



**LAINSBURG  
MUNICIPALITY**

# ANNUAL REPORT

**2024/25**



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## CHAPTER 1

### Component A: Executive Mayor's Foreword

It is with honour that I present the Laingsburg Municipality Annual Report for the 2024/25 financial year. This report has been compiled in accordance with the legislative provisions of the Municipal Systems Act (No. 32 of 2000) and the Municipal Finance Management Act (No. 56 of 2003), read together with their respective regulations. These laws oblige municipalities to promote Transparency, Accountability, and Good Governance through the monitoring and reporting of performance against planned objectives.

The report provides a clear and honest reflection on the progress made during the past year in implementing our Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP). It also outlines the actions taken to address issues identified in previous audit findings and annual reports. Our continued effort to strengthen internal systems and align strategic and operational planning is gradually resulting in improved performance monitoring, more efficient resource management, and better service delivery outcomes for our community.

Laingsburg Municipality continues to advance steadily toward achieving its strategic objectives — promoting good governance, improving access to basic services, stimulating local economic development, protecting municipal assets, and improving residents' quality of life. Tangible improvements were observed in areas such as water and sanitation infrastructure, waste management, local economic development, and staff capacity building.

During the 2024/25 year, tangible improvements were achieved in multiple service delivery areas — including:

- Completion of phase 1 new Bergsig Sport Field
- New stormwater infrastructure in Matjiesfontein
- Drilling and equipping of boreholes in Soutkloof

Increased number of households with access to basic services, including initiatives to support indigent households, Water and Sanitation Services, Waste Management, Infrastructure Maintenance, Public Safety, and Local Economic Development. These achievements demonstrate the Municipality's ongoing commitment to meeting its constitutional objectives and contributing to an improved quality of life for all residents of Laingsburg.

While we acknowledge ongoing challenges such as funding constraints, capacity limitations, and infrastructure backlogs, the Municipality remains confident in overcoming these obstacles. This will be achieved through collaboration and partnerships with the District Municipality, Provincial and National Government Departments, the Private Sector, and our Local Communities.

Looking ahead, emphasis will be placed on implementing the strategic programmes and priority projects identified through our IDP — including infrastructure renewal, job creation through LED and EPWP initiatives, financial sustainability measures, and community empowerment programmes. These interventions are key to achieving our vision of a desirable place to live, invest and visit, where all people enjoy a sustainable quality of life



On behalf of the Council, I wish to express my appreciation to our management team, employees, community structures, and partners for their dedication and support throughout the year. Through shared responsibility, sound governance, and transparent leadership, we will continue to build a stronger, more resilient Laingsburg.

**Councillor Allea Theron**

**Executive Mayor of Laingsburg**

DRAFT

## Component B: Executive Summary

### 1.1 Municipal Manager's Overview

The Laingsburg Municipality prepared its Annual Report for the year under review in line with section 121 of the Local Government Municipal Finance Management Act (MFMA), Act 56 of 2003, read together with circulars, templates and guidelines and the Municipal Systems Act (32 of 2000).

The 2024/25 Annual Report is submitted and tabled before council in terms of Section 127 of the MFMA. The report provides an overview of the performance and progress made by the Municipality in fulfilling its strategic objectives and priorities, as aligned with the Integrated Development Plan (IDP), the budget, and Provincial and National strategic directives. Also highlighting all the programmes and projects that were embarked on during this period to enhance service delivery.



The 2024/25 financial year was a critical period of stabilisation and institutional reflection for Laingsburg Municipality. While the Auditor-General of South Africa (AGSA) issued an Adverse audit opinion, the audit outcome indicates that the municipality has accurately diagnosed its weaknesses and is decisively transitioning towards an improved Audit Opinion. The efforts of both our Political Leaders and the administration during the 2024/25 financial year audit mark a turning point, characterised by stronger leadership accountability, clearer governance arrangements, and a renewed commitment to financial discipline and performance integrity. This executive summary outlines the key achievements realised during 2024/25 and the targeted improvements to be implemented in the 2025/26 financial year. Legacy challenges, capacity constraints and weak internal controls characterised the 2024/25 financial year. However, it also marked a turning point in the Municipality's governance posture.

Key reflections include:

- A clearer understanding of the **root causes** underlying audit findings, including weak review processes, inadequate record keeping, insufficient skills capacity and ineffective consequence management.
- Recognition that prior audit action plans lacked ownership, measurable milestones and accountability.
- A renewed focus on strengthening governance structures, improving oversight, and restoring discipline in financial and performance reporting.

Despite the adverse outcome, the Municipality achieved meaningful progress in laying the foundation for recovery. The Municipality has taken decisive steps to stabilise its governance environment and to address the root causes of audit findings. As Accounting Officer, I am confident that the 2025/26 Financial year planning, implementation, reporting, monitoring, reviewing and auditing processes supported by Council and oversight structures, will result in:

- Reduced repeat audit findings,
- Closure of the Material Irregularity,
- Improved credibility of financial and performance information, and
- A measurably improved audit outcome in 2025/26.

The Municipality remains committed to transparent governance, sound financial management and improved service delivery to the community of Laingsburg. We extended our deepest gratitude to all the Political leaders for their cooperation and oversight role in the work done. The Administration's unwavering commitment to serving the community's interests is responsible for the council's accomplishments of the year.

Our existence as a Municipality depends on the community, and I would like to take this opportunity to express our sincere and profound appreciation for the constructive criticism from our community, which serves as a stepping stone to realise our objectives. The municipality's commitment to fiscal responsibility, community engagement and sustainable development has laid a strong foundation for the future. We remain dedicated to overcoming challenges, embracing opportunities and serving our community with diligence and transparency.

**J Booysen**

**Municipal Manager**

DRAFT

## 1.2 Municipal Overview

This report addresses the performance of the Laingsburg Municipality in the Western Cape with respect to its core legislative obligations. Local government must create a participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the Council of the Municipality provides regular and predictable reporting on programme performance and the general situation in their locality.

The 2024/25 Annual Report reflects on the performance of the Laingsburg Municipality for the period 1 July 2024 to 30 June 2025. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

### 1.2.1 Vision and Mission

#### Vision

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***“A destination of choice where people come first”***

#### Mission

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To function as a community focused and sustainable Municipality by:

- Rendering effective basic services
- Promoting local economic development
- Consulting communities in the processes of Council
- Creating a safe social environment where people can thrive

## 1.3 Municipal Functions, Population and Environmental Overview

### 1.3.1 Population

The Municipality is estimated to have a population of **11 802 in the 2024/25 financial year compared to 11 582 in the 2023/24 financial year**. This shows an **1.9% increase** in 2024/25.

#### a) Total Population

The table below indicates the total population within the municipal area:

Year	Number of Households	Total Population	African	Coloured	Indian	White	Other
2020/21	2 862	9 981	676	8 020	8	1 235	42
2021/22	2 862	10 160	692	8 172	5	1 249	42
2022/23	3 314	11 366	713	8 965	5	1 628	55
2023/24	3 314	11 582	715	9135	4	1677	51

Year	Number of Households	Total Population	African	Coloured	Indian	White	Other
2024/25	3 314	11 802	705	9 337	8	1 709	43

*Source: Stats SA Census, 2022 and Future Projections*

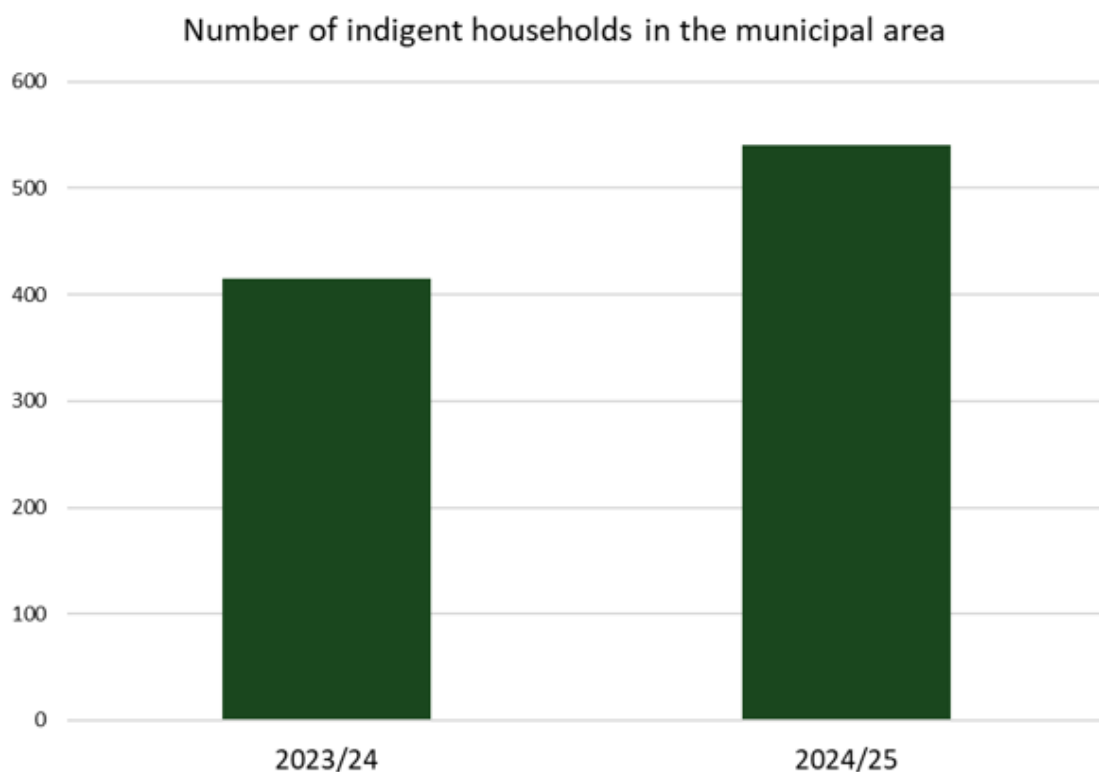
*Table 1: Demographic Information of the Municipal Area – Total Population*

### 1.3.2 Households

Households	2020/21	2021/22	2022/23	2023/24	2024/25
Number of households in the municipal area	2 862	2 862	3 314	3 314	3 314
Number of indigent households in the municipal area	653	546	572	415	541

*Table 2: Total Number of Households*

The graph below shows that the total number of indigent households **increased from 415** households in the **2023/24** financial year **to 541** households in the **2024/25** financial year:



### 1.3.3 Socio Economic Status

Financial Year	Housing Backlog	Unemployment Rate	Households with no Income	HIV/AIDS Prevalence 2010	Urban/rural household split
2022/23	914	20.2%	123 HH	1%	91%/9%
2023/24	944	20.3%	123 HH	1%	91%/9%
2024/25	950	20.5%	143 HH	1%	91%/9%

*Table 3: Socio-Economic Status*

### 1.3.4 Demographic Information

#### a) Municipal Geographical Information

Laingsburg Local Municipality (LLM) is in the Central Karoo region of the Western Cape. It is the smallest Municipality in South Africa with a total population estimate of 11 802 with 3 314 households. The Municipality's main socio-economic challenges include the inability to attract investors to the town, high unemployment, and declining school enrolment. Agriculture has historically been the dominant sector in the region, but as finance, insurance, real estate, and business services have grown strongly, they are linked to various sectors within the Laingsburg Municipality environment, including wholesale and retail trade, catering, and accommodation.

The Municipality covers an area of approximately 8 800 square kilometres, and the town of Laingsburg, 276 km from Cape Town, is the main centre, straddling the N1 National Road.

Historically, a village was established along the banks of the Buffels River in 1880, first called Buffalo, then Nassau, and finally Laingsburg. Thirty years ago, on Sunday 25th of January 1981, a devastating flood that laid Laingsburg waste, secured for this Karoo town a permanent place on the map and in the history of South Africa. Within a few hours, the whole town was underwater (the water reached heights four times those of any previous flood over the previous two centuries). 104 Inhabitants lost their lives and 184 houses were destroyed.

#### b) Wards

The Municipality is structured into the following 4 wards:

Ward	Areas
1	Bergsig (Laingsburg)
2	Matjiesfontein and surrounding farms
3	Acacia Park, Central Town (Laingsburg) and New Town
4	Göldnerville (Laingsburg)

Table 4: Municipal Wards

Below is a map that indicates the municipal area in the Central Karoo District area:

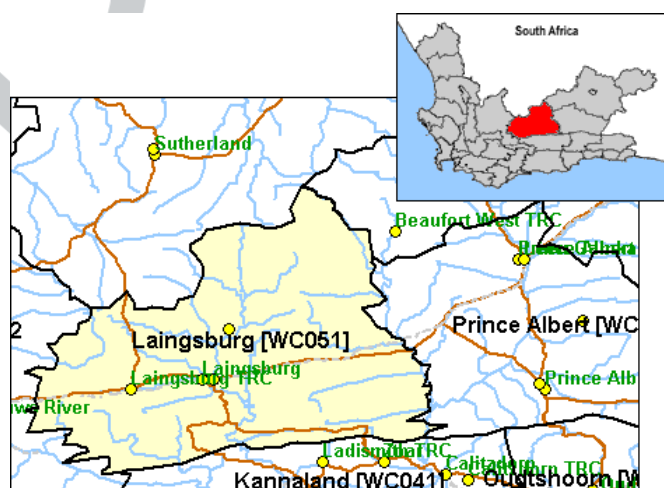


Figure 1.: Laingsburg Area Map

## Laingsburg

This friendly, modern Karoo village, only 280 km from Cape Town, was almost destroyed by a devastating flood only a century after its founding. The town lies in a geologically fascinating area, steeped in history and tradition. It's a worthwhile and hospitable stop on the busy N1 highway through the Great Karoo.

The warm welcome that awaits tourists in Laingsburg dates to the mid-1700s. In those years, farmers along the banks of the Buffels River offered hospitality to adventurers brave enough to cross the mountains and venture out onto the arid plains of the Great Karoo. In exchange for news of Cape Town and the civilised world, as well as gossip garnered from other farms along the way, these isolated farmers of the interior offered accommodation, sustenance and fodder.

Many early officials and explorers, such as Barrow, Lichtenstein, De Mist and Swellengrebel, wrote of the people they met in what was later to become the district of Laingsburg. They described the Karoo as "awesome, hot, dry, and dusty. An inhospitable land peppered with friendly outspans veritable jewels in the desert."

At tiny homesteads dotted about on the vast plains, travellers found fresh, drinking water, safe outspans, "a true welcome, homely hospitality and a nourishing meal." Many wrote that "such comforts were offered by God-fearing but brusque men, their shy women and hordes of children."

## Matjiesfontein

In 1884, young immigrant Scot James Logan purchased land at "a place called Matjiesfontein", an insignificant railway halt in the depths of the Karoo. The Cape Government Railways had, by then, reached the Kimberley diamond fields, and - following Cecil Rhodes' vision of the "road to the North", his dream of a Cape to Cairo line - was extending into the Zambezi hinterland. Logan, whose meteoric rise was based on an energetic and meticulous efficiency, had been awarded the government catering contract at Touws River, which lies within the vast spaces of the Karoo.

In those days, dining cars were unheard of, and - aware that travellers needed sustenance on those interminable journeys to the interior - Logan saw the potential of this remote Matjiesfontein halt. He had already found the Karoo air beneficial for his weak chest; and, entranced by the lunar majesty of the landscape, resigned his post and set about creating a village, seemingly in the depths of nowhere, which would make his fortune and become for many what John Buchan (remember "Prester John" and "The 39 Steps"?) would be recognised as a "Temenos" - a special place of the spirit.

Logan purchased the farm Matjiesfontein and, with his thoroughly commercial instincts, three others which possessed plentiful water. He created what an enthusiast describes as an "Oasis"; planted trees (inevitably including the ubiquitous pepper) and a garden; built his own still-surviving residence, Tweedside Lodge; and established the famous Hotel Milner, which was conveniently completed in 1899, and shortly thereafter served as the Headquarters of the Cape Western Command.

By early 1899, Matjiesfontein had become a fashionable watering place, attracting those who could afford to seek relief for chest complaints in the clear, bright air, entertaining distinguished visitors, some of whom were more parasite than patron. Lord Randolph Churchill is still remembered for "borrowing" a hunting dog which he never returned.

Olive Schreiner lived in her own cottage here for five years and published the book "Story of an African Farm", which brought her instant fame and an income to last her a lifetime. Olive later became one of the first voices of feminism in South Africa. Today her small three-roomed cottage is a landmark in the village; Logan, a cricket fanatic, entertained most of the famous early teams



visiting the Colony. Rudyard Kipling, on his first call at the Cape, made a special journey inland specifically to visit her. During the Boer War, Matjesfontein supported a base hospital, and Logan offered five of his villas as convalescent homes for soldiers.

Virtually all the British Army commanders - Lord Roberts, Douglas Haig, after his post as Commander-in-Chief of the BEF in France, and Edmund Ironside (Chief of the Imperial General Staff, 1940) - stayed or were entertained in the Village. Edgar Wallace - ex-trooper, war correspondent, thriller writer - sent his superb "Unofficial Despatches" from there.

All celebrated in their time, and even now, some are still remembered.

### **Vleiland**

There is a delightful short drive quite close to Laingsburg which offers some unbeatable mountain scenery. Follow the road past the railway bridge and drive to the small settlements of Vleiland and Rouxpos. Turn left and drive through the tiny, seemingly forgotten little village of Vleiland. It consists of little more than a post office and library which seem trapped in time. The road curves through this scenic historic spot and rejoins the main road. A little further along is a turnoff to the right that takes the tourist through the awe-inspiring scenery of the Rouxpos settlement area, with tiny historic thatched farms. Again, the road curves along and meets the main road back to Laingsburg. This drive is truly a worthwhile experience.

If the tourist continues along the road from Vleiland he or she will reach the entrance to Seweweeks Poort. On the left, the road goes down the Bosluiskloof Pass, which is in excellent condition and is a fine example of early roads in the Karoo. Breath-taking scenery causes one to climb out of the car to take it all in. Photographers will capture seemingly endless vistas of undulating valleys. Nature lovers will notice a variety of wildlife, including antelope and baboons, and birds such as Brown-hooded Kingfishers, which keep the dry areas of the thorn bush, and Rock Kestrels. This road ends at the Gamka Dam which is worth a visit.

If the traveller continues straight on with the gravel road into Seweweeks Poort he or she will be rewarded with 15 km of awe-inspiring mountain views. The level road winds on with high mountains towering over it, their slopes covered with indigenous trees and plants. Rock rabbits, dassies, and other small game scurry across the road that crosses the Seweweeks Poort stream many times. In winter the mountain peaks may be covered with snow. Where the traveller meets the asphalt road at the tiny village of Amalienstein, he or she may turn right towards Ladismith and Montague or left to the Huis River Pass into Calitzdorp and on to Oudtshoorn.

### **c) Key Economic Activities**

The Municipality is dependent upon the following economic activities according to the Western Cape Government Socio-economic Profile:

Key Economic Activities	Description
Services Sector (Community)	Community services, consisting mainly of government departments, made up 17.9% of Laingsburg economic sector
Construction	Although the construction industry only makes up 5.6% of the economic activities of Laingsburg, this sector is growing again
Finance	The finance sector consists mainly of private-sector businesses and services and is the biggest contributor to the GDP in Laingsburg. The sector makes up around 4.4% of the economic sector of Laingsburg

Key Economic Activities	Description
Wholesale and Retail	This sector contributes approximately 12% of the regional GDP. This sector includes catering and accommodation and has shown positive growth. The N1 national road running through the town is the main contributor to this growth
Agriculture	Agriculture is one of the main sectors providing employment opportunities in the Laingsburg region. Processing is seen as a major opportunity for employment creation, as raw materials are currently exported to neighbouring regions, such as the Cape Winelands Districts in the Western Cape and Port Elizabeth in the Eastern Cape. Agriculture is also one of the leading economic contributors, accounting for around 27.2% of economic activity in the area
Transport	This sector accounts for 10.8% of the regional GDP. This is attributed to traffic on the N1 between Cape Town and Johannesburg. There is, however, concern that only a small portion of the population benefits from the business driven by traffic on the N1. This is directly related to all the current economic opportunities being concentrated on the N1. This is perceived to limit economic development in other sections of the town and thus promote skewed development
General Government	This sector accounts for 12.5% of Laingsburg's economic activity
Electricity, gas and water	This sector contributes 9.3% to Laingsburg's economic activity

Table 5: Key Economic Activities

## 1.4 Service Delivery Overview

### 1.4.1 Basic Services Delivery Performance Highlights

Highlights	Description
All water infrastructure was refurbished	The water infrastructure from the raw source to the distribution network over the past 3 years, with the last year being the final project year, was refurbished
All waste water reticulation infrastructure was refurbished	The waste water reticulation system up to the waste water treatment works has been refurbished or upgraded over the past 4 years, and only the treatment works is scheduled for completion in the following two years
Electrical network was stable and had no municipal outages	The entire municipal electrical network remained stable throughout the year, and the municipality did not experience any outages other than Eskom-mandated outages

Table 6: Basic Services Delivery Highlights

### 1.4.2 Basic Services Delivery Challenges

Service Area	Challenge	Actions to address
Waste management	Landfill site depleted	The municipality has applied for additional funding to assist with combating its challenges
Waste management	Illegal dumping by the community	
Water management	Community is wasteful in their water use	

Table 7: Basic Services Delivery Challenges

### 1.4.3 Proportion of Households with Access to Basic Services

Description	2023/24	2024/25
	%	
Electricity service connections	3 312	3 325
Water - available within 200 m of the dwelling	3 312	3 312

Description	2023/24	2024/25
	%	
Sanitation - Households with at least VIP service	93	25
Waste collection - kerbside collection once a week	3 312	3 312

*Table 8: Households with Minimum Level of Basic Services*

## 1.5 Financial Health Overview

### 1.5.1 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the Municipality's performance in terms of the **National Key Performance Indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the **National Key Performance Area, namely Municipal Financial Viability and Management**.

KPA & Indicator	2023/24	2024/25
Financial viability measured in terms of the Municipality's ability to meet its service debt obligations at 30 June 2024 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	0%	0.59
Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2024 [(Total outstanding service debtors/annual revenue received for services) x 100]	40.23%	19.32
Financial viability is measured in terms of the available cash to cover fixed operating expenditure at 30 June 2024 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	1.58%	2.68

*Table 9: National KPI's for Financial Viability and Management*

## 1.6 Organisational Development Overview

### 1.6.1 Municipal Transformation and Organisational Development Highlights

The highlights for municipal transformation and organisational development are as follows:

Description	Actions to address
Human Resources Policies were reviewed and/or new policies adopted	Developing Staff (coaching skills) to overcome challenges in service delivery and Administration
Appointment of new Staff in the Finance Department namely: <ul style="list-style-type: none"> <li>Chief Financial Officer</li> <li>Manager Financial Services</li> <li>Accountant Budget, Assets &amp; Reporting</li> </ul>	Focusing on areas like Performance and Human Resources to build a more capable and responsive institution. To develop HR Strategies for Talent retention and attraction

*Table 10: Municipal Transformation and Organisational Development Highlights*

## 1.6.2 Municipal Transformation and Organisational Development Challenges

Description	Actions to address
Filling of Posts that are vacant for more than six months	Recruitment and Selection process to be finalised as soon as possible, as prescribed by the New Staff Regulations
Budget constraints make it difficult to send people on training	The budget and planning process needs to be prioritised

*Table 11: Municipal Transformation and Organisational Development Challenges*

## 1.7 Auditor-General Report

### 1.7.1 Audited Outcomes

Year	2020/21	2021/22	2022/23	2023/24	2024/25
Opinion received	Qualified	Adverse	Adverse	Adverse	Adverse

*Table 12: Audit Outcomes*

## 1.8 IDP/Budget Process 2024/25

The table below provides details of the key deadlines for the IDP/Budget process 2024/25:

Activity	Responsible person	Date
IDP Time Schedule	A. Abrahams	22 August 2024
Budget Process Plan	A. Groenewald	22 August 2024
Approved Draft 2024/25 IDP	A. Abrahams	28 March 2024
Approved Draft Budget 2024/25	A. Groenewald	28 March 2024
Submission of IDP and Budget to MEC, Provincial and National Treasury	A. Abrahams and A. Groenewald	2 April 2024
21 Days Public Comments on IDP and Budget	A. Abrahams and A. Groenewald	28 March 2024 – 22 April 2024
IDP Roadshow	Mayor A. Kleinbooï	6 – 9 May 2024
Approved Final 2024/25 IDP	A. Abrahams	13 June 2024
Approved Final Budget 2024/25	A. Groenewald	13 June 2024
Submission of Final IDP and Budget to MEC, Provincial and National Treasury	A. Abrahams and A. Groenewald	13 June 2024
Service Delivery and Budget Implementation Plan (SDBIP) 2024/25	Mayor A. Kleinbooï	24 June 2024

*Table 13: IDP/Budget Process*

## Chapter 2

### Component A: Political and Administrative Governance

Good governance has 8 major characteristics. It is participatory, consensus-oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are considered and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

#### 2.1 National Key Performance Indicators - Good Governance and Public Participation

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & Indicators	2023/24	2024/25
The percentage of the municipal capital budget actually spent on capital projects by 30 June [(Amount actually spent on capital projects/ Amount budgeted for capital projects) x100]	95%	80%

Table 14: National KPIs - Good Governance and Public Participation Performance

#### 2.2 Performance Highlights - Good Governance and Public Participation

Highlights	Description
Ward Committees and the IDP.	Ward Committees and CDWs assist Municipal Officials in the IDP and Budget by mobilising the community to attend meetings, Roadshows and Imbizo's
Ward Committee Meetings	Ward Operational Plans are developed to monitor the functionality of the committees, and meetings are still well attended by ward committee members
Performance Monitoring of Section 56/57 employees	Ward Committee members form part of the evaluation panel

Table 15: Good Governance and Public Participation Performance Highlights

#### 2.3 Challenges - Good Governance and Public Participation

Description	Actions to address
Ward Councillor Report back meetings	It is difficult to call Community meetings because of poor attendance, door to door campaigns with the assistance of CDWs and ward committee members were conducted. The municipality is also looking into other mechanisms to attract communities to attend meetings

Table 16: Good Governance and Public Participation Challenges

## 2.4 Governance Structure

### 2.4.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated their executive function to the Executive Mayor. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

#### a) Council

The Council comprise of 7 elected Councillors as of 30 June 2025, made up from 4 Ward Councillors and 3 Proportional Representation (PR) Councillors. The portfolio committees are made up of Councillors drawn from all political parties.

Below is a table that categorises the Councillors within their specific political parties and wards for the 2024/25 financial year:

Council Members	Capacity	Political Party
Councillor Amanda Kleinbooi	Executive Mayor	PA
Councillor Samuel Laban	Deputy Mayor	KDF
Councillor Mike Gouws	Speaker	ANC
Councillor Johanna Botha	Councillor	ANC
Councillor Aletta Theron	Councillor	DA
Councillor Lindi Potgieter	Councillor	DA
Councillor Juliet Pieterse	Councillor	DA

Table 17: Council 2024/25

Below is a table which indicates the Council meetings attendance for the 2024/25 financial year:

Meeting Dates	Council Meetings Attendance	Apologies for Non-Attendance
25 July 2024	General Council Meeting	0
26 August 2024	General Council Meeting	0
4 September 2024	Special Council Meeting	0
25 September 2024	General Council Meeting	0
8 October 2024	Special Council Meeting	0
24 October 2024	General Council Meeting	0
5 November 2024	General Council Meeting	0
5 December 2024	Special Council Meeting	0
27 January 2025	General Council Meeting	0
7 February 2025	Special Council Meeting	0
25 February 2025	Special Council Meeting	0
28 February 2025	Council Budget Meeting	0
26 March 2025	General Council Meeting	0
31 March 2025	Special Budget Council Meeting	0

Meeting Dates	Council Meetings Attendance	Apologies for Non-Attendance
8 May 2025	Special Council Meeting	0
19 May 2025	Special Council Meeting	0
25 May 2025	General Council Meeting	0
27 May 2025	Special Council Meeting	0
26 June 2025	General Council Meeting	0

*Table 18: Council Meetings*

#### b) Executive Mayoral Committee

Due to the size of the Municipality and its Council, there is no Mayoral Committee as it would not be practical.

#### c) Portfolio Committees

Below is a table which indicates the Portfolio Committee meetings attendance for the 2024/25 financial year

Portfolio Committee	Meeting dates	Apologies for Non-Attendance
MPAC meeting	18 September 2024	0
MPAC meeting	9 October 2024	0
MPAC meeting	20 November 2024	0

*Table 19: Portfolio Committee Meetings*

### 2.4.2 Administrative Governance Structure

The Municipal Manager is the Chief Accounting Officer of the Municipality. He/she is the head of the administration, and primarily must serve as chief custodian of service delivery and implementation of political priorities. He/She is assisted by his direct reporters, which constitutes the Management Team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		Yes/No
Alida Groenewald	Senior Manager, Finance and Compliance Services (1 July 2024 to 31 March 2025)	Yes
John Komanisi	Senior Manager Infrastructure	Yes
Noeline Gouws	Manager Corporate Services	Yes
Neil Hendrikse	Manager Community Services	Yes

*Table 20: Administrative Governance Structure*

## Component B: Intergovernmental Relations

### 2.5 Intergovernmental Relations

#### 2.5.1 Intergovernmental Structures

To adhere to the principles of the Constitution, as mentioned above, the Municipality participates in the following intergovernmental structures:

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
Municipal Managers Forum	J. Booysen and A. Groenewald	Provincial planning, assistance and buy-in
CFO Forum	A. Groenewald and G. Bothma	Provincial planning, assistance and buy-in
Provincial Coordinating Forum	Mayor Kleinbooi, J. Booysen and A. Groenewald	Planning and developing of provincial programmes and projects
District Coordinating Forum	Mayor Kleinbooi, J. Booysen, A. Groenewald and J. Komanisi	District alignment, programmes and projects
District IDP Forums	A. Abrahams	District Planning
Provincial IDP Forums	A. Abrahams	Provincial Planning
IDP Indaba	J. Booysen, A. Groenewald, J. Komanisi, G. Bothma, N. Hendrikse, J. Mouton, A. Abrahams, W. Adams, and N Gouws	Joint Planning
District Public Participation Forum and Communication Forum	A. Abrahams, W. Adams, K. Mokgobo, S. Gouws, M. Walters, and R. Pedro	Public Participation and Communication
Provincial Public Participation and Communication Forum	A. Abrahams, W. Adams, K. Mokgobo, S. Gouws, M. Walters, and R. Pedro	Public Participation and Communication
District EPWP	J. Komanisi, J. Mouton, and L. Tshikhovi	Progress Reports, implementation, assistance and guidance
Provincial EPWP	J. Komanisi, and J. Mouton	Progress Reports, implementation, assistance and guidance
ICT Forums	R. Pedro	ICT Initiatives, assistance and programmes
District LED Forums	W. Adams and M. Walters	Local Economic Development
Provincial LED Forums	W. Adams and M. Walters	Local Economic Development
SDF Forum	N. Gouws, J. Willemse, and J. Lottering	SDF assistance and guidance

*Table 21: Intergovernmental Structures*

#### 2.5.2 Joint Projects and Functions with Sector Departments

All the functions of government are divided between the different spheres, namely national, provincial and local. The Municipality, therefore, shares its area and community with other spheres of government and their various sector departments, and must work closely with national and provincial departments to ensure the effective implementation of different projects and functions.



The table below provides details of such projects and functions:

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s Involved	Contribution of the Sector Department
Improved Public Participation	Getting the community to participate and communicate in society and government programmes	DLG Laingsburg Municipality GCIS	Funding Technical Support
Review and Implementation of Community Safety Strategy	Functional Community Safety Forum. Alignment of strategy with NDP and PSP	DOCS SAPS Laingsburg Municipality	Technical Support Training Equipment

*Table 22: Joint Projects and Functions with Sector Departments*

## Component C: Public Accountability and Participation

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget

### 2.6.1 Public Meetings

The table below indicates the number of public meetings that were held for the year under review:

Nature and purpose of the meeting	Date of events	Number of Community members attending
Ward 1 IDP Roadshow	7 May 2024	19
Ward 2 IDP Roadshow	6 May 2024	36
Ward 3 IDP Roadshow	8 May 2024	32
Ward 4 IDP Roadshow	9 May 2024	30

*Table 23: Public Meetings*

### 2.6.2 Ward Committees

The ward committees support the ward councillor who receives reports on development, participates in development planning processes, and facilitates wider community participation.

To this end, the Municipality constantly strives to ensure that all ward committees:

- function optimally with community information provision,
- convening of meetings,
- ward planning,
- service delivery and

- IDP formulation and performance feedback to communities

The Local Government Elections were held on 1 November 2022, and new Ward Committees were established in January 2023.

**a) Ward 1: Bergsig (Laingsburg), Bo Dorp**

Name of representative	Capacity representing	Dates of meetings held during the year
Councillor Juliet Pieterse	Chairperson	2 July 2024 6 August 2024 3 September 2024 8 October 2024 5 November 2024 3 December 2024 7 January 2025 4 February 2025 4 March 2025 1 April 2025 6 May 2025 3 June 2025
Jhaime Verrooi	Deputy Chair / Health	
Wilhelmina Lukas	Youth	
Emmerenthea Goliath	Elderly / Disabled	
Ronelda Jooste	Schools	
Celeste Nel	Women	
Burnadetto van As	Safety	
Lea Wagenstroom	Churches	
Mervyn Coakley	Merging Farmers	
Anna Maans	Secretary / Sport	
Gloria Coakley	Community Development Worker	

*Table 24: Ward 1 Committee Meetings (1 July 2024 to 30 June 2025)*

**b) Ward 2: Matjiesfontein and Surrounding Farms**

Name of representative	Capacity representing	Dates of meetings held during the year
Councillor Aletta Theron	Chairperson	25 July 2024 22 August 2024 18 September 2024 17 October 2024 14 November 2024 9 December 2024 28 January 2025 20 February 2025 21 March 2025 23 April 2025 20 May 2025 26 June 2025
Katriena Mckeet	Secretary	
Lilly Witbooi	Elderly	
Ebrahiem Adams	Sport	
Antoinette Bothma	Deputy Chairperson	
Jacobus Stadler	Safety	
Susanna Maritz	Churches	
Katriena Bandjies	Women	
Kerneels Solomons	Youth	
Chantelle Alexander	Agriculture	
Gloria Coakley	Community Development Worker	

*Table 25: Ward 2 Committee Meetings (1 June 2024 to 30 June 2025)*

**c) Ward 3: Bo Dorp, Nuwe Dorp and Acacia Park (Laingsburg)**

Name of representative	Capacity representing	Dates of meetings held during the year
Councillor Lindi Potgieter	Chairperson	18 July 2024 19 August 2024 17 September 2024 24 October 2024 13 November 2024 9 December 2024
Arthur Smith	Churches	
Tania Klansie	Youth	
Francis van Wyk	Disabled	
Rika Hendricks	Agriculture	

Name of representative	Capacity representing	Dates of meetings held during the year
Martha Jantjies	Women	23 January 2025
Helena Wall	Secretary	25 February 2025
Anthony Smith	Schools	21 March 2025
Elize Fisher	Sport	15 April 2025
Colleen Jantjies	Community Development Worker	21 May 2025
		18 June 2025

*Table 26: Ward 3 Committee Meetings (1 July 2024 to 30 June 2025)*

#### **d) Ward 4: Göldnerville**

Name of representative	Capacity representing	Dates of meetings held during the year
Councillor Mike Gouws	Chairperson / Speaker	17 July 2024
Christiaan van der Westhuizen	Schools	21 August 2024
Jaqueline Loggenberg	Women	12 September 2024
Wilfred van Niekerk	Sport / Secretary	17 October 2024
Lewonia Jantjies	Disabled / Elderly	12 November 2024
Tania Klansie	Taxes and Indigent Subsidy	12 December 2024
Sophia van Wyk	Churches	21 January 2025
Douglas Horn	Youth / Deputy Chair	19 February 2025
Dudley Grootboom	Safety	21 March 2025
Ricardo Louw	Labour	24 April 2025
Francina Hermanus	Community Development Worker	22 May 2025
		13 June 2025

*Table 27: Ward 4 Committee Meetings (1 July 2024 to 30 June 2025)*

### **2.6.3 Functionality of Ward Committees**

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the ward Councillor with consultation and report-backs to the community

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members, and women should be well represented. The ward Councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they advise the ward Councillor, who makes specific submissions directly to the administration. These committees play a vital role in the development and annual revision of the area's integrated development plan.

The table below provides information on the establishment of Ward Committees and their functionality:

Ward Number	Committee established	Number of meetings held during the year	Committee functioning effectively	Actions to address
1	Yes	12	Yes	Unemployment, Housing, Youth Facilities, Teenage Pregnancy, Early Childhood Development
2	Yes	12	Yes	Unemployment, Housing, Youth Facilities, Teenage Pregnancy, Early School Dropouts
3	Yes	12	Yes	Unemployment, Housing, Youth Facilities, Teenage Pregnancy, Early School Dropouts, Begging
4	Yes	12	Yes	Unemployment, Housing, Youth Facilities, Teenage Pregnancy, Skills Development, Substance Abuse

*Table 28: Functioning of Ward Committees*

## 2.6.4 Representative Forums

### a) IDP Forum

The table below specifies the members of the IDP Forum for the 2024/25 financial year:

Name of representative	Capacity	Meeting dates
Simphiwo Piti	IDP Central Karoo District Municipality	26 September 2024 5 December 2024 31 March 2025
Mike Gouws	Ward Councillor / Speaker	
Simamkele Kanyisa Mbina	Department of Justice	
Lindi Potgieter	Ward Councillor	
Juliet Pieterse	Ward Councillor	
Aletta Theron	Ward Councillor	
John Komanisi	Manager: Infrastructure	
Jafta Booysen	Municipal Manager	
Alida Groenewald	CFO	
Neil Hendrikse	Manager: Community Services	
Carmen Hendrikse	Department of Home Affairs	
Ilse Steenkamp	Department of Social Development	
Sgt. J. Rooi	South African Police Services	
Johanna Botha	Central Karoo District Mayor	
Sophia van Wyk	Churches	
Reymarc van der Westhuizen	Red Rocket	
Madre Walters	Laingsburg Municipality Tourism Official	

Name of representative	Capacity	Meeting dates
Willem Adams	Laingsburg Municipality: LED Official	
Amanda Kleinbooi	Laingsburg Municipality: Mayor	
Douglas Horn	LADAAG / Ward Committees	
Samuel Laban	Laingsburg Municipality Deputy Mayor	
Shireen Gouws	Thusong and NPOs	
Jerome Buys	Skicivil	

Table 29: IDP Forum

## Component D: Corporate Governance

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

### 2.7 Risk Management

In terms of Section 62 (1)(c)(i) of the MFMA states “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;”.

The table below includes the top risks of the Municipality:

Risk	Department	Division
No or Poor Arrears Recover measures	Financial & Compliance Services	Third Parties Performance
Landfill Capacity Constraints	Infrastructure Services	Service Delivery
Shortage of Skilled Staff	Financial & Compliance Services	Human Resources
Lack of Maintenance	Infrastructure Services	Service Delivery
Scattered/ Redundant & Old Infrastructure Services Assets in backyard	Financial & Compliance Services	Health and Safety
No Revenue Collections	Community Services	Financial
Ineffective Asset Management System	Financial & Compliance Services	Compliance/ Regulatory
Lack of a contingency plan	Infrastructure Services	Disaster Recovery/ Business Continuity
Budget Constraints	Community Services	Financial
Lack of Protective Clothing	Community Services	Human Resource
Theft of Cash	Community Services	Loss/ Theft of Assets
Vandalism	Community Services	Fraud and Corruption
Lack of a proper Telephone System	Office of the Municipal Manager	Human Resources
Lack of a skilled and qualified OHS Practitioner	Office of the Municipal Manager	Information Technology
Ineffective Collaborator System	Office of the Municipal Manager	Human Resources

Risk	Department	Division
Untimely fulfilment of duties	Office of the Municipal Manager	Information Technology
Lack of suitable equipment	Infrastructure Services	Third Party Performance

Table 30: Top Risks

## 2.8 Anti-Corruption and Anti-Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption, and the Municipal Finance Management Act (MFMA), Section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

### 2.8.1 Developed Strategies

Name of strategy	Developed Yes/No	Date Adopted
Anti-corruption Strategy	Yes	2011
Fraud Prevention Strategy	Yes	2017

Table 31: Anti-Corruption & Fraud Prevention Strategies

## 2.9 Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –

- (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the Municipality, on matters relating to –
- internal financial control;
  - risk management;
  - performance management; and
  - effective governance

The Audit Committee have the following main functions as prescribed in Section 166 (2) (a-e) of the MFMA and the Local Government Municipal and Performance Management Regulation.

### 2.9.1 Functions of the Audit Committee

- To advise the council on all matters related to compliance and effective governance
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the Municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation
- Respond to the Council on any issues raised by the Auditor-General in the Audit Report
- To review the quarterly reports submitted to it by the Internal Audit
- To evaluate Audit Reports pertaining to financial, administrative and technical systems

- The compilation of reports to the Council, at least twice during a financial year
- To review the performance management system and make recommendations in this regard to the Council
- To identify major risks to which the Council is exposed and determine the extent to which risks have been minimised
- To review the annual report of the Municipality
- Review the plans of the Internal Audit function and, in so doing, ensure that the plan addresses the high-risk areas and ensures that adequate resources are available
- Provide support to the Internal Audit function
- Ensure that no restrictions or limitations are placed on the Internal Audit section
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation

### 2.9.2 Members of the Audit Committee

Name of representative	Capacity	Meeting dates
Mr. Wayne Phillips	Chairman	05 November 2024 12 February 2025 8 April 2025
Mr. Simon Qwina	Member	
Mr. Marius Andrews	Member	
Mr. Sam Ngwevu	Resigned: September 2024	

*Table 32: Members of the Audit Committee*

### 2.10 Performance Audit Committee

The Municipal Planning and Performance Management Regulation requires that the performance audit committee be comprised of a minimum of three members, the majority of whom are external to the Municipality (neither a Councillor nor an employee). Section 14(2)(b) of the Municipal Planning and Performance Management Regulation further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the council of a municipality designate neither a member of the performance audit committee who is neither a councillor nor an employee of the Municipality as the chairperson of the committee.

In terms of Section 166(4)(a) of the MFMA, an audit committee must consist of at least three persons with appropriate experience, of whom the majority may not be in the employ of the Municipality.

Section 166(5) of the MFMA requires that the members of an audit committee must be appointed by the council of the Municipality. One member who is not in the employ of the Municipality must be appointed as the chairperson of the committee. No councillor may be a member of an audit committee.

Both the Regulations and the MFMA indicate that three members constitute the minimum number to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a councillor in the composition of a performance audit committee entirely.

In accordance with the requirements of Section 14(2)(e) of the Regulations, if the chairperson is absent from a specific meeting of the committee, the members present must elect a chairperson from those present to act as chairperson for that meeting.

Further, Section 14(2)(f) of the Regulations provides that, in the event of a vacancy occurring amongst the members of the performance audit committee, the Municipality concerned must fill that vacancy for the unexpired portion of the vacating member's term of appointment.

Section 14(3)(a) of the Regulations requires that the performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3)(b) of the Regulations.

#### a) Functions of the Performance Audit Committee

In terms of Section 14(4) (a) of the Regulations, the performance audit committee has the responsibility to -

- i) review the quarterly reports produced and submitted by the internal audit process;
- ii) review the Municipality's performance management system and make recommendations in this regard to the council of the Municipality; and
- iii) at least twice during each financial year, submit a performance audit report to the council of the Municipality.

#### b) Members of the Performance Audit Committee

Name of representative	Capacity	Meeting dates
Wayne Phillips	Chairman	05 November 2024 12 February 2025 08 April 2025
Simon Qwina	Member	
Marius Andrews	Member	
Sam Ngwevu	Member (Resigned: September 2024)	

*Table 33: Members of the Performance Audit Committee*

## 2.11 Internal Auditing

Section 165 (2)(a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk-based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:
  - (i) internal audit;
  - (ii) internal controls;
  - (iii) accounting procedures and practices;
  - (iv) (iv) risk and risk management;
  - (v) performance management;
  - (vi) loss control; and
  - (vii) compliance with this Act, the annual DoRA and any other applicable legislation



(c) perform other duties as may be assigned to it by the accounting officer.

Below are the functions of the Internal Audit Unit that were performed during the financial year under review:

Function	Date/Number
Quarterly Performance Information Assessment – Quarter 3	08 April 2025
Division of Revenue Act (DORA) Audit	30 June 2025

*Table 34: Functions of the Internal Audit Unit*

## 2.12 By-Laws and Policies

Section 11 of the MSA gives a council the executive and legislative authority to pass and implement by-laws and policies. Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation was conducted prior to the adoption of the policy Yes/No
Disaster Management Policy	25 July 2025	No

*Table 35: By-laws and Policies 2024/25*

## 2.13 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution and other statutory enactments impose obligations on local government communicators and require high levels of transparency, accountability, openness, participatory democracy, and direct communication with communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making, and ample provision is made in the aforementioned legislation for them to exercise their rights in this respect. Our democratic government is committed to the principle of **Batho Pele**, which, in simple terms, means that those we elect to represent us (Councillors at Municipal level) and those who are employed to serve us (Municipal Officials at Municipal level) must always put people first in what they do.

The table below details the communication activities of the Municipality:

Communication activities	Yes/No
Communication Unit	Yes
Communication Strategy	Yes
Communication Policy	Yes
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters	Yes (Bi -annually)

*Table 36: Communication Activities*

## 2.14 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Sections 21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities, and therefore, information posted should be accurate and timely updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should provide easy, convenient access to relevant information. The municipal website should serve as an integral part of the Municipality's communication strategy.

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

Description of information and/or document	Yes/No and/or Date Published
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
<b>Financial Information (Sections 53, 75, 79 and 81(1) of the Municipal Finance Management Act)</b>	
Draft Budget 2024/25	Yes
Adjusted Budget 2024/25	Yes
SDBIP 2024/25	Yes
Budget and Treasury Office Structure	No
Budget and Treasury Office delegations	No
<b>Integrated Development Plan and Public Participation (Section 25(4)(b) of the Municipal Systems Act and Section 21(1)(b) of the Municipal Finance Management Act)</b>	
Reviewed IDP for 2024/25	Yes
IDP Process Plan 2024/25	Yes
SCM contracts above R30 000	Yes
<b>Reports (Sections 52(d), 71, 72 &amp; 75(1)(c) and 129(3) of the Municipal Finance Management Act)</b>	
Annual Report of 2023/24	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
<b>Local Economic Development (Section 26(c) of the Municipal Systems Act)</b>	
Local Economic Development Strategy	No

Table 37: Website Checklist

## 2.15 Supply Chain Management

The Supply Chain Management Policy of the Laingsburg Municipality is deemed to be fair, equitable, transparent, competitive and cost-effective as required by Section 217 of the Constitution.

### 2.15.1 Competitive Bids in Excess of R200 000

#### a) Bid Committee Meetings

The following table details the number of bid committee meetings held for the 2024/25 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
11	5	7

*Table 38: Bid Committee Meetings*

The attendance figures of members of the Bid Specification Committee are as follows (whether or not a user department attends the Bid Specification Committee meeting depends on their need):

Member	Attendance %
Alida Groenewald	37.5
Anthonico Quinn	100
Elbenice Hermanus	12.5
Gert Bothma	25
Johan Mouton	50
John Komanisi	100
Keith Gertse	100
Lusani Tshikovhi	50
Neil Hendrikse	37.5
Noeline Gouws	12.5
Realdo Pedro	37.5

*Table 39: Attendance of Members of the Bid Specification Committee*

The attendance figures of members of the bid evaluation committee are as follows:

Member	Attendance %
Arthur Abrahams	80
Gaylord Pharo	40
Johan Mouton	100
Lusani Tshikovhi	60
Odette Noble	100

*Table 40: Attendance of Members of the Bid Evaluation Committee*

The attendance figures of members of the bid adjudication committee are as follows:

Member	Attendance %
Alida Groenewald	33

Member	Attendance %
Elbenice Hermanus	67
Gert Bothma	33
John Komanisi	83
Keith Gertse	100
Neil Hendrikse	67
Noeline Gouws	67

**Table 41: Attendance of Members of the Bid Adjudication Committee**

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member.

#### **b) Awards Made by the Bid Adjudication Committee**

The highest bids awarded by the bid adjudication committee are the following:

Bid Number	Date of award	Title of bid	Successful Bidder	Value of bid awarded
T16 – 2023/24	01 October 2024	Provision of short-term insurance services for a period of three (3) years	Opulentia Financial Services	Rates based
T01 - 2024/25	20 December 2024	Provision of banking services for a period of five (5) years	The Standard Bank of South Africa Limited	Rates based
T04 - 2024/25	22 April 2025	Provision of conveyancing services for the transfer of state subsidised housing units for a period up to 30 June 2027 for the title deeds registration programme (TRP) as and when required	Crawfords Attorneys	Rates based
T05 – 2024/25	20 June 2025	Consulting civil engineering services for a multi-year period ending 30 June 2028	Neil Lyners and Associates (Pty) Ltd	Rates based
T05 – 2024/25	20 June 2025	Consulting civil engineering services for a multi-year period ending 30 June 2028	Water and Wastewater Engineering (Pty) Ltd	Rates based
T07 – 2024/25	23 June 2025	Supply, delivery and installation of a modular building for a library at Vleiland	KIG Construction cc	R926 891.97

**Table 42: The Highest Bid Awarded by the Bid Adjudication Committee**

#### **c) Awards Made by the Accounting Officer**

The Accounting Officer did not make any awards during the 2024/2025 financial year.

#### **d) Appeals Lodged by Aggrieved Bidders**

Two (2) appeals were lodged during the 2024/25 financial year.

### 2.15.2 Deviation from Normal Procurement Processes

Reason for deviation	Number of deviations	Value of deviations	Percentage of total deviations value
Section 36(1)(a)(i)- In an emergency which is considered an unforeseeable and sudden event with materially harmful or potentially materially harmful consequences for the Municipality, which requires urgent action to address	1	R73 082.50	100
<b>Total</b>	<b>1</b>	<b>R73 082.50</b>	<b>100</b>

*Table 43: Details of Deviations for Procurement Services*

### 2.16 B-BBEE Compliance Performance Information

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BEE Regulations of 2016 states in Section 13G(1) that all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements and Annual Reports.

In accordance with the explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commission, the Municipality does not have the required information to provide the details on the Municipality's compliance with regard to broad-based black economic empowerment. We are in discussions to possibly appoint a verification agency to conduct a thorough verification of the Municipality's B-BBEE status.

## Chapter 3: Service Delivery Performance

### 3.1 Overview of Performance Within the Organisation

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At the local government level, performance management is institutionalised through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The Constitution of S.A. (1996), Section 152, dealing with the objectives of local government, paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195 (1) are also linked with the concept of performance management, concerning the principles of inter alia:

- the promotion of efficient, economic and effective use of resources;
- accountable public administration;
- to be transparent by providing information;
- to be responsive to the needs of the community; and
- to facilitate a culture of public service and accountability amongst staff

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned with the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the Municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation but also to the individuals employed in the organisation, as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

The Municipality adopted a Performance Management and Development System Framework that was approved by Council in 2024.

#### 3.1.1 Legislative Requirements

In terms of Section 46(1)(a), a municipality must prepare for each financial year a performance report reflecting the Municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities, the performance targets set by the Municipality for the following financial year and measures that were or are to be taken to improve performance.

### 3.1.2 Organisation Performance

Strategic performance indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for implementation. The implementation must be monitored on an ongoing basis, and the results must be reported on during the financial year to various role-players to enable them to timely implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer SDBIP, performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA and an overall summary of performance on municipal services.

### 3.1.3 The Performance System Followed For 2024/25

#### a) The IDP and the Budget

The IDP and the budget for 2024/25 were approved by Council on **13 June 2024**. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management, in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

#### b) The Service Delivery Budget Implementation Plan

The organisational performance is evaluated using a municipal scorecard (Top Layer SDBIP) at the organisational level.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the Municipality are implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget. The Top Layer SDBIP was approved by the Executive Mayor on **24 June 2024**.

The Top Layer SDBIP was revised with the adjustments budget in terms of Section 26(2)(c) of the Municipal Budget and Reporting Regulations and approved by the Council on **28 February 2025**. The following were considered in the development of the amended Top Layer SDBIP:

- Areas to be addressed and root causes of the Auditor-General's management letter, as well as the risks identified during the 2023/24 audit
- Alignment with the IDP, National KPA's, Municipal KPA's and IDP objectives
- Alignment with the Adjustments Budget
- Oversight Committee Report on the Annual Report of 2023/24
- The risks identified by the Internal Auditor during the municipal risk analysis

#### c) Adjustment SDBIP 2024/25

Section 26 (1) and (2)(c) of the Municipal Budget and Reporting Regulations, and in terms of the MFMA Section 54(1)(c), the Municipality may amend/adjust the SDBIP together with the Adjustment Budget. On 28 February 2025, Council approved the amended SDBIP.

The following amendments/adjustments were made as per the Adjustment Budget of 28 February 2025:

Top Layer Reference Number	Reason for Adjustment/ Amendment
TL4; TL5; TL6; TL7	KPI targets amended. Target changed to be in line with the latest billing figures
TL8; TL9; TL10; TL11	KPI targets amended. Targets to be amended to bring them in line with indigent applications received.
TL24; TL29	KPI removed. Projects in the Environmental Impact Assessment Phase.
TL25	KPI description amended to correct the budget project description

*Table 44: SDBIP TL 2024/25 Adjustments/ Amendments*

#### d) Actual Performance

The Municipality utilises an electronic web-based system on which KPI owners update actual performance monthly. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- the actual result in terms of the target set;
- a performance comment;
- actions to improve the performance against the target set if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results.

## 3.2 Introduction to Strategic and Municipal Performance For 2024/25

### 3.2.1 Strategic Service Delivery Budget Implementation Plan (Top Layer)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview of the strategic achievement of the Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the Municipality's strategic plan and shows the strategic alignment between the different documents (IDP, budget and performance agreements).

In the paragraphs below, the performance achieved is illustrated against the Top Layer SDBIP according to the IDP (strategic) objectives.

