | | | |
| Employee costs and suppliers | (350,218,000) | 977,000 | (349,241,000) | (355,314,474) | (6,073,474) | Refer to note 54 (40) |
| Net cash flows from operating activities | 79,659,000 | 81,035,313 | 160,694,313 | 33,539,841 | (127,154,472) | |
| Cash flows from investing activities | | | | | | |
| Purchase of property, plant and equipment | (74,909,000) | (70,600,639) | (145,509,639) | (107,750,220) | 37,759,419 | Refer to note 54 (41) |
| Net movement in financial assets | (10,709,000) | 10,709,000 | - | (198,491) | (198,491) | Refer to note 54 (42) |
| Net cash flows from investing activities | (85,618,000) | (59,891,639) | (145,509,639) | (107,948,711) | 37,560,928 | |
| Cash flows from financing activities | | | | | | |
| Movement in finance lease liability | - | - | - | (9,413,098) | (9,413,098) | |
| Net increase/(decrease) in cash and cash equivalents | (5,959,000) | 21,143,674 | 15,184,674 | (83,821,968) | (99,006,642) | |
| Cash and cash equivalents at the beginning of the year | 197,491,000 | - | 197,491,000 | 186,399,745 | (11,091,255) | |
| Cash and cash equivalents at the end of the year | 191,532,000 | 21,143,674 | 212,675,674 | 102,577,777 | (110,097,897) | |

Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

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

1. Significant account policies

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

1.1 Basis of preparations

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

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

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

These accounting policies are consistent with the previous period.

1.2 Presentation currency

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

1.3 Going concern assumption

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

1.4 Materiality

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

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

1.5 Significant judgements and sources of estimation uncertainty

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

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

Fair value estimation

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

Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 18 - Provisions.

Useful lives of waste and water network and other assets

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

Post-retirement benefits

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

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 16.

Receivables /Investments and/or loans

The municipality assesses its trade receivables, investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, judgements has to be made as to whether there were observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The impairment is measured at the reporting date taking into account the different classes of debtors and the history of payment success of debtors.

1.6 Investment property

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

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

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

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Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.6 Investment property (continued)

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

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

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

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

Fair value

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

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

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

1.7 Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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

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Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.7 Property, plant and equipment (continued)

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

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

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

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

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

| Item | Depreciation method | Average useful life |
|--|---------------------|---------------------|
| Land | | Indefinite |
| Operational Buildings | Straight-line | 5 -100 years |
| Community facilities: Cemeteries | Straight-line | 15 -100 years |
| Community facilities: Clinics / Care centres | Straight-line | 15 - 80 years |
| Community facilities: Halls | Straight-line | 12 - 100 years |
| Community facilities: Taxi ranks | Straight-line | 7 - 100 years |
| Sport and recreation facilities | Straight-line | 5 - 100 years |
| Electrical Infrastructure | Straight-line | 15 - 50 years |
| Roads Infrastructure | Straight-line | 5 - 100 years |
| Solid Waste Infrastructure | Straight-line | 5 - 100 years |
| Storm water Infrastructure | Straight-line | 20 - 60 years |
| IT Equipment | Straight-line | 5 - 18 years |
| Leased Assets | Straight-line | 3 - 10 years |
| Furniture & Office Equipment | Straight-line | 7 - 21 years |
| Machinery & Equipment | Straight-line | 7 - 20 years |
| Motor Vehicles | Straight-line | 10 - 25 years |

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

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

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

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

1.8 Intangible assets

An asset is identifiable if it either:

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

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

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Accounting Policies

1.8 Intangible assets (continued)

An intangible asset is recognised when:

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

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

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

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

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

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

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

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

| Item | Depreciation method | Average useful life |
|-------------------|---------------------|---------------------|
| Computer software | Straight-line | 5-8 years |

Intangible assets are derecognised:

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

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

1.9 Financial instruments

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

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

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

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

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

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

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

A financial asset is:

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

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

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

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

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

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

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

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

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

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

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

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

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

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

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

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

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

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Classification

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

| Class | Category |
|--|--|
| Exchange - Trade and other receivables | Financial asset measured at amortised cost |
| Cash and cash equivalents | Financial asset measured at amortised cost |
| Investments | Financial asset measured at amortised cost |

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

| Class | Category |
|---------------------------|--|
| Trade and other payables | Financial liability measured at amortised cost |
| Finance lease obligations | Financial liability measured at amortised cost |

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

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Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

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

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

1.10 Statutory receivables

Identification

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

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

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1.10 Statutory receivables (continued)

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

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

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

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Accrued interest

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

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

Other charges

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

Impairment losses

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

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

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).

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1.10 Statutory receivables (continued)

- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

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

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

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

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

Derecognition

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

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

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

1.11 Leases

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

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

Finance leases - lessee

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

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

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

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

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1.12 Inventories

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

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

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

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

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

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

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

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

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

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

1.13 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

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

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

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

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

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

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1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.15 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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1.15 Provisions and contingencies (continued)

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

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

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

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

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

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

A constructive obligation to restructure arises only when an entity:

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

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

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

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

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

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

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and

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1.15 Provisions and contingencies (continued)

- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.16 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.17 Revenue from exchange transactions

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

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

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

Measurement

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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1.17 Revenue from exchange transactions (continued)

Rendering of services

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

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest, royalties and dividends

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

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

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

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

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

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

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1.18 Revenue from non-exchange transactions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Recognition

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

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

Measurement

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

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Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

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

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

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

Transfers

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

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

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

Fines

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

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

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

Grants

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. A liability is recognised when the criteria, conditions or obligations have not been met.

Gifts and donations, including goods in-kind

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

Services in-kind

Except for financial guarantee contracts, the municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

The municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

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Accounting Policies

1.19 Investment income

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

1.20 Borrowing costs

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

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

1.21 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

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Accounting Policies

1.21 Accounting by principals and agents (continued)

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.22 Comparative figures

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

When the presentation or classification of the items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the classification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in the accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.23 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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

1.24 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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

1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the MFMA requires the following (effective from 1 April 2008):

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Accounting Policies

1.25 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.27 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

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Accounting Policies

1.27 Budget information (continued)

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/07/01 to 2025/06/30.

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

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

The Statement of actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.29 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

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1.29 Events after reporting date (continued)

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.30 Value Added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis in accordance with Section 15(2) of the VAT Act (Act 89 of 1991). VAT is accounted for on accrual basis in the financial records.

VAT output refers to tax charged by municipality and the entities on a taxable supply and is declared in the Part A of the VAT 201 return. Input tax and other deductions are deducted from the output tax liability to arrive at the net VAT payable (or refundable) for any particular tax period.

The net amount of VAT recoverable from or payable to the taxation authority is reported separate from other receivables or payables in the statement of financial position.

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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2025 or later periods:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|--|---|--|
| • GRAP 103 (as revised): Heritage Assets | 01 April 2025 | Unlikely there will be a material impact |
| • GRAP 25 (as revised): Employee Benefits | 01 April 2025 | Impact is currently being assessed |
| • Guideline: Guideline on the Application of Materiality to Financial Statements | 01 April 2025 | Unlikely there will be a material impact |
| • GRAP 104 (as revised): Financial Instruments | 01 April 2025 | Impact is currently being assessed |

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|---|----------------------|---------------------|
| 3. Inventories | | |
| Inventory sites | 3,207,585 | 3,510,167 |
| Consumable stores | 4,581,331 | 1,107,930 |
| | 7,788,916 | 4,618,097 |
| Inventories recognised as an expense during the year | 3,206,088 | 3,439,546 |
| There were no inventory write offs and reversals in the current financial period. | | |
| Inventory pledged as security | | |
| The municipality does not have any inventory that is pledged as security. | | |
| 4. Receivables from exchange transactions | | |
| Prepaid electricity Accrued | 672,631 | 776,059 |
| VAT (Statutory receivable) | 1,539,658 | 4,293,488 |
| | 2,212,289 | 5,069,547 |
| VAT Statutory receivable are amounts receivable by the municipality as a result of transaction attracting value added tax (VAT) as legislated under the Value Added Tax Act 89 of 1991 from the South African Revenue Services. | | |
| 5. Receivables from non-exchange transactions | | |
| Gross balances | | |
| Traffic fines | 9,900,735 | 8,053,302 |
| Other receivables - audit committee members allowances | 211,143 | 211,143 |
| Other receivables from non-exchange transactions | 1,898,931 | 1,715,853 |
| Rates | 159,887,470 | 97,474,098 |
| | 171,898,279 | 107,454,396 |
| Less: Allowance for impairment | | |
| Traffic fines | (7,281,344) | (6,919,532) |
| Other receivables from non-exchange transactions | (1,715,853) | (1,715,853) |
| Rates | (92,668,943) | (43,616,915) |
| | (101,666,140) | (52,252,300) |
| Net balance | | |
| Traffic Fines | 2,619,391 | 1,133,770 |
| Other receivable- audit committee members allowances | 211,143 | 211,143 |
| Other receivables from non-exchange transactions | 183,077 | - |
| Consumer debtors - Rates | 67,218,526 | 53,857,183 |
| | 70,232,137 | 55,202,096 |
| Current assets | 70,232,137 | 55,202,096 |
| | 70,232,137 | 55,202,096 |
| Statutory receivables included in receivables from non-exchange transactions above are as follows: | | |
| Fines | 2,619,391 | 1,133,770 |
| Rates | 67,218,526 | 53,857,183 |
| | 69,837,917 | 54,990,953 |

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|--|----------------------|---------------------|
| 5. Receivables from non-exchange transactions (continued) | | |
| Financial asset receivables included in receivables from non-exchange transactions above | 394,220 | 211,143 |
| Total receivables from non-exchange transactions | 70,232,137 | 55,202,096 |
| Receivables from non-exchange transactions | | |
| The ageing of these receivables is as follows: | | |
| Rates | | |
| Current | 1,558,345 | 879,663 |
| 31-60 days | 566,169 | 1,261,945 |
| 61-90 days | 572,018 | 535,387 |
| 91-120 days | 1,601,769 | 595,338 |
| 121-365 days | 62,024,785 | 49,191,545 |
| >365 days | 93,563,778 | 45,009,612 |
| | 159,886,864 | 97,473,490 |
| Traffic fines | | |
| Current | 202,970 | 117,800 |
| 31-60 days | 597,100 | 157,000 |
| 61-90 days | 298,100 | 128,050 |
| 91-120 days | 197,300 | 142,400 |
| 121-365 days | 908,613 | 839,100 |
| >365 days | 7,696,652 | 6,668,952 |
| | 9,900,735 | 8,053,302 |
| Receivables from non-exchange transactions impaired | | |
| Included in the Traffic fines receivables there is a provision for impairment of R7,281,344 (2024: R6,919,552). There were no bad debts written of in the 24/2025 and 23/2024 financial period. | | |
| Included in the property rates receivable there is a provision for impairment of R92,692,634 (2024: R43,616,915) which were recognised on statutory receivables due to increased non-payment, including accounts with prolonged arrears. There were no bad debts written of in the 24/2025 and 23/2024 financial period. | | |
| Reconciliation of provision for impairment of receivables from non-exchange transactions | | |
| Opening balance | (52,252,300) | (68,624,206) |
| Provision for impairment for the year | (49,413,840) | 16,371,906 |
| | (101,666,140) | (52,252,300) |
| 6. VAT receivable | | |
| Accrued VAT | 2,885,711 | - |
| 7. Consumer debtors | | |
| Gross balances | | |
| Electricity | 33,244,156 | 27,252,982 |
| Refuse | 9,281,765 | 7,750,511 |
| VAT on Services | 6,218,038 | 5,076,146 |
| Sundries | 4,184,008 | 3,063,547 |
| | 52,927,967 | 43,143,186 |

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|---|---------------------|---------------------|
| 7. Consumer debtors (continued) | | |
| Less: Allowance for impairment | | |
| Electricity | (25,986,677) | (22,124,897) |
| Refuse | (7,712,984) | (6,090,976) |
| Sundries | (3,060,678) | (2,710,417) |
| | (36,760,339) | (30,926,290) |
| Net balance | | |
| Electricity | 7,257,479 | 5,128,085 |
| Refuse | 1,568,781 | 1,659,535 |
| VAT on Services | 6,218,038 | 5,076,146 |
| Sundries | 1,123,330 | 353,130 |
| | 16,167,628 | 12,216,896 |
| Electricity | | |
| Current (0 -30 days) | 2,907,170 | 805,863 |
| 31 - 60 days | 1,210,492 | 1,391,657 |
| 61 - 90 days | 666,906 | 660,079 |
| 91 - 120 days | 960,865 | 506,850 |
| 121 - 365 days | 4,354,908 | 3,886,349 |
| > 365 days | 23,143,828 | 20,002,184 |
| | 33,244,169 | 27,252,982 |
| Refuse | | |
| Current (0 -30 days) | 403,201 | 191,344 |
| 31 - 60 days | 190,047 | 411,413 |
| 61 - 90 days | 191,396 | 172,890 |
| 91 - 120 days | 221,373 | 170,058 |
| 121 - 365 days | 1,358,844 | 1,306,160 |
| > 365 days | 6,916,903 | 5,498,647 |
| | 9,281,764 | 7,750,512 |
| Sundries | | |
| Current (0 -30 days) | 127,805 | 30,881 |
| 31 - 60 days | 58,182 | 277,363 |
| 61 - 90 days | 917,394 | 30,177 |
| 91 - 120 days | 31,023 | 30,095 |
| 121 - 365 days | 246,229 | 235,906 |
| > 365 days | 2,803,376 | 2,459,125 |
| | 4,184,009 | 3,063,547 |
| Reconciliation of allowance for impairment | | |
| Balance at beginning of the year | (30,926,290) | (23,995,437) |
| Provision for impairment for the year | (5,834,049) | (6,930,853) |
| | (36,760,339) | (30,926,290) |

8. Cash and cash equivalents

Cash and cash equivalents consist of:

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8. Cash and cash equivalents (continued)

| | | | |
|---------------------|--|--------------------|--------------------|
| Cash on hand | | 660 | 660 |
| Short-term deposits | | 6,196,439 | 5,699,780 |
| Bank balances | | 96,380,676 | 180,699,305 |
| | | 102,577,775 | 186,399,745 |

Cash and cash equivalents pledged as collateral

No cash and cash equivalents are held as collateral.

