



Dr. Beyers Naudé
MUNICIPALITY | MUNISIPALITEIT | UMASIPALA
rising together for development



ANNUAL REPORT 2024/2025



NB : Distances between Main Places and Sub-places have been rounded off (up or down) to the nearest 5 or 10 km. The Municipal area is $\pm 28,690\text{km}^2$ in extent.

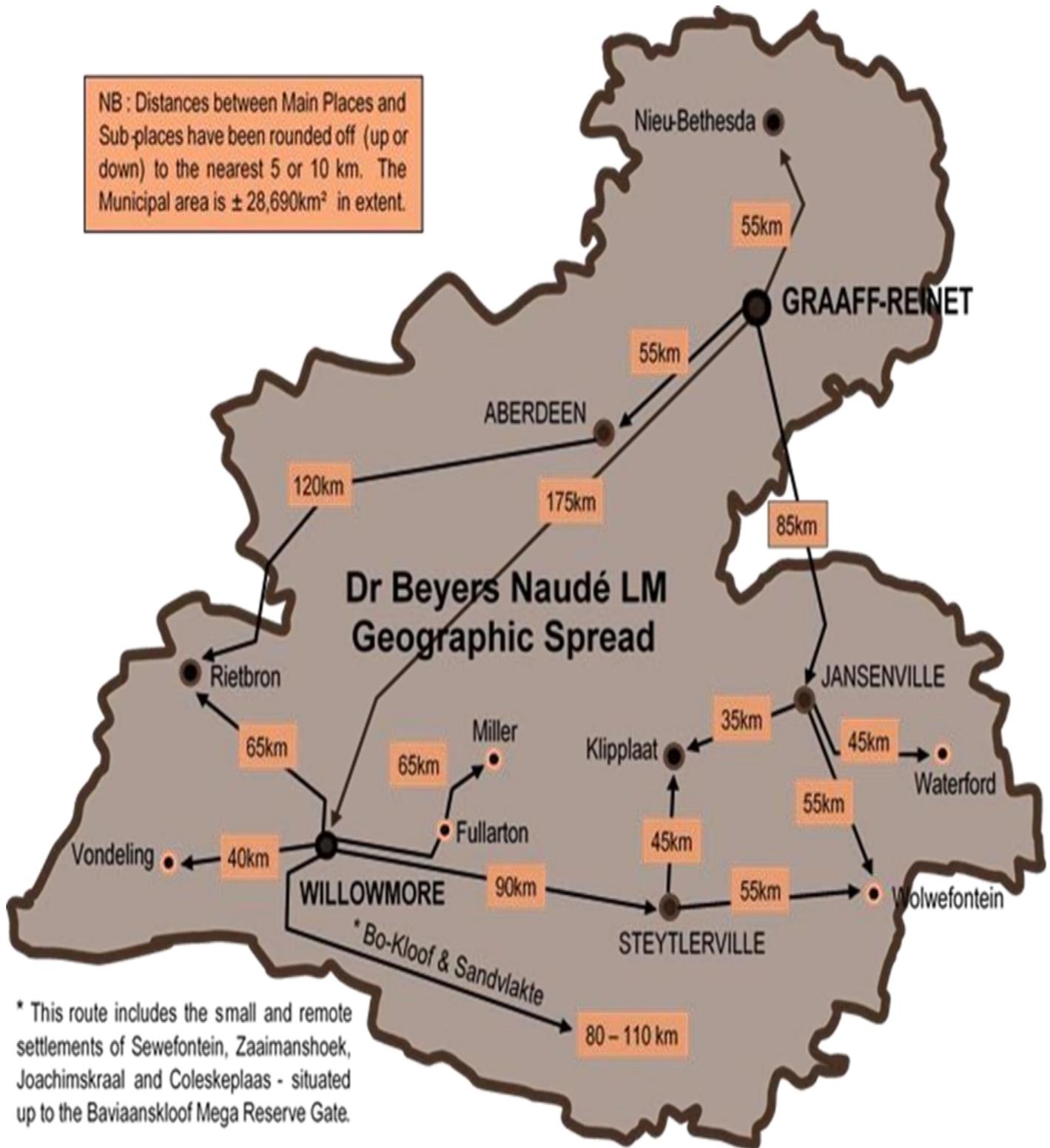


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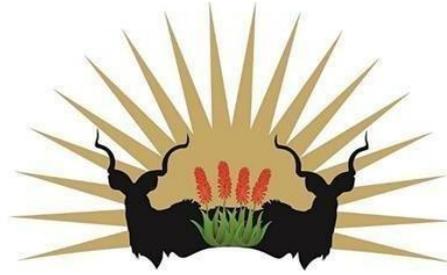
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ABBREVIATIONS & ACRONYMS

ADMD	-	After Diversity Maximum Demand
AFS	-	Annual Financial Statements
AG	-	Auditor-General
AGSA	-	Auditor-General South Africa
ANC	-	African National Congress
B&T	-	Budget and Treasury
CDW	-	Community Development Worker
CFO	-	Chief Financial Officer
COGTA	-	Cooperative Governance and Traditional Affairs
CPF	-	Community Police Forum
CPMD	-	Consolidated Program for Management Development
CSA	-	Compatriots of South Africa
DA	-	Democratic Alliance
DBNLM	-	Dr Beyers Naudé Local Municipality (or BNLM also used)
DCOMS	-	Directorate Community Services
DCS	-	Directorate Corporate Services
DINFRA	-	Directorate Infrastructure Services
EAP	-	Employee Assistance Program
EEP	-	Employment Equity Plan
EFF	-	Economic Freedom Fighters
ERM	-	Enterprise Risk Management
EXCO	-	Executive Committee
FBE	-	Free Basic Electricity
FBS	-	Free Basic Services
FBW	-	Free Basic Water
FF+	-	Freedom Front Plus
GRAP	-	General Recognized Accounting Practice
GRT	-	Graaff-Reinet
HH	-	Households
ICT	-	Information and Communication Technology
IDP	-	Integrated Development Plan
IGG	-	Intergovernmental Grant
IIA (SA)	-	Institute of Internal Auditors (SA)
INEP	-	Integrated National Electrification Program
IT	-	Information Technology
KPA	-	Key Performance Area
KPI	-	Key Performance Indicator
LED	-	Local Economic Development

LGSETA	-	Local Government Sector Education & Training Agency
LLF	-	Local Labour Forum
MFMA	-	Municipal Finance Management Act
MIG	-	Municipal Infrastructure Grant
MM	-	Municipal Manager
MPAC	-	Municipal Public Accounts Committee
MSA	-	Municipal Structures Act No.17 of 1998
MSA	-	Municipal Systems Act No.32 of 2000
MSCOA	-	Municipal Standard Chart of Accounts
NERSA	-	National Electricity Regulator South Africa
OHS	-	Occupational Health and Safety
ORA	-	Organizational Rights Agreement
OTP	-	Office of the Premier
PMS	-	Performance Management System
RDP	-	Reconstruction and Development Program
RRAMS	-	Rural Roads Asset Management System
SANS	-	South African National Standard
SAPS	-	South African Police Services
SCM	-	Supply Chain Management
SDBIP	-	Service Delivery and Budget Implementation Plan
SDP	-	Skills Development Plan
SITA	-	State Information Technology Agency
SLA	-	Service Level Agreement
SMME	-	Small, Medium and Micro Enterprise
SPU	-	Special Programmes Unit
WSA	-	Water Services Authority
WSP	-	Water Services Provider
WPSP	-	Work Place Skills Plan



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CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY





I have great pleasure in presenting the 2024/25 Annual Report of Dr Beyers Naudé Local Municipality, which is both a legislative and an accountability requirement.

The Annual Report offers the Municipality and stakeholders the opportunity to assess the effectiveness and impact made in changing the lives of its community/residents. It also gives them an opportunity to diagnose the state of financial affairs and administrative and governance maturity levels of the institution.

This annual report is a culmination of the implementation of the Council's Integrated Development Plan, Budget and its Service Delivery and Budget Implementation Plan for the 2024/2025 financial year. The report is an account of the achievements of Dr Beyers Naudé Local Municipality in the year under review and assists in identifying our successes and failures. The report is therefore intended to attest to the collective efforts of the administrative and political arms of the Municipality to progressively address the expectations of our people.

The Municipality has made great strides in addressing the key priorities as documented in the Integrated Development Plan. Notwithstanding the many challenges still faced, such as limited financial resources, uninterrupted water provision and vandalism of municipal water and electricity infrastructure. The latter is becoming a growing concern, as the theft and vandalism of municipal assets places tremendous strain on an already restricted municipal budget, and an inconvenience to communities who are left without services during repairs and replacements.

A qualified audit was achieved during the financial year, which is a regression from the previous years audit outcome. The municipality remains committed to addressing findings and have developed an audit action plan for monitoring and implementation during the 2025/2026 financial year.

The achievements reflected in this annual report are a direct result of the combined efforts of the political leadership, administrative management and all municipal officials who work tirelessly to ensure that the service delivery needs of residents are met.

HONOURABLE MAYOR, CLLR WILLEM SÄFERS

1.1 MUNICIPAL MANAGER'S OVERVIEW

As the Municipal Manager of Dr Beyers Naude Local Municipality, I am pleased to present the annual report for the year 2024/2025. This document displays the Municipality's Performance of the past financial year in attaining the strategic objectives as embodied in our Integrated Development Plan (IDP).

The annual report is a culmination of the implementation of 2024/2025 Integrated Development Plan (IDP) and the 2024/2025 Service Delivery and Budget Implementation Plan (SDBIP).

It reflects a record of the municipalities service delivery achievements and challenges in line with the commitments of the financial year under review.

In terms of the Annual Performance Report 2024/2025, the institution has achieved 74% of planned targets, with 100% to be addressed by mid-year 2025/2026.

The Municipality has regressed in terms of the audit outcome, with one material finding impacting on the retainment of an unqualified opinion. We remain committed to improving the outcome throughout the term and beyond.

I wish to express my gratitude to the political leadership and administrative staff who have contributed towards the achievement of milestones for 2024/2025 financial year.

MUNICIPAL MANAGER, Dr. EM RANKWANA

A handwritten signature in black ink, appearing to read 'Rankwana', written over a horizontal line.

1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

The introductory information given below was sourced from the Municipality's 2023 – 2027 Integrated Development Plan.

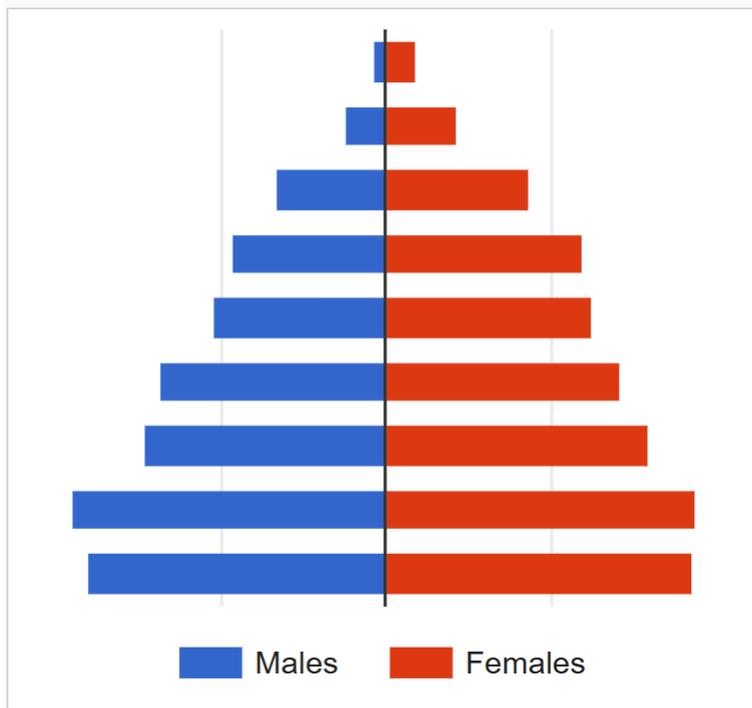
POPULATION PROFILE AND ACCESS TO BASIC SERVICES

The introductory information given below was sourced from the Municipality's 2023 – 2027 Integrated Development Plan.

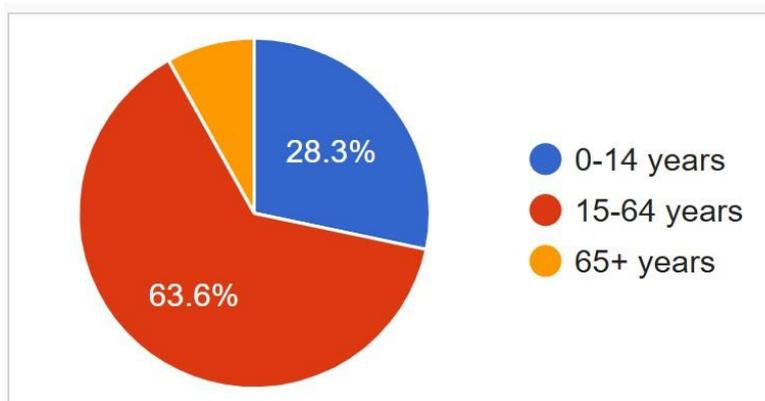
Dr Beyers Naudé key stats:

NAME	2022	2016
Total population	101 001	79 292
Young children (0-14 years)	28,3%	30,2%
Working age population (15-64 years)	63,6%	62,9%
Elderly (65+ years)	8,1%	6,8%
Dependency ratio	57,3	58,9
Sex ratio	89,6	94,9
No schooling (20+ years)	4,2%	9,3%
Higher education (20+ years)	8,0%	7,6%
Number of households	23 318	19 922
Average household size	4,3	4,0
Formal dwellings	97,2%	95,3%
Flush toilets connected to sewerage	96,1%	87,1%
Weekly refuse disposal service	88,7%	80,9%
Access to piped water in the dwelling	66,9%	56,7%
Electricity for lighting	97,3%	92,1%

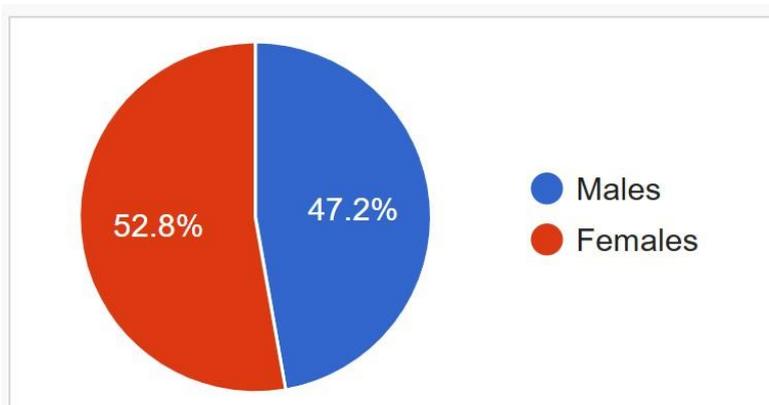
POPULATION BY POPULATION GROUP, GENDER AND AGE



Age Distribution (C 2022)	
80+ years	1,402
70-79 years	3,484
60-69 years	7,690
50-59 years	10,551
40-49 years	11,501
30-39 years	13,910
20-29 years	15,241
10-19 years	18,886
0-9 years	18,306



Age Groups (C 2022)	
0-14 years	28,604
15-64 years	64,197
65+ years	8,170



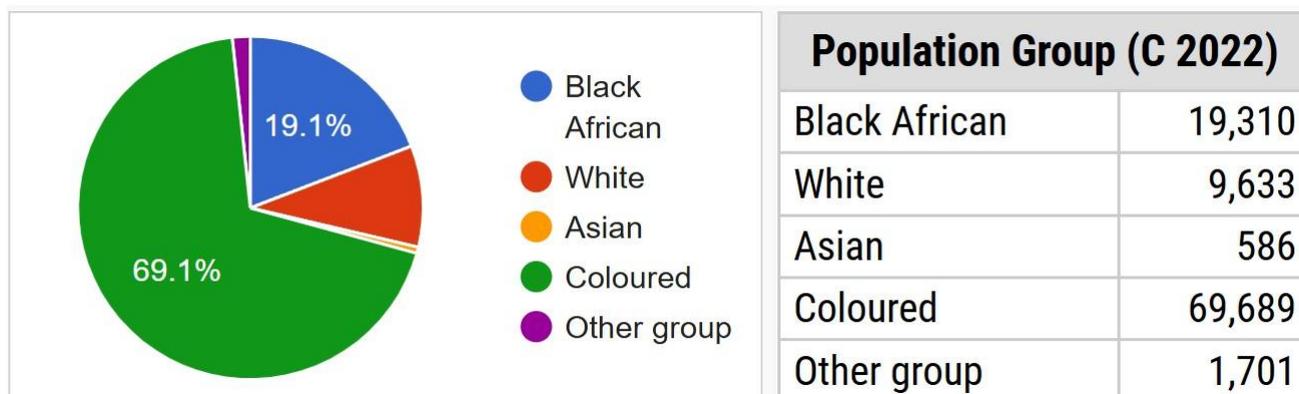
Gender (C 2022)	
Males	47,720
Females	53,281

Dr Beyers Naude Local Municipality's male/female split in population was 96.7 males per 100 females in 2022. The Dr Beyers Naude Local Municipality appears to be a fairly stable population with the share of female population (52.80%) being very similar to the national average of (51.07%). In total there were 53 281 (52.8%) females and 47 720 (47.2%) males. This is different from the Sarah Baartman District Municipality as a whole where the female population counted 271 000 which constitutes 50.82% of the total population of 533 253.

NUMBER OF HOUSEHOLDS BY POPULATION GROUP

The composition of the households by population group consists of 69.1% which is ascribed to the Coloured population group with the largest amount of households by population group. The African population group had

a total composition of 19.1% (ranking second). The White population group had a total composition of 9.5% of the total households. The smallest population group by households is the Asian population group with only 0.6% in 2022, other groups 1,7%.



The Asian population group is not the biggest in size, it was however the fastest growing population group between 2012 and 2022 at 5.20%. The average annual growth rate in the number of households for all the other population groups has increased with 1.23%.

POPULATION DENSITY

In 2022, with an average of 3.525 people per square kilometre, Dr Beyers Naude Local Municipality had a lower population density than Sarah Baartman (9.32 people per square kilometre). Compared to Eastern Cape Province (44.2 per square kilometre) it can be seen that there are less people living per square kilometre in Dr Beyers Naude Local Municipality than in Eastern Cape Province.

ACCESS TO BASIC SERVICES

The number of formal dwellings increased from 95.3% in 2011 to 97.2% in 2022. Access increased for all the following: flush toilets (87.1% 2011 to 96.1% in 2022); weekly refuse (80.9% in 2011 to 88.7% in 2022); access to piped water (56.7% in 2011 to 66.9% in 2022) and electricity for lighting (92.1% in 2011 to 97.3% in 2022).

Housing and Infrastructure

Dr Beyers Naude Local Municipality had a total number of 11 100 (45.85% of total households) very formal dwelling units, a total of 12 500 (51.57% of total households) formal dwelling units and a total number of 130 (0.54% of total households) informal dwelling units.

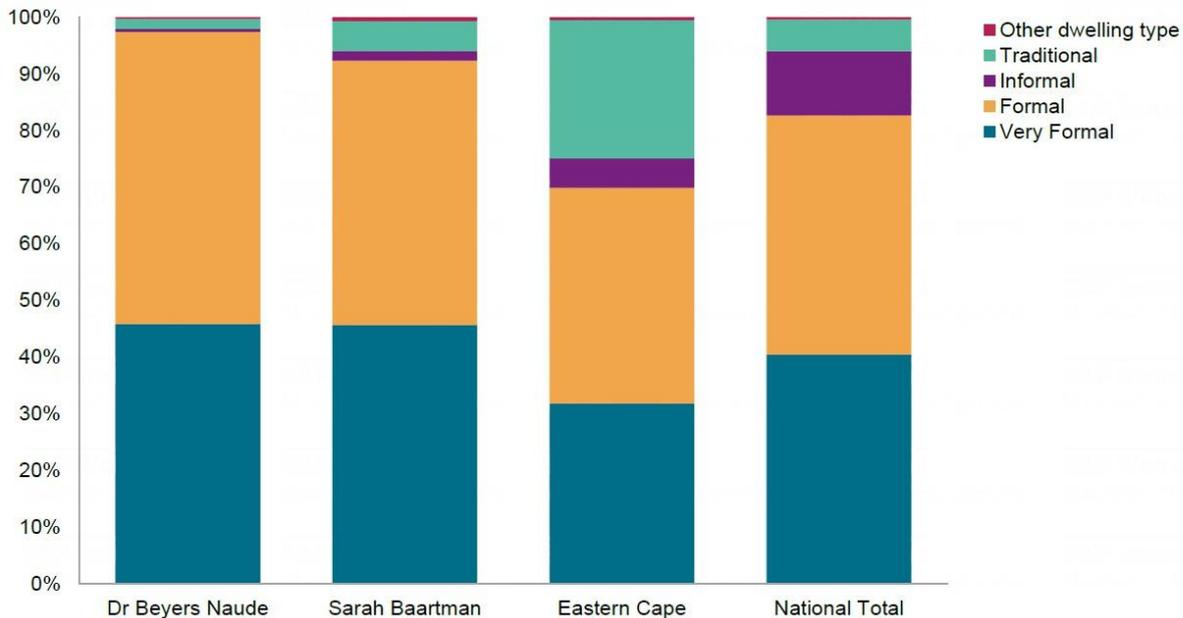


CHART 47. Households by dwelling unit type - Dr Beyers Naude, Sarah Baartman, Eastern Cape and National Total, 2022 [Percentage]

Source: South Africa Regional eXplorer v2443.
Data compiled on 15 Jan 2024.
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TABLE 33. Households by dwelling unit type - Dr Beyers Naude and the rest of Sarah Baartman, 2022 [Number]

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Dr Beyers Naude	11,076	12,460	130	424	70	24,160
Blue Crane Route	5,009	6,088	42	165	22	11,326
Makana	10,627	12,309	457	1,114	110	24,617
Ndlambe	6,197	15,345	440	1,189	116	23,287
Sundays River Valley	5,318	13,682	259	1,436	83	20,778
Kouga	24,956	9,967	1,227	3,811	586	40,548
Kou-Kamma	9,557	4,462	187	236	94	14,536
Total Sarah Baartman	72,740	74,313	2,742	8,374	1,083	159,252

Source: South Africa Regional eXplorer v2443.
Data compiled on 15 Jan 2024.
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CHALLENGES IN POPULATION AND BASIC NEEDS

Some of the main challenges in terms of Dr Beyers Naudé Municipality's growing population and increasing demand for basic services are:

- Consumers are not adhering to the water restrictions and as a result water usage is very high.
- Top 20 water users in all towns were identified for reduction in supply and the Mayor in the weekly notice of the "Mayor's Desk" requested the community to use water sparingly.
- High welfare dependency and serious social problems (e.g. unemployment and substance abuse);
- The provision of suitable skills development and training, as well as the creation of sufficient and sustainable employment opportunities, especially amongst the unemployed Youth; Plumbers were trained by DWS to assist with water leaks in the Municipal area
- Addressing the current housing backlog adequately to reduce and eventually eradicate the number of un-serviced informal households; Additional water and sanitation services were provided to informal settlements in Graaff-Reinet.
- Towns experienced water supply challenges which are being addressed through grant-funded capital infrastructure projects and operation and maintenance. The Municipality has been exploring ways and means of finding solutions for managing its scarce water resources more effectively and economically.

Stringent water restrictions are in place. Defective water meters have been replaced in residential areas and bulk meters were installed.

- Over the past few years there have been issues with sewage pump and reticulation systems – mainly as a result of having to carry higher volumes, large objects being disposed of in and blocking the system, vandalism and ageing infrastructure. The Municipality implemented the Refurbishment of sewer pump stations and completed 3 sewer pump stations. The project is funded under the Municipal Infrastructure Grant.
- An increase of vandalism has been observed in Municipal Infrastructure at a huge cost to the Municipality and its residents, as well as disruptions in service delivery. Mainly electricity, water and sanitation infrastructure were vandalized.
- Aging infrastructure also remains a challenge.
- Water losses as reflected in the IDP amounted to **52%** for the financial year ending 30 June 2025
- Electricity losses as reflected in the IDP amounted to **12.2%** for the financial year ending 30 June 2025

ACCESS TO BASIC SERVICES

There are an estimated **23,460** households in the urban areas and approximately **624** in the non-urban (farm) areas. Only urban households are serviced by Dr Beyers Naudé Municipality. High levels of accessibility to Basic Services are maintained in the Municipal area, with an estimated average of **23,318** households, deriving direct or indirect benefit from services being rendered by the Municipality. Households that do not have direct access to these basic services are informal dwellings – mainly shacks situated in backyards or informal settlements, or those on farms or small holdings in the more remote areas.

- **97%** of urban households have access to a minimum standard of piped potable water (within 200 metres), with a minimum service level in urban areas of 97%;
- **96%** of urban households have access to a minimum standard of sanitation (flush, chemical & VIP pit latrines), with a minimum service level in urban areas of 84%;
- **97%** of urban households have access to a minimum standard of electricity (energy for lighting), with a minimum service level in urban areas of 96%;
- **89%** of urban households have access to a minimum standard of refuse removal & disposal facility (Municipal, communal or private), with a minimum service level in urban areas of 100%.

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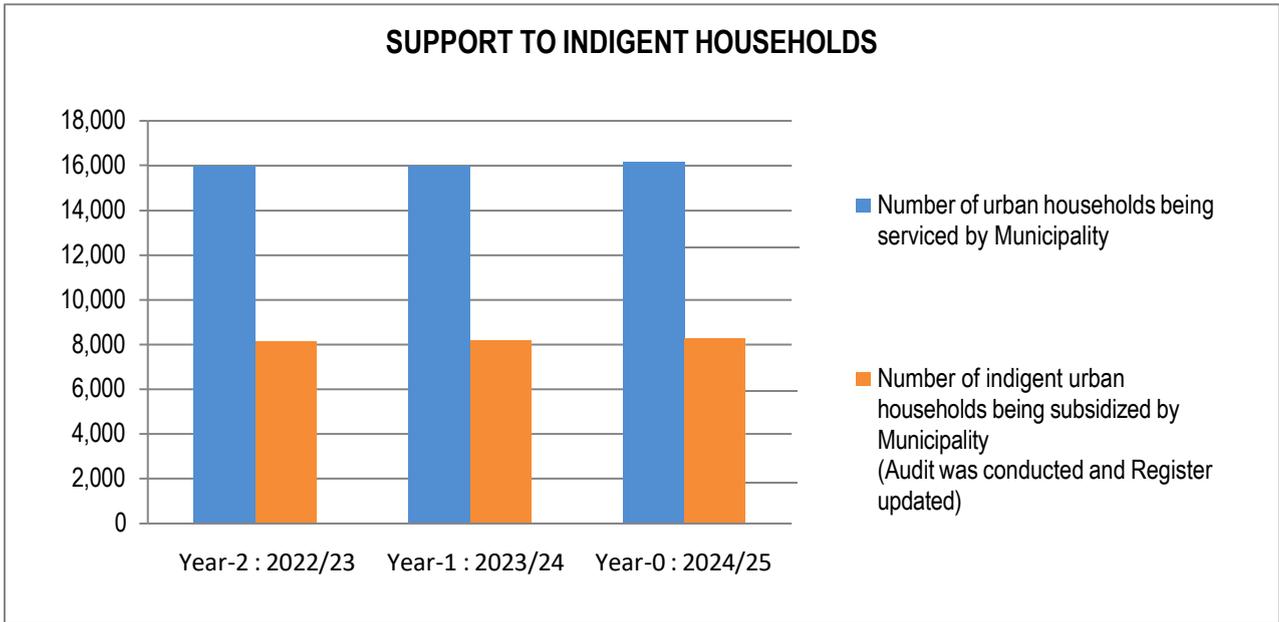
T 1.2.7 : NATURAL RESOURCES, CHALLENGES & OPPORTUNITIES	
Major Natural Resource	Relevance to Community
Sun	Can be utilized extensively for solar power (panels). Challenge : The systems are expensive to install and can be damaged easily, as well as be aesthetically unattractive in the case of large areas being utilized for purpose of feeding into the national grid.
Wind	Can be utilized extensively for wind power (turbines). Challenge : The systems are expensive to install and can be harmful to the environment (destroying bats and birds, cause noise pollution and have a detrimental impact on the area's pristine landscape, i.e. viewshed).
Water	Required for domestic, agricultural and industrial use. We have surface and underground water, but not in sustainable supply – heavily dependent on good annual rainfall, which in this semi-arid region of the Karoo is unreliable. Systems are systematically being upgraded for improved storage and reticulation capacity and new RDP houses will be fitted with gutters and rainwater tanks. Due to a prolonged drought the past few years, dam and underground water levels have dropped substantially and strict water restrictions were imposed during the year of reporting.
Land	The Dr Beyers Naudé Municipality Municipal area is about 28,690 km ² in extent and most of the land is utilized for agricultural purposes – one of our main economic drivers. Commonage land is quite extensive but is not being managed properly and serious land degradation is occurring. The Municipality has created a post on its Organizational Structure for an Officer to deal with this issue. Closer to the urban areas there is a big need for smaller tracts of land that can be utilized for agricultural purposes, and also a demand for sites that can be utilized for recreational, commercial and other purposes. The Town Planner has been investigating ways and means of addressing this need: it will receive more attention during the development of a new Spatial Development Framework.
Minerals (sand, clay, gravel and stone)	Sand, clay, gravel and stone is being mined for building new houses and road maintenance, but stricter monitoring is required to ensure that these resources are not being over-exploited. Critical problems are being experienced with one of the stone quarries being right on the northern boundary of the Camdeboo National Park and the threat of a proposed sand mine (large scale) on its eastern boundary, close to the mouth of the Sunday's River. There are serious concerns about the exploration and extraction of shale gas, as well as the mining of uranium within or close to the Municipal area.