The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPI's) of the SDBIP is measured:

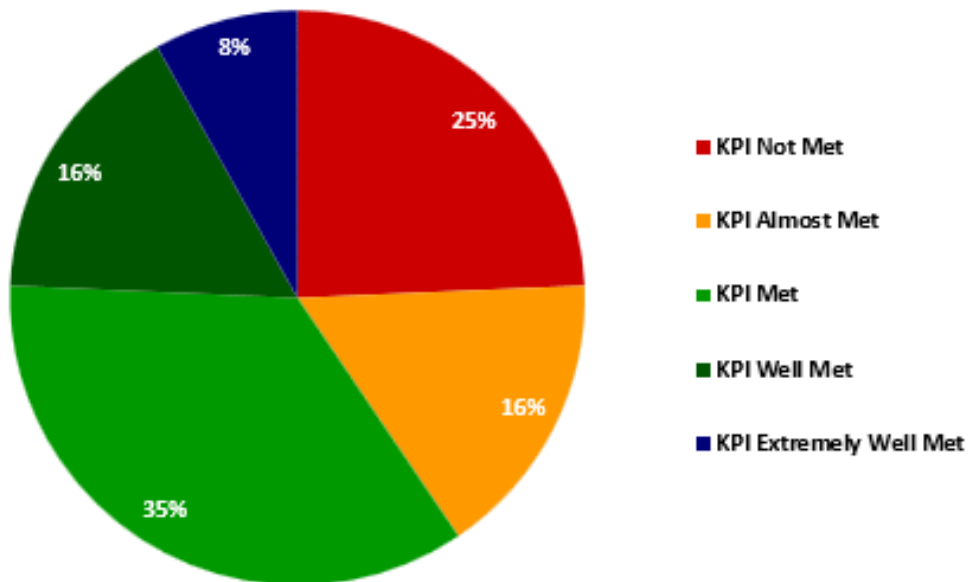
Category	Colour	Explanation
KPI Not Yet Measured	N/A	KPI's with no targets or actuals in the selected period
KPI Not Met	R	0% > = Actual/Target < 75%
KPI Almost Met	O	75% > = Actual/Target < 100%
KPI Met	G	Actual/Target = 100%
KPI Well Met	G2	100% > Actual/Target < 150%
KPI Extremely Well Met	B	Actual/Target > = 150%

*Figure 2.: SDBIP Measurement Categories*

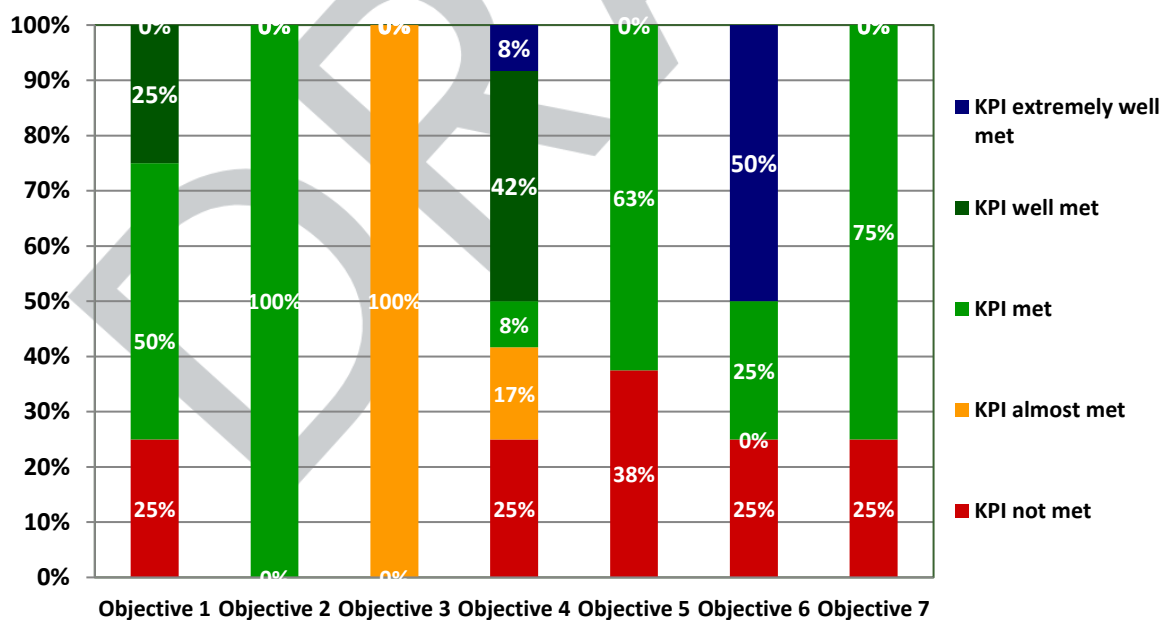


The graph below displays the overall performance per Strategic Objective for 2024/25:

## Overall Performance



## Performance per Objective



Graph 1.: Top Layer SDBIP per Strategic Objective

Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Objective 7
	Developing a Safe, Clean, Healthy and Sustainable Environment for Communities	Promote Local Economic Development	Improve the Standards of Living of all People in Laingsburg	Provision of Infrastructure to Deliver Improved Services to all Residents and Business	To Create an Institution with Skilled Employees to Provide a Professional Service to its Clientele, Guided by Municipal Values	To Achieve Financial Viability in order to Render Affordable Services to Residents	Effective Maintenance and Management of Municipal Assets and Natural Resources
KPI Not Met	1	0	0	3	3	1	1
KPI Almost Met	0	0	4	2	0	0	0
KPI Met	2	1	0	1	5	1	3
KPI Well Met	1	0	0	5	0	0	0
KPI Extremely Well Met	0	0	0	1	0	2	0
Total	4	1	4	12	8	4	4

Table 45: Top Layer SDBIP per Strategic Objective

a) Developing a Safe, Clean, Healthy and Sustainable Environment for Communities

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Target					Overall performance for 2024/25	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL15	Review the Disaster Management Plan and submit to Council by 31 March 2025	Reviewed Disaster Management Plan submitted to Council by 31 March 2025	All	1	0	0	1	0	1	0	R
Corrective Measures			Manager: Community Services: Plan will be submitted to Council in April 2025 Council meeting (March 2025)								
TL16	Facilitate roadblocks on a quarterly basis	Number of roadblocks facilitated	All	New KPI for 2025/26	12	12	12	12	48	48	G
TL17	Spend 95% of the Library Grant [(Actual expenditure divided by the total approved grant received) x 100]	% grant spent	All	New KPI for 2025/26	0%	0%	0%	95%	95%	97.5%	G2
TL18	Facilitate the Thusong Outreach Programme on a bi-annual basis	Number of programmes facilitated	All	New KPI for 2025/26	0	1	0	1	2	2	G

Table 46: Top Layer SDBIP – Developing a Safe, Clean, Healthy and Sustainable Environment for Communities

## b) Promote Local Economic Development

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Target					Overall performance for 2024/25	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL33	Create job opportunities through EPWP and LED projects by 30 June 2025	Number of job opportunities created by 30 June 2025	All	160	0	0	0	66	66	66	G

Table 47: Top Layer SDBIP – Promote Local Economic Development

## c) Improve the Standards of Living of All People in Laingsburg

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Target					Overall performance for 2024/25	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL8	Provide free 50kWh electricity to indigent households as at 30 June 2025	Number of households receiving free basic electricity	All	334	391	391	391	391	391	355	O
Corrective Measures			The municipality planned to host an Indigent Roadshow in Goldnerville, Bergsig, and Matjiesfontein during the 2nd quarter of the 2025/26 financial year to invite households to apply for the Indigent subsidy and to provide residents with an opportunity to access free basic services. The aim of the roadshow was to assist the municipality in achieving the targeted number of indigent households accessing basic services.								
TL9	Provide free 6kl water to indigent households as at 30 June 2025	Number of households receiving free basic water	All	407	527	527	527	527	527	465	O
Corrective Measures			The municipality planned to host an Indigent Roadshow in Goldnerville, Bergsig, and Matjiesfontein during the 2nd quarter of the 2025/26 financial year to invite households to apply for the Indigent subsidy and to provide residents with an opportunity to access free basic services. The aim of the roadshow was to assist the municipality in achieving the targeted number of indigent households accessing basic services.								
TL10	Provide free basic sanitation to indigent households as at 30 June 2025	Number of households receiving free basic sanitation services	All	405	520	520	520	520	520	461	O
Corrective Measures			The municipality planned to host an Indigent Roadshow in Goldnerville, Bergsig, and Matjiesfontein during the 2nd quarter of the 2025/26 financial year to invite households to apply for the Indigent subsidy and to provide residents with an opportunity to access free basic services. The aim of the roadshow was to assist the municipality in achieving the targeted number of indigent households accessing basic services.								
TL11	Provide free basic refuse removal to indigent households as at 30 June 2025	Number of households receiving free basic refuse removal services	All	415	536	536	536	536	536	474	O
Corrective Measures			The municipality planned to host an Indigent Roadshow in Goldnerville, Bergsig, and Matjiesfontein during the 2nd quarter of the 2025/26 financial year to invite households to apply for the Indigent subsidy and to provide residents with an opportunity to access free basic services. The aim of the roadshow was to assist the municipality in achieving the targeted number of indigent households accessing basic services.								

Table 48: Top Layer SDBIP – Improve the Standards of Living of All People in Laingsburg

d) Provision of Infrastructure to Deliver Improved Services to all Residents and Business

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Target					Overall performance for 2024/25	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL2	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2025 [(Amount actually spent on capital projects/ Amount budgeted for capital projects)x100]	% of capital budget spent on capital projects	All	96%	15%	40%	60%	95%	95%	80%	O
Corrective Measures			The municipality could not appoint a service provider for the Goldnerville Stormwater Bridge Crossings and the Construction of the Laingsburg South Raw Water Feed Phase 2 projects until the Environmental Impact Assessment process was completed. A service provider was subsequently appointed for the construction of the Goldnerville Stormwater Bridge Crossings in September 2025. The project will run across the current 2025/2026 financial year and into the next financial year, enabling the municipality to utilise the allocated budget in accordance with the planned spending timelines.								
TL4	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2025	Number of residential properties which are billed for electricity or have prepaid meters (Excluding Eskom areas) as at 30 June 2025	All	866	896	896	896	896	896	1841	B
TL5	Number of formal residential properties that receive piped water (credit and prepaid water metering) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2025	Number of residential properties which are billed for water	All	1 379	1 336	1 336	1 336	1 336	1 336	1 494	G2
TL6	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2025	Number of residential properties which are billed for sewerage	All	1 327	1 320	1 320	1 320	1 320	1 320	1 329	G2
TL7	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2025	Number of residential properties which are billed for refuse removal	All	1 373	1 370	1 370	1 370	1 370	1 370	1 398	G2

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Target					Overall performance for 2024/25	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL23	95% of the approved project budget spent on the new main pump station in Laingsburg by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2025	All	100.00%	15%	40%	60%	95%	95%	95%	G
TL24	95% of the approved project budget spent on new bridges in Goldnerville by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2025	All	30.00%	15%	40%	60%	95%	95%	15%	R
Corrective Measures			The municipality could not appoint a service provider for the Goldnerville Stormwater Bridge Crossings and the Construction of the Laingsburg South Raw Water Feed Phase 2 projects until the Environmental Impact Assessment process was completed. A service provider was subsequently appointed for the construction of the Goldnerville Stormwater Bridge Crossings in September 2025. The project will run across the current 2025/2026 financial year and into the next financial year, enabling the municipality to utilise the allocated budget in accordance with the planned spending timelines.								
TL25	95% of the approved project budget spent on the new stormwater infrastructure in Matjiesfontein by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2025	All	100.00%	15%	40%	60%	95%	95%	100%	G2
TL26	95% of the approved project budget spent on the new Bergsig Sport Field by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2025	All	100.00%	15%	40%	60%	95%	95%	100%	G2
TL27	Complete the Site G Development Planning Phase in Laingsburg by 30 June 2025	Development Planning Phase completed by 30 June 2025	All	New KPI for 2025/26	0	0	0	1	1	0	R
Corrective Measures			KPI has been moved to the 2025/26 financial year, as this is a multi-year housing project involving different milestones to achieve the final outcome								
TL28	95% of the approved project budget spent on Drilling and equipping of boreholes in Soutkloof by 30 June 2025 [(Actual expenditure divided by the total approved	% of budget spent by 30 June 2025	All	New KPI for 2025/26	15%	40%	60%	95%	95%	75%	O

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Target					Overall performance for 2024/25	
					Q1	Q2	Q3	Q4	Annual	Actual	R
	project budget) x 100]										
Corrective Measures			<p>Manager: Infrastructure Services: To recognise expenditure only after invoice has been paid and not when commitment is made.</p> <p>The funding was committed before yearend and the construction was done within the 1<sup>st</sup> 2 weeks of July but payment was made in the new financial year due to the submitted rollover</p>								
TL29	95% of the approved project budget spent on Water Supply Infrastructure (Bulk Mains) within the Municipal area by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2025	All	New KPI for 2025/26	15%	40%	60%	95%	95%	10%	R
Corrective Measures			<p>Manager: Infrastructure Services: will be adjusted in adjustment budget process (September 2024); Manager: Infrastructure Services: Construction to be done in the new FY (December 2024); Manager: Infrastructure Services: project will be done in the new financial year (March 2025)</p>								

**Table 49: Top Layer SDBIP – Provision of Infrastructure to Deliver Improved Services to all Residents and Business**

**e) To Create an Institution with Skilled Employees to Provide a Professional Service to its Clientele Guided by Municipal Values**

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Target					Overall performance for 2024/25	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL1	Develop a Risk Based Audit Plan for 2025/26 and submit to the Audit Committee for consideration by 30 June 2025	RBAP submitted to the Audit Committee by 30 June 2025	All	New KPI for 2025/26	0	0	0	1	1	1	G
TL30	Limit the vacancy rate to less than 5% of budgeted posts by 30 June 2025 [(Number of posts filled/Total number of budgeted posts) x 100]	% vacancy rate of budgeted posts by 30 June 2024	All	5.00%	0.00%	0.00%	0.00%	5.00%	5.00%	5.00%	G
TL31	The percentage of the Municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2025 [(Actual amount spent on training/total operational budget) x 100]	% of the Municipality's personnel budget on implementing its workplace skills plan by 30 June 2024	All	0.40%	0.00%	0.00%	0.00%	0.40%	0.40%	0.40%	G
TL32	The number of people from	Number of people employed (to be	All	0	0	0	0	0	0	0	G

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Target					Overall performance for 2024/25	
					Q1	Q2	Q3	Q4	Annual	Actual	R
	employment equity target groups employed (to be appointed) by 30 June 2025 in the three highest levels of management in compliance with the equity plan	appointed) by 30 June 2024									
TL34	Develop and distribute at least two municipal newsletters by 30 June 2025	Number of municipal newsletters developed and distributed	All	2	0	1	0	1	2	2	G
TL35	Review of the Leave Policy and submit to Council by 31 December 2025	Leave Policy reviewed and submitted to Council by 31 December 2024	All	New KPI for 2025/26	0	1	0	0	1	0	R
Corrective Measures			Manager: Corporate Services: Policy will be tabled to Council before March 2025 (December 2024)								
TL36	Submit the Occupational Health and Safety Policy to Council by 31 December 2025	Occupational Health and Safety Policy submitted to Council by 31 December 2024	All	New KPI for 2025/26	0	1	0	0	1	0	R
Corrective Measures			Manager: Corporate Services: Completed to be tabled in March (December 2024)								
TL37	Submit the Employee Assistance Programme (EAP) Policy by 31 December 2025	Employee Assistance Programme (EAP) submitted to Council by 31 December 2024	All	New KPI for 2025/26	0	1	0	0	1	0	R
Corrective Measures			Manager: Corporate Services: March Tabling (December 2024)								

**Table 50: Top Layer SDBIP – To Create an Institution with Skilled Employees to Provide a Professional Service to its Clientele Guided by Municipal Values**

**f) To Achieve Financial Viability in order to Render Affordable Services to Residents**

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Target					Overall performance for 2024/25	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL3	Achieve a debtor payment percentage of 75% by 30 June 2025 [(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100]	% debtor payment achieved	All	96.57%	75%	75%	75%	75%	75%	75%	G
TL12	Financial viability measured in terms of the municipality's ability to meet its service debt obligations at 30 June 2025 [(Short Term Borrowing +	Debt coverage ratio as at 30 June 2025	All	45.00%	0%	0%	0%	45%	45%	0%	B

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Target					Overall performance for 2024/25	
					Q1	Q2	Q3	Q4	Annual	Actual	R
	Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue -Operating Conditional Grant) x 100]										
TL13	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2025 [(Total outstanding service debtors/annual revenue received for services)x 100]	% outstanding service debtors at 30 June 2025	All	40.30%	0%	0%	0%	75%	75%	0%	B
TL14	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2025 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Cost coverage ratio as at 30 June 2025	All	1.58	0	0	0	0.3	0.3	0	R
Corrective Measures			Financial Viability								

Table 51: Top Layer SDBIP – To Achieve Financial Viability in order to Render Affordable Services to Residents

g) Effective Maintenance and Management of Municipal Assets and Natural Resources

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Target					Overall performance for 2024/25	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL19	Limit the % electricity unaccounted for to less than 10% by 30 June 2025 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of	% electricity unaccounted for by 30 June	All	12.00%	0%	0%	0%	10%	10%	10%	G



Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Target					Overall performance for 2024/25	
					Q1	Q2	Q3	Q4	Annual	Actual	R
	Electricity Units Purchased ) × 100]										
TL20	Limit unaccounted for water to less than 30% by 30 June 2025 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100]	% of water unaccounted	All	23.00%	0%	0%	0%	30%	30%	40%	R
Corrective Measures			Management will ensure that meters already delivered are installed during the 2025/26 FY. Furthermore, management will implement the audit action plan to ensure that the root cause is addressed.								
TL21	95% of water samples comply with SANS241 [(Number of water samples that comply with SANS241 indicator (e-coli)/Number of water samples tested) × 100]	% of water samples compliant	All	90.00%	0%	0%	0%	95%	95%	95%	G
TL22	95% of effluent samples comply with permit values in terms of SANS 242 by 30 June 2025 [(Number of effluent samples that comply with permit values (suspended solids)/Number of effluent samples tested) × 100]	% of effluent samples compliant	All	90.00%	0%	0%	0%	95%	95%	95%	G

**Table 52: Top Layer SDBIP – Effective Maintenance and Management of Municipal Assets and Natural Resources**

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the Municipality has entered into a service delivery agreement.

Service provider means a person or institution, or any combination of persons and institutions, which provides a municipal service.

- External service provider means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the Municipality

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- the performance of each service provider

- a comparison of the performance with targets set for and performances in the previous financial year; and
- measures taken to improve performance
- measures taken to improve performance

During the year under review, the Municipality did not appoint any service providers who provided municipal services to or for the benefit of the local community on behalf of the Municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensure that the requirements of the contract are complied with.

### 3.2.2 Municipal Functions

#### a) Analysis of functions

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	Yes
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes

Municipal Function	Municipal Function Yes / No
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	No
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

*Table 53: Functional Areas*

## Component A: Basic Services

### 3.3 Water Services

#### a) Introduction to Water Services

Laingsburg's main water supply comes from the municipal farm Soutkloof Fountain, with additional water sources of Soutkloof pit, Soutkloof borehole, 2 boreholes at Buffels River and a borehole in town.

The Municipality is both the water services authority (compliance) and the water service provider (function) in the municipal area. This allows for proactive problem-solving. The Municipality generally meets its compliance targets set by the Water Act for portable water and has achieved a high compliance rate for the past financial year; this means that the water is safe for human consumption within our municipal area.

The Municipality also observed positive changes to weather patterns over the municipal catchment area, showing recovery from the long gripping drought that crippled water supply not just to the community but also to the agricultural economy.

## b) Highlights: Water Services

Highlights	Description
Additional water sources were added for both Laingsburg and Matjiesfontein, and the sources are both powered by solar and electricity	New boreholes were drilled and equipped with new borehole pumps, reticulation pipes and a power source

Table 54: Water Services Highlights

## c) Challenges: Water Services

Description	Actions to address
Our prepaid water meters have reached the end of their battery life. This increases the water demand on the water system, threatening the sustainability of the water, which is a scarce resource	The replacement of the failing meters in the current new financial year

Table 55: Water Services Challenges

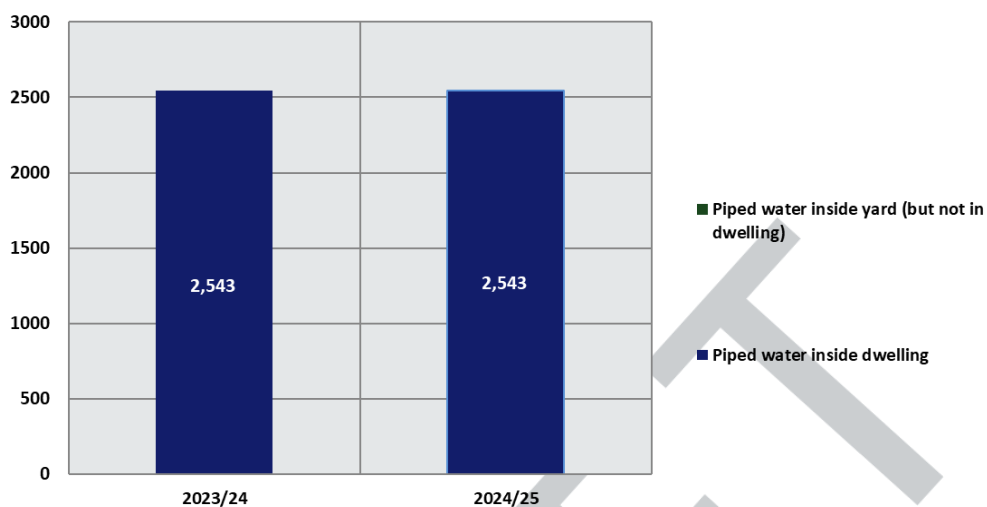
## d) Water Service Delivery Levels

The table below specifies the different water service delivery levels per household for the financial years 2023/24 and 2024/25 in the areas in which the Municipality is responsible for the delivery of the service:

Water Service Delivery Levels		
Households		
Description	2023/24	2024/25
	Actual	Actual
	No.	No.
<b><u>Water: (above min level)</u></b>		
Piped water inside the dwelling	2 543	2 543
Piped water inside yard (but not in dwelling)	0	0
Using a public tap (within 200m of the dwelling)	0	0
Other water supply (within 200m)	0	0
<b>Minimum Service Level and Above sub-total</b>	<b>2 543</b>	<b>2 543</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>
<b><u>Water: (below min level)</u></b>		
Using a public tap (more than 200m from the dwelling)	0	0
Other water supply (more than 200m from the dwelling)	0	0
No water supply	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>2 543</b>	<b>2 543</b>
<b>Include informal settlements</b>		

Table 56: Water Service Delivery Levels: Households

## Water Service Delivery Levels



Graph 2.: Water Service Delivery Levels

### e) Employees: Water Services

Employees: Water Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	3	3	3	0	0
4 – 6	1	1	1	0	0
7 - 9	3	3	3	0	0
10 - 12	0	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>0</b>

Table 57: Employees: Water Services

## 3.2 Wastewater (Sanitation) Provision

### a) Introduction to Wastewater (Sanitation) Provision

The basic functions of the Wastewater Section (Sanitation) are to upgrade existing sewerage infrastructure (as to meet future requirements), extend the network (provide a higher level of service to consumers) and maintain the existing network (ensure adequate rehabilitation and maintenance). The upgrade of existing reticulation is planned in terms of priorities as determined in the IDP, by Council and Civil Engineering Services.

With the regulated segregation of functions between WSA (Compliance) and WSP (Engineering). Wastewater Management function is divided into two main units, being the Sewage Collection and Conveyance (Sanitation Services), which reside with the WSP function (Engineering). This unit consists of:

- Outfall Sewer Operations and Maintenance
- Sewer Pump Stations and
- Sewer Collection System.

Wastewater Treatment, which is under the WSA management (Compliance). There are two (2) Wastewater treatment works (WWTW) in the Laingsburg municipal area:

- Laingsburg WWTW
- Matjiesfontein WWTW

Generally, the condition of wastewater management infrastructure is good to fair in some areas with old infrastructure. The Municipality has invested, and is still investing in the improvement of the infrastructure to realise its goals. The minimum requirements in terms of basic sanitation services delivery are generally met, but challenges still exist with the pump stations, and the Municipality is investing in the refurbishment and upgrade of all pump stations, with Matjiesfontein now boasting with a new pump station.

#### b) Highlight: Wastewater (Sanitation) Provision

Highlights	Description
Construction of a new School pump station	The construction of the new pump station is to address the failure at the old pump station, which had frequent pump failures and sewer spillage into the Buffels River
Refurbishment of Bergsig and Soutkloof street pump stations	The Refurbishment of the pump stations in Bergsig and Soutkloof Street to ensure compliance with OHSA and extend the service life of the stations

*Table 58: Wastewater (Sanitation) Provision Highlight*

#### c) Challenge: Wastewater (Sanitation) Provision

Description	Actions to address
The illegal and foreign objects that the community throw into the sewer system are damaging the pumps	The municipality has an educational drive and has installed some level of protection before the pumps to filter out the objects

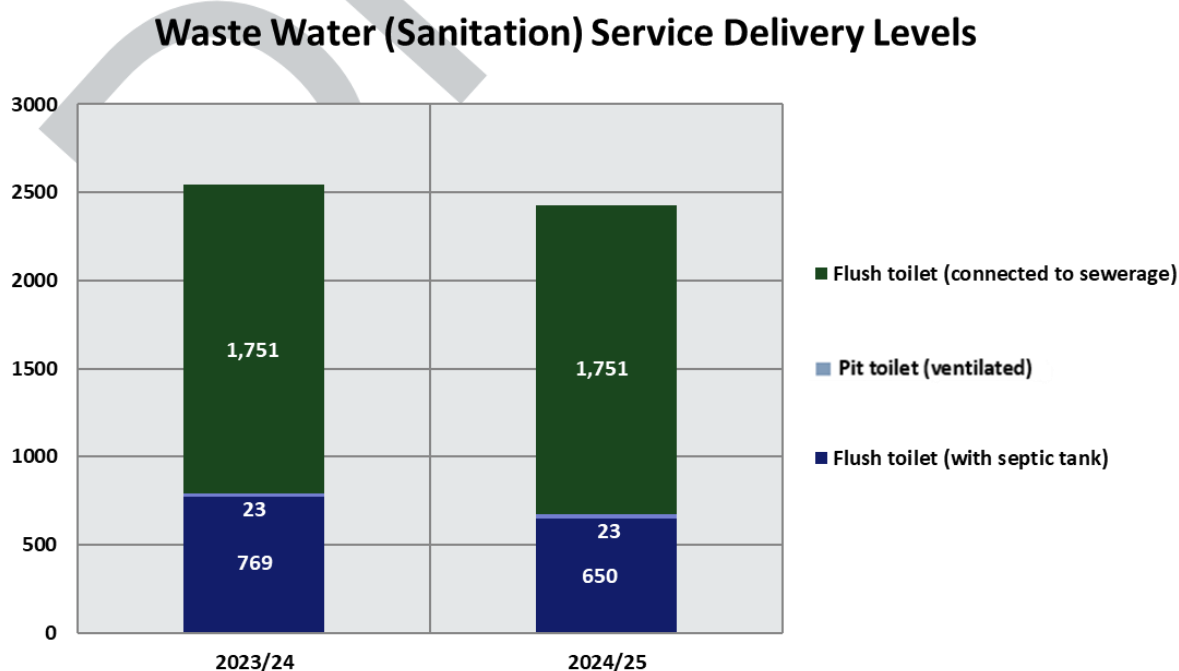
*Table 59: Wastewater (Sanitation) Provision Challenge*

#### d) Wastewater (Sanitation) Provision Service Delivery Levels

The table below specifies the different sanitation service delivery levels per household for the financial years 2023/24 and 2024/25 in the areas in which the Municipality is responsible for the delivery of the service:

Wastewater (Sanitation) Service Delivery Levels		
Households		
Description	2023/24	2024/25
	Actual	Actual
	No.	No.
<b><i>Sanitation/sewerage: (above minimum level)</i></b>		
Flush toilet (connected to sewerage)	1 751	1 870
Flush toilet (with septic tank)	769	650
Chemical toilet	0	0
Pit toilet (ventilated)	23	23
Other toilet provisions (above minimum service level)	0	0
<b><i>Minimum Service Level and Above sub-total</i></b>	<b>2 543</b>	<b>2 543</b>
<b><i>Minimum Service Level and Above Percentage</i></b>	<b>100</b>	<b>100</b>
<b><i>Sanitation/sewerage: (below minimum level)</i></b>		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
<b><i>Below Minimum Service Level sub-total</i></b>	<b>0</b>	<b>0</b>
<b><i>Below Minimum Service Level Percentage</i></b>	<b>0</b>	<b>0</b>
<b>Total households</b>	<b>2 543</b>	<b>2 543</b>
<b><i>Including informal settlements</i></b>		

Table 60: Wastewater (Sanitation) Provision Service Delivery Levels



Graph 3.: Wastewater (Sanitation) Provision Service Delivery Levels

### e) Employees: Wastewater (Sanitation) Provision

Employees: Sanitation Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	1	1	0	0
4 – 6	2	2	2	0	0
7 – 9	0	0	0	0	0
10 - 12	0	1	0	1	100
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>15</b>

Table 61: Employees: Wastewater (Sanitation) Provision

### f) Capital Expenditure: Wastewater (Sanitation) Provision

Capital Expenditure 2024/25				
R'000				
Capital Project	Budget (R)	Adjustment Budget (R)	Actual Expenditure (R)	Variance from original budget (%)
Construction of the School pump station	21 715 755.44	1 800 000.00	23 515 755.44	8
Refurbishment of pump stations	8 300 000.00	8 300 000.00	8 300 000.00	0
<b>Totals</b>	<b>30 015 755.44</b>	<b>10 100 000.00</b>	<b>31 815 755.44</b>	<b>7</b>

Table 62: Capital Expenditure: Wastewater (Sanitation) Provision

## 3.4 Electricity Services

### a) Introduction to Electricity Services

The electricity section is tasked to maintain the existing electrical infrastructure through the replacement of outdated equipment and installation of new equipment to reduce losses and ensure compliance, and aims to reduce electricity backlogs by electrifying settlements as identified Council.

The section ensures access to reliable electricity and is responsible for all aspects of the distribution network of the Municipality – the planning, construction, maintenance and protection of the network, and the metering technologies that measure the consumption of customers are all part of the following:

- To provide electricity to the community, households and the business sector
- Provision of streetlights
- To develop the electrification programme and the section as an undertaking that maximises the value of its electricity supplies and makes effective use of all its resources



- The transmission and distribution of electricity to all customers

#### b) Highlights: Electricity Services

Highlights	Description
Agreement with Eskom for street lighting	The municipality has reached an agreement with Eskom to work on the street lights in the Eskom area of supply

Table 63: Electricity Services Highlights

#### c) Challenges: Electricity Services

Description	Actions to address
High demand	The municipality is paying a higher administration penalty than normal due to the increased demand as a result of the additional people that is attracted by the work opportunities in and around town. We are in the process of applying for an increased allowable allocation from Eskom (NMD)

Table 64: Electricity Services Challenges

#### d) Electricity Service Delivery Levels

The table below indicates the different service delivery level standards for electricity in the areas in which the Municipality is responsible for the delivery of the service:

Electricity Service Delivery Levels		
Households		
Description	2023/24	2024/25
	Actual	Actual
	No.	No.
<u>Energy: (above minimum level)</u>		
Electricity (at least minimum service level)	228	228
Electricity - prepaid (minimum service level)	472	483
<b>Minimum Service Level and Above sub-total</b>	<b>700</b>	<b>711</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>
<u>Energy: (below minimum level)</u>		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< minimum service level)	0	0
Other energy sources	137	137
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>837</b>	<b>1 422</b>

Table 65: Electricity Service Delivery Levels

## Electricity Service Delivery Levels

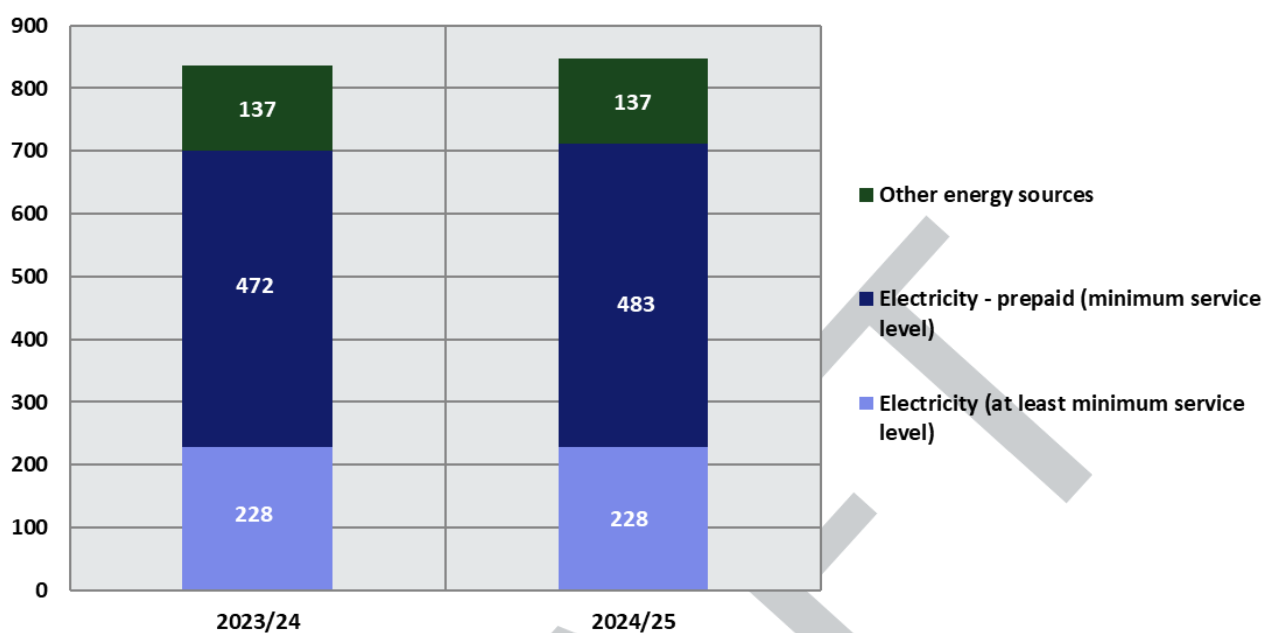


Table 66: Electricity Service Delivery Levels

### e) Employees: Electricity Services

Employees: Electricity Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	1	1	0	0
7 – 9	0	1	0	1	100
10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>30</b>

Table 67: Employees: Electricity Services

### 3.5 Waste Management (Refuse Collections, Waste Disposal, Street Cleaning and Recycling)

#### a) Introduction to Waste Management

Solid Waste Management Services are at the centre of environmental sustainability and are guided by the National Environmental Management Waste Act (NEM: WA). It is also guided by the Integrated Waste Management Plan.

Departmental functions:

- Street sweeping - Encompasses litter picking and gutter clearing.
- Refuse removal - Entails domestic and business refuse removal and clearing of drop-off points as per the refuse collection schedule. Refuse bag distribution to households is also done. The Municipality also deals with illegal waste hot spots.
- Landfills and transfer stations - Waste is disposed of at the Landfills, where it is covered on a daily basis. The garden transfer station is where all the garden refuse is dumped at no charge.
- Waste minimisation planning and education

Embraces the concepts of reduce, re-use, recycle and recover. It is responsible for the development of By-Laws and the development of a Waste Management Strategy. Communication, awareness and education are the responsibility of this unit. This unit ensures that the waste that goes to landfills is reduced, and all the inhabitants of Laingsburg Municipality are aware of the waste.

#### b) Integrated Waste Management Plan (IWMP)

##### i) Introduction to Waste Management

Waste management is an essential service for protecting public health, the environment, and promoting sustainable development in Laingsburg. Proper collection, disposal, and recycling of waste helps create cleaner communities, prevents pollution, and supports local job creation. By combining efficient service delivery, community awareness, and compliance with legislation, Laingsburg Municipality can ensure waste is managed responsibly and sustainably.

##### ii) Integrated Waste Management Plan Implementation

The table below indicates the Reporting on the Implementation of the Municipality's IWMP for the financial year 2024/25

Reporting on the Implementation of the Municipality's Integrated Waste Management Plan (IWMP): 2024/25								
IWMP Goal	Description of Activity for Implementation	Activity implementation score (yes = 1, n=0, partial =0,5)	Actions undertaken	If not implemented – indicate reasons	Planned budget ( R )	Actual expenditure ( R )	Person/s Responsible for Monitoring	Frequency of Monitoring (Annually, Biannually, Quarterly, Monthly, Weekly, Daily)
1	Improve waste collection services	1	Skips procured, acquired MIG funding for yellow fleet	Skips procured, MIG funding for 2025/26,	N/A	N/A	J Mouton	Annually

Reporting on the Implementation of the Municipality's Integrated Waste Management Plan (IWMP): 2024/25								
IWMP Goal	Description of Activity for Implementation	Activity implementation score (yes = 1, n=0, partial =0,5)	Actions undertaken	If not implemented – indicate reasons	Planned budget ( R )	Actual expenditure ( R )	Person/s Responsible for Monitoring	Frequency of Monitoring (Annually, Biannually, Quarterly, Monthly, Weekly, Daily)
				2026/27 & 2027/28 FY				
2	Improve waste minimisation and recycling	0	District collaboration initiated through PROs	Busy with the finalisation of MOUs	N/A	N/A	J Mouton	Quarterly
3	Improve the management and compliance of waste facilities	0.5	Addressed non-compliances as per departmental audit; finalised Organic Waste Diversion Plan	Continuous	N/A	N/A	J Mouton	Quarterly
4	Enhance waste education and awareness	0	None	To be conducted during 2025/26 FY	N/A	N/A	J Mouton	Quarterly
5	Strengthen human & financial resource management	1	Appointment of Waste Management Officer	Continuous	N/A	N/A	J Mouton	Annually
6	Improve waste management information	1	Ensure consistency on IPWIS reporting	N/A	N/A	N/A	J Mouton	Monthly
7	Promote integrated waste management planning	1	Request for endorsement of the 3 <sup>rd</sup> Gen IWMP by the MEC has been approved through DEADP waste management. Implementation of waste by-laws	Done	N/A	N/A	J Mouton	N/A
8	Improve hazardous and medical waste management	0	Collaborate with health facilities such as clinics and hospitals on appropriate disposal	To be initiated	N/A	N/A	J Mouton	Monthly
Total number of actual activities implemented		3.5	Actual budget expended on implementing the IWMP			N/A		

Reporting on the Implementation of the Municipality's Integrated Waste Management Plan (IWMP): 2024/25								
IWMP Goal	Description of Activity for Implementation	Activity implementation score (yes = 1, n=0, partial =0,5)	Actions undertaken	If not implemented – indicate reasons	Planned budget ( R )	Actual expenditure ( R )	Person/s Responsible for Monitoring	Frequency of Monitoring (Annually, Biannually, Quarterly, Monthly, Weekly, Daily)
Total number of activities required to be implemented as per the IWMP		8						
Implementation Score		44%						

Table 68: Integrated Waste Management Plan Implementation

### iii) Measures – Waste Services

The following table indicates the measures taken to secure the efficient delivery of Waste Management Services:

Measures Taken to Secure the Efficient Delivery of Waste Management Services				
Description	Indicate (Yes/No)	Elaborate on Measures Undertaken/ Provide Reasons if not Undertaken	Indicate (Yes/No)	Elaborate on Measures Undertaken/ Provide Reasons if not Undertaken
	2023/24		2024/25	
Establishment of additional waste management infrastructure	No	Consultant to be appointed for the feasibility study	No	Consultant appointed for feasibility and future landfill site expansion
Upgrade of existing waste management infrastructure	No	Consultant to be appointed for the feasibility study	No	Consultant appointed for feasibility and future landfill site expansion
Addressing compliance issues at waste management facilities	Yes	Ensuring compliance documents are on site as per permit conditions	Yes	Ensuring compliance documents are on site as per permit conditions
Clean-up of illegal dumping	Yes	Illegal dumpings are cleaned up daily	Yes	Illegal dumpings are cleaned up daily
Additional equipment procured	No	N/A	No	Have to budget for additional funding
Additional vehicles procured	No	MIG funding acquired but earmarked for 2025/26 FY	No	Acquired funding through the Municipal Infrastructure Grant (MIG) for the procurement of yellow fleet
Additional waste management or collection staff employed	No	To be budgeted for	Yes	1 x permanently employed
Staff training undertaken	No	To form part of municipal skills development, and when applicable, training is available	No	To form part of municipal skills development, and when applicable, training is available
Improved waste collection route planning	Yes	Ongoing through daily routes	Yes	Ongoing through daily routes
Use of technology	No	To be investigated	No	To be investigated with the assistance of the PROs

Measures Taken to Secure the Efficient Delivery of Waste Management Services				
Description	Indicate (Yes/No)	Elaborate on Measures Undertaken/ Provide Reasons if not Undertaken	Indicate (Yes/No)	Elaborate on Measures Undertaken/ Provide Reasons if not Undertaken
	2023/24		2024/25	
Other measures undertaken, e.g. funding applications, shared services, secondments, etc.	Yes	Continuous funding applications for waste management improvements	Yes	Continuous funding applications for waste management improvements

Table 69: Measures – Waste Services

#### iv) Compliance with Waste Management Standards

The following table indicates the Municipality's compliance with Waste Management Standards:

Compliance with Waste Management Standards						
Applicable Standard (e.g. National Domestic Waste Collection Standards, 2013)	2023/24			2024/25		
	Compliance with Standard (Yes/No)	Provide details on Compliance/ Non-Compliance	Measures Undertaken to Secure Compliance with Standard	Compliance with Standard (Yes/No)	Provide Detail on Compliance/ Non-Compliance	Measures Undertaken to Secure Compliance with Standard
Standard – kerb side collection	Yes	N/A	N/A	Yes	N/A	N/A

Table 70: Compliance with Waste Management Standards

#### c) Highlights: Waste Management

Highlights	Description
The Municipality was approved to participate in the Yellow fleet procurement fund	The municipality got funding approval for the procurement of a yellow fleet to address the waste needs around town and including the Landfill site

Table 71: Waste Management Highlights

#### d) Challenges: Waste Management

Description	Actions to address
The Landfill has reached its capacity	The municipality has appointed an EAP to assist with the planning and application process for the expansion of the existing site.

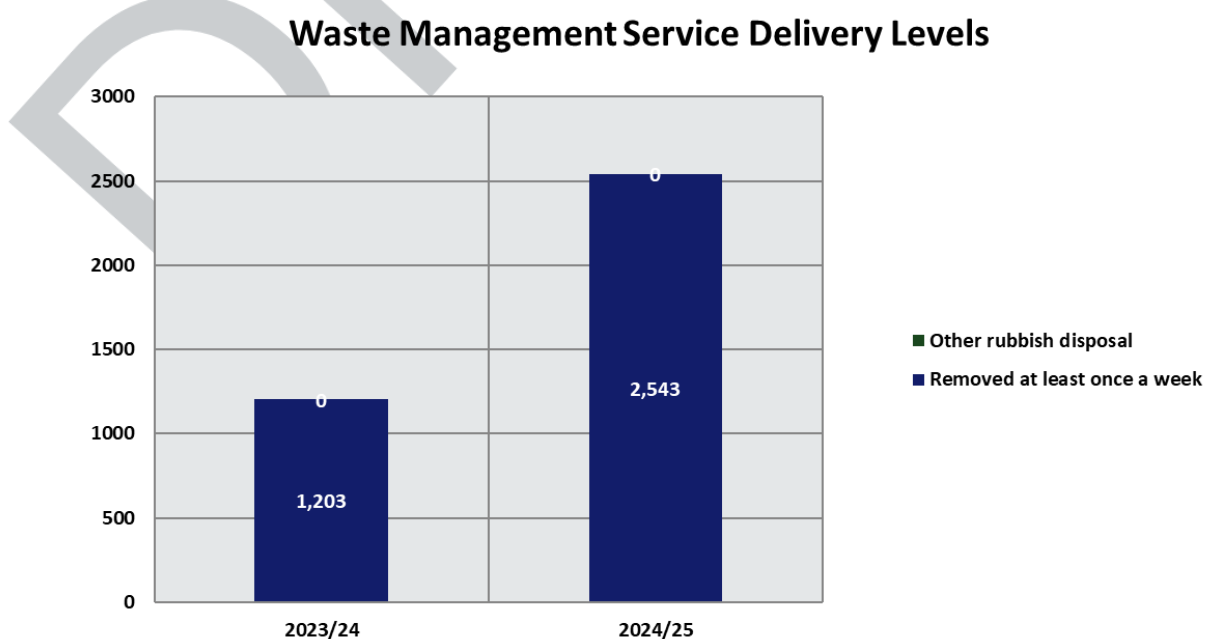
Table 72: Waste Management Challenges

## e) Waste Management Service Delivery Levels

The table below specifies the different refuse removal service delivery levels per household for the financial years 2023/24 and 2024/25 in the areas in which the Municipality is responsible for the delivery of the service:

Waste Management Service Delivery Levels		
Description	Households	
	2023/24	2024/25
	Actual	Actual
	No.	No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>		
Removed at least once a week	1 203	2 543
<b>Minimum Service Level and Above sub-total</b>	<b>1 203</b>	<b>2 543</b>
<b>Minimum Service Level and Above percentage</b>	<b>100</b>	<b>100</b>
<b><u>Solid Waste Removal: (Below minimum level)</u></b>		
Removed less frequently than once a week	0	0
Using a communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<b>Below Minimum Service Level Sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>100</b>	<b>100</b>
<b>Total number of households</b>	<b>1 203</b>	<b>2 543</b>

Table 73: Waste Management Service Delivery Levels



Graph 4.: Waste Management Service Delivery Levels

## f) Employees: Waste Management

Employees: Waste Management					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	4	0	0	0	0
4 – 6	4	4	3	1	30
7 – 9	0	1	1	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>25</b>

Table 74: Employees: Solid Waste Services

## 3.6 Housing

### a) Introduction to Housing

Due to the high poverty level in the Laingsburg Municipal area, it is essential to provide the poor members of our community with Reconstruction and Development Programme (RDP) houses. It contributes to sustainable human settlements where families can live in a safe and hygienic environment.

The following table shows the number of people on the housing waiting list. There are currently approximately **1 235** housing units on the waiting list.

Financial year	Number of housing units on the waiting list	% Housing waiting list increase/(decrease)
2023/24	1 210	5
2024/25	1 235	25

Table 75: Housing Waiting List

### b) Highlights: Housing

Highlight	Description
The low-cost housing development is approved	The municipality is acquiring developmental rights from the relevant departments after getting funding approval from the Department of Human Settlements

Table 76: Housing Highlights



### c) Challenges: Housing

Description	Actions to address
Backyard dwelling has increased due to immigration	The municipality is developing a new low-cost housing project

Table 77: Housing Challenges

## 3.7 Free Basic Services and Indigent Support

### a) Introduction to Free Basic Services and Indigent Support

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the Municipality, all households earning less than R4 160 per month will receive the free basic services as prescribed by national policy.

The table indicates the total number of indigent households and other households that received free basic services in the past two financial years:

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2023/24	1 379	304	30.1	407	29.5	405	29.4	415	30.1
2024/25	1 374	328	23.9	466	33.9	460	33.5	473	33.4
Figures as of 30 June 2025									

Figures as of 30 June 2025

Table 78: Free Basic Services to Indigent Households

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2023/24	304	50	421	475	0	0	513	50	190
2024/25	328	50	506	521	0	0	507	50	782

Figures as of 30 June 2025

Table 79: Free Basic Electricity Services to Indigent Households

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value	No. of HH	Unit per HH (kl)	Value
			R'000			R'000
2023/24	407	6	1 010	972	0	0
2024/25	466	6	1 839	908	0	0

Figures as of 30 June 2025

Table 80: Free Basic Water Services to Indigent Households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2023/24	405	168	816	922	0	0
2024/25	460	193	1 065	865	0	0
Figures as of 30 June 2025						

**Table 81: Free Basic Sanitation Services to Indigent Households**

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2023/24	415	1	722	958	0	0
2024/25	473	1	888	899	0	0
Figures as of 30 June 2025						

**Table 82: Free Basic Refuse Removal Services to Indigent Households Per Type of Service**

## COMPONENT B: ROAD TRANSPORT

The White Paper on National Transport Policy (1996) spells out the following vision for South African transport: “provide safe, reliable, effective, efficient and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable.”

### 3.8 Roads

#### a) Introduction to Roads

To provide appropriate, cost-effective, safe, efficient and affordable Roads, Stormwater and Transportation Infrastructure in Laingsburg Municipality to improve the quality of life of our communities by stimulating economic growth and development.

#### ROAD AND STORMWATER INFRASTRUCTURE (OPERATIONS)

This Division deals with road maintenance (tarred and gravel), street verge maintenance, the surfacing of roads, reinstatement of service trenches, cleaning and rehabilitation of the stormwater system and culverts.

#### ROAD AND STORMWATER INFRASTRUCTURE (CAPITAL EXPENDITURE)

The division has implemented the upgrade of the internal road and stormwater system in Matjiesfontein and has up to date completed more than 1000 meters of new surfaced roads. We have also applied and have been granted the access road into Matjiesfontein, which was owned by the provincial roads department, and this will allow for the upgrade of this section of the road as well.

## MANAGEMENT SYSTEMS AND PLANNING

This Division is responsible for the development, implementation and management of various electronic management systems and master planning for all roads and stormwater infrastructure. This Division is also responsible for the implementation of capital projects, administration of the capital budget and approval of applications for new development.

For optimal performance, it is essential that roads are maintained to provide the road user with an acceptable level of service, to protect the structural layers of pavement from the abrasive forces of traffic, as well as from the effects of the environment

The tables below show the number of kilometres of new and upgraded roads (gravel and tarred) that have been built and maintained:

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads were constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2023/24	2.30	0	0	2.30
2024/25	2.30	0	0	2.30

Table 83: Gravel Road Infrastructure

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2023/24	27.8	0.9	0	0	28.7
2024/25	28.7	0	0	0	28.7

Table 84: Tarred Road Infrastructure

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New & Replacements	Resealed	Maintained
	R'000		
2023/24	4 000	0	200
2024/25	0	0	200

*The cost for maintenance includes stormwater*

Table 85: Cost of Construction/Maintenance of Roads

### b) Employees: Roads

Employees: Roads					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	7	0	0	0	0
4 – 6	0	7	7	0	0
7 – 9	2	0	0	0	0

Employees: Roads					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 – 12	0	2	2	0	0
13 – 15	0	0	0	0	0
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0</b>

Table 86: Employees: Roads

### c) Capital Expenditure: Roads

Capital Expenditure				
R'000				
Capital Project	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget (%)
Goldnerville - New Stormwater Channel	3 200	0	0	100
New Paved Streets – Matjiesfontein Phase 2	0	0	0	0
<b>Total</b>	<b>3 200</b>	<b>0</b>	<b>0</b>	<b>100</b>

Table 87: Capital Expenditure: Roads

## 3.9 Wastewater (Stormwater Drainage)

### a) Introduction to Wastewater (Stormwater Drainage)

It is common practice to provide a formal drainage system of pipes or channels to convey stormwater away from erven and streets and to discharge this water into natural watercourses. The stormwater system must be cleaned and maintained on a regular basis to ensure a proper working drainage system.

### b) Wastewater (Stormwater Drainage) Maintained and Upgraded

The table below shows the total kilometres of stormwater maintained and upgraded, as well as the kilometres of new stormwater pipes installed:

Stormwater Infrastructure: Kilometres				
Year	Total Stormwater measures (km)	New stormwater measures (km)	Stormwater measures upgraded (km)	Stormwater measures maintained (km)
2023/24	8.40	0	0	8.40
2024/25	8.40	0	0	8.40

Table 88: Stormwater Infrastructure

The table below indicates the amount of money spent on stormwater projects:

Financial year	Stormwater Measures		
	New R'000	Upgraded R'000	Maintained R'000
2023/24	200	0	120
2024/25	0	0	60

Table 89: Cost of Construction/Maintenance of Stormwater Systems

## Component C: Planning and Local Economic Development (LED)

### 3.10 Planning

#### a) Introduction to Planning

The Municipality makes use of its Land Use Planning By-Law, National Building Regulations and Building Standards (Act 103 of 1977) to ensure that land use applications and building plan applications adhere to the required regulations and legislation. It is also a management tool to ensure compliance.

#### b) Service Delivery Statistics: Planning

Type of service	2023/24	2024/25
Building plans application processed	10	21
Total surface (m <sup>2</sup> )	1 500	2 860
Residential extensions	9	28
Rural applications	0	0
Land use applications processed	11	5

Table 90: Service Delivery Statistics: Planning

### 3.11 LED (Including Tourism and Marketplaces)

#### a) Introduction to LED

The vision of the LED strategy is to create sustainable communities in the central Karoo through local economic development.

#### b) Highlights: LED

The performance highlights regarding the implementation of the LED strategy are as follows:

Highlights	Description
Inclusive Stakeholder Engagement	<ul style="list-style-type: none"> <li>Active participation of small businesses, local entrepreneurs, and community members through the PACA (Participatory Appraisal of Competitive Advantage) process.</li> <li>Support and guidance from external partners such as SALGA and MISA, ensuring professional input and alignment with national priorities.</li> </ul>
Tourism Development & Marketing	<ul style="list-style-type: none"> <li>Strengthened promotion of Laingsburg as a gateway to the Karoo, enhancing its appeal as a stopover destination.</li> <li>Collaboration with local tourism operators to develop packages, events and experiences showcasing heritage, culture and natural landscapes.</li> </ul>

Table 91: LED Highlights

### c) Challenges: LED

The challenges regarding the implementation of the LED strategy are as follows:

Description	Actions to address
Limited Funding & Resources	<ul style="list-style-type: none"> <li>Constrained municipal budgets make it difficult to fully implement LED and tourism initiatives.</li> <li>Dependence on external funding and partnerships slows down project roll-outs.</li> </ul>
Capacity Constraints	<ul style="list-style-type: none"> <li>Shortage of skilled personnel within the municipality and local businesses to drive implementation effectively.</li> <li>Many SMMEs lack the technical, financial and marketing skills needed to compete and grow.</li> </ul>
Infrastructure Gaps	<ul style="list-style-type: none"> <li>Insufficient or outdated infrastructure, such as tourism signage, public facilities and limits visitor experiences.</li> <li>Poor maintenance of certain public spaces reduces the town's appeal as a tourism hub.</li> </ul>
Tourism Seasonality & Market Reach	<ul style="list-style-type: none"> <li>Tourism in the Karoo is highly seasonal, leading to fluctuating income for local businesses.</li> </ul>

Table 92: Challenges LED

### d) LED Strategy

LED includes all activities associated with economic development initiatives. The Municipality is mandated to provide strategic guidance to the Municipality's IDP and economic development matters and work in partnership with the relevant stakeholders on strategic economic issues. The LED strategy identifies various issues and strategic areas for intervention, such as:

Objective	Strategies
<b>Diversifying the economy</b>	
<ul style="list-style-type: none"> <li>Stimulating the economy through business development, the availability of land</li> </ul>	<ul style="list-style-type: none"> <li>Business Development Plan</li> <li>Investment Readiness Strategy</li> </ul>
<b>Transport and service sector</b>	
<ul style="list-style-type: none"> <li>Review of the transport plan</li> </ul>	<ul style="list-style-type: none"> <li>Transport Development Plan</li> </ul>
<b>Human resources development</b>	
<ul style="list-style-type: none"> <li>Skills development and training</li> </ul>	<ul style="list-style-type: none"> <li>Growth For Jobs Strategy 2035</li> </ul>
<b>Integrated human settlement</b>	
<ul style="list-style-type: none"> <li>Identify the need for GAP housing</li> </ul>	<ul style="list-style-type: none"> <li>Housing</li> </ul>

Table 93: LED Objectives and Strategies

### e) LED Initiatives

Within a limited budget for LED projects and one official to assist with LED implementation, the following programmes have been initiated in the municipal area:

Job creation through Extended Public Works Programme (EPWP) projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2023/24	4	458
2024/25	4	370

Table 94: Job Creation Through EPWP Projects

#### f) Additional Service Delivery Statistics: LED Initiatives

Type of service	2023/24	
Small businesses assisted	5	6
SMME's trained	20	42
Community members trained for tourism / PACA	0	0
Local artisans and crafters assisted	7	7
Recycling awareness programmes	0	0

Table 95: LED Initiatives

### Component D: Community and Social Services

#### 3.12 Libraries

##### a) Introduction: Libraries

The Library Service of Laingsburg Municipality consists of one main library and three mini-libraries. The library function promotes a reading culture and the importance of reading from a young age.

##### b) Highlights: Libraries

Highlights	Description
The procurement process of a Modular library	Contractor has been appointed

Table 96: Libraries Highlights

##### c) Challenges: Libraries

Description	Actions to address
No Library for the Bergsig Community	Submit application for funding for a modular library at DCAS

Table 97: Libraries: Challenges

##### d) Service Statistics for Libraries

Type of service	2023/24	2024/25
Library members	1 514	2 038
Books circulated	8 587	12 898
Exhibitions held	12	24
Internet users	551	1 012
Children programmes	17	8
Book group meetings for adults	0	0

Table 98: Service Statistics for Libraries

### e) Employees: Libraries

Employees: Libraries					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	4	4	4	4	0
10 – 12	1	1	1	1	0
13 – 15	0	0	0	0	0
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>

Table 99: Employees: Libraries

### 3.13 Cemeteries

#### a) Introduction to Cemeteries

The Municipality has three cemeteries within the town of Laingsburg. The cemeteries located in Kambro Street and in Göldnerville are used for new burials, whereas the other one located in the town CBD was used to bury the victims and fatalities of the 1981 flood disaster.