The municipality had the following bank accounts

| Account number / description | Bank statement balances | | | Cash book balances | | |
|---|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 30 June 2025 | 30 June 2024 | 30 June 2023 | 30 June 2025 | 30 June 2024 | 30 June 2023 |
| ABSA BANK - Current Account - 11 5016 9476 | 97,018,459 | 180,324,155 | 96,627,144 | 96,391,453 | 180,324,155 | 96,627,144 |
| ABSA BANK - Short-term investment Account - 93 540 119 04 | 6,196,439 | 5,699,780 | 5,214,870 | 6,196,439 | 5,699,780 | 5,214,870 |
| Total | 103,214,898 | 186,023,935 | 101,842,014 | 102,587,892 | 186,023,935 | 101,842,014 |

NEDBANK ACCOUNT -037-8811-376-14

During the current year the municipality invested in Nedbank fixed deposit account number 037-8811- 376-14 which earned interest totalling R 1,467,616. The investment of R100 000 000 was invested from 21 October 2024 to 23 December 2024 . The investment amount and interest were withdrawn to the main municipal account before the end of the year.

9. Investment property

| | 2025 | | | 2024 | | |
|---------------------|------------------|---|----------------|------------------|---|----------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Investment property | 10,500,000 | - | 10,500,000 | 9,916,000 | - | 9,916,000 |

Reconciliation of investment property - 2025

| | | | |
|---------------------|-----------------|------------------------|------------|
| | Opening balance | Fair value adjustments | Total |
| Investment property | 9,916,000 | 584,000 | 10,500,000 |

Reconciliation of investment property - 2024

| | | | |
|---------------------|-----------------|------------------------|-----------|
| | Opening balance | Fair value adjustments | Total |
| Investment property | 9,433,600 | 482,400 | 9,916,000 |

Pledged as security

The municipality does not have any investment property that is pledged as security.

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9. Investment property (continued)

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

The effective date of the revaluations was 30 June 2025. Revaluations were performed by an independent valuer, IAT Consulting (Pty) Ltd by Tinus Nel, Registered in terms of Section 20(2)(a) and Section 43(8) of the Property Valuers Profession Act, 2000. IAT Consulting (Pty) Ltd are not connected to the municipality and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

These assumptions are based on current market conditions.

10. Property, plant and equipment

| | 2025 | | | 2024 | | |
|------------------------|----------------------|---|----------------------|----------------------|---|----------------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Land | 11,588,090 | - | 11,588,090 | 11,588,090 | - | 11,588,090 |
| Buildings | 49,739,751 | (24,008,007) | 25,731,744 | 49,739,751 | (21,616,196) | 28,123,555 |
| Infrastructure | 1,317,514,222 | (511,219,614) | 806,294,608 | 1,221,327,148 | (465,613,909) | 755,713,239 |
| Community Assets | 258,837,299 | (68,345,926) | 190,491,373 | 250,188,170 | (61,082,111) | 189,106,059 |
| Other Assets | 65,823,219 | (28,227,635) | 37,595,584 | 62,072,954 | (22,373,997) | 39,698,957 |
| WIP - Community Assets | 507,201 | - | 507,201 | 6,036,305 | - | 6,036,305 |
| WIP - Infrastructure | 109,138,846 | - | 109,138,846 | 104,268,154 | - | 104,268,154 |
| Total | 1,813,148,628 | (631,801,182) | 1,181,347,446 | 1,705,220,572 | (570,686,213) | 1,134,534,359 |

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10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

| | Opening balance | Additions | Disposals | Transfers | Depreciation | Impairment loss | Total |
|------------------------|----------------------|--------------------|--------------------|--------------|---------------------|--------------------|----------------------|
| Land | 11,588,090 | - | - | - | - | - | 11,588,090 |
| Buildings | 28,123,555 | - | - | - | (1,769,908) | (621,903) | 25,731,744 |
| Infrastructure | 755,713,239 | 3,904,620 | (1,140,053) | 94,298,174 | (41,142,885) | (5,338,486) | 806,294,608 |
| Community Assets | 189,106,059 | - | - | 8,649,129 | (7,256,587) | (7,228) | 190,491,373 |
| Other Assets | 39,698,957 | 3,748,064 | (6,587) | - | (5,530,058) | (314,792) | 37,595,584 |
| WIP - Community Assets | 6,036,305 | 3,120,025 | - | (8,649,129) | - | - | 507,201 |
| WIP - Infrastructure | 104,268,154 | 99,168,866 | - | (94,298,174) | - | - | 109,138,846 |
| | 1,134,534,359 | 109,941,575 | (1,146,640) | - | (55,699,438) | (6,282,409) | 1,181,347,446 |

Reconciliation of property, plant and equipment - 2024

| | Opening balance | Additions | Disposals | Transfers | Depreciation | Impairment loss | Total |
|------------------------|----------------------|-------------------|------------------|--------------|---------------------|------------------|----------------------|
| Land | 11,588,090 | - | - | - | - | - | 11,588,090 |
| Buildings | 29,893,463 | - | - | - | (1,769,908) | - | 28,123,555 |
| Infrastructure | 723,227,803 | 4,716,173 | - | 66,435,833 | (38,666,570) | - | 755,713,239 |
| Community Assets | 178,418,391 | - | (245,989) | 17,792,552 | (6,858,895) | - | 189,106,059 |
| Other Assets | 43,860,625 | 256,329 | (491,878) | - | (3,782,531) | (143,588) | 39,698,957 |
| WIP - Community assets | 21,505,904 | 2,322,953 | - | (17,792,552) | - | - | 6,036,305 |
| WIP - Infrastructure | 89,382,513 | 81,321,475 | - | (66,435,833) | - | - | 104,268,154 |
| | 1,097,876,789 | 88,616,930 | (737,867) | - | (51,077,904) | (143,588) | 1,134,534,359 |

Pledged as security

The municipality does not have any property, plant and equipment that is pledged as security.

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10. Property, plant and equipment (continued)

Work-in-Progress delayed projects

| | | |
|--|---|-----------|
| Work-in-Progress delayed projects | | |
| Avon Multi-purpose community center | - | 5,529,105 |

Avon Multi-purpose community center to the amount of R5,529,105 is deemed to be delayed as the project has been delayed for more than 12 months after the projected end date of 24 May 2023.

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

| | | |
|------------------|-----------|------------|
| General expenses | 4,439,233 | 10,065,162 |
|------------------|-----------|------------|

Delayed projects

There were no delayed projects in current financial year.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

11. Intangible assets

| | 2025 | | | 2024 | | |
|--------------------------|------------------|---|----------------|------------------|---|----------------|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software, other | 615,685 | (572,201) | 43,484 | 750,685 | (641,800) | 108,885 |

Reconciliation of intangible assets - 2025

| | | | | |
|--------------------------|-----------------|-----------|--------------|--------|
| | Opening balance | Disposals | Amortisation | Total |
| Computer software, other | 108,885 | (17,402) | (47,999) | 43,484 |

Reconciliation of intangible assets - 2024

| | | | |
|--------------------------|-----------------|--------------|---------|
| | Opening balance | Amortisation | Total |
| Computer software, other | 174,803 | (65,918) | 108,885 |

Pledged as security

The municipality does not have any intangible assets that is pledged as security.

12. Other financial assets

At amortised cost

| | | |
|-------------------------|-------------------|-------------------|
| ABSA Bank -20-7075-0019 | 3,079,000 | 3,469,626 |
| ABSA Bank -93-6800-0389 | 8,519,226 | 7,930,109 |
| | 11,598,226 | 11,399,735 |

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| Figures in Rand | 2025 | 2024 |
|--|------------------|------------------|
| 12. Other financial assets (continued) | | |
| Non-current assets | | |
| At amortised cost | 11,598,226 | 11,399,735 |
| <p>The Municipality has a long term investment in an ABSA fixed deposit as Eskom Guarantee to an amount of R3,079,000 in capital. The balances is R3,079,000 (2024: R3,466,682) as at 30 June 2025. The difference from the capital amount is due to interest transferred to main account at the end of financial years. The municipality does not have access to the account, only receives interest on investment. During the year an amount of R272,252 (2024: R261,317) interest was earned from the investment.</p> | | |
| Eskom Guarantee | | |
| <p>The Municipality has an investment in ABSA fixed deposit as Eskom Guarantee to an amount of R8,519,226 (2024: R7,930,109) in capital. The municipality does not have access to the account, only receives interest on investment. During the year and amount of R589,116.57 (2024: R431,058.76) interest was earned from the investment and capitalised.</p> | | |
| 13. Finance lease obligation | | |
| Minimum lease payments due | | |
| - within one year | 3,764,960 | 8,958,875 |
| - in second to fifth year inclusive | 1,103,113 | 2,986,292 |
| | 4,868,073 | 11,945,167 |
| less: future finance charges | (463,512) | (2,639,033) |
| Present value of minimum lease payments | 4,404,561 | 9,306,134 |
| Present value of minimum lease payments due | | |
| - within one year | 3,391,083 | 6,537,705 |
| - in second to fifth year inclusive | 1,013,479 | 2,768,429 |
| | 4,404,562 | 9,306,134 |
| Non-current liabilities | 1,013,479 | 2,768,429 |
| Current liabilities | 3,391,083 | 6,537,705 |
| | 4,404,562 | 9,306,134 |

It is municipality policy to lease certain [property]motor vehicles and equipment under finance leases.

The average lease term was 3 years and the average effective borrowing rate was 11% (2024: 10%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

Defaults and breaches

In the current financial year the municipality never defaulted and/or breached any terms and conditions of the lease contract.

Market risk

The carrying amounts of finance lease liabilities are denominated in the following currencies:

| | | |
|------|-----------|-----------|
| Rand | 4,404,562 | 9,306,134 |
|------|-----------|-----------|

The fair value of finance lease liabilities approximates their carrying amounts.

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|--|-------------------|-------------------|
| 14. Payables from exchange transactions | | |
| Trade payables | 18,357,049 | 33,788,068 |
| Payments received in advanced | 5,009,385 | 7,368,938 |
| Retentions | 22,017,813 | 21,878,517 |
| 13th cheque provision | 2,820,415 | 2,591,202 |
| Accrued leave pay | 13,230,327 | 12,082,806 |
| Prepaid electricity accrual | 1,243,098 | 1,281,761 |
| Sale of stands deposits | 7,276,582 | 9,100,635 |
| Other Creditors | 546,426 | 418,115 |
| Unallocated deposits | 8,306,161 | 7,864,630 |
| | 78,807,256 | 96,374,672 |

Sale of sites

Included in payables from exchange transactions is the amount of R7,276,582 (2024: R9,100,635) relating to monies paid by customers for the sale of stands. Once ownership has been transferred to customers, a reallocation will be made from payables to sale of stands in the statement of financial performance thereby realising the revenue from sale of stands.