T 1.2.8 COMMENT ON BACKGROUND

This narrative has been included under T 1.2.7 above.

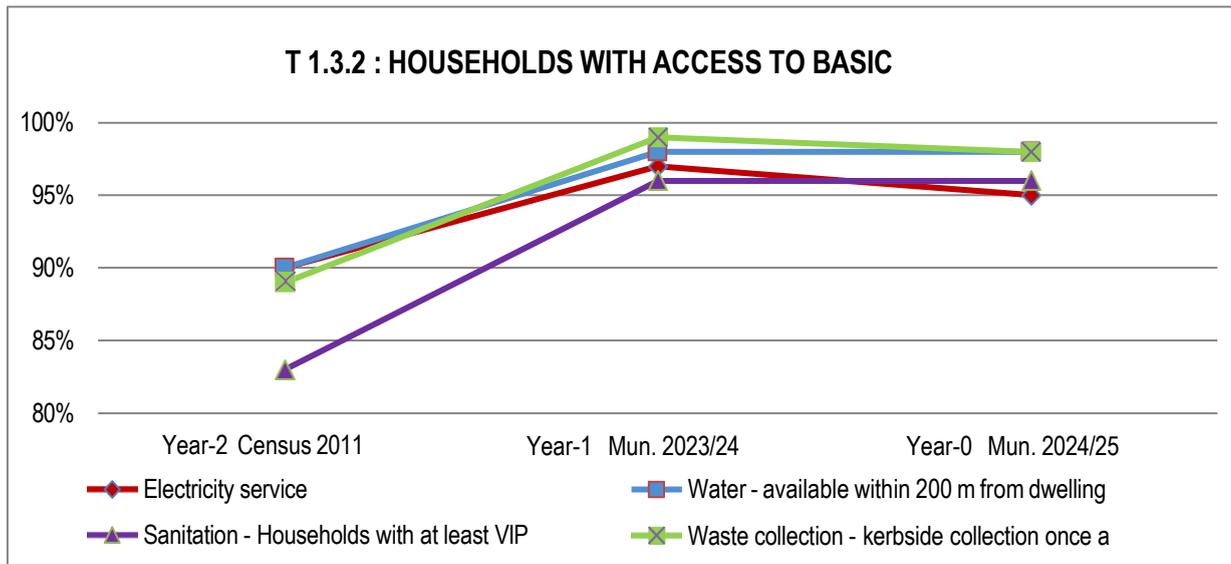
1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION



COMMENT ON SUPPORT TO INDIGENT HOUSEHOLDS

During the year of reporting, the Municipality was servicing about 16,164 Domestic Consumer points in its urban areas, of which 51% was classified as Indigent Households, who qualified for subsidization of services.



COMMENT ON ACCESS TO BASIC SERVICES

Dr Beyers Naudé Municipality maintains a high level of basic service delivery, with the majority of urban households having access to Electricity, potable Water, Sanitation (mostly water-borne flush toilets) and a minimum of once-a-week refuse collection.

Kindly note that further on in the document, where reporting is done on Basic Services, distinction is made between service delivery to points as per the Municipality's Debtors' database, and access to these services by the broader community, of which the number of households are calculated as estimates, based on the growth trends in the Municipal area. In those instances, we indicate how many households are estimated to receive direct and indirect benefit from the applicable service.

T 1.3.3

1.2 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The current economic climate for the country as a whole and more specifically the local municipal region makes it very difficult for the municipality to maintain a healthy financial position. As with many entities in local government, the Dr Beyers Naudé LM is also experiencing financial distress.

Actual operating revenue amounted to R613 million, whilst actual operating expenditure amounted to R856 million, resulting in an operating loss of R242 million. The Adjustments Budget for operating revenue during the 2024/25 financial year amounted to R626 million, whilst Adjustment Budget for operating expenditure amounted to R655 million, with an anticipated budgeted deficit of R28 million.

Actual revenue is consistent with the forecast with only a 2% variance. The budget variance of expenditure is cause for concern with 31% over budget. Attributable to the following:

- a) A significant debt impairment is recognized in the statements of R132 million compared with the budget allocation of R20 million.
- b) Finance cost for the financial year amounted to R104 million against the forecast of R30 million.
- c) Other notable areas of less significant impact are the employee-related cost (R10 million), bulk purchases (R14 million) and what was expected to be a profit on sale of assets resulted in a loss with budget variance of R14 million). The loss on assets relate to scrapping of assets due to theft and damage.

The current financial position as reflected above can further be illustrated by way of the following operational ratios:

- a) Liquidity ratios: The current ratio is 0.18:1(2024:0:27:1) far below the National Treasury norm of 2:1. The result reveals a deterioration from the previous financial year and confirms the current liquidity challenges the municipality is experiencing.
- b) Remuneration as a percentage of total operating expenses is at 25.1% (2024: 26.9%) is within the National treasury norm of 25% - 40% however is very high.

A contributing factor to the financial position is the low collection levels / poor payment patterns by debtors. The local economic activity places strain on consumers as the high unemployment, specifically in our area does not seem to lower.

The drought mitigating factors implemented by the municipality should also be considered as stress on the financial position. The municipality has a direct mandate and responsibility towards each resident in the municipal area and, when faced with natural disasters such as the severe drought experienced over the past few years, causing surface water to dry up completely and also affecting our aquifers, no price can be put on humanity and the preserving the lives of everyone.

T 1.4.1

FINANCIAL OVERVIEW : 2024/25			
R'000			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	215 846	224 717	195 112
Taxes, Levies and tariffs	362 665	362 970	357 510
Other	35 911	38 744	60 897
Sub Total	614 422	626 431	613 519
Less: Expenditure	540 220	654 834	855 290
Net Total*	74 202	28 403	241 770
<i>* Note: surplus/(deficit) excluding actuarial gains</i>			T 1.4.2

OPERATING RATIOS FOR 2024/25	
Detail	%
Remuneration as a percentage of total operating expenses	25.1%
Repairs and maintenance	5.26%
Finance Charges and Debt impairment	28%
	T 4.1.3

COMMENT ON OPERATING RATIOS

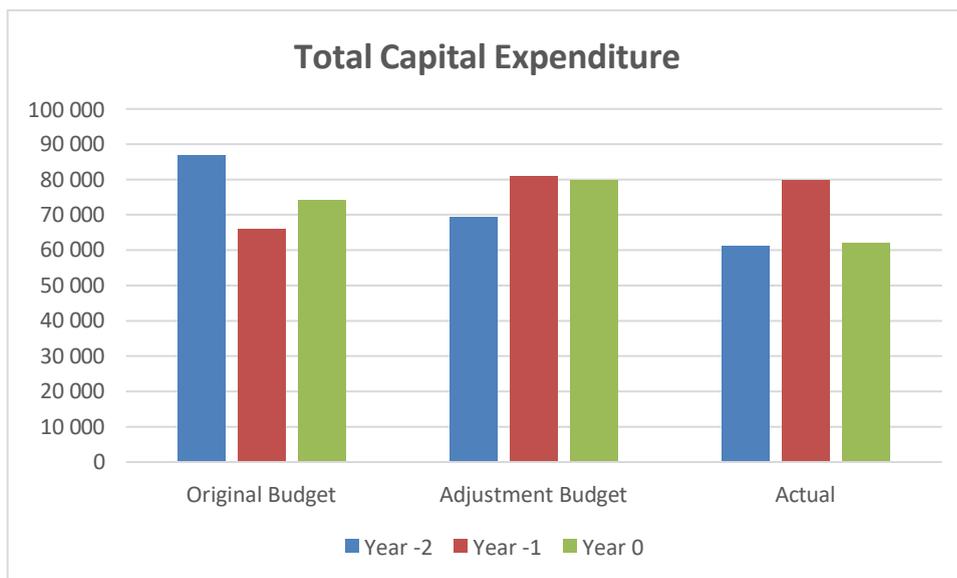
Remuneration as a percentage of total operating expenses is at 25.1% (2024: 26.5%) is within the National treasury norm of 25% - 40%

Repairs and maintenance are 5.26% of the carrying value of property, plant, and equipment (norm 8%). Repairs and maintenance were below the norm, because of cash flow challenges experienced by the municipality. The municipality is currently developing Repairs and Maintenance plans.

Finance Charges and Debt impairment are 28% (norm 10%). Finance Charges and Impairment are above the norm, directly attributable to the inability to finance creditors. Eskom being the major contributor.

TOTAL CAPITAL EXPENDITURE : YEAR -2 TO YEAR 0			
R'000			
Detail	2022/23	2023/24	2024/25
Original Budget	65 899	74 050	74 151
Adjustment Budget	80 824	84 395	71 494
Actual	79 752	62 093	
			T 1.4.4

T 1.4.5.1



COMMENT ON CAPITAL EXPENDITURE

The municipality spent 52% of the adjusted capital budget for 2024/25 financial year. An amount of R15m for the municipal disaster relief grant is sitting as an unspent conditional grant to be done in the 2025/26 financial year. This amount is subject of roll over application to be spent in 2025/26. The remainder variance is attributable to the planned spending on the human settlements grant and the multi-purpose Centre that was planned for the 2024/25 financial year but the projects which are spreading beyond our financial year.

1.3 ORGANIZATIONAL DEVELOPMENT OVERVIEW

ORGANIZATIONAL DEVELOPMENT PERFORMANCE

Council adopted its reviewed organizational structure for 2024/2025, in December 2024. This was followed by a critical review during the year of reporting; the amended version was considered and approved by Council on 12/12/2024. Due process was followed in terms of extensive consultation with all stakeholders. The organogram consists of 752 positions, for this reporting year, 485 positions are filled taking into consideration the resignations, deaths and retirements over a period, leaving 267 vacant positions.

- The job evaluation process is at the maintenance phase due to the review of the organizational structure, with new and changed positions which need to be graded and evaluated, currently there are 95 positions to be graded and evaluated.
- The process is currently outsourced to an outside service provide due to the none functioning of the District Job Evaluation Unit.
- The Human Resources division has 13 positions on the organogram the reduction of positions is because of the

review of the organogram. The Human Resources division has **10** permanent employees and **3** vacant positions.

- The employee turnover is mostly as a result of retirements and deaths.
- The Human Resources division had no capital expenditure for 2024/25
- 26 HR policies were reviewed, drafted and adopted by Council in December 2024
- There were three (3) suspensions for the year in question.
- Training and development are an important issue in South African Local Government. Municipal workers need new or significantly expanded skills to keep up with the demands and changes relating their jobs. Employee training and development (T&D) is seen as a key factor in meeting the municipality's strategic, business and operational goals. Training is aimed at the practical application of knowledge as well as the development of specific behaviour patterns, attitudes, and motives with a view to realizing goals. For the period of 2024/2025 numerous training programmes were conducted for the improvement of service delivery in the Dr Beyers Naude Local Municipality.
- There were no employees whose salary levels exceeded the grades as determined by their Job Evaluation.

T 1.5.1

1.4 AUDITOR-GENERAL'S REPORT

AUDITOR-GENERAL'S REPORT FOR 2024/25

- ❖ *THE 2024/54 AUDIT REPORT WITH AUDIT OUTCOMES WILL BE ATTACHED AS ANNEXURE 2 IN VOLUME II OF THIS REPORT ONCE AUDIT IS CONCLUDED*

T 1.6.1

1.5 STATUTORY ANNUAL REPORT PROCESS

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

T 1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS

The Annual Report content will assist municipal councillors, municipalities, municipal entities, residents, oversight institutions and other users of Annual Reports with information and to assess progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), as well as in-year reports. The contents will also assist with the annual audits. This report should be used as a decision-making tool by Municipalities.

Every Municipality and municipal entity must prepare an **Annual Performance Report**, which must form part of the Annual Report for each financial year – in accordance with Section 46 of the Municipal Systems Act 2000 (MSA) and the Municipal Finance Management Act 2003 (MFMA) section 121. The purpose of the Annual Report is:

- To provide a record of the activities of the Municipality or entity during the financial year to which the report relates;
- To provide a report on performance in service delivery and budget implementation for the financial year;
- To promote accountability to the local community for the decisions made throughout the year by the Municipality or municipal entity; and
- To reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

T 1.7.1.1

- ❖ *THE 2024/25 ANNUAL PERFORMANCE REPORT WILL BE ATTACHED AS ANNEXURE 4 IN VOLUME II OF THIS REPORT ONCE AUDIT OF PREDETERMINED OBJECTIVES IS CONCLUDED*



Dr. Beyers Naudé

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rising together for development

CHAPTER 2

GOVERNANCE



CHAPTER 2**GOVERNANCE****INTRODUCTION TO GOVERNANCE**

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

Dr Beyers Naudé Local Municipality strives to achieve, within its financial and administrative capacity, the objectives set out in Section 1 of Chapter 7 of the Constitution. It is a Category B Municipality – as defined in the Municipal Structures Act (Act 117/98). The Council functions as a collective executive system, combined with a Ward participatory system. A collective executive system limits the exercise of executive authority to the Municipal Council itself and a Ward participatory system allows for matters of local concern to be dealt with by Ward Committees. Council takes its mandate from Section 152 of the Constitution, which is to achieve the objectives of a developmental Local Government.

Council approved an Administrative Structure through its staff establishment to ensure that all Council resolutions are implemented diligently. The staff establishment consists of an Institutional Structure (Organogram) with all posts included, to deliver on the mandate of Council, that includes the macro and micro structure (Senior Management, middle management and other staff) – in line with the human resources needs of Council to implement the IDP.

Council is also dependent on sound inter-governmental relations with the other spheres of government to ensure integrated planning and resource mobilization for significant impact on the community. All decision-making is reliant on the effective participation of the residents and the responsiveness of the Council and its Administration to ensure public accountability.

T 2.0.1

COMPONENT A : POLITICAL AND ADMINISTRATIVE GOVERNANCE**INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE**

As a Developmental Local Government, the Council and the Administration of the Municipality have a close and healthy working relationship, with the interests and needs of the Community central to all decisions and areas of service delivery. All business conducted is with the focus on achieving the ideal state as enshrined in Council's shared Vision statement, and giving effect to the undertakings in its Mission statement – as contained in the 2022-2027 Integrated Development Plan. Very few service delivery protests are experienced as a result.

T 2.1.0

2.1 POLITICAL GOVERNANCE**INTRODUCTION TO POLITICAL GOVERNANCE**

MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

Council has an Executive Committee and four (4) Portfolio Standing Committees, all of which meet as per the Planner. There are several sub-committees, but more training is needed to improve their functioning. Ordinary and Special Council meetings sit as scheduled – in accordance with the year planner. The Rules of Order, Delegations Register and the Code of Conduct are all in place.

An Internal Audit Committee and Oversight Committee are in place and functioning. A Municipal Public Accounts Committee (MPAC) has also been established but has indicated that more training and administrative support is needed. Monthly, quarterly, mid-year and annual reporting is done in accordance with the applicable regulations.

Council has a sound and healthy relationship with its Administration and Organized Labour.

MAYOR**Councillor Willem Safers**

Political Head, Chairperson of EXCO and
IDP Representative Forum

CSA SPEAKER**Councillor Cheslin Felix**

Chairperson of Council Meetings

ANC CHIEF WIP**Councillor Thembekile Spogter****DA WHIP****Councillor Ricardo Smith**

EXECUTIVE COMMITTEE MEMBERS: 01 JULY 2024 TO 30 JUNE 2025

- Cllr: Willem. Jacobus. Säfers: Mayor and Chairperson of the Executive Committee (EXCO)
- Cllr: Khunjuzwa. Eunice. Kekana: Chairperson of Community Services Portfolio Committee
- Cllr: Eldridge Ruiters: Chairperson of Corporate Services Portfolio Committee
- Cllr: Ewald. Looek: Chairperson of Budget and Treasury Portfolio Committee

T.2.1.1

MUNICIPAL COUNCIL: TROIKA COMPOSITION: 2024/25			
MAYOR	Cllr: Willem. Jacobus. Säfers	Still serving as the Mayor.	African National Congress (ANC)
SPEAKER	Cllr: Cheslin. Felix	Still serving as the Speaker of Council.	Compatriots of South Africa (CSA)
WHIP OF COUNCIL	Cllr: Thembekile. Spogter	Still serving as the Whip of Council.	African National Congress (ANC)

COUNCILLORS

Up until the Local Government Elections on 1 November 2021, Dr Beyers Naudé Local Municipality had a total of 27 Councillors, of which 14 were elected Ward Councillors and 13 PR Councillors, appointed on a proportional basis. Only two Councillors served in a full-time capacity, namely the Mayor and the Speaker.

The Independent Electoral Commission (IEC) formally declared the results of the 2021 Local Government elections on 4 November 2021, according to which 24 Councillors for Dr. Beyers Naudé Local Municipality were duly declared elected. The Inaugural Council meeting of the newly elected Council was held on 23 November 2021, where all Councillors were sworn into Council. As per the new Ward Delimitations declared by the Municipal Demarcation Board ahead of the 2021 Local Government Elections, 12 Ward and 12 Proportional Councillors are now serving at the Dr Beyers Naudé Local Municipality, again with only two in a full-time capacity, namely the Mayor and the Speaker.

Appendices A and B contain more detailed information about the Councillors and their attendance of meetings.

T 2.1.2

POLITICAL DECISION-TAKING

Council has four (4) Standing / Portfolio Committees that submit reports with their recommendations to the Executive Committee which, after considering the reports received from the Portfolio Committees, forward these reports to Council for a final decision. Council may delegate certain powers to any of its Committees. These powers can also be withdrawn by Council at any time.

Committees, therefore, give assistance to Council, to ensure effective decision-making. Council's decision-making process is also influenced by inputs and advice received from the community through Ward Committees. Up until 1 November 2021, there were 14 Ward Committees, chaired by their Ward Councillors and made up of elected community members, each filling a specific portfolio. After the November 2021 LG Elections, the process of establishing a Ward Committee for each of the 12 newly delimited Wards was embarked upon. CDWs serve on these structures in an *ex officio* capacity.

To make them function most effectively, Ward Committees should ideally meet monthly, but due to various challenges and constraints, are not able to do so. Some matters are lifted from their meetings and referred to the Portfolio and Executive Committees, and ultimately to the Council Agenda, for consideration. The Municipality's Administration is tasked with the implementation of such Council decisions in the shortest period of time, after resolutions have been taken.

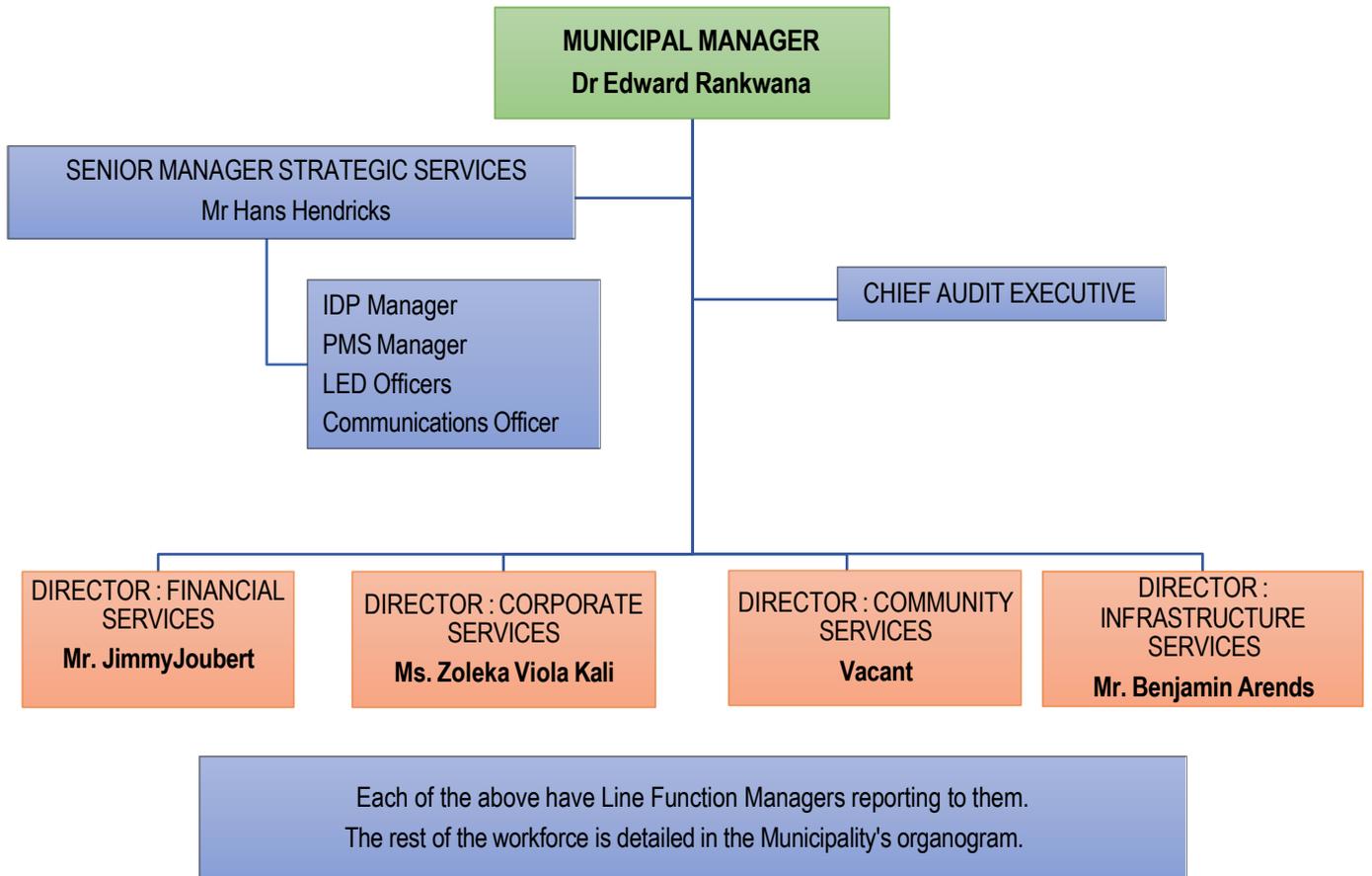
T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

MFMA section 60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

Dr Beyers Naudé Municipality has a top structure consisting of a Municipal Manager (fixed term Section 57 appointee) and four (4) Directors (fixed term Section 56 appointees). Each Directorate has specific line functions attached to it, with Line Function (Departmental) Managers reporting to them. Area and Satellite Offices report to the Director of Corporate Services, but also liaise closely with the respective Directorates and their Departments.



Appendix C contains more details about the top Administrative structure.

COMPONENT B : INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Intergovernmental Relations are of utmost importance to Dr Beyers Naudé Local Municipality. The Council operates within the confines of the Intergovernmental Framework Act and Chapter 3 of the Constitution of the Republic of South Africa to ensure good relations with all spheres of government in the interests of the community. There is a local IGR Forum in place, with the aim of bringing all sectors and departments of Provincial and National Government together to plan for development in the Dr Beyers Naudé Local Municipality's area of jurisdiction. The representatives of the IGR Forum provide information on programs and projects earmarked for the municipal area.

Dr Beyers Naudé Local Municipality is also represented on the Sarah Baartman District Municipal IGR Forum to meet with National and Provincial Governments Departments, where Senior Officials attend with the objective of the alignment of the National Development Plan, the Provincial Growth and Development Strategy and the District IDP and the Municipal IDPs.

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Dr Beyers Naudé Local Municipality has a representative attending the IGR meetings conducted by SALGA.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Dr Beyers Naudé Local Municipality sometimes has quarterly IGR meetings with the different Sector Departments.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

A District Development Agency, namely Cacadu Development Agency, was established by Sarah Baartman District Municipality, to assist the Local Municipalities within the district with local economic development. Dr Beyers Naudé Local Municipality has no municipal entities.

T 2.3.3.

DISTRICT INTERGOVERNMENTAL RELATIONS

District Intergovernmental Relations meetings are convened by the Sarah Baartman District Municipality. The local Intergovernmental Relations Forum has not been very effective and active during the financial year under review. There were no quarterly meetings held between the Municipality and Sector Departments.

The relationship between the Sector Departments and the Municipality is stable but needs to improve. The Municipality works with Provincial and district Departments, especially the Office of the Premier and Departments such as DSRAC, Rural Development, Social Development and Human Settlements.

T 2.3.4

COMPONENT C : PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

1. INTRODUCTION

The Speaker is responsible for managing and coordinating Ward Committees and public participation within Dr Beyers Naudé Local Municipality. The aim is to strengthen good governance, public participation and involve communities through public participation programmes.

2. CURRENT PUBLIC PARTICIPATION STRUCTURES

- Council Meetings
- Mayoral Road Shows
- Ward Committees
- SPU Forums
- IDP Representative Forum
- Specific Project Steering Committees

3. PUBLIC PARTICIPATION UNITS

- IDP Unit
- Ward Co-ordinator Unit
- Special Programmes Unit
- Communications Unit
- Customer Care Unit
- Free Basic Services Unit

4. STATUS AND FUNCTIONALITY OF WARD COMMITTEES AS WELL AS PROCESSING OF WARD COMMITTEE REPORTS

Dr Beyer's Naudé Local Municipality as from 1 November 2021 LG Elections has 12 Wards (as delimited by the Municipal Demarcation Board). Ward Committees have been established in all Wards. The 12 Ward Committees are functional, and they have been submitting the monthly Ward Committee reports, through their Ward Councillor, to the Office of the Speaker.

All issues raised by Ward Committees are circulated to all Directorates and Sector Departments for comments and or feedback on matters relevant to them. All issues that relate to Sector Departments are raised in the Inter-Governmental Relations and Ward Forum meetings.

5. WARD COMMITTEE VACANCIES

The following Wards had vacant positions on their Ward Committees:

WARD NO.	VACANCIES
1	1
2	1
3	2
6	1
9	1
1	1

6. REPORTING MANAGEMENT OF COMMUNITY DEVELOPMENT WORKERS IN MUNICIPALITIES

CDWs are not reporting directly to the Ward Co-Ordinator who is part of the meetings when they report to COGTA officials or during quarterly assessments. CDWs are governed by the Public Service Act 1994. The Municipality assists from time to time by providing access to venues for their meetings, as well as making other resources available to enable them to do their work.

There are currently 8 CDW's deployed in the Municipality. They are not deployed according to the new Municipal Ward Boundaries. CDWs assist in compiling ward profiles and also help in the verification of IGG applications. However, where there is no CDW, this becomes a challenge for the Municipality. CDW vacancies were advertised back in 2016 but were never filled.