#### b) Service Statistics for Cemeteries

Type of service	2023/24	2024/25
Pauper burials	1	1

Table 100: Service Stats for Cemeteries

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

#### a) Introduction to Childcare; Aged Care; and Social Programmes

Childcare is to assist parents who cannot take care of their young children because of work or other reasons. The Social Welfare Department subsidises non-governmental organisations to provide a variety of childcare services to meet the different needs of the parents and their young children.

Aged care is the term for daily living and nursing care services provided to older citizens who either need some help at home or can no longer live independently. These services are generally divided into two categories, namely residential care and home-based care.

Social programmes are welfare subsidies designed to aid the needs of the population.



## b) Highlights: Childcare; Aged care; and Social programmes

Description	Actions to address
Care Bears programme in Bergsig	A new modular building for the crèche

Table 101: Childcare; Aged Care; and Social Programmes Highlights

## c) Challenges: Childcare; Aged care; and Social programmes

Description	Actions to address
Shortage of staff for the crèche	To budget for additional staff

Table 102: Childcare; Aged Care; and Social Programmes Challenges

## d) Service Statistics for Childcare; Aged Care; and Social Programmes

Description	2023/24	2024/25
Trees planted	0	500
Veggie gardens established or supported	1	0
Soup kitchens established or supported	2	2
Initiatives to increase awareness of child abuse	0	0
Youngsters are educated and empowered	0	0
Initiatives to increase awareness of disability	1 APD	1
Initiatives to increase awareness of women	0	0
Women Empowered	0	0
Initiatives to increase awareness of HIV/AIDS	0	0
Initiatives to increase awareness of Early Childhood Development (ECD)	0	0
Initiatives to increase awareness of substance abuse and high drug and alcohol-related crimes	0	0
Special events hosted (World Aids Day, Arbour Day, World Disability Day, Youth Day, 16 Days of Activism against Women Abuse)	1	1

Table 103: Service Statistics for Childcare, Aged Care, and Social Programmes

# Component E: Security and Safety

## 3.15 Public Safety

### a) Introduction to Public Safety

**Neighbourhood Watch and Law Enforcement:** Attends to all complaints from the public related to Laingsburg Municipality's by-laws.

**Traffic:** Enforces all offences regarding the Road Traffic Act 93 of 1996, for example, disobeying stop signs, parking on the wrong side of the road and driving a motor vehicle without a driving license. Furthermore, monitor hotspots/ dangerous areas in town and manage parking bay outlays within the town.

**Fire and disaster management:** Attends to fire callouts within the jurisdiction of Laingsburg Municipality and the N1.

The Municipality has a Traffic Department which consists of five traffic officers, who are permanent. Recent recruits, thirteen of them, funded by the Department of Community Safety, completed a peace officer course. They are all employed on a contract basis between themselves and the Department of Community Safety.

**b) Highlights: Public Safety**

Highlights	Description
Appointment of thirteen law enforcement officers to keep our town safe	Appointed on a contractual basis from POCS

*Table 104: Public Safety Services Highlights*

**c) Challenges: Public safety**

Description	Actions to address
Limited Budget	To address all financial shortages within the Department
Limited Personnel	
Limited vehicles	
Limited overtime	

*Table 105: Public Safety Services Challenges*

**d) Service statistics for Public Safety**

Details	2023/24	2024/25
Motor vehicle licenses processed	1 476	1 697
Learner driver licenses processed	306	375
Driver licenses processed	381	429
Driver licenses issued	636	615
R-value of fines collected	5 815 624	7 315 886
Operational callouts	84	92
Roadblocks held	48	87
Complaints attended to by Traffic Officers	101	143
Special Functions – Escorts	0	0
Awareness initiatives on public safety	4	5
Operational callouts: Fire Services	46	52
Awareness initiatives on fire safety	1	1
Reservists and volunteers trained in firefighting	0	0

*Table 106: Service Statistics for Public Safety*

## e) Employees: Public Safety

Employees: Public Safety					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	2	2	2	2	0
7 – 9	0	0	0	0	0
10 - 12	2	2	2	2	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>

Table 107: Employees: Public Safety

## Component F: Sport and Recreation

### 3.16 Introduction to Sport and Recreation

The Municipality consists of three sports fields, which are situated in Laingsburg, Matjiesfontein and Vleiland. Furthermore, it also has one “kickabout” mini sports field within the suburbs of Göldnerville. It also has a multi-sport field situated on the JJ Ellis sports ground.

#### a) Highlights: Sport and Recreation

Description	Actions to address
Starting with phase two of the Bergsig sports field	Starting in 2026 with phase 2

Table 108: Highlights: Sport and Recreation

#### b) Challenges: Sport and Recreation

Description	Actions to address
Vandalism at sports grounds	Need to increase security on the sports grounds

Table 109: Challenges: Sport and Recreation

#### c) Service Statistics for Sport and Recreation

Type of service	2023/24	2024/25
<b>Community Parks</b>		
Number of parks with play park equipment	5	5
Number of wards with community parks	4	4
<b>Sports fields</b>		
Number of wards with sports fields	2	2

Type of service	2023/24	2024/25
Number of sports associations utilising sports fields	5	5
R-value collected from the utilisation of sports fields	0	0
<b>Sports halls</b>		
Number of wards with sports halls	2	2
Number of sport associations utilising sports halls	5	5
R-value collected from the rental of sports halls (R)	75 404.89	77 499.68

Table 110: Additional Performance Information for Sport and Recreation

#### d) Employees: Sport and Recreation

Employees: Public Safety					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	2	2	2	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>

Table 111: Employees: Sport and Recreation

## Component G: Corporate Policy Offices and Other Services

### 3.17 Financial Services

#### a) Highlights: Financial Services

Description	Actions to address
Budget Control	Management must see this as a focus area and priority
Lack of capacity in BTO	Train and capacitate personnel
Unfunded Budget	Purposeful control in budget spending

Table 112: Highlights: Sport and Recreation

## b) Employees: Financial Services

Employees: Financial Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	1	3	2	1	0
7 – 9	6	6	6	0	0
10 – 12	4	4	3	1	0
13 – 15	0	1	1	0	0
16 – 18	2	1	0	1	0
19 – 20	0	0	0	0	0
<b>Total</b>	<b>13</b>	<b>15</b>	<b>12</b>	<b>3</b>	<b>0</b>

Table 113: Employees: Financial Services

## 3.18 Human Resources (HR)

### a) Introduction to HR

The Laingsburg Municipality's Mission and Vision provide direction to achieve the goals and objectives of the Municipality, and the Human Resources division must drive business excellence and contribute towards the Municipality's business strategy through strategic human resource management.

### b) Highlights: HR

Highlights	Description
Organogram Review	Organogram were reviewed for 2024/25
HR Intern	Appointed an HR Intern on 1 Nov 2024 to assist with HR Duties
HR Policies	Approval of new policies

Table 114: Highlights: HR

### c) Challenges: HR

Description	Actions to address
Lack of office Space (HR and Records in one room)	Redesign layout to improve space usage/ Get additional office space

Table 115: Challenges: HR

#### d) Employees: HR

Employees: Human Resources					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	3	3	3	0	0
7 – 9	2	2	2	0	0
10 - 12	3	3	3	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0</b>

Table 116: Employees: HR

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

#### a) Introduction to ICT Services

Laingsburg Municipality is one of the smallest municipalities in the Western Cape and is still in the beginning phases of developing its ICT infrastructure. Before 2015, the Municipality had no proper ICT infrastructure or a fixed ICT official dedicated to handling its daily tasks.

The Municipality only appointed a qualified official in May 2015, and thereafter, the ICT environment started to become more stable. Even though an ICT official is in place, budgetary constraints are still a problem for Laingsburg Municipality, and for that reason, growth in the ICT environment is substantially slow.

#### b) Highlights: ICT Services

Highlights	Description
ICT Intern	Advertise for an intern in 2024/25 and appoint Intern 1 July 2025

Table 117: Highlights: ICT Services

#### b) Challenges: ICT Services

Description	Actions to address
Lack of Space for Equipment	Get a suitable office space for software

Table 118: Challenges: ICT Services

### c) Employees: ICT Services

Employees: ICT Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

Table 119: Employees: ICT Services

## 3.20 Procurement Services

### a) Introduction to Procurement Services

Supply chain management (SCM) is a vital function in Laingsburg Local Municipality, ensuring the efficient and timely procurement of goods and services necessary for effective service delivery. By optimising the procurement process, the municipality can reduce costs, improve quality, and enhance transparency.

SCM plays a crucial role in supporting the municipality's constitutional mandate of providing essential services to its residents. This includes ensuring that capital spending targets are met through the efficient allocation of resources for infrastructure projects. Moreover, all divisions and departments within the municipality rely on SCM to achieve their objectives, from procuring materials for road repairs to acquiring supplies for social services programs.

In essence, SCM is a cornerstone of effective governance in Laingsburg Local Municipality, enabling the municipality to deliver quality services to its community while managing resources efficiently.

Despite the capacity constraints of the supply chain management unit, which currently consists of only three employees, we are committed to optimising processes and improving systems. This approach enables us to enhance service delivery while maintaining strict adherence to all relevant legislation.

### b) Challenges: Procurement Services

Description	Actions to address
The lack of cooperation and collaboration has hindered the effective planning and implementation of the procurement plan	The procurement plan will be monitored by the Accountant SCM on a monthly basis.. The Accountant SCM will report to the Chief Financial Officer (CFO), who will, in turn, report to the Accounting Officer

Description	Actions to address
Appointment of a fourth member to the Bid Adjudication Committee (BAC), as per Municipal SCM Regulation 29	The fourth member for the Bid Adjudication Committee (BAC) will be appointed from a neighbouring municipality within the Central Karoo District through the exemption process
Addressing the matter of historical Unauthorised, Irregular, Fruitless, and Wasteful Expenditure (UIFWE)	The procurement plan for the 2025/26 financial year addresses all identified irregular contracts. These contracts will be subject to a vigorous tender process to ensure their replacement with proper, legally compliant contracts
Ineffective Contract Management	To enhance governance and oversight, a Contract Management Policy and Framework will be introduced. This is accompanied by a complete review of the contract register. The register will be updated on a monthly basis, and specifically whenever payments are processed

Table 120: Challenges: Procurement Services

### c) Service Statistics: Procurement Services

Description	Total No	Monthly Average
Orders processed	1 846	153.83
Extensions	1	0.08
Bids received (number of documents)	29	2.42
Bids awarded	5	0.42
Bids awarded ≤ R200 000	51	4.25
Appeals registered	2	0.17
Successful appeals	0	0

Table 121: Service Statistics: Procurement Services

### e) Details of Deviations for Procurement Services

Reason for Deviation	Number of Applications Considered and Approved	Value of Applications Approved (R)
Section 36(1)(a)(i)- In an emergency which is considered an unforeseeable and sudden event with materially harmful or potentially materially harmful consequences for the Municipality, which requires urgent action to address	1	R73 082.50
Section 36(1)(a)(ii)- Where it can be demonstrated that goods or services are produced or available from a single provider only	0	N/A
Section 36(1)(a)(iii)- For the acquisition of special works of art or historical objects where specifications are difficult to compile	0	N/A
Section 36(1)(a)(v)- Exceptional case, and it is impractical or impossible to follow the official procurement processes	0	N/A
<b>Total</b>	<b>1</b>	<b>R73 082.50</b>

Table 122: Details of Deviations for Procurement Services



## Component H: Service Delivery Priorities For 2025/26

### 3.21 Service Delivery Priorities For 2025/26

The main development and service delivery priorities for 2025/26 form part of the Municipality's Top Layer SDBIP for 2025/26 and are indicated in the table below:

#### 3.21.1 Developing a Safe, Clean, Healthy and Sustainable Environment for Communities

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL15	Review the Disaster Management Plan and submit to Council by 31 March 2026	Reviewed Disaster Management Plan submitted to Council by 31 March 2026	All	1
TL16	Facilitate roadblocks on a quarterly basis	Number of roadblocks facilitated	All	48
TL17	Spend 95% of the Library Grant [(Actual expenditure divided by the total approved grant received) x 100]	% grant spent	All	95%
TL18	Facilitate the Thusong Outreach Programme on a bi-annual basis	Number of programmes facilitated	All	2

Table 123: Service Delivery Priorities for 2025/26– Developing a Safe, Clean, Healthy and Sustainable Environment for Communities

#### 3.21.2 Promote Local Economic Development

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL33	Create job opportunities through EPWP and LED projects by 30 June 2026	Number of job opportunities created by 30 June 2026	All	66

Table 124: Services Delivery Priorities for 2025/26– Promote Local Economic Development

#### 3.21.3 Improve the Standards of Living of all People in Laingsburg

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL8	Provide free 50kWh electricity to indigent households as at 30 June 2026	Number of households receiving free basic electricity	All	370
TL9	Provide free 6kl water to indigent households as at 30 June 2026	Number of households receiving free basic water	All	480
TL10	Provide free basic sanitation to indigent households as at 30 June 2026	Number of households receiving free basic sanitation services	All	480
TL11	Provide free basic refuse removal to indigent households as at 30 June 2026	Number of households receiving free basic refuse removal services	All	480

Table 125: Services Delivery Priorities for 2025/26– Improve the Standards of Living of all People in Laingsburg

#### 3.21.4 Provision of Infrastructure to Deliver Improved Services to all Residents and Business

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL2	The percentage of the municipal capital budget actually spent on capital projects	% of capital budget spent on capital projects	All	95%

Ref	KPI	Unit of Measurement	Wards	Annual Target
	by 30 June 2026 [(Amount actually spent on capital projects/ Amount budgeted for capital projects)x100]			
TL4	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2026	Number of residential properties which are billed for electricity or have prepaid meters (Excluding Eskom areas) as at 30 June 2026	All	896
TL5	Number of formal residential properties that receive piped water (credit and prepaid water metering) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2026	Number of residential properties which are billed for water	All	1 336
TL6	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2026	Number of residential properties which are billed for sewerage	All	1 320
TL7	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2026	Number of residential properties which are billed for refuse removal	All	1 370
TL23	95% of the approved project budget spent on the new Bergsig Sport Field by 30 June 2026 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2026	All	95%
TL24	Complete the Site G Development Planning Phase in Laingsburg by 30 June 2026	Development Planning Phase completed by 30 June 2026	All	1
TL25	95% of the approved project budget spent on New Machinery and Equipment by 30 June 2026 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2026	All	95%
TL26	95% of the approved project budget spent on New Storm Water Conveyance in Göldnerville by 30 June 2026 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2026	All	95%
TL27	95% of the approved project budget spent on New Waste Water Treatment Works in Bergsig by 30 June 2026 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2026	All	95%
TL28	95% of the approved project budget spent on New Reclaimed Water	% of budget spent by 30 June 2026	All	95%

Ref	KPI	Unit of Measurement	Wards	Annual Target
	Reticulation in Laingsburg Municipal Area by 30 June 2026 [(Actual expenditure divided by the total approved project budget) x 100]			
TL29	95% of the approved project budget spent on the procurement of vehicles for Infrastructure Services by 30 June 2026 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2026	All	95%

*Table 126: Services Delivery Priorities for 2025/26– Provision of Infrastructure to Deliver Improved Services to all Residents and Business*

### 3.21.5 To Create an Institution with Skilled Employees to Provide a Professional Service to its Clientele Guided by Municipal Values

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Develop a Risk Based Audit Plan for 2026/26 and submit to the Audit Committee for consideration by 30 June 2026	RBAP submitted to the Audit Committee by 30 June 2026	All	1
TL30	Limit the vacancy rate to less than 5% of budgeted posts by 30 June 2026 [(Number of posts filled/Total number of budgeted posts) x 100]	% vacancy rate of budgeted posts by 30 June 2026	All	5%
TL31	The percentage of the Municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2026 [(Actual amount spent on training/total operational budget) x 100]	% of the Municipality's personnel budget on implementing its workplace skills plan by 30 June 2026	All	1%
TL32	The number of people from employment equity target groups employed (to be appointed) by 30 June 2026 in the three highest levels of management in compliance with the equity plan	Number of people employed (to be appointed) by 30 June 2026	All	0
TL34	Develop and distribute at least two municipal newsletters by 30 June 2026	Number of municipal newsletters developed and distributed	All	2
TL35	Establish a Municipal Moderation Committee by 31 December 2025	Municipal Moderation Committee established by 31 December 2025	All	1
TL36	Establish a Departmental Moderation Committee 31 October 2025	Departmental Moderation Committee established by 31 October 2025	All	1

*Table 127: Service Delivery Priorities for 2025/26 - To Create an Institution with Skilled Employees to Provide a Professional Service to its Clientele Guided by Municipal Values*

### 3.21.6 To Achieve Financial Viability in order to Render Affordable Services to Residents

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL3	Achieve a debtor payment percentage of 85% by 30 June 2026 [(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100]	% debtor payment achieved	All	85%
TL12	Financial viability measured in terms of the municipality's ability to meet its service debt obligations at 30 June 2026 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue -Operating Conditional Grant) x 100]	Debt coverage ratio as at 30 June 2026	All	45%
TL13	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2026 [(Total outstanding service debtors/annual revenue received for services)x 100]	% outstanding service debtors at 30 June 2026	All	75%
TL14	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2026 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Cost coverage ratio as at 30 June 2026	All	0.5

Table 128: Services Delivery Priorities for 2025/26– To Achieve Financial Viability in Order to Render Affordable Services to Residents

### 3.21.7 Effective Maintenance and Management of Municipal Assets and Natural Resources

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL19	Limit the % electricity unaccounted for to less than 10% by 30 June 2026 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased ) x 100]	% electricity unaccounted for by 30 June	All	10%
TL20	Limit unaccounted for water to less than 30% by 30 June 2026 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100]	% of water unaccounted	All	30%

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL21	95% of water samples comply with SANS241 [(Number of water samples that comply with SANS241 indicator (e-coli)/Number of water samples tested) x 100]	% of water samples compliant	All	95%
TL22	95% of effluent samples comply with permit values in terms of SANS 242 by 30 June 2026 [(Number of effluent samples that comply with permit values (suspended solids)/Number of effluent samples tested) x 100]	% of effluent samples compliant	All	95%

*Table 129: Services Delivery Priorities for 2025/26– Effective Maintenance and Management of Municipal Assets and Natural Resources*

## Chapter 4: Organisational Development Performance

### 4.1 National KPI – Municipal Transformation And Organisational Development

The following table indicates the Municipality's performance in terms of the National KPI required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These KPI's are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2023/24	2024/25
People employed from employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	0	0
Percentage of municipality's personnel budget actually spent on training by 30 June ((Total Actual Training Expenditure/ Total personnel Budget)x100)	1	1

*Table 130: National KPIs– Municipal Transformation and Organisational Development*

### 4.2 Component A: Introduction to The Municipal Workforce

The Laingsburg Municipality currently employs **69** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and administrative function.

#### 4.2.1 Employment Equity

The Employment Equity Act (1998), Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to the "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

### a) Employment Equity Targets/Actual

African		Coloured		Indian		White	
Target June	Actual June	Target June	Actual June	Target June	Actual June	Target June	Actual June
1	1	1	1	0	0	1	1

Table 131: 2024/25 EE Targets/Actual by Racial Classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
1	1	1	2	1	1	1	0	0

Table 132: 2024/25 EE Targets/Actual by Gender Classification

### b) Specific Occupational Categories - Race

The table below indicates the number of employees by race within the specific occupational categories:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	0	1	0	0	0	0	0	0	1
Senior management	1	1	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	1	1	0	0	0	2	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2	15	0	0	2	18	0	0	37
Semi-skilled and discretionary decision-making	0	7	0	0	0	0	0	0	7
Unskilled and defined decision-making	0	13	0	0	0	5	0	0	18
<b>Total permanent</b>	<b>4</b>	<b>38</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>69</b>
Non-permanent employees	0	0	0	0	0	4	0	0	4
<b>Grand Total</b>	<b>4</b>	<b>38</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>73</b>

Table 133: Occupational Categories

### c) Departments - Race

The following table categorises the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	1	1	0	0	1	0	0	0	3
Finance	1	5	0	0	0	6	0	0	12
Corporate Services	0	3	0	0	0	6	0	0	9
Community Services	1	4	0	0	0	11	0	0	16
Infrastructure Services	2	24	0	0	1	2	0	0	29

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Total permanent	5	37	0	0	2	25	0	0	69
Non-permanent	0	0	0	0	0	4	0	0	4
Grand Total	5	37	0	0	2	29	0	0	73

Table 134: Department – Race

#### 4.2.2 Vacancy Rate

The approved organogram for the Municipality had **69** posts for the 2024/25 financial year. The actual positions filled are indicated in the table below by functional level. **11** posts were vacant at the end of 2024/25, resulting in a vacancy rate of **15.94%**.

Below is a table that indicates the vacancies within the Municipality:

Per Functional Level		
Post level	Filled	Vacant
MM & MSA section 57 & 56	1	0
Middle management (T14-T19)	5	1
Admin Officers (T4-T13)	45	6
General Workers (T3)	18	4
<b>Total</b>	<b>69</b>	<b>11</b>
Functional area	Filled	Vacant
Office of the Municipal Manager	3	0
Finance	12	3
Corporate Services	9	0
Community Services	16	1
Infrastructure Services	29	7
<b>Total</b>	<b>69</b>	<b>11</b>

Table 135: Vacancy Rate Per Post

The table below indicates the number of critical vacancies per salary level:

Salary Level	Number of current critical vacancies	Total posts as per the organogram	Vacancy job title
Municipal Manager	0	0	0
Chief Financial Officer	1	0	Senior Manager, Finance and Compliance Services
Other Section 57 Managers	0	0	0
Senior management (T14-T19)	0	0	0
Highly skilled supervision (T4-T13)	3	0	Superintendent, Accountant, Revenue, Electrician
<b>Total</b>	<b>4</b>	<b>0</b>	<b>N/A</b>

Table 136: Critical Vacancies Per Salary Level

### 4.2.3 Staff Turnover Rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that shows the staff turnover rate within the Municipality.

The table below indicates the turnover rate over the last two years:

Financial year	Total employees at the end of the financial year	New appointments	No Terminations during the year	Turn-over Rate
2023/24	77	9	7	9.03%
2024/25	69	4	6	8.22%

Table 137: Staff Turnover Rate

## 4.3 Component B: Managing the Municipal Workforce

### 4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man-hours and, therefore, financial and productivity performance.

The table below indicates the total number of injuries within the different directorates:

Directorates	2023/24	2024/25
Office of the Municipal Manager	0	0
Finance	0	0
Corporate Services	0	1
Community Services	0	0
Infrastructure Services	0	1
<b>Total</b>	<b>0</b>	<b>2</b>

Table 138: Injuries

### 4.3.2 Sick Leave

The number of sick leave days taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken. The total number of employees who have taken sick leave during the 2023/24 financial year shows a decrease when compared with the 2024/25 financial year.

The table below indicates the total number of sick leave days taken within the year:

Year	Total number of sick leave days taken within the year
2023/24	509
2024/25	483

Table 139: Sick Leave



### 4.3.3 HR Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the management of staff.

The table below shows the HR policies and plans that are approved:

Approved policies	
Name of policy	Date approved/ revised
Human Resource Management Strategy and Implementation Plan 2022-2026	30 June 2025
Recruitment and Selection Policy	30 June 2025
Induction and Onboarding Policy	30 June 2025
Probation Policy	30 June 2025
Placement Policy	30 June 2025
T.A.S.K Job Evaluation Policy	30 June 2025
Employment Equity Policy	30 June 2025
Acting Policy	30 June 2025
Scarce Skills and Retention Policy	30 June 2025
Education, Training and Development Policy	30 June 2025
Exit Management Policy	30 June 2025
Occupational Health and Safety Policy	30 June 2025
Leave of Absence	30 June 2025
Overtime Policy	30 June 2025
Private Work Policy	30 June 2025
Employee Assistance Programme Policy	30 June 2025
Policies still to be Approved	

Table 140: HR Policies and Plans

## 4.4 Component C: Capacitating the Municipal Workforce

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

### 4.4.1 Skills Matrix

The table below indicates the number of employees who received training in the year under review:

Management level	Gender	Number of employees identified for training at the start of the year (2024/25)	Number of Employees that received training (2024/25)
MM and S57	Female	0	0
	Male	1	1
	Female	1	1

Management level	Gender	Number of employees identified for training at the start of the year (2024/25)	Number of Employees that received training (2024/25)
Legislators, Senior Officials and Managers	Male	2	2
Associate Professionals and Technicians	Female	0	0
	Male	2	2
Professionals	Female	0	0
	Male	1	1
Clerks	Female	8	3
	Male	5	4
Service and Sales Workers	Female	0	0
	Male	2	1
Craft and Related Trade Workers	Female	0	0
	Male	0	0
Plant and Machine Operators and Assemblers	Female	1	1
	Male	5	2
Elementary Occupations	Female	4	1
	Male	10	3
Subtotal	Female	14	6
	Male	28	16
Total		42	22

Table 141: Skills Matrix

#### 4.4.2 Skills Development – Training Provided

The Skills Development Act (1998) and the MSA require employers to supply employees with the necessary training to develop their human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilisation and training of staff.

Training provided within the reporting period 2024/25			
Management level	Gender	Total	
		Actual	Target
MM and S57	Female	0	0
	Male	1	1
Legislators, Senior Officials and Managers	Female	1	2
	Male	2	2
Associate Professionals and Technicians	Female	0	0
	Male	2	2
Professionals	Female	0	0
	Male	1	1
Clerks	Female	3	10

Training provided within the reporting period 2024/25			
Management level	Gender	Total	
		Actual	Target
	Male	5	6
Service and Sales Workers	Female	0	0
	Male	2	1
Craft and Related Trade Workers	Female	0	0
	Male	0	0
Plant and Machine Operators and Assemblers	Female	1	1
	Male	2	5
Elementary Occupations	Female	1	4
	Male	2	10
Subtotal	Female	6	17
	Male	17	28
Total		23	45

Table 142: Skills Development

#### 4.4.3 Skills Development - Budget Allocation

The table below indicates that a total amount of R50 000 was allocated to the workplace skills plan and that 100% of the total amount was spent in the 2024/25 financial year:

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
2023/24	33 125 095	82 464	39 536	47.95
2024/25	36 325 947	50 000	50 000	100

Table 143: Budget Allocated and Spent for Skills Development

#### 4.4.4 MFMA Competencies

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers, and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials in acquiring the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcome-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice No. 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>				
Accounting officer	1	1	1	1
Chief Financial Officer	0	0	0	0
Senior Managers	1	1	1	1
Any other Financial Officials	1	1	0	1
<b>Supply Chain Management Officials</b>				
Heads of Supply Chain Management units	1	1	0	1
Supply Chain Management Senior Managers	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>5</b>

Table 144: MFMA Competencies

## 4.5 Component D: Managing the Municipal Workforce Expenditure

Section 66 of the MSA states that the accounting officer of a Municipality must report to the Council on all expenditures incurred by the Municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

### 4.5.1 Personnel Expenditure

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

Financial year	Total Expenditure: Salary and Allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2023/24	36 799	87 371	42.23
2024/25	40 147	39 132	97.47

Table 145: Personnel Expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2023/24	2024/25		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers plus Others)				
Basic salaries and wages	3 206	3 535	3 450	3 450
Motor vehicle allowance	53	0	0	54
Other allowances	298	324	358	314
Sub Total	3 557	3 859	3 808	3 818
% increase/ (decrease)	12.13	8.49	7.06	7.34
Senior Managers of the Municipality				
Salary	4 040	4 158	3 966	3 837
Contributions	616	864	923	773
Allowances	748	559	763	668
Other benefits	421	0	0	0
Performance bonus	0	0	0	124
Sub Total	5 826	5 581	5 652	7 425
% increase/ (decrease)	14.4	-4.21	-2.97	27.45
Other Municipal Staff				
Basic Salaries and Wages	19 297	17 321	18 881	15 899
Contributions	4 219	3 776	3 779	3 461
Allowances	2 079	1 073	1 419	1 243
Housing allowance	66	0	0	0
Overtime	1 320	725	1 023	987
Other benefits or allowances	535	0	0	0
Sub Total	27 516	22 895	25 102	21 590
% increase	11.2	-16.79	-8.77	-21.54
Total Municipality	36 899	32 335	34 562	32 833
% increase/ (decrease)	11.78	-12.37	-6.33	-11.02

Table 146: Personnel Expenditure

## Chapter 5

This chapter provides details regarding the financial performance of the Municipality for the 2024/25 financial year.

### EXECUTIVE SUMMARY

During the 2024/25 financial year, the Municipality continues to demonstrate sound financial governance and strong balance sheet stability, despite revenue constraints and rising operational costs.

Key achievements in 2025 include:

- A notable increase in cash liquidity, ensuring short-term financial resilience.
- Maintenance of a healthy net asset base with minimal debt exposure.
- Effective credit control, leading to improved debtor recovery rates.

The following are the areas of focus moving forward:

- Maintaining expenditure discipline to protect future surpluses.
- Diversifying revenue streams to reduce dependency on government transfers.
- Sustaining capital investment to support long-term service delivery.

The 2024/25 **Financial Position** of Laingsburg Municipality shows a moderate improvement from 2024 to 2025, despite some fluctuations in asset and liability components.

- Total assets increased from R358.34 million (2024) to R375.27 million (2025) — a growth of about 4.7%.
- Net assets also improved from R291.57 million to R309.63 million, showing a stronger equity position.

The municipality has improved liquidity, maintained a healthy surplus of assets over liabilities, and shows prudent fiscal management.

2024/25 **Financial Performance** of the municipality recorded a net surplus of R18.06 million for 2025, down from R23.61 million in 2024. While the municipality remained in a positive financial position, the results show a decline in total revenue and a sharp rise in expenditure, which significantly reduced the annual surplus.

The 2024/25 Cash Flow Statement showed significant improvement in the cash position during 2025.

- Net increase in cash and cash equivalents: R18.03 million (vs R4.23 million in 2024).
- Closing cash balance: R24.74 million (up from R6.71 million in 2024).

This reflects better liquidity and stronger cash management compared to the previous year. Operating activities remain the primary cash source, while restrained capital investment and limited borrowing strengthened liquidity. The closing balance of R24.74 million indicates a robust and improving cash position, providing a healthy buffer for future operations.

## Component A: Statements Of Financial Performance

The Statement of Financial Performance provides an overview of the Municipality's financial performance and focuses on its financial health.

### 5.1 Financial Summary

#### Statement of Financial Performance

For the 2025 financial year, total revenue decreased to R130.2 million from R145.3 million in 2024 — a decline of R15.1 million (10%). This drop was driven mainly by lower government transfers and a reduction in fines and penalties income.

Total expenditure increased to R102.4 million (2024: R88.8 million), reflecting rising costs in employee compensation, bulk purchases, contracted services, and finance costs. Depreciation and amortisation also continued to place pressure on overall expenditure levels.

As a result, the operating surplus declined from R56.5 million to R27.9 million, and the net surplus for the year fell to R5.9 million (2024: R24.1 million). Despite this contraction, the Municipality maintained a positive operating result, indicating continued financial sustainability.

Key Performance Highlights (2025):

- Total Revenue: R130.2 million (↓ 10%)
- Total Expenditure: R102.4 million (↑ 15%)
- Net Surplus: R5.9 million (↓ 76%)
- Surplus Margin: 4.5% of total revenue

The Municipality demonstrated ongoing fiscal discipline and managed to deliver a surplus in a year characterised by reduced grant income and higher operating costs.

#### 5.1.1 Overall Financial Summary

The table below indicates the summary of the financial performance for the 2024/25 financial year:

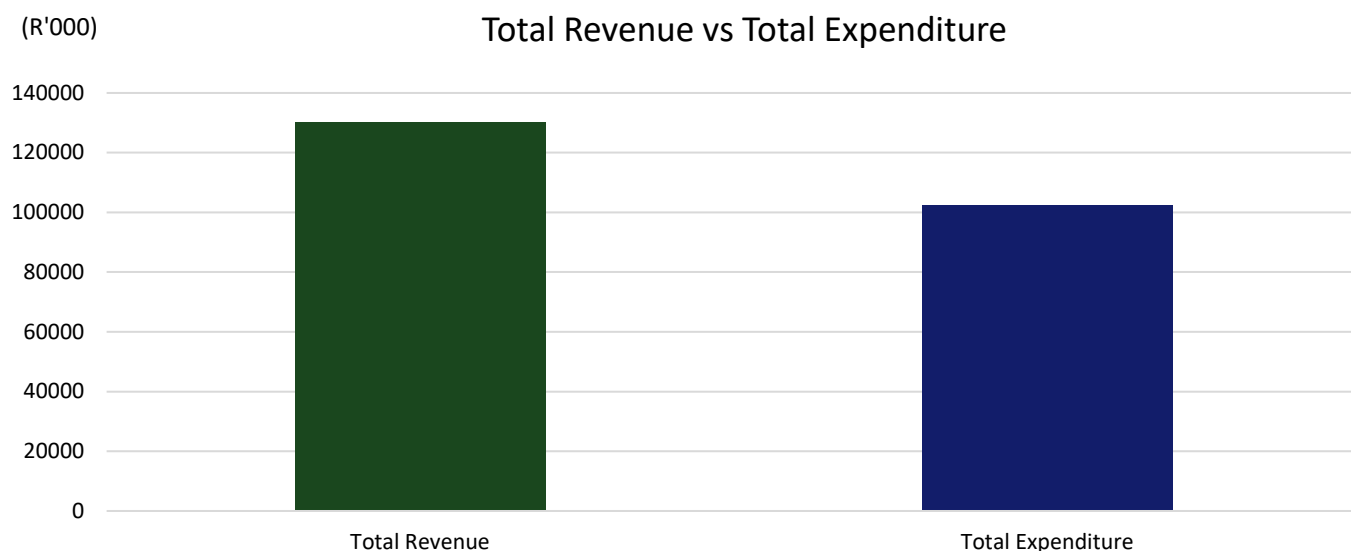
Revenue	2023/24 (R)	2024/25 (R)
Revenue from Non-exchange Transactions	111 751 665	89 909 273
Taxation Revenue	5 320 209	5 657 213
Property Rates	5 024 646	5 657 213
Surcharges and Taxes	295 563	-
Transfer Revenue	105 720 624	83 467 494
Grants and Subsidies	66 997 475	-
Contributed Property, Plant and Equipment	1 210 000	-
Fines, Penalties and Forfeits	33 765 412	28 860 283
Service-in-kind	3 747 737	-
Other Revenue	710 832	784 567

Revenue	2023/24 (R)	2024/25 (R)
Availability Charges	287 668	318 218
Fines, Penalties and Forfeits	-	-
Interest Earned - Non-exchange Transactions	423 163	466 349
Revenue from Exchange Transactions	33 588 405	40 328 944
Licences and Permits	256 397	226 882
Service Charges	27 390 132	33 537 232
Sales of Goods and Rendering of Services	294 883	341 288
Rent on Land	102 655	26 650
Rental from Fixed Assets	1 643 719	1 639 656
Interest Earned - External Investments	1 264 711	1 617 323
Interest Earned - Exchange Transactions	777 982	1 188 705
Operational Revenue	1 661 285	1 536 424
Agency Services	196 641	214 784
<b>Total Revenue</b>	<b>145 340 070</b>	<b>130 238 217</b>
Expenditure		
Employee related costs	33 350 274	35 455 753
Remuneration of Councillors	3 606 532	3 676 673
Bad Debts Written Off	-	1 115 945
Contracted Services	5 205 268	10 020 964
Depreciation and Amortisation	14 114 000	12 678 621
Finance Costs	2 649 005	4 530 439
Bulk Purchases	11 873 369	14 818 560
Inventory Consumed	2 240 071	775 203
Operating Leases	744 852	463 355
Transfers and Subsidies	-	97 621
Operational Costs	15 009 018	18 754 727
<b>Total Expenditure</b>	<b>88 792 389</b>	<b>102 387 861</b>
Operating Surplus/(Deficit) for the Year	56 547 681	27 850 357
Reversal of Impairment Loss/(Impairment Loss) on Receivables	(33 069 872)	(21 326 220)
Gains/(Loss) on Sale of Fixed Assets	(248 845)	(422 363)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	10 934	-
Actuarial gain/(loss)	862 129	(216 995)
<b>Net surplus/(deficit) for the year</b>	<b>24 102 027</b>	<b>5 884 778</b>

Table 147: Financial Performance 2024/25



The following graphs indicate the total revenue vs total expenditure in the municipal budget for 2024/25:



Graph 5.: Total Revenue vs Total Expenditure

## 5.1.2 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote in the 2023/24 Financial year:

Segment Revenue	Executive and Council	Corporate Services	Financial Services	Community Services and Public Safety	Technical Services	Total
	R					
External revenue from exchange transactions	-	4 028 190	286 782	1 898 014	27 375 419	33 588 405
Service Charges - Electricity	-	-	-	-	18 028 447	18 028 447
Service Charges - Water	-	-	-	-	3 867 405	3 867 405
Service Charges - Waste water management	-	62 628	-	-	2 664 580	2 727 208
Service Charges - Waste management	-	-	-	-	2 767 072	2 767 072
Sales of Goods and Rendering of Services	-	158 350	70 170	18 882	47 481	294 883
Agency Services	-	-	196 641	-	-	196 641
Interest	-	184 298	-	-	-	184 298
Interest Earned - Receivables - Exchange Transactions	-	593 685	-	-	-	593 685
Interest Earned - External Investments	-	1 264 711	-	-	-	1 264 711
Rent on land	-	102 655	-	-	-	102 655
Rental of Facilities and Equipment	-	1 639 681	-	3 604	435	1 643 719
Licences and Permits	-	-	-	256 397	-	256 397
Operational Revenue	-	22 183	19 972	1 619 130	-	1 661 285

Segment Revenue	Executive and Council	Corporate Services	Financial Services	Community Services and Public Safety	Technical Services	Total
	R					
External revenue from non-exchange transactions	-	22 489	29 739 905	33 757 112	7 335 819	70 855 324
Property rates	-	-	5 024 646	-	-	5 024 646
Surcharges and taxes	-	-	295 563	-	-	295 563
Fines, Penalties and Forfeits	-	8 300	-	33 757 112	-	33 765 412
Transfers Recognised - Operational	-	263 033	23 134 404	-	7 048 150	30 445 587
Interest Earned - Non-exchange Transactions	-	-	423 163	-	-	423 163
Operational Revenue	-	-	-	-	287 668	287 668
Gains on disposal of Assets	-	(248 845)	-	-	-	(248 845)
Other Gains	-	-	862 129	-	-	862 129
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>-</b>	<b>4 050 679</b>	<b>30 026 687</b>	<b>35 655 126</b>	<b>34 711 238</b>	<b>104 443 729</b>

Table 148: Revenue by Vote: 2023/24

The table below indicates the revenue collection performance by vote in the 2024/25 Financial year:

Segment Revenue	Executive and Council	Corporate Services	Financial Services	Community Services and Public Safety	Technical Services	Total
	R					
External revenue from exchange transactions	-	4 736 066	301 992	1 715 768	33 575 118	40 328 944
Service Charges - Electricity	-	-	-	-	21 757 564	21 757 564
Service Charges - Water	-	-	-	-	4 407 259	4 407 259
Service Charges - Waste water management	-	29 771	-	-	3 563 207	3 592 978
Service Charges - Waste management	-	-	-	-	3 779 431	3 779 431
Sales of Goods and Rendering of Services	-	186 506	65 598	21 527	67 657	341 288
Agency Services	-	-	214 784	-	-	214 784
Interest	-	292 514	-	-	-	292 514
Interest Earned - Receivables - Exchange Transactions	-	896 191	-	-	-	896 191
Interest Earned - External Investments	-	1 617 323	-	-	-	1 617 323
Rent on land	-	26 650	-	-	-	26 650
Rental of Facilities and Equipment	-	1 639 253	-	403	-	1 639 656
Licences and Permits	-	-	-	226 882	-	226 882
Operational Revenue	-	47 857	21 610	1 466 957	-	1 536 424
External revenue from non-exchange transactions	-	(182 469)	30 579 523	28 767 983	1 975 092	61 140 129

Property rates	-	-	5 657 213	-	-	5 657 213
Surcharges and taxes	-	-	-	28 767 983	92 300	28 860 283
Fines, Penalties and Forfeits	-	122 174	24 672 957	-	1 564 574	26 359 705
Transfers Recognised - Operational	-	-	466 349	-	-	466 349
Interest Earned - Non-exchange Transactions	-	-	-	-	318 218	318 218
Operational Revenue	-	(304 643)	-	-	-	(304 643)
Gains on disposal of Assets	-	-	(216 995)	-	-	(216 995)
Other Gains						
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>-</b>	<b>4 553 597</b>	<b>30 881 515</b>	<b>30 483 751</b>	<b>35 550 210</b>	<b>101 469 073</b>

Table 149: Revenue by Vote: 2024/25

### 5.1.3 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2024/25 financial year:

Revenue	2024 R	2025 R
Revenue from Non-exchange Transactions	111 751 665	89 909 273
Taxation Revenue	5 320 209	5 657 213
Property Rates	5 024 646	5 657 213
Surcharges and Taxes	295 563	-
Transfer Revenue	105 720 624	83 467 494
Government Grants and Subsidies	66 997 475	54 607 211
Contributed Property, Plant and Equipment	1 210 000	-
Fines, Penalties and Forfeits	33 765 412	28 860 283
Service-in-kind	3 747 737	-
Other Revenue	710 832	784 567
Availability Charges	287 668	318 218
Fines, Penalties and Forfeits	-	-
Interest Earned - Non-exchange Transactions	423 163	466 349
Revenue from Exchange Transactions	33 588 405	40 328 944
Licences and Permits	256 397	226 882
Service Charges	27 390 132	33 537 232
Sales of Goods and Rendering of Services	294 883	341 288
Rent on Land	102 655	26 650
Rental from Fixed Assets	1 643 719	1 639 656
Interest Earned - External Investments	1 264 711	1 617 323
Interest Earned - Exchange Transactions	777 982	1 188 705
Operational Revenue	1 661 285	1 536 424

Agency Services	196 641	214 784
<b>Total Revenue</b>	<b>145 340 070</b>	<b>130 238 217</b>

Table 150: Revenue by Source

## 5.1.4 Operational Services Performance

The table below indicates the operational services performance for the 2024/25 financial year:

Segment Expenditure	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading Services				Other	Total
				Energy Sources	Water Management	Waste water management	Waste management services		
	R								
Employee Related Costs	14 425 059	4 908 499	11 118 701	465 824	1 937 952	1 281 272	938 207	380 237	35 455 753
Remuneration of Councillors	3 676 673	-	-	-	-	-	-	-	3 676 673
Bulk Purchases - Electricity	-	-	-	14 818 560	-	-	-	-	14 818 560
Inventory consumed	234 025	45 265	197 496	27 011	89 750	12 312	153 799	15 545	775 203
Debt Impairment	699 765	18 701 320	-	134 690	680 667	571 390	538 386	-	21 326 220
Depreciation and Amortisation	1 418 707	958 294	3 854 723	669 793	2 559 759	2 416 531	779 680	21 134	12 678 621
Interest	1 539 807	-	-	-	-	-	2 990 632	-	4 530 439
Contracted Services	8 201 081	374 917	471 615	233 825	200 796	263 695	273 455	1 581	10 020 964
Transfer and subsidies	97 621	-	-	-	-	-	-	-	97 621
Irrecoverable debt written off	-	238	-	170 422	382 090	282 558	280 637	-	1 115 945
Operational cost	15 601 046	541 909	1 047 558	315 488	1 253 814	226 278	221 964	10 025	19 218 082
Losses on disposal of Assets	117 720	-	-	-	-	-	-	-	117 720
Total Segment Expenditure	46 011 505	25 530 442	16 690 093	16 835 612	7 104 828	5 054 037	6 176 761	428 522	123 831 800
Surplus/(Deficit)	(10 587 156)	4 964 072	(15 135 961)	5 148 010	(2 601 881)	(1 350 322)	(2 370 967)	(428 522)	(22 362 727)
Transfers and subsidies - capital (monetary allocations)	26 899 993	-	-	-	1 347 512	-	-	-	28 247 505
Surplus/(Deficit) for the year	16 312 837	4 964 072	(15 135 961)	5 148 010	(1 254 369)	(1 350 322)	(2 370 967)	(428 522)	5 884 778

Table 151: Operational Services Performance

## 5.2 Grants

### 5.2.1 Grant Performance

The Municipality received grants from the National and Provincial Governments during the 2024/25 financial year.

The performance in the spending of these grants is summarised as follows:

Grant Performance					
R'000					
Description	2023/24	2024/25			2024/25 % Variance
	Actual	Budget	Adjusted Budget	Actual	
Capital Transfers and Grants					
National Government:	51 925				
Equitable Share	21 520	22 685	22 685	22 685	100%
Expanded Public Works Programme Integrated Grant (EPWP)	1 173	1 209	1 209	1 209	100%
Finance Management Grant (FMG)	6 870	1 800	1 800	1 800	100%
Municipal Infrastructure Grant (MIG) – PMU	1 074	345	345	345	100%
Municipal Infrastructure Grant (MIG)	–	6 570	6 570	6 570	100%
Water Services Infrastructure Grant (WSIG)	4 471	16 044	16 044	16 044	100%
Provincial Government:	1 734				
Community Development Workers (CDW)	27	76	76	76	100%
Human Settlements Acceleration Grant	43	142	142	142	100%
Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	95	198	198	76	-61%
Western Cape Municipal Interventions Grant					
WC - Financial Management Support Grant	–	1 000	1 000	147	85%
WC - Water Resilience Grant (WCWRG)	–	652	652	652	100%
WC - FIRE SERV CAP BUILD	–	557	557	322	42%
Human Settlements Development Grant (Beneficiaries)	–	404	404	404	100%
Community Library Services Grant	–	1 000	1 000	1 000	100%
District Municipality:	–	-	-	-	-
CKDM DLG Funding for HR Internship	100	100	100	100	100%
CKDM WOSA Safety Funding	20	-	-	-	-
Other grant providers:	53	-	-	-	-
Seta	53				
Total Operating Transfers and Grants	-	-	-	-	-
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.					

Table 152: Grant Performance for 2024/25

### 5.2.2 Level of Reliance on Grants & Subsidies

Financial year	Total grants	Total	Percentage
	and subsidies received	Operating Revenue	
	R'000	R'000	
2023/24	66 997	141 592	111.33%
2024/25	54 607	130 251	138.50

Table 153: Reliance on Grants

### 5.2.3 Three Largest Assets

The following table indicates the details of the three largest assets within the Municipality:

Asset 1	
Name	Farm Portion
Description	Land
Asset Type	Land
Key Staff Involved	CFO
Staff Responsibilities	Verification
Asset 2	
Name	Land
Description	Land
Asset Type	Investment Property
Key Staff Involved	CFO
Staff Responsibilities	Verification
Asset 3	
Name	Thusong
Description	Thusong Centre Building
Asset Type	Building
Key Staff Involved	CFO
Staff Responsibilities	Maintenance and Verification

Table 154: Three Largest Assets

## 5.2.4 Grants made by the Municipality

The following table indicates the grants made by the Municipality during the financial year:

All organisations or person in receipt of grants provided by the Municipality	Nature of Project	Conditions attached to funding	Value 2024/25 (R'000)	Total Amount committed over previous and future years
—	—	—	—	—

Table 155: Grants Made by the Municipality

## 5.3 Asset Management

### 5.3.1 Repairs and Maintenance

Description	2023/24	2024/25			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Budget variance
		R'000			%
Repairs and Maintenance Expenditure	1 290	1 829	1 651	1 339	-18%

Table 156: Repairs & Maintenance

## 5.4 Financial Ratios Based on Key Performance Indicators

### 5.4.1 Liquidity Ratio

Description	Basis of calculation	2023/24	2024/25
		Audited outcome	Pre-Audited outcome
Current Ratio	Current assets/current liabilities	0.80	1.07
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.69	1.01
Liquidity Ratio	Cash and equivalents/Trade creditors and short-term borrowings	0.12	0.72

Table 157: Liquidity Financial Ratio

### 5.4.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2023/24	2024/25
		Audited outcome	Pre-Audited outcome
Cost Coverage	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).	0.76%	2.68%
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	20.41%	19.32%

Description	Basis of calculation	2023/24	2024/25
		Audited outcome	Pre-Audited outcome
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	0.00%	0.59%

*Table 158: Financial Viability National KPAs*

### 5.4.3 Employee Costs

Description	Basis of calculation	2023/24	2024/25
		Audited outcome	Pre-Audited outcome
Employee costs	Employee costs/ (Total Revenue - capital revenue)	27.31%	28.51%

*Table 159: Employee Costs*

### 5.4.4 Repairs and Maintenance

Description	Basis of calculation	2023/24	2024/25
		Audited outcome	Pre-Audited outcome
Repairs and maintenance (R&M) as a percentage of total revenue excluding capital revenue	R&M/ (total revenue excluding capital revenue)	1.00%	1.40%

*Table 160: Repairs and Maintenance Ratio*



## Component B: Cash Flow Management and Investments

Cash flow management is critical to the Municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

### 5.5 Cash Flow

Cash Flow from Operating Activities	2023/24 R	2024/25 R
Cash receipts		
Taxation	5 857 062	5 286 445
Service Charges	26 655 869	109 785 972
Other Revenue	7 332 435	(67 419 397)
Government - Operating and Capital	68 033 905	57 534 555
Interest	1 264 711	1 617 323
Cash payments		
Suppliers of goods and services	(32 637 111)	(32 877 497)
Employee related cost	(35 718 422)	(37 656 539)
Finance Charges	-	(32 076)
Transfers and Grants	-	(97 621)
<b>Net Cash from Operating Activities</b>	<b>40 788 449</b>	<b>36 141 166</b>
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(37 222 382)	(20 206 414)
Proceeds on Disposal of Fixed Assets Purchase of Investment Properties	630 000	2 180 000
<b>Net Cash from Investing Activities</b>	<b>(36 592 382)</b>	<b>(18 026 414)</b>
Cash Flow from Financing Activities		
Short term Loans	-	-
Borrowing - Long term/Refinancing	-	-
Repayment of Borrowing Repayment of Finance leases	-	(208 340)
Decrease / (Increase) in Long-term Receivables	(38 222)	(121 325)
<b>Net Cash from Financing Activities</b>	<b>38 222</b>	<b>(87 015)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4 234 289</b>	<b>18 027 736</b>
Cash and Cash Equivalents at the beginning of the year	2 479 086	6 713 375
Cash and Cash Equivalents at the end of the year	6 713 375	24 741 111
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4 234 289</b>	<b>18 027 736</b>

Table 161: Cash Flow

## 5.6 Gross Outstanding Debtors Per Service

Receivables from Non-Exchange Transactions	2023/24 R	2024/25 R
Property rates by usage	4 016 106	4 853 223
Availability Charges - Electricity	442 481	545 874
Availability Charges - Water	390 162	467 608
Availability Charges - Waste Water	658 944	781 440
Fines	101 676 938	122 495 214
Deposits	-	-
Balance previously reported	2 436 835	-
Less: Transferred to receivables from exchange transactions	(2 436 835)	-
Other Receivables	174 998	808 838
Balance previously reported	164 418	-
Plus: Corrections of error prior year	10 580	-
	107 359 629	129 952 196
Less: Provision for Debt Impairment	(104 359 766)	(123 840 182)
<b>Total Receivables from non-exchange transactions</b>	<b>2 999 863</b>	<b>6 112 015</b>

The fair value of other receivables approximates their carrying value. Rates are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

(Rates): Ageing	2023/24 R	2024/25 R
Current (0 - 30 days)	33 938	39 519
31 - 60 Days	64 024	25 318
61 - 90 Days	52 515	20 037
+ 90 Days	3 869 597	4 769 705
Total	4 020 074	4 854 580
Less: Non-current portion transferred to non-current receivables	(3 968)	(1 357)
Plus: Prior period adjustments	4 016 106	4 853 223

(Availability Charges): Electricity - Ageing	2023/24 R	2024/25 R
Current (0 - 30 days)	11 598	14 794
31 - 60 Days	7 224	5 467
61 - 90 Days	7 063	5 467
+ 90 Days	416 596	520 146
Total	442 481	545 874

(Availability Charges): Water - Ageing	2023/24 R	2024/25 R
Current (0 - 30 days)	8 626	10 355
31 - 60 Days	5 742	4 001
61 - 90 Days	5 668	3 889
+ 90 Days	370 127	449 362
Total	390 162	467 608

(Availability Charges): Waste Water - Ageing	2023/24 R	2024/25 R
Current (0 - 30 days)	13 569	16 747
31 - 60 Days	9 653	6 509
61 - 90 Days	9 110	6 164
+ 90 Days	626 613	752 019
Total	658 944	781 440

Table 162: Gross Outstanding Debtors per Service

## 5.7 Total Debtors Age Analysis

Summary of Debtors by Customer Classification					
30 June 2025	Residential	Industrial/ Commercial	National and Provincial Government	Other	Total
Current (0 - 30 days)	1 482 495	1 033 074	323 819	53 164	2 892 551
31 - 60 Days	411 425	34 727	57 773	245	504 170
61 - 90 Days	328 476	11 087	34 961	106	374 630
+ 90 Days	6 235 289	501 179	419 535	1 341	7 157 344
Sub-total	8 457 686	1 580 066	836 087	54 856	10 928 695
Plus: Accrued revenue not included in age analysis	344 889	268 300	73 524	10 792	697 505
Less: Non-current portion transferred to non-current receivables	(157 622)	(22 821)	(184 091)	-	(364 534)
Plus: Not included in debtors' sub-system	-	-	-	5 483	5 483
Plus: Pre-payments and advances	-	-	-	2 832 736	2 832 736
	8 644 953	1 825 545	725 520	2 903 868	14 099 885
Less: Provision for debt impairment	(7 058 157)	(557 230)	-	(5 995)	(7 621 382)
Total debtors by customer classification	1 586 797	1 268 314	725 520	2 897 873	6 478 503

Table 163: Outstanding Debtor Age Analysis

## 5.8 Borrowing and Investments

### 5.8.1 Municipal Investments

Actual Investments		
R'000		
Investment type	2023/24	2024/25
	Actual	Actual
Deposits – Bank	511	545
<b>Total</b>	<b>511</b>	<b>545</b>

*Table 164: Municipal Investments*

### 5.8.1 Municipal Borrowing

Actual Investments		
R'000		
Investment type	2023/24	2024/25
	Actual	Actual
Financial Leases	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*Table 165: Municipal Borrowing*

## Chapter 6

### Component A: Auditor-General Opinion 2023/24

#### 6.1 Auditor-General Report 2023/24

Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
<p><b>Property, plant and equipment</b></p> <p>The AG was unable to obtain sufficient appropriate audit evidence for property, plant, and equipment, due to inadequate information presented in the fixed assets register. I was unable to confirm the physical assets by alternative means. Consequently, the AG was unable to determine whether any adjustments relating to Property, plant, and equipment of R302 810 358 (2023: R265 804 648) as disclosed in note 2 to the financial statements, were necessary.</p> <p>The municipality did not recognise expenditure incurred on infrastructure assets, in accordance with GRAP 17, Property, plant and equipment. This is due to there being no project plans in place which supported the capitalisation determinations. Consequently, property, plant and equipment is overstated by R1 503 552, and contracted services are understated by R1 503 552.</p> <p>Contrary to the requirements of GRAP 17, Property, plant and equipment, the municipality's assets were not disclosed appropriately in note 2 of the financial statements, due to multiple errors made therein. The AG has not included the omitted information in this auditor's report as it was impracticable to do so.</p> <p>The municipality did not disclose all projects under construction, in accordance with GRAP 17, Property, plant and equipment. This was due to the municipality including projects that were under construction as part of completed assets. Consequently, property, plant and equipment, which is in the process of being constructed or developed, is understated by R7 757 885 (2023: R7 757 885) as disclosed in note 2.3 to the financial statements. In addition, the municipality did not disclose construction projects taking a significantly longer period to complete.</p> <p>Consequently, property, plant and equipment that is taking a significantly longer period of time to complete than expected is understated by R7 757 885 (2023: R7 757 885) as disclosed in note 2.4 to the financial statements.</p> <p>The municipality did not recognise land in accordance with GRAP 18, Recognition and derecognition of land. This was due to the land being under the control of other governmental entities. Consequently, property, plant and equipment as disclosed in note 2 to the financial statements was overstated by R2 214 406 (2023: R2 214 406) and accumulated surplus understated by R2 214 406 (2023: R2 214 406) in the financial statements.</p> <p>The municipality did not account for properties in accordance with the requirements of GRAP 17, Property, plant and equipment. This was due to the properties being held for capital appreciation and/or to earn rental income, and not for held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. Consequently, property, plant and equipment as disclosed in note 2 to the financial statements was overstated by R1 681 847 (2023: R1 681 847) and investment property as disclosed in note 3 to the financial statements was understated by R1 681 847 (2023: R1 681 847).</p>	<ul style="list-style-type: none"> <li>Adjust the financial Statements with the misstatements identified.</li> <li>Implement audit action plan to address prior year findings on Property, Plant and Equipment in order to prevent repeat findings.</li> <li>Update the asset register with all details required to account for each asset. Reviews the asset register to confirm that all pertinent details relating to each asset are recorded.</li> <li>Ensure to unbundle all assets recorded on the fixed assets register. Perform reviews on the assets register to confirm each individual asset is separately recorded.</li> <li>Perform any infrastructure asset verifications to confirm all assets under the municipality's control are recorded in the fixed assets register.</li> <li>Correctly interpret and applied the financial reporting framework as it relates to the classification of buildings based on their nature and use.</li> <li>Develop and monitor the implementation of action plans to address internal control deficiencies</li> <li>Implemented management controls were deficient to ensure all assets recorded in the asset register can be verified to confirm their existence.</li> <li>Implement control over daily and monthly processing and reconciling of transactions.</li> <li>Recommended that management attend GRAP training to enhance their understanding for the financial reporting framework requirements as it relates to the accounting and disclosure of PPE in the annual financial statements.</li> </ul>

Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
<p>The municipality did not recognise all additions made to infrastructure assets in accordance with GRAP 17, Property, plant and equipment. This was due to management not maintaining adequate record-keeping per the capital project to ensure the all the additions to work-in-progress were included. Consequently, property, plant and equipment as disclosed in note 2 to the financial statements was understated by R1 709 567 and accumulated surplus was understated by R1 709 567.</p>	
<p><b>Investment property</b></p> <p>Properties for which there was a use change were not transferred to inventory, as required by GRAP 16, Investment property. This was due to council resolutions to sell these properties and for which purchase agreements had been concluded. Consequently, investment property was overstated by R2 959 370 and inventory was understated by R2 959 370, respectively.</p> <p>The municipality did not appropriately disclose rentals earned from investment property, and from property, plant and equipment, as misstatements were made in attributing the amounts earned from both the underlying categories of assets in notes 3.2 and 30 of the financial statements. Consequently, revenue from rental of investment property (note 3.2) is understated by R1 558 993 (2023: R11 190), rentals from investment property (note 30) were understated by R1 566 440 (2023: R1 649 204), and rentals from property, plant and equipment (note 30) were overstated by R1 566 440 (2023: R1 649 204), respectively.</p>	<ul style="list-style-type: none"> <li>Adjust the financial Statements with the misstatements identified.</li> <li>Review the investments fixed asset register to confirm assets are correctly classified based on their nature and use.</li> </ul>
<p><b>Inventory</b></p> <p>The AG was unable to obtain sufficient and appropriate audit evidence for water inventory, as the municipality did not have an adequate system of records management to account for inventory consumed due to bulk water meters not working effectively during the financial year. The AG was unable to confirm the inventory by alternative means. Consequently, the AG was unable to determine whether adjustments relating to inventory of R61 151 (2023: R73 274) and inventory consumed disclosed in note 9, and the material water losses of R2 200 009 (2023: R569 993) disclosed in note 59.8 of the financial statements, were necessary.</p>	<ul style="list-style-type: none"> <li>Investigate the entire population of inventory consumed to determine the full extent of items incorrectly classified as inventory.</li> <li>Implement the audit action plan to address prior year findings on inventory consumed in order to prevent repeat findings.</li> <li>Implemented inventory management controls were deficient in ensuring that all inventory is accounted for.</li> <li>Adjust the financial Statements with the misstatements identified.</li> <li>Review the water inventory cost calculations to ensure that all the information is complete and correctly used.</li> <li>Ensure timely replacement and installation of the meter to completely measure all water abstracted for the year.</li> </ul>
<p><b>Receivables from exchange transactions</b></p> <p>Receivables were not classified as exchange receivables where the municipality will receive services of approximate equal value for those given up in exchange, in accordance with GRAP 9, Revenue from exchange transactions. The municipality was party to a number of agreements that arose from exchange transactions, which were accounted for as arising from non-exchange transactions. Consequently, receivables from exchange transactions were understated by R2 436 835 (2023: R2 252 540), and receivables from non-exchange transactions were overstated by R2 436 835 (2023: R2 252 540), respectively.</p> <p>Receivables (prepayments) for the acquisition of site materials were inappropriately capitalised as additions of property, plant and equipment, which is not in accordance with GRAP 1, Presentation of financial statements. Consequently, receivables from exchange transactions were understated by, and property, plant and equipment was overstated by R9 342 103, respectively.</p>	<ul style="list-style-type: none"> <li>Adjust the financial Statements with the misstatements identified.</li> <li>Review the annual financial statements before submission for audit.</li> </ul>

Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
<p>The municipality did not disclose receivables from exchange transactions appropriately in note 10 of the financial statements, as misstatements were made in attributing the amounts between Residential, Industrial/Commercial, National and Provincial Government, and Other for both the current and comparative periods, impacting the overall disclosure note. Furthermore, misstatements were made in the disclosure of the ageing of the amounts due but not impaired, which was not in accordance with GRAP 104, Financial instruments. I have not included the omitted information in this auditor's report as it was impracticable to do so.</p>	
<p><b>Receivables from non-exchange transactions</b></p> <p>The AG was unable to obtain sufficient and appropriate audit evidence for fines receivables, as the municipality did not have an adequate system of records management. The AG was unable to confirm these receivables by alternative means. Consequently, the AG was unable to determine whether adjustments relating to fines receivables disclosed in note 11 of R2 626 503 (2023: R4 036 013) were necessary.</p> <p>The municipality did not disclose all receivables from non-exchange transactions appropriately, as required by GRAP 108, Statutory receivables. This was due to fines and other receivables being excluded from the ageing of these receivables in note 11. Furthermore, misstatements were made in the disclosure of the ageing of the amounts due but not impaired. This also resulted in a number of misstatements in the disclosure of these receivables in note 62 of the financial statements, as a result of multiple errors.</p>	<ul style="list-style-type: none"> <li>• Ensure that sufficient and appropriate audit evidence is accessible and available to support the prior year error corrections processed.</li> <li>• Review the annual financial statements before submission for audit</li> </ul>
<p><b>VAT receivable</b></p> <p>The AG was unable to obtain sufficient and appropriate audit evidence that value-added tax (VAT) receivable had been properly accounted-for, due to the status of the accounting records. The AG was unable to confirm the balance by alternative means. Consequently, the AG was unable to determine if any adjustment was necessary to the VAT receivable stated at R9 182 600 (2023: R6 445 428) in the financial statements.</p>	<ul style="list-style-type: none"> <li>• Adjust the financial Statements with the misstatements identified.</li> <li>• Review and Monitor Compliance with the VAT Act.</li> <li>• Implement the audit action plan as it relates to addressing repeat findings on VAT Receivable and that adequate oversight is provided over its action plan implementation by leadership and those charged with governance.</li> <li>• Leadership must implement their audit action plan to address prior year findings on VAT Receivables in order to prevent repeat findings</li> </ul>
<p><b>Non-current provisions - landfill sites</b></p> <p>The municipality did not value the rehabilitation of landfill sites provision as required by GRAP 19, Provisions, contingent liabilities and contingent assets as the municipality did not adhere to the operating licence of the landfill site to rehabilitate once the site is fully utilised.</p> <p>Consequently, provisions as disclosed in note 13 were understated by R2 088 761 (2023: R2 823 428), property, plant and equipment as disclosed in note 2 is understated by R539 549 (2023: R904 495), and finance costs as disclosed in note 34 is understated by R1 549 212 (2023: R2 084 840). Additionally, there was an impact on the estimated licensing and rehabilitation costs disclosed in note 13.1, which the AG was unable to determine the full extent thereof as it was impracticable to do so.</p>	<ul style="list-style-type: none"> <li>• Adjust the financial Statements with the misstatements identified.</li> </ul>
<p><b>Trade and other payables from exchange transactions</b></p> <p>The municipality did not derecognise fines receivables for rights to cash flows which had been settled, as required by GRAP 108, Statutory receivables. This is due to the municipality not having allocated settlement receipts against the associated receivables. Consequently, trade and other payables from exchange transactions are overstated by R6 588 212 (2023: R4 380 645), and receivables</p>	<ul style="list-style-type: none"> <li>• Adjust the financial Statements with the misstatements identified.</li> <li>• Implement audit action plan to address prior year findings on Trade and Other Payables form Exchange Transactions in order to prevent repeat findings</li> </ul>



Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
from non-exchange transactions are overstated by R6 588 212 (2023: R4 380 645).	<ul style="list-style-type: none"> <li>Ensure that sufficient and appropriate audit evidence is accessible and available to support the recorded trade creditors.</li> </ul>
<p><b>Unspent transfers and subsidies</b></p> <p>The municipality did not record transfer revenue for grant funding received in accordance with GRAP 23, Revenue from non-exchange transactions. This was due to the municipality not having satisfied the conditions of the obligations from these monies. Consequently, government grants and subsidies were overstated by R5 237 912, and unspent transfers and subsidies were understated by R5 237 912, respectively.</p> <p>The municipality received grant funding from various government entities. Contrary to the requirements of GRAP 23, Revenue from non-exchange transactions, these grant funding arrangements were not disclosed appropriately in note 23 of the financial statements due to multiple errors therein including omitted information. The AG has not included the omitted information in this auditor's report as it was impracticable to do so.</p>	<ul style="list-style-type: none"> <li>Ensure that management understood and applied the financial reporting framework requirements as it relates to the accounting of the Human Settlements Acceleration Grant.</li> </ul>
<p><b>Revenue from non- exchange transactions</b></p> <p><b>Fines, penalties and forfeits</b></p> <p>The municipality did not record revenue from traffic offences in accordance with GRAP 23, Revenue from non-exchange transactions, as these fines were not recorded at the full amount as per the supporting documentation and/or were not recorded at all. The AG was unable to determine the full extent of such fines as disclosed in note M2 that were earned during the financial year as it was impracticable to do so.</p>	<ul style="list-style-type: none"> <li>Adjust the financial Statements with the misstatements identified.</li> <li>Consider adjusting the financial statements to correct the above amounts disclosed including considering the effects on other financial statement line items and disclosures.</li> <li>Implement their audit action plan to address prior year findings on Revenue from non-exchange transactions (fines, penalties and forfeits) in order to prevent repeat findings.</li> <li>Ensure that sufficient and appropriate audit evidence is accessible and available to support the revenue recorded traffic fines.</li> <li>Ensure to provide supporting documentation to the auditors on request.</li> <li>Attend GRAP training to enhance the understanding of the financial reporting framework requirements as it relates prior period error corrections.</li> </ul>
<p><b>Revenue from exchange transactions</b></p> <p><b>Service charges</b></p> <p>Service charges revenue was not recognised as required by GRAP 9, Revenue from exchange transactions. Properties were identified for which service charges were not billed and recorded.</p> <p>The AG was unable to determine the full extent of the understatement of service charges, stated at R27 390 132 (2023: R22 017 848) as disclosed in note 27 to the financial statements, and related receivables from exchange transactions, stated at R3 165 425 (2023: R2 801 567) in note 10 to the financial statements, as it was impracticable to do so.</p>	<ul style="list-style-type: none"> <li>Review the annual financial statements before being submitted for audit</li> <li>Ensure that sufficient and appropriate audit evidence is accessible and available to support prior-year corrections recorded in the financial statements.</li> <li>Implemented monthly reconciliations between the total revenue charged per the billing reports and the amounts recorded in the revenue general ledger accounts.</li> <li>Implement the audit action plan to address prior year findings on Revenue from Exchange Transactions in order to prevent repeat findings.</li> <li>Ensure formal agreements are established for arrangements established before the implementation of the MFMA.</li> <li>Adequately review the accounting policy to ensure that accounting policy is consistent with the critical judgments, estimations and assumptions disclosed in the financial statements and that the accounting policy is in line with the requirements of the applicable financial reporting framework related to estimates (including the recognition criteria, measurement bases, and the related presentation and disclosure requirements).</li> <li>Investigate the entire population and adjust the financial statements with the misstatement identified.</li> </ul>



Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
	<ul style="list-style-type: none"> <li>Implement adequate steps to ensure that the revenue due to the municipality was calculated on a monthly basis and that customers were billed for the services consumed.</li> <li>Implement adequate internal controls to properly account for VAT on rental income to ensure that the VAT portion of rental transactions is correctly allocated to the VAT control account and that the correct output VAT amount is declared to SARS.</li> </ul>
<p><b>Aggregated revenue misstatements</b> Total revenue was materially misstated by R1 613 406 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:</p> <ul style="list-style-type: none"> <li>Interest Earned - Non-exchange transactions for which reliable balances could not be obtained as stated at R423 163; Rental from Fixed assets for which contracts could not be obtained of R87 213 as stated at R1 643 719;</li> <li>Interest Earned - Exchange transactions for which reliable balances could not be obtained as stated at R777 982; and Licences and Permits (Exchange transactions) for which application forms could not be obtained as stated at R256 397.</li> </ul> <p>Consequently, I was unable to determine whether any further adjustment was necessary to total revenue.</p>	<ul style="list-style-type: none"> <li>Adjust the financial Statements with the misstatements identified.</li> <li>Implement audit action plan to address prior year findings on Revenue from non-exchange transactions in order to prevent repeat findings.</li> </ul>
<p><b>Employee related costs</b> The amounts stated for employee related costs in the financial statements could not be reconciled to the underlying accounting records as required by GRAP 1, Presentation of financial statements. Consequently, employee related costs as stated in note 34 were overstated by R3 573 963 and accumulated surplus understated by the same amount.</p>	<ul style="list-style-type: none"> <li>Adjust the financial statements with the misstatements identified.</li> <li>Provide supporting documentation to the auditors on request.</li> <li>Implement appropriate record keeping controls to ensure that bonuses recorded are supported by reliable information which is readily accessible.</li> </ul>
<p><b>Statement of comparison of budget and actual amounts</b> The municipality did not appropriately present the statement of comparison of budget and actual amounts as required by GRAP 24, Presentation of budget information in financial statements. This was due to multiple presentation errors which resulted in the actual amounts not being presented on a comparable basis as the approved budget. The AG was unable to determine the full extent of the omitted presentation as it was impracticable to do so.</p>	<ul style="list-style-type: none"> <li>Adjust the financial statements with the misstatements identified.</li> </ul>
<p><b>Cash flow statement</b> The municipality did not prepare the cash flow statement, and the associated disclosure notes 54 and 56 in accordance with GRAP 2, Cash flow statements. This was due to multiple errors made in determining the cash flows from operating activities, cash flows from investing activities, and cash flows from financing activities. The AG was not able to determine the full extent of the errors in the cash flow statement as it was impracticable to do so.</p>	<ul style="list-style-type: none"> <li>Adjust the financial statements with the misstatements identified.</li> <li>Ensure that Bank reconciliations are properly prepared and cash book reconciling items are timeously followed up and cleared to prevent differences between the cash book balance and the amounts per bank statements.</li> <li>Management must ensure that they correctly interpreted and applied the financial reporting framework requirements as it relates to the preparation and disclosure of the Cash Flow Statement in the annual financial statements.</li> </ul>
<p><b>Segment reporting</b> The municipality did not appropriately present the segment information as required by GRAP 18, Segment reporting. This was due to multiple presentation errors made in presenting the performance of the municipality's various segments. The AG has not included the omitted information in this auditor's report as it was impracticable to do so.</p>	<ul style="list-style-type: none"> <li>Adjust the financial statements with the misstatements identified.</li> </ul>

Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
<p><b>Contractual commitments acquisition of property, plant and equipment</b></p> <p>Amounts of contractual commitments for the acquisition of property, plant and equipment were not appropriately disclosed in note 2.9 in accordance with GRAP 17, Property, plant and equipment. This is due to management not having determined these amounts by taking into account the accrual invoices, retentions and reduced final contract amounts. Consequently, the note disclosure is overstated by R10 309 189 (2023: R4 209 819).</p>	<ul style="list-style-type: none"> <li>Implement audit action plan to address prior year findings on Commitments in order to prevent repeat findings.</li> <li>Adjust the financial statements with the misstatements identified.</li> <li>Drive a process of determining the detailed root cause, action required to address the audit finding as well as identifying the responsible person. Ensure responsible staff are followed up with and held accountable for addressing audit findings and the implementation of consequence management where required.</li> <li>Ensured that there are clear and documented roles and responsibilities for the implementation of the audit action plan.</li> </ul>
<p><b>Key management personnel</b></p> <p>Contrary to the requirements of GRAP 20, Related party disclosures, transactions and balances with key management personnel were not disclosed appropriately in note 34 of the financial statements, due to multiple errors made therein. The AG has not included the omitted information in this auditor's report as it was impracticable to do so.</p>	<ul style="list-style-type: none"> <li>Adjust the financial statements with the misstatements identified.</li> </ul>
<p><b>Reversal of impairment loss/(Impairment loss) on receivables</b></p> <p>The 2022/23 corresponding figures amounts disclosed in note 48 for impairment losses on receivables did not correspond with the underlying amounts disclosed in notes 10 and 11, as required by GRAP 1, Presentation of financial statements. Consequently, the reversal of impairment loss/impairment loss on receivables is understated by R6 009 495 and the accumulated surplus overstated by the same amount.</p>	<ul style="list-style-type: none"> <li>Adjust the financial statements with the misstatements identified.</li> </ul>
<p><b>Correction of error</b></p> <p>The AG was unable to obtain sufficient appropriate audit evidence that retrospective restatements had been properly accounted for, due to the status of the accounting records. The AG was unable to confirm whether all retrospective restatements were recorded by alternative means.</p> <p>Consequently, the AG was unable to determine whether any adjustment was necessary to disclosure note 53 of the financial statements.</p>	<ul style="list-style-type: none"> <li>Adjust the financial statements with the misstatements identified.</li> </ul>
<p><b>Unauthorised expenditure</b></p> <p>The municipality did not include all unauthorised expenditure in note 58.1 to the financial statements, as required by section 125(2)(d) of the MFMA, as the municipality made material omissions in the information disclosed, including making no disclosures for the 2022-23 year.</p> <p>Consequently, disclosure note 58.1 is understated by R36 337 515 (2023: R38 099 732).</p>	<ul style="list-style-type: none"> <li>Adjust the financial statements with the misstatements identified.</li> <li>Implement audit action plan to address prior year findings on Unauthorised Expenditure in order to prevent repeat findings.</li> <li>Drive a process of determining the detailed root cause, action required to address the audit finding as well as identifying the responsible person. Ensure responsible staff are followed up with and held accountable for addressing audit findings and the implementation of consequence management where required.</li> <li>Ensured that there are clear and documented roles and responsibilities for the implementation of the audit action plan.</li> </ul>
<p><b>Irregular expenditure</b></p> <p>The irregular expenditure incurred during the current financial year under audit and related information on irregular expenditure was not included in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. Expenditure was incurred in contravention of the supply chain management requirements, resulting in irregular expenditure. The AG was unable to determine the full extent of the irregular expenditure that occurred during the financial year as it was impracticable to do so.</p>	<ul style="list-style-type: none"> <li>Adjust the financial statements with the misstatements identified.</li> <li>Investigate the entire population of irregular expenditure as disclosed for the 2023/24 financial year to ensure that only valid irregular expenditure as defined in the MFMA is disclosed.</li> </ul>

Table 166: AG Report 2023/24

## Component B: Auditor-General Opinion 2024/25

### 6.2 Auditor-General Report 2024/25

Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
REPORT OF THE AUDIT ON THE ANNUAL FINANCIAL STATEMENTS	
PROPERTY, PLANT AND EQUIPMENT	
<ul style="list-style-type: none"> <li>I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for Infrastructure Assets in accordance with GRAP 17, Property, plant and equipment, due to inadequate information presented in the fixed asset register, poor status of accounting records and lack of evidence that conditional assessment was performed in accordance with GRAP 21, impairment of non-cash generating assets. Consequently, I was unable to determine whether any adjustments were necessary to Property, Plant and Equipment: Infrastructure Assets stated at R246 118 821 (2024: R250 831 720) in note 2, and whether any further adjustments were necessary to accumulated depreciation and impairment loss stated at R213 190 217 (2024: R203 277 666) in note 2, to the financial statements. Additionally, there was a resultant impact on the surplus for the period and the accumulated surplus.</li> <li>The municipality did not record all Community assets in contravention with GRAP 17, Property, plant and equipment, due to the status of records and lack of reconciliations. Consequently, this had an effect on the completeness of community assets as disclosed in the note 2 to the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>Secure funding for complete infrastructure verification - Perform a comprehensive clean-up and verification of the fixed asset register, including segregation of asset classes and correction of historical errors</li> <li>Conduct a complete conditional assessment of infrastructure assets and document impairment indicators and impairment calculations in line with GRAP 21</li> <li>Review and recalculate depreciation and impairment losses based on verified asset data and condition assessments</li> <li>Process all approved prior-period adjustments and corrections through the General Ledger with full audit trail and disclosures</li> <li>Identify, verify, and record all community assets in accordance with GRAP 17, including initial recognition and valuation</li> <li>Implement monthly reconciliations between the FAR, General Ledger, and supporting schedules</li> <li>Develop and implement an Asset Management Policy, procedures, and standard operating controls aligned to GRAP and MFMA</li> <li>Provide targeted training to finance and asset management official(s) on GRAP 17 and GRAP 21</li> </ul>
VAT RECEIVABLE	
<ul style="list-style-type: none"> <li>I was unable to obtain sufficient and appropriate audit evidence for the VAT receivable due to the status of accounting records. I was unable to confirm the VAT receivable by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the VAT receivable of R8 887 747 (2024: R9 182 600) as disclosed in note 20 of the financial statements were necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Perform a complete reconstruction of the VAT receivable balance by compiling detailed VAT schedules per tax period</li> <li>Reconcile VAT control account to SARS VAT201 returns and General Ledger for all outstanding periods</li> <li>Retrieve and file all supporting VAT documentation (tax invoices, credit notes, journals, payments) per VAT period</li> <li>Submit all outstanding VAT returns and formally follow up with SARS for confirmation of assessed balances</li> <li>Process all identified corrections and prior-period adjustments with appropriate disclosures in the AFS</li> <li>Perform an age analysis of VAT receivables and write off irrecoverable amounts in line with accounting policy</li> <li>Implement monthly VAT reconciliations and review controls, including sign-off by senior finance officials</li> <li>Provide VAT and SARS compliance training to finance officials responsible for VAT processing</li> </ul>
RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS	
<ul style="list-style-type: none"> <li>I was unable to obtain sufficient and appropriate audit evidence for the fines receivables from non-exchange transactions disclosed in note 11 to the financial statements. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the fine's receivables stated at R122 495 214 (2024: R101 676 938) in note 11 to the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>Reconstruct the fines receivable register from source systems, ensuring completeness and accuracy</li> <li>Reconcile the fines system to the billing system and General Ledger for all outstanding periods</li> <li>Perform detailed sample testing of fines issued, collections, and cancellations to support balances</li> <li>Conduct a complete age analysis and impairment assessment in accordance with GRAP 23</li> <li>Identify irrecoverable and prescribed fines and process write-offs in line with council-approved policies</li> </ul>

Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
	<ul style="list-style-type: none"> <li>Process all approved adjustments and prior-period corrections with full disclosure in the AFS</li> <li>Formalise roles, responsibilities, and SOPs between Traffic Services and Finance</li> <li>Implement monthly reconciliations between fines registers and the General Ledger</li> </ul>
<b>TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b>	
<ul style="list-style-type: none"> <li>The municipality did not recognise fines receivables for rights to cash flows which had been settled, as required by GRAP 108, Statutory receivables due to the status of accounting records and lack of evidence to allocate settlement receipts against associated receivables. Consequently, unallocated deposits as disclosed in note 18 are overstated by R6 642 342 (2024: R6 558 212) and receivables from non-exchange transactions are overstated by R6 642 342 (2024: R6 558 212).</li> <li>I was unable to obtain sufficient appropriate audit evidence for trade payables included in trade and other payables from exchange transactions due to a lack of proper record keeping and reconciliation of control accounts. I was unable to confirm these trade payables by alternative means. Consequently, I was unable to determine whether any further adjustments to trade payables stated at R4 933 687 in note 18 to the financial statements were necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Perform a detailed analysis of all unallocated deposits and allocate settlement receipts to corresponding fines receivables in line with GRAP 108</li> <li>Adjust fines receivable balances for settlements already received and process correcting journals with a complete audit trail</li> <li>Reconstruct settlement histories using bank statements, receipt numbers, and fines system reports</li> <li>Develop and implement procedures for daily and monthly clearing of unallocated deposits</li> <li>Reconstruct trade payable subsidiary ledgers and reconcile to the General Ledger</li> <li>Obtain supplier statements and perform creditor reconciliations for all material balances</li> <li>Identify long-outstanding or invalid payables and process write-backs or corrections in line with accounting policy</li> <li>Implement document management controls for invoices, GRNs, and payment vouchers</li> <li>Implement monthly reconciliations for trade payables and unallocated deposits with management sign-off</li> </ul>
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>	
<p>Fines, Penalties and Forfeits</p> <ul style="list-style-type: none"> <li>I was unable to obtain sufficient and appropriate audit evidence for fines, as it was not recognised in accordance with IGRAP 1- Applying the probability test on initial recognition of revenue. I was unable to confirm the revenue from fines by alternative means. Consequently, I was unable to determine whether any adjustments to revenue from fines stated at R28 860 283 (2024: R33 765 412) in note 33 to the financial statements, were necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Review fines revenue recognition methodology and apply the probability test before recognising revenue</li> <li>Reconstruct fines revenue schedules from source systems and reconcile to receivables and General Ledger</li> <li>Perform an age analysis and impairment assessment to determine the recoverable portion of fines revenue</li> <li>Process correcting journals and prior-period adjustments with appropriate disclosure</li> </ul>
<p>Government Grants and Subsidies</p> <ul style="list-style-type: none"> <li>I was unable to obtain sufficient and appropriate audit evidence for revenue from non-exchange transactions relating to the water services infrastructure grant as disclosed in note 22 to the financial statements due to the status of accounting records and lack of adequate evidence in support of revenue from non-exchange transactions. I was unable to confirm a water services infrastructure grant stated at R16 044 000 by alternative means. Consequently, I was unable to determine whether any adjustments were necessary. Additionally, there was a resultant impact on the surplus for the period.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain and review the signed grant framework, DORA allocation letters, and payment confirmations</li> <li>Reconcile grant receipts to bank statements, project expenditure, and the General Ledger</li> <li>Assess compliance with grant conditions and recognise revenue only to the extent that conditions have been fulfilled</li> <li>Process all grant revenue adjustments and disclose the impact on surplus in the AFS</li> <li>Develop and implement SOPs for non-exchange revenue recognition and monthly reconciliations</li> </ul>
<b>INVENTORY CONSUMED</b>	

Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
<ul style="list-style-type: none"> <li>The municipality did not correctly recognise inventory consumed in accordance with GRAP 12, Inventories. The inventory consumed recognised inappropriately excluded abstracted water from Buffelsriver and the associated costs. Consequently, inventory consumed was understated by R2 651 250 (2024: R2 240 071) in note 9 to the financial statements and operational costs are overstated by R2 651 250 (2024: R2 240 071). This also has an impact on the material water losses disclosed in note 50.8 to the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>Develop and approve a methodology for recognising abstracted raw water as inventory consumed in line with GRAP 12</li> <li>Install, calibrate, and maintain abstraction and bulk water meters at Buffelsriver abstraction points</li> <li>Recalculate inventory consumed, including abstracted water and associated costs</li> <li>Process correcting journals to reclassify costs between inventory consumed and operational expenditure</li> <li>Update non-revenue water and material water losses calculations and disclosures in the AFS</li> <li>Implement monthly reconciliations between abstraction volumes, treatment losses, billed water, and inventory consumption</li> <li>Update Inventory Management Policy and SOPs to include water as inventory</li> <li>Provide training to Finance and Technical officials on GRAP 12 and water inventory accounting</li> </ul>
CORRECTION OF ERRORS	
<ul style="list-style-type: none"> <li>The municipality did not disclose all prior period errors in note 45 to the financial statements, as required by GRAP 3, Accounting policies, estimates and errors. The nature and the amount of the correction for some financial statement items affected, and the amount of the correction at the beginning of the earliest previous period were not disclosed.</li> <li>In addition, I was unable to obtain sufficient appropriate audit evidence for those prior period errors disclosed in note 45 to the financial statements, as the supporting information was not provided. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the prior period errors disclosed in the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>Perform a comprehensive review of all prior period adjustments to ensure full compliance with GRAP 3 disclosure requirements</li> <li>Prepare detailed disclosure schedules indicating the nature, amount, and financial statement line items affected</li> <li>Calculate and disclose the impact of corrections on opening balances of the earliest comparative period</li> <li>Reconstruct supporting documentation and working papers for all prior period errors</li> <li>Subject prior period error schedules to Internal Audit review before finalisation</li> <li>Process any additional correcting journals and prior period adjustments with appropriate approvals and disclosures</li> <li>Establish and maintain a Prior Period Error Register</li> <li>Implement a technical review process for AFS disclosures before submission</li> </ul>
UNAUTHORISED EXPENDITURE	
<ul style="list-style-type: none"> <li>I was unable to obtain sufficient appropriate audit evidence that unauthorised expenditure disclosed in note 49.1 to the financial statements was complete, as the municipality did not have adequate systems to maintain records. I was unable to confirm the unauthorised expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the unauthorised expenditure stated at R101 800 500 (2024: R94 882 019) in note 49.1 to the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>Reconstruct unauthorised expenditure records by performing a detailed budget-to-actual analysis per vote</li> <li>Develop and implement an unauthorised expenditure register in line with MFMA requirements</li> <li>Compile supporting schedules and documentation for all identified unauthorised expenditure</li> <li>Subject reconstructed unauthorised expenditure schedules to Internal Audit review</li> <li>Process correcting journals and update disclosures in the AFS, where applicable</li> <li>Investigate all unauthorised expenditure and submit reports to Council for condonation or recovery</li> <li>Strengthen monthly budget monitoring and Section 71 reporting</li> <li>Provide training to senior management and finance officials on unauthorised expenditure management</li> </ul>
IRREGULAR EXPENDITURE	
<ul style="list-style-type: none"> <li>I was unable to obtain sufficient appropriate audit evidence to confirm the irregular expenditure disclosed in note 49.3 to the financial statements as sufficient appropriate audit evidence was</li> </ul>	<ul style="list-style-type: none"> <li>Reconstruct irregular expenditure records by reviewing</li> <li>Reconstruct irregular expenditure records by reviewing SCM processes, contracts, and payments</li> </ul>



Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
not provided. I was unable to confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the irregular expenditure stated at R135 572 039 (2024: R118 382 588) in the financial statements.	<ul style="list-style-type: none"> <li>Retrieve and file all SCM supporting documents for identified irregular expenditure</li> <li>Establish and maintain a comprehensive irregular expenditure register in line with MFMA and Treasury guidance</li> <li>Subject reconstructed irregular expenditure schedules to Internal Audit verification</li> <li>Process correcting journals and update disclosures in the AFS where required</li> <li>Report all irregular expenditure and submit reports to MPAC, Mayor, MEC for Local Government and AGSA</li> <li>Strengthen SCM compliance checklists and pre-award and post-award reviews</li> <li>Provide SCM and MFMA compliance training to relevant officials</li> </ul>
<b>CHANGE IN ACCOUNTING ESTIMATE</b>	
<ul style="list-style-type: none"> <li>The municipality did not disclose the material effects of the changes in accounting estimates of accumulated depreciation and carrying values of property, plant and equipment, in accordance with GRAP 3, Accounting policies, changes in accounting estimates and errors. Consequently, effects of changes in accounting estimates amounting to R10 253 263 was not disclosed in the notes to the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>Identify and quantify all changes in accounting estimates relating to PPE for the period</li> <li>Prepare detailed schedules showing the effect of estimate changes on depreciation expense, accumulated depreciation, and carrying values</li> <li>Update note disclosures to include the nature and financial effect of changes in accounting estimates</li> <li>Compile and retain working papers supporting management's judgement and assumptions</li> <li>Subject estimate change calculations and disclosures to Internal Audit and technical review</li> <li>Establish a formal approval and documentation process for changes in accounting estimates</li> <li>Provide targeted training on GRAP 3 and GRAP 17 to finance and asset management officials</li> </ul>
<b>FINANCIAL INSTRUMENTS</b>	
<ul style="list-style-type: none"> <li>The municipality did not disclose financial instruments in accordance with GRAP 104, Financial instruments. The amounts disclosed in capital risk, credit risk and liquidity risk management did not agree to other information in the financial statements and the underlying supporting schedules. Consequently, various misstatements were identified in financial instruments disclosed in note 51 to the financial statements, the misstatement also occurred in the prior year.</li> </ul>	<ul style="list-style-type: none"> <li>Perform a comprehensive review of all financial instruments and applicable disclosure requirements</li> <li>Reconcile financial instruments risk disclosures to General Ledger balances and supporting schedules</li> <li>Correct all identified misstatements and update disclosures in the AFS</li> <li>Prepare detailed supporting schedules for all financial instruments' categories</li> <li>Perform a root cause review of prior-year financial instruments findings and address systemic weaknesses</li> <li>Implement a technical review and sign-off process for GRAP 104 disclosures</li> <li>Provide specialized training on GRAP 104 to finance officials</li> </ul>
<b>CASH FLOW STATEMENT</b>	
<ul style="list-style-type: none"> <li>During 2024 the municipality did not prepare the cash flow statement and associated disclosure notes in note 46 to the financial statements in accordance with GRAP 2, Cash flow statements. This was due to multiple errors made in determining cash flows from operating activities, cash flows from investment activities, and cash flows from financing activities. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible</li> </ul>	<ul style="list-style-type: none"> <li>Perform a complete reconstruction of the cash flow statement using reconciled General Ledger data</li> <li>Review and correctly classify cash flows into operating, investing, and financing activities</li> <li>Prepare comprehensive cash flow working papers and reconciliation schedules</li> <li>Correct prior-year cash flow information where practicable and disclose limitations in comparability</li> <li>Subject reconstructed cash flow statement to technical review and Internal Audit verification</li> </ul>

Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
effect of this matter on the comparability of the cash flow statements for the current period.	<ul style="list-style-type: none"> <li>Implement a formal review and sign-off process for cash flow statements</li> <li>Provide targeted training on GRAP 2 to finance officials</li> </ul>
SEGMENT REPORTING	
<ul style="list-style-type: none"> <li>Segment information was not disclosed in accordance with GRAP 18, Segment reporting. The amounts disclosed did not agree to other information in the financial statements and the underlying supporting schedules. Consequently, segment information was misstated by various amounts in the schedule of segment reporting, the misstatement also occurred in the prior year and remain unresolved.</li> </ul>	<ul style="list-style-type: none"> <li>Perform a comprehensive review of segment reporting requirements and identify all required disclosures</li> <li>Reconcile segment reporting schedules to the General Ledger and financial statements</li> <li>Develop and approve consistent and reasonable allocation bases for segment reporting</li> <li>Correct all identified misstatements and update disclosures in the AFS</li> <li>Conduct a root cause review of prior-year segment reporting findings and address systemic weaknesses</li> <li>Implement a technical review and sign-off process for GRAP 18 disclosures</li> <li>Provide specialised training on GRAP 18 to finance officials</li> </ul>
REVENUE EXCHANGE FROM EXCHANGE TRANSACTIONS	
<p>Aggregated Revenue misstatements</p> <ul style="list-style-type: none"> <li>During 2024, total revenue was materially misstated by R1 613 406 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:</li> <li>Interest Earned - Non-exchange transactions for which reliable balances could not be obtained as stated at R423 163;</li> <li>Rental from Fixed assets for which contracts could not be obtained of R87 213 as stated at R1 643 719;</li> <li>Interest Earned - Exchange transactions for which reliable balances could not be obtained as stated at R777 982; and</li> <li>Licences and Permits (Exchange transactions) for which application forms could not be obtained as stated at R256 397.</li> </ul>	<ul style="list-style-type: none"> <li>Perform a comprehensive review of all revenue streams to identify and quantify misstatements</li> <li>Reconcile interest income to investment schedules, bank statements, and confirmations</li> <li>Retrieve, verify, and file all lease agreements and reconcile rental income to contracts</li> <li>Reconcile exchange interest to debtor balances and system-generated reports</li> <li>Reconstruct licence and permit revenue records using alternative evidence and source documents</li> <li>Implement a cumulative misstatement tracking schedule to monitor aggregate impact</li> <li>Process correcting journals and update disclosures in the AFS</li> <li>Implement monthly revenue reconciliations and management review procedures</li> </ul>
MATERIAL LOSSES - ELECTRICITY DISTRIBUTION LOSSES	
<ul style="list-style-type: none"> <li>During 2024, I was unable to obtain sufficient appropriate audit evidence for material losses relating to electricity distribution losses due to the status of accounting records. I was unable to confirm the electricity distribution losses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of electricity distribution losses, stated at R1 261 182. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the electricity distribution losses for the current period.</li> </ul>	<ul style="list-style-type: none"> <li>Reconstruct electricity losses using meter readings, purchase records, and billing system data</li> <li>Compile detailed working papers and reconciliation schedules for losses</li> <li>Assess prior-year adjustments where practicable and disclose limitations in comparability</li> <li>Develop and implement a standard methodology for calculating electricity distribution losses</li> <li>Conduct root cause analysis of prior-year findings and implement corrective actions</li> <li>Implement monthly reconciliation of electricity units purchased vs units sold and losses recorded</li> <li>Provide training to finance and technical officials on GRAP 1/17 and electricity losses reporting</li> </ul>
UNSPENT TRANSFERS AND SUBSIDIES	
<ul style="list-style-type: none"> <li>During 2024, I was unable to obtain sufficient appropriate audit evidence for unspent transfers and subsidies due to the status of accounting records. I was unable to confirm the unspent transfers and subsidies by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of unspent transfers and subsidies, stated</li> </ul>	<ul style="list-style-type: none"> <li>Reconcile all grants and subsidies received to supporting documentation and bank statements</li> <li>Prepare detailed schedules for each grant showing allocation, expenditure, and unspent balances</li> <li>Develop and implement a formal methodology and register for tracking unspent transfers and subsidies</li> </ul>

Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
at R1 995 140. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the of unspent transfers and subsidies for the current period.	<ul style="list-style-type: none"> <li>Assess prior-year unspent balances, adjust where practicable, and disclose limitations in comparability</li> <li>Conduct root cause analysis of prior-year unspent transfers findings and implement corrective actions</li> <li>Implement monthly reconciliations of grant receipts, expenditures, and unspent balances</li> <li>Provide training on GRAP 23 and MFMA compliance for finance and budget officials</li> </ul>
CONTRACTUAL COMMITMENTS FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	
<ul style="list-style-type: none"> <li>During 2024, the municipality did not recognise all contractual capital commitments as required by GRAP 17, Property, plant and equipment in the prior year. Consequently, the corresponding figure of contractual capital commitments disclosed in note 2.7 to the financial statements was overstated by R9 342 103. My opinion on the current year financial statements is modified because of the effect of this matter on the comparability of the contractual commitments for the current year.</li> </ul>	<ul style="list-style-type: none"> <li>Perform a full review of all capital contracts and reconciliations to ensure all valid commitments are captured</li> <li>Update the contractual commitments register to include all prior and current year contracts</li> <li>Correct disclosure note to accurately reflect contractual commitments</li> <li>Implement a formal process to reconcile contracts with the asset register on a monthly basis</li> <li>Introduce a technical review and sign-off process for GRAP 17 contractual commitments disclosure</li> <li>Provide training to finance and asset management officials on GRAP 17 disclosure requirements for contractual commitments</li> </ul>
REPORT OF THE AUDIT ON THE ANNUAL PERFORMANCE REPORT	
<ul style="list-style-type: none"> <li>APR not aligned to SDBIP</li> <li>Unsupported achievements</li> <li>No measures to improve performance</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly verification of reported achievements</li> <li>Ensure all measures to improve performance are evidenced</li> <li>Audit Committee review of performance information quarterly</li> <li>Capacity training on performance reporting (MSA)</li> </ul>

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# **LAINGSBURG**

## **MUNICIPALITY**



**ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2025**

# LAINGSBURG MUNICIPALITY

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# LAINGSBURG MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### GENERAL INFORMATION

#### NATURE OF BUSINESS

Laingsburg Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 108 of 1998)

#### GRADING OF MUNICIPALITY

Grade 1

#### COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

#### JURISDICTION

The Laingsburg Municipality includes the following areas:

Laingsburg

Matjiesfontein

Vleiland

Scattered Farming community

#### EXECUTIVE MAYOR

AT Kleinbooi

#### DEPUTY EXECUTIVE MAYOR

S Laban

#### SPEAKER

M Gouws

#### MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor

Deputy Executive Mayor

Speaker

Executive Councillor

AT Kleinbooi

S Laban

M Gouws

J Botha

A Theron

L Potgieter

J Pieterse

#### MUNICIPAL MANAGER

Mr J Booysen

#### CHIEF FINANCIAL OFFICER

Vacant

#### REGISTERED OFFICE

Private Bag X4

Laingsburg

6900

#### AUDITORS

Office of the Auditor-General (Western Cape)

#### PRINCIPLE BANKERS

ABSA Bank

#### ATTORNEYS

Wilna Roux Prokureurs

Abraham Kiewiets Inc

# LAINGSBURG MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### GENERAL INFORMATION

#### RELEVANT LEGISLATION

Constitution (Act no.108 of 1998)  
Basic Conditions of Employment Act (Act no 75 of 1997)  
Collective Agreements  
Division of Revenue Act  
Electricity Act (Act no 41 of 1987)  
Employment Equity Act (Act no 55 of 1998)  
Housing Act (Act no 107 of 1997)  
Infrastructure Grants  
Municipal Budget and Reporting Regulations  
Municipal Finance Management Act (Act no 56 of 2003)  
Municipal Planning and Performance Management Regulations  
Municipal Property Rates Act (Act no 6 of 2004)  
Municipal Regulations on Standard Chart of Accounts  
Municipal Structures Act (Act no 117 of 1998)  
Municipal Systems Act (Act no 32 of 2000)  
Municipal Systems Amendment Act (Act no 7 of 2011)  
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and regulations issued in terms of the Act)  
SALBC Leave Regulations  
Skills Development Levies Act (Act no 9 of 1999)  
Supply Chain Management Regulations, 2005  
The Income Tax Act  
Unemployment Insurance Act (Act no 30 of 1966)  
Value Added Tax Act  
Water Services Act (Act no 108 of 1997)

#### MEMBERS OF THE LAINGSBURG MUNICIPALITY

##### WARD

1  
2  
3  
4  
Proportional  
Proportional  
Proportional

##### COUNCILLOR

J Pieterse  
A Theron  
L Potgieter  
M Gouws  
J Botha  
S Laban  
AT Kleinbooi

#### ABBREVIATIONS

DBSA	Development Bank of South Africa
COID	Compensation for Occupational Injuries and Diseases
HDF	Housing Development Act
GRAP	Generally Recognised Accounting Practice
LGSETA	Local Government Services Sector Education & Training Authority
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
MSIG	Municipal System Improvement grant
NDPG	Neighbourhood Development and Partnership Grant
SALGA	South African Local Government Association



# LAINGSBURG MUNICIPALITY

## APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2025, which are set out on pages 1 to 123 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2025 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

---

Mr J Booysen  
**Municipal Manager**

---

**Date**

# LAINGSBURG MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	2025 R	2024 R
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>330 296 975</b>	<b>334 163 177</b>
Property, Plant and Equipment	2	310 481 625	311 337 406
Investment Property	3	19 345 216	22 139 686
Intangible Assets	4	60 889	155 515
Heritage Assets	5	43 354	43 354
Non-Current Receivables from Exchange Transactions	6	364 534	483 248
Non-Current Receivables from Non-Exchange Transactions	7	1 357	3 968
<b>Current Assets</b>		<b>46 420 024</b>	<b>24 661 482</b>
Operating Lease Asset	8	65 440	70 529
Inventory	9	135 208	103 435
Receivables from Exchange Transactions	10	6 478 503	5 591 680
Receivables from Non-exchange Transactions	11	6 112 015	2 999 863
Cash and Cash Equivalents	12	24 741 111	6 713 375
VAT receivable	20	8 887 747	9 182 600
<b>Total Assets</b>		<b>376 716 999</b>	<b>358 824 659</b>
<b>NET ASSETS AND LIABILITIES</b>			
<b>Non-Current Liabilities</b>		<b>35 413 998</b>	<b>39 579 021</b>
Long-term Borrowings	13	230 101	-
Non-current Provisions	14	27 665 897	33 775 021
Non-current Employee Benefits	15	7 518 000	5 804 000
<b>Current Liabilities</b>		<b>43 358 939</b>	<b>27 186 355</b>
Consumer Deposits	16	1 121 057	1 045 670
Current Employee Benefits	17	3 010 724	3 259 784
Trade and Other Payables from Exchange Transactions	18	34 085 724	20 885 761
Unspent Transfers and Subsidies	19	4 922 484	1 995 140
Current Portion of Long-term Borrowings	13	218 950	-
<b>Total Liabilities</b>		<b>78 772 938</b>	<b>66 765 376</b>
<b>Net Assets</b>		<b>297 944 061</b>	<b>292 059 283</b>
Accumulated Surplus/(Deficit)		297 944 061	292 059 283
<b>Total Net Assets and Liabilities</b>		<b>376 716 999</b>	<b>358 824 659</b>

**LAINGSBURG MUNICIPALITY**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	2025 R	2024 R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>		<b>89 909 273</b>	<b>111 751 665</b>
<b>Taxation Revenue</b>		<b>5 657 213</b>	<b>5 320 209</b>
Property Rates	21	5 657 213	5 024 646
Surcharges and Taxes		-	295 563
<b>Transfer Revenue</b>		<b>83 467 494</b>	<b>105 720 624</b>
Government Grants and Subsidies	22	54 607 211	66 997 475
Contributed Property, Plant and Equipment	23	-	1 210 000
Fines, Penalties and Forfeits		28 860 283	33 765 412
Service-in-kind		-	3 747 737
<b>Other Revenue</b>		<b>784 567</b>	<b>710 832</b>
Availability Charges	24	318 218	287 668
Fines, Penalties and Forfeits		-	-
Interest Earned - Non-exchange Transactions	32	466 349	423 163
<b>Revenue from Exchange Transactions</b>		<b>40 328 944</b>	<b>33 588 405</b>
Licences and Permits	25	226 882	256 397
Service Charges	26	33 537 232	27 390 132
Sales of Goods and Rendering of Services	27	341 288	294 883
Rent on Land	28	26 650	102 655
Rental from Fixed Assets	29	1 639 656	1 643 719
Interest Earned - External Investments	30	1 617 323	1 264 711
Interest Earned - Exchange Transactions	31	1 188 705	777 982
Operational Revenue	32	1 536 424	1 661 285
Agency Services	55	214 784	196 641
<b>Total Revenue</b>		<b>130 238 217</b>	<b>145 340 070</b>
<b>EXPENDITURE</b>			
Employee related costs	34	35 455 753	33 350 274
Remuneration of Councillors	35	3 676 673	3 606 532
Bad Debts Written Off		1 115 945	-
Contracted Services	36	10 020 964	5 205 268
Depreciation and Amortisation	37	12 678 621	14 114 000
Finance Costs	38	4 530 439	2 649 005
Bulk Purchases	39	14 818 560	11 873 369
Inventory Consumed	9	775 203	2 240 071
Operating Leases		463 355	744 852
Transfers and Subsidies	40	97 621	-
Operational Costs	41	18 754 727	15 009 018
<b>Total Expenditure</b>		<b>102 387 861</b>	<b>88 792 389</b>
<b>Operating Surplus/(Deficit) for the Year</b>		<b>27 850 357</b>	<b>56 547 681</b>
Reversal of Impairment Loss/(Impairment Loss) on Receivables	42	(21 326 220)	(33 069 872)
Gains/(Loss) on Sale of Fixed Assets	43	(422 363)	(248 845)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	2	-	10 934
Actuarial gain/(loss)	15	(216 995)	862 129
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>5 884 778</b>	<b>24 102 027</b>

**LAINGSBURG MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025**

	<b>Accumulated Surplus/ (Deficit) R</b>	<b>Total R</b>
<b>Balance at 1 July 2023</b>	<b>257 956 097</b>	<b>257 956 097</b>
Correction of Error - note 45.10	10 001 159	10 001 159
<b>Restated balance</b>	<b>267 957 256</b>	<b>267 957 256</b>
Net Surplus/(Deficit) for the year	24 102 027	24 102 027
Net Surplus/(Deficit) previously reported	25 523 478	25 523 478
Effects of Correction of Errors - note 45.10	(1 421 452)	(1 421 452)
<b>Restated balance</b>	<b>292 059 283</b>	<b>292 059 283</b>
Net Surplus/(Deficit) for the year	5 884 778	5 884 778
<b>Balance at 30 June 2025</b>	<b>297 944 061</b>	<b>297 944 061</b>

**LAINGSBURG MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	2025 R	2024 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts			
Taxation		5 286 445	5 857 062
Service Charges		109 785 972	26 655 869
Other Revenue		(67 419 397)	7 332 435
Government - Operating and Capital		57 534 555	68 033 905
Interest		1 617 323	1 264 711
Cash payments			
Suppliers of goods and services		(32 877 497)	(32 637 111)
Employee related cost		(37 656 539)	(35 718 422)
Finance Charges		(32 076)	-
Transfers and Grants		(97 621)	-
<b>Net Cash from Operating Activities</b>	<b>47</b>	<b>36 141 166</b>	<b>40 788 449</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(20 206 414)	(37 222 382)
Proceeds on Disposal of Fixed Assets		2 180 000	630 000
Purchase of Investment Properties		-	-
<b>Net Cash from Investing Activities</b>		<b>(18 026 414)</b>	<b>(36 592 382)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short term Loans			-
Borrowing - Long term/Refinancing		-	-
Repayment of Borrowing		(208 340)	-
Repayment of Finance leases		-	-
Decrease / (Increase) in Long-term Receivables		121 325	38 222
<b>Net Cash from Financing Activities</b>		<b>(87 015)</b>	<b>38 222</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>18 027 736</b>	<b>4 234 289</b>
Cash and Cash Equivalents at the beginning of the year		6 713 375	2 479 086
Cash and Cash Equivalents at the end of the year	<b>47</b>	<b>24 741 111</b>	<b>6 713 375</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>18 027 736</b>	<b>4 234 289</b>

**LAINGSBURG MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025**

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Approved Budget	Adjustments	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final Budget	Actual Outcome 2025	Difference between Final Budget and Actual Outcome	Reasons for Material variances
		R	R	R	R	R	R	
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash and cash equivalents	Cash and cash equivalents	8 977 629	7 569 763	(4 082 137)	3 487 626	24 741 111	21 253 485	609.4%
Trade and other receivables from exchange transactions	Receivables from Exchange Transactions	2 779 488	5 459 297	(79 850)	5 379 447	6 478 503	1 099 056	20.4%
Receivables from non-exchange transactions	Receivables from Non-exchange Transactions	4 544 813	1 823 279	(5 000)	1 818 279	6 112 015	4 293 736	236.1%
Other current assets		2 332 735	2 559 096	-	2 559 096	65 440	(2 493 656)	-97.4%
	Operating Lease Asset					65 440		
VAT	VAT receivable	5 784 364	3 513 399	(29 805)	3 483 594	8 887 747	5 404 153	155.1%
Inventory	Inventory	270 700	143 432	-	143 432	135 208	(8 224)	-5.7%
<b>Total Current Assets</b>		<b>24 689 729</b>	<b>21 068 266</b>	<b>(4 196 792)</b>	<b>16 871 474</b>	<b>46 420 024</b>	<b>29 548 550</b>	
<b>Non-Current Assets</b>								
Investment property	Investment Property	22 152 686	21 142 061	-	21 142 061	19 345 216	(1 796 845)	-8.5%
Property, plant and equipment	Property, Plant and Equipment	282 276 363	318 969 478	(1 199 041)	317 770 437	310 481 625	(7 288 812)	-2.3%
Heritage assets	Heritage Assets	43 354	43 354	-	43 354	43 354	-	0.0%
Intangible assets	Intangible Assets	524 393	47 415	-	47 415	60 889	13 474	28.4%
Trade and other receivables from exchange transactions	Non-Current Receivables from Exchange Transactions	525 438	510 515	-	510 515	364 534	(145 981)	-28.6%
Non-current receivables from non-exchange transactions	Non-Current Receivables from Non-Exchange Transactions	-	3 968	-	3 968	1 357	(2 611)	-65.8%
<b>Total Non-Current Assets</b>		<b>305 522 234</b>	<b>340 716 791</b>	<b>(1 199 041)</b>	<b>339 517 750</b>	<b>330 296 975</b>	<b>(9 220 775)</b>	
<b>TOTAL ASSETS</b>		<b>330 211 963</b>	<b>361 785 057</b>	<b>(5 395 833)</b>	<b>356 389 224</b>	<b>376 716 999</b>	<b>20 327 775</b>	
<b>LIABILITIES</b>								
<b>Current Liabilities</b>								
Bank Overdraft	Cash and Cash Equivalents (Current Liability)	-	-	-	-	-	-	
Financial liabilities		-	-	-	-	218 950	218 950	100%
	Current Portion of Long-term Borrowings					218 950	218 950	
Consumer Deposits	Consumer Deposits	929 608	1 045 671	-	1 045 671	1 121 057	75 386	7.2%
Trade and other payables from exchange transactions	Trade and Other Payables from Exchange Transactions	20 497 348	20 095 539	-	20 095 539	34 085 724	13 990 185	69.6%
Trade and other payables from non-exchange transactions		1 148 155	1 995 140	-	1 995 140	4 922 484	2 927 344	146.7%
	Unspent Transfers and Subsidies					4 922 484	4 922 484	
Provisions		278 000	3 088 785	-	3 088 785	3 010 724	(78 061)	-2.5%
	Provisions					0		
	Current Employee Benefits					3 010 724		
VAT	VAT payable	2 186 675	(5 443 484)	(520 521)	(5 964 005)	-	5 964 005	-100.0%
Other current liabilities		129 000	171 000	-	171 000	-	(171 000)	-100.0%
<b>Total Current Liabilities</b>		<b>25 168 786</b>	<b>20 952 651</b>	<b>(520 521)</b>	<b>20 432 130</b>	<b>43 358 939</b>	<b>22 926 809</b>	
<b>Non-Current Liabilities</b>								
Borrowing	Long-term Borrowings	-	-	-	-	230 101	230 101	
Provisions		21 669 553	35 137 042	-	35 137 042	35 183 897	46 855	0.1%
	Non-current Provisions					27 665 897		
	Non-current Employee Benefits					7 518 000		
Other non-current liabilities	Operating Lease Liability	4 427 000	4 390 000	-	4 390 000	-	(4 390 000)	-100.0%
<b>Total Non-Current Liabilities</b>		<b>26 096 553</b>	<b>35 137 042</b>	<b>-</b>	<b>39 527 042</b>	<b>35 413 998</b>	<b>(4 113 044)</b>	
<b>TOTAL LIABILITIES</b>		<b>51 265 339</b>		<b>(520 521)</b>	<b>59 959 172</b>	<b>78 772 938</b>	<b>18 813 766</b>	
<b>NET ASSETS</b>								
	Accumulated Surplus/(Deficit)	278 946 624	301 305 364	(4 875 312)	296 430 052	297 944 061	1 514 009	
<b>TOTAL NET ASSETS</b>		<b>278 946 624</b>	<b>301 305 364</b>	<b>(4 875 312)</b>	<b>296 430 052</b>	<b>297 944 061</b>	<b>1 514 009</b>	

The municipality disposed assets (R2.2 million) had unspent grants of (R4.9 million) at year-end, trade payables increased with R7 million. There was a R7 million error on the Budget pertaining to Cash and Cash Equivalents. It was a set-up issue with the automated process of balance sheet budgeting. Cash Flow statement increased by R1.8 million but cash and cash equivalents decreased by R4.1 million caused by a system set-up problem. Balance Sheet budgeting is an automated process that is still problematic.