Accrued for leave

Provision is made for employees who are having leave credit at the end of the financial period and is provided up to 48 days in terms of SALBC agreement. The leave provision is calculated by taking the total basic salary divide by number of working days per year multiply by the number of days unused/remaining.

Unallocated deposits

This relate to monies received from individuals and companies with either incorrect reference numbers or without references which cannot be allocated when identified as received for less than three years. This relates to monies both received in current year and prior years, the municipality policy is to recognise the monies received unallocated as revenue when it is not claimed for more than a period of three years. All those monies which have been received for more than three years, an advert in the local newspaper is done to allow those who deposited monies in the municipality account to come forward and provide supporting documentations so that the municipality can allocate funds for a reasonable period of time. Failure of individuals to provide evidence will result in the municipality recognising the monies as revenue.

15. VAT payable

| | | |
|--|------------------|------------------|
| VAT accrual (payables) | 7,715,332 | 7,124,531 |
| Provision for doubtful debt impairment | (4,794,827) | (4,033,864) |
| | 2,920,505 | 3,090,667 |

16. Employee benefit obligations

Defined benefit plan

The amounts recognised in the statement of financial position are as follows:

| Carrying value | | |
|----------------------------------|-------------------|------------------|
| Present value of fund obligation | 8,138,000 | 7,718,000 |
| Current service costs | 587,000 | 578,000 |
| Past service cost | 3,659,000 | - |
| Interests costs | 796,000 | 786,000 |
| Benefits paid | (1,703,131) | (972,871) |
| Acturial (gains)/lossess | 697,131 | 28,871 |
| | 12,174,000 | 8,138,000 |

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|-------------------------|-------------------|------------------|
| Non-current liabilities | 10,454,000 | 6,739,000 |
| Current liabilities | 1,720,000 | 1,399,000 |
| | 12,174,000 | 8,138,000 |

Key assumptions used

Assumptions used at the reporting date:

Rate of interest

| | | |
|---------------------------------|--------|---------|
| Discount rate | 9.50 % | 10.68 % |
| Consumer price inflation | 3.50 % | 4.91 % |
| General earnings inflation rate | 4.50 % | 5.91 % |
| Net effective discount rate | 4.80 % | 4.51 % |

Provision for long - service awards

The employees of Blouberg Municipality qualifies for the following long service award additional leave for various periods of uninterrupted service:

- 10 years uninterrupted service: 10 working day's leave
- 15 years uninterrupted service: 20 working day's leave
- 20 years uninterrupted service: 30 working day's leave
- 25 years uninterrupted service: 30 working day's leave
- 30 years uninterrupted service: 30 working day's leave
- 35 years uninterrupted service: 30 working day's leave
- 40 years uninterrupted service: 30 working day's leave
- 45 years uninterrupted service: 30 working day's leave

The Long Service Awards are defined benefits plans. As at year end 30 June 2025 191 (2024: 191) employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability as at 30 June 2025 is estimated at R12,174,000 (2024: R8,138,000). The current cost for the year ending 30 June 2025 is estimated at R587 000 (2024: R578 000).

The actual expense cost for the year ending 30 June 2025, and the net change in the accrued obligation over the financial year ending 30 June 2025 are determined as follows:

Net change in the accrued obligation

| | | |
|---|------------------|----------------|
| Current service cost | 587,000 | 578,000 |
| Past service cost | 3,659,000 | - |
| Current interest cost | 796,000 | 786,000 |
| Actuarial (gain)/loss | 697,131 | 28,871 |
| Net expense recognised in income statement | 5,739,131 | 1,392,871 |
| Actual benefit payments | (1,703,131) | (972,871) |
| Net change in the accrued liability over the financial year ending | 4,036,000 | 420,000 |

17. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

| | | |
|--|-------------------|-------------------|
| Municipal Infrastructure Grant (MIG) | - | 1,113,506 |
| Capricorn District Municipality Grant (CDM) | 135,395 | 135,395 |
| Integrated National Electrification Programme Grant (INEP) | 2,352,528 | 15,691,932 |
| Municipal Disaster Recovery Grant | 8,890,082 | 42,705,670 |
| | 11,378,005 | 59,646,503 |

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| Figures in Rand | 2025 | 2024 |
|--|-------------------|-------------------|
| 17. Unspent conditional grants and receipts (continued) | | |
| Movement during the year | | |
| Balance at the beginning of the year | 59,646,503 | 20,158,139 |
| Additions during the year | 71,890,000 | 183,514,231 |
| Withheld by National Treasury through Equitable share | (534,000) | - |
| Income recognition during the year | (119,624,498) | (144,025,867) |
| | 11,378,005 | 59,646,503 |
| Current liabilities | 11,378,005 | 59,646,503 |
| | 11,378,005 | 59,646,503 |

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

18. Provisions

Reconciliation of provisions - 2025

| | Opening Balance | Additions | Change in discount factor | Increase due to re-measurement | Total |
|------------------------------|-------------------|---------------|---------------------------|--------------------------------|-------------------|
| Environmental rehabilitation | 16,860,685 | - | 1,799,102 | 661,337 | 19,321,124 |
| Performance bonus | 455,407 | 23,705 | - | - | 479,112 |
| | 17,316,092 | 23,705 | 1,799,102 | 661,337 | 19,800,236 |

Reconciliation of provisions - 2024

| | Opening Balance | Additions | Utilised during the year | Reversed during the year | Change in discount factor | Total |
|------------------------------|-------------------|----------------|--------------------------|--------------------------|---------------------------|-------------------|
| Environmental rehabilitation | 24,246,165 | - | (1,906,605) | (6,312,140) | 833,265 | 16,860,685 |
| Performance bonus | 294,301 | 161,106 | - | - | - | 455,407 |
| | 24,540,466 | 161,106 | (1,906,605) | (6,312,140) | 833,265 | 17,316,092 |
| Non-current liabilities | | | | | 19,321,124 | 16,860,685 |
| Current liabilities | | | | | 479,112 | 455,407 |
| | | | | | 19,800,236 | 17,316,092 |

The provision represents management's best estimate of the municipality's liability on the experience and knowledge.

Provision for performance bonus

Performance bonus is the benefit paid to the senior management after performance assessment are being done and expectations or targets are met. Performance bonus is calculated at 14% of total package.

Environmental rehabilitation provision

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|--|----------------------|----------------------|
| 18. Provisions (continued) | | |
| The Alldays and Senwabarwana land fill sites are permitted facilities in terms of section 20 of Environmental Conservation Act 73 of 1989. The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites used for waste disposal. It is calculated as the present value of the future obligation discounted at 5.75% (2024: 3.73%) as at 30 June 2025. Both landfill sites are expected to be in operation for a period of more than 5 years from July 2023. | | |
| 19. Service charges | | |
| Sale of electricity | 41,858,690 | 35,449,329 |
| Refuse removal | 2,241,444 | 2,069,244 |
| | 44,100,134 | 37,518,573 |
| 20. Rental of facilities and equipment | | |
| Facilities and equipment | | |
| Rental of facilities | 2,638,730 | 604,906 |
| 21. Investment revenue | | |
| Interest revenue | | |
| Investments | 7,421,387 | 7,844,238 |
| 22. Property rates | | |
| Rates received | | |
| Residential | 4,056,831 | 3,981,742 |
| Commercial | 3,710,047 | 3,572,074 |
| State-owned | 63,908,584 | 59,997,358 |
| Small holdings and farms | 1,500,112 | 1,409,563 |
| | 73,175,574 | 68,960,737 |
| Interest charges on overdue account | 1,775,163 | 1,396,171 |
| | 74,950,737 | 70,356,908 |
| Valuations | | |
| Residential | 739,240,182 | 739,240,182 |
| Commercial | 324,422,830 | 324,422,830 |
| State-owned | 1,285,638,900 | 1,285,638,900 |
| Municipalities | 42,814,732 | 42,814,732 |
| Other | 6,174,820 | 6,174,820 |
| Small holdings and farms | 2,517,192,980 | 2,517,192,980 |
| | 4,915,484,444 | 4,915,484,444 |

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|--|--------------------|--------------------|
| 23. Government grants & subsidies | | |
| Operating grants | | |
| Equitable share | 246,266,000 | 233,791,778 |
| Financial Management Grant (FMG) | 2,400,000 | 2,400,000 |
| Expanded Public Works Programme (EPWP) | 2,005,000 | 1,185,000 |
| | 250,671,000 | 237,376,778 |
| Capital grants | | |
| Municipal Infrastructure Grant (MIG) | 52,394,198 | 68,341,174 |
| Integrated National Electrification Programme (INEP) | 13,294,406 | 22,720,354 |
| Municipal Disaster Recovery Grant | 49,530,894 | 8,394,330 |
| | 115,219,498 | 99,455,858 |
| | 365,890,498 | 336,832,636 |

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Financial Management Grant (FMG)

| | | |
|---|-------------|-------------|
| Current-year receipts | 2,400,000 | 2,400,000 |
| Conditions met - transferred to revenue | (2,400,000) | (2,400,000) |
| | - | - |

Conditions still to be met - remain liabilities (see note 17).

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

Grant provides direct support to municipalities to develop financial management and technical capacity for the implementation of the MFMA, its regulations and associated financial reforms.

Municipal Infrastructure Grant (MIG)

| | | |
|---|--------------|------------------|
| Balance unspent at beginning of year | 1,113,506 | 10,395,680 |
| Current-year receipts | 51,769,000 | 59,059,000 |
| Conditions met - transferred to revenue | (52,394,198) | (68,341,174) |
| Withheld by National Treasury Through Equitable share | (488,308) | - |
| | - | 1,113,506 |

Conditions still to be met - remain liabilities (see note 17).

To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities. To Improved access to basic services infrastructure for poor communities, through the use of labour-intensive construction methods where it is technically feasible. To Improved reliability of basic services infrastructure for poor communities.

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|---|------------------|-------------------|
| 23. Government grants & subsidies (continued) | | |
| Expanded Public Works Programme (EPWP) | | |
| Current-year receipts | 2,005,000 | 1,185,000 |
| Conditions met - transferred to revenue | (2,005,000) | (1,185,000) |
| | - | - |
| Conditions still to be met - remain liabilities (see note 17). | | |
| To provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised. | | |
| Capricorn District Municipality (CDM) | | |
| Balance unspent at beginning of year | 135,395 | 135,395 |
| Conditions still to be met - remain liabilities (see note 17). | | |
| CDM grant - disposal of unwanted waste through compaction inside the working cell. | | |
| Integrated National Electrification Programme (INEP) | | |
| Balance unspent at beginning of year | 15,691,932 | 5,412,286 |
| Current-year receipts | - | 33,000,000 |
| Conditions met - transferred to revenue | (13,294,406) | (22,720,354) |
| Repayment of grant | (44,998) | - |
| | 2,352,528 | 15,691,932 |
| Conditions still to be met - remain liabilities (see note 17). | | |
| To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including informal settlements, farm dwellers, new and existing dwellings) and the installation of relevant bulk infrastructure. | | |
| Municipal Disaster Recovery Grant | | |
| Balance unspent at beginning of year | 42,705,670 | 4,000,000 |
| Current-year receipts | 15,716,000 | 47,100,000 |
| Conditions met - transferred to revenue | (49,530,894) | (8,394,330) |
| Repayment of grant | (694) | - |
| | 8,890,082 | 42,705,670 |
| Conditions still to be met - remain liabilities (see note 17). | | |
| To provide for the immediate release of funds for disaster response. | | |
| To enable a timely response to immediate needs after a disaster has occurred. | | |
| 24. Traffic fines | | |
| Traffic fines | 2,620,470 | 1,133,750 |

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|---|--------------------|--------------------|
| 25. Revenue | | |
| Service charges | 44,100,134 | 37,518,573 |
| Rental of facilities and equipment | 2,638,730 | 604,906 |
| Licences and permits | 3,943,619 | 3,997,903 |
| Photocopies & Electricity Fines - Illegal connections | 8,720 | 5,880 |
| CDM - Commissions received | 277,511 | 250,126 |
| Landfill site provision reversal | - | 8,218,745 |
| Discount received | 238,316 | 81,985 |
| Cemetery, Burial and Plans approval fees | 594,296 | 201,154 |
| Valuation services | 698 | 3,167 |
| Interest charged on Outstanding Debtors | 1,309,150 | 1,065,528 |
| Sale of Inventory - Sites/Land | 7,409,218 | 8,476,924 |
| Cattle Grazing | 214,760 | 383,248 |
| Interest received - Investments & Current accounts | 7,421,387 | 7,844,238 |
| Property rates | 73,175,574 | 68,960,737 |
| Property rates - penalties imposed | 1,775,163 | 1,396,171 |
| Government grants & subsidies | 365,890,498 | 336,832,636 |
| Fines | 2,620,470 | 1,133,750 |
| Gain on disposal of assets and liabilities | - | 181,278 |
| Fair value adjustments and actuarial gains | 584,000 | 482,400 |
| | 512,202,244 | 477,639,349 |