CDWs are currently based as follows:

- 1 in Aberdeen
- 3 in Graaff-Reinet
- 2 in Klipplaat
- 1 in Jansenville
- 1 in Willowmore

The table below illustrates current CDWs per ward:

WARD NO.	TOWN	LOCATION	CDW – Y/N	NAME OF CDW
1	Aberdeen	Thembalesizwe & Lotusville	Y	Nontuthuzelo Poswa
2	Graaff-Reinet & Nieu- Bethesda	Horseshoe & Nieu-Bethesda	N	
3	Graaff-Reinet	Asherville	Y	Amelia Booyesn
4	Graaff-Reinet	Part of Umasizakhe & Cypress Groove	N	Fred Finnis
5	Graaff-Reinet	Kroonvale	Y	Sharon Jooste

6	Graaff-Reinet	Part of Umasizakhe	N	
7	Aberdeen & Adendorp	Aberdeen & Adendorp	N	
8	Willowmore	Willowmore, Rietbron & Baviaanskloof	N	
9	Willowmore	Hillview, Humesville & Morningside	Y	Abel Devos
10	Klipplaat	Klipplaat	Y (2)	Lindiswa Stokwe & Lusinda Yawa
11	Jansenville	Jansenville	Y (2)	Nolubabalo Ngqeza Thembeke Manak
12	Steytlerville	Steytlerville central, Wolwefontein & surrounding farms	N	

7. STATE OF PUBLIC PARTICIPATION & PETITION MANAGEMENT PROCESS IN THE MUNICIPALITY

- A Petitions Policy has been adopted by the Council.
- Public Participation Policies were also adopted by Council.

8. WARD OPERATIONAL PLANS

- A Ward Operational Plan has been adopted by Council.

9. WAR ROOMS

No War Rooms were established.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The objective of communication is to use it as a tool to facilitate developmental roles by encouraging a culture of stakeholder participation for democratic governance, thus keeping stakeholders, both internal and external, abreast of any and all developments surrounding the Municipality. The ultimate aim is to build and strengthen the Municipality's reputation and stakeholder relationships.

The intent of the Communications Office is to reach internal stakeholders, i.e. employee's, Councillors, and labour unions, as well as external stakeholders that include communities within the municipal jurisdiction, organized stakeholder groups operating in the Municipality's area of jurisdiction and South African government departments.

The carriers of communication include the Mayor, Municipal Manager, Councillors, Communication staff and heads of departments.

The tools that are most appropriate for communicating with the target audience include electronic and digital channels (i.e. the municipal website); commercial media (i.e. national, provincial and local newspapers and television); social media (i.e. Facebook, Twitter and Instagram); advertising and advertorials; municipal

publications (i.e. annual report, newsletter and notices); and events and platforms (i.e. council meetings, staff meetings, stakeholder meetings).

T 2.4.1

WARD COMMITTEES

The objective of a Ward Committee is to enhance participatory democracy in Local Government, as public participation is considered one of the key tenets of democratic governance in South Africa. A Ward Committee has the power to make recommendations on any matters affecting its Ward through the Ward Councillors to the Municipal Council.

In response to the constitutional directive to involve communities in decision-making and ensuring services are brought to the people, Ward Committees have been in the forefront in mobilizing communities for free basic services and in Community-Based Planning. Ward Committees, as the mouthpiece of the community, have been reporting service delivery issues, be it Local, Provincial or National Government matters.

Dr. Beyers Naudé Municipality now consists of 12 wards – as promulgated in Government Gazette No. 45216 on 23 September 2021. Only 9 full Ward Committees and 2 partial Committees were established by the Municipality, to serve as participatory structures and to be the formal, unbiased communication channels of the community, as well as to create co-operative partnerships between the community and the Council.

Ward Committees make recommendations through the Ward Councillor to Council to assist the Council in its work; express dissatisfaction of non-performance; advise and make recommendations on policy affecting residents and Wards; spread information concerning Municipal affairs such as the Budget, IDP, Service Delivery options and Municipal properties; receive queries and complaints; ensure participation of the community in service payment campaigns; inform communities about the IDP and Budget processes, decisions on Municipal service provision and by-laws, etc. The Ward Committees must act in the best interests of the community.

Appendix E of this Annual Report provides more information on Ward Committee Governance, while **Appendix F** provides more information on performance in terms of addressing the four most important Development Priorities per Ward.

T 2.4.2

37
T 2.4.3 : WARD COMMITTEE & COMMUNITY PUBLIC PARTICIPATION MEETINGS 2024/25

DEVELOPMENT OF A NEW 5-YEAR IDP FOR DR BEYERS NAUDÉ LOCAL MUNICIPALITY: ANALYSIS PHASEWARD-BASED PUBLIC PARTICIPATION MEETINGS FOR DETERMINATION OF WARD DEVELOPMENT PRIORITIES

Ward, nature and purpose of meeting	Date	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Ward 1 Ward Based Planning	05 Nov 2024 – 14 Nov 2024	01	04	35	Yes	Development priorities community meeting April 2025
Ward 2 Ward Based Planning	05 Nov 2024 – 14 Nov 2024	01	04	45	Yes	Development priorities community meeting April 2025
Ward 3 Ward Based Planning	05 Nov 2024 – 14 Nov 2024	01	04	45	Yes	Development priorities community meeting April 2025
Ward 4 Ward Based Planning	05 Nov 2024 – 14 Nov 2024	01	04	43	Yes	Development priorities community meeting April 2025
Ward 5 Ward Based Planning	05 Nov 2024 – 14 Nov 2024	01	04	30	Yes	Development priorities community meeting April 2025
Ward 6 Ward Based Planning	05 Nov 2024 – 14 Nov 2024	01	04	52	Yes	Development priorities community meeting April 2025
Ward 7 Ward Based Planning	05 Nov 2024 – 14 Nov 2024	01	04	40	Yes	Development priorities community meeting April 2025
Ward 8 Ward Based Planning	05 Nov 2024 – 14 Nov 2024	01	04	35	Yes	Development priorities community meeting April 2025
Ward 9 Ward Based Planning	05 Nov 2024 – 14 Nov 2024	01	04	46	Yes	Development priorities community meeting April 2025
Ward 10 Ward Based Planning	05 Nov 2024 – 14 Nov 2024	01	04	42	Yes	Development priorities community meeting April 2025
Ward 11 Ward Based Planning	05 Nov 2024 – 14 Nov 2024	01	04	31	Yes	Development priorities community meeting April 2025
Ward 12 Ward Based Planning	05 Nov 2024 – 14 Nov 2024	01	04	36	Yes	Development priorities community meeting April 2025

MAYORAL OUTREACH TO ALL 12 WARDS TO INTRODUCE Revised IPD 2023 – 2027, KPIs & TARGETS, DRAFT 2024/25 BUDGET, RATES & TARIFFS – CONTINUATION OF PUBLIC PARTICIPATION PROGRAMME

Ward, nature and purpose of meeting	Date	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
WARD 1 Mayoral Outreach	06 April - 22 May 2024	01	05	40	Yes	Service Delivery community meeting April 2024
WARD 2 Mayoral Outreach	06 April - 22 May 2024	01	05	38	Yes	Service Delivery community meeting April 2024
WARD 3 Mayoral Outreach	06 April - 22 May 2024	01	05	45	Yes	Service Delivery community meeting April 2024
WARD 4 Mayoral Outreach	06 April - 22 May 2024	01	05	31	Yes	Service Delivery community meeting April 2024
WARD 5 Mayoral Outreach	06 April - 22 May 2024	01	05	36	Yes	Service Delivery community meeting April 2024
WARD 6 Mayoral Outreach	06 April - 22 May 2024	01	05	58	Yes	Service Delivery community meeting April 2024
WARD 7 Mayoral Outreach	06 April - 22 May 2024	01	05	36	Yes	Service Delivery community meeting April 2024
WARD 8 Mayoral Outreach	06 April - 22 May 2024	01	05	32	Yes	Service Delivery community meeting April 2024
WARD 9 Mayoral Outreach	06 April - 22 May 2024	01	05	38	Yes	Service Delivery community meeting April 2024
WARD 10 Mayoral Outreach	06 April - 22 May 2024	01	05	45	Yes	Service Delivery community meeting April 2024
WARD 11 Mayoral Outreach	06 April - 22 May 2024	01	05	40	Yes	Service Delivery community meeting April 2024
WARD 12 Mayoral Outreach	06 April - 22 May 2024	01	05	35	Yes	Service Delivery community meeting April 2024

FREE BASIC SERVICES (FBS) COMMUNITY OUTREACHES

Ward, nature and purpose of meeting	Date	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Brief description of session and whether objective was achieved

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

Extensive consultations are held during the development and annual review of the Municipality's IDP. Public Participation meetings usually involve presentations on the process followed, legislative framework, explanations of how Ward Plans are developed, and to what extent there was community involvement in the identification, prioritization and review of Ward Development Priorities.

There are usually two rounds of IDP Public Participation engagements each year and all 14 Wards are visited and consulted. Ward Committees form part of the IDP consultations; they play an integral role in bringing forward the development aspirations of the Communities. These meetings assist in providing the Municipality and the respective Ward Councillors with a better understanding of the needs of the people they serve, and what the critical issues are that must be addressed; either by way of making provision in the planning of Capital Projects, or absorbing operational issues into the Municipality's annual maintenance programmes.

Communities are kept informed about Municipal issues (through various communication platforms) and take part in decision-making on developmental matters, as the critical needs and priorities that they are identifying, are captured in the IDP and the Community-based Planning Report, both of which are reviewed and updated annually.

No political unrest occurred and the communities have a strong interest in the Municipal affairs.

T 2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP PARTICIPATION AND ALIGNMENT CRITERIA*	YES / NO
Does the Municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 of the Municipal Systems Act 32/2000	T 2.5.1

COMPONENT D : CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is a 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 many stakeholders involved and the goals for which the institution is governed. It also includes ethical leadership and citizenship, compliance with laws, rules and regulations, codes and standards, governance of risk, governance of IT, integrated reporting and disclosures, audit committee, MPAC, internal audit, governance of IGR and anti-corruption strategy and plan.

Dr Beyers Naudé Local Municipality does have some of these corporate governance structures in place and has strived to instil ethical behaviour and moral conduct, being monitored through the Audit Committee.

T 2.6.0

2.6 RISK MANAGEMENT

OVERVIEW OF RISK MANAGEMENT

MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

Risk management is a vital component in any institution and no different in the Dr Beyers Naudé LM. Although not operating at the effectiveness desired, there have been some strides towards the operating efficiency. The section is still only made up the Risk Management Officer, whom the municipality appointed in April 2019. The strategic risk assessments are reviewed on an annual basis and updated accordingly. External stakeholders, such as Provincial Treasury and COGTA, are readily available to provide assistance where necessary. The implementation plans are then monitored by the Risk Management Officer.

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T 4.3.6). MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

Supply Chain Management (SCM) seeks to ensure proper flow of goods and services between the supplier/service provider and the municipality in the right quality and quantity whilst advancing the goals of the IDP, ensuring value for money, expeditious and appropriate service delivery.

As a financial management tool, it seeks to reform and regulate the manner in which public funds are utilized when procuring goods and services, whilst in pursuit of service delivery that is responsive to the needs of the society and to curtail any administrative and fraudulent practices on the procurement front.

❖ *Supply Chain Management is dealt with more comprehensively in Chapter 5, Component D, Section 5.12.*

T 2.8.1

2.9 BY-LAWS

BY-LAWS IN PLACE / NEW ONES INTRODUCED DURING 2024/25				
Description	Public Participation conducted prior to adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
EXISTING BY-LAWS				
Street trading Water and Sanitation			Yes	2006
Liquor			Yes	2006
Commonage			Yes	2006
Impoundment of animals			Yes	2006
Prevention of Public Nuisance and keeping of animals			Yes	2006
Solid Waste Disposal			Yes	2006
Water Supply and Sanitation			Yes	2006
Roads Traffic			Yes	2006
Electricity by- laws			Yes	2006
Funeral parlours, cemeteries and crematoria			Yes	2006
Fences and Fencing			Yes	2006
Outdoor advertising and Signage			Yes	2006
Aerodrome			Yes	2006
Customer care and Revenue management			Yes	2006
Community fire services			Yes	2006
Facilities by-law			Yes	2006
Public Amenities			Yes	2006
Storm water Management by -law			Yes	2006
Property Rates			Yes	2006
SPLUMA	Yes		Yes	2018
NEW BY-LAWS				
Standing rules and orders of Council and its Committees	Yes	10 May 2023	Yes	19 June 2023
SPAZA shop by law	Yes		Yes	23 March 2020
*Note: See MSA section 13.				T 2.9.1

COMMENT ON BY-LAWS

MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

In accordance with the Section 12 Notice issued for the amalgamation arrangements of former Camdeboo, Baviaans and Ikwezi LMs, the by-laws that were in place at afore-mentioned Municipalities are still being applied and enforced by Dr Beyers Naudé Local Municipality – until such time that a new, consolidated set has been developed and promulgated.

2.10 WEBSITES

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL				
Documents published on the Municipality's / Entity's Website			Yes / No	Date Published
Year -2 = 2022/23	Year -1 = 2023/24	Year 0 = 2024/25		
Integrated Development Plan (IDP) and related documents (Year 0)			Yes	
Integrated Development Plan (IDP) and related documents (Year 0, Year -1, Year -2)			Yes	
Annual and adjustments budgets and all budget-related documents (Year 0)			Yes	
Annual and adjustments budgets and all budget-related documents (Year -1)				
All current budget-related policies			Yes	
Service Delivery and Budget Implementation Plan (SDBIP – Year 0)			Yes	
The previous annual report (Year -1)			Yes	
The annual report (Year -1) published / to be published (Draft)			Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act) and resulting scorecards (Year 0)			Yes	
All service delivery agreements (Year 0)			Yes	
All long-term borrowing contracts (Year 0)			No	
All supply chain management contracts above a prescribed value (R10 million or 5 years)			Yes	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year -1.			Yes	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section			Yes	
Public-private partnership agreements referred to in section 120 made in Year 0			No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0			Yes	
<p><i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i></p>				T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

T 2.10.1.1.

PUBLIC SATISFACTION LEVELS

T 2.11.1

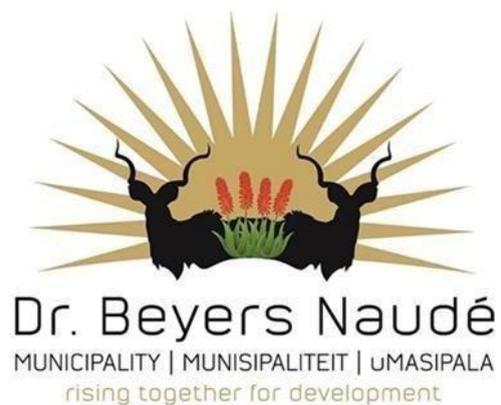
SATISFACTION SURVEYS UNDERTAKEN DURING: 2023/24 & 2024/25

Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality				
(b) Municipal Service Delivery				
(c) Mayor				
Satisfaction with:				
(a) Refuse Collection				
(b) Road Maintenance				
(c) Electricity Supply				
(d) Water Supply				
(e) Information supplied by municipality to the public				
(f) Opportunities for consultation on municipal affairs				
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T 2.11.2

COMMENT ON PUBLIC SATISFACTION LEVELS

Not applicable at this stage, as no public satisfaction surveys has been conducted.

T 2.11.2.2



CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT: PART 1)



CHAPTER 3**SERVICE DELIVERY PERFORMANCE
(PERFORMANCE REPORT PART 1)****INTRODUCTION**

The key services provided by Dr Beyers Naudé Municipality are Water, Sanitation, Electricity, Solid Waste, Roads and Streets, Storm Water, Town Planning, Building Control and Traffic Services. The Municipality also owns and manages a surfaced airfield in Graaff-Reinet.

Fire services, Disaster Management and Environmental Health Services function are included in services provided locally and on an agency basis in some areas on behalf of the Sarah Baartman District Municipality.

Virtually all household structures have access to basic services (urban areas) and free basic services are provided to indigent households. Backlogs exist, are in the process of being addressed.

T 3.0.1

SERVICES	HOUSEHOLDS WITH ACCESS
Water	97%
Sanitation	96%
Electricity	97%
Solid Waste	89%
Roads & Stormwater	100%

COMPONENT A: BASIC SERVICES

This component includes Water, Wastewater (Sanitation), Electricity, Waste Management and Housing (Human Settlement) Services; as well as a summary of Free Basic Services.

INTRODUCTION TO BASIC SERVICES

The universal access targets set by the Government as well as Outcome 9 emphasized the fact that Municipalities must meet the set targets. The Dr Beyers Naudé Municipality is happy to report that it has achieved these targets in respect of all the basic services.

T 3.1.0

3.1 WATER PROVISION

INTRODUCTION

The Municipality's strategy is to provide water services in an efficient, affordable, equitable, economical and sustainable manner – to all customers in the urban areas.

Dr Beyers Naudé Municipality is a Water Services Provider (WSP) and Water Services Authority (WSA). 97% of households in the Dr Beyers Naudé Municipal area have access to piped water on their premises or within 200m from the dwellings.

WATER SYSTEMS, DESIGN CAPACITY AND OPERATING CAPACITY

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Graaff-Reinet	16.0ML/d	8,483 ML/d
Aberdeen	3,4 ML/d	1,808 ML/d
Nieu-Bethesda	0,83 ML/d	0,257 ML/d

The table above shows an increase in operational volumes and that all three towns have spare capacity.

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Willowmore	1,5 ML/d	0,650 ML/d
Steytlerville	2,0 ML/d	0,516 ML/d
Rietbron	0,27 ML/d	0,235 ML/d

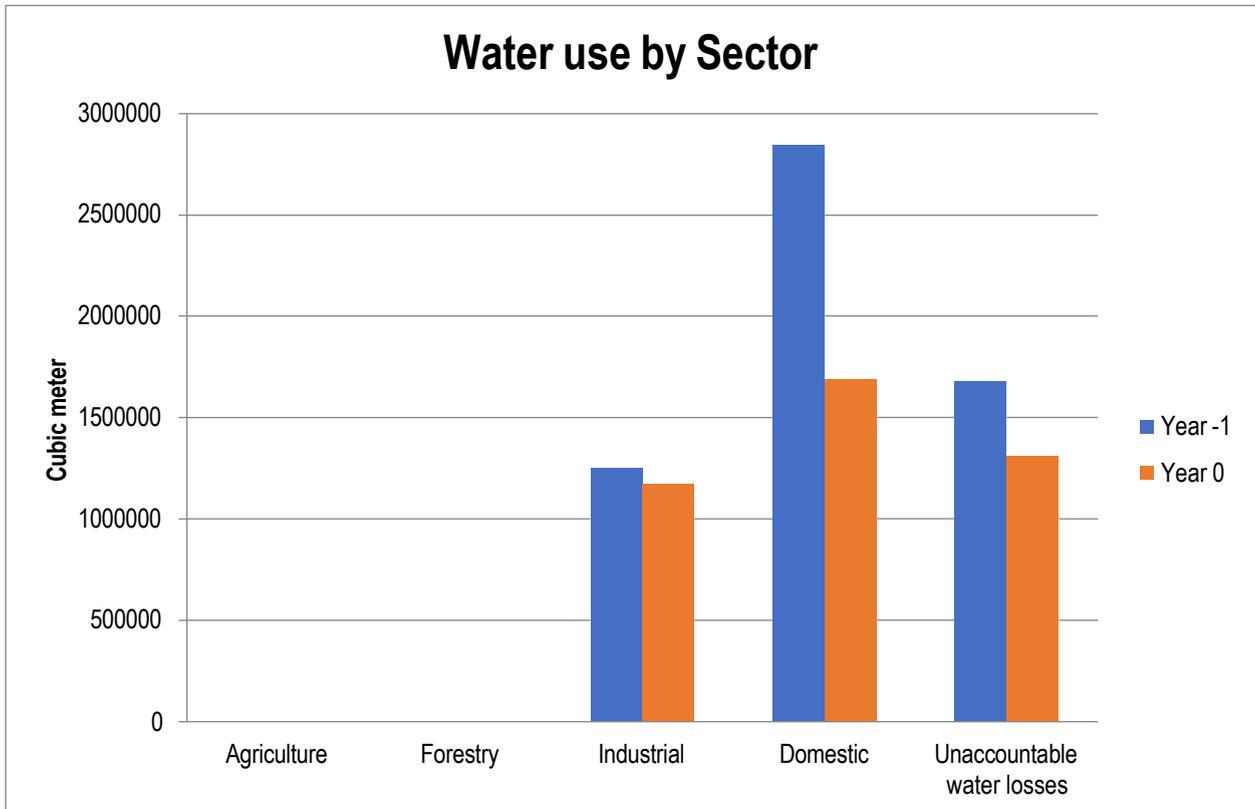
Extra boreholes were drilled at Wanhoop to augment the water supply to Willowmore. The main pumping line from Wanhoop is also being upgraded. A contractor was appointed to attend to the repairs of the Erasmuskloof Subsoil Drainage system. This project will be finally attended to under WSIG during the 26/27 fy. Water tanks were installed in Willowmore and Steytlerville to assist during supply interruptions. Willowmore and Rietbron water situation remain stable.

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Jansenville	2,5 ML/d	1,500 ML/d
Klipplaat	1,5 ML/d	0,197 ML/d

The completed RBIG water project assisted with the previous water challenges amongst the above two towns.

TOTAL USE OF WATER BY SECTOR (CUBIC METERS)					
Year	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2023/24	0	0	418 870	1 967 495	1166 420
2024/25	0	0			2 345 635
					<i>T 3.1.2</i>

- The Municipality does provide water to some agricultural smallholdings in its area, but this is unfortunately not listed as such on its database, hence those figures are not available as yet. Industrial figures are inclusive of usage by commercial and government consumers.



COMMENT ON WATER USE BY SECTOR

Domestic water users account for the most usage by this sector followed by very high water losses. The unaccounted water losses can be ascribed to water carting because of drought, and water shortages/interruptions.

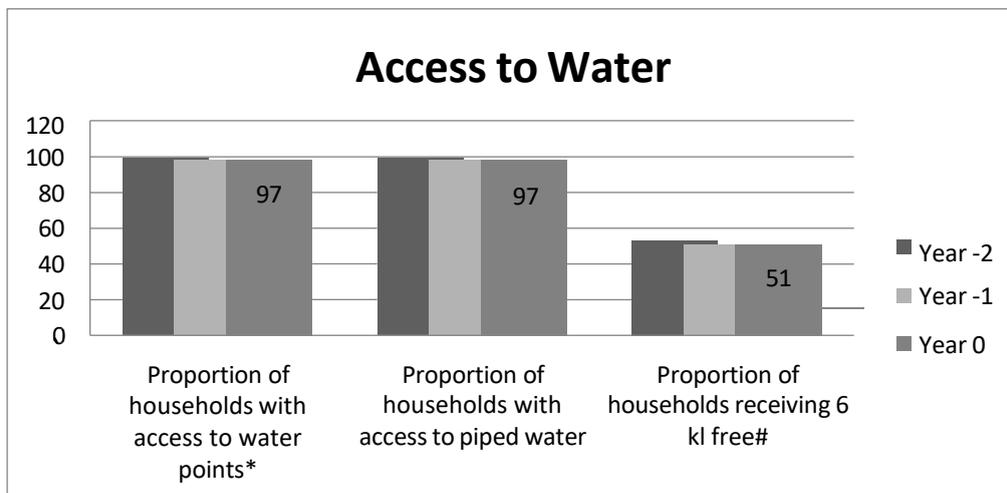
T 3.1.2.2

HOUSEHOLD WATER SERVICE DELIVERY LEVELS			
Description	2022/23	2023/24	2024/25
	Actual No.	Actual No.	Actual No.
Water: (above min level)			
Piped water inside dwelling	15 204	15 344	16 442
Piped water inside yard (but not in dwelling)	0	0	0
Using public tap (within 200m from dwelling)	494	494	494
Other water supply (within 200m)			
Minimum Service Level and Above sub-total	15 698	15 838	16 936
Minimum Service Level and Above Percentage	97%	97%	97%
Water: (below min level)			
Using public tap (more than 200m from dwelling)	306	306	306
Other water supply (more than 200m from dwelling)	164	164	164
No water supply			
Below Minimum Service Level sub-total	40	40	40
Below Minimum Service Level Percentage	3%	3%	3 %
Total number of households	16 208	16 348	17 446
<i>* To include informal settlements</i>			<i>T 3.1.3</i>

HOUSEHOLD WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM			
Description	2022/23	2023/24	2024/25
	Actual No.	Actual No.	Actual No.
FORMAL SETTLEMENTS			
Total Households	16 208	16 348	17 446
Households below minimum service level	510	510	510
% Proportion of households below minimum service level	3%	3%	3 %
INFORMAL SETTLEMENTS			
Total Households	964	964	964
Households below minimum service level	40	40	40
% Proportion of households below minimum service level	4%	4%	4%
			<i>T 3.1.4</i>

ACCESS TO WATER			
Year	Proportion of households with access to water points *	Proportion of households with access to piped water	Proportion of households receiving 6 kl free #
2022/23	97 %	97 %	51 %
2023/24	97 %	97 %	51 %
2024/25	97 %	97 %	51 %
* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute.			
# 6,000 liters of potable water supplied per formal connection per month.			T 3.1.5

- Dr Beyers Naudé Municipal area does not have high density, sprawling informal settlements. The largest ones are situated in Graaff-Reinet, and households have access to communal water standpipes that have been installed in close proximity to the informal dwellings.



WATER SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2023/24		2023/24			2024/25	2024/25	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Households Without Minimum water supply	Additional households provided with minimum water supply during the year	0	0	0	0	0	0	0	0
Service Objective No. 2									
Improve reliability of water supply	Reduce the number of interruptions in supply of one hour or more than one hour during the year	10%	10%	10%	10%	10%	10%	10%	10%
Service Objective No. 3									
Improve Water Conservation	Reduce unaccountable water levels compared to the baseline of Year -1 unaccounted for during year	25%	40%	40%	43%	35%	35%	30%	35%
Service Objective No. 4									
Integrated Regulatory System (Previous Blue Drop)	Compliance Monitoring and Drinking Water Quality as per SANS 241	80%	99.9%	92%	85%	86%	85%	85%	99%

T 3.1.6

EMPLOYEES: WATER SERVICES					
Job Level (TG)	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	36	48			
4 – 6	0	3			
7 – 9	1	4			
10 – 12	18	21			
13 – 15	0	1			
16 – 18	2	4			
19 – 20	3	3			
Total	60	84			
					T 3.1.7

FINANCIAL PERFORMANCE 2024/2025: WATER SERVICES					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(92 364)	(91 809)	(114 620)	(92 904)	19%
Expenditure:					
Employees	14 163	13 225	13 425	16 438	-22%
Repairs and Maintenance	3 085	7 320	7 320	7 763	-6%
Other	88 145	47 584	55 967	81 074	-45%
Total Operational Expenditure	105 393	68 129	76 712	105 274	-37%
Net Operational Expenditure	13 030	(23 680)	(37 908)	12 371	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.1.8
CAPITAL EXPENDITURE 2024/25 : WATER SERVICES					
R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Ground Water Study and Exploration Drilling for New Wellfield in Willowmore	9 512	9 512	9 512	0	12 614
Willowmore – Upgrading of Bulk Water Supply Steel Pipeline Phase 2	9 885	9 885	9 885	0	9 885
					22 499
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					T 3.1.9

COMMENTS ON WATER SERVICES PERFORMANCE OVERALL

There has been a commendable improvement in the quality and quantity of potable water produced. This can mainly be attributed to completed water projects, increased rainfall figures, better supervision and training offered.

Water Safety Plans and Water Services Development Plan were reviewed and approved.

The overall Drinking Water Quality Compliance Monitoring score for the Municipality was 99.9% compliant.

Challenges remaining are:

Electrical Supply interruptions from Eskom and vandalism.

Erasmuskloof water supply system.

3.2 WASTEWATER (SANITATION) PROVISION

INTRODUCTION

The major strategy for sanitation is to ensure that all urban households have access to water borne sanitation by systematically upgrading existing infrastructure.

WASTE WATER SYSTEMS, DESIGN CAPACITY AND OPERATING CAPACITY

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Graaff-Reinet	4,5 ML/d	3,62 ML/d
Aberdeen	1,0 ML/d	0,65 ML/d
Nieu-Bethesda	0,05 ML/d	0,03 ML/d

All above plants are operating well within their design capacities.

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Willowmore	1,0 ML/d	0,60 ML/d
Steytlerville	1,0 ML/d	0,63 ML/d
Rietbron	0,2 ML/d	0,11 ML/d

Rietbron is nearing its design capacity and will have to be upgraded in the near future. Grant funding is to be secured for the upgrading.