The bad debt write-off exceeded the budgeted amount, with deposits and advances included under this item (see Note 10) at R2.8 million. Movement between current and non-current relating to payment arrangements were not budget for as such. The accounting for unbilled units (kWh/kL) at year-end, which were processed as accruals were not accounted for, caused by the automated budget process.

R 2.7 million relates to deposits paid to ESKOM and is budgeted for. This included in the AFS under Receivables from Exchange Transactions. As a balance sheet account the budget only recognise the balance carried forward on this item due to the automated budgeting system.

The actuals for this item are only disclosed as at 30 June and will either be a receivable or a payable, whereas the budget reflects the annual VAT in its totality under both current assets and current liabilities. Not really comparable

The difference is amortisation see note 4.1

It should be noted that the operational budget automatically mimic within the balance sheet accounts and is an automatic process that makes it difficult to explain why there might be budget deviations as parameter set-up and the linking of votes can cause significant issues that can go undetected at times and only become exposed when actuals entries are entered

It should be noted that the operational budget automatically mimic within the balance sheet accounts and is an automatic process that makes it difficult to explain why there might be budget deviations as parameter set-up and the linking of votes can cause significant issues that can go undetected at times and only become exposed when actuals entries are entered

Finance leases that did not mimic in the automated system as this would've been included under creditors in the ledger as the incomes statement budgeted amount was covered under operational costs.

See Note 18 - The budget accounted that everything would be paid in the financial year. The difference is the movement of trade payables (unpaid creditors as at year-end / sundries) and the movement in retentions, mainly driving the difference.

A municipality do not budget for not spending their grants and this is unspent grants. The amount that was budgeted for R1.9 million was the incorrect allocation of prior year opening balance on unspent grants.

The actuals for this item are only disclosed as at 30 June and will either be a receivable or a payable, whereas the budget reflects the annual VAT in its totality under both current assets and current liabilities. Not comparable

Opening balance of Medical benefits - Employee benefits and should be read with the entry under provisions.

Finance leases that did not mimic in the automated system as this would've been included under creditors in the ledger as the incomes statement budgeted amount was covered under operational costs.

This represents the opening balance of the medical benefit obligations for pensioners and, in terms of the budget, should be read together with the provisions stated above.

**LAINGSBURG MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025**

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Approved Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome 2025	Difference between Final Budget and Actual Outcome	Reasons for Material variances
		R	R	R	R	R	
<b>REVENUE BY SOURCE</b>							
<b>Exchange Revenue</b>							
Service Charges	Service Charges	30 965 307	3 990 703	34 956 010	33 537 232	(1 418 778)	-4.1%
Service Charges - Electricity		19 977 109	2 965 601	22 942 710	21 757 564	(1 185 146)	-5.2%
Service Charges - Water		5 566 368	(1 032 268)	4 534 100	4 407 259	(126 841)	-2.8%
Service Charges - Waste water management		2 431 732	1 210 168	3 641 900	3 592 978	(48 922)	-1.3%
Service Charges - Waste management		2 990 098	847 202	3 837 300	3 779 431	(57 869)	-1.5%
Sales of Goods and Rendering of Services		365 021	3 426	368 447	341 288	(27 159)	-7.4%
Agency Services	Agency Services	234 449	(34 449)	200 000	214 784	14 784	7.4%
Interest earned from receivables	Interest Earned - Exchange Transactions	620 568	279 582	900 150	1 188 705	288 555	32.1%
Interest Earned from current and non-current assets	Interest Earned - External Investments	937 740	452 260	1 390 000	1 617 323	227 323	16.4%
Rent on land	Rent on Land	89 092	(62 892)	26 200	26 650	450	1.7%
Rental from Fixed Assets	Rental from Fixed Assets	1 709 864	204 317	1 914 181	1 639 656	(274 525)	-14.3%
Licences and Permits	Licences and Permits	301 440	(69 590)	231 850	226 882	(4 968)	-2.1%
Operational revenue		44 023	33 847	77 870	1 536 424	1 458 554	1873.1%
<b>Non-Exchange Revenue</b>							
Property Rates	Property Rates	5 946 888	(299 278)	5 647 610	5 657 213	9 603	0.2%
Surcharges and Taxes	Surcharges and Taxes	3 500 724	(3 500 724)	-	-	-	-
Fines, penalties and forfeits	Fines, Penalties and Forfeits	31 318 236	1 103 764	32 422 000	28 860 283	(3 561 717)	-11.0%
Transfers and subsidies - operational	Government Grants and Subsidies (Operational only)	29 737 416	719 534	30 456 950	30 420 718	(36 232)	-0.1%
Interest	Interest Earned - Non-exchange Transactions	294 792	195 208	490 000	466 349	(23 651)	-4.8%
Operational revenue		326 160	(6 160)	320 000	318 218	(1 782)	-0.6%
	Availability charges				318 218		
Gains on disposal of assets	Gains on Sale of Fixed Assets	255 996	1 734 004	1 990 000	(422 363)	(2 412 363)	-121.2%
Other gains		-	-	-	(216 995)	(216 995)	
	Actuarial Gains				(216 995)		
<b>Total Revenue (excluding capital transfers and contributions)</b>		106 647 716	4 743 552	111 391 268	105 412 366	(5 978 902)	
<b>EXPENDITURE</b>							
Employee Related Costs		35 893 860	237 270	36 131 130	35 455 753	(675 377)	-1.9%
Remuneration of Councillors		3 605 064	411 270	4 016 334	3 676 673	(339 661)	-8.5%
Bulk purchases - electricity	Reversal of Impairment Loss/(Impairment Loss) on Receivables	14 328 021	571 979	14 900 000	14 818 560	(81 440)	-0.5%
Inventory consumed	Inventory Consumed	830 526	766 198	1 596 724	775 203	(821 521)	-51.5%
Debt impairment	Reversal of Impairment Loss/(Impairment Loss) on Receivables	25 513 199	2 852 974	28 366 173	21 326 220	(7 039 953)	-24.8%
Depreciation and amortisation	Finance Costs	5 993 544	7 478 992	13 472 536	12 678 621	(793 915)	-5.9%
Interest	Bulk Purchases (Electricity only)	1 003 824	1 713 476	2 717 300	4 530 439	1 813 139	66.7%
Contracted Services		6 649 477	3 260 973	9 910 450	10 020 964	110 514	1.1%
Transfers and Subsidies		1 092	(1 092)	-	97 621	97 621	
Irrecoverable debts written off		3 631 911	(2 728 150)	903 761	1 115 945	212 184	23.5%
Operational costs		12 296 759	2 548 672	14 845 431	19 218 082	4 372 651	29.5%
	Operational Costs				18 754 727		
	Operating leases				463 355		
<b>Total Expenditure</b>		109 747 277	17 112 562	126 859 839	123 714 080	(3 145 759)	
<b>Surplus/(Deficit)</b>		(3 099 561)	(12 369 010)	(15 468 571)	(18 301 714)	(2 833 143)	
Transfers and subsidies - capital (monetary allocations)	Government Grants and Subsidies (Capital only)	23 670 048	4 749 002	28 419 050	24 186 493	(4 232 557)	-14.9%
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>		20 570 487	(7 620 008)	12 950 479	5 884 778	(7 065 701)	
<b>Surplus/(Deficit) for the year</b>		20 570 487	(7 620 008)	12 950 479	5 884 778	(7 065 701)	

**LAINGSBURG MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025**

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Approved budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome 2025	Difference between Final Budget and Actual Outcome	Reasons for Material variances
		R	R	R	R	R	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Property rates	Taxation	5 306 148	(690 958)	4 615 190	5 286 445	671 255	15% The system treatment of the collection rate overstated impairment. This is an automated calculation.
Service Charges		37 868 610	(938 928)	36 929 682	109 785 972	72 856 290	197% The system's treatment of revenue forgone, funded by the equitable share, reduced the equitable share allocation rather than the revenue from service charges.
	Service charges						
	Less: Increase/(Decrease) in Consumer Deposits						
Other Revenue		21 937 883	(2 273 741)	19 664 142	(67 419 397)	(87 083 539)	-443% The difference is caused by VAT from grant spending being recognised under this line entry in the budget and in terms of the mSCOA set-up.
Transfers and Subsidies - Operational	Government - Operating	30 451 598	835 049	31 286 647	33 348 062	2 061 415	7% The system's treatment of revenue forgone, funded by the equitable share, reduced the equitable share allocation rather than the revenue from service charges.
Transfers and Subsidies - Capital	Government - Capital	28 189 050	230 000	28 419 050	24 186 493	(4 232 557)	-15% The budget did not account for all grants not to be spent. The difference is the unspent portion of capital grants.
Interest		1 390 000	-	1 390 000	1 617 323	227 323	16% The interest budget was conservative in its prediction of changes in the prime rate and did not anticipate that grants would be spent more slowly and not fully utilised as ultimately occurred.
Dividends		-	-	-	-	-	
<b>Payments</b>							
Suppliers and Employees		(77 467 059)	(9 787 377)	(87 254 436)	(70 534 036)	16 720 400	-19% The system's treatment of VAT in the budget caused significant differences (R9 million), with an under-expenditure on goods and services. This was due to savings measures and a conservative approach adopted to maintain liquidity, given the numerous commitments against the available cash balance.
	Suppliers of goods and services				(32 877 497)		
	Employee related cost				(37 656 539)		
Finance charges		(2 700 000)	(17 300)	(2 717 300)	(32 076)	2 685 224	-98.8% R1.5 million was included in the budget for interest that would related to provisions, Landfill site etc.
Transfers and Subsidies	Transfers and Grants		-	-	(97 621)	(97 621)	100% Expenditure incurred to fix water and sanitation problems in poor households.
<b>Net Cash from/(used) Operating Activities</b>		<b>44 976 230</b>	<b>(12 643 255)</b>	<b>32 332 975</b>	<b>36 141 166</b>		
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds on disposal of PPE		270 000	1 720 000	1 990 000	2 180 000	190 000	9.5%
Decrease (increase) in Non-Current Receivables		-	-	-	-	-	
Decrease/(Increase) in Non-Current Investments		-	-	-	-	-	
<b>Payments</b>							
Capital Assets		(29 356 920)	(3 140 488)	(32 497 408)	(20 206 414)	12 290 994	-37.8% The difference was caused by under expenditure on grants and with the budgeted amount including VAT and with not everything paid as at year-end.
	Purchase of Property, Plant and Equipment						
	Purchase of Investment Properties						
	Purchase of Intangible Assets						
	Purchase of Heritage Assets						
	Purchase of Agricultural Assets						
<b>Net Cash from/(used) Investing Activities</b>		<b>(29 086 920)</b>	<b>(1 420 488)</b>	<b>(30 507 408)</b>	<b>(18 026 414)</b>		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Short Term Loans		-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	
Decrease / (Increase) in Long-term Receivables		-	-	-	121 325	121 325	100.0% Items that did not mimic (automated system entries) correctly and were included under operating activities - "Suppliers & Employees"
<b>Payments</b>							
Repayment of Borrowing		-	-	-	(208 340)	(208 340)	100.0% Items that did not mimic (automated system entries) correctly and were included under operating activities - "Suppliers & Employees"
	Repayment of Borrowing						
	Repayment of Finance leases						
<b>Net Cash from/(used) Financing Activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(87 015)</b>		
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>15 889 310</b>	<b>(14 063 743)</b>	<b>1 825 567</b>	<b>18 027 736</b>	<b>16 202 169</b>	<b>887.5%</b>
Cash and Cash Equivalents at the year begin:		<b>6 710 474</b>	<b>-</b>	<b>6 710 474</b>	<b>6 713 375</b>	<b>2 901</b>	<b>0.0%</b>
Cash and Cash Equivalents at the year end:		<b>22 599 784</b>	<b>(14 063 743)</b>	<b>8 536 041</b>	<b>24 741 111</b>	<b>16 205 070</b>	



## REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025

For management purposes, the municipality is organised and operates in 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.

Management receives on a monthly basis a C Schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

### PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Municipal Manager	10101 - Mayoral Council - Council General Expenses	Aggregated	Executive and Council	Supporting service departments
	10102 - Mayoral Council - Subsidies	Aggregated	Executive and Council	Supporting service departments
	11111 - Municipal Manager - Municipal Manager	Aggregated	Executive and Council	Supporting service departments
Vote 2 - Corporate Services	12121 - Corporate Services - Administration	Aggregated	Corporate Services	Supporting service departments
	12122 - Corporate Services - Fixed Property	Aggregated	Corporate Services	Supporting service departments
	12123 - Corporate Services - Matjiesfontein	Aggregated	Corporate Services	Supporting service departments
	13133 - Budget Treasury - Tourism	Aggregated	Corporate Services	Supporting service departments
	14141 - Planning and Development - Integrated Development (GOP)	Aggregated	Corporate Services	Supporting service departments
	17171 - Housing - Housing - Rental Schemes	Aggregated	Corporate Services	Supporting service departments
Vote 3 - Financial Services	13131 - Budget Treasury - Financial Services	Aggregated	Financial Services	Supporting service departments
	13132 - Budget Treasury - Property Rates	Aggregated	Financial Services	Supporting service departments
Vote 4 - Community Services	15151 - Community and Social Services - Health Services	Aggregated	Community and Public Safety	Community services, including cemetery, library, parks and community facilities
	15152 - Community and Social Services - Cemetery	Aggregated	Community and Public Safety	
	15153 - Community and Social Services - Library	Aggregated	Community and Public Safety	
	16161 - Sports and Recreation - Airfield	Aggregated	Community and Public Safety	
	16162 - Sports and Recreation - Parks Recreation	Aggregated	Community and Public Safety	
	16163 - Sports and Recreation - Sport Facilities - Vleiland	Aggregated	Community and Public Safety	
	18181 - Public Safety - Fire Brigade	Aggregated	Community and Public Safety	Disaster management
	18182 - Public Safety - Traffic Services	Aggregated	Community and Public Safety	Traffic control and policing
Vote 5 - Infrastructure Services	19191 - Road Transport - Public Works - Administration	Aggregated	Technical Services	Management of roads and storm water
	19192 - Road Transport - Streets Stormwater	Aggregated	Technical Services	
	19193 - Road Transport - Main Roads	Aggregated	Technical Services	
	20201 - Waste Management - Cleaning Services - Refuse Removal	Aggregated	Technical Services	Water management, Electricity services, waste water management and waste management
	21211 - Waste Water Management - Sewerage Services	Aggregated	Technical Services	
	21221 - Waste Water Management - Water Supply	Aggregated	Technical Services	
	22221 - Water - Water Supply	Aggregated	Technical Services	
	23231 - Electricity - Electricity Supply	Aggregated	Technical Services	

### SECONDARY SEGMENTS

Mscosa Functional Segments Identified	Function	Aggregation	Reportable Segment	Types of Goods/Services delivered
Governance and Administration	Executive and council	Aggregated	Governance and Administration	Supporting service departments
	Finance and administration	Aggregated	Governance and Administration	Supporting service departments
Community and public safety	Community and social services	Aggregated	Community and public safety	Library services, Community halls rentals and recreation centers
	Sport and recreation	Aggregated	Community and public safety	
	Public safety	Aggregated	Governance and Administration	Disaster management and traffic control
	Health services	Aggregated	Governance and Administration	Community services
	Housing services	Aggregated	Governance and Administration	Housing
Economic and environmental services	Planning and development	Aggregated	Economic and environmental services	Integrated Development Planning (IDP)
	Road transport	Aggregated	Economic and environmental services	Management of roads and storm water
Trading services	Energy sources	Individually Reported	Energy sources	Electricity services
	Water management	Individually Reported	Water management	Water management
	Waste water management	Individually Reported	Waste water management	Waste water management
	Waste management service	Individually Reported	Waste management service	Waste management service
Other	Air Transport	Aggregated	Other	Airfield management
	Tourism	Aggregated	Other	Tourism

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 not monitor performance geographically as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive.

**LAINGSBURG MUNICIPALITY**  
**PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025**

	Executive and Council	Corporate Services	Financial Services	Community Services and Public Safety	Technical Services	Total
	R	R	R	R	R	R
<b>SEGMENT REVENUE</b>						
<b>External revenue from exchange transactions</b>	-	4 736 066	301 992	1 715 768	33 575 118	40 328 944
Service Charges - Electricity	-	-	-	-	21 757 564	21 757 564
Service Charges - Water	-	-	-	-	4 407 259	4 407 259
Service Charges - Waste water management	-	29 771	-	-	3 563 207	3 592 978
Service Charges - Waste management	-	-	-	-	3 779 431	3 779 431
Sales of Goods and Rendering of Services	-	186 506	65 598	21 527	67 657	341 288
Agency Services	-	-	214 784	-	-	214 784
Interest	-	292 514	-	-	-	292 514
Interest Earned - Receivables - Exchange Transactions	-	896 191	-	-	-	896 191
Interest Earned - External Investments	-	1 617 323	-	-	-	1 617 323
Rent on land	-	26 650	-	-	-	26 650
Rental of Facilities and Equipment	-	1 639 253	-	403	-	1 639 656
Licences and Permits	-	-	-	226 882	-	226 882
Operational Revenue	-	47 857	21 610	1 466 957	-	1 536 424
<b>External revenue from non-exchange transactions</b>	-	(182 469)	30 579 523	28 767 983	1 975 092	61 140 129
Property rates	-	-	5 657 213	-	-	5 657 213
Fines, Penalties and Forfeits	-	-	-	28 767 983	92 300	28 860 283
Transfers Recognised - Operational	-	122 174	24 672 957	-	1 564 574	26 359 705
Interest Earned - Non-exchange Transactions	-	-	466 349	-	-	466 349
Operational Revenue	-	-	-	-	318 218	318 218
Gains on disposal of Assets	-	(304 643)	-	-	-	(304 643)
Other Gains	-	-	(216 995)	-	-	(216 995)
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	-	4 553 597	30 881 515	30 483 751	35 550 210	101 469 073
<b>SEGMENT EXPENDITURE</b>						
Employee Related Costs	4 917 734	3 758 077	6 886 457	4 908 499	14 984 987	35 455 753
Remuneration of Councillors	3 676 673	-	-	-	-	3 676 673
Bulk Purchases - Electricity	-	-	-	-	14 818 560	14 818 560
Inventory consumed	6 125	54 310	189 822	45 265	479 681	775 203
Debt Impairment	-	(79 330)	779 096	18 701 320	1 925 134	21 326 220
Depreciation and Amortisation	425 688	919 528	94 625	958 294	10 280 486	12 678 621
Interest	-	-	1 539 807	-	2 990 632	4 530 439
Contracted Services	31 155	4 332 453	3 962 468	374 917	1 319 971	10 020 964
Transfer and subsidies	97 621	-	-	-	-	97 621
Irrecoverable debt written off	-	-	-	238	1 115 707	1 115 945
Operational cost	662 224	2 821 588	12 149 644	541 909	3 042 718	19 218 082
Losses on disposal of Assets	-	-	117 720	-	-	117 720
<b>Total Segment Expenditure</b>	<b>9 817 219</b>	<b>11 806 626</b>	<b>25 719 638</b>	<b>25 530 442</b>	<b>50 957 875</b>	<b>123 831 800</b>
<b>Surplus/(Deficit)</b>	<b>(9 817 219)</b>	<b>(7 253 029)</b>	<b>5 161 877</b>	<b>4 953 309</b>	<b>(15 407 665)</b>	<b>(22 362 727)</b>
Transfers and subsidies - capital (monetary allocations)	-	4 061 013	22 838 981	-	1 347 512	28 247 505
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	<b>(9 817 219)</b>	<b>(3 192 016)</b>	<b>28 000 857</b>	<b>4 953 309</b>	<b>(14 060 153)</b>	<b>5 884 778</b>
<b>Surplus/(Deficit) for the year</b>	<b>(9 817 219)</b>	<b>(3 192 016)</b>	<b>28 000 857</b>	<b>4 953 309</b>	<b>(14 060 153)</b>	<b>5 884 778</b>

**LAINGSBURG MUNICIPALITY**  
**SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025**

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading services				Other	Total
				Energy Sources	Water Management	Waste water management	Waste management services		
SEGMENT REVENUE	R	R	R	R	R	R	R	R	R
<b>External revenue from exchange transactions</b>	<b>5 027 295</b>	<b>1 726 531</b>	<b>55 249</b>	<b>21 757 564</b>	<b>4 407 259</b>	<b>3 563 207</b>	<b>3 791 839</b>	<b>-</b>	<b>40 328 944</b>
Service Charges - Electricity	-	-	-	21 757 564	-	-	-	-	21 757 564
Service Charges - Water	-	-	-	-	4 407 259	-	-	-	4 407 259
Service Charges - Waste water management	29 771	-	-	-	-	3 563 207	-	-	3 592 978
Service Charges - Waste management	-	-	-	-	-	-	3 779 431	-	3 779 431
Sales of Goods and Rendering of Services	252 104	21 527	55 249	-	-	-	12 408	-	341 288
Agency Services	214 784	-	-	-	-	-	-	-	214 784
Interest	292 514	-	-	-	-	-	-	-	292 514
Interest Earned - Receivables - Exchange Transactions	896 191	-	-	-	-	-	-	-	896 191
Interest Earned - External Investments	1 617 323	-	-	-	-	-	-	-	1 617 323
Rent on land	26 650	-	-	-	-	-	-	-	26 650
Rental of Facilities and Equipment	1 628 490	11 166	-	-	-	-	-	-	1 639 656
Licences and Permits	-	226 882	-	-	-	-	-	-	226 882
Operational Revenue	69 467	1 466 957	-	-	-	-	-	-	1 536 424
<b>External revenue from non-exchange transactions</b>	<b>30 397 054</b>	<b>28 767 983</b>	<b>1 498 883</b>	<b>226 059</b>	<b>95 688</b>	<b>140 508</b>	<b>13 955</b>	<b>-</b>	<b>61 140 129</b>
Property rates	5 657 213	-	-	-	-	-	-	-	5 657 213
Fines, Penalties and Forfeits	-	28 767 983	92 300	-	-	-	-	-	28 860 283
Transfers Recognised - Operational	24 795 131	-	1 406 583	110 283	19 435	14 319	13 955	-	26 359 705
Interest Earned - Non-exchange Transactions	466 349	-	-	-	-	-	-	-	466 349
Operational Revenue	-	-	-	115 776	76 253	126 188	-	-	318 218
Gains on disposal of Assets	(304 643)	-	-	-	-	-	-	-	(304 643)
Other Gains	(216 995)	-	-	-	-	-	-	-	(216 995)
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>35 424 349</b>	<b>30 494 514</b>	<b>1 554 132</b>	<b>21 983 622</b>	<b>4 502 947</b>	<b>3 703 715</b>	<b>3 805 794</b>	<b>-</b>	<b>101 469 073</b>
<b>SEGMENT EXPENDITURE</b>									
Employee Related Costs	14 425 059	4 908 499	11 118 701	465 824	1 937 952	1 281 272	938 207	380 237	35 455 753
Remuneration of Councillors	3 676 673	-	-	-	-	-	-	-	3 676 673
Bulk Purchases - Electricity	-	-	-	14 818 560	-	-	-	-	14 818 560
Inventory consumed	234 025	45 265	197 496	27 011	89 750	12 312	153 799	15 545	775 203
Debt Impairment	699 765	18 701 320	-	134 690	680 667	571 390	538 386	-	21 326 220
Depreciation and Amortisation	1 418 707	958 294	3 854 723	669 793	2 559 759	2 416 531	779 680	21 134	12 678 621
Interest	1 539 807	-	-	-	-	-	2 990 632	-	4 530 439
Contracted Services	8 201 081	374 917	471 615	233 825	200 796	263 695	273 455	1 581	10 020 964
Transfer and subsidies	97 621	-	-	-	-	-	-	-	97 621
Irrecoverable debt written off	-	238	-	170 422	382 090	282 558	280 637	-	1 115 945
Operational cost	15 601 046	541 909	1 047 558	315 488	1 253 814	226 278	221 964	10 025	19 218 082
Losses on disposal of Assets	117 720	-	-	-	-	-	-	-	117 720
<b>Total Segment Expenditure</b>	<b>46 011 505</b>	<b>25 530 442</b>	<b>16 690 093</b>	<b>16 835 612</b>	<b>7 104 828</b>	<b>5 054 037</b>	<b>6 176 761</b>	<b>428 522</b>	<b>123 831 800</b>
<b>Surplus/(Deficit)</b>	<b>(10 587 156)</b>	<b>4 964 072</b>	<b>(15 135 961)</b>	<b>5 148 010</b>	<b>(2 601 881)</b>	<b>(1 350 322)</b>	<b>(2 370 967)</b>	<b>(428 522)</b>	<b>(22 362 727)</b>
Transfers and subsidies - capital (monetary allocations)	26 899 993	-	-	-	1 347 512	-	-	-	28 247 505
<b>Surplus/(Deficit) for the year</b>	<b>16 312 837</b>	<b>4 964 072</b>	<b>(15 135 961)</b>	<b>5 148 010</b>	<b>(1 254 369)</b>	<b>(1 350 322)</b>	<b>(2 370 967)</b>	<b>(428 522)</b>	<b>5 884 778</b>

**LAINGSBURG MUNICIPALITY**

**PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	Executive and Council	Corporate Services	Financial Services	Community Services and Public Safety	Technical Services	Total
SEGMENT REVENUE	R	R	R	R	R	R
<b>External revenue from exchange transactions</b>	-	4 028 190	286 782	1 898 014	27 375 419	33 588 405
Service Charges - Electricity	-	-	-	-	18 028 447	18 028 447
Service Charges - Water	-	-	-	-	3 867 405	3 867 405
Service Charges - Waste water management	-	62 628	-	-	2 664 580	2 727 208
Service Charges - Waste management	-	-	-	-	2 767 072	2 767 072
Sales of Goods and Rendering of Services	-	158 350	70 170	18 882	47 481	294 883
Agency Services	-	-	196 641	-	-	196 641
Interest	-	184 298	-	-	-	184 298
Interest Earned - Receivables - Exchange Transactions	-	593 685	-	-	-	593 685
Interest Earned - External Investments	-	1 264 711	-	-	-	1 264 711
Rent on land	-	102 655	-	-	-	102 655
Rental of Facilities and Equipment	-	1 639 681	-	3 604	435	1 643 719
Licences and Permits	-	-	-	256 397	-	256 397
Operational Revenue	-	22 183	19 972	1 619 130	-	1 661 285
<b>External revenue from non-exchange transactions</b>	-	22 489	29 739 905	33 757 112	7 335 819	70 855 324
Property rates	-	-	5 024 646	-	-	5 024 646
Surcharges and taxes	-	-	295 563	-	-	295 563
Fines, Penalties and Forfeits	-	8 300	-	33 757 112	-	33 765 412
Transfers Recognised - Operational	-	263 033	23 134 404	-	7 048 150	30 445 587
Interest Earned - Non-exchange Transactions	-	-	423 163	-	-	423 163
Operational Revenue	-	-	-	-	287 668	287 668
Gains on disposal of Assets	-	(248 845)	-	-	-	(248 845)
Other Gains	-	-	862 129	-	-	862 129
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	-	4 050 679	30 026 687	35 655 126	34 711 238	104 443 729
<b>SEGMENT EXPENDITURE</b>						
Employee Related Costs	4 317 613	3 293 314	7 293 593	5 015 333	13 430 421	33 350 274
Remuneration of Councillors	3 606 532	-	-	-	-	3 606 532
Bulk Purchases - Electricity	-	-	-	-	11 873 369	11 873 369
Inventory consumed	17 498	66 224	1 495	220 895	1 933 959	2 240 071
Debt Impairment	(10 934)	447 674	(23 206)	31 540 959	1 104 445	33 058 938
Depreciation and Amortisation	435 535	613 758	108 123	1 036 775	11 919 809	14 114 000
Interest	-	-	1 099 793	-	1 549 212	2 649 005
Contracted Services	40 361	848 668	2 812 874	357 349	1 146 017	5 205 268
Operational cost	600 557	3 096 884	9 797 059	594 098	1 665 272	15 753 870
<b>Total Segment Expenditure</b>	<b>9 007 163</b>	<b>8 366 522</b>	<b>21 089 730</b>	<b>38 765 409</b>	<b>44 622 503</b>	<b>121 851 327</b>
<b>Surplus/(Deficit)</b>	<b>(9 007 163)</b>	<b>(4 315 844)</b>	<b>8 936 957</b>	<b>(3 110 283)</b>	<b>(9 911 265)</b>	<b>(17 407 598)</b>
Transfers Recognised - Capital	-	-	41 509 624	-	-	41 509 624
<b>Surplus/(Deficit) for the year</b>	<b>(9 007 163)</b>	<b>(4 315 844)</b>	<b>50 446 582</b>	<b>(3 110 283)</b>	<b>(9 911 265)</b>	<b>24 102 027</b>

**LAINGSBURG MUNICIPALITY**

**SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading services				Other	Total
				Energy Sources	Water Management	Waste water management	Waste management services		
SEGMENT REVENUE	R	R	R	R	R	R	R	R	R
<b>External revenue from exchange transactions</b>	<b>4 304 147</b>	<b>1 908 839</b>	<b>37 296</b>	<b>18 131 066</b>	<b>3 936 094</b>	<b>2 780 940</b>	<b>2 777 692</b>	<b>-</b>	<b>33 876 073</b>
Service Charges - Electricity	-	-	-	18 131 066	-	-	-	-	18 131 066
Service Charges - Water	-	-	-	-	3 936 094	-	-	-	3 936 094
Service Charges - Waste water management	62 628	-	-	-	-	2 780 940	-	-	2 843 569
Service Charges - Waste management	-	-	-	-	-	-	2 767 072	-	2 767 072
Sales of Goods and Rendering of Services	228 520	18 882	36 861	-	-	-	10 620	-	294 883
Agency Services	196 641	-	-	-	-	-	-	-	196 641
Interest	184 298	-	-	-	-	-	-	-	184 298
Interest Earned - Receivables - Exchange Transactions	593 685	-	-	-	-	-	-	-	593 685
Interest Earned - External Investments	1 264 711	-	-	-	-	-	-	-	1 264 711
Rent on land	102 655	-	-	-	-	-	-	-	102 655
Rental of Facilities and Equipment	1 628 855	14 429	435	-	-	-	-	-	1 643 719
Licences and Permits	-	256 397	-	-	-	-	-	-	256 397
Operational Revenue	42 155	1 619 130	-	-	-	-	-	-	1 661 285
<b>External revenue from non-exchange transactions</b>	<b>29 762 394</b>	<b>33 757 112</b>	<b>1 223 000</b>	<b>2 062 120</b>	<b>1 457 555</b>	<b>1 218 687</b>	<b>1 086 788</b>	<b>-</b>	<b>70 567 656</b>
Property rates	5 024 646	-	-	-	-	-	-	-	5 024 646
Surcharges and taxes	295 563	-	-	-	-	-	-	-	295 563
Fines, Penalties and Forfeits	8 300	33 757 112	-	-	-	-	-	-	33 765 412
Transfers Recognised - Operational	23 397 437	-	1 223 000	2 062 120	1 457 555	1 218 687	1 086 788	-	30 445 587
Interest Earned - Non-exchange Transactions	423 163	-	-	-	-	-	-	-	423 163
Gains on disposal of Assets	(248 845)	-	-	-	-	-	-	-	(248 845)
Other Gains	862 129	-	-	-	-	-	-	-	862 129
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>34 066 540</b>	<b>35 665 951</b>	<b>1 260 296</b>	<b>20 193 187</b>	<b>5 393 648</b>	<b>3 999 627</b>	<b>3 864 480</b>	<b>-</b>	<b>104 443 729</b>
<b>SEGMENT EXPENDITURE</b>									
Employee Related Costs	13 830 113	5 015 333	10 043 124	404 742	1 609 526	1 164 366	929 328	353 742	33 350 274
Remuneration of Councillors	3 606 532	-	-	-	-	-	-	-	3 606 532
Bulk Purchases - Electricity	-	-	-	11 873 369	-	-	-	-	11 873 369
Inventory consumed	62 884	220 895	850 460	45 624	559 347	152 594	326 286	21 982	2 240 071
Debt Impairment	413 535	31 540 959	-	23 070	436 217	254 298	390 860	-	33 058 938
Depreciation and Amortisation	1 140 011	1 036 775	3 890 946	669 495	2 402 038	2 131 985	2 825 345	17 404	14 114 000
Interest	1 099 793	-	-	-	-	-	1 549 212	-	2 649 005
Contracted Services	3 581 618	357 349	341 253	365 816	241 198	212 397	103 533	2 105	5 205 268
Operational cost	13 460 215	585 527	460 300	176 968	855 152	105 991	87 693	22 023	15 753 870
<b>Total Segment Expenditure</b>	<b>37 194 701</b>	<b>38 756 838</b>	<b>15 586 084</b>	<b>13 559 083</b>	<b>6 103 477</b>	<b>4 021 631</b>	<b>6 212 258</b>	<b>417 256</b>	<b>121 851 327</b>
<b>Surplus/(Deficit)</b>	<b>(3 128 160)</b>	<b>(3 090 887)</b>	<b>(14 325 788)</b>	<b>6 634 104</b>	<b>(709 829)</b>	<b>(22 004)</b>	<b>(2 347 778)</b>	<b>(417 256)</b>	<b>(17 407 598)</b>
Transfers Recognised - Capital	41 509 624	-	-	-	-	-	-	-	41 509 624
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	<b>38 381 464</b>	<b>(3 090 887)</b>	<b>(14 325 788)</b>	<b>6 634 104</b>	<b>(709 829)</b>	<b>(22 004)</b>	<b>(2 347 778)</b>	<b>(417 256)</b>	<b>24 102 027</b>
<b>Surplus/(Deficit) for the year</b>	<b>38 381 464</b>	<b>(3 090 887)</b>	<b>(14 325 788)</b>	<b>6 634 104</b>	<b>(709 829)</b>	<b>(22 004)</b>	<b>(2 347 778)</b>	<b>(417 256)</b>	<b>24 102 027</b>

## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

#### **1. BASIS OF PRESENTATION**

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The Annual Financial Statements have been prepared in accordance with the historical cost convention, except where indicated otherwise.

The Statement of Financial Performance has been prepared to classify expenses by nature, whilst revenue is classified in a manner appropriate to the municipality's operations. The Cash Flow Statement has been prepared using the Direct Method.

The accounting policies applied are consistent with those used to present the previous year's financial statements except where an exemption or transitional provision has been granted. The details of any changes in accounting policies are explained in the relevant notes to the annual financial statements.

##### **1.1 Presentation Currency**

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

##### **1.2 Critical Judgements, Estimations and Assumptions**

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

###### **1.2.1 Revenue Recognition**

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GRAP 23 (Revenue from Non-exchange Transactions). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

## LAINGSBURG MUNICIPALITY

### ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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#### Revenue for Traffic Fines:

There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. The full amount of traffic fines issued during the year is recognised at the initial transaction date as revenue. Where a reliable estimate cannot be made of revenue from summonses, the revenue is recognised when the public prosecutor pays the cash collected over to the municipality.

#### **1.2.2 Water Inventory**

The estimation of the Water Inventory in reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end.

#### **1.2.3 Impairment of Financial Assets**

Accounting Policy 4.4 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

- Impairment of Trade Receivables:

The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable categories across all classes of debtors.

#### **1.2.4 Impairment of Statutory Receivables**

Accounting Policy 5.3 on Impairment of Statutory Receivables describes the process followed to determine the value at which Statutory Receivables should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Statutory Receivables recorded during the year is appropriate.

- Impairment of Rates and other receivables

The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable categories across all classes of debtors.

## LAINGSBURG MUNICIPALITY

### ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

- Impairment of Traffic Fines

Assessing and recognising impairment of Receivables for Traffic Fines is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not to be made at the time of initial recognition.

#### 1.2.5 Capitalisation of Capital Assets

Judgement by management is required to distinguish between expenses incurred to maintain and repair capital assets and expenses incurred that will increase the remaining useful life of capital assets and needs to be capitalised to capital assets.

#### 1.2.6 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 6.3, 7.2 and 8.2, the municipality depreciates its Property, Plant & Equipment and Investment Property, and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

The useful lives of assets are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical, useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings, management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Management referred to the following when making assumptions regarding useful lives and residual values of assets:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides were used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated replacement cost method, which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- Cost of items with a similar nature currently in the Municipality's asset register;
- Cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- Cost as supplied by suppliers.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and



## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

selling trends and the remaining duration of the assets.

#### **1.2.7 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, and Inventories**

Accounting Policy 10 on Impairment of Assets describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lowest of Cost and Net Realisable Value or Current Replacement Cost

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

#### **1.2.8 Defined Benefit Plan Liabilities**

As described in Accounting Policy 15.2, Employee Benefits – Post-employment Benefits, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

#### **1.2.9 Provisions and Contingent Liabilities**

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

#### **1.2.10 Principals and Agent Arrangements**

The municipality assesses whether it is a party to any principal-agent arrangements by considering the principles contained in GRAP 109.

The municipality is assessed to be the principal and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP. In order to assess that the municipality is the principal, the following factors were considered in applying its judgement:

- The municipality acts as a principal for the service provider, Syntell, who acts as an agent for the municipality with the sale of prepaid electricity and water.
- The municipality acts as a principal for the service provider, the Provincial Department of Transport, who acts as an agent for the municipality with regards to the issuing of fines for various traffic violations within the Laingsburg Municipal Area.
- The municipality acts as a principal for the service provider, Central Karoo Traffic Systems (Pty) Ltd, who acts as an agent for the municipality with regards to the issuing and recovery of camera fines issued within the Laingsburg Municipal Area.

## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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#### **1.2.11 Provision for Landfill Sites**

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the best estimate or net present value of the expected future cash flows to rehabilitate the landfill site at year-end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates linked to government bond rate was used to calculate the effect of the time value of money.

#### **1.2.12 Pre-paid electricity estimation**

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year-end, which is still unused. The average pre-paid electricity sold per day during the year under review is used, and the estimate is calculated using between 5 and 10 days' worth of unused electricity.

#### **1.2.13 Housing Arrangements**

The municipality is not accredited to deliver housing under the national housing programme. However, it assesses its roles and responsibilities it undertakes for each project undertaken in terms of the national housing programme by assessing the terms and conditions agreed with the relevant Provincial Department of Human Settlements.

Management has assessed all arrangements in place and concluded that there are no housing arrangements to which it was a project manager or developer during this accounting period.

#### **1.2.14 Componentisation of Infrastructure assets**

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition, and recalculated to cost at the acquisition date if known or to the date of initially adopting the Standards of GRAP.

#### **1.2.15 Performance Bonus**

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historical patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by the Council

#### **1.2.16 Staff leave**

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at the reporting date. This provision will be realised as employees take leave or when employment is terminated.

## LAINGSBURG MUNICIPALITY

### ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

#### 1.3 Going Concern Assumption

The Annual Financial Statements have been prepared on a Going Concern Assumption.

#### 1.4 Standards, Amendments to Standards and Interpretations published but not yet Effective

The following GRAP Standards and Interpretations have been published but are not yet effective and have not been early adopted by the municipality. Additionally, these standards and interpretations are not always relevant to the municipality's operations and are indicated as such below:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 103	<p><b><u>Heritage assets</u></b></p> <p>There are proposed amendments to the classification of mixed-use assets, cultural significance and the fair value accounting.</p> <p>The amendments to the Standard are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
GRAP 104	<p><b><u>Financial Instruments</u></b></p> <p>The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. The Municipality might need to revise the categories of financial instruments and the impairment model.</p> <p>The transitional provisions require adoption of the revised Standard taken as a whole. Partial or incremental adoption is not permitted.</p>	1 April 2025
GRAP 1: Going concern	<p><b><u>Presentation of Financial statements: Going concern</u></b></p> <p>The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. Adjustments for going concern proposed to provide guidance on the preparation of AFS as going concern and the related disclosure.</p> <p>The transitional provisions are specified in the revised Standard. The amendments may not be applied. A by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown

## LAINGSBURG MUNICIPALITY

### ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

REFERENCE	TOPIC	EFFECTIVE DATE
<b>Improvement to GRAP standards (2023)</b>	<p><b><u>Improvement to GRAP standards (2023)</u></b></p> <p>The Improvements are approved by the Board. The effective date is yet to be determined by the Minister of Finance. The Improvements may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the Improvements once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
<b>GRAP 105, GRAP 106 and GRAP 107 (amendments)</b>	<p><b><u>Transfer of Functions and Mergers</u></b></p> <p>The amendments to the Standards are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as Standards is not relevant to the operations of the Municipality.</p>	Unknown
<b>Guideline</b>	<p><b><u>Application of Materiality of Financial Statements</u></b></p> <p>The guideline is not authoritative but only encourage.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	No effective date as only encouraged
<b>iGRAP 22</b>	<p><b><u>Foreign Currency Transactions and Advanced Consideration</u></b></p> <p>The interpretation is to provide guidance on determining the transaction date for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.</p> <p>Early adoption of the Interpretation is encouraged.</p> <p>No significant impact is expected as the foreign currency transactions and advance consideration is not relevant to the operations of the Municipality.</p>	1 April 2025

## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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## **2. BUDGET INFORMATION**

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the Accounting Policies adopted by the Council for the preparation of these Annual Financial Statements.

These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification. The approved budget covers the period from 1 July 2024 to 30 June 2025. The approved budget is made publicly available.

Explanatory comment is provided in the statement giving reasons for overall growth or decline in the budget and motivations for over- or under spending on line items. Deviations between budget and actual amount are regarded as material differences when 10% deviations exists.

Explanations is provided in the budget comparison regarding classification differences between the approved budget and the actual figures.

The approved budget is the expenditure authority derived from laws, appropriation bills, regulations and other decisions related to the anticipated revenue or receipts for the budgetary period. Thus, this is the budget as approved by Council.

The final budget is the approved budget adjusted for transfers, allocations, supplemental appropriations, and other changes applicable to the budget period. Therefore, the final budget includes all changes subsequently made to Council approval (e.g. virements).

## **3. INVENTORIES**

### **3.1 Recognition and Initial Measurement**

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the Inventories to their current location and condition. (can also include proportion of overhead costs).

Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

Water inventory is being measured by multiplying the cost per kiloliter of purified water by the amount of water in storage.

Where Inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

### **3.2 Subsequent Measurement**

#### **3.2.1 Consumable and Material and Supplies**

Subsequently, Consumables sold are valued at the lower of cost and net realisable value. Material and Supplies are held for own use and measured at the lower of cost and current replacement cost.

## LAINGSBURG MUNICIPALITY

### ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The cost is determined using the Weighted Average Method.

Consumable stores distributed at no charge or for a nominal charge and finished goods are valued at the lower of cost and current replacement cost.

#### 3.2.2 Water Inventory

Water is regarded as Inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the Inventory to its present location and condition, net of trade discounts and rebates.

Water inventory is measured by telemetry readings and the calculated volume in the distribution network.

#### 3.2.3 Other Arrangements

Redundant and slow-moving Inventories identified are written down from cost to current replacement cost, if applicable.

Differences arising on the measurement of such Inventory at the lower of cost and current replacement cost or net realisable value, are recognised in Surplus or Deficit in the year in which they arise. The amount of any reversal of any write-down of Inventories arising from an increase in current replacement cost or net realisable value is recognised as a reduction in the amount of Inventories recognised as an expense in the period in which the reversal occurs. The carrying amount of Inventories is recognised as an expense in the period that the Inventory was sold, distributed, written off or consumed.

## 4. FINANCIAL INSTRUMENTS

### Initial Recognition

Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 4.1 Financial Assets – Classification

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Non-current receivables	Financial Assets at Amortised Cost
Receivables from Exchange transactions	Financial Assets at Amortised Cost

## LAINGSBURG MUNICIPALITY

### ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Receivables from Non-Exchange transactions	Financial Assets at Amortised Cost
Cash and cash equivalents (Investments & Bank)	Financial Assets at Amortised Cost
Cash and Cash Equivalents (Cash on hand)	Financial Asset at Fair value

Financial Assets exclude Value Added Taxation, Prepayments and Operating Lease Receivables as it does not fall in the scope of GRAP 104.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks.

#### 4.2 Financial Liabilities – Classification

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Trade and other Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Consumer Deposits	Financial Liabilities at Amortised Cost

#### 4.3 Initial and Subsequent Measurement

##### 4.3.1 Financial Assets:

##### Financial Assets measured at Amortised Cost

Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an Effective Yield Basis.

##### 4.3.2 Financial Liabilities:

##### Financial Liabilities held at Amortised Cost

Financial Liabilities are classified are initially measured at fair value, net of transaction costs. Financial Liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

#### 4.4 Impairment of Financial Assets

Financial Assets at amortised cost are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated, and an impairment loss is recognised through the use of an allowance account.

##### 4.4.1 Financial Assets at Amortised Cost

A provision for impairment of Accounts Receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made whereby the recoverability of accounts receivable is assessed individually and then

## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

When a Consumer Debtor is considered uncollectible, it is written off and recognised in the Surplus or Deficit. Subsequent recoveries of amounts previously written off are credited against revenue.

#### **4.5 Derecognition of Financial Assets**

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred Financial Asset, the municipality continues to recognise the Financial Asset and also recognises a collateralised borrowing for the proceeds received.

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

#### **4.6 Derecognition of Financial Liabilities**

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled, they expired or waived.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

The municipality recognises the difference between the carrying amount of the Financial Liability (or part of a Financial Liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in Surplus or Deficit.

## **5. STATUTORY RECEIVABLES**

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

The municipality has the following Statutory Receivables:

- Property Rates



## LAINGSBURG MUNICIPALITY

### ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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- Fines
- VAT receivable
- Availability charges

#### 5.1 Recognition and Initial Measurement

Statutory Receivables are recognised if the transaction is an exchange transaction per GRAP 9 or a non-exchange transaction per GRAP 23 or, if the transaction is not within the scope of GRAP 9 or GRAP 23, or another Standard of GRAP, and 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 municipality and the transaction amount can be reliably measured.

The municipality recognises Statutory Receivables when they arise.

Statutory Receivables are initially measured at their transaction amount.

The transaction amounts of the Statutory Receivables of the municipality are determined as follows:

- Property Rates are levied in terms of the stipulations contained in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) at rates determined each year by Council.
- Fines are serviced in terms of the stipulations contained in the Criminal Procedures Act, 1977 (Act No. 51 of 1977) at rates published in the Government Gazette from time to time.
- VAT receivables are recognised in accordance with Value added Tax act no 89 of 1991.
- Availability fees

#### 5.2 Subsequent Measurement

Statutory Receivables are measured 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.

#### 5.3 Impairment

Statutory Receivables are assessed for indicators of impairment at the end of each reporting period or when there is any indication of impairment, such as the probability of insolvency or significant financial difficulties of the debtor. The assessment for impairment can be done for individually significant receivables; and/or groups of similar, individually insignificant, receivables are impaired.

The municipality groups together and assesses collectively for impairment those receivables that exhibit similar characteristics which provide information about the possible collectability of the amounts owing to the municipality. The municipality uses the following groupings:

- Assessment Rates
- Fines

For further detail on the assessment refer to policy 1.2.4 Impairment of Statutory Receivables.

No impairment assessment is done on VAT, as per statutory obligation, it is expected to be fully recoverable. If there is such evidence the carrying amount is reduced to the estimated future cash flows, an impairment loss is recognised, directly or indirectly, through the use of an allowance account, with the amount of the impairment loss being recognised in Surplus or Deficit.

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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. Any previously recognised impairment loss is adjusted directly or indirectly against the allowance account. The reversal of impairment loss is recognised in the Surplus or Deficit.

#### **5.4 Derecognition**

The municipality derecognises Statutory Receivables only when the rights to the cash flows from the receivable expires or it transfers the Statutory Receivable and substantially all the risks and rewards of ownership of the receivable to another municipality, except when council approves the write-off of the receivable due to non-recoverability.

The municipality derecognises a receivable if the municipality, despite having retained some significant risks and rewards of ownership, transfers 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 party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality recognises separately any rights and obligations created or retained in the transfer. The carrying amount of and statutory receivables transferred is allocated between the rights and obligations retained and those transferred on the basis of the relative fair values at the transfer date. The municipality assesses whether any newly created rights and obligations are within the scope of GRAP 104 or another Standards of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, is recognised in surplus or deficit in the period transferred.

## **6. PROPERTY, PLANT AND EQUIPMENT**

### **6.1 Initial Recognition and Measurement**

Property, Plant and Equipment are initially recognised at cost. (including transaction costs).

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. (including transaction costs)

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit.

The following items will be regarded as Property, plant and equipment rather than investment property:

- Owner-occupied property (including held for future use);
- Owner-occupied property held for development;
- Property occupied by employees for housing;
- Owner-occupied property held for disposal;
- Property held by the municipality to fulfil their mandated function rather than rental or capital appreciation and;
- Property held by the municipality for strategic purpose

### **6.2 Subsequent Measurement**

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Subsequently all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

#### 6.3 Depreciation and Impairment

Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost amounts to their residual values over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation rates are based on the following estimated useful lives:

Asset Class	Years	Asset Class	Years
<b>Buildings</b>		<b>Community</b>	
Improvements	10 - 100	Community Facilities	15 - 100
		Recreational Facilities	20 - 100
<b>Infrastructure</b>		<b>Other</b>	
Electricity	15 - 60	Computer Equipment	5 - 30
Roads and Paving	10 - 60	Furniture and Office Equipment	6 - 50
Sanitation / Sewerage	10 - 60	Machinery and Equipment	5 - 40
Solid Waste	15 - 60	Transport Assets	10 - 45
Water	5 - 80		

Changes to the useful life of assets and residual value are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in the accounting estimate.

For impairment considerations refer to policy 10: Impairment of Assets.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

#### 6.4 Land

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

#### 6.5 Incomplete Construction Work

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Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use. The municipality assesses at each reporting date if there is an indication of impairment.

#### **6.6 Infrastructure Assets**

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy. If cost can however not be established, then infrastructure assets will be initially measured and recognised at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market.

#### **6.7 Derecognition**

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

#### **6.8 Landfill site**

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

The related asset (under cost model) is measured as follows:

- Changes in the liability, shall be added or deducted from the asset cost;
- The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the municipality shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount or recoverable service amount, and shall account for any impairment loss, in accordance with its impairment policy. Refer to policy 10: Impairment of assets,

## **7. INTANGIBLE ASSETS**

### **7.1 Initial Recognition and Measurement**

Identifiable non-monetary assets without physical substance are classified and recognized as Intangible Assets.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e., is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

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The Municipality recognizes an intangible assets in its Statement of Financial Position only 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.

Intangible Assets are initially recognised at cost.(including transaction cost)

Where an Intangible Asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost.

#### 7.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on a Straight-line Method over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists.

Amortisation of an asset begins when it is available for use, i.e., when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately.

The amortisation rates are based on the following estimated useful lives:

Asset Class	Years
Computer Software Purchased	5 -10

Changes to the useful life residual values and depreciation method of assets are reviewed annually, if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in accounting estimate.

For impairment considerations refer to policy 10: Impairment of Assets.

#### 7.3 Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement

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of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## **8. INVESTMENT PROPERTY**

### **8.1 Initial Recognition and Measurement**

The Municipality recognizes Investment Property in its Statement of Financial Position only 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.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or held for sale, the land is regarded as held for capital appreciation);
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases;
- A property owned by the municipality and leased out at a below market rental; and
- Property that is being constructed or developed for future use as investment property.

At initial recognition, the municipality measures Investment Property at cost. However, where an Investment Property was acquired through a non-exchange transaction (i.e. where it acquired the Investment Property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost.

### **8.2 Subsequent Measurement**

Investment Property is measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on cost, using the Straight-line Method over the useful life of the property, which is estimated at 20 - 100 years. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

Land is not depreciated as it is deemed to have an indefinite useful life.

Changes to the useful life of assets, residual value and depreciation method are reviewed annually, if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous

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estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in estimate.

For impairment considerations refer to policy 10: Impairment of Assets.

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

#### **8.3 Derecognition**

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

#### **8.4 Transfers**

Transfers are made to or from investment property only when there is a change in use.

For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

For a transfer from investment property to inventory (view sale), the deemed cost for subsequent accounting is the fair value as at date of change.

For a transfer from owner occupied property becomes an investment property measured at fair value, the difference between the carrying value and fair value at the reporting date, shall be recognised in surplus and deficit.

For a transfer from inventory to investment property (operating lease), the difference between the carrying value and the fair value at the reporting date, shall be recognised in surplus and deficit.

### **9. HERITAGE ASSETS**

#### **9.1 Initial Recognition and Measurement**

A heritage asset is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably. Heritage Assets are initially recognised at cost.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

#### **9.2 Subsequent Measurement**

Subsequently all Heritage Assets are measured at cost, less accumulated impairment losses. Heritage assets are not depreciated.

For impairment considerations refer to policy 10: Impairment of Assets.

#### **9.3 Derecognition**

Heritage assets are derecognised when it is disposed or when there are no further economic benefits or service potential is expected from the use of the heritage asset.

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### ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

## 10. IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as Cash Generating Assets. All other assets are classified as Non-cash Generating Assets.

### 10.1 Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss and recognised in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss is recognised immediately in Surplus or Deficit.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information



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- Evidence is available of obsolescence or physical damage of an asset;
- Significant changes with an adverse effect on the Municipality have taken place during the period or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

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

#### 10.2 Impairment of Non-cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

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

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

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

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss and recognised in Surplus or Deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset

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in prior periods.

A reversal of an impairment loss is recognised immediately in Surplus or Deficit.

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

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

(b) Internal sources of information

- Evidence is available of physical damage of an asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

## **11. CONSUMER DEPOSITS**

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

## **12. PROVISIONS**

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate of the provision can be made. Provisions are reviewed at the reporting date and adjusted to reflect the current best estimate of future outflows of resources.

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar

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### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money, discounted at pre-tax discount rate, adjusted for specific risks to the liability. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

#### **12.1 Provision for Environmental Rehabilitation**

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to Surplus or Deficit.

### **13. LEASES**

#### **13.1 Operating Leases – Municipality as lessor**

Operating leases are those leases that do not fall within the scope of finance lease definition. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leases asset is diminished.

#### **13.2 Operating Leases – Municipality as lessee**

Operating leases are those leases that do not fall within the scope of finance lease definition. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

### **14. BORROWING COSTS**

All borrowing costs are treated as an expense in the period in which they are incurred.

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### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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## **15. EMPLOYEE BENEFIT LIABILITIES**

### **15.1 Short-term Employee Benefits**

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

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

#### **15.1.1 Provision for Staff Leave**

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

In terms of the Collective Agreement for Local Government annual leave shall only be accumulated to a maximum of forty-eight (48) working days. The provision for annual leave is limited to a maximum of 48 days per employee.

#### **15.1.2 Staff Bonuses Accrued**

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year-end for each employee.

#### **15.1.3 Provision for Performance Bonuses**

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrues to Section 57 employees. Municipalities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

### **15.2 Post-employment Benefits**

The municipality provides retirement benefits for its employees and councillors and has both defined benefit and defined contribution post-employment plans.

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### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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#### **15.2.1 Defined Contribution Plans**

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in Surplus or Deficit in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

#### **15.2.2 Defined Benefit Plans**

##### **Post-retirement Health Care Benefits**

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the municipality is associated, provide for continued membership.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified. The liability in respect of current pensioners is regarded as fully accrued and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

##### **Long-service Allowance**

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an independent actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

##### **Provincially-administered Defined Benefit Plans**

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### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued tri-annually on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

## **16. REVENUE RECOGNITION**

### **16.1 General**

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange.

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from non-exchange transactions is recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

### **16.2 Revenue from Non-exchange Transactions**

#### **16.2.1 Rates and Taxes**

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

#### **16.2.2 Fines**

Fines constitute both spot fines and summonses.

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The municipality uses estimates to determine the amount of revenue that the municipality is entitled to collect that is subject to further legal proceedings. In cases where fines and summonses are issued by another government institute, revenue will only be recognised by the Municipality when the receivable meets the definition of an asset.