The amount included in revenue arising from exchanges of goods or services are as follows:

| | | |
|---|-------------------|-------------------|
| Service charges | 44,100,134 | 37,518,573 |
| Rental of facilities and equipment | 2,638,730 | 604,906 |
| Licences and permits | 3,943,619 | 3,997,903 |
| Photocopies & Electricity Illegal connections | 8,720 | 5,880 |
| CDM - Commissions received | 277,511 | 250,126 |
| Landfill site provision reversal | - | 8,218,745 |
| Discount received | 238,316 | 81,985 |
| Cemetery, Burial & Plans approval fees | 594,296 | 201,154 |
| Valuation Services | 698 | 3,167 |
| Interest on Outstanding Debtors | 1,309,150 | 1,065,528 |
| Sale of Inventory - Sites/Land | 7,409,218 | 8,476,924 |
| Cattle Grazing | 214,760 | 383,248 |
| Gain on disposal of assets and liabilities | - | 181,278 |
| Interest received - investment | 7,421,387 | 7,844,238 |
| Fair value adjustments and actuarial gains | 584,000 | 482,400 |
| | 68,740,539 | 69,316,055 |

The amount included in revenue arising from non-exchange transactions is as follows:

| | | |
|------------------------------------|--------------------|--------------------|
| Taxation revenue | | |
| Property rates | 73,175,574 | 68,960,737 |
| Property rates - penalties imposed | 1,775,163 | 1,396,171 |
| Transfer revenue | | |
| Government grants & subsidies | 365,890,498 | 336,832,636 |
| Fines | 2,620,470 | 1,133,750 |
| | 443,461,705 | 408,323,294 |

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|--|--------------------|--------------------|
| 26. Employee related costs | | |
| Basic salary | 79,418,995 | 73,210,628 |
| Bonus | 6,662,520 | 6,426,508 |
| Medical aid - company contributions | 5,916,997 | 5,402,194 |
| Unemployed Insurance Fund (UIF) | 416,785 | 398,963 |
| Leave payout | 1,553,366 | 825,922 |
| Pension Fund contributions | 17,532,644 | 16,537,800 |
| Travel, motor car, accommodation, subsistence and other allowances | 19,361,974 | 17,732,459 |
| Overtime payments | 2,467,751 | 5,187,614 |
| Long-service awards | 4,246,000 | 578,000 |
| Acting allowances | 488,033 | 528,162 |
| Housing benefits and allowances | 429,657 | 281,532 |
| Bargaining Council | 27,661 | 25,536 |
| Standby allowance | 571,917 | 695,292 |
| Telephone & CellPhone allowances | 5,249,965 | 3,246,098 |
| Group life insurance | 209,179 | 204,678 |
| | 144,553,444 | 131,281,386 |

The amounts disclosed below for senior managers have been included in the table above.

Remuneration of municipal manager

| | | |
|---|------------------|------------------|
| Annual Remuneration | 808,991 | 802,208 |
| Car Allowance | 301,551 | 279,644 |
| 13th Cheque | 67,278 | 67,829 |
| Contributions to UIF, Medical and Pension Funds | 192,899 | 167,544 |
| Other Allowances | 128,323 | 47,924 |
| Back Pay | 54,836 | 400,995 |
| Subsistence and Travelling Allowance | 116,692 | 168,470 |
| | 1,670,570 | 1,934,614 |

Remuneration of chief finance officer

| | | |
|---|---------------|----------------|
| Annual Remuneration | - | 51,876 |
| Car Allowance | - | 19,288 |
| 13th Cheque | - | 47,553 |
| Contributions to UIF, Medical and Pension Funds | - | 13,986 |
| Other allowances | - | 3,994 |
| Back pay | - | 40,192 |
| Subsistence and Travelling Allowance | - | 3,271 |
| Leave Pay | - | 119,522 |
| Acting Allowance - Riba ME | 6,105 | 30,524 |
| Acting Allowance - Motupa MJ | 58,017 | 32,813 |
| | 64,122 | 363,019 |

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26. Employee related costs (continued)

Remuneration of Senior Management

There is no acting allowances paid during the year on the Director Technical Services because the managers acting on the position were earning above the minimum entry notch for the directors.

| Remuneration of Senior Management 2025 (included in employee related cost) | Technical Services | Economic Development and Planning | Corporate Services | Community Services | Total |
|---|-----------------------|---|-----------------------|-----------------------|------------------|
| Annual Remuneration | - | - | 602,676 | 602,676 | 1,205,352 |
| Acting allowance | 53,728 | 49,171 | - | - | 102,899 |
| Car allowance | - | - | 241,293 | 248,532 | 489,825 |
| Contributions to UIF, Medical and Pension Funds | - | - | 143,331 | 143,684 | 287,015 |
| Other allowances | - | - | 92,997 | 92,997 | 185,994 |
| Subsistence and Travelling Allowance | - | - | 84,242 | 102,543 | 186,785 |
| | 53,728 | 49,171 | 1,164,539 | 1,190,432 | 2,457,870 |

| Remuneration of Senior Management 2024 (included in employee related cost) | Technical Services | Economic Development and Planning | Corporate Services | Community Services | Total |
|---|-----------------------|---|-----------------------|-----------------------|------------------|
| Annual Remuneration | - | - | 321,220 | 321,220 | 642,440 |
| Acting allowance | 71,965 | 58,018 | 27,086 | 32,825 | 189,894 |
| Car allowance | - | - | 120,646 | 124,266 | 244,912 |
| Contributions to UIF, Medical and Pension Funds | - | - | 67,357 | 71,932 | 139,289 |
| Other allowances | - | - | 24,116 | 24,116 | 48,232 |
| Subsistence and Travelling Allowance | - | - | 39,517 | 68,580 | 108,097 |
| | 71,965 | 58,018 | 599,942 | 642,939 | 1,372,864 |

27. Remuneration of councillors

| | | |
|-----------------------------|-------------------|-------------------|
| Mayor | 1,042,599 | 998,615 |
| Chief Whip | 796,483 | 769,365 |
| Executive Committee Members | 4,249,934 | 4,109,956 |
| Speaker | 846,447 | 817,067 |
| Councillors | 12,844,987 | 12,517,714 |
| | 19,780,450 | 19,212,717 |

In-kind benefits

The Mayor, Speaker, Chief Whip and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor and the Speaker each have the use of separate Council owned vehicles for official duties.

28. Depreciation and amortisation

| | | |
|-------------------------------|-------------------|-------------------|
| Property, plant and equipment | 55,699,436 | 51,077,904 |
| Intangible assets | 47,999 | 65,919 |
| | 55,747,435 | 51,143,823 |

29. Impairment loss

| | | |
|-------------------------------|-----------|---------|
| Impairments | | |
| Property, plant and equipment | 6,282,409 | 143,588 |

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|---|-------------------|-------------------|
| 30. Repairs and maintenance | | |
| Repairs and maintenance | 6,485,152 | 6,622,826 |
| 31. Finance costs | | |
| Finance leases | 2,543,761 | 4,441,877 |
| Landfill site discounting interest | 1,799,102 | 833,265 |
| Long service award | 796,000 | 786,000 |
| | 5,138,863 | 6,061,142 |
| <p>The interest paid is made up of Long service award, landfill site discounting interest and the finance lease on the office equipment.</p> | | |
| 32. Debt impairment | | |
| Debt impairment | 54,486,926 | (12,036,581) |
| <p>Debt impairment increased due to increased non-payment, including accounts with prolonged arrears. In 2024 financial period a debt reversal was due to receipt of payments from some of the government public departments on property rates.</p> | | |
| 33. Bulk purchases | | |
| Electricity - Eskom | 71,353,727 | 60,926,195 |
| 34. Contracted services | | |
| Information Technology Services | 46,920 | - |
| Fleet Services | 427,647 | 302,598 |
| Operating Leases | 3,207,827 | 2,520,783 |
| Specialist Services | 2,562,532 | 7,452,099 |
| Other Contractors | 24,995,918 | 26,549,227 |
| | 31,240,844 | 36,824,707 |

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|--|-------------------|-------------------|
| 35. General expenses | | |
| Advertising | 749,525 | 1,271,523 |
| Auditors remuneration | 5,068,110 | 4,754,784 |
| Bank charges | 543,606 | 542,876 |
| Provision for restoration costs of landfill site | 661,337 | - |
| EPWP costs | 8,053,578 | 6,335,225 |
| Consulting and professional fees | 2,657,463 | 3,049,255 |
| Workmens Compensation Costs | - | 612,533 |
| Insurance | 3,299,324 | 3,131,419 |
| Conferences, Accomodation and seminars | 2,309,670 | 2,151,500 |
| IT expenses | 2,255,370 | 1,610,452 |
| Fuel Costs | 3,139,249 | 3,682,876 |
| Postage and courier | 2,010 | 2,010 |
| Printing and stationery | - | 304,061 |
| Promotions | 8,760 | 165,675 |
| Master Plans for LDP | 256,580 | 1,170,924 |
| Poverty Alleviation | - | 355,450 |
| Staff welfare | - | 11,000 |
| Subscriptions and membership fees | 2,762,800 | 2,355,923 |
| Telephone and fax | 3,708,708 | 3,899,691 |
| Subsistence and travel | 8,284,230 | 14,758,226 |
| Refuse | 424,970 | 145,306 |
| Special Focus | 374,500 | 253,978 |
| Audit committee fees | 484,982 | 385,302 |
| SDL | 1,399,043 | 1,214,401 |
| Bursaries | 96,930 | 87,366 |
| Public participation | 656,238 | 515,548 |
| Licence fees - vehicles | 309,243 | 145,184 |
| Refreshments | 150,894 | 144,982 |
| Remuneration of ward committee members | 5,413,600 | 4,520,861 |
| Free basic services electricity | 576,640 | 752,599 |
| Support of ward committee | 1,746,988 | 1,852,243 |
| Other expenses | 9,586,989 | 10,741,128 |
| | 64,981,337 | 70,924,301 |
| 36. Auditors' remuneration | | |
| Fees | 5,068,110 | 4,754,784 |

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|--|-------------------|--------------------|
| 37. Cash generated from operations | | |
| Surplus | 50,275,753 | 107,073,730 |
| Adjustments for: | | |
| Depreciation and amortisation | 55,747,435 | 51,143,823 |
| (Gain) or loss on sale of assets and liabilities | 1,178,775 | (822,000) |
| Fair value adjustments | (584,000) | (482,400) |
| Finance costs | 2,543,761 | 1,619,265 |
| Interest income | - | 2,461,699 |
| Impairment loss of assets | 6,282,409 | 143,588 |
| Debt impairment | 54,486,926 | (12,036,581) |
| Bad debts written off | - | 73,367 |
| Movements in employee benefits obligation | 4,036,000 | 420,000 |
| Movements in provisions | 2,484,144 | (6,965,699) |
| Actuarial loss | - | 28,871 |
| Skills development levy | (238,317) | - |
| Changes in working capital: | | |
| Inventories | (3,170,819) | 773,115 |
| Receivables from exchange transactions | 2,857,258 | 50,451 |
| Consumer debtors | (58,437,658) | 12,588,433 |
| Other receivables from non-exchange transactions | (15,030,041) | (39,566,824) |
| Payables from exchange transactions | (17,567,416) | 23,863,446 |
| VAT | (3,055,873) | 3,217,474 |
| Unspent conditional grants and receipts | (48,268,498) | 39,488,364 |
| | 33,539,839 | 183,072,122 |

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38. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

| | At amortised cost | Total |
|--|--------------------|--------------------|
| Other financial assets | 11,598,226 | 11,598,226 |
| Trade and other receivables from exchange transactions | 2,212,289 | 2,212,289 |
| Consumer debtors | 16,167,628 | 16,167,628 |
| Cash and cash equivalents | 102,577,775 | 102,577,775 |
| | 132,555,918 | 132,555,918 |

Financial liabilities

| | At amortised cost | Total |
|---|-------------------|-------------------|
| Trade and other payables from exchange transactions | 42,164,386 | 42,164,386 |
| Finance lease obligation | 3,391,083 | 3,391,083 |
| | 45,555,469 | 45,555,469 |