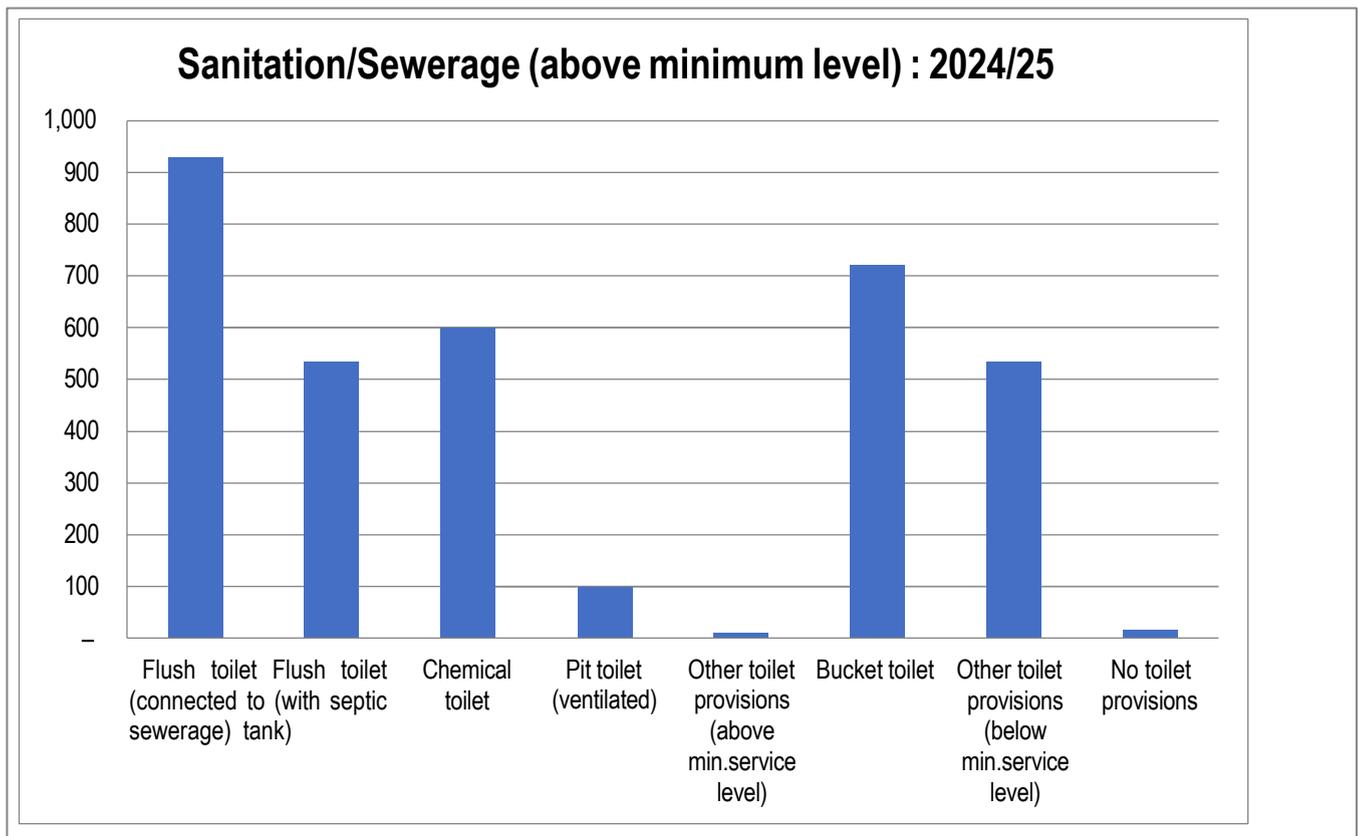
TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Jansenville	1,0 ML/d	0,31 ML/d
Klipplaat	0,6 ML/d	0,08 ML/d

Although all plants are operating within their design capacities, funding for repair work will have to be secured in order to repair a breached wall of the irrigation pond at Jansenville Waste Water Treatment Works.

SANITATION SERVICE DELIVERY LEVELS			
Households			
Description	2022/23	2023/24	2024/25
	Actual No.	Actual No.	Actual No.
Sanitation/sewerage: (above minimum level)			
Flush toilet (connected to sewerage)	10967	10 967	11 898
Flush toilet (with septic tank)	2 247	2 247	2247
Chemical toilet	0	0	0
Pit toilet (ventilated)	0	0	0
Other (Communal) toilet provisions (above minimum service level)	509	509	509
<i>Minimum Service Level and Above sub-total</i>	13 723	13 723	14 654
<i>Minimum Service Level and Above Percentage</i>	84 %	84 %	84%
Sanitation/sewerage: (below minimum level)			
Bucket toilet	4	4	4
Other toilet provisions (below minimum service level)	2 591	2591	2591
No toilet provisions	0	0	0
<i>Below Minimum Service Level sub-total</i>	30	30	30
<i>Below Minimum Service Level Percentage</i>	16 %	16%	15%
TOTAL HOUSEHOLDS	16 348	16 348	17 446

T 3.2.3

- The Municipality has in recent years systematically been replacing pit latrines and other non-waterborne systems with waterborne systems. The majority of households in the urban areas are connected to the Municipal sewer system, however, the increased number of flush toilets are placing a huge strain on the area's scarce water resources.
- This furthermore contributing towards emergency repairs and maintenance including Implementation of new projects.



HOUSEHOLDS - SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM			
Description	2022/2023	2023/24	2024/25
	Actual No.	Actual No.	Actual No.
FORMAL SETTLEMENTS			
Total households	16 083	16 348	17 446
Households below minimum service level	2 625	2 625	2 625
% Proportion of households below minimum service level	16 %	16 %	15 %
INFORMAL SETTLEMENTS			
Total households	3 100	3 104	3 104
Households is below minimum service level	30	20	20
% Proportion of households below minimum service level	1 %	1 %	1 %

T 3.2.4

WASTE WATER (SANITATION) SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2022/23		2023/24			2024/25	2024/25	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Upgrade 9 Sewage Pump Stations	To equip and refurbish 9 sewage pump stations which will decrease pollution and spillages	0	0	0	New motors / controls Standby Generators Safety and Security 29 500 000	Completed	0	0	0
Service Objective No. 2									
Service Objective No. 3									
Service Objective No. 4									

T 3.2.6

EMPLOYEES : SANITATION SERVICES					
Job Level (TG)	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	48				
4 – 6	3				
7 – 9	4				
10 – 12	21				
13 – 15	1				
16 – 18	4				
19 – 20	3				
Total	84				

T 3.2.7

CAPITAL EXPENDITURE 2024/25: SANITATION SERVICES					
R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Replacement of Water Wise Toilet Cisterns	10 314	13 949	13 948	135%	24 990
					24 990
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					T 3.2.9

FINANCIAL PERFORMANCE 2024/25 : SANITATION SERVICES					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(65 217)	(83 769)	(85 969)	(68 318)	21%
Expenditure:					
Employees	7 784	8 330	8 330	10 131	-22%
Repairs and Maintenance	8868	16 900	19 100	32 664	-71%
Other	67 215	13 409	16 886	56 523	-235%
Total Operational Expenditure	83 867	38 639	44 316	99 317	-124%
Net Operational Expenditure	18 650	(45 130)	(41 653)	30 999	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.2.8

COMMENTS ON SANITATION SERVICES PERFORMANCE OVERALL

Overall the sanitation systems are operating well, although the municipality did experience sewage pump break downs and faults causing spillages. Vandalism, theft, and breakages remain a major concern. Graaff-Reinet Wastewater Treatment Plant security fence still needs to be replaced, although the Department appointed a service provider as an interim security measure under the Operational budget. An application for funding for the refurbishment of Graaff-Reinet Wastewater was submitted and approved. Wastewater Risk Abatement Plans for all plants were reviewed and approved by Council. The municipality and the Department of Water and Sanitation are securing Water Use licenses for all plants. The retrofit of smart toilet cisterns reduced the amount of toilet leaks and inflow to Plants.

T 3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

The objective is to adequately upgrade the electrical supply and install the necessary electrical infrastructure as well as maintain them to ensure a sufficient supply to all consumers in the Dr Beyers Naudé supply area. The following are the major strategies:

- Review the Electricity Master Plan for each supply area.
- Conduct a meter audit in the Dr Beyers Naudé Supply area
- Identify and implement suitable electrification projects.
- Upgrade old Infrastructure.
- Replace inefficient public street lighting with energy efficient streetlight technology. Graaff -Reinet, Aberdeen, Jansenville, Klipplaat and Rietbron (In process)
- Electrification needs are identified in the IDP, based on the Ward and Master Plans. The Municipality is supporting three renewable energy projects in the area namely:
 - Solar PV Farm (Carbon Metrics)
 - Giant Flag Solar PV Project, and
 - Wolvefontein Windfarm project
 - Aberdeen Wind Farm (Eskom)

The identification and implementation of electrification projects are carried continuously and are identified in the IDP. For the 202/2024 financial year, 5 High mast lights were installed in Graaff-Reinet and Aberdeen.

Dr Beyers Naudé Supply Area

Graaff-Reinet, Jansenville, Willowmore, Steytlerville, Aberdeen and Rural Consumers.

uMasizakhe (Graaff-Reinet), Lotusville (Aberdeen) Nieu-Bethesda, Klipplaat, Rietbron and Baviaanskloof are being supplied by Eskom. This function includes the Bulk Purchase of electricity in which the main role players are Eskom and the Municipality.

Basic Standards in Electricity Services

The Electricity Supply is according to the National Regulatory guidelines, policies and Act for both Low- and High- level Electricity Services to all the consumers in the Municipal Supply Area.

Service Delivery Priorities

- To maintain the infrastructure and to upgrade and replace old/or ageing infrastructure to ensure sufficient electricity supply in the Dr Beyers Naudé Area.
- To maintain normal streetlights and High mast Lights.
- Maintain sub- stations

T 3.3.2

HOUSEHOLD ELECTRICITY SERVICE DELIVERY LEVELS			
Description	2023/24	2023/24	2024/25
	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)			
Electricity (at least minimum service level)	2,528	2,537	
Electricity - prepaid (minimum service level)	10,639	11,686	
<i>Minimum Service Level and Above sub-total</i>	13,167	14223	
<i>Minimum Service Level and Above Percentage</i>	98.9%	98.4%	
Energy: (below minimum level)			
Electricity (< minimum service level)	-	-	
Electricity - prepaid (< minimum service level)	218	225	
Other energy sources			
<i>Below Minimum Service Level sub-total</i>	218	225	
<i>Below Minimum Service Level Percentage</i>	1.6%	1.5%	
Total number of households	13,317	14448	
T 3.3.3			

- It should be noted that electricity services are rendered by both the Municipality and Eskom within the Dr Beyers Naudé Municipal area. Service indicators and statistics provided for the purpose of the Annual Report relate to consumers being serviced by the Municipality, plus the estimated number serviced by Eskom.

FINANCIAL PERFORMANCE YEAR 2024/25 : ELECTRICITY SERVICES					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(307 227)	(142 744)	(142 761)	(160 794)	-13%
Expenditure:					
Employees	10 267	13 740	14 590	13 965	4%
Repairs and Maintenance	2 589	5 203	4 353	3 553	18%
Other	146 699	135 940	165 504	172 249	-4%
Total Operational Expenditure	159 555	154 883	184 447	189 768	-3%
Net Operational Expenditure	(147 672)	12 139	41 686	28 973	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.3.7

Capital Expenditure Year 0: Electricity Services					
					R' 000
Capital Projects	Year 0 – 2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

T 3.3.8

EMPLOYEES : ELECTRICITY SERVICES					
Job Level (TG)	2021/22	2022/23			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	15	15	15	3	20%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	10	10	10	1	10%
13 – 15	2	2	2	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	27	27	27	4	15%

T 3.3.6

COMMENTS ON ELECTRICITY SERVICES PERFORMANCE OVERALL

Existing infrastructure, especially that serviced by the Municipality in rural areas, is either old or near its full load capacity.

The Municipality has an agreement with Eskom for the provision of free basic electricity (FBE) to registered indigent households in the Eskom supply areas.

Credit control in the Eskom supply areas is problematic since Council's Credit Control Policies cannot be enforced.

The Municipality is challenged with constant vandalism and theft of electrical infrastructure, which has a huge financial implication. This is receiving the necessary attention.

The Municipality is in process of installing rooftop solar (PV) at Municipal buildings to decrease the electricity consumption.

3.4 WASTE MANAGEMENT (including Refuse Collections, Waste Disposal, Street Cleaning and Recycling)

INTRODUCTION

Waste Management is an important part of the key performance areas of this directorate and, although effort has been made to improve service delivery during this reporting period, numerous challenges and non-compliance issues still hamper effective service delivery.

The Municipality has been battling with the issue of Waste Management and littering as it is one of the municipality's greatest challenges. The municipality is trying to service all areas, and some programmes such as the EPWP have been implemented to reduce the amount of litter in the environment. However, the problems persist. The challenges experienced in terms of Waste Management have led to an increase in the number of illegal dumping sites within our various wards.

WASTE COLLECTION

According to Stats 2022, the Municipality has 23 318 households; however, according to the municipal records, there 16 734 households. The Municipality has 5 770 registered indigent households, and all receive free basic waste collection services. Waste is collected daily; refer to Annexure A for a detailed waste collection schedule. The municipality uses the kerbside waste collection method, as well as skip bins being distributed in some villages and businesses. Townships receive waste collection twice a week, while urban areas receive waste collection once a week. Commercial waste is collected twice a week. The Municipality is not collecting waste on farms. Waste collection challenges includes a shortage of waste bins for the community to store their waste in until the truck arrives to pick it up, thus the community uses refuse bags and any other container to store their waste, resulting in dogs ravaging the bags and scattering waste on the streets, waste collection vehicles are insufficient and unreliable due to frequent failures causing delays in waste collection services and insufficient general workers and waste management fleet.

Table: detail basic waste collection services within the Municipality.

Status of waste collection in DBNLM

DBNLM	
Total Number of Households (Stats SA 2022)	23 318
Total Number of Households (Municipality)	16 900
Serviced Households (Stats SA 2022)	22 033
Un-serviced Households (Stats SA 2022)	1 285
Number of Indigent Households	5 770
Serviced Indigent Households	5 770

Waste Management Fleet

The municipality has nineteen (19) Vehicles used for waste collection and five (5) yellow fleet; however, to achieve effective waste management collection, the Municipality must be equipped with a sufficient and efficient waste management fleet to carry out waste collection and waste disposal services. The municipality has no documented plan for replacing waste management vehicles, however, the municipality has applied for the procurement of specialized yellow fleet through MIG. The municipality has received two (2) TLBs, a Front-End Loader, and a Compactor truck .Furthermore, the municipality managed to procure an

additional 7 ton compactor and 10 ton tipper trucks through the MIG funding in the current financial year 2024/25. Another massive boost to the fleet was the programme undertaken for the ageing trucks to be fully refurbished and restored. The municipality will continue applying for fleet through MIG funding.

Status of Waste Disposal Facilities

The waste disposal section includes several WDFs and their status. The Municipality has and manages eight (8) WDFs, namely Graaf-Reinet WDF, Aberdeen WDF, Rietbron WDF, Niue- Bethesda WDF, Willowmore WDF, Styetlerville WDF, Klipplaat landfill, and Janesville WDF. Only four (4) of the WDFs are licensed, i.e., Aberdeen, Graaf-Reinet, Niue-Bethesda, and Styetlerville. The Municipality is in the process of acquiring the Waste Management Licenses (WMLs) of four other WDFs. The majority of the WDFs are in very poor condition and are not being managed adequately. The Municipality has only one transfer station, situated just outside Graaff-Reinet. The transfer station had to be closed due to defective design and poor management.

Illegal Dumping

Illegal dumping is one of the problems facing the Municipality. A lot of illegal dumping is taking place, outside the landfills, as well as along riverbeds, stormwater furrows, and public open spaces within the urban areas. Littering is a critical problem in all areas. To curb the problem of illegal dumping and littering, the Municipality has provided small holding camps where people can dispose of their waste within the built-up areas, but the problem persists, despite the Municipality's efforts. It is a punishable offense to dump waste in an area that is not designated for waste disposal. The municipality has more than 200 illegal dump sites,

Hazardous and Health Care Risk Care Waste Disposal

There are no hazardous WDFs in DBNLM. The responsibility of managing hazardous waste and HCRW waste does not lie with municipalities, however, the Municipality needs to know whether the waste within its jurisdiction is managed properly. Hazardous waste is not allowed at all the DBNLM WDFs, as such hazardous waste producers are encouraged to take their waste to EnviroSource at Port Elizabeth. Hazardous waste collected at the household level is likely collected and disposed of with general waste in disposal sites meant for general waste. Hazardous and HCRW waste mostly found in domestic waste include batteries, fluorescent lamps/tubes, pharmaceutical, chemicals, etc.

INDICATORS FOR SOLID WASTE SERVICE DELIVERY

HOUSEHOLD SOLID WASTE (REFUSE REMOVAL) SERVICE DELIVERY LEVELS			
Description	2022/23	2023/24	2024/25
	Actual No.	Actual No.	Actual No.
Solid Waste Removal: (Minimum level)			
Removed at least once a week	15 872	15 872	
<i>Minimum Service Level and Above sub-total</i>	15 872	15 872	
<i>Minimum Service Level and Above percentage</i>			
Solid Waste Removal: (Below minimum level)			
Removed less frequently than once a week	128	128	
Using communal refuse dump	18 319	18 319	
Using own refuse dump	1 484	1 484	
Other rubbish disposal	529	529	
No rubbish disposal	127	127	
<i>Below Minimum Service Level sub-total</i>			
<i>Below Minimum Service Level percentage</i>			
Total number of households	15 872	15 872	

T 3.4.2

HOUSEHOLD SOLID WASTE SERVICE DELIVERY LEVELS BELOW THE MINIMUM			
Description	2022/23	2023/24	2024/25
	Actual No.	Actual No.	Actual No.
Formal Settlements			
Total households	15 332	15 332	
Households below minimum service level			
% Proportion of households below minimum service level	100%	100%	
Informal Settlements			
Total households	540	540	
Households below minimum service level			
% Proportion of households below minimum service level	100%	100%	

T 3.4.3

WASTE MANAGEMENT SERVICES POLICY OBJECTIVES TAKEN FROM IDP

Service Objectives / Service Indicators	Outline Service Targets (ii)	2022/23		2023/24			2024/25	2024/25	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Solid waste Disposal sites (Landfills), that are compliant, have adequate capacity and are properly managed and maintained.	Systematically upgrade existing infrastructure, replace and rehabilitate where applicable.	-	Approval letter from DEDEAT to continue with upgrading of Landfill site in Steytleville	Tender process and Construction of 1 Cell		Application for licencing of Jansenville landfill site			
Service Objective No. 2									
Waste Transfer Station that has been redesigned and extended to properly fulfil its main function.	Develop a new Integrated Waste Management Plan for Dr Beyers Naudé Municipality and review it regularly.	-							
Service Objective No. 3									
Effective recycling programmes that will reduce waste volume at the landfill sites and create economic opportunities for the Community.	Step up educational campaigns to encourage citizen to take pride of their areas and keep them clean, to recycle at source.			3	Waste management campaign per quarter		Clean-up campaigns were conducted		
Service Objective No. 4									
The eradication of illegal dumping and lettering and creation of clean and healthy urban areas and surrounding environment	Provide adequate waste disposal facilities and containers, as well as regular waste removal service.	-		5	Refurbishment of skips to deal with the clearing of illegal dumping sites.				

EMPLOYEES: SOLID WASTE MANAGEMENT, WASTE DISPOSAL & CLEANING SERVICES					
Job Level (TG)	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	60				
4 – 6	14				
7 - 9	15				
10 - 12	0				
13 - 15	1				
16 – 18	0				
19 – 20	0				
Total	90				

T 3.4.5 & T 3.4.6

FINANCIAL PERFORMANCE 2024/25 : SOLID WASTE MANAGEMENT SERVICES					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(36 469)	(51 072)	(51 072)	(39 395)	23%
Expenditure:					
Employees	14 688	19 224	18 960	19 043	0%
Repairs and Maintenance	49	996	1 330	1 291	3%
Other	38 969	9 297	13 252	39 882	-201%
Total Operational Expenditure	53 706	29 518	33 542	60 216	-80%
Net Operational Expenditure	17 237	(21 555)	(17 530)	20 821	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.4.7 & T 3.4.8</i>

CAPITAL EXPENDITURE 2024/25 : WASTE MANAGEMENT SERVICES					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Specialized Vehicles for Waste	2 889	2889	2889	0	14 993
					14 993
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					<i>T 3.4.9</i>

COMMENTS ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

Waste management is one of the municipal functions that is the cause of the most dissatisfaction from communities. Fortunately, this is also one of the functions that poses the opportunity to gain quick wins. Great strides have already been made in turning around this function by clearing-up illegal dumping sites and littering around skips to improve living conditions for communities. Unfortunately, this is also a function that has no sustainability for as long as the communities continue to dump illegally, this problem will exist. Unsightly and unhealthy dumps are cleaned today, and tomorrow illegal dumping continues.

Communities will have to take ownership and cooperate with the municipality to stop illegal dumping and littering for their own well-being as money continually spent on cleaning of illegal dumping sites can be much better used on other infrastructure for community development and wellbeing.

The Department of Economic Development & Environmental Affairs funded Good Green Deeds Ambassador project contributes much to the success of cleaning and rehabilitation of illegal dumping sites and cleaning of skips. They also assist when challenges are experienced with refuse removal.

Community awareness regarding illegal dumping, littering and vandalism is being addressed through cooperation with SANParks, community organizations, churches and other sector departments.

R6,845,443 has been provided through the Municipal Infrastructure Grant for the procurement of specialized waste management vehicles. Two TLB's, one compactor truck, and one front-end loader have been procured. In addition to this, it is envisaged to commence with the phasing-in of wheelie bins. It is proposed that the costs of wheelie bins be levied on the monthly account of the user to be paid in full by the end of the financial year.

There are, however, numerous challenges and non-compliance issues regarding waste management. Only 3 out of 8 landfill sites are registered and the transfer station was closed to the public, but it was used operationally. The inadequacies in Waste Management that have been identified at the onset of the year under review and are being addressed with the turn-around strategy, include the following with remarks of progress during the year:

1. Poor management of the function and insufficient leadership: An Acting Manager Waste Management is currently attending waste management operations.
2. Uncontrolled dumping and littering pose health and safety risks for communities and reputational risk for municipality: community awareness is being created through social media, ward Councilors/ward committees, Mayoral weekly newsletter, etc.
3. Non-compliance regarding operation and registration of landfill sites: this remains a challenge due to insufficient resources (yellow plant, vehicles, finances and staff). Through innovative approaches assistance has been obtained from SANRAL and Department of Transport appointed service providers to clean landfill sites and surrounding areas.

4. Transfer station being closed currently to the public due to an incident: The transfer station is currently being used for operational functions and to reduce refuse that gets dumped on the landfill site. The upgrade of this facility will form part of the Integrated Waste Management Plan.
5. No recycling to reduce waste on landfill sites and protect the environment: recycling will also form part of the Integrated Waste Management Plan in 5 above.
6. Policies and by-laws are outdated: to be reviewed in 2024/25.
7. Policies and by-laws are not enforced and therefore refuse issues are escalating out of control: increased law enforcement will become effective once the law enforcement section is sufficiently capacitated.
8. Periodic clearing of litter is not a sustainable solution to the illegal dumping problem: A stakeholder meeting was held with major role players to address this matter – to be followed-up and put into action.
9. Insufficient vehicles and equipment for refuse removal – a bulldozer is one of the implements that is urgently required, and submission for consideration in the municipal budget has been made.
10. Refuse management not effective, efficient, and cost effective: the organogram is being reviewed to make provision for general workers (as opposed to casuals with no loyalty) and supervisory capacity. The Acting Manager: Waste Management will be held accountable for improved and cost-effective refuse management.
11. Refuse is not removed as scheduled: revised refuse removal schedules have been compiled and distributed. Deviations from schedules only occur due to break-downs, whereby residents are notified.
12. No responsibility or accountability for poor performance or not removing refuse: disciplinary actions are taken against ill-discipline and poor performance.
13. No pride in work and communities not taking pride or responsibility for their own environments and hygiene.
14. Ill-discipline of workforce: strict discipline is being enforced.

T 3.4.10

3.5 HOUSING / HUMAN SETTLEMENTS

INTRODUCTION

The Department of Human Settlements (DHS) is mandated to establish and facilitate a sustainable process of housing development in collaboration with provinces and municipalities. This mandate is derived from Section 3 of the Housing Act of 1997. The Housing Act, act No. 107 of 1997 states that every municipality should take all possible and necessary steps to ensure that the inhabitants of its area of jurisdiction have access to satisfactory housing. This should be done within the relevant framework of national and provincial housing legislation and policies, as part of the integrated development planning (IDP) process.

Officials of the Municipality are constantly being trained on the National Housing Needs Register and are working together with the Department of Human Settlement.

T 3.5.1

INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME

Steytlerville

In the 2023/24 financial year the Department of Human Settlements in partnership with the municipality completed the outstanding 58 units in Steytlerville under this programme. Some of the units from the completed units must still be connected to electricity, but have been handed over to the beneficiaries to avoid vandalism.

Umansizakhe

The Department of Human Settlements finalized the appointment of a Contractor to complete the remaining 13 units from the mud housing program. It is envisaged that these units will be completed within the 2025/26 financial year.

Nieu Bethesda

The Nieu Bethesda Housing Project has been in the pipeline for a number of years. The Department of Human Settlement has appointed a Contractor to build 79 units, including rectification of dilapidating structures within the old Pinaarsig area. According to the discussions with the contractor, the project is envisaged to be completed in 9 to 18 months.

INFORMAL SETTLEMENTS UPGRADING PROGRAMME

The municipality was appointed as an Implementing Agent for the upgrading of two (2) settlements, Vrygrond and Reimvasmaak. The appointment also include the relocation of the residents in Koeie kamp located in Nieu Bethesda.

Item	Municipality	Settlement Name	Households	Amount
1	Dr Beye's Naude LM	Graaff-Reinet-Koei Kamp 5	16	R1 340 484
2	Dr Beye's Naude LM	Graaff-Reinet: Kiemvasmaak 102	102	R8 545 582
3	Dr Beye's Naude LM	Graaff-Reinet: Vrygrond Umasizakhe	113	R9 467 165
TOTAL AMOUNT			R19 353 231	

Funding agreements have been signed between the Municipality and the Department of Human Settlements in order to procure the services of a Consultant to pride over the planning phase. Upon completion of the layout plans, relocation plans and Engineering Designs, a Contractor will be appointed for the implementation of the plans and designs.

HOUSEHOLDS WITH ACCESS TO BASIC HOUSING			
Year	Total households (including in Formal and Informal settlements)	Households Informal settlements	% of Households in Formal settlements
2024/25	17 861	197	98.9%
			T 3.5.2

HOUSING / HUMAN SETTLEMENT SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2021/22		2022/23			2023/24	2023/24	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
New RDP houses in Nieu-Bethesda					100	0	62	0	62
Service Objective No. 2									
Upgrading of Nieu-Bethesda Informal Settlement				0	0	0	0	0	16
									T 3.5.3

EMPLOYEES : HOUSING / HUMAN SETTLEMENT SERVICES					
Job Level	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3					
4 – 6					
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total					%
					T 3.5.4

FINANCIAL PERFORMANCE 2024/25: HOUSING SERVICES					
R'000					
Details	2023/24 Actual	2024/25			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	
Expenditure:					
Employees	0	0	0	0	
Repairs and Maintenance	0	0	0	0	
Other	157	262	262	184	30%
Total Operational Expenditure	157	262	262	184	30%
Net Operational Expenditure	157	262	262	184	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.5.5

CAPITAL EXPENDITURE 2024/25: HOUSING / HUMAN SETTLEMENT SERVICES					
R'000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					T 3.5.6

- There were no Capital Projects or resultant Capital Expenditure for Housing / Human Settlement Services.

COMMENTS ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

The Municipality has been participating in several Human Settlement Programmes since its inception in 2016. Almost all the programmes were initiated a number of years ago, with some completed and some still in progress. These are all centered in the delivery of housing the community as outlined in the South African Constitution.