#### **16.2.3 Government Grants and Receipts**

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has

## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in Surplus or Deficit in the period in which they become receivable.

#### **16.2.4 Public Contributions**

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Where public contributions have been received, but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

#### **16.2.5 Other Donations and Contributions**

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

#### **16.2.6 Interest Earned**

Interest revenue is recognised using the effective interest rate method.

#### **16.2.7 Tariff Charges**

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff.

#### **16.2.8 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure**

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

#### **16.2.9 Unclaimed deposits**

All unclaimed deposits are initially recognised as a liability until 12 months expires when all unclaimed deposits into the Municipality's bank account will be treated as revenue as historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore, the substance of these transactions indicates that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months.

## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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#### **16.2.10 Debt forgiveness**

Debt forgiven is recognised when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners. Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

#### **16.2.11 Service in-kind**

Services in-kind that are significant to the Municipality's operations are recognised as assets and 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.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the above-mentioned criteria, the Municipality only disclose the nature and type of services in-kind received during the reporting period. When the criteria for recognition is satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition. Services in-kind include services provided by individuals to the Municipality and the right to use assets in a non-exchange transaction. These services meet the definition of an asset because the Municipality controls the resource from which future economic benefits or service potential is expected to flow to the Municipality. The assets are immediately consumed, and a transaction of equal value is also recognised to reflect the consumption of these services in-kind, resulting in a decrease of the asset and an increase in an expense. The Municipality, therefore, recognises an expense and related revenue for the consumption of services in-kind

#### **16.3 Revenue from Exchange Transactions**

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

##### **16.3.1 Service Charges**

Service Charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced.

Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage.



## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

#### **16.3.2 Prepaid Electricity**

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. The pre-paid electricity sold, but not consumed yet at year-end is disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

#### **16.3.3 Rentals Received**

Revenue from the rental of facilities and equipment and land is recognised on a Straight-line Basis over the term of the lease agreement.

#### **16.3.4 Income from Agency Services**

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

#### **16.3.5 Interest Earned**

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

Interest on outstanding customer receivables is calculated when the receivable is more than 30 days at prime rate plus 1% and recognised in surplus or deficit on the time-proportionate basis.

#### **16.3.6 Tariff Charges**

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licenses and permits.

#### **16.3.7 Sale of Goods**

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

- The municipality has transferred to the buyer 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;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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#### **16.3.8 Services rendered**

Revenue from the services rendered is recognised when:

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

#### **17. TRANSFER AND SUBSIDIES**

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transfer occurred.

#### **18. MATERIAL LOSSES**

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided in order to comply to the legislative requirements governing Municipalities.

Due to their significance, the complete calculation of water and electricity losses is provided, including the opening balance, purchases, sales and closing balance where applicable. The unit rate is the rate per the last purchase as inventory is measured based on the First-In-First-Out Method as defined by GRAP 12 (Inventories).

#### **19. UNAUTHORISED EXPENDITURE**

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003).

All expenditure relating to Unauthorised Expenditure is accounted for as an expense in Surplus or Deficit 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 Surplus or Deficit.

## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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#### **20. 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), the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure.

Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

#### **21. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in Surplus or Deficit 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 Surplus or Deficit.

#### **22. COMMITMENTS**

Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP;
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date;
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources;
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure Notes to the Annual Financial Statements; and Other commitments for contracts that are non-cancellable or only cancellable at significant cost, should relate to something other than the business of the municipality.

Commitments are disclosed including VAT.

## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

#### **23. 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.

Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.

The following are regarded as related parties of the Municipality:

(a) A person or a close member of that person's family is related to the Municipality if that person:

- has control or joint control over the Municipality.
- has significant influence over the Municipalities.
- is a member of the management of the Municipality or its controlling entity.

(b) An entity is related to the Municipality if any of the following conditions apply:

- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
- both entities are joint ventures of the same third party.
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
- the entity is controlled or jointly controlled by a person identified in (a).
- a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).  
The entity, or any member of a group of which it is part, provides management services to the reporting entity or to the controlling entity of the reporting entity.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties.

Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Executive Mayor, Speaker, Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager.

## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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. A person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage; or
- (b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality

Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

#### **24. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not fully within the control of the municipality.

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

#### **25. EVENTS AFTER THE REPORTING DATE**

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. (those that provide evidence of conditions that existed at the reporting date).

The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements. (those are indicative of conditions that arose after the reporting date). If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

**LAINGSBURG MUNICIPALITY**  
**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 30 JUNE 2025**

**26. SEGMENT REPORTING**

The mandate of the municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective and also considered separately for each of the towns within the municipal jurisdiction.

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

The components described below have been identified as individually significant segments for purposes of reporting in terms of GRAP 18.

The following services are considered significant to the municipality and is accordingly managed separately:

Primary Segments:

- Executive and Council
- Corporate Services
- Financial Services
- Community Services and Public Safety
- Technical Services

Secondary Segments:

- Governance and Administration
- Community and Public Safety
- Economic and Environmental Services
- Energy Sources
- Waste Management
- Waste water Management
- Water Management
- Other

All other sources of income and expenditure is aggregated through means of the administrative function as these services are not significant to the other services of the municipality as a whole.

The municipality only operates in a single geographical location and accordingly does not report separately on each location within its jurisdiction.

Intersegmental transfers are per the municipality's approved tariff policy. The reconciliation clearly describes the effects of all internal transfers between segments.

The municipality manages its assets and liability as a whole and are not reviewed on a segregated basis for each town.

## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

The accounting policies for segmental reporting in the management accounts are aligned to the requirements of GRAP as described in these accounting policies.

The restatement of segment information is only done if there was a change in the reportable structure of the municipality and information is readily available.

#### **27. VALUE ADDED TAX**

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section 15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991). Revenue, expenses, and assets are recognised net of the amounts of value-added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is separately disclosed in the Statement of Financial Position.

#### **28. COMPARATIVE FIGURES**

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification are disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

#### **29. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs. Unspent conditional grants are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. The revenue received is driven from legislation. Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables, which is considered a financial instrument.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder, it is recorded as part of the liability. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

## **LAINGSBURG MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

#### **30. ACCOUNTING BY PRINCIPALS AND AGENTS**

A principal-agent arrangement exists where there is 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).

Where the municipality is considered the principal, all revenues, expenses, liabilities, and assets are recorded in the records of municipality in accordance with the relevant standards of GRAP.

Where the municipality is the agent to the transaction, only the portion of revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recorded with unspent or money due being recorded in terms of GRAP.

##### **Identification**

Special consideration is given to the classification of an agreement to carefully consider whether the municipality is an agent. The considerations include (all of) the following:

- Who determines significant terms?
- Who receives the benefit from the transactions?
- Is the municipality exposed to the variability of the outcome?

If these are not met, but the standard is applicable, the municipality would be regarded as the principal in the transaction.

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. In the assessment reference is made to substance over form. Therefore, the exact wording of the contract is not the only indicator (for example if reference is made to "agent"). If rights and obligations are substantially transferred this could indicate a principal/agent arrangement. If not, the arrangement is accounted for as a normal supplier/customer relationship

#### **31. MATERIALITY**

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made based on the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.



2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2025

	Cost											Accumulated Depreciation					Carrying Value
	Opening Balance				Additions				Under construction	Disposals	Closing Balance	Opening Balance	Corrections	Additions	Disposals	Closing Balance	
	Opening Balance	Work-in-Progress	Corrections	Re-stated Opening Balance	Transfers	Additions	IGRAP 2 Adjustment	Contributed Assets									
Infrastructure assets																	
Roads Infrastructure	69 190 091	-	-	69 190 091	-	496 681	-	-	496 681	-	69 686 772	(28 478 887)	-	(1 601 347)	-	(30 080 233)	39 606 539
Storm Water Infrastructure	90 700 031	165 796	-	90 865 827	-	255 259	-	-	421 056	-	91 121 086	(62 248 080)	-	(1 885 441)	-	(64 133 521)	26 987 565
Electrical Infrastructure	32 016 555	5 218 686	-	37 235 240	-	74 630	-	-	5 218 686	-	37 309 870	(16 156 228)	-	(669 793)	-	(16 826 021)	20 483 849
Water Supply Infrastructure	105 347 044	4 753 716	-	110 100 760	(53 020)	1 232 099	-	-	1 345 416	-	111 279 839	(40 377 722)	-	(2 559 759)	-	(42 937 480)	68 342 358
Sanitation Infrastructure	80 544 412	32 800 352	-	113 344 764	(73 787)	12 595 488	-	-	28 302 785	-	125 866 464	(41 318 807)	-	(2 416 531)	-	(43 735 338)	82 131 127
Solid Waste Infrastructure	33 372 704	-	-	33 372 704	-	-	(9 327 698)	-	-	-	24 045 006	(14 697 942)	-	(779 680)	-	(15 477 623)	8 567 383
Total Infrastructure Assets	411 170 837	42 938 549	-	454 109 386	(126 807)	14 654 157	(9 327 698)	-	35 784 623	-	459 309 038	(203 277 666)	-	(9 912 551)	-	(213 190 217)	246 118 821
Community Assets																	
Land	34 006 250	6 906 172	-	40 912 422	-	5 191 758	-	-	12 097 930	-	46 104 180	(12 856 895)	-	(958 294)	-	(13 815 189)	32 288 992
Other Assets																	
Land	21 401 112	-	-	21 401 112	-	-	-	-	-	-	21 401 112	-	-	-	-	-	21 401 112
Other Assets	11 276 464	-	-	11 276 464	-	-	-	-	-	-	11 276 464	(5 455 225)	-	(327 832)	-	(5 783 057)	5 493 407
Computer Equipment	1 863 211	-	-	1 863 211	21 400	15 171	-	-	-	(138 627)	1 761 155	(1 049 769)	-	(87 737)	134 966	(1 002 540)	758 615
Furniture and Office Equipment	1 776 074	-	-	1 776 074	-	26 643	-	-	-	(393 014)	1 409 703	(1 242 376)	-	(101 231)	342 783	(1 000 824)	408 879
Machinery and Equipment	4 373 131	-	-	4 373 131	53 020	123 096	-	-	-	(254 476)	4 294 771	(2 180 280)	-	(328 815)	232 096	(2 276 999)	2 017 772
Transport Assets	6 419 746	-	-	6 419 746	52 387	195 590	-	-	-	(1 172 986)	5 494 737	(4 731 931)	-	(367 935)	1 131 539	(3 968 327)	1 526 410
Leased Assets																	
Furniture and Office Equipment	-	-	-	-	-	657 391	-	-	-	-	657 391	-	-	(189 774)	-	(189 774)	467 617
	492 286 825	49 844 722	-	542 131 547	-	20 863 806	(9 327 698)	-	47 882 553	(1 959 103)	551 708 551	(230 794 141)	-	(12 274 169)	1 841 383	(241 226 926)	310 481 625

2.2 30 JUNE 2024

	Cost											Accumulated Depreciation and Impairment Losses					Carrying Value
	Opening Balance				Additions				Under construction	Disposals	Closing Balance	Opening Balance	Corrections	Additions	Disposals	Closing Balance	
	Opening Balance	Work-in-Progress	Corrections	Re-stated Opening Balance	Transfers	Additions	iGRAP 2 Adjustment	Contributed Assets									
Infrastructure assets																	
Roads Infrastructure	59 226 640	4 539 880	-	63 766 520	-	5 423 571	-	-	-	-	69 190 091	(27 012 891)	-	(1 465 996)	-	(28 478 887)	40 711 204
Storm Water Infrastructure	90 700 031	-	-	90 700 031	-	165 796	-	-	165 796	-	90 865 827	(60 397 046)	-	(1 851 034)	-	(62 248 080)	28 617 747
Electrical Infrastructure	32 016 555	5 218 686	-	37 235 240	-	-	-	-	5 218 686	-	37 235 240	(15 486 734)	-	(669 495)	-	(16 156 228)	21 079 012
Water Supply Infrastructure	105 347 044	-	-	105 347 044	-	4 753 716	-	-	4 753 716	-	110 100 760	(37 975 683)	-	(2 402 038)	-	(40 377 722)	69 723 038
Sanitation Infrastructure	80 544 412	14 013 935	-	94 558 347	-	18 786 417	-	-	32 800 352	-	113 344 764	(39 186 822)	-	(2 131 985)	-	(41 318 807)	72 025 957
Solid Waste Infrastructure	21 560 512	-	-	21 560 512	-	-	11 812 192	-	-	-	33 372 704	(11 872 597)	-	(2 825 345.24)	-	(14 697 942)	18 674 762
Total Infrastructure Assets	389 395 194	23 772 500	-	413 167 694	-	29 129 500	11 812 192	-	42 938 549	-	454 109 386	(191 931 773)	-	(11 345 892)	-	(203 277 666)	250 831 720
Community Assets																	
Land	17 517 601	-	3 883 511	21 401 112	-	-	-	-	-	-	21 401 112	-	-	-	-	-	21 401 112
Other Assets	11 056 744	-	219 720	11 276 464	-	-	-	-	-	-	11 276 464	(8 622 772)	3 515 175	(347 629)	-	(5 455 225)	5 821 239
Computer Equipment	1 199 572	-	-	1 199 572	-	663 639	-	-	-	-	1 863 211	(833 248)	-	(216 520)	-	(1 049 769)	813 442
Furniture and Office Equipment	1 670 046	-	-	1 670 046	-	106 029	-	-	-	-	1 776 074	(1 146 473)	-	(95 903)	-	(1 242 376)	533 699
Machinery and Equipment	2 746 089	-	-	2 746 089	-	417 042	-	1 210 000	-	-	4 373 131	(1 981 186)	-	(199 094)	-	(2 180 280)	2 192 851
Transport Assets	6 419 746	-	-	6 419 746	-	-	-	-	-	-	6 419 746	(4 158 014)	-	(573 917)	-	(4 731 931)	1 687 815
Leased Assets																	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	470 538 833	23 772 500	(2 424 361)	491 886 973	-	37 222 382	11 812 192	1 210 000	49 844 722	-	542 131 547	(228 506 686)	11 462 361	(13 749 816)	-	(230 794 141)	311 337 406

The "Under Construction" column is shown only for transparency. These amounts are not included in additions or total asset costs to avoid duplication.

## 2. PROPERTY, PLANT AND EQUIPMENT

		2025 R	2024 R
<b>2.3 Expenditure incurred to repair and maintain Property, Plant and Equipment:</b>			
Contracted Services		1 338 760	1 290 437
<b>Total Repairs and Maintenance</b>		<b>1 338 760</b>	<b>1 290 437</b>
		<b>2025 R</b>	<b>2024 R</b>
<b>2.4 Impairment losses of Property, Plant and Equipment</b>			
Impairment losses on Property, Plant and Equipment recognised in Statement of Financial Performance are as follows:			
Other			(10 934)
<b>Total Impairment Losses</b>		<b>-</b>	<b>(10 934)</b>
		<b>2025 R</b>	<b>2024 R</b>
<b>2.5 Reversal of Impairment losses of Property, Plant and Equipment</b>			
Reversal of Impairment losses on Property, Plant and Equipment recognised in statement of financial performance are as follows:			
Other		-	10 934
<b>Total Reversal of Impairment losses</b>		<b>-</b>	<b>10 934</b>
	<b>2025</b>	<b>2026 R</b>	<b>207 R</b>
<b>2.6 Effect of changes in accounting estimates</b>			
Effect on Property, Plant and Equipment	(174 332)	(1 516 715)	(674 954)
		<b>2025 R</b>	<b>2024 R</b>
<b>2.7 Contractual commitments for acquisition of Property, Plant and Equipment:</b>			
Approved and contracted for:		2 105 402	26 020 350
Infrastructure		2 105 402	26 020 350
<b>Total</b>		<b>2 105 402</b>	<b>26 020 350</b>
		<b>2025 R</b>	<b>2024 R</b>
This expenditure will be financed from:			
Government Grants		2 105 402	26 020 350
<b>Total</b>		<b>2 105 402</b>	<b>26 020 350</b>

	2025 R	2024 R
<b>2.8 Retention incurred on Property, Plant and Equipment:</b>		
Opening Balance	2 119 465	1 537 850
Deposits	-	1 980 853
Withdrawals	(1 734 926)	(1 399 238)
<b>Total</b>	<b>384 539</b>	<b>2 119 465</b>
	2025 R	2024 R
<b>3. INVESTMENT PROPERTY</b>		
<b>3.1 Net Carrying amount at 1 July</b>	<b>22 139 686</b>	<b>23 263 659</b>
Cost	26 004 528	26 982 528
Accumulated Depreciation	(3 864 841)	(3 718 869)
Disposals	(2 484 643)	(878 845)
Cost	(3 432 200)	(978 000)
Accumulated Depreciation	947 557	99 155
Depreciation for the year	(309 827)	(245 128)
<b>Net Carrying amount at 30 June</b>	<b>19 345 216</b>	<b>22 139 686</b>
Cost	22 572 328	26 004 528
Accumulated Depreciation	(3 227 112)	(3 864 841)
	2025 R	2024 R
<b>3.2 Revenue from Investment Property</b>		
Revenue derived from the rental of Investment Property	1 417 530	1 498 151
	2025 R	2024 R
<b>4. INTANGIBLE ASSETS</b>		
<b>4.1 Net Carrying amount at 1 July</b>	<b>155 515</b>	<b>263 637</b>
Cost	1 425 715	1 425 715
Accumulated Amortisation	(1 270 200)	(1 162 078)
Amortisation	(94 625)	(108 123)
Disposals	-	-
<b>Net Carrying amount at 30 June</b>	<b>60 889</b>	<b>155 515</b>
Cost	1 425 715	1 425 715
Accumulated Amortisation	(1 364 826)	(1 270 200)

	2025 R	2024 R
<b>5. HERITAGE ASSETS</b>		
<b>5.1 Net Carrying amount at 1 July</b>	<b>43 354</b>	<b>43 354</b>
Fair Value	43 354	43 354
<b>Net Carrying amount at 30 June</b>	<b>43 354</b>	<b>43 354</b>
Fair Value	43 354	43 354
	2025 R	2024 R
Historical building	43 354	43 354
	<b>43 354</b>	<b>43 354</b>

There are no restrictions on the title and disposal of Heritage Assets

There are no Heritage Assets pledged as security for liabilities

There are no Heritage Assets that are used by the municipality for more than one purpose.

	2025 R	2024 R
<b>6. NON-CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Receivables with repay arrangements	459 344	666 643
Electricity	21 983	63 288
Water	36 175	78 779
Property Rental	330 016	377 578
Waste Management	41 205	72 233
Waste Water Management	29 380	70 385
Other Service Charges	585	4 379
<b>Less:</b> Current portion transferred to Receivables from Exchange Transactions	(94 809)	(183 395)
<b>Total Non-Current Receivables from Exchange Transactions</b>	<b>364 535</b>	<b>483 248</b>

	2025 R	2024 R
<b>7. NON-CURRENT RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Property rates	2 977	27 168
Electricity Availability	-	453
Water Availability	-	90
Waste Water Availability	-	407
	2 977	28 117
<b>Less:</b> Current portion transferred to Receivables from Non-Exchange Transactions	(1 620)	(24 149)
<b>Total Non-Current Receivables from Non-Exchange Transactions</b>	<b>1 357</b>	<b>3 968</b>

	2025 R	2024 R
<b>8. OPERATING LEASE ARRANGEMENTS</b>		
<b>8.1 The Municipality as Lessor</b>		
Operating Lease Asset	<b>65 440</b>	<b>70 529</b>
	<b>2025 R</b>	<b>2024 R</b>
<u>Disclosed as follows:</u>		
Non-Current Operating Lease Asset	65 440	70 529
Current Operating Lease Asset	<b>65 440</b>	<b>70 529</b>
	<b>2025 R</b>	<b>2024 R</b>
<b><u>Reconciliation</u></b>		
Balance at the beginning of the year	70 529	77 976
Movement during the year	(5 090)	(7 447)
Balance at the end of the year	<b>65 440</b>	<b>70 529</b>
	<b>2025 R</b>	<b>2024 R</b>
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	107 918	93 842
1 to 5 Years	389 448	338 651
More than 5 Years	-	-
<b>Total Operating Lease Arrangements</b>	<b>497 367</b>	<b>432 493</b>
	<b>2025 R</b>	<b>2024 R</b>
This operating lease expenditure determined from contracts that have a specific condition expenditure and does not include leases which has a undetermined conditional expenditure.		
	<b>2025 R</b>	<b>2024 R</b>
<b>8.2 The Municipality as Lessee</b>		
Operating Lease Liability	-	-
	<b>2025 R</b>	<b>2024 R</b>
<b><u>Reconciliation</u></b>		
Balance at the beginning of the year	-	2 302
Movement during the year	-	(2 302)
Balance at the end of the year	-	-

	2025 R	2024 R
<b>9. INVENTORY</b>		
Consumables	48 766	8 579
Finished Goods	37 721	46 332
Materials and Supplies	27 370	27 370
Water	21 352	21 154
Balance previously reported		61 151
Plus: Corrections of error prior year		(39 998)
<b>Total Inventory</b>	<b>135 208</b>	<b>103 435</b>

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

	2025 R	2024 R
<b>9.1 Inventories recognise as an expense during the year:</b>		
Consumables	216 162	1 501 577
Materials and Supplies	559 240	696 304
Water	2 651 250	42 189
<b>Total</b>	<b>3 426 651</b>	<b>2 240 071</b>

	2025 R	2024 R
<b>10. RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Electricity	2 690 425	2 591 982
Water	2 918 597	2 156 559
Property Rentals	1 173 631	925 289
Balance previously reported		925 874
Plus: Corrections of error prior year		(585)
Waste Management	2 145 387	1 509 496
Waste Water Management	2 002 973	1 391 553
Housing Selling Scheme	96 766	83 072
Other Arrears	239 369	169 339
Balance previously reported		179 334
Plus: Corrections of error prior year		(9 995)
Prepayments and Advances	2 832 736	2 539 969
Deposits - Eskom securities	2 729 350	2 436 835
Balance previously reported		-
Plus: Transferred from receivables from non-exchange transactions		2 436 835
Subscriptions	103 387	103 134
<b>Total: Receivables from exchange transactions (before provision)</b>	<b>14 099 885</b>	<b>11 367 259</b>
<b>Less:</b> Provision for Debt Impairment	(7 621 382)	(5 775 578)
<b>Total: Receivables from exchange transactions (after provision)</b>	<b>6 478 503</b>	<b>5 591 680</b>

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

The fair value of receivables approximate their carrying value.

Debtors with a total outstanding balance of R459 344 (2024 - R666 643) have arranged to settle their account over an re-negotiated period. Total payments to the value of R364 534 (2024 - R483 248) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

**(Electricity): Ageing**

	2025 R	2024 R
Current (0 - 30 days)	1 523 634	1 274 137
31 - 60 Days	108 784	108 572
61 - 90 Days	54 257	37 617
+ 90 Days	454 641	355 458
	<b>2 141 316</b>	<b>1 775 784</b>
Plus: Accrued revenue not included in age analysis	567 924	866 330
Less: Non-current portion transferred to non-current receivables	(13 527)	(44 845)
Less: Not included in debtors's sub-system	(5 288)	(5 288)
<b>Total</b>	<b>2 690 425</b>	<b>2 591 982</b>

**(Water): Ageing**

	2025 R	2024 R
Current (0 - 30 days)	453 492	334 981
31 - 60 Days	140 151	128 984
61 - 90 Days	112 609	102 629
+ 90 Days	2 105 412	1 511 922
	<b>2 811 664</b>	<b>2 078 515</b>
Plus: Accrued revenue not included in age analysis	129 581	115 473
Less: Non-current portion transferred to non-current receivables	(22 649)	(37 430)
<b>Total</b>	<b>2 918 597</b>	<b>2 156 559</b>

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

**(Property Rentals): Ageing**

	2025 R	2024 R
Current (0 - 30 days)	176 354	61 387
31 - 60 Days	45 482	77 328
61 - 90 Days	36 093	23 282
+ 90 Days	1 202 733	1 093 701
	<b>1 460 662</b>	<b>1 255 698</b>
Less: Non-current portion transferred to non-current receivables	(287 030)	(330 409)
<b>Total</b>	<b>1 173 631</b>	<b>925 289</b>

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

**(Waste Management): Ageing**

	2025 R	2024 R
Current (0 - 30 days)	379 816	259 305
31 - 60 Days	101 420	97 919
61 - 90 Days	84 949	75 406
+ 90 Days	1 602 866	1 118 071
	<b>2 169 052</b>	<b>1 550 701</b>
Less: Non-current portion transferred to non-current receivables	(23 665)	(41 205)
<b>Total</b>	<b>2 145 387</b>	<b>1 509 496</b>

**(Waste Water Management): Ageing**

	2025 R	2024 R
Current (0 - 30 days)	325 512	229 297
31 - 60 Days	104 495	86 469
61 - 90 Days	84 299	66 247
+ 90 Days	1 506 330	1 038 899
	<b>2 020 636</b>	<b>1 420 912</b>
Less: Non-current portion transferred to non-current receivables	(17 663)	(29 359)
<b>Total</b>	<b>2 002 973</b>	<b>1 391 553</b>

**(Housing Selling Scheme): Ageing**

	2025 R	2024 R
Current (0 - 30 days)	1 685	1 450
31 - 60 Days	816	1 357
61 - 90 Days	816	1 344
+ 90 Days	82 678	68 149
	<b>85 995</b>	<b>72 300</b>
Plus: Not included in debtors's sub-system	10 771	10 771
<b>Total</b>	<b>96 766</b>	<b>83 072</b>

**(Other): Ageing**

	2025 R	2024 R
Current (0 - 30 days)	32 058	43 139
31 - 60 Days	3 021	5 072
61 - 90 Days	1 606	3 949
+ 90 Days	202 684	117 180
<b>Total</b>	<b>239 369</b>	<b>169 339</b>



10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

	2025 R	2024 R
<b><u>(Total): Ageing</u></b>		
Current (0 - 30 days)	2 892 551	2 203 696
31 - 60 Days	504 170	505 701
61 - 90 Days	374 630	310 474
+ 90 Days	7 157 344	5 303 380
<b>Total</b>	<b>10 928 695</b>	<b>8 323 250</b>
Plus: Accrued revenue not included in age analysis	697 505	981 804
Less: Non-current portion transferred to non-current receivables	(364 534)	(483 248)
Plus: Not included in debtors's sub-system	5 483	5 483
	<b>11 267 149</b>	<b>8 827 290</b>

**Summary of Debtors by Customer Classification**

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Other</u>	<u>Total</u>
<b>30 June 2025</b>					
Current (0 - 30 days)	1 482 495	1 033 074	323 819	53 164	2 892 551
31 - 60 Days	411 425	34 727	57 773	245	504 170
61 - 90 Days	328 476	11 087	34 961	106	374 630
+ 90 Days	6 235 289	501 179	419 535	1 341	7 157 344
Sub-total	8 457 686	1 580 066	836 087	54 856	10 928 695
Plus: Accrued revenue not included in age analysis	344 889	268 300	73 524	10 792	697 505
Less: Non-current portion transferred to non-current receivables	(157 622)	(22 821)	(184 091)		(364 534)
Plus: Not included in debtors's sub-system				5 483	5 483
Plus: Pre-payments and advances				2 832 736	2 832 736
	8 644 953	1 825 545	725 520	2 903 868	14 099 885
Less: Provision for debt impairment	(7 058 157)	(557 230)	-	(5 995)	(7 621 382)
<b>Total debtors by customer classification</b>	<b>1 586 797</b>	<b>1 268 314</b>	<b>725 520</b>	<b>2 897 873</b>	<b>6 478 503</b>

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

**Summary of Debtors by Customer Classification**

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Other</u>	<u>Total</u>
<b>30 June 2024</b>					
Current (0 - 30 days)	1 111 244	826 010	244 693	21 749	2 203 696
31 - 60 Days	363 242	113 139	29 316	4	505 701
61 - 90 Days	270 633	23 557	16 280	4	310 474
+ 90 Days	4 436 774	472 420	393 802	384	5 303 380
Sub-total	6 181 893	1 435 126	684 091	22 141	8 323 250
<u>Plus:</u> Accrued revenue not included in age analysis	323 648	532 747	114 436	10 973	981 804
<u>Less:</u> Non-current portion transferred to non-current receivables	(214 544)	(60 612)	(208 091)		(483 248)
Less: Prior period adjustments					-
Plus: Not included in debtors's sub-system				5 483	5 483
Plus: Pre-payments and advances				2 539 969	2 539 969
	6 290 997	1 907 261	590 435	2 578 565	11 367 259
<u>Less:</u> Provision for debt impairment	(4 950 143)	(559 222)	(261 467)	(4 747)	(5 775 578)
<b>Total debtors by customer classification</b>	<b>1 340 853</b>	<b>1 348 040</b>	<b>328 968</b>	<b>2 573 819</b>	<b>5 591 680</b>

2025  
R

2024  
R

**Reconciliation of Provision for Debt Impairment**

Balance at beginning of year	5 775 578	4 223 460
Contribution to provision	1 845 804	1 552 119
Reversal of provision	-	-
Balance at end of year	<b>7 621 382</b>	<b>5 775 578</b>

2025  
R

2024  
R

The total amount of this provision is R7 928 928 (R5 775 578 - 2024) and consist of:

Services	6 487 309	4 562 175
Other Debtors	1 134 073	1 213 403
<b>Total Provision for Debt Impairment on Receivables from exchange</b>	<b>7 621 382</b>	<b>5 775 578</b>

2025  
R

2024  
R

**Ageing of amounts past due but not impaired:**

1 month past due	155 293	162 371
2+ months past due	1 008 025	708 324
	<b>1 163 318</b>	<b>870 695</b>

	2025 R	2024 R
<b>11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Property rates by usage	4 853 223	4 016 106
Availability Charges - Electricity	545 874	442 481
Availability Charges - Water	467 608	390 162
Availability Charges - Waste Water	781 440	658 944
Fines	122 495 214	101 676 938
Deposits	-	-
Balance previously reported		2 436 835
Less: Transferred to receivables from exchange transactions		(2 436 835)
Other Receivables	808 838	174 998
Balance previously reported		164 418
Plus: Corrections of error prior year		10 580
	129 952 196	107 359 629
<b>Less:</b> Provision for Debt Impairment	(123 840 182)	(104 359 766)
<b>Total Receivables from non-exchange transactions</b>	<b>6 112 015</b>	<b>2 999 863</b>

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

	2025 R	2024 R
<b><u>(Rates): Ageing</u></b>		
Current (0 - 30 days)	39 519	33 938
31 - 60 Days	25 318	64 024
61 - 90 Days	20 037	52 515
+ 90 Days	4 769 705	3 869 597
<b>Total</b>	<b>4 854 580</b>	<b>4 020 074</b>
Less: Non-current portion transferred to non-current receivables	(1 357)	(3 968)
Plus: Prior period adjustments		
	<b>4 853 223</b>	<b>4 016 106</b>

	2025 R	2024 R
<b><u>(Availability Charges): Electricity - Ageing</u></b>		
Current (0 - 30 days)	14 794	11 598
31 - 60 Days	5 467	7 224
61 - 90 Days	5 467	7 063
+ 90 Days	520 146	416 596
<b>Total</b>	<b>545 874</b>	<b>442 481</b>

11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (continue)

	2025 R	2024 R
<b><u>(Availability Charges): Water - Ageing</u></b>		
Current (0 - 30 days)	10 355	8 626
31 - 60 Days	4 001	5 742
61 - 90 Days	3 889	5 668
+ 90 Days	449 362	370 127
<b>Total</b>	<b>467 608</b>	<b>390 162</b>

	2025 R	2024 R
<b><u>(Availability Charges): Waste Water - Ageing</u></b>		
Current (0 - 30 days)	16 747	13 569
31 - 60 Days	6 509	9 653
61 - 90 Days	6 164	9 110
+ 90 Days	752 019	626 613
<b>Total</b>	<b>781 440</b>	<b>658 944</b>

**Summary of Debtors by Customer Classification**

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Other</u>	<u>Total</u>
<b>30 June 2025</b>					
Current (0 - 30 days)	59 783	13 569	6 212	1 650 432	1 729 995
31 - 60 Days	31 722	5 507	3 134	1 087 332	1 127 696
61 - 90 Days	27 648	4 266	2 712	1 799 032	1 833 658
+ 90 Days	2 662 044	3 362 735	391 443	32 644 239	39 060 462
Sub-total	2 781 198	3 386 077	403 501	37 181 035	43 751 811
Less: Non-current portion transferred to non-current receivables	(1 357)				(1 357)
Plus: Other receivables				808 838	808 838
	2 779 840	3 386 077	403 501	37 989 873	44 559 291
<b>Less:</b> Provision for debt impairment	(2 699 586)	(3 318 041)	-	(117 822 554)	(123 840 182)
<b>Total debtors by customer classification</b>	<b>80 254</b>	<b>68 036</b>	<b>403 501</b>	<b>(79 832 681)</b>	<b>(79 280 891)</b>

11. **RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS** (*continue*)

**30 June 2024**

Current (0 - 30 days)	35 220	26 458	4 530	1 522	67 730
61 - 90 Days	41 681	28 303	2 870	1 502	74 356
+ 90 Days	2 214 118	2 739 093	266 890	62 832	5 282 933
<b>Sub-total</b>	<b>2 336 342</b>	<b>2 829 511</b>	<b>278 440</b>	<b>67 369</b>	<b>5 511 661</b>
transferred to non-current receivables	(2 977)		(991)		(3 968)
Plus: Traffic fines				101 676 938	101 676 938
Plus: Other receivables				174 998	174 998
	<b>2 333 365</b>	<b>2 829 511</b>	<b>277 449</b>	<b>101 919 304</b>	<b>107 359 629</b>
<b>Less:</b> Provision for debt impairment	<b>(2 268 299)</b>	<b>(2 743 195)</b>	<b>(231 886)</b>	<b>(99 116 386)</b>	<b>(104 359 766)</b>
<b>Total debtors by customer classification</b>	<b>65 066</b>	<b>86 317</b>	<b>45 562</b>	<b>2 802 918</b>	<b>2 999 863</b>

**Reconciliation of Provision for Debt Impairment**

	<b>2025</b>	<b>2024</b>
	<b>R</b>	<b>R</b>
Balance at beginning of year	104 359 766	72 842 013
Contribution to provision	19 502 157	31 685 912
Reversal of provision	(21 741)	(168 160)
Balance at end of year	<b>123 840 182</b>	<b>104 359 766</b>

	<b>2025</b>	<b>2024</b>
	<b>R</b>	<b>R</b>
Taxes - Rates	4 354 542	3 837 896
Availability Charges	1 733 884	1 471 434
Fines	117 751 756	99 050 435
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	<b>123 840 182</b>	<b>104 359 766</b>

**Ageing of amounts past due but not impaired:**

1 month past due	12 640	18 733
2+ months past due	513 080	170 497
	<b>525 720</b>	<b>189 231</b>

The provision for doubtful debts on debtors exists due to the possibility that not all debts will be recovered. Receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The outstanding fine receivable balance at year end is reduced to its recoverable amount by recognising a provision for impairment against the receivable raised. This is considered to be a subsequent event. The provision for impairment is based on current and past collection rates applicable to fines.

	2025 R	2024 R
<b>12. BANK ACCOUNTS</b>		
<b>12.1 <u>Cash and Cash Equivalents</u></b>		
Current Accounts	24 191 896	6 198 935
Call Deposits and Investments	545 414	510 639
Cash On-hand	3 801	3 801
<b>Total Cash and Cash Equivalents - Assets</b>	<b>24 741 111</b>	<b>6 713 375</b>

The municipality has the following bank accounts:

**Current Accounts**

Laingsburg Municipality ABSA Bank Limited - Account Number 2540140874

(Primary Bank Account):

(Secondary Account):

25 603 131	3 912 275
615 633	2 189 151
<b>26 218 764</b>	<b>6 101 426</b>

Cash book balance 30/06/2025

Less: Amounts receipted not banked

Plus: EFT payments released not yet on bank statement

24 187 347	6 101 426
(73 491)	
2 104 908	

**Balance as per bank statement**

<b>26 218 764</b>	<b>6 101 426</b>
-------------------	------------------

Details of current accounts are as follow:

***Laingsburg Municipality ABSA Bank Limited - Account Number***

***2540140874 (Primary Bank Account):***

Cash book balance at beginning of year

Cash book balance at end of year

6 010 790	2 000 006
24 187 347	6 010 790

Bank statement balance at beginning of year

Bank statement balance at end of year

3 912 275	1 403 464
26 218 764	3 912 275

**2025  
R**

**2024  
R**

***Laingsburg Municipality Standard Bank - Account Number 203247663***

Bank statement balance at beginning of year

Bank statement balance at end of year

2 189 151	553 785
615 633	2 188 092

Details of call investment accounts are as follow:

***Laingsburg Municipality ABSA Bank - Account Number 5064314329***

Cash book balance at beginning of year

Cash book balance at end of year

506 320	471 861
541 095	506 320

Bank statement balance at beginning of year

Bank statement balance at end of year

506 320	471 861
541 095	506 320

12. **BANK ACCOUNTS (continue)**

**Laingsburg Municipality Standard Bank - Account Number 288704800**

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

**2025**  
**R**

**2024**  
**R**

4 319

4 319

4 319

4 319

4 319

4 319

4 319

4 319

**2025**  
**R**

**2024**  
**R**

13. **LONG-TERM BORROWINGS**

Centrafin

449 051

449 051

(218 950)

(218 950)

230 101

230 101

-

-

-

-

**Total Long-term Borrowings**

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

**2025**  
**R**

**2024**  
**R**

13.1. The obligations under annuity loans are scheduled below:

**Minimum**  
**payments**

Amounts payable under annuity loans:

Payable within one year

Payable within two to five years

Payable after five years

218 950

230 101

-

449 051

449 051

-

-

**Less:** Future finance obligations

**Present value of annuity loans obligations**

	2025 R	2024 R
<b>14. NON-CURRENT PROVISIONS</b>		
Provision for Rehabilitation of Landfill-sites	25 651 040	31 988 106
Insurance Workmen's Compensation Act	2 014 858	1 786 915
<b>Total Non-current Provisions</b>	<b>27 665 898</b>	<b>33 775 021</b>

	2025 R	2024 R
<b>14.1 <u>Landfill Sites</u></b>		
Balance 1 July	31 988 106	18 626 702
Increase/(Decrease) due to discounting	2 990 632	1 549 212
Capitalizing increase or decrease -cost	(9 330 172)	11 760 213
Addition - post closure cost	2 474	51 979
Balance previously reported		-
Plus: Correction of error		51 979
Unused amounts reversed		-
Expenditure for the year		-
Change in Accounting Policy - <b>Note</b>		
Correction of Error - <b>Note</b>		
<b>Total provision 30 June</b>	<b>25 651 040</b>	<b>31 988 106</b>

The estimated rehabilitation costs for the existing site are based on the current rates for construction costs. The assumptions used are as follows:

	<b>Laingsburg</b>
Rehabilitation area (m <sup>2</sup> )	35 331
Costs for rehabilitation and closure:	
Preliminary and general	3 826 207
Site clearance and preparation	53 703
Storm water control measures	2 513 170
Capping	20 777 984
Leachate management	811 604
Fencing	14 146
Other:	
Environmental authorisation (closure license)	460 688
Technical ROD	236 794
Install groundwater monitoring boreholes with lockable caps	152 075
Landscape architects	170 965
Water use license	39 000
Topographical survey	13 800
Contingencies (10% of total construction costs)	2 799 681
Engineering: Professional fees	3 370 185
Site supervision (Engineer's representative)	528 977
Site supervision (Environmental control officer & OHS agent)	126 560
<b>Total (Excl VAT)</b>	<b>35 895 540</b>
Cost per rehab (m <sup>2</sup> )	1 016

In terms of the licencing of the landfill-sites, the municipality will incur licencing and rehabilitation costs of R25 648 566 (2024: R22 463 762) to restore the sites at the end of their useful lives. Provision has been made for the net present value of the future cost, using the government bond rate for the applicable period.



14. NON-CURRENT PROVISIONS (continue)

		2025	2024
Location	Estimated decommission date	R	R
Laingsburg	2033	24 623 996	31 988 106
		<b>24 623 996</b>	<b>31 988 106</b>

14.2 Insurance Workmen's Compensation Act

	2025	2024
	R	R
Balance 1 July	1 786 915	1 548 851
Increase in provision (discounting)	227 943	238 064
<b>Total provision 30 June</b>	<b>2 014 858</b>	<b>1 786 915</b>
<b>Balance 30 June</b>	<b>2 014 858</b>	<b>1 786 915</b>

The provision for WCA insurance is made in terms of the Workmen's Compensation Act. The provision is calculated based on the Compensation Commissioner returns submitted and the amount is payable on assessment by the Workmen's Compensation Commissioner.

15. NON-CURRENT EMPLOYEE BENEFITS

	2025	2024
	R	R
Provision for Post Retirement Health Care Benefits	6 262 000	4 390 000
Provision for Long Service Awards	1 256 000	1 414 000
<b>Total Non-current Employee Benefits</b>	<b>7 518 000</b>	<b>5 804 000</b>

Post Retirement Health Care Benefits

	2025	2024
	R	R
Balance 1 July	4 561 000	4 556 000
Current Service Cost	158 000	169 000
Interest Cost	549 000	563 000
Expenditure for the year	(206 945)	(84 849)
Policy amendments	803 000	
Actuarial Loss/(Gain)	664 945	(642 151)
<b>Total provision 30 June</b>	<b>6 529 000</b>	<b>4 561 000</b>
<b>Less:</b> Transfer of Current Portion to Current Employee Benefits - Note 18	(267 000)	(171 000)
<b>Balance 30 June</b>	<b>6 262 000</b>	<b>4 390 000</b>

Long Service Awards

	2025	2024
	R	R
Balance 1 July	1 679 000	1 772 000
Current Service Cost	122 000	127 000
Interest Cost	175 000	190 000
Expenditure for the year	(196 050)	(190 022)
Actuarial Loss/(Gain)	(447 950)	(219 978)
<b>Total provision 30 June</b>	<b>1 332 000</b>	<b>1 679 000</b>
<b>Less:</b> Transfer of Current Portion to Current Employee Benefits - Note 18	(76 000)	(265 000)
<b>Balance 30 June</b>	<b>1 256 000</b>	<b>1 414 000</b>

	2025 R	2024 R
<b>15. NON-CURRENT EMPLOYEE BENEFITS (continue)</b>		
<b>15.1 Provision for Post Retirement Health Care Benefits</b>		
<b>CHARATERISCTICS</b>		
<u>Nature of the plan</u>		
Eligible employees will receive a post-employment subsidy of 60% of the contributions payable should they be a member of a medical scheme at retirement.		
Continuation members and their eligible dependants receive a 70% subsidy. At this valuation, there were not yet any continuation members entitled to a 60% subsidy.		
Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.		
The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:		
Bonitas		
LA Health		
SAMWU Medical Aid		
Sizwe Hosmed		
<u>Regulatory framework</u>		
GRAP 25, derived from IPSAS 39 and IAS 19, has been approved by the ASB and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023.		
It applies to institutions falling within the ambit of the Finance Management Act.		
<u>Risks of the plan</u>		
<b>Inflation:</b> The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.		
<b>Longevity:</b> The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.		
<b>Volatility of open-ended, long-term DBO:</b> The risk that the DBO may be volatile which is exacerbated by its long-term nature.		
<b>Enforcement of eligibility criteria and rules:</b> The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.		
<b>Future changes in legislation:</b> The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the DBO for the Municipality.		
There are no curtailments or settlement to reflect.		
<b>VALUATION METHOD</b>		
The Projected Unit Credit Method has been used to value the defined benefit obligation.		
	2025 R	2024 R
Post Retirement Benefits (PEMA)	6 529 000	4 561 000
<b>Total Net defined benefit liability</b>	<b>6 529 000</b>	<b>4 561 000</b>

	2025 R	2024 R
<b>15. NON-CURRENT EMPLOYEE BENEFITS (continue)</b>		
<b><u>Post Retirement Health Care Benefits</u></b>		
Balance 1 July	4 561 000	4 556 000
Contribution for the year	1 510 000	732 000
Expenditure for the year	(206 945)	(84 849)
Actuarial Loss/(Gain)	664 945	(642 151)
<b>Net defined benefit liability</b>	<b>6 529 000</b>	<b>4 561 000</b>
<b>Less:</b> Transfer of Current Portion to Current Employee Benefits - Note 18	(267 000)	(171 000)
<b>Non-current portion: Net defined benefit liability</b>	<b>6 262 000</b>	<b>4 390 000</b>

The total Defined Benefit Obligation has increased by less than 1% (or R5 000) since the last valuation.

The main reasons for the actual movement in the DBO are listed below.

In-Service Members

The **average in-service member DBO** has increased by 11% since the last valuation due to:

an increase in the average age which means members are closer to retirement (less discounting) and less likely to leave before retirement; and

an increase in the average past service; and

an increase in the average post-employment subsidy.

These impacts were partially offset by an increase in the net discount rate.

The **total in-service member DBO** has decreased by 7% due to the above being more than offset by a decrease in the number of in-service members.

In-Service Non-Members

The **average in-service non-member DBO** has increased by 2% since the last valuation due to:

an increase in the average age

an increase in the average past service; and

an increase in the net discount rate.

These impacts were partially offset by an increases in the net discount rate

The **total in-service non-member DBO** has increased by 20% due to the above, combined with an increase in the number of in-service non-members

Continuation Members

The **average continuation member DBO** has increased by 3% since the last valuation due to an increase in the average subsidy. The impact was partially offset by increases in the net discount rates and an increase in the average above, and because there was no change in the number of continuation members.

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2025	2024
In-service (employee) members	19	21
In-service (employee) non-members	49	47
Continuation members (e.g. Retirees, widows, orphans)	4	2
<b>Total Members</b>	<b>72</b>	<b>70</b>

	2025 R	2024 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	2 587 000	2 313 000
In-service non-members	1 059 000	763 000
Continuation members	2 883 000	1 485 000
<b>Total Liability</b>	<b>6 529 000</b>	<b>4 561 000</b>

**Key actuarial assumptions used:**

Financial assumptions

	2025	2024
i) <b>Rate of interest</b>	%	%
Discount rate	11.20%	12.25%
CPI inflation rate	5.20%	6.22%
Medical Aid Contribution Inflation Rate	7.00%	7.72%
<b>Net discount rate</b>	<b>3.90%</b>	<b>4.21%</b>

Demographic assumptions

ii) <b>Mortality during employment</b>	SA 85 - 90	
iii) <b>Mortality post-employment</b>	PA(90) -1 with a 1% mortality improvement p.a. from 2010	
iv) <b>Normal retirement age</b>	The normal retirement age is 65 for males and 60 for females	
v) <b>Average retirement age</b>	62	
vi) <b>Proportion with a spouse dependant at retirement</b>	60%	
vii) <b>Continuation of membership at retirement</b>	75%	
viii) <b>Termination of service (resignation and retrenchment):</b>		
Termination rates per annum	Age	Rate
	20 - 24	9%
	25 - 29	8%
	30 - 34	6%
	35 - 39	5%
	40 - 44	5%
	45 - 49	4%
	50 - 54	3%
	55+	0%

**The amounts recognised in the Statement of Financial Position are as follows:**

Present value of fund obligations	6 262 000	4 390 000
<b>Net defined benefit liability</b>	<b>6 262 000</b>	<b>4 390 000</b>

There are currently no long-term assets set aside off-balance sheet in respect of the DBO, thus plan assets is zero.

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation.

**Reconciliation of present value of fund obligation:**

Present value of fund obligation at the beginning of the year	4 605 151	4 556 000
Service cost	158 000	169 000
Interest cost	549 000	563 000
Expenditure for the year	(206 945)	(84 849)
Policy amendments	803 000	
<u>Actuarial (gains)/losses</u>	664 945	(598 000)
Financial assumptions: increase in net discount rate	266 000	(141 000)
Demographic assumptions: none	-	-
Experience:		
Subsidy inflationary increases lower than assumed	51 000	33 000
Changes to membership profile different from assumed	312 000	(480 000)
Actual benefits vested, lower than expected	35 945	(10 000)

	2025 R	2024 R
Present value of fund obligation at the end of the year	6 529 000	4 605 151
<u>Less:</u>	(267 000)	(171 000)
Net defined benefit liability	6 262 000	4 434 151

### Sensitivity Analysis

#### Sensitivity Analysis on the defined benefit obligation

Assumption	Change	Eligible Employees	Continuation members	Total DBO	% Change
Central Assumptions		3 646 000	2 883 000	6 529 000	
Medical aid contribution	+1%	4 309 000	3 196 000	7 505 000	15%
inflation rate	-1%	3 116 000	2 617 000	5 733 000	-12%
	+1%	3 138 000	2 628 000	5 766 000	-12%
Discount rate	-1%	4 287 000	3 186 000	7 473 000	14%
	+1 yr	3 554 000	2 806 000	6 360 000	-3%
Post-employment mortality	-1 yr	3 738 000	2 959 000	6 697 000	3%
Average retirement age	-1 yr	3 928 000	2 883 000	6 811 000	4%
Membership continuation	-10%	3 178 000	2 883 000	6 061 000	-7%

#### Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central Assumptions		158 000	549 000	707 000	
Medical aid contribution	+1%	175 000	605 000	780 000	10%
inflation rate	-1%	141 000	491 000	632 000	-11%
	+1%	136 000	525 000	661 000	-7%
Discount rate	-1%	190 000	575 000	765 000	8%
	+1 yr	155 000	534 000	689 000	-3%
Post-employment mortality	-1 yr	162 000	563 000	725 000	3%
Average retirement age	-1 yr	167 000	582 000	749 000	6%
Membership continuation	-10%	140 000	500 000	640 000	-9%

#### Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2026

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central Assumptions		201 000	716 000	917 000	
Medical aid contribution	+1%	247 000	825 000	1 072 000	17%
inflation rate	-1%	165 000	627 000	792 000	-14%
	+1%	169 000	687 000	856 000	-7%
Discount rate	-1%	243 000	748 000	991 000	8%
	+1 yr	196 000	697 000	893 000	-3%
Post-employment mortality	-1 yr	206 000	735 000	941 000	3%
Average retirement age	-1 yr	203 000	747 000	950 000	4%
Membership continuation	-10%	175 000	664 000	839 000	-9%

### Future cashflows

The Service Cost for the ensuing year is estimated to be R201 000, whereas the Interest Cost for the next year is estimated to be R716 000.

## Maturity analysis

Year	Future Year	Expected benefits vesting
2025	1	171 000
2026	2	224 000
2027	3	285 000
2028	4	307 000
2029	5	348 000
2030 - 2034	6 - 10	2 672 000
2035 - 2039	11 - 15	4 303 000
2040 - 2044	16 - 20	6 134 000
2045 - 2049	21 - 25	8 414 000
2050 - 2054	26 - 30	11 964 000
2055 - 2064	31 - 40	31 239 000
2065 - 2074	41 - 50	33 052 000
2075 - 2084	51 - 60	25 181 000
2085 - 2094	61 - 70	11 286 000
2095 - 3004	71 - 80	2 006 000

## 15.2 Provision for Long Service Bonuses

### CHARACTERISTICS

#### Nature of the plan

The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service, inclusive.

In the month that each "completed service" milestone is reached, the employee is granted an LSA. Working days awarded are valued at 1/250th of annual earnings per day.

Employees' basic salaries are used to determine the Rand value of LSA.

The Municipality does not pay any pro-rata LSA.

#### Regulatory framework

and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023.

It applies to institutions falling within the ambit of the Finance Management Act.

#### Risks of the plan

**Inflation:** The risk that future CPI inflation and earnings inflation are higher than assumed and present in an uncontrolled manner.

**Termination of service:** The risk that fewer eligible employees terminate their service at the Municipality i.e. more long service awards vest than expected.

**Volatility of open-ended, long-term DBO:** The risk that the DBO may be volatile which is exacerbated by its long-term nature.

**Enforcement of eligibility criteria and rules:** The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

**Future changes in legislation:** The risk that changes to legislation with respect to long service awards may increase the DBO for the Municipality.

There are no curtailments or settlements to reflect.

## VALUATION METHOD

The Projected Unit Credit Method has been used to value the defined benefit obligation.

	2025 R	2024 R
Long Service Awards (LSA)	1 332 000	1 679 000
<b>Total Net defined benefit liability</b>	<b>1 332 000</b>	<b>1 679 000</b>

There are currently no long-term assets set aside off-balance sheet in respect of the DBO, thus plan assets is zero.

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation.

### Long Service Awards

Balance 1 July	1 679 000	1 772 000
Contribution for the year	297 000	317 000
Expenditure for the year	(196 050)	(190 022)
Actuarial Loss/(Gain)	(447 950)	(219 978)

<b>Net defined benefit liability</b>	<b>1 332 000</b>	<b>1 679 000</b>
<b>Less:</b>	<b>(76 000)</b>	<b>(265 000)</b>
<b>Non-current portion: Net defined benefit liability</b>	<b>1 256 000</b>	<b>1 414 000</b>

The **average** DBO has decreased by 9% since the last valuation due to:  
a decrease in the average past service; and  
an increase in the net discount rate.

These impacts were partially offset by an increase in the average earnings.

The **total** DBO has decreased by 21% (or R 347 000), due to the above, partially offset by the fact that there are three more eligible employees than at the last valuation.

There were 68 employees entitled to a Long service awards at this valuation.

### **Key actuarial assumptions used:**

#### Financial assumptions

##### **Rate of interest**

	%	%
Discount rate	10.20%	11.29%
CPI inflation rate	4.30%	5.42%
General earnings inflation rate	5.30%	6.42%
<b>Net discount rate</b>	<b>4.70%</b>	<b>4.58%</b>

#### Demographic assumptions

Average retirement age	62	
Mortality during employment	SA 85 - 90	
Withdrawal from service	Age	%
	20	9%
	30	6%
	40	5%
	50	3%
	55	0%

# Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	1 679 000	1 772 000
Service cost	122 000	127 000
Interest cost	175 000	190 000
Expenditure for the year	(196 050)	(190 022)
<u>Actuarial (gains)/losses</u>	(447 950)	(132 000)
Financial assumptions: increase in net discount rate	(5 000)	(18 000)
Demographic assumptions: none	-	-
Experience:		
Earnings increases higher than assumed	30 000	-
Changes to employee profile different from assumed	(404 000)	(31 000)
Actual benefits vesting, greater than expected	(68 950)	-
Changes to a number of employees' dates of employment		(83 000)
<b>Present value of fund obligation at the end of the year</b>	<b>1 332 000</b>	<b>1 679 000</b>
<b><u>Less:</u></b>	<b>(76 000)</b>	<b>(265 000)</b>
<b>Net defined benefit liability</b>	<b>1 256 000</b>	<b>1 414 000</b>

## Sensitivity Analysis

### Sensitivity Analysis on the defined benefit obligation

Assumption	Change	DBO	% Change
Central Assumptions		1 332 000	
General earnings inflation rate	+1%	1 431 000	7%
	-1%	1 244 000	-7%
	+1%	1 242 000	-7%
Discount rate	-1%	1 436 000	8%
	+2 yrs	1 519 000	14%
Average retirement age	-2 yrs	1 133 000	-15%
Rates of termination of service	x2	1 018 000	-24%
	x0.5	1 554 000	17%

### Sensitivity analysis on current service and interest costs for year ending 30/06/2025

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central assumptions		122 000	175 000	297 000	
General earnings inflation rate	+1%	132 000	186 000	318 000	7%
	-1%	114 000	165 000	279 000	-6%
Discount rate	+1%	115 000	179 000	294 000	-1%
	-1%	131 000	170 000	301 000	1%
Average retirement age	+2 yrs	134 000	198 000	332 000	12%
	-2 yrs	101 000	126 000	227 000	-24%
Rates of termination of service	x2	91 000	143 000	234 000	-21%
	x0.5	146 000	198 000	344 000	16%



### Sensitivity analysis on current service and interest costs for year ending 30/06/2026

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central assumptions		117 000	132 000	249 000	
General earnings inflation rate	+1%	127 000	142 000	269 000	8%
	-1%	108 000	123 000	231 000	-7%
Discount rate	+1%	109 000	135 000	244 000	-2%
	-1%	126 000	128 000	254 000	2%
Average retirement age	+2 yrs	129 000	151 000	280 000	12%
	-2 yrs	103 000	112 000	215 000	-14%
Rates of termination of service	x2	82 000	100 000	182 000	-27%
	x0.5	143 000	154 000	297 000	19%

The method used to prepare the sensitivity analysis remained unchanged from the previous period. The assumptions used would be based on the market conditions and demographic inputs as at 30 June 2025.