2024

Financial assets

| | At amortised cost | Total |
|--|--------------------|--------------------|
| Other financial assets | 11,399,735 | 11,399,735 |
| Trade and other receivables from exchange transactions | 5,069,547 | 5,069,547 |
| Consumer debtors | 12,216,896 | 12,216,896 |
| Cash and cash equivalents | 186,399,745 | 186,399,745 |
| | 215,085,923 | 215,085,923 |

Financial liabilities

| | At amortised cost | Total |
|---|-------------------|-------------------|
| Trade and other payables from exchange transactions | 57,366,461 | 57,366,461 |
| Finance lease obligation | 6,537,705 | 6,537,705 |
| | 63,904,166 | 63,904,166 |

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|--|-------------------|--------------------|
| 39. Commitments | | |
| Authorised capital expenditure | | |
| Already contracted for but not provided for | | |
| • Property, plant and equipment | 54,555,294 | 57,912,315 |
| Total capital commitments | | |
| Already contracted for but not provided for | 54,555,294 | 57,912,315 |
| Authorised operational expenditure | | |
| Already contracted for but not provided for | | |
| • Security services | 16,245,133 | 37,284,715 |
| • Consulting services | 1,366,052 | 2,416,662 |
| • Township Establishment | 487,500 | 877,500 |
| • Leasing of photocopying machines | 2,089,426 | - |
| • Telephone Management Solution | 649,021 | 2,029,621 |
| • Landfill Management | 1,156,476 | 5,976,335 |
| • Leasing of Graders | 3,917,489 | 12,914,696 |
| • Supply and Delivery of Protective Clothing | 1,467,300 | - |
| • Unbundling of Assets | 2,659,088 | 1,105,549 |
| • Enhancement of Network Connectivity of All Satelites Offices | 4,044,724 | 4,044,724 |
| | 34,082,209 | 66,649,802 |
| Total operational commitments | | |
| Already contracted for but not provided for | 34,082,209 | 66,649,802 |
| Total commitments | | |
| Total commitments | | |
| Authorised capital expenditure | 54,555,294 | 57,912,315 |
| Authorised operational expenditure | 34,082,209 | 66,649,802 |
| | 88,637,503 | 124,562,117 |

This committed expenditure relates to Security, consulting, growth strategy and special development services and property, plant and equipments and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

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40. Contingencies

Litigation claims are in progress against the municipality relating to various matters who alleges that the municipality has infringed on certain laws and regulations and they are seeking damages. The municipality's lawyers and management consider the likelihood of the actions against the municipality being successful is unlikely, and the case should be resolved within the next two years.

There is no reimbursement from any third parties for potential obligations of the municipality.

| | 2025 | 2024 |
|--|-------------------|-------------------|
| Contingent Liabilities | | |
| Below is a detail explanation of the nature and financial impact: | | |
| 1. Kgamaki Jonas Mangweta: Case No. LP/PLK/RC 499/2015 - The plaintiff is suing the municipality for defamation. | 572,071 | 545,071 |
| 2. Machuene Charlese Keetse - The plaintiff is suing the Municipality and the Minister of Police for unlawful arrest and detention. The matter is still pending, awaiting for trial date. | 300,000 | 300,000 |
| 3. Joseph Manaka - The plaintiff is suing both the municipality and Eskom after he was electrocuted by a half fallen electrical pole after a disaster caused by heavy rainfalls and Winds | 6,973,625 | 6,584,125 |
| 4. Overland cruises and logistics - The plaintiff is suing the Premier of Limpopo and the Municipality for non-payment of service rendered, the Premier's office procured transport services to ferry residents of Blouberg Municipality to Polokwane during a memorial service of the late former President Nelson Mandela. N J Morero Attorneys has been appointed to act on behalf of the municipality. The matter was provisionally withdrawn and awaiting for new trial date. | 574,800 | 574,800 |
| 5. Tebogo Mokoboti - The plaintiff is suing the Municipality for damages which she claim to have suffered as a results of a collision which between her vehicle and the Council's grader. The matter is still pending, Awaiting further particulars (discovery documents) and trial date from the court. | 79,059 | 73,949 |
| 6. Pension Fund For Municipal Councilors - The Municipality received a letter of demand from the Municipal Councilors Pension Fund for outstanding contributions by some of the Municipality's Councilors and sought a legal opinion from Lebea and Associates Attorneys on the letter of demand. The matter is still pending, awaiting for summons MC Incorporated Attorneys. | 7,800,000 | 7,800,000 |
| 7. Salaelo Andrew Madibana the Applicant is suing the Municipality for Defamation | 949,262 | 859,262 |
| 8. Magoja Communications sued Municipality for non payment of services rendered | - | 132,731 |
| 9. NCM Printing and Projects (Pty) Ltd sued Municipality for non payment of services rendered | - | 62,268 |
| 10. Raseruthe Matome Ben the Applicant is suing the Municipality for damages suffured due to the Demolition of his property as a result of a Court Order granted in favor of the Municipality | 6,181,600 | 6,181,600 |
| 11. Modise Mabule Attorneys Inc. | 500,000 | - |
| Information Regulator v/s Blouberg Municipality - The Municipality failed to comply fully with the directives of the Regulator wherein a fine of R500 000.00 was issued against the Municipality. | | |
| 12. Leboneng North Holding Company (Pty) Ltd vs Blouberg Municipality - Applicant is suing the municipality for an amount of R570 217.73 for services rendered at the municipality. | 628,958 | - |
| | 24,559,375 | 23,113,806 |

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41. Related parties

Relationships

Members of key management

Councillors
Executive Committee Members
Municipal Manager
Chief Financial Officer

Related party transactions

Debtors Balance with key management

| | | |
|-----------------------|---------|---------|
| Councillor Thamaga NM | 325,054 | 359,725 |
|-----------------------|---------|---------|

The above executive members have balances included in the Receivables from exchange and non-exchange transactions relating to the assessment rates, refuse, water and interest charged on overdue accounts. Payables as and when the members pay to the municipality.

Compensation to accounting officer and other key management

| | | |
|----------------------------|---------|---------|
| Defined contribution plans | 248,532 | 103,555 |
|----------------------------|---------|---------|

Key management information

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41. Related parties (continued)

Remuneration of management

Municipal Manager and Chief Financial Officer

2025

| Name | Basic salary | 13th Cheque | Car Allowance | Back Pay | Other benefits received | Acting Allowance | Total |
|------------------------|----------------|---------------|----------------|---------------|-------------------------|------------------|------------------|
| Ramothwala RJ | 808,991 | 67,278 | 301,551 | 54,836 | 437,914 | - | 1,670,570 |
| Motupa MJ - Acting CFO | - | - | - | - | - | 58,017 | 58,017 |
| Riba M - Acting CFO | - | - | - | - | - | 6,105 | 6,105 |
| | 808,991 | 67,278 | 301,551 | 54,836 | 437,914 | 64,122 | 1,734,692 |

2024

| Name | Basic salary | 13th Cheque | Car Allowance | Post-employment benefits | Other benefits received | Other long-term benefits | Total |
|------------------------|----------------|----------------|----------------|--------------------------|-------------------------|--------------------------|------------------|
| Ramothwala RJ | 802,208 | 67,829 | 279,644 | 167,544 | 617,389 | - | 1,934,614 |
| Mabote NJ | 51,876 | 47,553 | 19,288 | 13,986 | 166,979 | - | 299,682 |
| Motupa MJ - Acting CFO | - | - | - | - | - | 32,812 | 32,812 |
| Riba M - Acting CFO | - | - | - | - | - | 30,524 | 30,524 |
| | 854,084 | 115,382 | 298,932 | 181,530 | 784,368 | 63,336 | 2,297,632 |

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41. Related parties (continued)

Councillors/Executive Committee Members

2025

| Name | Basic salary | Allowances | Subsistence & Traveling | Total |
|---------------|-------------------|------------------|-------------------------|-------------------|
| Thamaga MN | 684,939 | 365,452 | 19,789 | 1,070,180 |
| Boloka MP | 547,952 | 305,066 | 90,129 | 943,147 |
| Rangata MJ | 513,707 | 288,954 | 105,437 | 908,098 |
| Makobela SR | 513,707 | 288,866 | 102,982 | 905,555 |
| Motswabe LP | 513,707 | 288,975 | 115,234 | 917,916 |
| Raseruthe MA | 513,707 | 290,010 | 127,849 | 931,566 |
| Tlouamma NM | 286,585 | 182,108 | 94,663 | 563,356 |
| Mosena DD | 286,585 | 182,221 | 107,148 | 575,954 |
| Raphasha DS | 286,585 | 182,131 | 102,845 | 571,561 |
| Phoshoko NC | 286,585 | 179,756 | 87,833 | 554,174 |
| Maifo ML | 503,386 | 284,394 | 141,650 | 929,430 |
| Lehong MV | 216,740 | 149,187 | 64,917 | 430,844 |
| Moetjie NT | 216,740 | 149,239 | 79,923 | 445,902 |
| Makhura MH | 216,740 | 149,140 | 60,801 | 426,681 |
| Mathekga MJ | 216,740 | 149,201 | 76,180 | 442,121 |
| Molokomme MM | 216,740 | 149,146 | 70,688 | 436,574 |
| Mphago MA | 216,740 | 149,138 | 53,327 | 419,205 |
| Magwai RT | 216,740 | 149,161 | 72,988 | 438,889 |
| Lehonye TJ | 216,740 | 149,154 | 35,550 | 401,444 |
| Mapunya PW | 216,740 | 149,122 | - | 365,862 |
| Manaka NA | 216,740 | 149,186 | 74,189 | 440,115 |
| Makhura KH | 216,740 | 149,187 | 74,267 | 440,194 |
| Tlhako NB | 216,740 | 149,144 | 71,046 | 436,930 |
| Mashamaite MG | 216,740 | 149,144 | 71,337 | 437,221 |
| Motsoko L | 216,740 | 149,122 | 62,571 | 428,433 |
| Mahlape NJ | 216,740 | 149,185 | 73,864 | 439,789 |
| Mmoko ML | 216,740 | 149,122 | 845 | 366,707 |
| Mokami ME | 216,740 | 149,247 | 68,201 | 434,188 |
| Thema NR | 216,740 | 149,279 | 85,150 | 451,169 |
| Seokotsa MM | 216,740 | 149,179 | 65,460 | 431,379 |
| Mokobodi MM | 130,898 | 86,350 | 55,876 | 273,124 |
| Sehata AQ | 216,740 | 149,283 | 83,066 | 449,089 |
| Tlabela FP | 216,740 | 149,542 | 101,087 | 467,369 |
| Maphoto MD | 216,740 | 149,154 | 35,117 | 401,011 |
| Mailula MS | 216,740 | 149,164 | 46,692 | 412,596 |
| Ntjana MI | 216,740 | 149,264 | 76,019 | 442,023 |
| Dau MP | 216,740 | 149,134 | 43,486 | 409,360 |
| Maribeng MK | 216,740 | 149,152 | 34,610 | 400,502 |
| Kobola JS | 216,740 | 149,236 | 62,102 | 428,078 |
| Maripa MS | 216,740 | 149,703 | - | 366,443 |
| Masebe KP | 216,740 | 149,122 | 60,331 | 426,193 |
| Maputla SA | 211,649 | 149,646 | 111,892 | 473,187 |
| Molokomme MJ | 216,740 | 149,345 | 17,092 | 383,177 |
| Lehonga KA | 191,125 | 137,728 | 69,873 | 398,726 |
| Mathibela NM | 68,674 | 50,409 | 880 | 119,963 |
| | 12,041,991 | 7,738,448 | 3,054,986 | 22,835,425 |

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41. Related parties (continued)