As briefly stated, the municipality was appointed, on a temporal bases, as an implementing agent in three projects/programmes:

- HSDG – Nieu Bethesda Housing Project (79 units);
- Planning and Construction of the Graaff-Reinet Multipurpose Centre (MPCC)
- Upgrading of Informal Settlements - Vrygrond and Reimvasmaak

While all these projects have appointed Consulting Engineers, there have been significant delays due to the performance of the appointed Consulting Engineers. The intervention by the Municipal Manager to ensure that the work continues and funding is not lost was a significant milestone. Because of this intervention, the operations in mentioned projects were restored.

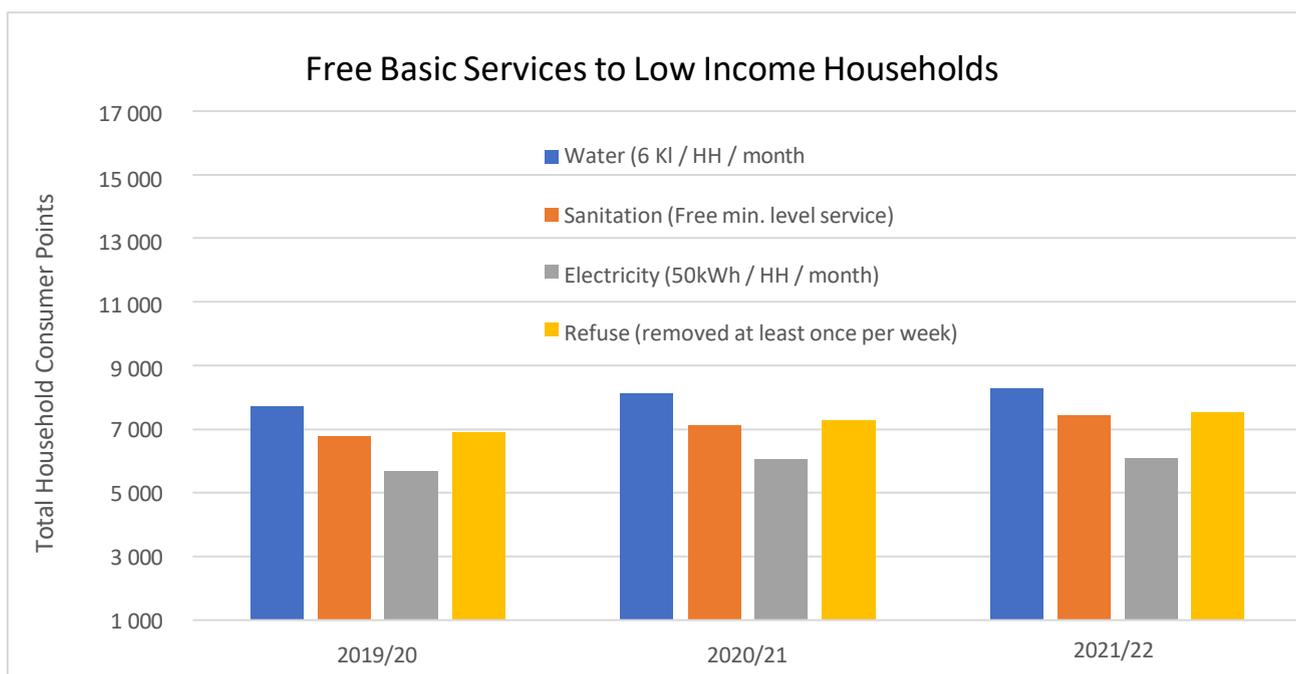
3.6 FREE BASIC SERVICES (FBS) AND INDIGENT SUPPORT

INTRODUCTION

The Municipality strives to fulfil its constitutional objective which stipulates that poor households must have access to basic services. An indigent subsidy, in line with national government regulations and guidelines, is available to assist the poorest households in the community to receive a basket of basic municipal services for free, including up to 6 kl water, basic sanitation, refuse removal and 50 kWh electricity. To provide further relief, the Rates Policy makes provision for taxes payable by indigent property owners.

Indigent subsidies are available to domestic households where the total household income of all the residing occupants of legal age is less than two state pensions, among other criteria. A Free Basic Services awareness campaign was held to inform the community of the availability of the subsidy, the services subsidized, the eligibility criteria and the process to apply for subsidy. Residents had the opportunity to have any questions and uncertainties addressed.

T 3.6.1



T 3.6.2

- About half of the Municipality's Domestic Consumers are being subsidised on a monthly basis.

FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS									
Year	Total HH / Consumer points	Number of households							
		Households earning less than equivalent of 2 State Pensions per month*							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Subsidized	%	Subsidized	%	Subsidized	%	Subsidized	%
2022/23	15918	8277	52%	7435	47%	6084	38%	7507	47%
2023/24	17115	2520	14%	2430	14%	4625	27%	2519	15%
2024/25	17235	3466	20%	3421	20%	4086	24%	3518	20%
<i>*As determined by BNLM Council Policy.</i>									T 3.6.3

- Figures for subsidized electricity provision are lower due to Eskom providing the balance of the service.

FINANCIAL PERFORMANCE 2024/25 : COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED					
Services Delivered to Indigent Households	2023/24	2024/25			
	Actual	Budget	Adjustment Budget	Actual	% Variance to Budget
Water (6Kl per HH per month)					
Sanitation (free monthly service)					
Electricity (50kWh per HH per month)					
Refuse Removal (free weekly service)					
Rates (annual property tax)					
Total					
T 3.6.4					

FREE BASIC SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2022/23		2023/24			2024/25	2024/25	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Providing Free Basic Services and Indigent Support	None	None	None	None	None	None	None	None	None
Service Objective No. 2									
T 3.6.5									

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The support provided to low earning households who qualify for the subsidy in terms of the approved council policy, is detailed above. The funding source forms part of the equitable share government grant (IGG).

A FBS roadshow is undertaken annually, to inform communities about the benefits and qualifying criteria.

COMPONENT B: ROAD TRANSPORT

This component includes roads, transport and stormwater drainage.

INTRODUCTION TO MUNICIPAL ROADS INFRASTRUCTURE

The road network within the Dr Beyers Naudé Local Municipal Area falls under the jurisdiction of three (3) authorities, namely:

- South African National Roads Agency Limited (SANRAL), who is responsible for National Route N9, R61 and R75, which traverses the area;
- Eastern Cape Department of Transport, who is responsible for provincial trunk, main, district and minor roads within the area; and
- The Dr Beyers Naudé Local Municipality, who is responsible for all municipal roads.

The road network within the Dr Beyers Naudé Local Municipal Area, together with the relevant road authority, is indicated in **Table 1** below and **Figure 1**.

Table 1: Road network in the Dr Beyers Naudé Local Municipal Area

Road Authority	Length (km)
SANRAL	504.18
Eastern Cape Department of Transport	4 541.43
Dr Beyers Naudé Local Municipality	333.82
Total	5 379.44

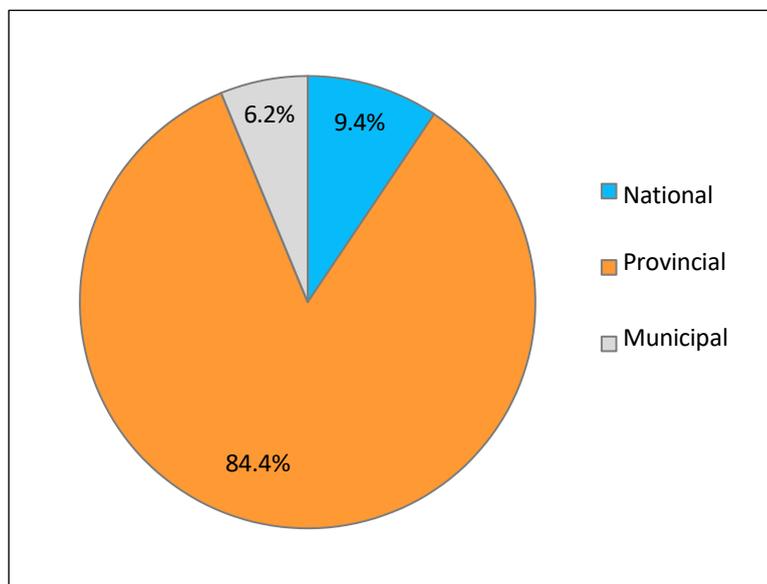


Figure 1: Road network in the Dr Beyers Naudé Local Municipal Area

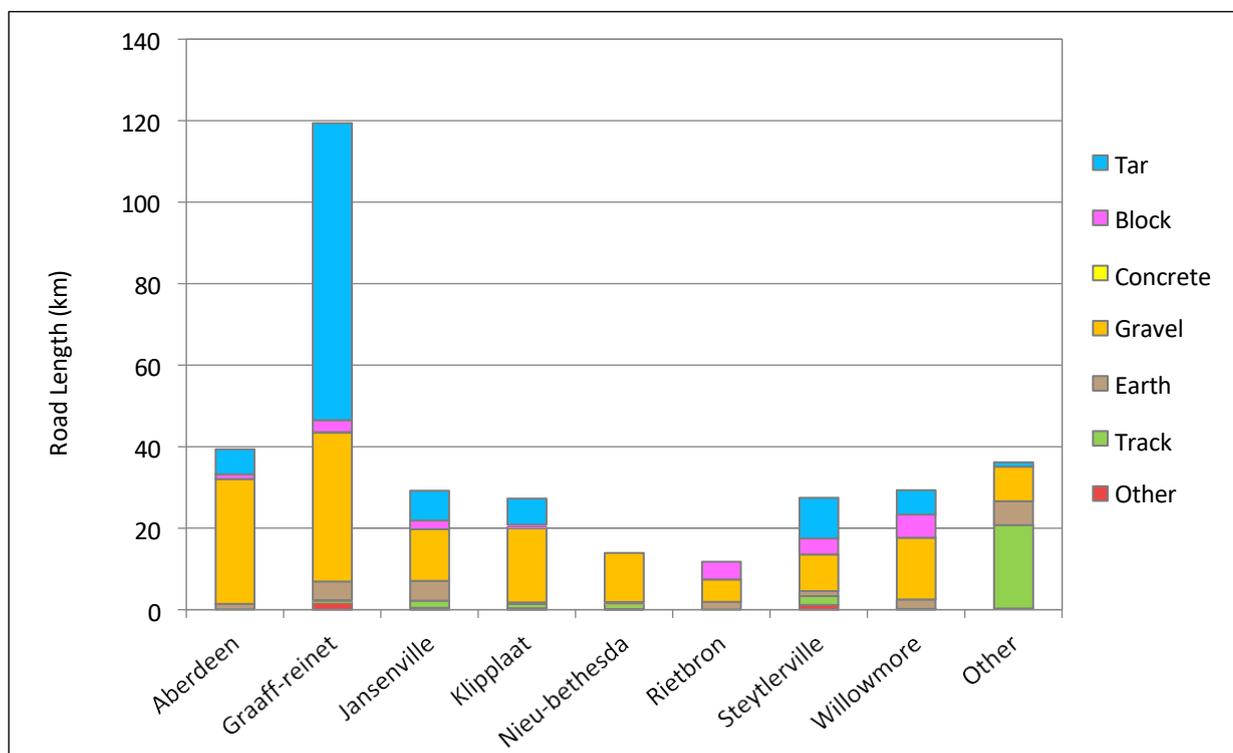
The total road network within the Dr Beyers Naudé Local Municipal Area and under the jurisdiction of the municipality comprises of approximately 333.82km, of which approximately 131.16km (or approximately 39%) are Paved roads.

The **Table 2** and **T 3.7.1**

Figure 2 below indicates the length of the road network under the jurisdiction of the Dr Beyers Naudé Local Municipality by Road Type.

Table 2: Road network under the jurisdiction of the Dr Beyers Naudé Local Municipality

Road Type	Category	Length (km)
Tar	Paved	109.83
Block		21.16
Concrete		0.17
Gravel	Unpaved	147.95
In Situ / Earth		23.24
Tracks		27.52
Other	Inaccessible	3.96
Total		333.82



T 3.7.1

Figure 2: Road network under the jurisdiction of the Dr Beyers Naudé Local Municipality

Paved roads are classified as being flexible (tar), block and concrete roads and the Unpaved roads are comprised of gravel roads, in situ/ earth roads and tracks. The classification of the various Unpaved roads are as follows:

- Gravel roads have a designed layer of imported material which is typically constructed to a specific standard and width and provides an all-weather surface.
- In situ / Earth roads are classified as those on which no imported gravel is used, but the in-situ material is

cleared of vegetation and, may be, compacted. The roads are often shaped to some extent.

Tracks are the simplest “low volume roads” and generally consists of parallel ruts separated by vegetation.

These tracks are not engineered and are often impassable during or after wet weather.

THE MAJOR STRATEGIES ARE:

- The Roads and Stormwater department undertakes routine inspection of the roads and stormwater network; repairs to potholes, sinkholes and road subsidence; repair / reinstatement of excavations, trenches and localized failures on roads and sidewalks; repair / replacement of traffic lines and signs; dry blading, re-gravelling and associated maintenance works on gravel roads; stream cleaning and maintenance; crack sealing and slurry sealing of roads; removal of rubble and sand from the road and road reserve areas and upgrading of low volume gravel roads.
- Conduct an audit of all areas to determine the extent and nature of the need. Utilize RRAMS for this purpose.
- Make adequate provision for street maintenance in the operational budget. Currently this is done annually based on ward-based planning undertaken during the IDP process.
- 3 Streets were rehabilitated, namely, West Street, Fabric Street and Bresler Street

CHALLENGES

- Assessments which were conducted revealed that approximately 93.5% of paved road networks allow conventional maintenance functions to be conducted in an effective and cost-efficient manner. However, financial provision thereof remains a major challenge.
Sarah Baartman District Municipality assisted the municipality in developing an Integrated Transport Plan

INTRODUCTION TO MUNICIPAL STORMWATER DRAINAGE INFRASTRUCTURE

Stormwater drainage, minor and major systems, is a critical problem in the Dr Beyers Naudé area and was highlighted as concern of residents at Ward Committee meetings.

THE MAJOR STRATEGIES ARE:

- The routine maintenance and unblocking of stormwater drainage systems; replacement of missing covers and access lids.
- Conduct assessments to identify challenges and improve serviceability of the stormwater infrastructure. Sarah Baartman District Municipality has assisted the municipality to develop a Stormwater Management Report for the Graaff-Reinet area. These plans are required for all towns within Dr Beyers Naude LM.
- Conduct continuous assessments in identifying challenges and improve serviceability of the stormwater infrastructure.
- The Department of Roads and Transport undertook some routine road maintenance on district gravel roads during the financial year and helped to reconstruct the bridge into Nieu Bethesda

CHALLENGES

- Policies and bylaws need to be formulated e.g Roads and stormwater Master Plan, Stormwater by-law. Funding or assistance from District municipality and Provincial departments is needed.
- A high percentage of stormwater structures are in poor condition and maintenance is required to reduce flooding.
- The topography of some areas leads to large quantities of water to pond and leads to localized flooding.
- All areas in Dr Beyers Naudé Local Municipality experience flooding especially where roads are unsurfaced, with no formal drainage structures.

3.7 ROADS & STORMWATER DRAINAGE

This section is inclusive of reporting on Section 3.9 : Stormwater Drainage.

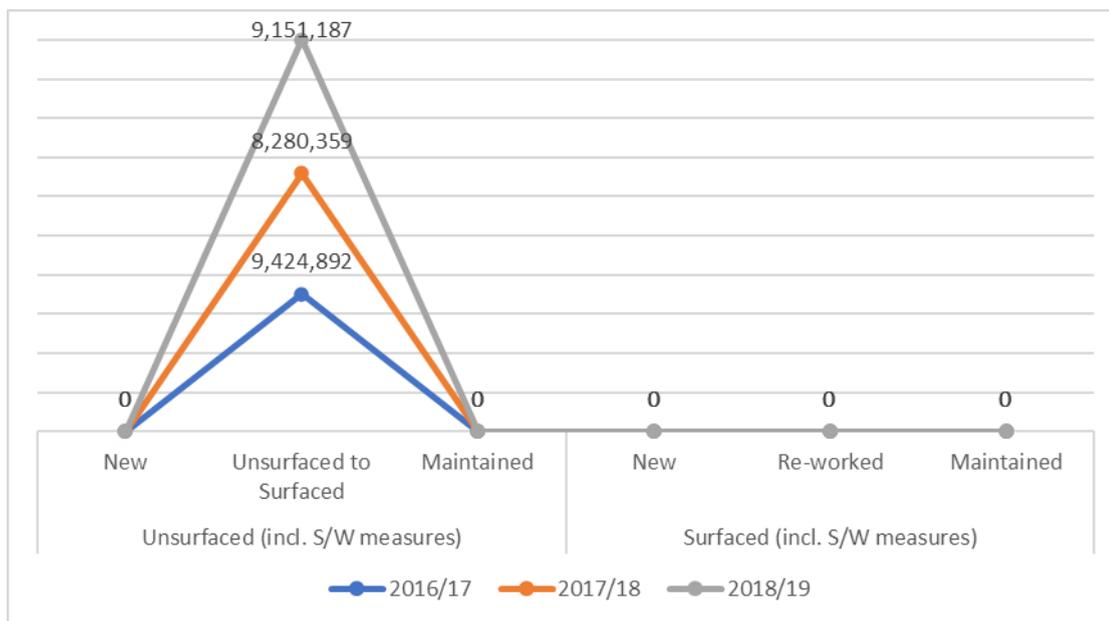
ROAD INFRASTRUCTURE IN KILOMETRES				
2024/25	Total unsurfaced roads	New unsurfaced roads constructed	Unsurfaced roads upgraded to surfaced	Unsurfaced roads graded/maintained
T 3.7.2				

SURFACED ROAD INFRASTRUCTURE IN KILOMETRES				
2024/25	Total surfaced roads	New surfaced roads	Existing surfaced roads re-surfaced	Surfaced roads maintained
T 3.7.3				

STORMWATER INFRASTRUCTURE IN KILOMETRES				
2024/25	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
T 3.9.2				

COST OF ROAD & STORMWATER CONSTRUCTION / MAINTENANCE						
R'000						
Year	Unsurfaced (incl. S/W measures)			Surfaced (incl. S/W measures)		
	New	Unsurfaced to Surfaced	Maintained	New	Re-worked	Maintained
2022/23	0					
2023/24	0					
2024/25	0					

T 3.7.4 & T 3.9.3



T 3.7.5 & T 3.9.4

ROADS & STORMWATER SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2022/23		2023/24		2024/25	2024/25		
		Target	Actual	Target	Actual	Target	Current Year	Current Year	Following Year
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Year (x)
Service Objective No. 1									
To adequately construct, upgrade or install Streets & Stormwater networks and to maintain them on a regular basis	None	2000	3106	2500	0	0	0	0	0

T 3.7.6 & T 3.9.5

EMPLOYEES : ROADS & STORMWATER SERVICES					
Job Level (TG)	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	18				
4 – 6	0				
7 – 9	9				
10 – 12	2				
13 – 15	0				
16 – 18	0				
19 – 20	0				
Total	29				

T 3.7.7

FINANCIAL PERFORMANCE 2024/25 : ROADS & STORMWATER SERVICES					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(21 090)	(23 482)	(26 282)	(25 068)	5%
Expenditure:					
Employees	8 507	10 336	10 336	10 595	-3%
Repairs and Maintenance	2 271	5 346	5 496	6 070	-10%
Other	19 101	21 029	21 029	17 735	16%
Total Operational Expenditure	29 879	36 710	36 860	34 400	7%
Net Operational Expenditure	8 789	13 229	10 579	9 332	

CAPITAL EXPENDITURE 2024/25 : ROADS & STORMWATER SERVICES					
R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Dr. Beyers Naude: Municipal Road Network Upgrading	3 605	716	716	20%	30 039
Upgrading of Streets and Storm Water in Dr. Beyers Naude	9 184	9 184	9 184	0	9 184
Municipal Disaster Relief Grant Phase 1	6 585	6 585	6 585	0	6 585
Municipal Disaster Relief Grant Phase 2	5 005	5 005	326	0	5 005
Municipal Disaster Relief Grant June Flooding 2024	11 411	11 411	214	0	11 411
					62 213

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

Most roads within the area are in a “good” and “fair” state but interventions are needed to keep all roads to a “fair” or better standard. Failure to implement this maintenance will lead to a poor state of the road network.

T 3.7.10

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL

The municipality did not implement capital projects in the current year due to the prioritization of water provisioning to communities. However, some small interventions were carried out in areas where flooding took place. More funding will be required in the future years to address the maintenance of municipal roads and surfacing of gravel roads to adapt to changes in the urban environment.

T 3.9.9

3.8 TRANSPORT (including Vehicle Licensing and Public Bus Operation)

INTRODUCTION

Dr Beyers Naudé Local Municipality does not operate a Public Bus Transport System.

The main objective is to promote voluntary compliance with traffic legislation, to reduce traffic contraventions and road carnage and to improve safe road user behavior.

The goals, objectives and main themes will be the basis of ongoing, day-to-day road traffic law-enforcement and communication programmes as agreed for National, Provincial, Metropolitan and Local traffic authorities.

The Municipality holds an Incident Management Committee meeting every two months with different role players such as the contractor appointed by SANRAL for maintenance of the N9 route, SAPS, Emergency and Rescue Services, Department of Roads and Transport (Graaff-Reinet), Municipal Traffic and Fire Services. The above meetings mainly focus on upgrading of the road network critical areas in the region where accidents could happen and how to improve the road network infrastructure in the area.

T 3.8.1

3.9 STORMWATER DRAINAGE

❖ Please refer Section 3.7 : Roads – for reporting and general information on Stormwater Drainage.

COMPONENT C : PLANNING AND DEVELOPMENT

This component includes planning and local economic development.

INTRODUCTION

Planning and development are closely related concepts. Planning refers to the process of creating a plan or strategy for achieving specific goals or objectives. It typically involves identifying problems or opportunities, analyzing data and information, and developing a course of action to address those issues. Development, on the other hand, refers to the process of implementing the plan and taking action to achieve the desired outcomes.

In the context of urban and regional planning, development planning is used to create a comprehensive plan for the physical, social, and economic development of an area. This may include land use planning, transportation planning, housing development, and economic development strategies. The plan is then implemented through the development process, which may involve the construction of new buildings and infrastructure, the revitalization of existing neighbourhoods, and the implementation of policies and programs to support economic growth and development.

Overall, Planning and Development are interrelated and integral parts of each other, where planning acts as a blueprint and development is the actual implementation of the blueprint.

T3.10

(Economic Development is dealt with under Section 3.11)

3.10 PLANNING (Town and Spatial)

The delivery of town planning services typically involves a combination of regulatory and non-regulatory approaches. Regulatory approaches include the adoption of land use plans and zoning/land use schemes, while non-regulatory approaches include the provision of technical assistance, community outreach and education, and the development of planning tools and resources.

Land use planning is a key component of land use management. It is the process of creating a comprehensive plan for the use and development of land in a specific area. The Dr Beyers Naude Municipality has a strong focus on Land Use Management and is fully compliant with SPLUMA in this regard. The LM in the process of developing its Land Use Scheme that will be applicable to all urban centres of the municipality.

In order to strengthen the LM's forward planning function, a SPLUMA compliant Spatial Development Framework (SDF) must be adopted by Council. This will also guide future Housing and infrastructure development.

T3.10.1

CAPITAL EXPENDITURE 2024/25 : PLANNING SERVICES					
R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate.</i>					<i>T 3.10.6</i>

(Policy Objectives for T 3.10.3 are displayed on the next page.)

EMPLOYEES : PLANNING SERVICES					
Job Level (TG)	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3					
4 – 6					
7 – 9					
10 – 12	2	1	2	4	
13 – 15	1	1	1		
16 – 18		1	1	1	
19 – 20					
Total					%
					<i>T 3.10.4</i>

FINANCIAL PERFORMANCE 2024/25 : PLANNING SERVICES					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	2 054	1 988	1 958	2 121	-8%
Repairs and Maintenance	0	0	0	0	0
Other	360	297	277	215	23%
Total Operational Expenditure	2 414	2 285	2 235	2 336	-4%
Net Operational Expenditure	2 414	2 285	2 235	2 336	

CAPITAL EXPENDITURE 2024/25 : PLANNING SERVICES					
R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate.</i>					<i>T 3.10.6</i>

- There were no Capital Projects or resultant Capital Expenditure for Planning Service

COMMENTS ON THE PERFORMANCE OF PHYSICAL PLANNING

The Municipality continues to comply with the provisions of the Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) through the establishment of a Municipal Planning Tribunal (MPT), and the adoption and implementation of the SPUMA by-laws.

T 3.10.7

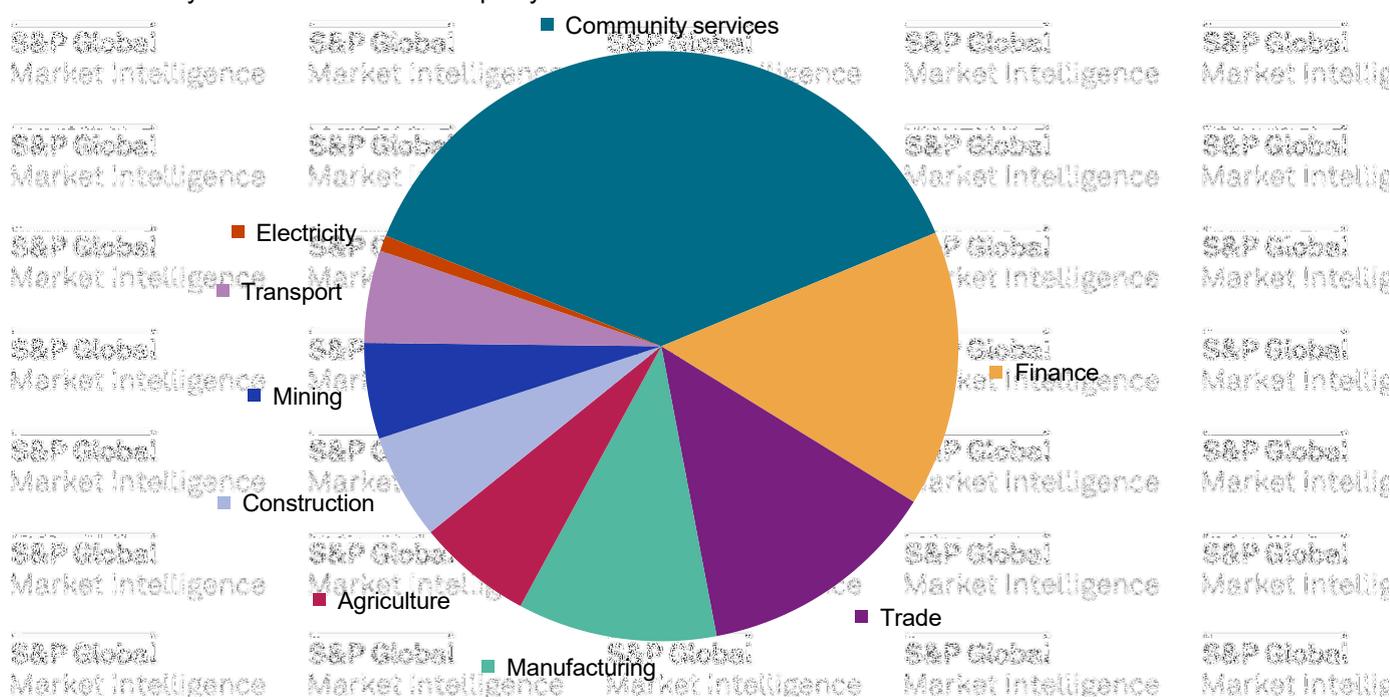
3.11 LOCAL ECONOMIC DEVELOPMENT (including Tourism & Markets)

The chapter provides an analysis of Dr Beyers Naudé Local Municipality's economic growth, sector structure, socio-economic profile and development setting. It also provides progress as well as challenges critical to the baseline information required for economic development and planning. Community needs and requirements are the baseline used to develop and implement initiatives as reported in this chapter.

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. LED inclusive of Agriculture, LED and Tourism of Beyers Naudé Local Municipality's objective is primarily to stimulate employment which result in economic growth by providing a conducive environment. The developmental pillars also refer to enabling small, medium and micro sized enterprises (SMME) by creating an environment in which the business society can optimally operate and ensuring that sustained increase in growth is maintained. The process of developing the Local Economic Development Strategy has now been completed and has revealed the significant changes to our local economy. It identifies quite a few opportunities readily available for our Municipality. indicates that there has been a slight decrease in the level of unemployment from 21.0% to 17.6%, this indicates a slight decrease in the unemployment rate.