### Future cashflows

The Service Cost for the ensuing year is estimated to be R132 000, whereas the Interest Cost for the next year is estimated to be R186 000.

### Maturity analysis

Year	Future Year	Expected benefits vesting
2025	1	265 000
2026	2	364 000
2027	3	206 000
2028	4	188 000
2029	5	389 000
2030 - 2034	6 - 10	1 233 000
2035 - 2039	11 - 15	1 648 000
2040 - 2044	16 - 20	2 025 000
2045 - 2054	21 - 30	3 001 000
2055 - 2064	31 - 40	314 000

	2025 R	2024 R
<b>16. CONSUMER DEPOSITS</b>		
Electricity	210 226	218 566
Rental Properties	192 094	181 677
Water	631 990	582 920
Building Plans	75 218	50 978
Posters	6 000	6 000
Hiring of Decorative Items	5 530	5 530
<b>Total Consumer Deposits</b>	<b>1 121 057</b>	<b>1 045 670</b>

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

	2025 R	2024 R
<b>17. CURRENT EMPLOYEE BENEFITS</b>		
Performance Bonuses	14 172	6 007
Staff Bonuses	830 782	913 032
Staff Leave	1 822 769	1 904 746
Current Portion of Non-Current Provisions	343 000	436 000
Current Portion of Post Retirement Benefits - Note 15	267 000	171 000
Current Portion of Long-Service Provisions - Note 15	76 000	265 000
<b>Total Provisions</b>	<b>3 010 724</b>	<b>3 259 784</b>

The movement in current provisions are reconciled as follows:

**17.1 Performance Bonuses**

Balance at beginning of year	6 007	
Transfer from non-current		
Contribution to current portion	8 165	190 885
Expenditure incurred	-	(184 878)
Balance at end of year	<b>14 172</b>	<b>6 007</b>

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

	2025 R	2024 R
<b>17.2 <u>Staff Bonuses</u></b>		
Balance at beginning of year	913 032	797 956
Contribution to current portion	1 535 951	1 690 148
Expenditure incurred	(1 618 201)	(1 575 072)
Balance at end of year	<b>830 782</b>	<b>913 032</b>

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represents the portion of the bonus that has already vested for the current salary cycle. There is no possibility of reimbursement.

	2025 R	2024 R
<b>17.3 <u>Staff Leave</u></b>		
Balance at beginning of year	1 904 746	1 799 636
Contribution to current portion	364 692	144 302
Expenditure incurred	(446 669)	(39 192)
Balance at end of year	<b>1 822 769</b>	<b>1 904 746</b>

Staff leave is accrued to employees according to the collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

	2025 R	2024 R
<b>18. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Trade Payables	4 933 687	1 601 058
Advance Payments	336 503	321 488
Control, Clearing and Interface Accounts	(113 553)	(183 353)
Retentions	384 539	2 119 465
Electricity bulk purchase	1 434 138	1 295 693
Auditor General	19 564 835	9 034 643
Unallocated Deposits	6 642 342	6 588 212
Inventory	(66 933)	108 556
Contractors	970 167	
<b>Total Trade Payables</b>	<b>34 085 724</b>	<b>20 885 761</b>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

A SCA (Service concession arrangement) Performance obligation shall be as the same value at which the receivable interest is recognised at the commencement of the service concession arrangement. Refer to note 10 for details on the receivable.

	2025 R	2024 R
<b>19. UNSPENT TRANSFERS AND SUBSIDIES</b>		
Unspent Transfers and Subsidies	4 922 484	1 995 140
National Government Grants	-	-
Provincial Government Grants	4 802 484	1 995 140
District Municipality	120 000	-
<b>Total Unspent Transfers and Subsidies</b>	<b>4 922 484</b>	<b>1 995 140</b>

See appendix "E" for reconciliation of grants from other spheres of government.

The Unspent Grants are cash-backed by short-term deposits.

or

The Unspent Grants are not cash-backed by short-term deposits, but are in the primary bank account of the municipality.

The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

No grants were delayed or withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

		2025 R	2024 R
<b>20. VAT Receivable/(Payable)</b>			
<b>20.1 VAT Payable</b>		8 176 438	5 679 246
Balance previously reported			
Plus: Corrections of error prior year			
VAT Control (Payable)		10 657 276	7 685 707
Output Tax Accrual		(251 922)	-
Output Tax		(2 228 917)	(2 006 461)
<b>Less:</b> Contribution to Provision for Doubtful Debt Impairment			
<b>Total VAT Payable</b>		<b>8 176 438</b>	<b>5 679 246</b>
		2025 R	2024 R
<b>20.2 VAT Receivable</b>		711 310	3 503 354
Balance previously reported			
Plus: Corrections of error prior year		-	-
Input Tax Accrual		7 425 004	5 502 632
Input Tax General		(1 747 417)	(1 264 467)
Input Tax Capital		573 347	571 603
VAT Control (Receivable)		(5 539 624)	(1 306 414)
		-	-
<b>Total VAT Receivable</b>		<b>711 310</b>	<b>3 503 354</b>
<b>20.3 Net VAT (Payable)/Receivable</b>		<b>8 887 747</b>	<b>9 182 600</b>
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.			
		2025 R	2024 R
<b>21 PROPERTY RATES</b>			
<b><u>Actual</u></b>			
<b>Rateable Land and Buildings</b>		6 356 284	5 613 882
Business and Commercial Property		1 062 470	826 281
Communal Land		-	-
Balance transferred from Property Rates Levies			
Less: Corrections of error prior year			
Agricultural Properties		2 931 427	2 783 191
Industrial Property		50 498	-
Mining Properties		1 272	-
Public Benefit Organisations		14 257	156 655
Residential Properties		1 721 729	1 265 649
Balance transferred from Property Rates Levies			
Plus: Corrections of error prior year			
Public Service Purposes Properties		550 628	569 076
Vacant land		24 003	13 030
Balance transferred from Property Rates Levies			
Less: Corrections of error prior year			
<b>Less:</b> Revenue Forgone		(699 071)	(589 236)
<b>Total Property Rates</b>		<b>5 657 213</b>	<b>5 024 646</b>

**Valuations as at 30 June 2025**

**Rateable Land and Buildings**

Residential Properties - Sec 8(2)(a)  
 Industrial Properties - Sec 8(2)(b)  
 Business and Commercial Properties - Sec 8(2)(c)  
 Farm Agricultural Purposes - Sec 8(2)(d)  
 Mining Properties - Sec 8(2)(e)  
 State Owned & Used for Public Services - Sec 8(2)(f)  
 Public service infrastructure properties - Sec 8(2)(g)  
 Public Benefit Organisation - Sec 8(2)(h)  
 Vacant Land Sec 8(3)  
 Other (non-rateable)

**2025  
R**

**2024  
R**

1 448 456 800

1 270 044 000

174 994 000

137 682 000

4 070 000

271 000

83 565 000

69 371 000

1 033 921 500

948 791 500

-

1 000

25 973 000

21 423 000

402 000

667 500

5 380 000

4 450 000

1 887 000

1 108 000

118 264 300

86 279 000

**Total Assessment Rates**

**1 448 456 800**

**1 270 044 000**

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 5 years. The last general valuation (GV) came into effect on 1 July 2024. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations, consolidations and subdivisions and also to accommodate growth in the rate base due mostly to private development. The 2024/25 General Valuation (GV) had a significant impact on tariffs, which were adjusted lower, to offset capital growth and ensure affordability and fairness.

**Basic Rate**

**2025**

**2024**

Residential Properties

R

0.010600

R

0.011760

Industrial Properties

R

0.012720

R

0.011760

Business and Commercial Properties

R

0.012720

R

0.011760

Farm Agricultural Purposes

R

0.001247

R

0.002940

Mining Properties

R

0.012720

R

0.011760

State Owned & Used for Public Services

R

0.021200

R

0.023520

Public Benefit Organisation

R

0.002650

R

0.002940

Vacant Land

R

0.012720

R

0.011760

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 2% on outstanding monthly instalments.

**Exemptions, rebates & impermissible rates applicable:**

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

- *Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.*

Municipal owned properties and PSI's (Public Service Infrastructure) are exempt.

The first R15000 of improved residential properties is impermissible.

An additional 40% rebate is given to all qualifying bona fide farmers.

Place of Worship and Protected Areas are Impermissible and not levied.

Residential - The first R15 000 on the valuation is exempted.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

22. GOVERNMENT GRANTS AND SUBSIDIES	2025 R	2024 R
Government Grants and Subsidies - Operating - Monetary allocations	30 420 718	25 647 850
Equitable Share	22 685 000	21 520 000
Expanded Public Works Programme Integrated Grant (EPWP)	1 209 000	1 173 000
Local Government Financial Management Grant	1 800 000	2 045 514
Municipal Infrastructure Grant - PMU	345 948	436 303
Human Settlements Development Grant (Beneficiaries)	3 918 855	-
Community Development Workers Grant (CDW)	76 000	76 000
Main Roads	197 583	50 000
CKDM Community Safety Grant		160 000
Sector Education and Training Authority (SETA)	46 174	51 380
Human Settlements Acceleration Grant	142 158	135 652
Government Grants and Subsidies - Capital - Monetary allocations	24 186 493	41 349 624
Municipal Infrastructure Grant	6 570 052	13 781 910
Water Services Infrastructure Grant	16 044 000	25 832 000
WC - Water Resilience Grant (WCWRG)	1 347 512	1 650 000
CKDM War on Leaks Grant	-	85 714
WC - Fire Services Capacity Building Grant	224 929	-
<b>Total Government Grants and Subsidies</b>	<b>54 607 211</b>	<b>70 745 211</b>
	<b>2025 R</b>	<b>2024 R</b>
Included in above are the following grants and subsidies received:		
<b><u>Unconditional</u></b>	22 685 000	21 520 000
Equitable Share	22 685 000	21 520 000
<b><u>Conditional</u></b>	31 922 211	49 225 211
Local Government Financial Management Grant (FMG)	1 800 000	2 045 514
Expanded Public Works Programme Integrated Grant (EPWP)	1 209 000	1 173 000
Municipal Infrastructure Grant (MIG) - operational	345 948	436 303
Municipal Infrastructure Grant (MIG) - capital	6 570 052	13 781 910
Water Services Infrastructure Grant (WSIG)	16 044 000	25 832 000
Community Development Workers	76 000	76 000
Human Settlement Acceleration Grant	142 158	135 652
Western Cape Water Resilience Grant (WCWRG)	1 347 512	1 650 000
Main Roads	197 583	50 000
Sector Education and Training Authority (SETA)	46 174	51 380
CKDM War on Leaks Grant	-	85 714
CKDM Community Safety Grant	-	160 000
Human Settlements Development Grant (Beneficiaries)	3 918 855	3 747 737
WC - Fire Services Capacity Building Grant	224 929	-
<b>Total Government Grants and Subsidies</b>	<b>54 607 211</b>	<b>70 745 211</b>

	2025 R	2024 R
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	22 685 000	21 520 000
Finance and Administration	30 515 628	44 254 475
Road Transport	1 406 583	1 223 000
<b>Total Government Grants and Subsidies</b>	<b>54 607 211</b>	<b>66 997 475</b>

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

	2025 R	2024 R
<b>22.1 <u>Equitable Share</u></b>		
Grants received	22 685 000	21 520 000
Conditions met - Operating	(22 685 000)	(21 520 000)
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

	2025 R	2024 R
<b>22.2 <u>Local Government Financial Management Grant (FMG)</u></b>		
Opening balance	-	287 755
Grants received	1 800 000	1 800 000
Repaid to National Revenue Fund	-	(174 670)
Conditions met - Operating	(1 800 000)	(1 913 085)
Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

	2025 R	2024 R
<b>22.3 <u>Water Services Infrastructure Grant (WSIG)</u></b>		
Grants received	16 044 000	25 832 000
Conditions met - Capital	(16 044 000)	(25 832 000)
Conditions still to be met	-	-

The Water Services Infrastructure Grant is paid by National Treasury to facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities.

	2025 R	2024 R
<b>22.4    <u>Municipal Infrastructure Grant (MIG)</u></b>		
Opening balance	-	260 213
Grants received	6 570 052	13 521 697
Conditions met - Capital	(6 570 052)	(13 781 910)
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

	2025 R	2024 R
<b>22.5    <u>Sector Education and Training Authority (SETA)</u></b>		
Grants received	46 174	51 380
Conditions met - Operating	(46 174)	(51 380)
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>

To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socioeconomic and urban upgrading programmes.

	2025 R	2024 R
<b>22.6    <u>Community Development Workers (CDW)</u></b>		
Opening balance	-	27 972
Grants received	76 000	76 000
Repaid to National Revenue Fund	-	(27 971)
Conditions met - Operating	(76 000)	(76 000)
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>

To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socioeconomic and urban upgrading programmes.

	2025 R	2024 R
<b>22.7    <u>WC - Fire Services Capacity Building Grant</u></b>		
Grants received	557 000	-
Conditions met - Capital	(224 929)	-
	<hr/>	<hr/>
Conditions still to be met	332 072	-
	<hr/>	<hr/>

To transform urban and rural public library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.



	2025 R	2024 R
<b>22.8 <u>Municipal Infrastructure Grant (MIG) - PMU</u></b>		
Grants received	345 948	436 303
Conditions met - Operating	(345 948)	(436 303)
Conditions still to be met	-	-

The Municipal Infrastructure Grant aims to eradicate municipal infrastructure backlogs in poor communities to ensure the provision of basic services such as water, sanitation, roads and community lighting.

	2025 R	2024 R
<b>22.9 <u>Expanded Public Works Programme Integrated Grant (EPWP)</u></b>		
Grants received	1 209 000	1 173 000
Conditions met - Operating	(1 209 000)	(1 173 000)
Conditions still to be met	-	-

To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure); other economic and social infrastructure, tourism and cultural industries; waste management; parks and beautification; sustainable land-based livelihoods; social services programmes; community safety programmes.

	2025 R	2024 R
<b>22.10 <u>Western Cape Financial Management Support Grant</u></b>		
Opening balance	852 982	463 197
Grants received	-	400 000
Conditions met - Operating	-	(10 214)
Conditions still to be met	852 982	852 982

The bursary grant is there to encourage local scholars to further their education.

	2025 R	2024 R
<b>22.11 <u>Human Settlements Acceleration Grant</u></b>		
Opening balance	142 158	-
Grants received	-	277 810
Conditions met - Operating	(142 158)	(135 652)
Conditions still to be met	-	142 158

To accelerate transfer of houses to beneficiaries.

	2025 R	2024 R
<b>22.12 External Bursary Programme</b>		
Opening balance	-	122 215
Conditions met - Operational	-	(122 215)
Conditions still to be met	-	-
To encourage local scholars to further their education.		
	2025 R	2024 R
<b>22.13 Western Cape Municipal Financial Recovery Services Grant</b>		
Opening balance	1 000 000	-
Grants received	-	1 000 000
Conditions still to be met	1 000 000	1 000 000
To assist municipalities to perform their functions effectively, including the co-ordination and integrated functions and support related to improving on overall financial governance and financial sustainability within municipalities when there is a municipal intervention.		
	2025 R	2024 R
<b>22.14 Western Cape Water Resilience Grant (WCWRG)</b>		
Grants received	2 000 000	1 650 000
Conditions met - Capital	(1 347 512)	(1 650 000)
Conditions still to be met	652 488	-
To provide financial assistance to municipalities to enhance water resilience through water supply augmentation, infrastructure capacity upgrades, water source management and water demand management across the Province.		
	2025 R	2024 R
<b>22.15 Main Roads</b>		
Grants received	197 583	50 000
Conditions met - Operational	(197 583)	(50 000)
Conditions still to be met	-	-
Grant received to work on roads on behalf of SANRAL.		
	2025 R	2024 R
<b>22.16 Human Settlements Development Grant (Beneficiaries)</b>		
Grants received	4 323 798	-
Conditions met - Operational	(3 918 855)	-
Conditions still to be met	404 943	-
	2025 R	2024 R
<b>22.17 Community Library Services Grant</b>		
Grants received	1 000 000	-
Conditions still to be met	1 000 000	-

	2025 R	2024 R
<b>22.18 CKDM DLG Funding for HR Internship</b>		
Grants received	100 000	-
Conditions still to be met	100 000	-
Grant received to work on roads on behalf of SANRAL.		
	2025 R	2024 R
<b>22.19 CKDM WOSA Safety Funding</b>		
Grants received	20 000	-
Conditions still to be met	20 000	-
Grant received to work on roads on behalf of SANRAL.		
	2025 R	2024 R
<b>22.20 CKDM Community Safety Grant</b>		
Grants received	-	160 000
Conditions met - Operational	-	(160 000)
Conditions still to be met	-	-
Grant received to work on roads on behalf of SANRAL.		
	2025 R	2024 R
<b>22.21 CKDM War on Leaks Grant</b>		
Grants received	-	85 714
Conditions met - Capital	-	(85 714)
Conditions still to be met	-	-
Grant received to work on roads on behalf of SANRAL.		
	2025 R	2024 R
<b>22.22 Western Cape Municipal Interventions Grant</b>		
Grants received	560 000	-
Conditions still to be met	560 000	-
	2025 R	2024 R
<b>22.23 Total Grants</b>		
Opening balance	1 995 140	1 161 351
Grants received	57 534 555	68 033 905
Repaid to National Revenue Fund	-	(202 641)
Conditions met - Operating	(30 420 718)	(25 647 850)
Conditions met - Capital	(24 186 493)	(41 349 624)
Conditions still to be met/(Grant expenditure to be recovered)	4 922 484	1 995 140
	2025 R	2024 R
Disclosed as follows:		
Unspent Conditional Government Grants and Receipts	4 922 484	1 995 140
<b>Total</b>	<b>4 922 484</b>	<b>1 995 140</b>

	2025 R	2024 R
<b>23. CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT</b>		
Provincial government	-	1 210 000
<b>Total Contributed Property, Plant and Equipment</b>	<b>-</b>	<b>1 210 000</b>
	2025 R	2024 R
<b>24. AVAILABILITY CHARGES</b>		
Electricity	115 776	102 619
Water	76 253	68 688
Waste Management	42 063	-
Waste Water Management	84 126	116 361
<b>Total Availability Charges</b>	<b>318 218</b>	<b>287 668</b>
	2025 R	2024 R
<b>25. LICENCES AND PERMITS</b>		
Road and Transport	226 882	256 397
<b>Total Licences and Permits</b>	<b>226 882</b>	<b>256 397</b>
	2025 R	2024 R
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	226 882	256 397
<b>Total Licences and Permits</b>	<b>226 882</b>	<b>256 397</b>
	2025 R	2024 R
<b>26. SERVICE CHARGES</b>		
<b>Electricity</b>	<b>21 757 564</b>	<b>18 028 447</b>
Service Charges	22 721 514	19 899 912
<b>Less:</b> Revenue Forgone	(963 950)	(1 871 465)
<b>Water</b>	<b>4 407 259</b>	<b>3 867 405</b>
Service Charges	5 345 498	5 384 024
<b>Less:</b> Revenue Forgone	(938 239)	(1 516 618)
<b>Waste Management</b>	<b>3 779 431</b>	<b>2 767 072</b>
Service Charges	4 522 143	3 853 860
<b>Less:</b> Revenue Forgone	(742 712)	(1 086 788)
<b>Waste Water Management</b>	<b>3 592 978</b>	<b>2 727 208</b>
Service Charges	4 427 499	3 945 895
<b>Less:</b> Revenue Forgone	(834 521)	(1 218 687)
<b>Total Service Charges</b>	<b>33 537 232</b>	<b>27 390 132</b>

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of

	2025 R	2024 R
<b>27. SALES OF GOODS AND RENDERING OF SERVICES</b>		
Building Plan Approval	97 888	86 941
Cemetery and Burial	20 800	18 123
Cleaning and Removal	12 408	10 620
Clearance Certificates	23 597	28 430
Encroachment Fees	9 644	66
Photocopies and Faxes	11 872	7 091
Removal of Restrictions	65 719	63 120
Sale of Goods	-	(755)
Pest Control	727	1 514
Tender Documents	42 000	41 740
Stone and Gravel	55 249	36 861
Valuation Services	1 383	1 132
<b>Total Sales of Goods and Rendering of Services</b>	<b>341 288</b>	<b>294 883</b>
	<b>2025 R</b>	<b>2024 R</b>
<b>28. RENT ON LAND</b>		
Land	26 650	102 655
Undeveloped Land	26 650	102 655
<b>Total Rent on Land</b>	<b>26 650</b>	<b>102 655</b>
	<b>2025 R</b>	<b>2024 R</b>
<b>29. RENTAL FROM FIXED ASSETS</b>		
Investment Property	(5 090)	(7 447)
Property, Plant and Equipment	1 644 746	1 651 165
<b>Total Rental from Fixed Assets</b>	<b>1 639 656</b>	<b>1 643 719</b>
	<b>2025 R</b>	<b>2024 R</b>
<b>30. INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
Bank accounts	1 582 549	1 230 251
Short-term investment and call accounts	34 774	34 460
<b>Total Interest Earned - External Investments</b>	<b>1 617 323</b>	<b>1 264 711</b>
	<b>2025 R</b>	<b>2024 R</b>
<b>31. INTEREST EARNED - RECEIVABLES</b>		
Non-current receivables	-	6 467
Other Interest	292 514	184 298
Trade Receivables - exchange	896 191	587 218
Trade Receivables - non-exchange	466 349	423 163
<b>Total Interest Earned - Outstanding Receivables</b>	<b>1 655 054</b>	<b>1 201 146</b>

	2025 R	2024 R
<b>32. OPERATIONAL REVENUE</b>		
Commission	21 610	19 972
Development Charges	47 643	21 983
Merchandising, Jobbing and Contracts	1 466 957	1 619 130
Request for Information	215	200
<b>Total Operational Revenue</b>	<b>1 536 424</b>	<b>1 661 285</b>
<u>Disclosed as follows:</u>		
	2025 R	2024 R
Revenue from Exchange Transactions	1 536 424	1 661 285
<b>Total Operational Revenue</b>	<b>1 536 424</b>	<b>1 661 285</b>
<b>33. FINES, PENALTIES, FORFEITS</b>	2025 R	2024 R
<u>Fines</u>	28 860 283	33 765 412
Law Enforcement	92 300	8 300
Overdue Books Fine	1 999	1 128
Traffic	28 765 984	33 755 984
	28 860 283	33 765 412
<b>34. EMPLOYEE RELATED COSTS</b>	2025 R	2024 R
Basic Salaries and Wages	24 316 021	23 337 194
Pension and UIF Contributions	3 174 736	3 183 394
Medical Aid Contributions	798 899	909 318
Overtime	1 070 256	801 123
Bonuses	1 745 288	1 854 972
Motor Vehicle Allowance	1 268 056	1 389 267
Cell Phone Allowance	3 240	3 240
Housing Allowances	173 329	78 914
Other benefits and allowances	-	22 500
Standby allowance	541 593	518 693
Acting allowance	181 910	47 647
Bargaining council	10 734	10 711
Payments in lieu of leave	364 692	144 302
Post-retirement Benefit Obligations	1 807 000	1 049 000
Medical - Note 14.1	1 510 000	732 000
Current Service Cost	961 000	169 000
Interest Cost	549 000	563 000
Long Service Awards - Note 14.2	297 000	317 000
	35 455 753	33 350 274
<b>Total Employee Related Costs</b>	<b>35 455 753</b>	<b>33 350 274</b>

## KEY MANAGEMENT PERSONNEL

Key management personnel are all appointed on xx-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

	2025 R	2024 R
<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>		
<b><i>Remuneration of the Municipal Manager - Mr J Booysen</i></b>		
Basic Salary	1 371 614	1 369 472
Pension and UIF Contributions	2 125	2 125
Performance Bonus	190 885	184 878
Cell Phone Allowance	42 000	42 000
Other benefits and allowances	14 055	137
<b>Total</b>	<b>1 620 680</b>	<b>1 598 612</b>
	2025 R	2024 R
<b><i>Remuneration of the Chief Financial Officer - Ms A Groenewald</i></b>		
Basic Salary	673 188	1 046 844
Pension and UIF Contributions	83 287	190 558
Medical Aid Contributions	19 988	20 300
Service Bonus	91 163	87 237
Motor Vehicle Allowance	150 393	245 120
Housing Allowances	5 476	12 797
Other benefits and allowances	212 316	137
<b>Total</b>	<b>1 235 811</b>	<b>1 602 992</b>
	2025 R	2024 R
<b><i>Remuneration of Manager : Corporate Services - Ms N Gouws</i></b>		
Basic Salary	752 230	699 468
Pension and UIF Contributions	137 527	128 029
Medical Aid Contributions	27 418	24 761
Service Bonus	62 374	58 289
Motor Vehicle Allowance	255 619	217 536
Housing Allowances	13 277	12 797
Other benefits and allowances	10 051	137
Long service awards	-	53 806
<b>Total</b>	<b>1 258 495</b>	<b>1 194 823</b>
	2025 R	2024 R
<b><i>Remuneration of Manager : Community Services - Mr N Hendriks</i></b>		
Basic Salary	770 297	716 256
Pension and UIF Contributions	140 779	131 051
Medical Aid Contributions	53 060	56 735
Service Bonus	63 872	59 688
Motor Vehicle Allowance	255 892	245 120
Other benefits and allowances	10 502	137
<b>Total</b>	<b>1 294 402</b>	<b>1 208 987</b>

	2025 R	2024 R
<b>Remuneration of Manager : Infrastructure - Mr J Komanisi</b>		
Basic Salary	931 237	865 908
Pension and UIF Contributions	169 748	157 988
Medical Aid Contributions	61 513	57 031
Service Bonus	77 217	72 159
Motor Vehicle Allowance	255 892	245 120
Other benefits and allowances	12 213	137
<b>Total</b>	<b>1 507 820</b>	<b>1 398 343</b>

	2025 R	2024 R
<b>Remuneration of Director : Community Services - Mr C Moses (Acting)</b>		
Basic Salary - Acting Allowance	18 194	25 255
<b>Total</b>	<b>18 194</b>	<b>25 255</b>

	2025 R	2024 R
<b>Remuneration of Budget and Treasury Officer - G Bothma</b>		
Basic Salary		751 056
Pension and UIF Contributions		137 315
Medical Aid Contributions		-
Service Bonus		62 588
Motor Vehicle Allowance		245 120
Other benefits and allowances		137
Long service awards		-
<b>Total</b>		<b>1 196 216</b>

An audit finding in 2023/24 was raised that mr Bothma is not part of key management personnel. The remuneration for 2023/24 was included for completeness purposes only.

	2025 R	2024 R
<b>Remuneration of Internal Auditor - P Post</b>		
Basic Salary	539 698	513 888
Pension and UIF Contributions	99 271	94 625
Medical Aid Contributions	21 733	20 300
Service Bonus	44 751	42 824
Motor Vehicle Allowance	199 870	191 251
Housing Allowances	11 144	
Other benefits and allowances	7 520	37 003
<b>Total</b>	<b>923 986</b>	<b>899 892</b>

<b>Remuneration of Supply Chain Officer - K Gertse</b>		
Basic Salary - Acting Allowance		377 556
Pension and UIF Contributions		70 085
Medical Aid Contributions		61 166
Service Bonus		31 463
Housing Allowances		1 066
Other benefits and allowances		137
<b>Total</b>		<b>541 473</b>

An audit finding in 2023/24 was raised that mr Gertse is not part of key management personnel. The remuneration for 2023/24 was included for completeness purposes only.



	2025 R	2024 R
<b>Total Key Management Remuneration</b>		
Basic Salary	4 516 761	5 851 815
Pension and UIF Contributions	533 466	817 151
Medical Aid Contributions	161 979	219 993
Performance Bonus	190 885	184 878
Service Bonus	294 626	371 424
Motor Vehicle Allowance	917 795	1 198 016
Cell Phone Allowance	42 000	42 000
Housing Allowances	18 753	26 660
Other benefits and allowances	259 136	956
Long service awards	-	53 806
	<b>6 935 401</b>	<b>8 766 699</b>

	2025 R	2024 R
<b>35. REMUNERATION OF COUNCILLORS</b>		
A Kleinbooi (Executive Mayor)	976 436	916 339
S Laban (Deputy Executive Mayor)	461 803	454 284
M Gouws (Speaker)	790 550	773 768
J Botha	341 137	361 762
A Theron (MPAC Chair)	424 474	414 891
J Pieterse	341 137	336 831
L Potgieter	341 137	337 070
G McKenzie	-	11 571
M Smith	-	-
<b>Total Councillors' Remuneration</b>	<b>3 676 673</b>	<b>3 606 515</b>

Remuneration paid to Councillors can be summarised as follow:

	Salary	Allowances/ Contributions	Total
Executive Mayor / Mayor	929 432	47 004	976 436
Executive Deputy-Mayor / Deputy-Mayor	414 799	47 004	461 803
Speaker	690 062	100 489	790 550
Councillors	1 259 868	188 016	1 447 884
<b>Total Councillors' Remuneration</b>	<b>3 294 160</b>	<b>382 513</b>	<b>3 676 673</b>

#### ***In-kind Benefits***

The Executive Mayor and Speaker are full-time Councillors. Each is provided with an office and secretarial support at the cost of the Municipality.

	2025 R	2024 R
<b>36. CONTRACTED SERVICES</b>		
Outsourced Services	787 405	1 080 166
Burial Services	-	2 250
Business and Advisory	484 230	599 805
Catering Services	31 792	39 076
Internal Auditors	45 635	84 620
Electrical	225 747	354 414
Consultants and Professional Services	8 019 845	3 169 192
Business and Advisory	3 960 476	2 484 990
Accounting and Auditing	3 831 827	2 366 810
Medical Examinations	5 235	-
Research and Advisory	123 414	118 179
Infrastructure and Planning	3 284 286	-
Land and Quantity Surveyors	3 284 286	-
Legal Cost	775 083	684 202
Legal Advice and Litigation	504 683	451 202
Issue of Summons	270 400	233 000
Contractors	1 213 715	955 910
Building	36 731	65 587
Electrical	1 060	4 871
Maintenance of Buildings and Facilities	14 920	91 698
Maintenance of Equipment	42 151	22 873
Maintenance of Unspecified Assets	1 018 151	750 993
Pest Control and Fumigation	24 202	667
Plants, Flowers and Other Decorations	-	1 221
Transportation	76 500	18 000
<b>Total Contracted Services</b>	<b>10 020 964</b>	<b>5 205 268</b>
	<b>2025 R</b>	<b>2024 R</b>
<b>37. DEPRECIATION AND AMORTISATION</b>		
Property, Plant and Equipment	12 274 169	13 760 749
Balance previously reported		12 171 386
Less: Correction of error		1 589 364
Intangible Assets	94 625	108 123
Investment Property	309 827	245 128
Balance previously reported		-
Less: Correction of error		245 128
<b>Total Depreciation and Amortisation</b>	<b>12 678 621</b>	<b>14 114 000</b>
	<b>2025 R</b>	<b>2024 R</b>
<b>38. FINANCE COSTS</b>		
Long-term Borrowings	28 012	-
Non-current Provisions	2 990 632	1 549 212
Payables	1 511 795	1 099 793
<b>Total Finance Costs</b>	<b>4 530 439</b>	<b>2 649 005</b>

	2025 R	2024 R
<b>39. BULK PURCHASES</b>		
Electricity	14 818 560	11 873 369
<b>Total Bulk Purchases</b>	<b>14 818 560</b>	<b>11 873 369</b>
	2025 R	2024 R
<b>40. TRANSFERS AND SUBSIDIES</b>		
Capital	-	-
Operational	97 621	-
Monetary Allocations	97 621	-
Households	97 621	-
<b>Total Transfers and Subsidies</b>	<b>97 621</b>	<b>-</b>
	2025 R	2024 R
<b>41. OPERATIONAL COSTS</b>		
Advertising, Publicity and Marketing	158 555	142 622
Assets less than the Capitalisation Threshold	3 457	16 115
External Audit Fees	10 606 436	7 253 169
Bank Charges, Facility and Card Fees	414 522	404 036
Commission	103 583	145 534
Communication	258 684	258 606
Deeds	10 361	14 870
Drivers Licences and Permits	46 452	60 040
Entrance Fees	-	4 000
External Computer Service	1 653 674	2 399 346
Indigent Relief	199 008	-
Insurance Underwriting	-	336 510
Learnerships and Internships	-	5 175
Levies Paid - Water Resource Management Charges	115 126	111 626
Licences	99 845	101 088
Municipal Services	1 575 821	1 355 880
Printing, Publications and Books	147 331	267 547
Professional Bodies, Membership and Subscription	500 268	503 933
Registration Fees	-	12 496
Remuneration to Ward Committees	227 505	233 396
Skills Development Fund Levy	246 170	257 076
Toll Gate Fees	521	1 050
Travel and Subsistence	922 464	811 508
Uniform and Protective Clothing	104 002	62 997
Wet Fuel	1 132 998	12 335
Workmen's compensation	227 943	238 064
<b>Total Operational Costs</b>	<b>18 754 727</b>	<b>15 009 018</b>

	2025 R	2024 R
<b>42. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES</b>		
Receivables from Exchange Transactions - Note 10	(1 845 804)	(1 552 119)
Balance previously reported		-
Plus: Correction of error		(1 552 119)
Receivables from Non-exchange Receivables - Note 11	(19 480 416)	(31 517 753)
Balance previously reported		-
Plus: Correction of error		(31 517 753)
<b>Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables</b>	<b>(21 326 220)</b>	<b>(33 069 872)</b>
	<b>2025 R</b>	<b>2024 R</b>
<b>43. GAINS/ (LOSS) ON SALE OF FIXED ASSETS</b>		
Investment Property	(304 643)	(248 845)
Property, Plant and Equipment	(117 720)	-
<b>Total Gains/ (Loss) on Sale of Fixed Assets</b>	<b>(422 363)</b>	<b>(248 845)</b>
	<b>2025 R</b>	<b>2024 R</b>
<b>44. WATER LOSSES</b>		
Apparent Losses	1 072 376	1 261 182
<b>Total Water Losses</b>	<b>1 072 376</b>	<b>1 261 182</b>

2024  
R

45. CORRECTION OF ERROR IN TERMS OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

2024  
R

45.1 Property, Plant and Equipment

Balance previously reported

302 810 358

The post closure cost for future expenditure was excluded from the calculation during 2023/24

51 979

The land where the hospital is situated was removed from the FAR as it was incorrectly included

(2 214 406)

A container at the Laingsburg sportsfield was recognised for the first time

26 802

Several structures on erf 2071 at the Goldnerville community hall were recognised for the first time

2 403 757

The accumulated depreciation for the first time recognitions was calculated to date

(945 206)

Reclassification of existing assets resulted in recalculation of accumulated depreciation

12 407 566

Reclassification of assets resulted in the following adjustments:

Land

(2 638 023)

Buildings

219 720

Community assets

(222 212)

Reclassification of assets resulted in the following adjustments to accumulated depreciation:

Buildings

(231 430)

Community assets

(330 716)

Roads

(622)

Storm water

(162)

Restated Balance

311 337 406

2024  
R

45.2 Investment property

Balance previously reported

21 207 961

An improvement of erf 1623 was recognised for the first time

426 666

Accumulated depreciation on assets recognised for the first time

(160 609)

Reclassification of assets

2 640 514

Adjustment to depreciation due to re-classification

(1 791 629)

Derecognition of erf 1369

(3 970)

Adjustment to depreciation additions due to reclassification

(179 248)

Restated Balance

22 139 686

2024  
R

45.3 Inventory

Balance previously reported

143 433

Less: Movement in water inventory not recognised during 2023/24

(39 998)

Restated Balance

103 435

		<b>2024 R</b>
<b>45.4</b>	<b>Receivables from exchange transactions</b>	
	<b>Balance previously reported</b>	<b>3 165 425</b>
	Plus: Eskom deposits disclosed as receivables from non-exchange transactions during 2023/24	2 436 835
	Less: Transferred to receivables from non-exchange transactions	(10 580)
	<b>Restated Balance</b>	<b>5 591 680</b>
		<b>2024 R</b>
<b>45.5</b>	<b>Receivables from Non-exchange Transactions</b>	
	<b>Balance previously reported</b>	<b>5 426 118</b>
	Less Eskom deposits disclosed as receivables from non-exchange transactions during 2023/24	(2 436 835)
	Plus: Transferred from receivables from exchange transactions	10 580
	<b>Restated Balance</b>	<b>2 999 863</b>
		<b>2024 R</b>
<b>45.6</b>	<b>VAT receivable/(payable)</b>	
	<b>Balance previously reported</b>	<b>9 182 600</b>
	Less: VAT on NT contribution previously regarded as allocation-in-kind, changed to be treated as debt forgiveness	(488 835)
	<b>Restated Balance</b>	<b>8 693 765</b>
		<b>2024 R</b>
<b>45.7</b>	<b>Non-current Provisions</b>	
	<b>Balance previously reported</b>	<b>33 723 042</b>
	The post closure cost for future expenditure was excluded from the calculation during	51 979
	<b>Restated Balance</b>	<b>33 775 021</b>
		<b>2024 R</b>
<b>45.8</b>	<b>Trade and Other Payables from Exchange Transactions</b>	
	<b>Balance previously reported</b>	<b>20 098 672</b>
	Plus: Payments iro 2023/24 made during 2024/25	500 000
	Plus: Backpay on MM performance bonus	8 149
	Plus: Interest payable on VAT on library allocations	278 939
	<b>Restated Balance</b>	<b>20 885 761</b>

2024  
R

45.9 Accumulated surplus

<b>Balance previously reported</b>	<b>283 479 576</b>
Plus: Adjustment to depreciation due to re-classification and verification of fixed assets	(742 179)
Less: VAT on contribution from National Treasury iro extenal audit fees not recognised during 2023/24	(488 835)
Less: Interest on VAT on library allocations before 30 June 2023	(147 814)
Less: Interest on VAT on library allocations for 2023/24	(131 125)
Less; Movement in water inventory not recognised during 2023/24	(39 998)
Less: Backpay on MM performance bonus	(8 149)
Less: Payment to Salga iro 2023/24 made during 2024/25	(500 000)
Less: Derecognition of hospital property previously recognised on fixed asset register	(2 214 406)
Plus: First time recognition of assets at Goldnerville Community Hall and Laingsburg sports fields	2 430 559
Plus: First time recognition of investment property on erf 1623	426 666
Less: Derecognition of land erf 1369	(3 970)
Less: Calculation of depreciation on community assets recognised for the first time	(945 206)
Less: Calculation of depreciation on investment property recognised for the first time	(160 609)
Less: Depreciation on community assets moved due to reclassification	8 892 391
Less: Depreciation on buildings moved due to reclassification	3 515 175
Plus: Depreciation reduced on investment property due to reclassification	(1 791 629)
<b>Restated Balance</b>	<b>291 570 448</b>

#### 45.10 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Balance previously reported	Adjustments	Restated Balance
<b>Revenue</b>			
Property Rates	5 024 646	-	5 024 646
Surcharges and Taxes	295 563	-	295 563
Government Grants and Subsidies	72 364 342	(5 366 867)	66 997 475
Contributed Property, Plant and Equipment	1 210 000	-	1 210 000
Fines, Penalties and Forfeits	-	33 765 412	33 765 412
Availability Charges	287 668	-	287 668
Fines, Penalties and Forfeits	33 765 412	(33 765 412)	-
Interest Earned - Non-exchange Transactions	423 163	-	423 163
Licences and Permits	256 397	-	256 397
Service Charges	27 390 132	-	27 390 132
Sales of Goods and Rendering of Services	294 883	-	294 883
Rent on Land	102 655	-	102 655
Rental from Fixed Assets	1 643 719	-	1 643 719
Interest Earned - External Investments	1 264 711	-	1 264 711
Interest Earned - Exchange Transactions	777 982	-	777 982
Operational Revenue	42 155	1 619 130	1 661 285
Agency Services	196 641	-	196 641
<b>Total</b>	<b>145 340 070</b>	<b>(3 747 737)</b>	<b>141 592 333</b>
<b>Expenditure</b>			
Employee related costs	33 342 125	8 149	33 350 274
Remuneration of Councillors	3 606 532	-	3 606 532
Bad Debts Written Off	-	-	-
Contracted Services	5 205 268	-	5 205 268
Depreciation and Amortisation	13 371 821	742 179	14 114 000
Finance Costs	2 517 880	131 125	2 649 005
Bulk Purchases	11 873 369	-	11 873 369
Inventory Consumed	2 200 073	39 998	2 240 071
Operating Leases	744 852	-	744 852
Transfers and Subsidies	-	-	-
Operational Costs	14 509 018	500 000	15 009 018
<b>Total</b>	<b>87 370 937</b>	<b>1 421 452</b>	<b>88 792 389</b>
<b>Gains and Losses</b>			
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	(33 069 872)	-	(33 069 872)
Gains/(Loss) on Sale of Fixed Assets	(248 845)	-	(248 845)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	10 934	-	10 934
Profit/(Loss) on Fair Value Adjustments	-	-	-
Actuarial gain/(loss)	862 129	-	862 129
Profit/(Loss) from Discontinued Operations	-	-	-
Water Losses	-	-	-
<b>Total</b>	<b>(32 445 654)</b>	<b>-</b>	<b>(32 445 654)</b>
<b>Net Surplus/(Deficit) for the year</b>	<b>25 523 478</b>	<b>(5 169 188)</b>	<b>20 354 290</b>



	2025 R	2024 R
<b>46. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS</b>		
Surplus/(Deficit) for the year	5 884 778	24 102 027
<b>Adjustments for:</b>		
Depreciation and Amortisation	12 678 621	14 114 000
Loss/(Gain) on Sale of Fixed Assets	422 363	248 845
Impairment Loss/(Reversal of Impairment Loss)	21 326 220	33 058 938
Contributed Property, Plant and Equipment	-	(1 210 000)
Government Grants and Subsidies received	57 534 555	68 033 905
Government Grants and Subsidies recognised as revenue	(54 607 211)	(66 997 475)
Allocations-in-kind		(3 747 737)
Adjust operational expenditure allocation-in-kind		3 747 737
Repayment of unspent grants	-	(202 641)
Contribution to provisions – Non-Current Provisions		
Change in Provision for Rehabilitation Cost		
Contribution from/to provisions - Non-Current Employee Benefits	4 622 580	2 561 405
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	216 995	(862 129)
Contribution from/to - Current Employee Benefits	(156 061)	226 192
Bad Debts written off	1 115 945	-
Operating lease income accrued	5 090	7 447
Operating lease expenses accrued	-	(2 302)
Operating Surplus/(Deficit) before changes in working capital	49 043 876	73 078 211
Changes in working capital	(12 902 710)	(32 289 762)
Increase/(Decrease) in Provisions	0	-
Increase/(Decrease) in Trade and Other Payables	13 199 963	2 573 398
Increase/(Decrease) in Employee Benefits	-	
Increase/(Decrease) in Taxes	294 853	(2 737 172)
(Increase)/Decrease in Inventory	(31 774)	156 240
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(3 848 334)	(2 104 048)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(22 592 806)	(30 294 243)
(Increase)/Decrease in Repay Arrangements	-	-
(Increase)/Decrease in Consumer Deposits	75 387	116 063
<b>Cash generated/(absorbed) by operations</b>	<b>36 141 166</b>	<b>40 788 449</b>
	<b>2025 R</b>	<b>2024 R</b>
<b>47. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 12	24 191 896	6 198 935
Call Deposits and Investments - Note 12	545 414	510 639
Cash on hand - Note 12	3 801	3 801
<b>Total cash and cash equivalents</b>	<b>24 741 111</b>	<b>6 713 375</b>
	<b>2025 R</b>	<b>2024 R</b>
<b>48. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>		
Cash and Cash Equivalents - Note 46	24 741 111	6 713 375
<b>Less:</b>	(13 098 922)	(7 674 386)
Unspent Transfers and Subsidies - Note 18	(4 922 484)	(1 995 140)
VAT - Note 19	(8 176 438)	(5 679 246)
Net cash resources available for internal distribution	11 642 189	(961 011)
<b>Resources available for working capital requirements</b>	<b>11 642 189</b>	<b>(961 011)</b>

	2025 R	2024 R
<b>49. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b>		
<b>49.1 Unauthorised expenditure</b>		
Reconciliation of unauthorised expenditure:		
Opening balance	94 882 019	68 634 986
Correction of prior period error		
Restated opening balance	94 882 019	68 634 986
Unauthorised expenditure current year - operational	6 687 001	26 155 505
Unauthorised expenditure current year - capital	231 480	91 529
Unauthorised expenditure awaiting authorisation	<b>101 800 500</b>	<b>94 882 019</b>

			2025 Variance R	2025 Unauthorised R
<u>Unauthorised expenditure current year - operating</u>				
	Actual R	Final Budget R	Variance R	Unauthorised R
Vote 1 - Mayor and Council	6 024 790	6 237 164	212 374	-
Vote 2 - Municipal Manager	3 792 429	3 449 372	(343 057)	343 057
Vote 3 - Corporate Services	10 474 648	8 110 198	(2 364 450)	2 364 450
Vote 4 - Budget and Treasury	26 148 160	25 000 638	(1 147 522)	1 147 522
Vote 5 - Planning and Development	903 456	831 300	(72 156)	72 156
Vote 6 - Community and Social Services	1 571 624	1 499 459	(72 165)	72 165
Vote 7 - Sports and Recreation	1 129 481	911 000	(218 481)	218 481
Vote 8 - Housing	-	6 500	6 500	-
Vote 9 - Public Safety	22 829 337	31 018 745	8 189 408	-
Vote 10 - Road Transport	15 786 637	14 806 866	(979 771)	979 771
Vote 11 - Waste Management	6 176 761	6 501 765	325 004	-
Vote 12 - Waste Water Management	5 054 037	4 316 596	(737 441)	737 441
Vote 13 - Water	7 104 828	6 352 870	(751 958)	751 958
Vote 14 - Electricity	16 835 612	17 817 366	981 754	-
	123 831 800	126 859 839	3 028 039	6 687 001
			2025 Variance R	2025 Unauthorised R

<b>Unauthorised expenditure current year - capital</b>				
	<b>Actual</b>	<b>Final Budget</b>	<b>Variance</b>	<b>Unauthorised</b>
Vote 1 - Mayor and Council	1 670	-	(1 670)	1 670
Vote 3 - Corporate services	2 085	-	(2 085)	2 085
Vote 4 - Budget and Treasury	36 571	-	(36 571)	36 571
Vote 16 - Community and Social Services	-	869 565	869 565	-
Vote 17 - Sports and Recreation	5 191 758	5 813 050	621 292	-
Vote 18 - Public Safety	195 590	200 000	4 410	-
Vote 19 - Road Transport	876 524	760 000	(116 524)	116 524
Vote 21 - Waste Water Management	12 559 482	13 959 000	1 399 518	-
Vote 22 - Water	1 268 104	6 657 000	5 388 896	-
Vote 23 - Electricity	74 630	-	(74 630)	74 630
	<b>20 206 414</b>	<b>28 258 615</b>	<b>8 052 201</b>	<b>231 480</b>

			2024 Variance R	2024 Unauthorised R
<b><u>Unauthorised expenditure prior year - operating</u></b>				
	Actual R	Final Budget R	Variance R	Unauthorised R
Vote 1 - Mayor and Council	5 147 240	5 238 588	91 348	-
Vote 2 - Municipal Manager	3 859 923	3 347 496	(512 427)	512 427
Vote 3 - Corporate Services	7 097 808	6 265 776	(832 032)	832 032
Vote 4 - Budget and Treasury	21 660 084	22 410 708	750 624	-
Vote 5 - Planning and Development	860 029	827 136	(32 893)	32 893
Vote 6 - Community and Social Services	1 902 700	1 821 600	(81 100)	81 100
Vote 7 - Sports and Recreation	1 241 281	347 016	(894 265)	894 265
Vote 8 - Housing	6 490	7 428	938	-
Vote 9 - Public Safety	35 621 428	18 288 912	(17 332 516)	17 332 516
Vote 10 - Road Transport	14 726 054	13 074 456	(1 651 598)	1 651 598
Vote 11 - Waste Management	6 212 258	2 719 932	(3 492 326)	3 492 326
Vote 12 - Waste Water Management	4 021 631	3 153 792	(867 839)	867 839
Vote 13 - Water	6 103 477	5 644 968	(458 509)	458 509
Vote 14 - Electricity	13 559 083	15 931 776	2 372 693	-
	122 019 486	99 079 584	(22 939 902)	26 155 505

			2024 Variance R	2024 Unauthorised R
<b><u>Unauthorised expenditure prior year - capital</u></b>				
Vote 17 -Budget and Treasury	-	399 996	399 996	-
Vote 18 - Community and Social Services	117 042	230 004	112 962	-
Vote 19 - Sports and Recreation	6 906 172	7 680 048	773 876	-
Vote 10 - Road Transport	5 589 367	5 580 060	(9 307)	9 307
Vote 23 - Waste Water Management	18 971 217	18 888 996	(82 221)	82 221
Vote 24 - Water	4 753 716	15 057 012	10 303 296	-
Vote 25 - Electricity	-	596 004	596 004	-
	36 337 515	48 432 120	12 094 605	91 529

#### 49.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance	3 562 483	2 240 411
Correction of prior period error	-	222 279
Restated opening balance	3 562 483	2 462 690
Fruitless and wasteful expenditure current year	1 546 421	1 099 793
Fruitless and wasteful expenditure awaiting further action	<b>5 108 904</b>	<b>3 562 483</b>

	2025 R	2024 R
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Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Interest on overdue accounts	None	4 966 704	3 562 483
Penalties - SARS	None	142 199	
		<b>5 108 904</b>	<b>3 562 483</b>

49.3 **Irregular expenditure**

Reconciliation of irregular expenditure:

	2025 R	2024 R
Opening balance	118 382 588	64 964 565
Correction of prior period error:	-	40 603 714
Restated opening balance	118 382 588	105 568 279
Irregular expenditure current year	17 189 451	12 814 309
Balance previously reported		3 733 229
Plus: Correction of error		9 081 080
Written off as supported by council	-	-
Current	-	-
Prior Period	-	-
Irregular expenditure awaiting further action	<b>135 572 039</b>	<b>118 382 588</b>

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2025 R	2024 R
<i>Non-compliance with Municipal SCM Regulations:</i>	<i>None</i>		
- Regulation 16 - Request for Quotations processes not followed	<i>None</i>	-	1 121 151
- Regulation 17(2) - Formal Written Price Quotations processes not followed	<i>None</i>	1 892 259	61 496
- Regulation 19 - Continuation of historical irregular contracts not procured through competitive bidding	<i>None</i>	2 099 907	3 668 288
- Regulation 22	<i>None</i>	12 964 114	6 659 133
- Regulation 27	<i>None</i>		611 706
- Regulation 36(1)(a)	<i>None</i>	139 001	480 005
Non-compliance with PPPFA 2(1) (a)	<i>None</i>		212 532
Non-compliance with S112 (1) (a) of MFMA	<i>None</i>	94 171	
		<b>17 189 451</b>	<b>12 814 309</b>

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

	2025 R	2024 R
<b>50. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>50.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)</b>		
Council subscriptions	500 000	500 000
Amount paid - current year	(500 000)	(500 000)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
	2025 R	2024 R
<b>50.2 Audit fees - [MFMA 125 (1)(c)]</b>		
Opening balance	6 978 062	6 472 630
Correction of prior period error	2 056 581	-
Restated opening balance	9 034 643	6 472 630
Current year audit fee	13 530 191	7 253 169
External Audit - Auditor-General	13 530 191	7 253 169
Amount paid - current year	(3 000 000)	(1 450 000)
Amount paid - previous year	-	(1 550 000)
Contribution National Treasury	(6 556 816)	(3 747 737)
<b>Balance unpaid (included in creditors)</b>	<b>13 008 018</b>	<b>6 978 062</b>
	2025 R	2024 R
<b>50.3 VAT - [MFMA 125 (1)(c)]</b>		
Opening balance	(174 072)	468 957
Correction of prior period error		
Restated opening balance	(174 072)	468 957
VAT Input	711 310	2 983 828
VAT Output	8 176 438	(432 524)
Amount paid	(4 233 211)	(3 194 334)
Amount received	-	-
<b>Closing balance</b>	<b>4 480 464</b>	<b>(174 072)</b>
VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.		
	2025 R	2024 R
<b>50.4 PAYE, SDL and UIF - [MFMA 125 (1)(c)]</b>		
Current year payroll deductions	5 665 509	5 370 685
Amount paid - current year	(5 665 509)	(5 370 685)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

	2025 R	2024 R
<b>50.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</b>		
Current year payroll deductions and Council Contributions	6 266 042	1 800 463
Amount paid - current year	(6 266 042)	(1 800 463)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

**50.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]**

Non of the councillors had arrear accounts for more than 90 days as at 30 June 2025.

**50.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May**

**50.7.1 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):**

**30 June 2025**

			<b><u>Type of Deviation</u></b>	
	<b>Amount</b>	<b>Sole supplier</b>	<b>Impractical/ Impossible</b>	<b>Emergency</b>
March	73 083	-	-	73 083
	73 083	-	-	73 083

**30 June 2024**

			<b><u>Type of Deviation</u></b>	
	<b>Amount</b>	<b>Sole supplier</b>	<b>Impractical/ Impossible</b>	<b>Emergency</b>
December	159 685	11 507	148 177	-
February	3 000	-	3 000	-
March	47 438	-	47 438	-
June	5 500	-	-	5 500
	215 622	11 507	198 615	5 500

**50.7.2 Regulation 45 - Details of Awards to close family members of persons in the service of the state:**

No awards were made to close family members of persons in the service of the state during the financial year.

50.8	<b>Material losses [MFMA 125 (2)(d)]</b>	<b>2025 R</b>	<b>2024 R</b>
	<b>Electricity distribution losses</b>		
	Units purchased (Kwh)	7 298 179	6 514 826
	Units lost during distribution (Kwh)	704 558	650 558
	Percentage lost during distribution	9.65%	9.99%
	Distribution loss (Rand Value)	1 430 562	1 261 182
	<p>paid meters. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.</p>		
	<b>Water distribution losses</b>		
	Units purchased (kl)	485 769	466 220
	Balance previously reported		442 590
	Plus: Corrections of error prior year (COMAF 93 of 2024 Matjiesfontein omitted)		23 630
	Units lost during distribution (kl)	196 484	183 549
	Units previously reported		169 651
	Plus: Corrections of error prior year		13 898
	Percentage lost during distribution	40.45%	39.40%
	Distribution loss (Rand Value)	1 072 376	856 148
	Balance previously reported		2 200 009
	Less: Corrections of error prior year (COMAF 93 of 2024)		(1 343 861)
	<p>Normal pipe bursts and field leaks are responsible for water losses.</p>		

50.9	<b>Non-compliance with the Municipal Finance Management Act and other Legislation [MFMA 125 (2)(e)]</b>	<b>2025 R</b>	<b>2024 R</b>
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**Non-compliance with MFMA Section 65 (2) (e)**

Money owing by the municipality was not paid within 30 days of receiving the relevant invoice or statement from the supplier, due to cashflow challenges caused by low revenue collection rates.

**Non-compliance with MFMA Section 75 (2)**

The municipality did not update their website with all relevant documentation as required by Section 75(2) of the MFMA.

**Non-compliance with MFMA Section 165(2)(b)**

The municipality did not adhere to the provisions of section 165(2)(b) of the MFMA that requires an adequately resourced internal audit unit that executes its plan in an effective and timely manner.

**Non-compliance with the Municipal systems Act, Section 96 (b)**

A credit control and debt collection policy was not fully implemented, as required by section 96(b) of the MSA.