2024

| Name | Basic salary | Allowances | Subsistence & Traveling | Total |
|---------------|-------------------|------------------|-------------------------|-------------------|
| Thamaga MN | 659,439 | 346,601 | 1,288 | 1,007,328 |
| Boloka MP | 528,999 | 294,684 | 142,718 | 966,401 |
| Rangata MJ | 496,391 | 279,364 | 199,080 | 974,835 |
| Makobela SR | 496,391 | 279,099 | 179,601 | 955,091 |
| Motswaba LP | 496,391 | 279,290 | 202,540 | 978,221 |
| Raseruth MA | 496,391 | 279,246 | 216,116 | 991,753 |
| Maifo ML | 486,562 | 275,139 | 236,469 | 998,170 |
| Phoshoko NC | 269,975 | 174,374 | 93,124 | 537,473 |
| Tlouamma NM | 280,126 | 176,629 | 181,157 | 637,912 |
| Mosena DD | 280,126 | 176,779 | 193,034 | 649,939 |
| Raphasha DS | 280,126 | 176,629 | 182,647 | 639,402 |
| Lehong MV | 213,636 | 144,836 | 105,157 | 463,629 |
| Moetjie NT | 213,636 | 145,535 | 188,248 | 547,419 |
| Makhura MH | 213,636 | 144,869 | 108,900 | 467,405 |
| Mathekg MJ | 213,636 | 144,859 | 126,440 | 484,935 |
| Molokomme MM | 213,636 | 144,251 | 112,984 | 470,871 |
| Mphago MA | 213,636 | 144,785 | 101,921 | 460,342 |
| Magwai RT | 213,636 | 144,900 | 124,299 | 482,835 |
| Lehonye TJ | 213,636 | 144,811 | 71,737 | 430,184 |
| Mapunya PV | 213,636 | 144,759 | 88,118 | 446,513 |
| Manaka NA | 213,636 | 144,873 | 125,715 | 484,224 |
| Makhura KH | 213,636 | 144,869 | 122,755 | 481,260 |
| Tihako NB | 213,636 | 144,800 | 119,679 | 478,115 |
| Mashamaite MG | 213,636 | 144,790 | 120,012 | 478,438 |
| Motsoko L | 213,636 | 144,697 | 97,214 | 455,547 |
| Mahlape NJ | 213,636 | 144,870 | 124,104 | 482,610 |
| Mmoko ML | 213,636 | 144,696 | - | 358,332 |
| Pheedi MS | 204,879 | 138,586 | 66,753 | 410,218 |
| Mokami ME | 213,636 | 144,991 | 124,199 | 482,826 |
| Thema NR | 213,636 | 145,037 | 145,538 | 504,211 |
| Seokotsa MM | 213,636 | 144,850 | 120,906 | 479,392 |
| Mokobodi MM | 213,636 | 145,156 | 151,186 | 509,978 |
| Sehata AQ | 213,636 | 145,007 | 132,564 | 491,207 |
| Tlabela FP | 213,636 | 145,228 | 141,863 | 500,727 |
| Maphoto MD | 213,636 | 144,797 | 70,622 | 429,055 |
| Mailula MS | 213,636 | 144,788 | 73,733 | 432,157 |
| Ntjana MI | 213,636 | 144,950 | 107,911 | 466,497 |
| Dau MP | 213,636 | 144,751 | 72,225 | 430,612 |
| Maribeng MK | 213,636 | 144,776 | 59,186 | 417,598 |
| Kobola JS | 213,636 | 144,923 | 99,554 | 458,113 |
| Maripa MS | 213,636 | 145,263 | 2,740 | 361,639 |
| Masebe KP | 213,636 | 144,696 | 96,241 | 454,573 |
| Maputla SA | 213,636 | 135,529 | 188,440 | 537,605 |
| Molokomme MJ | 146,361 | 109,491 | - | 255,852 |
| | 11,744,873 | 7,467,853 | 5,218,718 | 24,431,444 |

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41. Related parties (continued)

Management class: Senior management

2025

| Name | Technical Services | Local Economic Development | Corporate Services | Community Services | Total |
|---|--------------------|----------------------------|--------------------|--------------------|------------------|
| Annual Remuneration | - | - | 602,676 | 602,676 | 1,205,352 |
| Acting Allowance | 53,728 | 49,171 | - | - | 102,899 |
| Car Allowance | - | - | 241,293 | 248,532 | 489,825 |
| Contributions to UIF, Medical and Pension Funds | - | - | 143,331 | 143,684 | 287,015 |
| Other allowances | - | - | 92,997 | 92,997 | 185,994 |
| Subsistence and Travelling Allowance | - | - | 84,242 | 102,543 | 186,785 |
| | 53,728 | 49,171 | 1,164,539 | 1,190,432 | 2,457,870 |

2024

| Name | Technical Services | Local Economic Development | Corporate Services | Community Services | Total |
|--------------------------------------|--------------------|----------------------------|--------------------|--------------------|------------------|
| Annual remuneration | - | - | 321,220 | 321,220 | 642,440 |
| Acting Allowance | 71,965 | 58,018 | 27,086 | 32,825 | 189,894 |
| Travel, Motor Car, Accommodation | - | - | 120,646 | 124,266 | 244,912 |
| Contribution to UIF and Medical Aid | - | - | 67,357 | 71,932 | 139,289 |
| Other allowances | - | - | 24,116 | 24,116 | 48,232 |
| Subsistence and Travelling Allowance | - | - | 39,517 | 68,580 | 108,097 |
| | 71,965 | 58,018 | 599,942 | 642,939 | 1,372,864 |

42. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

During the 2025 financial year, the municipality embarked on a process to address issues surrounding completeness and existence of its immovable assets and capital under construction. This process involved the verification of all immovable assets and assessment of projects historically recorded as work in progress. This process resulted in the restatement of Property, Plant and Equipment and Capital Under Construction. The impact on previously reported results are presented below.

During the 2025 financial year, the municipality embarked on a process to address issues surrounding completeness and existence of its immovable assets and capital under construction. This process involved the verification of all immovable assets and assessment of projects historically recorded as work in progress. This process resulted in the restatement of Property, Plant and Equipment and Capital Under Construction. The impact on previously reported results are presented below.

Property plant and equipment was adjusted due to assets that were identified on the floor during verification that have been included in the asset registers. There were also assets that were incorrectly classified as assets that were reclassified to repairs and maintenance. Solid Waste Infrastructure was incorrectly classified as community assets therefore the reclassification from community assets to solid waste Infrastructure. There were also adjustments that were made due to condition assessment of the assets, which resulted in change of usefulives and value of some of the assets.

Skills levy development costs were incorrectly mapped under employee related costs instead of general expenses and the SDL refunds were also incorrectly mapped under employee related costs. The incorrect mapping has been update accordingly.

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42. Prior-year adjustments (continued)

VAT Payable was adjusted to correctly show the impairment impact on the outstanding debtors and the adjustment also affected provision for bad debt which was overstated with the VAT impairment provision.

Note 22 which relates to valuation roll did not cast and adjustments were made to the valuation roll figures to ensure that the amounts on Note 22 agree to the valuation roll therefore prior year figures were updated the the difference that was noted.

Statement of financial position

2023

| | Note | As previously reported | Correction of error | Restated |
|-------------------------------|------|------------------------|---------------------|---------------------|
| Property, plant and equipment | | 1,062,002,550 | 35,874,239 | 1,097,876,789 |
| VAT Payable | | (5,361,772) | 3,129,840 | (2,231,932) |
| Accumulated surplus | | (1,079,349,823) | (39,004,079) | (1,118,353,902) |
| | | (22,709,045) | - | (22,709,045) |

2024

| | Note | As previously reported | Correction of error | Restated |
|-------------------------------|------|------------------------|---------------------|---------------------|
| VAT payable | | (7,124,531) | 4,033,864 | (3,090,667) |
| Property, plant and equipment | | 1,111,735,695 | 22,798,664 | 1,134,534,359 |
| Accumulated surplus | | (1,198,760,764) | (26,832,528) | (1,225,593,292) |
| | | (94,149,600) | - | (94,149,600) |

Statement of financial performance

2024

| | Note | As previously reported | Correction of error | Re-classification | Restated |
|------------------------------------|------|------------------------|---------------------|-------------------|----------------------|
| Revenue from exchange transactions | | 69,234,070 | 640,723 | 81,985 | 69,956,778 |
| Employee related costs | | (132,413,802) | - | 1,132,416 | (131,281,386) |
| Depreciation and amortisation | | (33,819,528) | (17,324,295) | - | (51,143,823) |
| Provision for debt impairment | | 11,132,557 | 904,024 | - | 12,036,581 |
| General expenses | | (69,709,900) | - | (1,214,401) | (70,924,301) |
| Repairs and maintenance | | (10,065,162) | 3,442,336 | - | (6,622,826) |
| Surplus for the year | | (165,641,765) | (12,337,212) | - | (177,978,977) |

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|---|------|------------------------|---------------------|----------------------|
| 42. Prior-year adjustments (continued) | | | | |
| Cash flow statement | | | | |
| 2024 | | | | |
| | Note | As previously reported | Correction of error | Restated |
| Cash flow from operating activities | | | | |
| Employee costs | | (151,626,519) | 1,132,416 | (150,494,103) |
| Suppliers | | (147,094,641) | (1,654,063) | (148,748,704) |
| | | (298,721,160) | (521,647) | (299,242,807) |
| Cash flow from investing activities | | | | |
| Purchase of property, plant and equipment | | (84,738,648) | 521,648 | (84,217,000) |

43. Risk management

Financial risk management

In running its operations the city is exposed to variety of financial risks: market, liquidity, credit and interest rate risks. Section 62.(1)(c)(i) Of MFMA states that the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control in response to this the municipality's adopted National Treasury Public Sector Risk Management Framework and is committed to the effective management of the risks. The process is called risk monitoring and control. It involves monitoring the identified risks including the above mentioned financial risks, identifying new risks, and evaluating the overall effectiveness of the risk management plan in reducing the risks.

The municipality's Treasury is committed to the effective management of the financial risks, with Treasury office responsible for management of market, liquidity, and interest rate risks. The Revenue office is responsible for credit risk management. In the course of the municipality's business operations it is exposed to interest rate, credit, liquidity and market risk. The Municipality has developed a comprehensive risk management process to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

| At 30 June 2025 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|--------------------------|-------------------------|------------------------------|------------------------------|---------------------|
| Trade and other payables | 78,807,256 | - | - | - |
| Finance lease obligation | 3,391,083 | - | 1,013,479 | - |
| At 30 June 2024 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
| Trade and other payables | 96,374,672 | - | - | - |
| Finance lease obligation | 6,537,705 | - | 2,768,429 | - |

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43. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument | 2025 | 2024 |
|--|-------------|-------------|
| Trade and other receivables from exchange transactions | 2,212,289 | 5,069,547 |
| Consumer debtors | 16,167,628 | 12,216,896 |
| Bank and cash balances | 102,577,775 | 186,399,745 |

As of 30 June 2025, the municipality's total credit risk exposure, including trade and other receivables, amounts to R190,889,359 (2024: R68,195,051).

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will be negatively affected by the adverse changes in interest rates. Interest rate risk arises from the fluctuations in the economic market due to the economic climate. The Municipality manages its interest rate risk by maintaining an appropriate mix between fixed and floating interest rate borrowings and investments, as well as by entering into interest rate swap contracts on outstanding borrowings. The Municipality's exposure to interest rate risk and the effective interest rates on financial instruments at statement of financial position date are as follows:

The Municipality has significant exposure to interest rate risk due to the volatility in South African interest rates, fluctuations in interest rates on bonds issued and short-term investment will impact the Municipality's cash flow negatively. The municipality's interest rate risk arises from interest that is being earned on the cash deposits and investments that the municipality has invested with the ABSA bank. Investments issued at variable rates expose the municipality to cash flow interest rate risk.

44. Going concern

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

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality to remain in force for as long as it takes to restore the solvency of the municipality.

45. Events after the reporting date

The municipality have not identified any material non-adjusting events after the reporting date relating to the financial period then ended 30 June 2025.

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|--|----------|----------|
| 46. Fruitless and wasteful expenditure | | |
| Opening balance as previously reported | - | - |
| Add: Fruitless and wasteful expenditure identified - current | 92,364 | - |
| Less: Amount recovered - current | - | - |
| Less: Amount written off - current | (92,364) | - |
| Less: Amount written off - prior period | - | - |
| Closing balance | - | - |

Fruitless and Wasteful Expenditure: R92,364

The current year expenditure is because of legal fees incurred as a result of procurement of goods and service without following SCM processes

Amount written-off

The said fruitless and wasteful expenditure was taken to council meeting held on 29 August 2025 and an amount of R92,364 was written off.

47. Unauthorised expenditure

| | | |
|---|-------------------|----------|
| Opening balance as previously reported | - | - |
| Add: Unauthorised expenditure - current | 32,358,701 | - |
| Closing balance | 32,358,701 | - |

Current year Unauthorized Expenditure: R32,358,701

The municipality has an unauthorised expenditure of R32,358,701 due to the increase in depreciation of assets that were reclassified and transferred from WIP to capital expenditure and also assets that were brought into the asset register through the physical verification that took place during the 2024/25 financial period.