The employment per sector has also seen a change since 2020, with Community Services, Finance, wholesale retail, catering and accommodation leading as the largest employing sectors. Agriculture, fish, and forestry also assumed its position as the main sector after seeing a significant decline in the previous years. It is now the 4th largest employing sector. There has been an emphasis on skills development targeting small businesses as well as the labour market in general.

The following charts represents the average growth rate in the GVA for all sectors as well as the employment by sector in Dr Beyers Naude Local Municipality from 2013 to 2023.



Gross value added (GVA) by broad economic sector - Dr Beyers Naude Local Municipality, 2023-2028 [R millions, constant 2010 prices]

2023	2024	2025	2026	2027	2028	Average Annual growth	
Agriculture	229.6	213.0	222.9	227.1	230.7	233.5	0.34%
Mining	148.5	147.8	145.6	146.5	148.2	149.5	0.15%
Manufacturing	403.9	404.2	409.8	412.1	415.6	423.3	0.94%

Electricity	22.2	22.0	21.2	21.5	22.0	22.4	0.12%
Construction	258.5	244.6	248.2	252.0	256.1	259.9	0.11%
Trade	587.5	574.9	584.4	589.2	596.0	607.8	0.68%
Transport	303.4	311.7	316.2	322.8	330.1	336.8	2.11%
Finance	717.3	731.9	743.5	760.1	778.4	795.4	2.09%
Community services	1,778.3	1,787.4	1,775.3	1,784.8	1,805.3	1,826.1	0.53%
Total Industries	4,449.2	4,437.5	4,467.1	4,516.1	4,582.4	4,654.7	0.91%

COMMENT ON LOCAL JOB OPPORTUNITIES

The Municipality continues to see an increase in the number of projects directed to our Municipality. We continue to create sustainable jobs through the EPWP and CWP. The approach on the recruitment of skilled individuals into the programs, specifically CWP, and place them in institutions that might need the skill in with the objective of having them placed permanently has been successfully implemented and continue to be on the annual plans of the program. This year we have seen a reduction in the implementation of EPWP program, only one is running, furthermore the Community Works Program has been implementation since the 2012/13 financial year, to date.

OFFICE ACTIVITIES ON SMME SUPPORT AND DEVELOPMENT

- i. Documents screening, renewals and business advice.
- ii. Continuous provision of the business development advice and services.
- iii. Market linkages for emerging enterprises.
- iv. Sourcing of more farming land and the administration of the existing commonages for emerging farmers.
- v. Accommodate other related service offerings by other spheres of government and development agencies such as ECDC, NRA, SANRAL etc
- vi. Facilitation of SME capacity building and beneficiation – Continuous accredited and non-accredited trainings, workshops and seminars for the business community are conduct

OFFICE ACTIVITIES ON SMME SUPPORT AND DEVELOPMENT

Facilitating registration of Cooperative with Companies and Intellectual Property Commission (CIPC) - Through the facilitation of the LED Office at least 10 companies were registered and captured in municipal data base in the 2022/2023 financial year. Some were assisted with amendments and advice related to their businesses. For the upcoming financial year we intend to market this service to the local entrepreneurs as a business opportunity for our youth. Additional services offered by the LED Unit also include:

ii. Continuous provision of the business development advice and services.

iii. As a Small Town with limited resources, the aim to convert the office into a one stop shop to access most government services and programmes relating to enterprise development.

iv. Market linkages for emerging enterprises.

Accommodate other related service offerings by other spheres of government and development agencies such as DEDEAT, DTI, NYDA, SEDA etc. SEDA has trained the LED officials on some of their programmes.

vi. Facilitation of SME capacity building and beneficiation – Accredited trainings are underway

JOBS CREATED DURING 2024/25 BY LED INITIATIVES (EXCLUDING EPWP PROJECTS)				
Total Jobs created / Top 3 initiatives	Number of Jobs created	Number of Jobs lost / displaced by other initiatives	Net total number of jobs created in 2019/20	Method of validating jobs created / lost
Total (all initiatives)				
2022/23				
2023/24				
2024/25				
Initiative A : 2022/23				
Initiative B : 2023/24				
Initiative C : 2024/25				
Initiative D: 2024/25				
				<i>T 3.11.5</i>

JOBS CREATED BY INITIATIVES

Initiative A – Small Town Revitalisation and Loadshedding relief program (Emerging enterprises only)

One local company has been employed. Three jobs have been created through the appointment of these companies. 11 emerging enterprises benefitted from the program.

Initiative B – Installation of new toilet systems in Graaff-Reinet

Twenty-four (24) local companies were appointed as sub-contractors. At least 100 labourers were employed during this contact.

JOB CREATION THROUGH EPWP* PROJECTS		
Year	Number of EPWP Projects	Number of Jobs created through EPWP projects
2022/23	2	200
2023/24	2	76
2024/25		
* Expanded Public Works Programme		<i>T</i> 3.11.6

LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2022/23		2023/24			2024/25	2024/25	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
SMME Development and Support	15 SMMEs capacitated in the Arts and Craft sector, as well as through the Incubator Program (a partnership between FNB, COGTA and Dr BNLM).	-	-	15	15	30	15	35	50
Service Objective No. 2									
Job Creation	A number of people were employed through the Community Works Programme, EPWP and other internal Municipal programmes.	Specific details on the number of jobs created are outlined in tables	-	-	-	-	2000	2076	-2076
Service Objective No. 3									
Black Economic Empowerment & Partnerships	Entered into a Service Level Agreement with SEDA to better empower our emerging entrepreneurs.	1	1	1	1	1	0	1	-

EMPLOYEES : LOCAL ECONOMIC DEVELOPMENT SERVICES					
Job Level	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3					
4 – 6	4				
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total	4				

T 3.11.8

FINANCIAL PERFORMANCE 2024/25 : LOCAL ECONOMIC DEVELOPMENT SERVICES					
R'000					
Details	2024/25	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	2 054	1 988	1 958	2 121	-8%
Repairs and Maintenance	0	0	0	0	0
Other	360	297	277	215	23%
Total Operational Expenditure	2 414	2 285	2 235	2 336	-4%
Net Operational Expenditure	2 414	2 285	2 235	2 336	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.11.9

CAPITAL EXPENDITURE 2024/25 : ECONOMIC DEVELOPMENT SERVICES					
R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					T.3.11.10

- There were no capital projects budgeted for and implemented during the 2023/24 financial year.

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

The Municipality has embarked on a process of developing a new Local Economic Development Strategy/Plan and the process has been concluded.

The Municipality is dependent upon four key economic activities as per the recent Socio-Economic profile conducted, which are listed below in order of priority:

KEY ECONOMIC ACTIVITIES	DESCRIPTION
Wholesale, retail, catering, and hospitality	There has been a rise in the appointment of personnel for this function. This has had a positive contribution to the economy.
Tourism	The Municipality is a popular holiday destination. It has also become a sought-after residential location for retired persons and foreigners. This has certainly have had a positive contribution to our economy.
Agriculture	There has been a significant decline in the growth of this sector, mainly infested by small businesses. Drought has also contributed to this fact. However, it still employs approximately 8% of the population.
Manufacturing	This proved to be one of the fastest growing sectors. It currently employs approximately 10% of the economy of the Municipality. This has certainly have had a positive contribution to our economy.
Community Services	The Municipality is currently deemed to be largely dependent on community services, which refer to the public sector being the major employer of the Municipality. This is a new development when compared to the previous years

The current socio-economic profile under the Development of the LED Strategy Programme reveals that the main economic driver since 2016 for Dr Beyers Naudé LM is Community Services (Public sector Employment), followed by the Finance sector.

Tourism and Agriculture remain at the heart of Dr Beyers Naudé Local Municipality's economy, but these sectors in particular, which previously used to serve as primary sectors, still hold great potential to provide sustainable job opportunities. However, they need to be looked at from a value chain perspective. Mining, construction and manufacturing are identified as other promising sectors.

Furthermore, it is important to view all these sectors as potential drivers of the economy without disregarding the complex manner in which they all interlinked, and the emerging markets for technologies focused on water, energy and waste.

The Municipality has, through the EPWP programs, continuously created the equivalent of 300 FTEs (Full Time Equivalent) per annum, in an effort not only to bring relief to the unemployed, but also to stimulate the economy.

AGRICULTURE

The Municipality still faces major challenges in respect of the current drought and the consistent demand for the replacement of ageing infrastructure in commonages. Assistance has been received but the situation still

remains the same. Limited, close to non-availability of state-owned land for small farmers also stands at the centre of the challenge, placing more pressure on the commonages. However, the Municipality is confident that the challenges will be overcome and that the service standards will be maintained. It will continue to strive for the betterment of our communities.

HIGHLIGHTS: LED

- Community Work Programme (CWP) Programme assist to alleviate poverty.
- Small Town Regeneration Programme.
- Wool and Mohair Programme. A Memorandum of Understanding was entered between Mohair South Africa and DBNLM.
- FNB Incubator Programme.
- Development of the LED Strategy Plan commenced. A draft Socio-Economic Profile has been workshoped with relevant role players and is to be tabled to Council.

CHALLENGES: LED

More Human Resource capacity is needed to assist in the full operational process of Developing the Strategy, as well as the day-to-day operations.

T 3.11.11

COMPONENT D : COMMUNITY AND SOCIAL SERVICES

This component includes libraries and archives, museums and art galleries, community halls, cemeteries and crematoria, child care, aged care, social programmes and theatres.

3.12 LIBRARIES, ARCHIVES, MUSEUMS, COMMUNITY FACILITIES & OTHER (Theatres, Zoos, etc.)

The objective is to attend to the critical needs and problems being experienced by the community of Dr Beyers Naudé Local Municipality, by providing facilities that will address the social and cultural needs of the community.

The Municipality manages libraries in the following areas :

- Graaff-Reinet (Horseshoe, Kroonvale and Umasizakhe)
- Nieu-Bethesda
- Aberdeen
- Klipplaat
- Jansenville
- Steytlerville
- Willowmore
- Rietbron
- Zaaimanshoek (in Baviaanskloof)

EMPLOYEES : RECORDS & ARCHIVES					
Job Level (TG)	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3					
4 – 6	3	5	3	2	40%
7 – 9	1	1	1	0	0
10 – 12					
13 – 15	1	1	1	0	0
16 – 18					
19 – 20					
Total	5	7	5	2	28%

T 3.12.4 (A)

EMPLOYEES : LIBRARIES & COMMUNITY FACILITIES					
Job Level (TG)	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	9	50	9	34	68
4 – 6	4	0	11	0	0
7 – 9	11	11	6	8	73
10 – 12	3	16	2	7	44
13 – 15	0	3	2	1	33
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
Total	27	80	30	50	63

T 3.12.4 (B)

- There are some important senior posts that need to be filled.

FINANCIAL PERFORMANCE 2023/24 : LIBRARIES, ARCHIVES AND COMMUNITY FACILITIES

R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(2 462)	(3 215)	(3 215)	(3 188)	1%
Expenditure:					
Employees	14 953	20 283	20 348	17 349	15%
Repairs and Maintenance	1 964	2 460	1 915	1 072	44%
Other	4 403	5 283	9 334	5 863	37%
Total Operational Expenditure	21 320	28 026	31 597	24 284	23%
Net Operational Expenditure	18 858	24 811	28 382	21 096	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.12.5

CAPITAL EXPENDITURE YEAR 2024/25: LIBRARIES, ARCHIVES AND COMMUNITY FACILITIES

R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
None					
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate.</i>					T 3.12.6

- There were no Capital Projects or resultant Capital Expenditure for Libraries, Archives or Community Facilities.

Dr Beyers Naudé Local Municipality is obligated by the Eastern Cape Provincial Archives and Records Services Act, No.7 of 2003 to comply with proper records management practices, norms and archival standards.

The municipality manages municipal records in a well-structured record keeping system and puts the necessary policies and procedures in place to ensure that its record keeping and records management practices comply with the requirements of Provincial Archives.

The Department only archives records of the municipality and does not serve as the as the archives for records other than those of the Municipality. It should therefore be noted that the Provincial Archive office is the Archive body for all records of the district. Records stored there are open for public viewing.

CHALLENGES BEING EXPERIENCED WITH RECORDS AND ARCHIVES

The 4th industrial revolution is forcing the municipality to adjust its way of doing business. The records management is affected in that most correspondence is done electronically in forms of email and no postage is done due to slow delivery of the post office. An electronic records management system used by the whole institution will be the solution.

The Municipality's Records & Archiving function is not being managed properly, for a number of reasons, e.g.

- There is insufficient space for proper filing systems and keeping of records

- There is insufficient space for proper filing systems and keeping records.
- There is no suitable space for archiving records under the correct and specified conditions.
- Centralization of the function is a major challenge, due to inadequate office space.
- Post Office services have been a great challenge with the closure of the post office for a long period of time.

COMMENT ON LIBRARIES AND COMMUNITY FACILITIES PERFORMANCE OVERALL

- General performance was satisfactory during the year under review, especially that of Libraries.
- The Municipality is responsible for the maintenance of buildings which are budgeted for under Repairs & Maintenance. During the 2024/2025 financial year, repairs and maintenance occurred at the following libraries, namely, Willowmore and Rietbron Library,
- The Library function is being subsidized by DSRAC, but their contribution does not fully cover the cost of running and maintaining the facilities. This is placing great strain on the Municipality's limited resources.

CHALLENGES BEING EXPERIENCED WITH LIBRARIES AND COMMUNITY FACILITIES

The general challenge with the libraries is the allocation of a very limited budget by DSRAC, versus the actual expenditure being incurred. The amount received does not meet the operational costs of the services rendered to the communities. The municipality has to cover most of the expenditure, which it can ill-afford to do. DSRAC needs to increase its annual contribution substantially.

IT upgrades and internet connections to all libraries are an urgent need and has been a problem for years already. This is a District competency; however the Municipal Information Technology Department has assisted with internet connection at some of the libraries. There is a specific need for specialized instruments and equipment for persons with vision impairment.

A major challenge is the building of libraries in areas that are currently using very small spaces (such as Municipal offices) as libraries, e.g. Nieu-Bethesda, Adendorp, Rietbron, Steytlerville and Klipplaat. The growth in the communities requires libraries that have adequate space and are fully functional.

Community Halls throughout the Municipal area are not being maintained properly, due to severe budgetary constraints. Some are in quite a serious state of disrepair and require urgent repairs and upgrading.

The construction of a Multi-purpose Community Centre for Ward 3 (Asherville, Geluksdal and informal settlements) has been delayed, however funding has been approved by the Department of Human Settlements for phased implementation from 2024/2025 financial year.

3.13 CEMETERIES AND CREMATORIA

INTRODUCTION

Most cemeteries in the municipal area are full or close to full and financial assistance is required for environmental assessments to develop new cemeteries.

The challenges in the provision and management of cemeteries that have been identified and are being addressed with the turn-around strategy, include the following:

1. Most cemeteries in all towns are close to full capacity.
2. Section 30A applications have been made for directives to expedite the approval of extensions/ new cemeteries throughout the municipal area.
3. Land surveying has been done in-house, which expedites matters and saves costs.

4. The new Adendorp cemetery is being prepared for utilization with 30 graves that have been dug in advance. The soil is extremely hard, and graves cannot be dug by hand. Yellow plant must be on site for digging graves and graves need to be dug in advance. A caretaker's house and other infrastructure still needs to be provided. The new Graaff-Reinet cemetery is operational, and the Sunnyside cemetery is also nearing capacity.
5. Lack of an Integrated Cemetery Plan for the entire municipal area: SALGA has been approached for assistance in this regard.
6. An investigation into the status quo, management, and control (including record-keeping and data of all cemeteries) is in process. A proper electronic system for registration of graves is urgently required.
7. Public complaints regarding poor maintenance of cemeteries are being addressed.
8. Insufficient equipment, staff, and supervision. The organogram is being reviewed to address these challenges.

T 3.13.1

SERVICE STATISTICS FOR CEMETERIES

CEMETERIES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2022/23		2023/24			2024/25	2024/25	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Maintenance of all cemeteries	Regular maintenance & cleaning of cemeteries	None		None			10 cemeteries	7 maintained and cleaned	10 cemeteries
T 3.13.3									

EMPLOYEES : CEMETERY SERVICES					
Job Level	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	0				
4 – 6	0				
7 – 9	0				
10 – 12					
13 – 15	0				
16 – 18	0				
19 – 20	0				
Total	0				
T 3.13.4					

FINANCIAL PERFORMANCE 2024/25 : CEMETERIES					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	148	154	154	159	-4%
Repairs and Maintenance	0	0	0	0	0
Other	146	160	160	134	16%
Total Operational Expenditure	294	313	313	294	6%
Net Operational Expenditure	294	313	313	294	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.13.5

CAPITAL EXPENDITURE YEAR 2024/25 : CEMETERIES					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
None	0	0	0	0	
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate.</i>					T 3.13.6

- There were no Capital Projects or resultant Capital Expenditure for Cemeteries.

COMMENTS ON THE PERFORMANCE OF CEMETERIES & CREMATORIA OVERALL

Dr Beyers Naudé Municipality is currently faced with a huge crisis regarding availability and suitability of land for burials. Old cemeteries are full and the process of constructing new cemeteries cannot start without funding. The soil in the Jansenville and Willowmore is rocky which makes it difficult for burials to take place as prescribed by Legislature.

The Municipality does not have a crematorium. Bodies are sent to Port Elizabeth for cremation.

T 3.13.7

3.14 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES (SPU)

INTRODUCTION

The Special Programmes Unit of the Municipality is responsible for a vast base of vulnerable groups, ranging from, amongst others, Disabled Persons, Youth, Sport and Recreation, Women, Children and Elderly Persons.

The Municipality is still involved in several Child and Aged Care facilities to provide service delivery in terms of the care of children and aged people. Ageing is recognized as an inevitable stage of life, which has special needs. The development paradigm aims to enable Older Persons to live active, healthy and independent lives for as long as possible.

Special Programmes Unit is working in conjunction with Department of Social Development, SASSA, Churches and other institutions and organisations, to help alleviate the pressure by providing basic services to facilities like Veronica Nosanko and the Methodist Church Elderly Care Centres, and other basic needs to the elderly in the different wards as well as the Age in Action activities which keeps the elderly healthy and give them the chance to spend some fun time with their peers.

Older persons face many challenges, and the South African legislation addresses the Constitutional mandate to protect the human rights of older persons by removing all forms of racial discrimination and by addressing inequality in government-funded services.

Despite some challenges, it remains the vision of the Dr Beyers Naudé Local Municipality to cultivate and promote stronger relationships with sector departments. The Municipality maintains good relationships with the local, district and provincial and national departments and will continue to work together with these departments, to ensure a better life for the residents of our Municipality.

Skills shortages are widely regarded as the main factor which slows economic growth in the municipal area. As a result, the Special Programmes Unit continually work with SETAs and Training Institutions to train our groups as regular as possible.. With the assistance of NYDA 30 learners were taught How to Start your Own Business and will continue when lockdown restrictions are eased again,

Together with NYDA and NSFAS, the Special Programmes Unit also assisted over 350 students with NSFAS applications for the year 2024/25 as well as admission to tertiary institutions.

The focus of the Municipality is to explore solutions to overcome skills shortages in the various industries.

Social Development Projects / Programmes being supported by the Special Programmes Unit:

- Vuyani Safe Haven
- Camdeboo Hospice
- ACVV
- Cluster Home, Aberdeen

- Eliakim Cluster Foster Home – Graaff-Reinet
- Intergenerational for the Aged
- Home-based Care for the Aged
- Crime Prevention – various towns in collaboration with CPF
- Skills Development – various towns in collaboration with the HR Department
- Teenagers against Drugs Abuse (TADA)
- Aberdeen Victim Support Centre
- Khomonani Victim Support Centre
- Little Lamb Disabled Group
- Klipplaat Soup Kitchen
- Simunye Youth Group in Jansenville
- DOS Mobile Crèche – Baviaanskloof, Zaaymanshoek, Vondeling, Rietbron and surrounding farms
- All other Early Childhood Development Centres (ECDCs) in the Municipal area.
- Karoo Church Food for the Homeless Initiative
- Open Hearts Foundation – Graaff-Reinet
- Veronica Nosanko Old Age Home
- Shekinah Soup Kitchen - Graaff-Reinet
- Aunt Evelyn's Soup Kitchen – Nieu-Bethesda
- Khanyisa Day Care Centre
- South African Military Veterans in Dr. Beyers Naude Local Municipality

The Municipality does not have the financial means to assist the above-mentioned organisations / institutions but does support them by delivering the basic services provided by the municipality, either free-of-charge or subsidized, as well as letters of support for any grant funding being applied for.

Some of these entities occupy municipal buildings and the maintenance of these buildings is undertaken by the Municipality as well.

The mandate of the Special Programmes Unit is to promote, facilitate, coordinate, and monitor the realization of the rights of women, men, youth, children, senior citizens and people with disabilities.

The Special Programmes Unit is determined to ensure that the mandate is executed in terms of mainstreaming the rights and upliftment of women, men, children, senior citizens, youth, sport and recreation and people with disabilities through advocacy, intersectional collaboration, capacity development, monitoring and evaluation.

SERVICE STATISTICS FOR SPECIAL PROGRAMMES UNIT

(Policy Objectives for T 3.14.3 are displayed further down.)

EMPLOYEES : SPECIAL PROGRAMMES UNIT					
Job Level	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
<i>As per the organogram</i>	6	3	3	0	0%
0 – 3					
4 – 6					
7 – 9					
10 – 12			3		
13 – 15					
16 – 18					
19 – 20					
Total	6	3	3	0	0%

T 3.14.4

COMMENTS ON STAFFING SITUATION

- All SPU officials placed.

FINANCIAL PERFORMANCE 2024/25: SPECIAL PROGRAMMES UNIT					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	1 436	1 398	1 355	1 206	11%
Repairs and Maintenance	0	0	0	0	0
Other	0	250	250	100	60%
Total Operational Expenditure	1 436	1 648	1 605	1 306	19%
Net Operational Expenditure	1 436	1 648	1 605	1 306	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.14.5

CAPITAL EXPENDITURE YEAR 2024/25: SPECIAL PROGRAMMES UNIT					
R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate.</i>					<i>T 3.14.6</i>

- There were no Capital Projects or resultant Capital Expenditure for the Special Programmes Unit.

COMPONENT E : ENVIRONMENTAL PROTECTION

This component includes pollution control, biodiversity and landscape protection. The Municipality does not have any marine and coastal areas within its jurisdiction.

3.15 POLLUTION CONTROL

Section 152(d) of our Constitution, Act 108/1996, places an obligation on Local Government to “promote a safe and healthy environment”. Part B of Schedule 4 and 5 of the Constitution stipulates Pollution Control as a responsibility of Local Government, which must be enforced by way of Municipal By-laws and other legislation.

The right to prevent pollution and ecological degradation by everyone is enshrined in our Constitution. In our municipality urban areas are primary centres of activity that generate air quality impacts. This includes particulate, paraffin usage and other emissions. Overall contributing factors are results of either concentrated traffic volumes, industrial activities including household fires.

In terms of Air Quality Management, Sarah Baartman District Municipality is the Licensing Authority and there is also an agreement with them for Dr Beyers Naudé to perform the Environmental Health Services on their behalf, on an agency basis. Duties resorting under this agreement include the following:

- Ensuring hygienic working, living and recreational environments.
- The identification of polluting agents and their sources i.e. air, land and water.
- Conducting environmental health impacts and assessments including Major Hazardous Installations.
- Conducting environmental health hazards and risk mapping.
- Accident prevention e.g. paraffin usage.
- Approval of environmental health impact reports and commenting on Environmental Impact Assessment applications.
- Ensuring clean and safe air externally (ambient and point sources) including emission inventories monitoring, modelling and toxicological reviews and complaint investigations.
- Control and prevention of vibration and noise pollution.
- Prevention and control of land pollution detrimental to human, animal and plant life.
- Ensuring compliance with the provisions of Occupational Health and Safety Act and its regulations – including anticipating, identifying, evaluating and controlling of occupational hazards.
- Preventative measures required to ensure that the general environment is free from health risks.
- Ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade and etc, which involves the control of internal impacts on the worker and external impacts on the community.
- Integrity management including pipelines and tankage.
- Emergency preparedness under abnormal operating conditions and disasters jointly with other role players.
- Develop sustainable indicators appropriate for monitoring the effectiveness of Environmental Management Systems of Industry.

In protecting the atmosphere, we promote the planting of trees “Spekboom” by individuals, communities, schools, and other institutions to reduce our carbon footprint.

Promote the recycling of waste materials as well as the optimal utilisation of all possible resources in the urban environment such as sewage, storm water and organic waste.

Promote backyard gardening, greening, and beautifying of open spaces.

T 3.15.1

3.16 BIO-DIVERSITY, LANDSCAPE (INCLUDING OPEN SPACES) & OTHER

The Municipality does not have a specialized unit concentrating on Bio-Diversity or Environmental Management, but is maintaining public open spaces. However, Commonage land is not being managed or maintained properly and there are no programmes in place for the eradication of alien vegetation or erosion control – apart from those being managed by SANParks. The Municipality must do more in this regard and take pro-active steps in reducing the adverse impact on the environment, by actively encouraging and participating in the protection of its local bio-diversity. The area does not have any coastal regions to manage or maintain.

T 3.16.1

COMPONENT F : HEALTH

This component includes Clinics, Ambulance Services and Health Inspections.

3.17 CLINICS

The Municipality does not render Primary Health Care Services; this is a Provincial Competency.

3.18 AMBULANCE SERVICES

The Municipality does not render Ambulance Services; this is a Provincial Competency.

3.19 HEALTH INSPECTIONS, FOOD AND ABATTOIR LICENSING AND INSPECTIONS, ETC.

INTRODUCTION

Part B of Schedule 4 of the Constitution allocates Municipal Health Services as a Local Government function.

Residential, business and public premises must be monitored in order to identify, assess, control and manage health hazards and risks emanating from the use of such premises. This function also includes scrutinizing building plans and providing health-related comment on environmental impact assessments of proposed new developments, in order to ensure that all health aspects are considered.

The implementation of health guidance, health education and awareness programs with the emphasis on preventative care to address both adverse environmental practices and adverse health behaviour for improved environments and healthier lifestyles.

FINANCIAL PERFORMANCE 2024/25 : HEALTH INSPECTIONS, FOOD & ABATTOIR LICENSING, ETC.					
R'000					
Details	2023/24	202/245			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	(1 956)	0	0	0
Expenditure:					
Employees	106	457	457	13	97%
Repairs and Maintenance	0	0	0	0	0
Other	581	734	900	768	15%
Total Operational Expenditure	687	1 191	1 357	780	43%
Net Operational Expenditure	687	(765)	1 357	780	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.19.5</i>

2024/25 SERVICE STATISTICS FOR HEALTH INSPECTIONS, ETC.			
	Data Elements	Value	Comment
1.	WATER QUALITY MONITORING		
	EH Domestic water sample collected	176	
	EH Domestic water sample compliant	134	Corrective action requests on failures.
2.	FOOD CONTROL		
	EH Food premises inspected	172	
	EH Food premises compliant	170	Issuing compliance notices.
	EH Food poisoning reported new	0	
	EH Food sample bacteriological analysis	24	
	EH Food sample bacteriological compliant	24	
3.	WASTE MANAGEMENT	172	
	EH Health care waste generator inspected	24	
	EH Health care waste generator compliant	24	
4.	HEALTH SURVEILLANCE OF PREMISES		
	EH Premises tobacco legislation inspected	166	
	EH Premises tobacco legislation compliant	166	
5.	VECTOR CONTROL		
	EH Surveillance/Inspection of premises	172	
	EH Rodent/Pest compliant	172	
6.	ENVIRONMENTAL POLLUTION CONTROL		
	EH Pollution control on premises	23	
	EH Pollution on premises compliant	23	
7.	DISPOSAL OF THE DEAD		
	EH Inspection of Funeral Parlours	44	
	EH Funeral undertaker's/mortuaries compliant	44	
8.	BUILDING PLAN INSPECTIONS		
	EH Building plan inspections	101	
	EH Building plan health regulations compliant	101	

COMMENTS ON THE PERFORMANCE OF HEALTH INSPECTIONS, ETC. OVERALL

The Environmental Health Practitioners (EHP's) are responsible for health inspections as per minimum inspection frequency per year as part as their scope of practice. There are currently two EHP's in the former Camdeboo area while the former Baviaans and Ikwezi municipalities still fall under Sarah Baartman District Municipality.