		2025 R	2024 R
51.	<b>FINANCIAL RISK MANAGEMENT</b>		
	The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.		
	<b>(a) Foreign Exchange Currency Risk</b>		
	The municipality does not engage in foreign currency transactions.		
	<b>(b) Price Risk</b>		
	The municipality is not exposed to price risk.		
	<b>(c) Interest Rate Risk</b>		
	As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.		
	The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.		
	The municipality did not hedge against any interest rate risks		
	The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
	0.25% (2024: 0.25%) Increase in interest rates	60 721	16 774
	1% (2024: 0.25%) Decrease in interest rates	(242 883)	(16 774)



(d) **Credit Risk**

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit risk of receivables is tested per individual debtor by calculating the payment percentage for the year under review to the levies made. A percentage for non-payment is calculated per individual debtor. this percentage is used for the impairment calculated per individual debtor.

All services are payable within 30 days from invoice date. Refer to note 10 and 11 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 6 for balances included in receivables that were re-negotiated for the period under review.

	2025 %	2025 R
<u>Non-Current Receivables</u>		
Repay Arrangements	100.00%	459 344
<u>Non-exchange receivables</u>		
Other Receivables	31.06%	808 838
Availability fees	68.94%	1 794 922
	100.00%	2 603 760
<u>Exchange Receivables</u>		
Electricity	23.88%	2 690 425
Water	25.90%	2 918 597
Property Rentals	10.42%	1 173 631
Waste Management	19.04%	2 145 387
Waste Water Management	17.78%	2 002 973
Housing Selling Scheme	0.86%	96 766
Other	2.12%	239 369
	100.00%	11 267 149

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 10 and 11 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 2% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2025 %	2025 R
<u>Non-Current Receivables</u>		
Repay Arrangements	0.00%	-
<u>Non-exchange receivables</u>		
Availability fees	18.53%	1 733 884
<u>Exchange Receivables</u>		
Services	81.47%	7 621 382
	100.00%	9 355 266

The provision for bad debts could be allocated between the different categories of receivables as follow:

	2025 %	2025 R
Government	0.00%	-
Industrial	6.12%	572 814
Residential	93.07%	8 707 328
Other	0.80%	75 124
	100.00%	9 355 266

**Ageing of amounts past due but not impaired are as follow:**

	Exchange Receivables	Non-exchange Receivables
<b>2025</b>		
1 month past due	155 293	12 640
2+ months past due	1 008 025	513 080
	1 163 318	525 720
<b>2024</b>		
1 month past due	162 371	18 733
2+ months past due	708 324	170 497
	870 695	189 231

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (Standard Bank, ABSA). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2025 R	2024 R
Financial assets exposed to credit risk at year end are as follows:		
Non-Current Receivables from Exchange Transactions	459 344	666 643
Non-Current Receivables from Non-Exchange Transactions	2 977	28 117
Receivables from exchange transactions	14 099 885	11 367 259
Receivables from non-exchange transactions	129 952 196	107 359 629
Cash and Cash Equivalents	24 737 310	6 709 574
	<u>169 251 713</u>	<u>126 131 221</u>

**(e) Liquidity Risk**

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

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

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
<b>2025</b>				
Long-term Liabilities	218 950	230 101	-	-
Trade and Other Payables from Exchange Transactions	34 085 724		-	-
	<u>34 304 674</u>	<u>230 101</u>	<u>-</u>	<u>-</u>
			<b>Between 5 and 10 years</b>	<b>More than 10 years</b>
<b>2024</b>				
Trade and Other Payables from Exchange Transactions	20 885 761		-	-
	<u>20 885 761</u>	<u>-</u>	<u>-</u>	<u>-</u>

		2025 R	2024 R
<b>52. FINANCIAL INSTRUMENTS</b>			
In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:			
<b>52.1</b>	<b><u>Financial Assets</u></b>	<b><u>Classification</u></b>	
	<b>Non-Current Receivables</b>		
	Receivables with repay arrangements: exchange	Financial Instruments at amortised cost	
		459 344	666 643
	Receivables with repay arrangements: non-exchange	Financial Instruments at amortised cost	
		1 357	3 968
		<b>2025 R</b>	<b>2024 R</b>
	<b>Receivables from Exchange Transactions</b>		
	Electricity	Financial Instruments at amortised cost	
		2 690 425	2 591 982
	Water	Financial Instruments at amortised cost	
		2 918 597	2 156 559
	Property Rentals	Financial Instruments at amortised cost	
		1 173 631	925 289
	Waste Management	Financial Instruments at amortised cost	
		2 145 387	1 509 496
	Waste Water Management	Financial Instruments at amortised cost	
		2 002 973	1 391 553
	Housing Selling Scheme	Financial Instruments at amortised cost	
		96 766	83 072
	Other Arrears	Financial Instruments at amortised cost	
		239 369	169 339
		<b>2025 R</b>	<b>2024 R</b>
	<b>Cash and Cash Equivalents</b>		
	Bank Balances	Financial Instruments at amortised cost	
		24 191 896	6 198 935
	Call Deposits	Financial Instruments at amortised cost	
		545 414	510 639
	Cash-on-hand	Financial Instruments at fair value	
		3 801	3 801
	<b>Total Financial Assets</b>	<b>36 468 961</b>	<b>16 211 276</b>
		<b>2025 R</b>	<b>2024 R</b>
	<b>Financial Instruments at amortised cost:</b>		
	Non-Current Receivables from Exchange Transactions	Receivables with repay arrangements: exchange	
		459 344	666 643
	Non-Current Receivables from Non-Exchange Transactions	Receivables with repay arrangements: non-exchange	
		1 357	3 968
	Receivables from Exchange Transactions	Electricity	
		2 690 425	2 591 982
	Receivables from Exchange Transactions	Water	
		2 918 597	2 156 559
	Receivables from Exchange Transactions	Property Rentals	
		1 173 631	925 289
	Receivables from Exchange Transactions	Waste Management	
		2 145 387	1 509 496
	Receivables from Exchange Transactions	Waste Water Management	
		2 002 973	1 391 553
	Receivables from Exchange Transactions	Housing Selling Scheme	
		96 766	83 072
	Receivables from Exchange Transactions	Other Arrears	
		239 369	169 339
	Cash and Cash Equivalents	Bank Balances	
		24 191 896	6 198 935
	Cash and Cash Equivalents	Call Deposits	
		545 414	510 639
	Cash and Cash Equivalents	Cash-on-hand	
		3 801	3 801
	<b>Total Financial Assets</b>	<b>36 468 961</b>	<b>16 211 276</b>

52.2	<b>Financial Liabilities</b>	<b>Classification</b>	<b>2025 R</b>	<b>2024 R</b>
	<b>Long-term Liabilities</b>			
	The municipality has no long-term liabilities			
			<b>2025 R</b>	<b>2024 R</b>
	<b>Trade and Other Payables from Exchange Transactions</b>			
	Trade Payables	Financial Instruments at amortised cost	4 933 687	1 601 058
	Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	(113 553)	(183 353)
	Retentions	Financial Instruments at amortised cost	384 539	2 119 465
	Electricity bulk purchases	Financial Instruments at amortised cost	1 434 138	1 295 693
	Auditor General	Financial Instruments at amortised cost	19 564 835	9 034 643
	<b>Other liabilities</b>			
	Consumer deposits	Financial instruments at amortised cost	1 121 057	1 045 670
	Unspent Transfers and Subsidies	Financial instruments at amortised cost	4 922 484	1 995 140
			<b>32 247 187</b>	<b>16 908 316</b>
			<b>2025 R</b>	<b>2024 R</b>
	<b>SUMMARY OF FINANCIAL LIABILITIES</b>			
	<b>Financial instruments at amortised cost:</b>			
	Trade and Other Payables	Trade Payables	4 933 687	1 601 058
	Trade and Other Payables	Control, Clearing and Interface Accou	(113 553)	(183 353)
	Trade and Other Payables	Retentions	384 539	2 119 465
	Trade and Other Payables	Electricity bulk purchases	1 434 138	1 295 693
	Trade and Other Payables	Auditor General	19 564 835	9 034 643
	Other liabilities	Consumer deposits	1 121 057	1 045 670
	Other liabilities	Unspent Transfers and Subsidies	4 922 484	1 995 140
			<b>32 247 187</b>	<b>16 908 316</b>
			<b>2025 R</b>	<b>2024 R</b>
53.	<b>STATUTORY RECEIVABLES</b>			
	In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:			
	<b>Taxes</b>			
	VAT Receivable		711 310	3 503 354
	<b>Receivables from Non-Exchange Transactions</b>		129 082 321	107 164 478
	Rates		4 853 223	4 016 106
	Fines		122 495 214	101 676 938
	Availability Charges		1 733 884	1 471 434
	<b>Total Statutory Receivables (before provision)</b>		<b>129 793 631</b>	<b>110 667 832</b>
	<b>Less:</b> Provision for Debt Impairment		(123 840 182)	(104 359 766)
	<b>Total Statutory Receivables (after provision)</b>		<b>5 953 449</b>	<b>6 308 066</b>

Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)
Fines	- Criminal Procedures Act
Availability charges	- <i>insert Municipal by-law reference</i>

Statutory receivables are initially measured at transaction value, and subsequently at cost.

	2025 R	2024 R
<b><u>(Rates): Ageing</u></b>		
Current (0 - 30 days)	39 519	33 938
31 - 60 Days	25 318	64 024
61 - 90 Days	20 037	52 515
+ 90 Days	4 769 705	3 869 597
<b>Total</b>	<b>4 854 580</b>	<b>4 020 074</b>

	2025 R	2024 R
<b><u>(Availability charges): Ageing</u></b>		
Current (0 - 30 days)	16 747	13 569
31 - 60 Days	6 509	9 653
61 - 90 Days	6 164	9 110
+ 90 Days	752 019	626 613
<b>Total</b>	<b>781 440</b>	<b>658 944</b>

	2025 R	2024 R
<b><u>Reconciliation of Provision for Debt Impairment</u></b>		
Balance at beginning of year	104 359 766	72 842 013
Contribution to provision	19 502 157	31 685 912
Reversal of provision	(21 741)	(168 160)
Balance at end of year	<b>123 840 182</b>	<b>104 359 766</b>

	2025 R	2024 R
<b><u>Ageing of amounts past due and impaired:</u></b>		
1 month past due		
2+ months past due	123 840 182	104 359 766
	<b>123 840 182</b>	<b>104 359 766</b>

	2025 R	2024 R
<b><u>Ageing of amounts past due but not impaired:</u></b>		
1 month past due	4 821 131	5 146 433
2+ months past due	1 132 318	1 161 633
	<b>5 953 449</b>	<b>6 308 066</b>

	2025 R	2024 R
<b><u>Interest Received from Statutory Receivables</u></b>		
Receivables from Non-Exchange Transactions	466 349	423 163
	<u>466 349</u>	<u>423 163</u>

Exemptions taken for Statutory Receivables according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.

Council has not entered into any private public partnerships during the financial year.

### 55.1 Principal in Principal-Agent Arrangement (Material)

Prepaid

All payments are received directly by the municipality and the service provider invoices the municipality for commission payable.

There are no resources under the custodianship of the agent, nor have they been recognised as such.

As no resources of the municipality is held by the service provider, no significant risks has been transferred.

Principal arrangement: Provincial Department of Transport and Public Works  
Issuing of Traffic fines for various traffic violations

The municipality has an arrangement with the Provincial Department of Transport and Public Works who acts as an agent for the municipality with regards to the issuing of fines for various traffic violations within the Laingsburg Municipality area. There is no charge for the services and all fines issued to third parties are on behalf of the municipality.

Principal arrangement: Traffic services

Issuing of traffic fines

The municipality has a service provider Central Karoo Traffic Systems (Pty) Ltd who acts as an agent for the municipality with the issuing and recovery of camera fines within the Laingsburg Municipality area

All payments are received directly by the municipality and the service provider issue invoices to the municipality for commission payable

The municipality determines the significant terms and conditions and receives the benefit from traffic fines issues.

There are no resources under the custodianship of the agent, nor have they been recognised as such.

As no resources of the municipality is held by the service provider, no significant risks has been transferred.

27 400

26 940

**2025  
R**

**2024  
R**

**Compensation paid for agency activities**

Commission

103 583

145 534

**Total Compensation paid**

**103 583**

**145 534**

Laingsburg Municipality was paid 12% commission by the Provincial Department of Transport for acting as an agent on its behalf during the financial year.

**2025  
R**

**2024  
R**

**55.2 Agent in arrangement**

Laingsburg Municipality is the Agent in the Principle/Agent arrangement with the Provincial Department of Transport, and collects licencing fees on behalf of the Provincial Department of Transport. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end is included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The municipality does not incur any expenses on behalf of the Provincial Department. No significant risks are noted to arise from the arrangement as the municipality merely collects monies on behalf of the department as part of its existing service offering at the traffic department and the municipal cashier collection points. No resources are held on behalf of the Provincial Department, other than the receipts.

**2025  
R**

**2024  
R**

**Compensation received for agency activities**

Commission

214 784

196 641

**Total Compensation received**

**214 784**

**196 641**



<b><u>Reconciliation of payable</u></b>	<b>2025 R</b>	<b>2024 R</b>
Opening balance	(51 732)	(39 889)
Amount of expenses incurred behalf of principle	1 506 285	1 373 272
Amount of cash paid on behalf of principle	(1 511 320)	(1 385 115)
<b>Closing balance</b>	<b>(56 766)</b>	<b>(51 732)</b>

## 56. CONTINGENT LIABILITY AND CONTINGENT ASSET

### CONTINGENT LIABILITIES

#### Claims against Council

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

#### Laingsburg Municipality / Active Phambile Civils

The Applicant brought a High Court application for Condonation in terms of Uniform Rule 27. In this application, the applicant seeks an order in the following terms:

- Condoning its failure to serve and file its third party notice and annexure thereto with the dies induciae prescribed by uniform rule 13
- In the event of any respondent opposing this condonation application, such respondent is to pay the costs of this condonation application

That the only matter in dispute is the amount of R298 240.84 is payable by the defendant by virtue of what is either a payment of Certificate 13 or credit note 13 issued by the Third party

100 000

80 000

The above amount was paid over to the Respondent to the Applicant's attorney to be kept in their trust account in terms of S86 until the matter is resolved

Pleading still need to be filed by the parties in this matter and it is not yet trial-ready. Parties attempted numerous settlement negotiations, but to no avail

#### Laingsburg Municipality / PJ & QD Lukas

During 2019 the Municipality and the Respondent entered into a written sale agreement for the Respondent to purchase Erf2041 Laingsburg. The written sale agreement did not correctly include all the terms of the sale agreement, in that it fails to include the Suspensive Condition that the Purchasers as the registered owners in all material aspects must cause and effectively transfer their immovable property described as Erf1291 Laingsburg, most commonly known as 47 10Th Avenue Goldnerville Laingsburg.

-

100 000

The Plaintiff has demanded the rectification of the written sale agreement to confirm the common intention of the plaintiff and the purchasers

Parties are in the midst of settlement negotiations and we foresee that this matter will be amicably settled between the parties

	2025 R	2024 R
<u>Cancom Camfleet (Pty) Ltd</u> The Municipality (4th respondent) is cited together with various other local municipalities within the Western Cape Province by the applicants.  The local municipalities are joined in this applicant, because they are the responsible entities tasked to enforce the national legislation, ie The National Road Traffic Act 93 of 199, of which the Applicants seek to challenge in this applicant.	80 000	80 000
The applicants selectively only joined some of the municipalities in the Western Cape excluding 14 others.  Hearing took place August 2023 in Cape Town High Court and the municipality still await judgment		
<u>Laingsburg Ratepayer's Association</u> The Ratepayer's Association submitted a High Court application for the relief of the following: (i) - A Declaration order for property rates levied by the Municipality for the financial year 2009/2010 to 2022/23 that were unlawfully levied due to non-compliance with the provisions of the Local Government: Municipal Property Rates Act (Act 6 of 2024) in that for the year 2009/2010 to 2014/2015 the Municipality failed to promulgate resolutions levying rates in terms of S14(2).  - From 2015/2026 to 2022/2023 the Municipality failed to adopt a rates policy in compliance with S3 and S4 of the act	250 000	250 000
(ii) The costs of the application for leave to appeal will be costs in the appeal  The Municipality filed an application for leave to appeal which was granted against the whole of the judgment that was handed down on 08/08/2024		
<u>Laingsburg Landfill site</u> The landfill site license expired due to the maximum height exceeding the permit conditions. Thus, the site is currently operated illegally. A new application is yet to be submitted to the Department of Environmental Affairs.  The municipality is exposed to a possible fine, imprisonment or both. This will only be determined once a communication is issued by the Department.	-	-
	<b>430 000</b>	<b>510 000</b>

		2025 R	2024 R
<b>57. RELATED PARTIES</b>			
Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.			
<u>Related party relationship</u>			
Councillors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality. Related parties include:			
-	<b>Members of key management</b>	592	-
	Hendrikse N A & C J C	592	-
-	<b>Councillors</b>	7 792	7 204
	Gouws M & Pf	631	585
	Laban Samuel & Catherine	626	574
	Potgieter L	3 265	4 134
	Theron Aletta	3 284	1 330
	Kleinbooi Ag & At	(15)	
	Botha Johanna	-	580

#### 57.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date.

#### 57.2 Compensation of related parties

The compensation of key management personnel and councillors is set out in note 34 & 35 to the Annual Financial Statements.

### 58. FINANCIAL SUSTAINABILITY

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the high cost of fuel and other essentials coupled with the social-economic profile (high unemployment rate) of Laingsburg communities resulted in a serious risk for Laingsburg Municipality's going concern.

Furthermore the municipality's revenue base is limited and the current situation in the municipal area is not favourable to increase the revenue.

Unless sustainable job creation is achieved, Laingsburg Municipality will not be able to function as a going concern without Government Grants and Subsidies.

### 59. EVENTS AFTER REPORTING PERIOD

Subsequent to the reporting period, a significant change in the council's leadership occurred with the replacement of the Executive Mayor. This development, while occurring after the financial year-end is noted for its potential impact on future operational and strategic direction. The new leadership is expected to continue upholding sound financial governance and accountability principles. This change will be fully reflected in the governance disclosures of the subsequent financial statements.

**APPENDIX A  
LAINGSBURG MUNICIPALITY  
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2025**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2024	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2025		Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
<b>CAPITALISED LEASE LIABILITY</b>											
Office Equipment				-	-	657 391	(208 340)	449 051		467 617	-
<b>Total capitalised lease Liabilities</b>				-	-	657 391	(208 340)	449 051		467 617	-
<b>TOTAL EXTERNAL LOANS</b>				-	-	657 391	(208 340)	449 051		467 617	-

**APPENDIX B**  
**LAINGSBURG MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025**  
**GENERAL FINANCE STATISTIC CLASSIFICATIONS**

2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R		2025 Actual Income R	2025 Actual Expenditure R	2025 Surplus/ (Deficit) R
			<b>Governance and Administration</b>			
-	9 007 163	(9 007 163)	Executive and council	-	9 817 219	(9 817 219)
75 744 324	28 355 697	47 388 627	Finance and administration	62 324 342	36 194 286	26 130 057
-	-	-	Internal audit	-	-	-
			<b>Community and Public Safety</b>			
1 637 627	1 898 035	(260 409)	Community and social services	1 489 755	1 547 422	(57 667)
3 604	1 226 220	(1 222 617)	Sport and recreation	403	1 129 481	(1 129 078)
34 012 381	35 621 428	(1 609 047)	Public safety	28 992 866	22 829 337	6 163 529
10 825	6 490	4 335	Housing	10 763	-	10 763
1 514	4 664	(3 150)	Health	727	24 202	(23 474)
			<b>Economic and Environmental Services</b>			
-	860 029	(860 029)	Planning and development	-	903 456	(903 456)
1 260 296	14 726 054	(13 465 759)	Road transport	1 554 132	15 786 637	(14 232 505)
-	-	-	Environmental protection	-	-	-
			<b>Trading Services</b>			
20 193 187	13 559 083	6 634 104	Energy sources	21 983 622	16 835 612	5 148 010
5 393 648	6 103 477	(709 829)	Water management	5 850 459	7 104 828	(1 254 369)
3 999 627	4 021 631	(22 004)	Waste water management	3 703 715	5 054 037	(1 350 322)
3 864 480	6 212 258	(2 347 778)	Waste management	3 805 794	6 176 761	(2 370 967)
-	417 256	(417 256)	<b>Other</b>	-	428 522	(428 522)
146 121 513	122 019 486	24 102 027	Sub Total	129 716 578	123 831 800	5 884 778
-	-	-	Less Inter-Departmental Charges	-	-	-
146 121 513	122 019 486	24 102 027	<b>Total</b>	129 716 578	123 831 800	5 884 778

**APPENDIX C**  
**LAINGSBURG MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025**  
**MUNICIPAL VOTES CLASSIFICATIONS**

2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R		2025 Actual Income R	2025 Actual Expenditure R	2025 Surplus/ (Deficit) R
-	3 859 923	(3 859 923)	<b>Municipal Manager</b>	-	3 792 429	(3 792 429)
-	5 147 240	(5 147 240)	Municipal Manager Mayor and Council	-	6 024 790	(6 024 790)
			<b>Chief Financial Officer</b>			
71 832 040	21 660 084	50 171 956	Budget and Treasury Office	53 989 047	26 148 160	27 840 886
			<b>Director: Administration</b>			
4 039 853	7 097 808	(3 057 955)	Corporate Services	8 603 847	10 474 648	(1 870 801)
-	860 029	(860 029)	Planning and Development	-	903 456	(903 456)
			<b>Director: Community Services</b>			
1 639 141	1 902 700	(263 559)	Community and Social Services	1 490 482	1 571 624	(81 142)
-	-	-	Environmental Protection	-	-	-
3 604	1 241 281	(1 237 678)	Sport and Recreation	403	1 129 481	(1 129 078)
34 012 381	35 621 428	(1 609 047)	Public Safety	28 992 866	22 829 337	6 163 529
10 825	6 490	4 335	Housing	10 763	-	10 763
-	-	-	Health	-	-	-
			<b>Director: Technical Services</b>			
1 260 296	14 726 054	(13 465 759)	Road Transport	1 554 132	15 786 637	(14 232 505)
20 193 187	13 559 083	6 634 104	Electricity	21 983 622	16 835 612	5 148 010
5 393 648	6 103 477	(709 829)	Water	5 850 459	7 104 828	(1 254 369)
3 999 627	4 021 631	(22 004)	Waste Water Management	3 703 715	5 054 037	(1 350 322)
3 736 911	6 212 258	(2 475 347)	Waste Management	3 537 243	6 176 761	(2 639 518)
146 121 513	122 019 486	24 102 027	Sub Total	129 716 578	123 831 800	5 884 778
-	-	-	Less Inter-Departmental Charges	-	-	-
146 121 513	122 019 486	24 102 027	<b>Total</b>	129 716 578	123 831 800	5 884 778

**APPENDIX D**  
**LAINGSBURG MUNICIPALITY**  
**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, INTANGIBLE ASSETS, BIOLOGICAL ASSETS AND HERITAGE ASSETS AS AT 30**  
**JUNE 2025**  
**GENERAL FINANCE STATISTICS CLASSIFICATION**

	Cost/Revaluation					Accumulated Depreciation/Impairment				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals/ Impairment	Closing Balance	Opening Balance	Depreciation	Disposals/ Impairment	Closing Balance	
Executive and council	2 580 270	1 670	-	(2 338)	2 579 603	1 175 464	74 858	(2 164)	1 248 158	1 331 444
Finance and administration	59 914 706	609 578	-	(4 155 730)	56 368 554	16 335 633	1 498 466	(1 649 769)	16 184 330	40 184 224
Community and social services	25 109 234	250 373	-	(1 001 781)	24 357 826	8 995 409	737 649	(934 736)	8 798 322	15 559 504
Sport and recreation	10 939 978	5 191 758	12 097 930	(100 161)	28 129 504	5 138 422	288 883	(91 721)	5 335 585	22 793 920
Public safety	1 592 549	154 783	-	(122 098)	1 625 234	851 858	124 592	(109 609)	866 840	758 394
Road transport	162 396 652	880 235	917 737	(9 180)	164 185 444	90 879 821	3 528 381	(926)	94 407 277	69 778 167
Energy sources	32 016 555	74 630	5 218 686	-	37 309 870	16 156 228	669 793	-	16 826 021	20 483 849
Water management	108 755 344	1 179 079	1 345 416	-	111 279 839	40 377 722	2 559 759	-	42 937 480	68 342 358
Waste water management	85 044 598	12 521 701	28 302 785	(15)	125 869 068	41 320 683	2 416 559	(15)	43 737 227	82 131 841
Waste management	23 594 407	1 030 257	-	-	24 624 663	12 829 636	1 085 676	-	13 915 312	10 709 352
	511 944 293	21 894 062	47 882 553	(5 391 303)	576 329 605	234 060 876	12 984 617	(2 788 940)	244 256 552	332 073 052

**APPENDIX E**  
**LAINGSBURG MUNICIPALITY**  
**DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant Description	Balance 30 June 2024	Correction of Error	Restated Balance 30 June 2024	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Vat transferred to revenue	Retention	Balance 30 June 2025	Unspent 30 June 2025 (Creditor)	Unpaid 30 June 2025 (Debtor)
<b><u>National Government Grants</u></b>													
Equitable Share	-	-	-	22 685 000	-	-	(22 685 000)	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant (EPWP)	-	-	-	1 209 000	-	-	(1 209 000)	-	-	-	-	-	-
Finance Management Grant (FMG)	-	-	-	1 800 000	-	-	(1 800 000)	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG) - PMU	-	-	-	345 948	-	-	(345 948)	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)	-	-	-	6 570 052	-	-	-	(6 570 052)	-	-	-	-	-
Water Services Infrastructure Grant (WSIG)	-	-	-	16 044 000	-	-	-	(16 044 000)	-	-	-	-	-
<b>Total National Government Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48 654 000</b>	<b>-</b>	<b>-</b>	<b>(26 039 948)</b>	<b>(22 614 052)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Provincial Government Grants</u></b>													
Community Development Workers (CDW)	-	-	-	76 000	-	-	(76 000)	-	-	-	-	-	-
Human Settlements Acceleration Grant	142 158	-	142 158	-	-	-	(142 158)	-	-	-	-	-	-
Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	-	-	-	197 583	-	-	(197 583)	-	-	-	-	-	-
Western Cape Municipal Interventions Grant	-	-	-	560 000	-	-	-	-	-	-	560 000	560 000	-
WC - Financial Management Support Grant	852 982	-	852 982	-	-	-	-	-	-	-	852 982	852 982	-
WC - Water Resilience Grant (WCWRG)	-	-	-	2 000 000	-	-	-	(1 347 512)	-	-	652 488	652 488	-
Western Cape Municipal Financial Recovery Services Grant	1 000 000	-	1 000 000	-	-	-	-	-	-	-	1 000 000	1 000 000	-
WC - FIRE SERV CAP BUILD	-	-	-	557 000	-	-	-	(224 929)	-	-	332 072	332 072	-
Human Settlements Development Grant (Beneficiaries)	-	-	-	4 323 798	-	-	(3 918 855)	-	-	-	404 943	404 943	-
Community Library Services Grant	-	-	-	1 000 000	-	-	-	-	-	-	1 000 000	1 000 000	-
<b>Total Provincial Government Grants</b>	<b>1 995 140</b>	<b>-</b>	<b>1 995 140</b>	<b>8 714 381</b>	<b>-</b>	<b>-</b>	<b>(4 334 596)</b>	<b>(1 572 441)</b>	<b>-</b>	<b>-</b>	<b>4 802 484</b>	<b>4 802 484</b>	<b>-</b>
<b><u>District Municipality</u></b>													
CKDM DLG Funding for HR Internship	-	-	-	100 000	-	-	-	-	-	-	100 000	100 000	-
CKDM WOSA Safety Funding	-	-	-	20 000	-	-	-	-	-	-	20 000	20 000	-
<b>Total District Municipality Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120 000</b>	<b>120 000</b>	<b>-</b>
<b><u>Other Grant Providers</u></b>													
SETA	-	-	-	46 174	-	-	(46 174)	-	-	-	-	-	-
<b>Total Other Grant Providers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46 174</b>	<b>-</b>	<b>-</b>	<b>(46 174)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Grants</b>	<b>1 995 140</b>	<b>-</b>	<b>1 995 140</b>	<b>57 534 555</b>	<b>-</b>	<b>-</b>	<b>(30 420 718)</b>	<b>(24 186 493)</b>	<b>-</b>	<b>-</b>	<b>4 922 484</b>	<b>4 922 484</b>	<b>-</b>

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.



**LAINGSBURG MUNICIPALITY**  
**APPROPRIATION STATEMENT FOR THE YEAR ENDED 30 JUNE 2025**

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Unauthorised expenditure	Variance	Variance (Actual Outcome as % of Original Budget)	Variance (Actual Outcome as % of Final Budget)
		R		R	R	R	R	R	R	R		%
<b>REVENUE</b>												
<b>Exchange</b>		30 965 307	3 990 703	34 956 010	-	-	34 956 010	33 537 232		(1 418 778)	108.31%	95.94%
Service Charges - Electricity	Service Charges	19 977 109	2 965 601	22 942 710			22 942 710					
Service Charges - Water	Availability charges	5 566 368	(1 032 268)	4 534 100			4 534 100					
Service Charges - Waste water management		2 431 732	1 210 168	3 641 900			3 641 900					
Service Charges - Waste management		2 990 098	847 202	3 837 300			3 837 300					
Sales of Goods and Rendering of Services	Sales of Goods and Rendering of Services	365 021	3 426	368 447			368 447	341 288		(27 159)	93.50%	92.63%
Agency Services	Agency Services	234 449	(34 449)	200 000			200 000	214 784		14 784	91.61%	107.39%
Interest earned from receivables	Interest Earned - Exchange Transactions	620 568	279 582	900 150			900 150	1 188 705		288 555	191.55%	132.06%
Interest Earned from current and non-current assets	Interest Earned - External Investments	937 740	452 260	1 390 000			1 390 000	1 617 323		227 323	172.47%	116.35%
Rent on land	Rent on Land	89 092	(62 892)	26 200			26 200	26 650		450	29.91%	101.72%
Rental from Fixed Assets	Rental from Fixed Assets	1 709 864	204 317	1 914 181			1 914 181	1 639 656		(274 525)	95.89%	85.66%
Licences and Permits	Licences and Permits	301 440	(69 590)	231 850			231 850	226 882		(4 968)	75.27%	97.86%
Operational revenue	Operational revenue	44 023	33 847	77 870			77 870	1 536 424		1 458 554	3490.05%	1973.06%
<b>Non-exchange</b>										-		
Property Rates	Property Rates	5 946 888	(299 278)	5 647 610			5 647 610	5 657 213		9 603	95.13%	100.17%
Surcharges and Taxes	Surcharges and Taxes	3 500 724	(3 500 724)	-			-			-	0.00%	
Fines, penalties and forfeits	Fines, Penalties and Forfeits	31 318 236	1 103 764	32 422 000			32 422 000	28 860 283		(3 561 717)	92.15%	89.01%
Transfers and subsidies - operational	Government Grants and Subsidies (Operational only)	29 737 416	719 534	30 456 950			30 456 950	30 420 718		(36 232)	102.30%	99.88%
Interest	Interest Earned - Non-exchange Transactions	294 792	195 208	490 000			490 000	466 349		(23 651)	158.20%	95.17%
Operational revenue	Operational Revenue	326 160	(6 160)	320 000			320 000	318 218		(1 782)	97.56%	99.44%
Gains on disposal of assets	Gains on Sale of Fixed Assets	255 996	1 734 004	1 990 000			1 990 000				0.00%	0.00%
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>106 647 716</b>	<b>4 743 552</b>	<b>111 391 268</b>	<b>-</b>	<b>-</b>	<b>111 391 268</b>	<b>106 051 725</b>	<b>-</b>	<b>(3 349 543)</b>	<b>99.44%</b>	<b>95.21%</b>
<b>EXPENDITURE</b>												
Employee Related Costs		35 893 860	237 270	36 131 130			36 131 130	35 455 753	-	(675 377)	98.78%	98.13%
Remuneration of Councillors		3 605 064	411 270	4 016 334			4 016 334	3 676 673	-	(339 661)	101.99%	91.54%
Debt Impairment	Reversal of Impairment Loss/(Impairment Loss) on Receivables	25 513 199	2 852 974	28 366 173			28 366 173	21 326 220	-	(7 039 953)	83.59%	75.18%
Irrecoverable debt written off	Bad Debts Written Off	3 631 911	(2 728 150)	903 761			903 761	1 115 945	212 184	212 184	30.73%	123.48%
Depreciation and Amortisation	Depreciation and Amortisation	5 993 544	7 478 992	13 472 536			13 472 536	12 678 621	-	(793 915)	211.54%	94.11%
Interest	Finance Costs	1 003 824	1 713 476	2 717 300			2 717 300	4 530 439	1 813 139	1 813 139	451.32%	166.73%
Bulk Purchases - electricity	Bulk Purchases	14 328 021	571 979	14 900 000			14 900 000	14 818 560	-	(81 440)	103.42%	99.45%
Inventory consumed	Inventory consumed	830 526	766 198	1 596 724			1 596 724	775 203	-	(821 521)	93.34%	48.55%
Contracted Services	Contracted Services	6 649 477	3 260 973	9 910 450			9 910 450	10 020 964	110 514	110 514	150.70%	101.12%
Transfers and Subsidies	Transfers and Subsidies	1 092	(1 092)	-			-	97 621	97 621	97 621	8939.61%	100.00%
Operational costs	Operational Costs	12 296 759	2 548 672	14 845 431			14 845 431	19 218 082	4 372 651	4 372 651	156.29%	129.45%
	Operational Costs									18 754 727		
	Operating leases									463 355		
Losses on disposal of assets	Loss on Sale of Fixed Assets	-	-	-			-	422 363	422 363	422 363	100.00%	100.00%
Other losses	Actuarial loss	-	-	-			-	216 995	216 995	216 995	100.00%	100.00%
<b>Total Expenditure</b>		<b>109 747 277</b>	<b>17 112 562</b>	<b>126 859 839</b>	<b>-</b>	<b>-</b>	<b>126 859 839</b>	<b>124 353 439</b>	<b>7 245 467</b>	<b>(2 506 400)</b>	<b>113.31%</b>	<b>-94.17%</b>
<b>Surplus/(Deficit)</b>		<b>(3 099 561)</b>	<b>(12 369 010)</b>	<b>(15 468 571)</b>	<b>-</b>	<b>-</b>	<b>(15 468 571)</b>	<b>(18 301 714)</b>		<b>(2 833 143)</b>	<b>590.46%</b>	<b>118.32%</b>
Transfers and subsidies - capital (monetary allocations)	Government Grants and Subsidies (Capital only)	23 670 048	4 749 002	28 419 050			28 419 050	24 186 493		(4 232 557)	102.18%	85.11%
<b>Surplus/(Deficit) for the year</b>		<b>20 570 487</b>	<b>12 950 479</b>		<b>-</b>	<b>-</b>	<b>12 950 479</b>	<b>5 884 778</b>		<b>(7 065 701)</b>	<b>28.61%</b>	<b>45.44%</b>
<b>CAPITAL EXPENDITURE AND FUND SOURCES</b>												
<b>Total Capital expenditure</b>		<b>22 782 041</b>	<b>5 476 574</b>	<b>28 258 615</b>			<b>28 258 615</b>	<b>20 863 806</b>	<b>-</b>	<b>(7 394 809)</b>	<b>91.58%</b>	<b>73.83%</b>
<b>Sources of capital funds</b>												
Transfers recognised - capital		22 782 041	5 476 574	28 258 615			28 258 615	20 863 806		(7 394 809)	91.58%	73.83%
<b>Total sources of capital funds</b>		<b>22 782 041</b>	<b>5 476 574</b>	<b>28 258 615</b>	<b>-</b>	<b>-</b>	<b>28 258 615</b>	<b>20 863 806</b>	<b>-</b>	<b>(7 394 809)</b>		
<b>CASHFLOWS</b>												
Net cash from / (used) in operating activities		44 976 230	(12 643 255)	32 332 975			32 332 975	36 141 166		3 808 191	80.36%	111.78%
Net cash from / (used) in investing activities		(29 086 920)	(1 420 488)	(30 507 408)			(30 507 408)	(18 026 414)		12 480 994	61.97%	59.09%
Net cash from / (used) in financing activities		-	-	-			-	(87 015)		(87 015)	0.00%	0.00%
<b>Net increase/(decrease) in cash and cash equivalents at year end</b>		<b>15 889 310</b>	<b>(14 063 743)</b>	<b>1 825 567</b>	<b>-</b>	<b>-</b>	<b>1 825 567</b>	<b>18 027 736</b>	<b>-</b>	<b>16 202 169</b>	<b>113.46%</b>	<b>987.51%</b>
Cash and cash equivalents at the beginning of the year		6 710 474	-	6 710 474			6 710 474	6 713 375		2 901	100.04%	100.04%
<b>Cash and cash equivalents at the end of the year</b>		<b>22 599 784</b>	<b>(14 063 743)</b>	<b>8 536 041</b>	<b>-</b>	<b>-</b>	<b>8 536 041</b>	<b>24 741 111</b>	<b>-</b>	<b>16 205 070</b>	<b>109.47%</b>	<b>289.84%</b>

# Report of the auditor-general to Western Cape Provincial Parliament and council on the Laingsburg Municipality

## Report on the audit of the financial statements

### Adverse opinion

1. I have audited the financial statements of the Laingsburg Municipality set out on pages 4 to 117, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, because of the significance of the matters described in the basis for adverse opinion section of this auditor's report, the financial statements do not present fairly, in all material respects, the financial position of Laingsburg Municipality as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practise (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2004 (DORA).

### Basis for adverse opinion

#### Property, plant and equipment

3. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for Infrastructure Assets in accordance with GRAP 17, Property, plant and equipment, due to inadequate information presented in the fixed asset register, poor status of accounting records and lack of evidence that conditional assessment was performed in accordance with GRAP 21, impairment of non-cash generating assets. Consequently, I was unable to determine whether any adjustments were necessary to Property, Plant and Equipment: Infrastructure Assets stated at R246 118 821 (2024: R250 831 720) in note 2, and whether any further adjustments were necessary to accumulated depreciation and impairment loss stated at R213 190 217 (2024: R203 277 666) in note 2, to the financial statements. Additionally, there was a resultant impact on the surplus for the period and the accumulated surplus.
4. The municipality did not record all Community assets in contravention with GRAP 17, *Property, plant and equipment*, due to the status of records and lack of reconciliations. Consequently, this had an effect on the completeness of community assets as disclosed in the note 2 to the financial statements.

## Vat receivable

5. I was unable to obtain sufficient and appropriate audit evidence for the VAT receivable due to the status of accounting records. I was unable to confirm the VAT receivable by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the VAT receivable of R8 887 747 (2024: R9 182 600) as disclosed in note 20 of the financial statements were necessary.

## Receivables from non-exchange transactions

6. I was unable to obtain sufficient and appropriate audit evidence for the fines receivables from non-exchange transactions disclosed in note 11 to the financial statements. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the fines receivables stated at R122 495 214 (2024: R101 676 938) in note 11 to the financial statements.

## Trade and Other Payables from Exchange Transactions

7. The municipality did not recognise fines receivables for rights to cash flows which had been settled, as required by GRAP 108, *Statutory receivables* due to the status of accounting records and lack of evidence to allocate settlement receipts against associated receivables. Consequently, unallocated deposits as disclosed in note 18 are overstated by R6 642 342 (2024: R6 558 212) and receivables from non-exchange transactions are overstated by R6 642 342 (2024: R6 558 212).
8. I was unable to obtain sufficient appropriate audit evidence for trade payables included in trade and other payables from exchange transactions due to a lack of proper record keeping and reconciliation of control accounts. I was unable to confirm these trade payables by alternative means. Consequently, I was unable to determine whether any further adjustments to trade payables stated at R4 933 687 in note 18 to the financial statements were necessary.

## Revenue from non-exchange transactions

### Fines, Penalties and Forfeits

9. I was unable to obtain sufficient and appropriate audit evidence for fines, as it was not recognised in accordance with IGRAP 1- *Applying the probability test on initial recognition of revenue*. I was unable to confirm the revenue from fines by alternative means. Consequently, I was unable to determine whether any adjustments to revenue from fines stated at R28 860 283 (2024: R33 765 412) in note 33 to the financial statements, were necessary.

## Government Grants and Subsidies

10. I was unable to obtain sufficient and appropriate audit evidence for revenue from non-exchange transactions relating to the water services infrastructure grant as disclosed in note 22 to the financial statements due to the status of accounting records and lack of adequate evidence in support of revenue from non-exchange transactions. I was unable to confirm a water services infrastructure grant stated at R16 044 000 by alternative means. Consequently, I was unable to determine whether any adjustments were necessary. Additionally, there was a resultant impact on the surplus for the period.



### Inventory consumed

11. The municipality did not correctly recognise inventory consumed in accordance with GRAP 12, *Inventories*. The inventory consumed recognised inappropriately excluded abstracted water from Buffelsriver and the associated costs. Consequently, inventory consumed was understated by R2 651 250 (2024: R2 240 071) in note 9 to the financial statements and operational costs are overstated by R2 651 250 (2024: R2 240 071). This also has an impact on the material water losses disclosed in note 50.8 to the financial statements.

### Correction of errors

12. The municipality did not disclose all prior period errors in note 45 to the financial statements, as required by GRAP 3, *Accounting policies, estimates and errors*. The nature and the amount of the correction for some financial statement items affected, and the amount of the correction at the beginning of the earliest previous period were not disclosed.
13. In addition, I was unable to obtain sufficient appropriate audit evidence for those prior period errors disclosed in note 45 to the financial statements, as the supporting information was not provided. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the prior period errors disclosed in the financial statements.

### Unauthorised expenditure

14. I was unable to obtain sufficient appropriate audit evidence that unauthorised expenditure disclosed in note 49.1 to the financial statements was complete, as the municipality did not have adequate systems to maintain records. I was unable to confirm the unauthorised expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the unauthorised expenditure stated at R101 800 500 (2024: R94 882 019) in note 49.1 to the financial statements.

### Irregular expenditure

15. I was unable to obtain sufficient appropriate audit evidence to confirm the irregular expenditure disclosed in note 49.3 to the financial statements as sufficient appropriate audit evidence was not provided. I was unable to confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the irregular expenditure stated at R135 572 039 (2024: R118 382 588) in the financial statements.

### Change in accounting estimates

16. The municipality did not disclose the material effects of the changes in accounting estimates of accumulated depreciation and carrying values of property, plant and equipment, in accordance with GRAP 3, *Accounting policies, changes in accounting estimates and errors*. Consequently, effects of changes in accounting estimates amounting to R10 253 263 was not disclosed in the notes to the financial statements.

## Financial instruments

17. The municipality did not disclose financial instruments in accordance with GRAP 104, *Financial instruments*. The amounts disclosed in capital risk, credit risk and liquidity risk management did not agree to other information in the financial statements and the underlying supporting schedules. Consequently, various misstatements were identified in financial instruments disclosed in note 51 to the financial statements, the misstatement also occurred in the prior year.

## Cash flow statement

18. During 2024 the municipality did not prepare the cash flow statement and associated disclosure notes in note 46 to the financial statements in accordance with GRAP 2, *Cash flow statements*. This was due to multiple errors made in determining cash flows from operating activities, cash flows from investment activities, and cash flows from financing activities. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the cash flow statements for the current period.

## Segment reporting

19. Segment information was not disclosed in accordance with GRAP 18, *Segment reporting*. The amounts disclosed did not agree to other information in the financial statements and the underlying supporting schedules. Consequently, segment information was misstated by various amounts in the schedule of segment reporting, the misstatement also occurred in the prior year and remain unresolved.

## Revenue exchange from exchange transactions

### Aggregated Revenue misstatements

20. During 2024, total revenue was materially misstated by R1 613 406 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Interest Earned - Non-exchange transactions for which reliable balances could not be obtained as stated at R423 163;
- Rental from Fixed assets for which contracts could not be obtained of R87 213 as stated at R1 643 719;
- Interest Earned - Exchange transactions for which reliable balances could not be obtained as stated at R777 982; and
- Licences and Permits (Exchange transactions) for which application forms could not be obtained as stated at R256 397.

21. My opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. I was unable to confirm total revenue by alternative means. Consequently, my opinion on the current period's financial statements is also modified because of the possible effects of this matter on the comparability of the current period's figures.



## Material losses - Electricity distribution losses

22. During 2024, I was unable to obtain sufficient appropriate audit evidence for material losses relating to electricity distribution losses due to the status of accounting records. I was unable to confirm the electricity distribution losses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of electricity distribution losses, stated at R1 261 182. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the electricity distribution losses for the current period.

## Unspent transfers and subsidies

23. During 2024, I was unable to obtain sufficient appropriate audit evidence for unspent transfers and subsidies due to the status of accounting records. I was unable to confirm the unspent transfers and subsidies by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of unspent transfers and subsidies, stated at R1 995 140. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the of unspent transfers and subsidies for the current period.

## Contractual commitments for acquisition of property, plant and equipment

24. During 2024, the municipality did not recognise all contractual capital commitments as required by GRAP 17, Property, plant and equipment in the prior year. Consequently, the corresponding figure of contractual capital commitments disclosed in note 2.7 to the financial statements was overstated by R9 342 103. My opinion on the current year financial statements is modified because of the effect of this matter on the comparability of the contractual commitments for the current year.

## Context for opinion

25. 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.
26. 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.
27. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

## **Other matters**

28. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Unaudited supplementary schedules**

29. The supplementary information set out on pages 119 to 123 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on it.

### **Unaudited disclosure notes**

30. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose the particulars of non-compliance with the MFMA 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**

31. 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 DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
32. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## **Responsibilities of the auditor-general for the audit of the financial statements**

33. 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.
34. 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 17 to 18 of the annexure to the auditor's report, forms part of my auditor's report.



## Report on the annual performance report

35. 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 information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

36. I selected the following material performance indicators related to Strategic objective 3: Improve the living environment of all people in Laingsburg and Strategic objective 4: Provision of infrastructure to deliver improved services to all residents and businesses presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- TL4: Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (Excluding Eskom areas) and billed for the service as at 30 June 2025.
- TL5: Number of formal residential properties that receive piped water (credit and prepaid water metering) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2025.
- TL6: Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2025.
- TL7: Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2025.
- TL8: Provide free 50kWh electricity to indigent households as at 30 June 2025.
- TL9: Provide free 6kl water to indigent households as at 30 June 2025.
- TL10: Provide free basic sanitation to indigent households as at 30 June 2025.
- TL11: Provide free basic refuse removal to indigent households as at 30 June 2025.
- TL23: 95% of the approved project budget spent on the new main pump station in Laingsburg by 30 June 2025. [(Actual expenditure divided by the total approved project budget) x 100].
- TL25: 95% of the approved project budget spent on the new stormwater infrastructure in Matjiesfontein by 30 June 2025. [(Actual expenditure divided by the total approved project budget) x 100].
- TL28: 95% of the approved project budget spent on Drilling and equipping of boreholes in Soutkloof by 30 June 2025. [(Actual expenditure divided by the total approved project budget) x 100].



- TL29: 95% of the approved project budget spent on Water Supply Infrastructure (Bulk Mains) within the Municipal area by 30 June 2025. [(Actual expenditure divided by the total approved project budget) x 100].

37. I evaluated the reported performance information for the selected material performance indicators 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.

38. 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
- there is adequate supporting evidence for the achievements reported measures taken to improve performance.

39. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

40. The material findings on the reported performance information for the selected material indicators are as follows:

#### Various indicators

41. Measures taken to improve performance against under achieved targets were not adequately reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and for assessing the effectiveness of strategies to improve future performance against targets.

Indicator	Target
TL8: Provide free 50kWh electricity to indigent households as at 30 June 2025	391
TL9: Provide free 6kl water to indigent households as at 30 June 2025	527
TL10: Provide free basic sanitation to indigent households as at 30 June 2025	520
TL11: Provide free basic refuse removal to indigent households as at 30 June 2025	536
TL28: 95% of the approved project budget spent on Drilling and equipping of boreholes in Soutkloof by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	95%
TL29: 95% of the approved project budget spent on Water Supply Infrastructure (Bulk Mains) within the Municipal area by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	95%

**TL23 – 95% of the approved project budget spent on the new main pump station in Laingsburg by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]**

42. An achievement of 100% was reported against a target of 95%. However, the audit evidence showed the actual achievement to be only 90%. Consequently, the target was not achieved.

**Other matter**

43. I draw attention to the matter below.

**Achievement of planned targets**

44. 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.

45. The tables that follow provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages XX to XX.

### Strategic objective 3: Improve the living environment of all people in Laingsburg

<i>Targets achieved: 0% (0/4)</i> <i>Budget spent: Undeterminable per objective</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
TL8: Provide free 50kWh electricity to indigent households as at 30 June 2025	391	355
TL9: Provide free 6kl water to indigent households as at 30 June 2025	527	465
TL10: Provide free basic sanitation to indigent households as at 30 June 2025	520	461
TL11: Provide free basic refuse removal to indigent households as at 30 June 2024	536	474

### Strategic objective 4: Provision of infrastructure to deliver improved services to all residents and businesses

<i>Targets achieved: 67% (4/6)</i> <i>Budget spent: Undeterminable per objective</i>		
Key [service delivery] indicator not achieved	Planned target	Reported achievement
TL23: 95% of the approved project budget spent on the new main pump station in Laingsburg by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	95%	90%
TL28: 95% of the approved project budget spent on Drilling and equipping of boreholes in Soutkloof by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	95%	75%
TL29: 95% of the approved project budget spent on Water Supply Infrastructure (Bulk Mains) within the Municipal area by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	95%	10%

### Material misstatements

46. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Strategic objective 3: Improve the living environment of all people in Laingsburg and Strategic objective 4: Provision of infrastructure to deliver improved services to all residents and businesses. Management did not correct all of the misstatements, and I reported material findings in this regard.



## Report on compliance with legislation

47. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
48. 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.
49. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
50. 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

51. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.
52. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/or supporting records that could not be provided resulted in the financial statements receiving an adverse audit opinion.

### Asset management

53. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.
54. 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.

### Conditional grants management

55. I was unable to obtain sufficient appropriate audit evidence that the Water Services Infrastructure Grant was spent for its intended purposes in accordance with the grant Schedule concerned and the applicable grant framework, as required by section 16(1) of the Division of Revenue Act (Act 5 of 2023).
56. Performance in respect of programmes funded by the schedule 5 grants was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 5 of 2023).

## Consequence management

- 57. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
- 58. Irregular and Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

## Expenditure management

- 59. Reasonable steps were taken to ensure that money owed by the municipality not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
- 60. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The value of R135 572 039, as disclosed in note 49.3, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure.
- 61. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R5 108 904, as disclosed in note 49.2 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest on overdue accounts.
- 62. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed unauthorised expenditure was caused by overspending on some votes.

## Procurement and Contract management

- 63. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of SCM Regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.

## Governance and Oversight management

- 64. The internal audit unit did not advise the accounting officer and/or did not report to the audit committee on the implementation of the internal audit plan on matters relating to internal controls, as required by section 165(2)(b)(ii) of the MFMA.
- 65. The internal audit unit did not prepare a risk-based audit plan and the internal audit program for the financial year, as required by section 165(2) of the MFMA.
- 66. The internal audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to risk management, as required by section 165(2)(b)(iv) of the MFMA.



67. The internal audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to performance management, as required by section 165(2)(b)(v) of the MFMA.
68. The internal audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to compliance with the MFMA, DoRA, and any other applicable legislation, as required by section 165(2)(b)(vii) of the MFMA.
69. The internal audit unit did not submit quarterly reports on the audits of performance measurements of the auditee to the municipal manager and the performance audit committee, as required by regulation 14(1)(c)(ii) on Municipal Planning and Performance Management.
70. The internal audit unit did not audit the results of performance measures, as required by MSA 45(a).
71. The audit committee did not review the annual financial statements to provide the council with an authoritative and credible view of the financial position of the auditee, its efficiency and effectiveness and its overall level of compliance with the relevant applicable legislation, as required by section 166(2)(b) of the MFMA.
72. The audit committee did not advise the council, mayor and, accounting officer on matters relating to the adequacy, reliability and accuracy of financial reporting and information, as required by section 166(2)(a)(iv) of the MFMA.
73. The audit committee did not review the quarterly reports submitted by the internal auditors on the audits of performance measurement as required by regulation 14(4)(a)(i) on Municipal Planning and Performance Management.
74. The audit committee did not submit an audit report on the review of the performance management system to the council, at least twice during a financial year, as required by regulation 14(4)(a)(iii) on Municipal Planning and Performance Management.

#### **Other information in the annual report**

75. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in objectives presented in the annual performance report that have been specifically reported on in this auditor's report.
76. 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.
77. 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 material indicators in the scoped-in objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

78. 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

79. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

80. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the adverse opinion, the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report:

- The Council did not exercise effective oversight over the administration to ensure compliance with MFMA requirements and address issues raised by the Auditor-General. There was no organized monitoring approach for corrective measures, inadequate scrutiny of in-year financial and performance reports, and inadequate enforcement of accountability on unauthorised, irregular, fruitless, and wasteful expenditure. This ineffective oversight resulted in persistent governance failures, inaccurate financial and performance reporting, and systemic non-compliance with legislation, contributing to repeat audit findings.
- Due to instability, the internal oversight structures such as audit committee did not exercise oversight to ensure the committee is provided with credible and timely information to enable independent monitoring of audit action plans and financial controls. The audit committee has not fulfilled its responsibilities resulting to continued lack of monitoring of corrective actions and progress against the audit action plans. Monitoring of audit action plans by internal audit was also ineffective, and internal audit resources were insufficient to identify and address control deficiencies. The absence of effective oversight and structured reporting mechanisms led to repeat findings and failure to address underlying root causes, undermining the municipality's ability to improve audit outcomes.
- Leadership did not implement adequate internal controls to ensure record-keeping and reconciliations for financial and performance reporting. These weaknesses contributed to numerous material misstatements, modified audit opinions, and increased risk of mismanagement and non-compliance with MFMA requirements.
- The vacancy on the role of chief financial officer resulted in lack of disciplined daily controls, reconciling of transactions and establishment of preventative controls to avoid repeat audit findings. Monthly and mid-year financial and performance reports were not always supported by credible documentation and resulted to compromised quality of the financial statements and performance reports.



- Senior managers did not set the tone at the top regarding compliance and awareness of policies and procedures. There was no cascading of compliance culture to all staff, and consequence management for contraventions was not enforced. This created an environment of recurring non-compliance, ineffective implementation of policies, and further contributing to repeat audit findings and governance failures.

## **Material irregularities**

81. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

### **Material irregularities identified during the audit**

#### **Proper records not kept**

82. The material irregularities identified are as follows:

83. The accounting officer did not take reasonable steps to maintain full and proper records as required by section 62(1)(b) and 122(1)(a) of the MFMA. The lack of full and proper records has caused several material uncorrected misstatements in the annual financial statements.

84. This non-compliance has resulted to an adverse audit opinion for the past three (3) consecutive financial, as the accounting officer could not submit financial statements that fairly present the municipality's state of financial affairs.

85. This is likely to result in substantial harm to the municipality as the financial statements may not be considered credible and the municipality may also not be considered transparent and/ or accountable. The municipal council, its committees, other organs of state such as provincial/ national treasury and the general public cannot rely thereon or exercise necessary oversight had the financial statements been consistently accurate and reliable.

86. I notified the accounting officer of the material irregularity on 31 March 2025 and invited the accounting officer to make a written submission on the actions that will be taken to address the matter. In his response, the accounting officer will:



- Institute the necessary recruitment processes to address internal capacity constraints, including the appointment of chief financial officer, and filling of critical position to improve capacity within the municipality and to improve control environment in financial reporting.
- Implement planned actions to address several uncorrected misstatements, strengthen daily/ monthly recording and reconciling of transactions, and archiving of supporting documents.
- Planned to obtain support from coordinating institutions. Local Government and Provincial treasury to capacitate the municipality further.

87. As at the date of this report, the position of chief financial officer had already been filled.

88. I will follow-up on the implementation of the planned actions during my next audit.

*Auditor General*

Cape Town

30 November 2025



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure to the auditor's report**

1. 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**

2. 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 material performance indicators and on the municipality's compliance with selected requirements in key legislation.

#### **Financial statements**

3. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

4. 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.
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



## Compliance with legislation – selected legislative requirements

1. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43

Legislation	Sections or regulations
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)