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48. Irregular expenditure

| | | |
|---|-------------------|-------------------|
| Opening balance as previously reported | 45,771,283 | 4,023,794 |
| Add: Irregular expenditure - current | 36,284,437 | 34,653,587 |
| Add: Irregular expenditure - additional current | - | 13,893,646 |
| Less: Amount written off - current | (46,919,707) | (6,799,744) |
| Closing balance | 35,136,013 | 45,771,283 |

Current Year Irregular Expenditure: R 35,136,013

The municipality Irregular expenditure increased by R 35,136,012 as a result of contravention of MFMA. The following are the contraventions to the MFMA:

R1,148,424 as a result of contravention of MFMA section 33 for the Valuation for Properties

R31,565,707 as a result of tender being awarded to non-compliant bidder who did not full complete the MBD4 document for a Joint venture

R37,565,22 and R18,782,61 as a result of deviation reasons not adequate to justify deviation

R191,560 as a result of awarding to a winning supplier who submitted reports that were older than three months

R3,240,400 as a result of contravention of SCM processes.

R81,996 as a result of contravention of SCM processes.

Prior Year Irregular Expenditure: R48,547,233

The municipality Irregular expenditure increased by R48,547,233 as a result of contravention of MFMA. The following are the contraventions to the MFMA:

R3,904,899 as a result of contravention of MFMA section 33 for the development of General valuation roll and maintenance thereafter.

R12,859,451 and R13,893,646 Irregular incurred on appointment of Debt Collector (Enigma) for the following reasons. The service provider did not attach proof of municipal rates for the company and was not evaluate on functionality.

R119,920 Kgokanang Trading Enterprises was appointed for delivery of Diesel four times using three quotation system instead of using formal quotation system and this resulted in Splitting of service.

R6,916,413 Irregular resulting from PPR 2022 requirement not applied to quotations after the regulation was changed form PPR 207 to PPR 2022.

R577,549 Irregular that arose as a result of Political allowances paid after employees were re-located.

R9,559,475 Irregular expenditure that arose from the appointment of Oakantswe Construction and Projects for construction of Senwabarwana Sub station. The Bidder did not sign MBD8 form.

R500,079 Irregular expenditure arose as a result of appointment of JMJ Electrical Projects for Electrification of Bayswater and the service provider did not attach Audited financial statements for 3 consecutive years.

R215,800 Irregular expenditure arose as a result of appointment of Blouberg Community Radio and Mohodi Community Radio without signing declaration of interest.

The municipality incurred additional Irregular Expenditure of R4,023,794 which was a result of a variation order which did not comply with MFMA section 116(3)(b) for the construction of Pinkie Sebotse Sports Facility.

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|---|--------------|--------------|
| Amount written-off | | |
| Irregular Expenditure: R46,919,707 (2024: R6,799,744) | | |
| The said irregular expenditure was taken to council meeting held on the 25 March 2025 and an amount of R31,877,637.47. The remaining irregular expenditure was taken to a council meeting held on 29 August 2025 and an amount of R15,042,070.57 was written off. | | |
| 49. Additional disclosure in terms of Municipal Finance Management Act | | |
| Contributions to organised local government | | |
| Current year subscription / fee | 1,661,349 | 1,590,309 |
| Amount paid - current year | (1,661,349) | (1,590,309) |
| | - | - |
| Audit fees | | |
| Current year subscription / fee | 5,068,110 | 4,754,784 |
| Amount paid - current year | (5,068,110) | (4,754,784) |
| | - | - |
| PAYE and UIF | | |
| Current year subscription / fee | 31,628,846 | 29,260,565 |
| Amount paid - current year | (31,628,846) | (29,260,565) |
| | - | - |
| Pension and Medical Aid Deductions | | |
| Current year subscription / fee | 27,038,093 | 24,976,243 |
| Amount paid - current year | (27,038,093) | (24,976,243) |
| | - | - |
| VAT | | |
| VAT receivable | 2,885,711 | - |
| VAT payable | (7,715,332) | (7,124,531) |
| | (4,829,621) | (7,124,531) |

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

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49. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2025:

| 30 June 2025 | Outstanding less than 90 days R | Outstanding more than 90 days R | Total R |
|----------------------|--|--|------------|
| Councillor Thamaga M | 14,101 | 350,344 | 364,445 |

| 30 June 2024 | Outstanding less than 90 days R | Outstanding more than 90 days R | Total R |
|----------------------|--|--|------------|
| Councillor Thamaga M | 14,929 | 344,797 | 359,726 |

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

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50. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements.

| Supplier name and details | Reason | Amount |
|---|---------------|-----------|
| Gijima Holding (Pty) Ltd | Sole provider | 18,783 |
| Vetting of candidates applied for section 56 positions | | |
| Gijima Holding (Pty) Ltd | Sole provider | 37,565 |
| Vetting of candidates applied for section 56 positions | | |
| Lexis Nexis | Sole provider | 6,969 |
| Printing | | |
| Blouberg FM Advertising for legal notice on illegal occupiers of farm | Sole provider | 26,000 |
| Bochum 178 | | |
| Blouberg FM | Sole provider | 38,400 |
| Coverage and live coverage of ward committee conference | | |
| Blouberg FM Advertising coverage of Magoshi live heritage activities | Sole provider | 26,000 |
| Bahananwa Enterprise Pty Ltd Testing of municipal vehicles roadworthy | Sole provider | 4,850 |
| Blouberg FMMPAC hearing notice | Sole provider | 39,500 |
| Government Printing Works | Sole provider | 9,995 |
| Printing | | |
| Kgaugelo Kae Kae Repairing broken MV Line Conductors at Sadu Village | Emergency | 30,130 |
| Kgaugelo Kae Kae Installation of faulty transformer at Sadu village | Emergency | 150,000 |
| Pin Afrika Installation of faulty transformer at Grootpan | Emergency | 124,643 |
| Kgaugelo Kae Kae Intallation of faulty transformer | Emergency | 161,000 |
| Kgaugelo Kae Kae Installation of faulty transformer | Emergency | 172,500 |
| Kgaugelo Kae Kae Installation of faulty transformer | Emergency | 142,780 |
| Kgaugelo Kae Kae Installation of faulty transformer | Emergency | 129,000 |
| Kgaugelo Kae Kae Installation of faulty transformer | Emergency | 183,600 |
| Kgaugelo Kae Kae Installation of faulty transformer | Emergency | 227,450 |
| Kgaugelo Kae Kae Installation of faulty transformer | Emergency | 64,200 |
| Kgaugelo Kae Kae Installation of faulty transformer | Emergency | 72,300 |
| Pin Afrika Installation of faulty transformer | Emergency | 39,500 |
| Kgaugelo Kae Kae Installation of faulty transformer | Emergency | 84,300 |
| Pin Afrika Installation of faulty transformer | Emergency | 96,046 |
| Kgaugelo Kae Kae Installation of faulty transformer | Emergency | 78,020 |
| Pin Afrika Installation of faulty transformer | Emergency | 75,237 |
| Pin Afrika Installation of faulty transformer | Emergency | 75,458 |
| Oakantswe Construction and Projects Installation of faulty transformer | Emergency | 129,142 |
| Oakantswe Construction and Projects Installation of faulty transformer | Emergency | 44,588 |
| Kgaugelo Kae Kae Replacement of broken poles | Emergency | 2,006,250 |
| Workshop Electronics Replacement of WECC50 Computer with windows | Sole provider | 26,078 |
| Workshop Electronics Calibration and repair | Sole provider | 23,180 |
| Tumishi Electrical and Building Construction installation of new emergency transformers | Emergency | 122,554 |
| Workshop Electronics Calibration and repair | Sole provider | 24,185 |
| Kgaugelo Kae Kae Installation of faulty transformer | Emergency | 140,800 |
| Kgaugelo Kae Kae Installation of faulty transformer | Emergency | 77,700 |
| Jump staer Auto electrical Maitenance of DSW388L | Sole provider | 4,299 |
| Government Printing Works Printing | Sole provider | 11,494 |
| Blouberg FM advertising | Sole provider | 28,000 |
| Workshop Electronics Maintenance of power supply network point | Sole provider | 5,864 |
| Kgaugelo Kae Kae Installation of faulty transformer | Emergency | 113,300 |
| Truvelo Calibration and repair | Sole provider | 37,011 |
| Workshop Electronics Calibration and repair | Sole provider | 17,410 |
| Mohodi Community Radio Statement Advertising | Sole provider | 31,800 |

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|--|---------------|------------------|
| 50. Deviation from supply chain management regulations (continued) | | |
| Sejammidi IT IT maintenance | Emergency | 74,980 |
| Managed intergrity Evaluation (Pty) Ltd Vetting of section 56 vacant position candidates | Sole provider | 8,281 |
| Managed intergrity Evaluation (Pty) Ltd Vetting of section 56 vacant position candidates | Sole provider | 5,075 |
| Managed intergrity Evaluation (Pty) Ltd Vetting of section 56 vacant position candidates | Sole provider | 8,585 |
| Managed intergrity Evaluation (Pty) Ltd Vetting of section 56 vacant position candidates | Sole provider | 4,589 |
| Managed intergrity Evaluation (Pty) Ltd Vetting of section 56 vacant position candidates | Sole provider | 1,227 |
| Managed intergrity Evaluation (Pty) Ltd Vetting of section 56 vacant position candidates | Sole provider | 7,201 |
| | | 5,067,819 |

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51. Segment information

General information

Identification of segments

For management purposes, the municipality is organised and operates in four key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level. Costs relating to the governance and administration of the municipality are not allocated to these business units.

The four key business units comprise of:

- Community and public safety which includes community and social services, sport and recreation, public safety, health and housing services;
- Economic and environmental services which includes planning and development, road transport and environmental protection services;
- Trading services which includes energy sources, water management, waste water management and waste management services;

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does monitor performance geographically but does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

The four key business units comprise of:

- Community and public safety which includes community and social services, sport and recreation, public safety, health and housing services;
- Economic and environmental services which includes planning and development, road transport and environmental protection services;
- Trading services which includes energy sources, water management, waste water management and waste management services;
- Governance and administration

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does monitor performance geographically but does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment
Segment 1
Segment 2
Segment 3
Segment 4

Goods and/or services
Community and Public Safety
Economic and Environmental Services
Trading Services
Governance and administration

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

51. Segment information (continued)

Segment surplus or deficit, assets and liabilities

| | Community and Public Safety | Economic and Environmental Services | Trading Services | Governance and administration | Total |
|--|-----------------------------|-------------------------------------|----------------------|-------------------------------|----------------------|
| Revenue | | | | | |
| Revenue from non-exchange transactions | 4,512,095 | 101,925,092 | 13,297,619 | 323,616,732 | 443,351,538 |
| Revenue from exchange transactions | - | 7,981,869 | 45,295,692 | 12,367,020 | 65,644,581 |
| Total segment revenue | 4,512,095 | 109,906,961 | 58,593,311 | 335,983,752 | 508,996,119 |
| Entity's revenue | | | | | 508,996,119 |
| Segment expenditure | | | | | |
| Total segment expenses | 40,888,146 | 24,701,275 | 89,054,863 | 185,261,303 | 339,905,587 |
| Depreciation and amortisation | 8,800,305 | 25,257,732 | 29,314,143 | 5,578,057 | 68,950,237 |
| Total segment expenditure | 49,688,451 | 49,959,007 | 118,369,006 | 190,839,360 | 408,855,824 |
| Total segmental surplus/(deficit) | (45,176,356) | 59,947,954 | (59,775,695) | 145,144,392 | 100,140,295 |
| Other Information | | | | | |
| Segment assets | (14,829,214) | 193,085,732 | 1,143,988,090 | 424,696,873 | 1,746,941,481 |
| Segment liabilities | (19,456,519) | (16,315,063) | (16,710,782) | (111,104,046) | (163,586,410) |
| Total segment assets | (34,285,733) | 176,770,669 | 1,127,277,308 | 313,592,827 | 1,583,355,071 |
| Total assets as per Statement of financial Position | | | | | 1,583,355,071 |

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51. Segment information (continued)

2024

| | Community and Public Safety | Economic and Environmental Services | Trading Services | Governance and administration | Total |
|---|-----------------------------|-------------------------------------|---------------------|-------------------------------|----------------------|
| Revenue | | | | | |
| Revenue from non-exchange transactions | 1,185,000 | 76,735,504 | 22,720,354 | 305,152,509 | 405,793,367 |
| Revenue from exchange transactions | 2,774,533 | 8,656,006 | 38,496,576 | 11,779,110 | 61,706,225 |
| Total segment revenue | 3,959,533 | 85,391,510 | 61,216,930 | 316,931,619 | 467,499,592 |
| Entity's revenue | | | | | 467,499,592 |
| Expenditure | | | | | |
| Total segment expenses | 37,651,198 | 31,960,269 | 80,321,664 | 164,508,694 | 314,441,825 |
| Depreciation and amortisation | 9,328,908 | 8,106,050 | 12,536,391 | 3,848,178 | 33,819,527 |
| Total segment expenditure | 46,980,106 | 40,066,319 | 92,858,055 | 168,356,872 | 348,261,352 |
| Total segmental surplus/(deficit) | (43,020,573) | 45,325,191 | (31,641,125) | 148,574,747 | 119,238,240 |
| Assets | | | | | |
| Segment assets | (14,723,486) | 112,564,215 | 806,155,442 | 515,286,863 | 1,419,283,034 |
| Total assets as per Statement of financial Position | | | | | 1,419,283,034 |
| Liabilities | | | | | |
| Segment liabilities | (16,996,080) | (47,806,305) | (29,350,924) | (122,333,758) | (216,487,067) |
| Total liabilities as per Statement of financial Position | | | | | (216,487,067) |

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52. Accounting by principals and agents

The entity was a party to a principal-agent arrangement(s).