FUNCTIONS AS PER SERVICE LEVEL AGREEMENT

Environmental Health Services per definition means the assessment, monitoring, correction, control and prevention of environmental factors that can adversely affect human health. It includes, but is not limited to, the anticipation and identification of environmental health hazards and risks regarding:

- Potable water quality monitoring,
- Ensuring a safe food supply-Food and milk control,
- Waste management,
- Health Surveillance of premises,
- Surveillance and prevention of Communicable diseases excluding immunisation,
- Vector control,
- Environmental pollution control, other than noise, water and air pollution,
- Disposal of the dead,
- Chemical safety,
- Health Information Systems,
- Health aspects of building plans approvals,
- Exhumations and re-burials monitoring,
- Hazardous Substances control,
- Epidemiology,
- Issuing certificates of acceptability and/or competency.

T 3.19.7

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION

The Department of Protection Services is incorporated as a division under the Directorate of Community Services and the Manager of Protection Services reports directly to the Director of Community Services. Protection Services is responsible for the following sub-divisions:

- Traffic Control
- Traffic Law Enforcement
- General Law Enforcement
- Traffic Agency Services, which includes Roadworthiness Testing, Motor Vehicle Registration & Licensing
- Fire Brigade Services (SLA with Sarah Baartman District Municipality)
- Disaster Management

The main objective is to promote voluntary compliance with traffic legislation, to reduce traffic contraventions and road carnage and to improve safe road user behaviour. The Municipality has planned as many as possible roadblock and speed measurement actions in order to combat road accidents during holiday and festive periods.

The goals, objectives and main themes will be the basis of ongoing, day-to-day road traffic law-enforcement and communication programmes, as agreed upon for National, Provincial, Metropolitan and Local traffic authorities.

The critical offences in the towns are: disobeying of no-parking / no-stopping offences, driving without driver's licences, operating without the necessary transport operating licences, holding cell phones in hand while driving and also exceeding the speeding limit.

The N9 National Road running through Dr Beyers Naudé Municipal area is challenging over the busy festive and holiday seasons when it creates a major inflow of traffic through Graaff-Reinet, Aberdeen and Willowmore. Passenger transport operators should be requested to ensure that the drivers of their vehicles become more responsible and safe road users and respect the rights and lives of other road users. Regular roadblocks in conjunction with SAPS, Provincial Traffic and Safety Communication Officers are conducted on the N9 to ensure road safety.

POLICE (including Traffic Control and Road Safety)

INTRODUCTION

Dr Beyers Naudé LM provides Traffic Control and Road Safety Services but does not have a Municipal Police Force. The Municipality works closely with SAPS and some Councillors serve on the local CPFs.

T 3.20.1

MUNICIPAL TRAFFIC CONTROL AND ROAD SAFETY SERVICES DATA			
Details	2021/22	2022/23	2024/25
	Actual No.	Actual No.	Actual No.
Number of road traffic accidents during the year	165	253	265
Number of by-law infringements attended to	10	0	18
Number of fines issued during the year	115	215	224
Number of Traffic Officers in the field on average day	4	2	2
Number of Traffic Officers on duty on an average day	4	2	4
Number of Law Enforcement Officers on duty on an average day	1	2	1
			T 3.20.2

(Table 3.30.3 appears further down.)

EMPLOYEES : TRAFFIC SERVICES					
Job Level	2022/23	2024/25			
Traffic Officers/ Administrators	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
Chief Traffic Officer & Deputy	1	0	1	0	0%
Other Traffic Officers	0	0		0	0%
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	4	0	4	0	0%
10 – 12	8	0	9	0	0%
13 – 15	0	0	0	0	0%
16 – 18	1	0	1	0	0%
19 – 20	0	0	0	0	0%
Total	13	0	14	0	0%

T 3.20.4

FINANCIAL PERFORMANCE 2023/24: TRAFFIC CONTROL					
R'000					
Details	2022/23	2023/24			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(4 075)	(6 898)	(10 020)	(24 631)	-146%
Expenditure:					
Employees	5 933	6 255	6 490	7 879	-21%
Repairs and Maintenance	18	385	235	101	57%
Other	732	736	3 786	17 917	-373%
Total Operational Expenditure	6 684	7 376	10 511	25 897	-146%
Net Operational Expenditure	2 609	478	491	1 266	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.20.5

CAPITAL EXPENDITURE YEAR 2024/25 : TRAFFIC CONTROL					
R' 000					
Capital Projects	202/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
None	0	0	0	0	
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate.</i>					<i>T 3.20.6</i>

- There were no Capital Projects or resultant Capital Expenditure for Traffic Control Services.

TRAFFIC SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2022/23		2023/24		2024/25	2024/25		
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
A functional and effective Community Safety Forum, Local Transport Forum and Local Disaster Management Advisory Forum	Review and restructure the existing Local Transport Forum in order to ensure a safe and quality transport system for the commuters.	4	In place is the District Disaster Management Advisory Forum and Local Transport Forum and Community Safety Forum which meets quarterly	4	In place is the District Disaster Management Advisory Forum and Local Transport Forum and Community Safety Forum which meets quarterly	4	In place is the District Disaster Management Advisory Forum and Local Transport Forum and Community Safety Forum which meets quarterly	4	Local Transport forum to be established.
Service Objective No. 2									
To create a platform for co-ordination, integration and implementation of multi-sectoral crime prevention and community initiatives for joint collaboration towards local crime prevention strategies.	Establish sub-committees with specific programmes in respect of crime prevention action plans, provide secretariat services for the structure, funding and infrastructure for the functioning of a Community Safety Forum and develop and integrate a CSF annual program of action into IDPs.	1	There is an established Community Safety Forum	1	There is an established Community Safety Forum	1	There is an established Community Safety Forum	1	

Service Objective No. 3									
To provide initiatives and reporting strategies to achieve the necessary objectives for a safe transport system.	Regular review and update the Municipality's Disaster Management plan and ensure that it incorporates threats identified throughout the region.		This is reviewed on an annually basis		This is reviewed annually		This is reviewed annually		
Service Objective No. 4									
To significantly reduce and mitigate the negative impact of disaster and to upgrade road traffic and pedestrian safety, with regular maintenance on installations and infrastructure as an ongoing concern.	Make adequate provision in the annual budget to upgrade or install applicable measures for public safety.		Incidents management Committee Forum which sits quarterly		Incidents management Committee Forum which sits quarterly		Operation plan developed and priority areas addressed		
									<i>T 3.20.3</i>

COMMENTS ON PERFORMANCE OF TRAFFIC SERVICES OVERALL

The Department has been fully operational, executing its function with limited resources and staff shortages.

T 3.20.7

3.21 FIRE SERVICES

INTRODUCTION

The main objectives of the Fire Services are to prevent fires and to protect life and property should a fire occur. The top four service delivery priorities are vehicle and equipment availability and maintenance, replacement of fire equipment, fire safety inspections and reviewing of building plans.

Dr Beyers Naudé Local Municipality operates strictly according to the SANS 10090:2003, Community Protection Against Fire Standard Code. The different towns within our jurisdiction do not render a 24/7 fire service.

The measures taken to improve performance are based on the risk assessment that was done in terms of SANS Code 10090:2003.

T 3.21.1

FIRE SERVICES DATA					
Details		2022/23 Actual No.	2023/24		2024/25
			Estimated No.	Actual No.	Projected No.
1	Total fires attended in the year	84	162	197	320
2	Total of other incidents attended in the year	3	25	0	41
3	Average turnout time - urban areas	8.21 minutes	10 minutes	10min	8Min
4	Average turnout time - rural areas	56 minutes	56 minutes	1hour	1hour
5	Fire fighters in post at year end	11	12	12	13
6	Total fire appliances at year end	9	9	8	8
7	Average number of appliances off the road during the year	2	2		2
T 3.21.2					

ANALYSIS OF FIRE SERVICES DATA

A total of 320 fires were attend to during the financial year. The Municipality responded within the average timeframe as stipulated above, depending on different areas.

There are challenges in the vast rural areas, mainly due to gravel roads (some in poor condition) that have to be travelled to reach destinations. This causes delays, which in turn increases the scale of the disaster. Sarah Baartman District Municipality issued fully equipped rescue bakkie to improve the time response to alls, instead of using the more cumbersome and slower Fire Engine.

T 3.21.2.1

FIRE SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2022/23		2023/24			2024/25	2024/25	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Protecting life property and environment by responding effectively to emergencies	Fires to be attended to within allocated response time.						Fires to be attended to within allocated response time		Fires to be attended to within allocated response time
Service Objective No. 2									
Adequate staff component to deal with fires	Allocation of fire Fighters to all Towns within DBNLM						Fire Fighters to be allocated to all Towns within DBNLM	All Towns have allocated personnel	Fire Fighters to be allocated to all Towns within DBNLM

T 3.21.3

CURRENT FIRE AND RESCUE STATIONS

The Municipality does not have any suitable or purpose-designed fire stations but is utilizing fire garages in which fire pumpers are stored. In the previous financial year, upgrades occurred at the Aberdeen and Klippaat fire garages

The Fire and Rescue Service operates from 7 locations/sites at the moment which are situated in:

- Graaff-Reinet
- Willowmore
- Aberdeen
- Jansenville
- Nieu-Bethesda
- Steytlerville
- Rietbron

GRAAFF-REINET

The Graaff-Reinet fire and rescue building is well situated in the CBD and is shared with the municipal Traffic and Disaster Management functions. The Fire and Rescue Service is rendered from 07:30 to 16:30 from the station. The municipality identified a portion of the Old Kroonvale Swimming Pool in Graaff-Reinet as a suitable site for this new development.

After normal working hours - including weekends and public holidays - employees are placed on rotational standby and need to respond from home to the station. Calls are predominantly received from SAPS or the Emergency Ambulance Services radio control rooms. Employees on standby utilise LDV skid units, where available, to respond from home.

Apart from the 2 x medium pumpers, a water tanker, a fire water trailer and HAZMAT trailer have been allocated to Graaff-Reinet.

An application was made to Sarah Baartman District Municipality for the construction of a new Fire

WILLOWMORE

Willowmore fire and rescue service occupies a building (with limited facilities) which is shared with the Provincial Ambulance Service. A Hino 500 medium pumper with rescue equipment, as well as an LDV skid fire unit, a HAZMAT trailer and water trailer are stationed at Willowmore. There are currently one Fire Officer, and 5 fire fighters stationed at Willowmore.

The Fire and Rescue Service is rendered from 07:30 to 16:30 from the Fire and Rescue building. After normal working hours including weekends and public holidays, employees are placed on standby and need to respond from home to the incident. Calls are predominantly received from SAPS or the Ambulance Services Control rooms. There is no control centre. Calls are received via cell phones issued to the officer and firefighters on standby.

ABERDEEN

Aberdeen has a Dennis medium pumper fire appliance which is housed in a garage. There is only one Firefighter stationed at Aberdeen, assisted by 3 contract fire fighters. Any support fire appliances or firefighters during an above normal incident need to be deployed from Graaff-Reinet. An application has been made to the Sarah Baartman District Municipality for funding to procure a Fire Truck to service the Aberdeen area and surrounds.

STEYTLERVILLE

Steytlerville has no fire station. However, the fire water trailer unit located in the area is housed within an electrical services garage. There is one Fire Station Officer, and one contract fire fighter stationed at Steytlerville.

NIEU-BETHESDA

Nieu-Bethesda has no fire station. However, a Ford F250 4x4 light fire pumper has been allocated to the area and housed within a garage. A contract fire fighter has been deployed to service the area.

JANSENVILLE

Jansenville has no fire station. However, they share a multi-purpose garage with Infrastructure Services. A medium pumper Hino 500 with rescue equipment has been allocated to the area.

The Fire and Rescue Service is rendered from 07:30 to 16:30 from the mentioned building. After normal working hours including weekends and public holidays, employees are placed on standby and need to respond from home to the incident. Calls are predominantly received from SAPS Control room. There is no control centre. Calls are received via cell phones issued to the officer and firefighters on standby.

EMPLOYEES : FIRE SERVICES					
Job Level	2022/23	2023/24			
Fire Fighters / Administrators	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
Chief Fire Officer & Deputy	0	0	0	0	0%
Other Fire Officers	0	0	0	0	0%
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	10	2	20%
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%
Total	0	0	10	0	0%

T 3.21.4

- A Performance Fire Service level agreement was developed and signed with Sarah Baartman DM.

FINANCIAL PERFORMANCE 2024/25 : FIRE SERVICES					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(1 500)	(3 235)	(3 634)	(2 623)	28%
Expenditure:					
Employees	8 679	7 925	7 890	8 868	-12%
Repairs and Maintenance	33	154	304	288	5%
Other	1 107	1 189	1 219	1 203	1%
Total Operational Expenditure	9 820	9 268	9 413	10 358	-10%
Net Operational Expenditure	8 320	6 033	5 779	7 735	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.21.5

FINANCIAL PERFORMANCE OF FIRE SERVICES

Although Dr Beyers Naudé Local Municipality has signed a service level agreement with Sarah Baartman District Municipality, we also realised that additional funds should be allocated for appointing of additional personnel.

Dr Beyers Naudé Local Municipality has a service tariff structure in place to subsidize operational costs.

Although the Municipality is receiving a grant on a yearly basis from Sarah Baartman District Municipality, the funding is insufficient to render a 24/7 fire service.

CAPITAL EXPENDITURE 2024/25: FIRE SERVICES					
R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
		0	0	0	0
Project A :	0	0	0	0	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					<i>T 3.21.6</i>

CAPITAL EXPENDITURE OF FIRE SERVICES

The Municipality endeavours to meet the requirements as set out in SANS 10090:2003, with the financial support that it receives every financial year from SBDM. This funding is basically used to cover the costs of fire pumpers, protective clothing and complying with equipment standards.

COMMENTS ON THE PERFORMANCE OF FIRE SERVICES OVERALL

An assessment of the fire hazards was conducted during the previous year, to determine the extent of the fire services needed to provide adequate protection for our fire area with the assistance of Sarah Baartman District Municipality. The report is not available yet.

An annual Performance Fire Service Level Agreement (LSA) was developed and signed between Sarah Baartman District Municipality and Beyers Naudé Municipality and Retained firefighters were appointed, in order to meet some of the operational objectives – in accordance with SANS 10090:2003.

T 3.21.7

3.22 OTHER (Disaster Management, Animal Licensing & Control, Public Nuisances, etc.)

INTRODUCTION

In terms of Chapter 5 of the Disaster Management Act, 57 of 2002, Dr Beyers Naudé Local Municipality has participated in the establishment and implementation of a framework for Disaster Management. This framework was to ensure that the Municipality has an integrated and uniform approach towards Disaster Management, in line with the Integrated Development Plan.

T 3.21.1

SERVICE STATISTICS

Dr Beyers Naudé Local Municipality was faced with a prolonged drought. A promulgation was issued that declared the Municipality as a disaster area.

No additional Law Enforcement Officers were appointed to ensure that by-laws will be enforced and the finalisation of placement is still awaited. Awareness campaigns were carried out at schools and wards in terms of fire safety, waste management, traffic safety.

T 3.22.2

DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC. POLICY OBJECTIVES TAKEN FROM IDP

Service	Outline Service	2021/22		2022/23		2023/24	2023/24		
		Target	Actual	Target	Actual		Target		
Service Indicators	Targets	Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
(i) Service Objective No. 1	(ii)								
A functional and effective Community Safety Forum, Local Transport Forum and Local Disaster Management Advisory Forum.				A Forum for Disaster Management is established from the SBDM and there is a Satellite office to assist in disaster.					A Forum for Disaster Management is established from the SBDM and there is a Satellite office to assist in disaster.
Service Objective No. 2									
To significantly reduce and mitigate the negative impact of disaster and to upgrade road traffic and pedestrian safety, with regular maintenance on installations and infrastructure as an ongoing concern.									

T 3.22.

- A draft Disaster Management Plan was compiled for all the local municipalities under the Sarah Baartman District Municipality and the final draft is ready for Council approval.

EMPLOYEES : DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.

Job Level	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	0	0	0	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%
Total	0	0	0	0	0%

T 3.22.4

- Dr Beyers Naudé Local Municipality does not have a staff component dealing with Disaster Management. It utilizes the Satellite Officers appointed by Sarah Baartman District Municipality for the region to assist with awareness campaigns, training of volunteers and reviewing of the Disaster Management Plan.

FINANCIAL PERFORMANCE 2024/25 : DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(773)	(859)	(859)	(251)	71%
Expenditure:					
Employees	14	21	21	17	21%
Repairs and Maintenance	-	0	0	0	0
Other	-	20	20	0	100%
Total Operational Expenditure	14	41	41	17	59%
Net Operational Expenditure	(759)	(818)	(817)	(234)	
					<i>T</i> 3.22.5

- There was no Operational Revenue or Expenditure under the Disaster Management, Animal Licensing and Control or Control of Public Nuisances functions.

CAPITAL EXPENDITURE 2024/25 : DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					<i>T</i> 3.22.6

- There were no Capital Projects or resultant Capital Expenditure under the Disaster Management, Animal Licensing and Control or Control of Public Nuisances functions.

COMMENTS ON THE PERFORMANCE OF PROTECTION SERVICES OVERALL

The Municipality does not have an approved operating or capital budget for Disaster Management functions. It depends on financial assistance from the District and Province when local disasters occur.

T 3.22.

COMPONENT H: SPORT AND RECREATION

INTRODUCTION

The Municipality offers a number of facilities and caters for virtually all the sporting codes, i.e. Soccer, Rugby, Netball, Cricket, Tennis, Athletics, etc. There are caravan parks in most towns; as well as established hiking trails and picnic spots. The Municipality also has a few Recreation Hubs, namely in Rietbron, Aberdeen and Klipplaat.

T 3.23

3.23 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

SPORT AND RECREATION POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2021/22		2022/23			2023/24	2024/25	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
To provide facilities and services that will address the recreational and other social needs of the community.	Regular upgrade of recreational facilities			Refurbishment of Kollie Koberg Stadium			Refurbishment of Kollie Koberg Stadium	Phase 1 completed	Repairs and Maintenance of 3 identified sport facilities
Service Objective No. 2									
Stadiums and sports field that have been upgraded and properly equipped to function properly and fully utilized.	Regular repairs and maintenance of identified sport facilities	Submitted application for the upgrading of stadiums			Upgrading Soccer field by paving parking area (300 m2) and construction of 1 ablution facility (138m2) by 30 June 2023.		Maintenance of Sport fields	Repairs and maintenance occurred at 3 sport fields	Maintenance of Sport fields
Service Objective No. 3									
Play parks in all Wards that are safe, secured and healthy recreational areas for children in our communities.	Regular Maintenance & cleansing of Play parks	Regular Maintenance & cleansing of Play parks			Regular Maintenance & cleansing of Play parks		Regular Maintenance & cleansing of Play parks		Regular Maintenance & cleansing of Play parks

T 3.23.2

EMPLOYEES : SPORT AND RECREATION					
Job Level	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3					
4 – 6					
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total					%

T 3.23.3

FINANCIAL PERFORMANCE 2024/25: SPORT AND RECREATION					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other					
Total Operational Expenditure	0	0	0	0	0%
Net Operational Expenditure	0	0	0	0	0%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.23.4

CAPITAL EXPENDITURE 2024/24: SPORT AND RECREATION					
R' 000					
Capital Projects	2024/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					T 3.23.5

COMMENTS ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

Most of the sport facilities require upgrading or refurbishment. Vandalism of facilities is a huge concern and the Municipality is not in position to repair vandalized facilities regularly as it has enormous budget implications. Some facilities are non-functional; others are undergoing or are earmarked for extensive repairs and upgrading.

T 3.23.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.24 EXECUTIVE AND COUNCIL

INTRODUCTION

Dr Beyers Naudé Local Municipality is a Category B Municipality with a Collective Executive System, combined with a Ward Participatory System. The Council consists of 24 Councillors as promulgated in Government Gazette No. 45216 on 23 September 2021. The Council has a Mayor and a Speaker; both are serving in a full-time capacity.

The Mayor is the Chairperson of the Executive Committee and the Speaker presides over Council Meetings. Council has four (4) Portfolio Committees, namely:

- Engineering and Planning
- Corporate Services
- Budget and Treasury
- Community Services

Other Oversight Committees are:

- Audit Committee and;
- Municipal Public Accounts Committee (MPAC) – established on 22 February 2022.

T3.24.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

FINANCIAL PERFORMANCE YEAR 2024/25 : THE EXECUTIVE AND COUNCIL					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(14)	(162)	(162)	(203)	-25%
Expenditure:					
Employees	16 464	18 731	18 825	17 830	5%
Repairs and Maintenance	-	0	0	0	0%
Other	20 017	17 786	22 874	20 403	11%
Total Operational Expenditure	36 481	36 517	41 700	38 233	8%
Net Operational Expenditure	36 467	36 355	41 538	38 030	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.24.5

3.25 FINANCIAL SERVICES

INTRODUCTION

Financial Services took steps to achieve the goals/objectives of capacity building in the Budget and Treasury Office, to improve the municipal audit outcome.

The introduction of baseline tariffs has significantly increased revenue and collection strategies are continually updated to deal ensure all revenue is collected to ensure continuity of service delivery.

T3.25.1

FINANCIAL PERFORMANCE YEAR 2024/25: FINANCIAL SERVICES					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(128 193)	(174 261)	(174 261)	(192 027)	-10%
Expenditure:					
Employees	35 386	32 310	32 310	36 797	-14%
Repairs and Maintenance	1 312	2 575	2 575	352	86%
Other	102 339	30 834	67 189	157 568	-135%
Total Operational Expenditure	139 038	65 720	102 075	194 717	-91%
Net Operational Expenditure	10 845	(108 542)	(72 186)	2 690	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.25.5

CAPITAL EXPENDITURE 2024/25: FINANCIAL SERVICES					
R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					T 3.25.6

COMMENTS ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

For Finance Services, the project outlines the capital expenditure needs of the Department, however, due to inadequate implementation of the Capital Budget, particularly on office furniture, there were large variances.

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The objective of the Human Resources function is to render services to the organization i.e. Personnel provisioning, training and development, employee wellness, payroll services, as well as services with regard to the transformation of the organization i.e. Employment Equity Services – whilst following a stringent regime with regard to Safety Regulations, in line with the Occupational Health and Safety Act.

Such Services are rendered within a policy framework. The policy framework depicts, for example, the Organization's own Institutional Policies and Collective Agreement; that is the Consolidated Collective Agreement on Conditions of Service, Disciplinary Procedure Collective Agreement, Main Collective Agreement and the relevant pieces of legislation that are operational within the sector.

The HR Section started a process of reviewing of its own organizational HR Policies that were adopted by the Municipal Council in December 2024. During the year under review, such policies served as a guideline that informed all HR-related activities that were to follow the adopted policy guidelines to the letter.

In general, this approach impacted positively on the organization and also reduced the huge costs of overtime in particular.

T 3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

HUMAN RESOURCE SERVICES POLICY OBJECTIVES TAKEN FROM IDP

Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2021/22		2022/23		2023/24	2023/23		
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Organogram	Consultation workshops with all stakeholders	Establishment of an Organogram	Organogram Adopted in Dec. 2018/19	Organogram Adopted in Dec. 2018/19	Review Organogram by Dec. 2019	Not on Target	Review and adoption of Organogram, 29 August 2023	Review Organogram by June 2021	Review of organogram workshop held and adopted by council 10 December 2024
Service Objective No. 2									
Placement of Staff	Establishment and Approval of a Placement Policy		Adoption of Placement Policy			Commencement of Placement Process	Implementation of Placement	Placement to be finalised.	The placement process is finalized in April 2025
Service Objective No. 3									
Recruitment of Staff	Filling of vacant Section 57 Positions	Filling of Director Corporate Services	Process not yet started	Filling of Director Corporate Services	Advertise vacant Section 57 positions	Recruitment process to be finalised	0	Position of Director: Corporate	One Section 57 position has been filled. The Municipal

								services; Infrastructure; and Community services has been Filled 1 August 2020	
Service Objective No. 4									
Recruitment of Staff	Filling of vacancies						Advertise vacant positions after completion of placement	Recruitment of Staff especially critical positions	Recruitment of staff is on going especially in critical positions, although placement process is not finalised yet
T 3.26.3									

EMPLOYEES : HUMAN RESOURCE SERVICES

Job Level	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	0	0	0	0	0%
4 – 6	0	3	0	3	0%
7 – 9	2	2	2	0	0%
10 – 12	6	7	6	1	29%
13 – 15	0	0	0	0	0%
16 – 18	1	1	1	0	
19 – 20					
Total	9	13	9	4	50%

T 3.26.4

FINANCIAL PERFORMANCE YEAR 2023/24 : CORPORATE SERVICES (INCL. HR SERVICES)

R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(535)	(380)	(380)	(404)	0%
Expenditure:					
Employees	22 368	23 348	23 348	22 312	4%
Repairs and Maintenance	481	602	602	539	0%
Other	2 104	3 179	3 753	2 812	25%
Total Operational Expenditure	1 745	27 130	27 703	25 663	7%
Net Operational Expenditure	1 745	26 750	27 323	25 258	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.26.5

ITAL EXPENDITURE YEAR 2024/25 : HUMAN RESOURCE SERVICES					
R' 000					
Capital Projects	Year 2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					<i>T 3.26.6</i>

- There were no Capital Projects or resultant Capital Expenditure by the HR Department.

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

The overall performance of Human Resources on its different functions has improved tremendously during the past financial year. A Human Resources Plan has been developed and communicated at management level as well as individual session has been conducted with different departments explaining the aim of the HR plan and also having their inputs with regards to their departmental needs.

HR conducted policy workshops with organized labour and administration during the month of March and April 2025. The Human resources section through Corporate Services facilitated medical surveillances process for employees that are exposed to health hazards during their line of duty. The HR section is also providing medical assistance to employees who are exposed to traumatic scenes due to their line of duty. This assistance is provided by referring these employees to psychologists through the local General Practitioners.

T 3.26.7

3.27 INFORMATION & COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION

The Municipality's network and user database continue to increase. Most systems are centralized in Graaff Reinet. The ever-changing ICT environment, new procedures and applications remains a learning curve for the ICT Unit, and it can only get better as time goes on. After the process of virtualizing most of our servers, the pressure on the obsolete hardware was momentarily relieved. However, the absence of a fully functioning disaster recovery site continues to place the institution at extreme risk of data loss.

It cannot confidently be said that Dr Beyers Naudé Local Municipality is no longer a high-risk pertaining data and security, but the Municipality will always strive to keep its network up to date with the latest trends that technology has to offer. The Wide area network was recently upgraded to a Software Defined-Wide Area Network environment which has huge benefits over regular WAN such as increased flexibility, improved network performance, simplified management, cost savings, better scalability, enhanced security, and the ability to leverage diverse internet connections for optimal bandwidth utilization.

ICT has been restructuring many things like over complicated networks, unstable (outdated) servers, open WiFi in buildings, changing of passwords of all administrative devices, servers, antennas, WiFi and computers to avoid any unauthorized access to the network and confidential data. The old wireless networks at Graaff Reinet,

Jansenville and Willowmore have been upgraded to a much faster 50mb/s Fibre network with other towns like Aberdeen in the pipeline.

The Municipality has been applauded by suppliers and contractors in the ICT field for the progress it has made so far and has been told that its IT Infrastructure is way ahead of most – if not all – surrounding municipalities in the region.

T 3.27.1

SERVICE INDICATORS FOR ICT SERVICES

INTERNET

It is pleasing to report that the Municipality advanced from a 40mbps fibre internet connection that served the whole institution to a much-improved 200mbps metro fibre internet connection for the Dr Beyers Naudé area as allowed by the infrastructure. Plans are afoot to double this bandwidth. Unified networking was implemented as part of ongoing network infrastructure upgrades which will result in financial savings as well improved operations. New phones were also installed. We are currently sharing the 200mbps fibre connection with the other municipal towns, with the option to upgrade the fibre to 400mbps if needed.

The use of fibre allows the use of cloud-based solutions, that could not be utilised in the past as the internet was too slow and applications could not run sufficiently.