Details of the arrangement(s) is|are as follows:

Water Service Authority (WSA) and Water Service Provider (WSP) Service Level Agreement

WSA (CDM) was authorized in terms of Structures Act Section 84(1) b and 84(1) to perform functions and exercises the powers as Water Service Authority. The District Municipality appointed Local Municipalities as WSPs in line with Water Service Provider Contract regulations (R980 of 19th July 2002) on interim basis. The contract commenced on the 1st July 2018 and remain effective until revised, reviewed, changed or amended by the parties. In terms of SLA, WSP shall account for the revenue collected as commission earned from the agency services in line with paragraph 8.3 titled Revenue Collection and implement credit Control and Debt Collection in line with paragraph 8.4 of the Service Level Agreement.

Memorandum of Understanding between Department of Roads and Transport (DRT) and Blouberg Local Municipality (BLM)

DRT is responsible for general motor vehicle registration and drivers' licenses in terms of applicable National and Provincial Road Traffic legislations. MOU formalizes the relationship between the two state organs and establishes the terms and conditions which the Municipality shall provide functions on behalf of DRT, in line with applicable legislations to the citizens of the republic and as envisaged by Batho Pele Principles. In terms of the MOU, BLM shall collect and retain monies as per annexure B and C of the MOU and pay to DRT a percentage agreed in the annexures, within a period of 30 days of each calendar month.

Memorandum of Understanding between Ontec (Pty) Ltd and Blouberg Local Municipality (BLM)

Ontec is contracted to the municipality, to provide on line vending service to pre paid customers. The agent manages pre paid meters and collects revenue on behalf of the municipality from third party vendors. The agent is paid (2.9%) based on commission of revenue collected on a monthly basis.

Memorandum of Understanding between Enigma Consulting (Pty) Ltd and Blouberg Local Municipality (BLM)

Enigma Consulting is contracted by the municipality to provide services of revenue investigation, negotiation and collection for 36 months. The contract is based on a risk of 20% vat inclusive as quoted in the bid documents.

Entity as agent

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal (WSA) is R277,511 (2024: R250,126).

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal (DRT) is R 3,943,619 (2024: R3,997,903).

Entity as principal

Fee paid

The aggregate amount of compensation fee that the entity recognised as fees for the transactions carried out on behalf of the agent is R1,093,386 (2024: R1,225,269).

The aggregate amount of compensation fee that the entity recognised as fees for the transactions carried out on behalf of the agent (Enigma Consulting) is R0 (2024: R562,523).

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Annual Financial Statements for the year ended 30 June 2025

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| Figures in Rand | 2025 | 2024 |
|--------------------------------|------------|------------|
| 53. Distribution Losses | | |
| Electricity | 12,919,931 | 11,667,060 |

The municipality purchased units 22,968,783.71 (2024: 21,955,806 units) from Eskom and sold 19,090,762.80 units (2024: 17,999,706 units) resulting in a difference of 3,878,020.91 units (2024: 4,343,595 units) between the purchases and sales. This amounts to a distribution loss of 16.88% (2024: 19.78%).

The municipality had a distribution loss amount of R12,919,931 (2024: R11,667,060).

54. Explanation of Variances on Actual Costs Versus Budgeted Costs

Note 1 - The decrease is as a result of the municipality not performing in terms of collection on pre paid electricity due to illegal connections.

Note 2 - The planned campaigns for payment of development fund did not materialise due to capacity issues.

Note 3 - The planned devolvement of service to satellite offices did not materialise due to budget constraints, and specific requirements from the department of roads and transport.

Note 4 - Collection on agency fees was supersed due to incentives offered by CDM on settlement of water related outstanding debts.

Note 5 - Due to non payments mainly of government debts.

Note 6 - Due to sale of sites from prior year sales recognised during the year under review.

Note 7 -Due to interest rate or the inflation rate received from the bank

Note 8 - The movement was due to the implementation of the valuation roll .

Note 9 - Due to non payments mainly of government debts.

Note 10 - The equitable share budgeted for was received as per DORA

Note 11 - Due to awareness and traffic road blocks

Note 12 -Due to unfilled post of senior managers.

Note 13 - There was no significant movement between what was spent for councillors remuneration and the budgeted amount.

Note 14 - The increase was due to capitalisation of WIP projects and unbundling of projects having short useful life and reassessment of usefulives that was performed through physical verification of assets.

Note 15 -Due Non payment by government departments has led to increase in the debt book

Note 16 - Due to increase in Nersa tariffs above the budgeted amounts

Note 17 - Due to austerity measures implemented during the year in order to curb spending in general

Note 18 - Due to austerity measures implemented during the year in order to curb spending in general

Note 19 -Due to austerity measures implemented during the year in order to curb spending in general

Note 20 - Due to diposal of land

Note 21 - Due to non payment on debtors

Note 22 - Due to non payment of property rate and traffic fine

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Notes to the Annual Financial Statements

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54. Explanation of Variances on Actual Costs Versus Budgeted Costs (continued)

Note 23 - This is as a result of more payments made for projects towards year end compared to the projections

Note 24 - Due to non payment on debtors

Note 25 - Due to non payment of customers

Note 26 - Due to fair value adjustment

Note 27 - Due to unbundling of prior year legacy project

Note 28 - Due to disposal of computer software

Note 29 - There was no significant movement between the budget and the actual

Note 30 - Due to end of other lease contract 202526 financial year.

Note 31 - This due to increase in VAT payable at the end of the year.

Note 32 - This is due to non payment of property rates by government departments during the current year as compared to previous years.

Note 33 - Due to monitoring of the grants received during the year.

Note 34 - This is due to calculations as per Landfill provisions calculations by experts.

Note 35 - Due to end of other lease contract 202526 financial year.

Note 36 - This is due to calculations as per Landfill provisions calculations by Experts.

Note 37 - Due to nonpayments by debtors especially Government department

Note 38 - Due to unspent grant

Note 39 - Due to interest rate or the inflation rate received from the bank

Note 40 - The total budget includes vat and the actuals excludes vat

Note 41 - The roll over projects and savings from other projects.

Note 42 - There was no significant movement on other financial assets

CHAPTER 6: 2024/25 AUDIT REPORT

ANNEXURE B

Report of the auditor-general to Limpopo provincial legislature and the council on Blouberg Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Blouberg Local Municipality set out on pages xx to xx which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets and statement of cash flows and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies
2. In my opinion the financial statements present fairly, in all material respects, the financial position of the as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the with Standards of General Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (DoRA).

Basis for opinion

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

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the municipality at, and for the year ended 30 June 2025.

Material impairments

8. As disclosed in note 13 to the annual financial statements, material impairments of R55 247 889 were incurred as a result of providing for doubtful debts.

Significant uncertainties

9. With reference to note 40 to the financial statements, the municipality is the defendant in various claims, which it is opposing. The ultimate outcome of these matters cannot presently be determined and no provision for any liability was made in the financial statements.

Material losses -electricity

10. As disclosed in note 53 to the financial statements, material electricity losses to the amount of R12 919 931 (2024: 11 667 060) was incurred which represents 19.88% (2024: 19.78%) of total electricity purchased.

Material underspending of government grants

11. As disclosed in note 17 to the financial statements, the municipality materially underspent the Integrated National Electrification Programme Grant (INEP) by R2 352 528 and the Disaster relief grant (DRG) by R8 890 082.

Other matter

12. I draw attention to the matter below. My opinion is not modified in respect of this matter

Unaudited disclosure notes

13. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it

Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the [financial statements in accordance with the GRAP and the requirements of the MFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

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

Report on the audit of the annual performance report

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

| Key performance areas | Page numbers | Purpose |
|---|--------------|---|
| Basic service delivery and infrastructure development | [XX] | To provide access to basic electricity, public transport and access to educational facilities |
| Local economic development | [XX] | To create and promote LED initiatives in the business sector, to create job opportunities through EPWP programme. |

20. I evaluated the reported performance information for the selected key performance areas against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
21. In performing the audit, my procedures focused on the material indicators relating to water, sanitation, human settlements and related infrastructure [, as well as electricity and energy, roads and transport services
22. I performed procedures to test whether:

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

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

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

Basic service delivery and infrastructure development

Number of indigent households provided with free basic electricity as at 30 June 2025

25. An achievement of 2695 was reported against a target of 2695. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

Other matter

26. I draw attention to the matter below.

Achievement of planned targets

27. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

28. The table that follows provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. / measures taken to improve performance are included in the annual performance report on pages [xx to xx].

Basic service delivery and infrastructure development

| <p><i>Targets achieved: 83.33%</i></p> <p><i>Budget spent: 92.77%</i></p> | | |
|--|--|---|
| Key [service delivery] indicator not achieved | Planned target | Reported achievement |
| Number of meters replaced by June 2025 | 8645 of meters replaced by June 2025 | 864 of meters replaced by June 2025 |
| Kilometres of Senwabarwana D1200 CBD and internal street road rehabilitated and stormwater drainage constructed by June 2025 | 2.5 Kilometres of Senwabarwana D1200 CBD and internal street road rehabilitated and stormwater drainage constructed by June 2025 | 100% Re-surfacing of the road completed |
| Kilometres of access road and stormwater control completed by June 2025 | 3 Kilometres of access road and stormwater control completed by June 2025 | 100% Earthworks completed. |

Material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Basic service delivery and infrastructure development. Management did not correct the misstatement, and I reported material findings in this regard.

Report on compliance with legislation

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

Annual financial statements, performance reports and annual reports

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

Expenditure management

36. Reasonable steps were taken to ensure that money owed by the municipality was not always paid within 30 days as required by section 65(2)(e) of the MFMA.

Procurement and contract management

37. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c). Similar non-compliance was also reported in the prior year
38. Some of the contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and 2022 Preferential Procurement Regulation 4(4) and 5(4).

Asset management

39. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Other information in the annual report

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

am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

44. I considered internal control relevant to my audit of the financial statement's annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
45. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
46. The internal control environment is not operating effectively as the financial statements and annual performance report contained material misstatements not detected by the municipality's own system of internal control.
47. There was lack of adequate record keeping system in place to enable reliable reporting on performance information.
48. There was lack of adequate review and monitoring of compliance with laws and regulations to detect and prevent instances of non-compliance with laws and legislations

Auditor-General

Polokwane

30 November 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.¹

Communication with those charged with governance

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

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

From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

| Legislation | Sections or regulations |
|---|--|
| Municipal Finance Management Act 56 of 2003 | Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b) |
| MFMA: Municipal Budget and Reporting Regulations, 2009 | Regulations 71(1), 71(2), 72 |
| MFMA: Municipal Investment Regulations, 2005 | Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3) |
| MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 | Regulations 5(4), 6(8)(a), 6(8)(b), 10(1) |
| MFMA: Municipal Supply Chain Management Regulations, 2017 | Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f) |
| Municipal Systems Act 32 of 2000 | Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b) |

| Legislation | Sections or regulations |
|---|---|
| MSA: Municipal Planning and performance Management Regulations, 2001 | Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii) |
| MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006 | Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3) |
| MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014 | Regulations 17(2), 36(1)(a) |
| MSA: Disciplinary Regulations for Senior Managers, 2011 | Regulations 5(2), 5(3), 5(6), 8(4) |
| Annual Division of Revenue Act | Section 11(6)(b), 12(5), 16(1); 16(3) |
| Construction Industry Development Board Act 38 of 2000 | Section 18(1) |
| Construction Industry Development Board Regulations | Regulations 17, 25(7A) |
| Municipal Property Rates Act 6 of 2004 | Section 3(1) |
| Preferential Procurement Policy Framework Act 5 of 2000 | Sections 2(1)(a), 2(1)(f) |
| Preferential Procurement Regulations, 2017 | Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2) |
| Preferential Procurement Regulations, 2022 | Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4) |
| Prevention and Combating of Corrupt Activities Act 12 of 2004 | Section 34(1) |