CLOUD BASED APPLICATIONS (EMAILS AND FINANCIAL)

As mentioned above the Municipality now makes use of cloud-based solutions. Emails was the first application. The move to the cloud was prompted by the need for many different towns to connect to one email solution. A cloud-based solution was the only viable option that would work. The initial solution, hosted exchange was upgraded to office 365 which means that as long as the employee has an internet connection, he/she can connect to their emails and office applications without any trouble. Office 365 has been used for more than a year now.

The move to a cloud based financial solution is currently in the test phase. This is revolutionary, as it will enable authorised employees to connect from anywhere, provided that they have an internet connection.

ANTIVIRUS AND ICT POLICIES

The Antivirus was successfully migrated to ESET Antivirus and has been running for the past two years. Installation was successfully done on most user computers with minimal virus detections. An extension of another three years is planned.

IT POLICIES

New Policies and procedures have been created and have been workshopped with Management and Council. Yearly revision of existing policies and addition of new policies was recently approved by council. Improving Disaster Recovery capabilities are underway. Servers were upgraded to a virtual environment and backups are being done daily. A new generator was installed for electricity backup purposes. Hybrid systems are being tested.

PRINTERS

Bulk printing is being done from a central Print point in each building, and prints are being collected from the Print Rooms by individuals. This resulted in substantial cost saving in this area.

T 3.27.2

ICT SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2022/23		2023/24		2024/25	2024/25		
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Service Objective No. 2									
Service Objective No. 3									

EMPLOYEES : ICT SERVICES					
Job Level	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3					
4 – 6					
7 – 9	2	8	4	2	25%
10 – 12		1	1		
13 – 15					
16 – 18					
19 – 20					
Total					25%

T 3.27.4

FINANCIAL PERFORMANCE YEAR 2024/25 : ICT SERVICES					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	1 673	1 696	1 696	1 784	-5%
Repairs and Maintenance	692	350	350	282	20%
Other	0	0	0	0	0
Total Operational Expenditure	2 364	2 046	2 046	2 066	-1%
Net Operational Expenditure	2 364	2 046	2 046	2 066	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.27.5

CAPITAL EXPENDITURE YEAR 2024/25: ICT SERVICES					
R' 000					
Capital Projects	Year 2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					T 3.27.6

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The Municipality has an ICT unit consisting of three permanent employees and two contract workers. The following programs have been implemented.

- Extension of wireless to tourism office in Willowmore
- Installing Video conferencing equipment in Willowmore and Jansenville
- Upgrading Servers to virtual environment
- Installation of standby generator and ensuring backups are operational as part of DR plan.

The position of the ICT Manager is filled.

T 3.27.7

3.28 PROPERTY, LEGAL, RISK MANAGEMENT & PROCUREMENT SERVICES

This component includes property, legal, risk management and procurement services.

INTRODUCTION TO PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

The Property Management Section is responsible to render properties and facilities management administration processes in respect of all land and property transactions within the entire Municipal jurisdiction. The approved organogram makes provision for a Property Management Section. During the reporting period (2020/21 financial year), the Senior Administrative Officer: Property Management position was filled internally on the 01st June 2021 through the normal Recruitment and Selection processes of the municipality. Prior to this appointment, the official who provided assistance to this Section was performing dual functions which had an effect on the performance of this Section.

A lease register was developed and approved by Council which incorporates all leases within Dr Beyers Naudé Local Municipality. Council resolved on the 30th January 2020 that all expired leases should be advertised for public interest. However, challenges were experienced in terms of market-related rentals in order to proceed or execute Council's resolution.

On a quarterly basis, all new property related application were submitted to Council through the various Committees for approval. However, the implementation of Council resolutions remained a challenge throughout the financial year. The lease register is submitted to Council quarterly through the Corporate Services Portfolio Committee and the Executive Committee.

During this financial year, various Council properties were vandalised in most of our areas. Due to budget limitations, it is very difficult to maintain & repair Council's properties.

The drafting of lease agreements was done in-house, and some were outsourced on all municipal properties.

During the 2022/23 financial year, on-site inspections were conducted in Aberdeen on all Council's properties and a full report with recommendations was tabled to Council through the Corporate Services Portfolio Committee and the Executive Committee. Public participation processes were further followed through public meetings in all Wards to explain Council's intention to either lease or dispose Council's properties.

Council approved an Immovable Property Management Policy during an Ordinary Council meeting held on the 07th December 2022 for immediate implementation.

The Municipality does not have a legal unit and all legal matters are outsourced, as and when needed. Provision has been made in the organogram for the position of a Manager Legal Services – in the Office of the Municipal Manager.

There is a dedicated Internal Audit Unit – reporting to the Municipal Manager. The Risk Management function is part of the Unit's organizational structure and a risk management officer was appointed in April 2019. The incumbent is performing the duties attached to the post.

T3.28.1

SERVICE INDICATORS FOR PROPERTY, LEGAL, RISK MANAGEMENT & PROCUREMENT SERVICES

PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2017/18		2018/19			2019/20	2020/21	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
NOT APPLICABLE									
T 3.28.3									

EMPLOYEES: PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES					
Job Level (TG)	2023/24	2024/25			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	0	0	0	0	0
4 – 6	0	1	0	1	100%
7 – 9	0	2	0	2 (Property)	100%
10 – 12	1	1	1	1 (Property)	100%
13 – 15	0	1	0	1 (Legal)	100%
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
Total	0	5	0	5	100%
T 3.28.4					

FINANCIAL PERFORMANCE YEAR 2024/25 : PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(127)	(1 229)	(1 229)	(529)	57%
Expenditure:					
Employees	737	827	827	773	6%
Repairs and Maintenance	86	150	195	129	34%
Other	3 300	4 463	4 463	3 273	27%
Total Operational Expenditure	4 123	5 441	5 486	4 175	24%
Net Operational Expenditure	3 997	4 211	4 256	3 646	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.28.5

CAPITAL EXPENDITURE YEAR 2024/25 : PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES					
R' 000					
Capital Projects	Year 2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					<i>T 3.28.6</i>

- There were no Capital Projects or resultant Capital Expenditure by Property, Legal, Risk Management and Procurement Services.

COMMENT ON THE PERFORMANCE OF PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES OVERALL

The Property Management Section is not yet fully capacitated to perform its normal functions. But despite of this shortfall, all matters which relates to property management/leases were attended to. With the appointment of the Senior Administrative Officer: Property Management, there was a huge improvement with the facilitation of the drafting of lease agreements, communication with lessees who's lease agreements were due to expire and the implementation of Council resolutions pertaining leases and land disposal.

Due to financial constraints, repairs and maintenance of Council's properties remains a challenge.

The Municipality has no dedicated unit dealing with property and matters, but despite limited capacity in terms of staff shortage and other resources, all matters are attended to satisfactorily.

T 3.28.7

ORGANIZATIONAL SCORECARD 2024/25

The function of Performance Management within the Municipality resides in the Office of the Municipal Manager, and includes monitoring the implementation of the Integrated Development Plan (IDP) through the SDBIP. Legislation states that key performance indicators and targets must be implemented to enable continual monitoring of the Municipality and its administration. These indicators pinpoint areas of focus for each financial year and are included in the IDP.

Once approved, the IDP is married to the budget in a document called the Service Delivery and Budget Implementation Plan (SDBIP) which provides a workable management tool from which to operate under and monitor progress. The SDBIP is then used to develop agreed performance plans for the Municipal Manager and Directors which should be evaluated quarterly.

An Annual Performance Report was developed in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular No.11. The report covers the performance information from 01 July 2022 to 30 June 2023 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP).

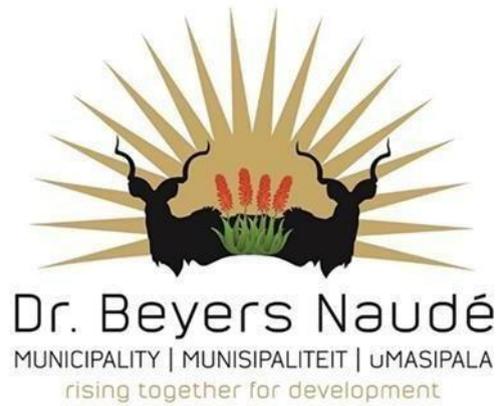
This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2024/2025

The format of the report reflects the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Areas, which are:

- Organizational Transformation & Institutional Development;
- Service Delivery & Infrastructure Planning;
- Local Economic Development;
- Financial Viability and
- Good Governance and Public Participation.

For the 2024/25 financial year, the organizational scorecard reflects the following performance results per development priority, namely:

IDP DEVELOPMENT PRIORITY	Number of KPIs	On Target	Not on Target	% Achieved
Infrastructure Development	12	8	4	67%
Community Development	8	7	1	86%
Institutional Development	13	12	1	92%
Local Economic Development	6	3	3	50%
Back to Basics: Good Governance	13	11	2	85%
Back to Basics: Sound Financial Management	9	4	5	44%
OVERALL TOTALS	61	45	16	74%
				<i>T3.30</i>



CHAPTER 4

ORGANIZATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT: PART 2)



CHAPTER 4**ORGANIZATIONAL DEVELOPMENT
(PERFORMANCE REPORT PART 2)****COMPONENT A : INTRODUCTION TO THE MUNICIPAL PERSONNEL****INTRODUCTION**

The aim of this document is to provide a Staff Structure in terms of reporting and remuneration levels for the Municipality. The review of the organizational structure is a strategic process of monitoring sustainable service delivery. A recent audit process found lack of supervision at a municipal level. In response to the audit finding and informed by its service delivery objectives, the organizational structure is reviewed and developed.

To achieve the objectives set out in the IDP, it is vital that the capacity and transformation needs of the Municipality be clearly defined and understood.

Council approved its reviewed organizational structure in December 2024 which could conclude the placement process in March 2025.

T4.0.1

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

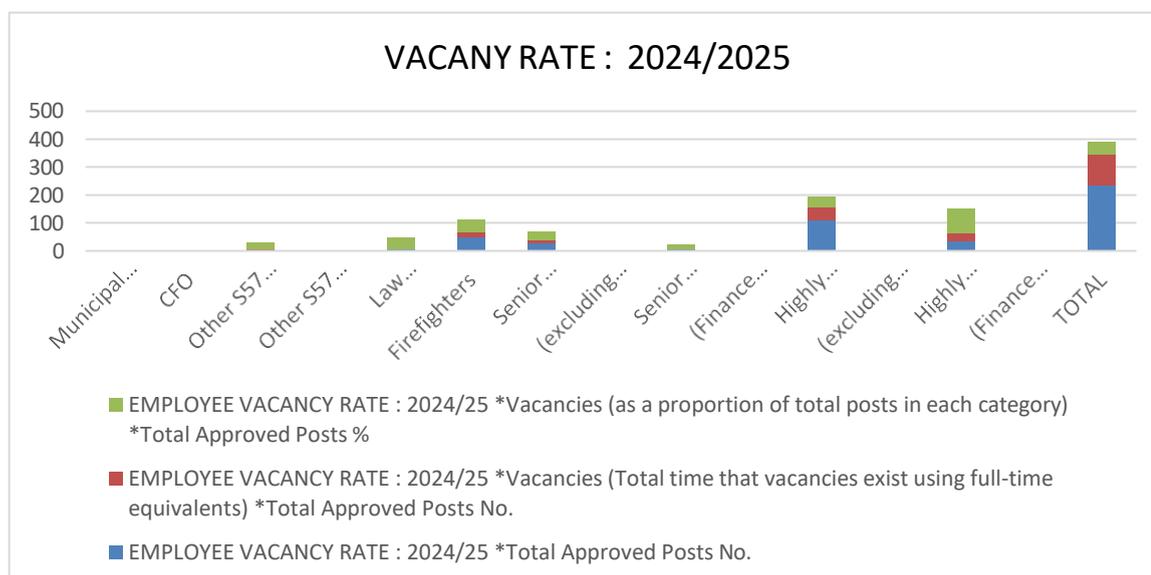
The organogram consists of a total number of 752 posts. The total number includes 485 employees in filled positions and those in the corporate pool. The remaining number of posts (267) comprises of the vacant positions on the organogram. Due to the placement process not being finalized yet, it is difficult to give a ratio in terms vacancy rates. It is only possible to provide figures for the current filled positions.

EMPLOYEES : 2024/25					
Description	2023/24	2024/25			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Municipal Manager and Staff	15	44	24	20	46%
CFO, Budget and Treasury & SCM Staff	64	86	71	15	17%
Corporate Services (Administration and HR)	84	88	66	22	25%
COMMUNITY & PUBLIC SERVICES					
Library Services	12	19	8	11	58%
Protection, Traffic & Fire Services	26	50	39	11	22%
Community & EH Services	4	4	2	2	50%
Parks, Gardens & Amenities	40	72	25	47	62%
Refuse Services	66	99	71	28	57%
Street and Pavements	58	65	26	39	60%
Engineering & Planning	52	94	64	30	32%
Water, Sanitation & WWTW	58	84	62	22	26%
Electrical Services	32	47	27	20	43%
Totals	348	752	485	267	36%
<i>Headings follow the order of services included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram as set out in chapter 3. Service totals should equate to those.</i>					<i>T 4.1.1</i>

EMPLOYEE VACANCY RATE : 2024/25

Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using full-time equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	3	1	25
Other S57 Managers (Finance Posts)	0	0	0
Law enforcement Officers	5	2	40
Firefighters	48	21	44
Senior management levels 13 – 15 (excluding Finance posts)	27	9	33
Senior management levels 13 – 15 (Finance posts)	6	1	16
Highly skilled supervision levels 9-12 (excluding Finance posts)	111	44	39
Highly skilled supervision levels 9-12 (Finance posts)	34	30	88
TOTAL	236	108	46
<p>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>			T 4.1.2

VACANCY RATE : 2024/2025



EMPLOYEE TURNOVER RATE			
Year	Total Workforce as at beginning of Financial Year	Terminations during the Financial Year	Turnover Rate %
2022/23	26	19	73%
2023/24	59	21	35%
2024/25	14	23	164%
<i>To calculate Turnover Rate, divide the number of employees who have left the organization within a year, by total number of employees who occupied posts at the beginning of the year.</i>			<i>T 4.1.3</i>

COMMENTS ON VACANCIES AND TURNOVER

In line with the Municipality's Succession Planning Policy, opportunities are created for employees to advance within the ranks of the institution, through vacant posts first being advertised internally, and only if no suitable internal candidate can be found, will the post be advertised externally.

T4.1.4

COMPONENT B : MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

An organizational structure was developed, workshopped with all stakeholders and approved by Council in December 2018.

Dr Beyers Naudé Municipality is committed to the principles of Employment Equity and has made conscious efforts to appoint historically and previously disadvantaged individuals in the top four tiers of its Staff Establishment.

T4.2.0

4.2 POLICIES

NAME OF POLICY	IN PLACE	REVIEWED	DATE ADOPTED BY COUNCIL OR COMMENT ON FAILURE TO ADOPT	
	Yes / No	Yes / No		
1	Institutional Plan (HR Plan)	Yes	Yes	30 June 2022 COUN-044.12/22
2	Employment Equity Plan	Yes	Yes	30 JUNE 2022 COUN-044.5/22
3	Workplace Skills Plan	Yes	Yes	30/04/2022 TRAIN-018.1/22
4	Relocation Policy	Yes	No	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
5	Migration & Placement policy	Yes	No	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
6	Subsistence & Travel	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
7	Recruitment and selection	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
8	Leave	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
9	Skills development and training	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
10	Overtime	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
11	Termination of employment	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
13	Administration of Council-owned housing stock leased to employees	No	No	No policy in place for new Municipality
14	Private work & declaration of interests	No	No	No policy in place for new Municipality
15	Smoking control	No	No	No policy in place for new Municipality
16	Alcohol and drug abuse	No	No	No policy in place for new Municipality
17	Remuneration	No	No	No policy in place for new Municipality
18	ALLOWANCES - Acting Allowance - Cellphone Allowance - Travel Allowance	Yes Yes Yes	Yes Yes Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
19	Succession planning	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
20	Scarce skills and retention	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
21	Employee study assistance (bursary)	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
22	Occupational Health & safety	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
23	Employee Wellness	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
24	HIV/Aids in the workplace (HR/SPU)	No	No	No policy in place for new Municipality
25	Bad weather / inaccessibility	No	No	No policy in place for new Municipality
26	Heat & Stress & Discomfort levels	No	No	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
27	Sexual Harassment	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
28	Organizational rights & LLF	Yes	Yes	ORA & LLF in place
29	Code of Conduct (Sec.69 of MSA)	Yes	Yes	In place, applied

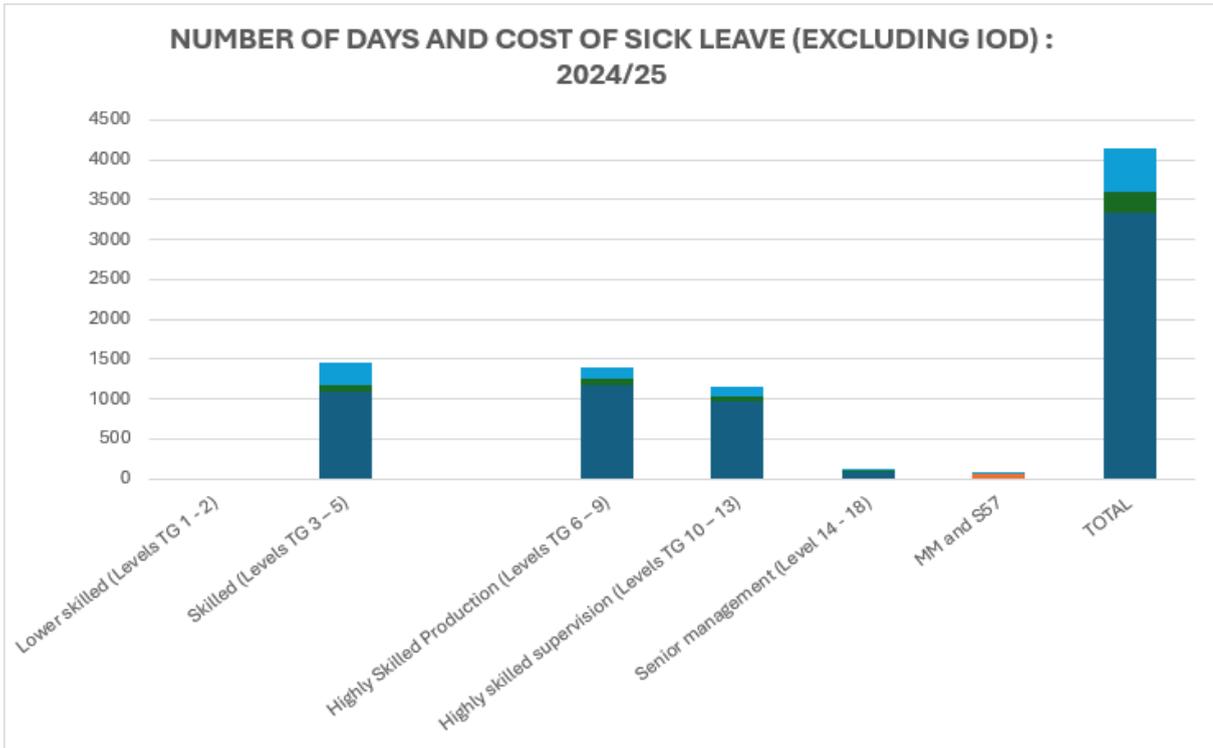
30	Grievance & Disciplinary procedures	Yes	Yes	SALGBC procedures in place
31	Customer care policy	Yes	Yes	30 June 2022
	Community Halls & Facilities Policy	Yes	Yes	30 June 2022
32	Communication Strategy & Policy and public participation strategy (incl. stakeholder mobilization) (Internal/External)	Yes	Yes	Draft Communication Strategy & Communication and Public Participation Policy were submitted to the Executive Committee and workshopped to Council on the 15 th June 2021. Due to the Covid-19 regulations towards the end of the financial year, the policy could not be approved by Council before the end of the reporting period.
33	Records management policy	Yes	Yes	Approved by province
34	ICT policies and procedures	Yes	Yes	04 August 2021
35	Ward Committee Policy	Yes	Yes	30 June 2022
36	Ward Operational Framework Plan	Yes	Yes	30 June 2022
37	Petition Policy	Yes	Yes	30 June 2022
38	Public Participation Policy	Yes	Yes	30 June 2022
39	Absenteeism Policy	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
40	Consequence Management policy	Yes	Yes	THURSDAY, 12 DECEMBER ORD.COUN-036.7/24
<i>T 4.2.1.1</i>				

4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER AND COST OF INJURIES ON DUTY (IOD) : 2024/25					
Type of injury	Days Injury leave time taken	No. of Employees using injury leave	% Proportion employees using sick leave	Average injury leave per employee	Total estimated Cost in Rand
Requiring basic medical attention only	1	1	0	1	586.61
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	1	1	0	1	586.61
					T4.3.1

- No leave was taken for Injuries of Duty and no incidents of that nature were reported.

NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING IOD) : 2024/25						
Salary Band	Total sick leave Days	% Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	**Average sick leave per employee	Estimated Cost in Rands
Lower skilled (Levels TG 1 - 2)	0	0	0	0	0	0
Skilled (Levels TG 3 – 5)	1089	32.37	90	278	3.9	638829.18
Highly Skilled Production (Levels TG 6 – 9)	1177	62.31	81	130	9.05	1272466.47
Highly skilled supervision (Levels TG 10 – 13)	963	62.5	75	120	8.02	1521568.89
Senior management (Level 14 - 18)	93	60.87	14	23	0.4	265792.14
MM and S57	9	60	3	5	1.8	42372.09
TOTAL	3331	47.30	263	556	5.99	152656148.88
* = Number of employees in post at the beginning of the year. * = Average is calculated by taking sick leave in column 2 divided by total employees in column 5.						T 4.3.2



T 4.3.

COMMENT ON INJURY AND SICK LEAVE

When injuries on duty occur, supervisors take injured workers to HR department where necessary forms are completed and the injured person is then referred to a medical practitioner. The Municipality does not have its own doctor and makes use of local practitioners. Sick leave is monitored by Municipality; and personal records maintained of the number of instances of sick leave and amount of time taken each year.

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
Supervisor Water Reticulation (Horseshoe)E	Allegedly driving a municipal vehicle under the influence of alcohol Failure to follow lawful and legitimate instructions. Exposing the municipality to liabilities	06/02/24	Matter close employee passed away on 13/12/2024
General Worker; Wastewater Treatment Plant Klipplaar	Fighting with supervisor at the workplace, placing the name of the municipality into disrepute	13/03/24 13/08/24 16/08/24	28/11/24 Dismissal
			T4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

There were no cases of Financial Misconduct reported or dealt with during the 2024/25 period of reporting.

T4.3.7

4.4 PERFORMANCE REWARDS

No performance rewards were awarded during the 2024/25 Financial Year.

T4.4.1.1

COMPONENT C : CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION

The Municipality's Workplace Skills Plan is reviewed annually, the most recent one was submitted to LGSETA along with the Municipality's annual Training Report in April 2022. 0.18% the Municipality's annual salary budget is applied towards implementing the WSP. Section 10 of the WSP addresses the issue of critical and scarce skills, and the municipality fully supports its staff being trained in capacity building and scarce skills programmes.

T 4.5.0

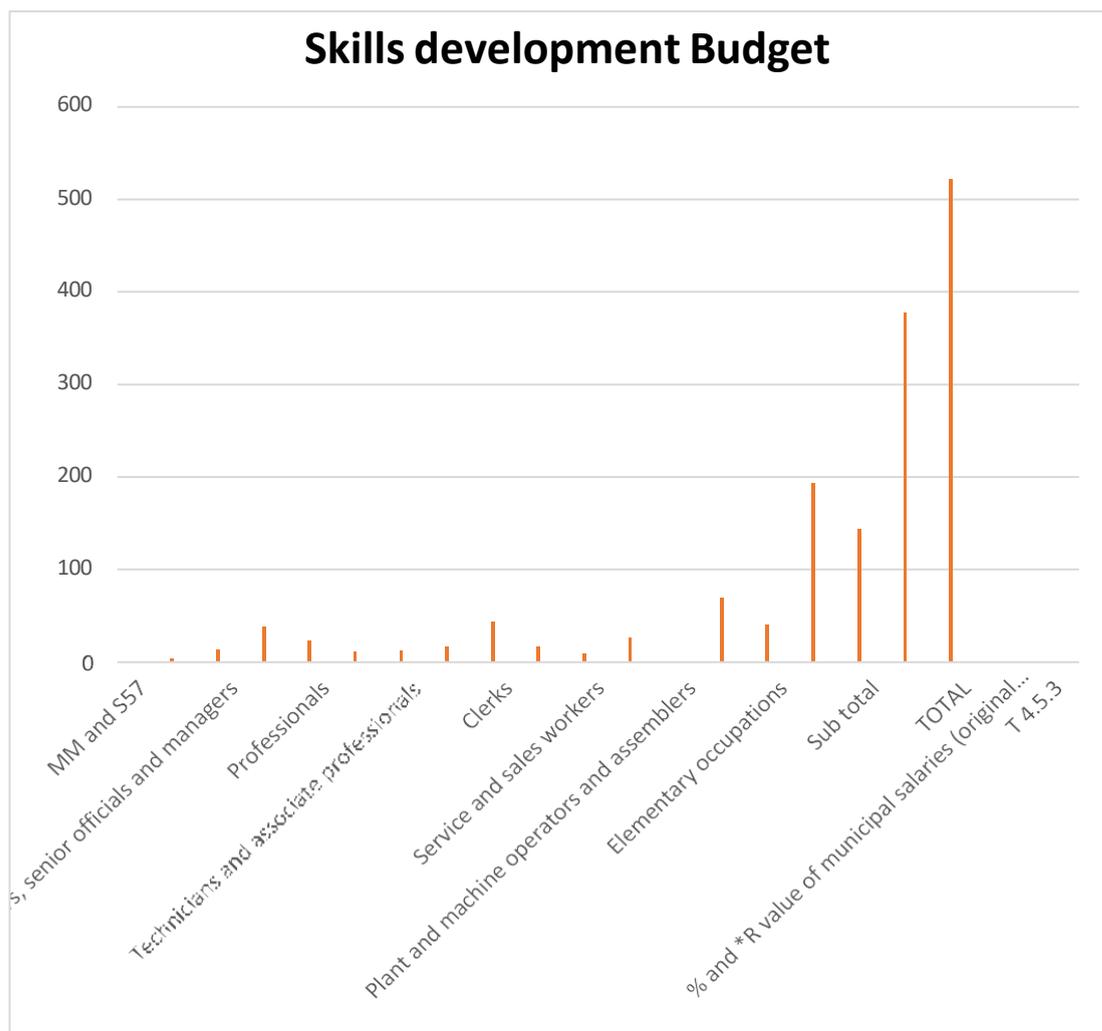
4.5 SKILLS DEVELOPMENT AND TRAINING

Kindly refer to the tables on the following pages.

SKILLS MATRIX: 2024/25														
Occupational Levels	Gender	Employees in posts as at 30 June 2025	Number of Skilled Employees required and actual as at 30 June 2024-2025											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of June 2025	Actual: End of June 2025	2024/25 Target	Actual: End of June 2025	Actual: End of June 2025	2024/25 Target	Actual: End of June 2025	Actual: End of June 2025	2024/25 Target	Actual: End of June 2025	Actual: End of June 2025
Top management	Female	1	0	0	0	1	1	1	0	0	0	1	1	1
	Male	4	0	0	0	4	4	4	0	0	0	4	4	4
Senior management	Females	4	0	0	0	9	9	10	0	0	0	9	9	10
	Males	17	0	0	0	15	15	15	0	0	0	15	15	15
Professionally qualified and experienced specialists and mid- management	Female	17	0	0	0	2	2	5	0	0	0	2	2	5
	Males	15	0	0	0	3	3	10	0	0	0	3	3	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Female	35	0	0	0	2	2	5	0	0	0	2	2	5
	Males	92	0	0	0	3	3	10	0	0	0	3	3	10
Semi-skilled and discretionary decision making	Females	41	0	0	0	14	14	15	0	0	0	14	14	15
	Males	92	11	11	11	25	25	30	0	0	0	36	36	41
Unskilled and defined decision making	Females	40	0	0	0	14	14	15	0	0	0	14	14	15
	Males	131	11	11	11	25	25	30	0	0	0	36	36	41
Sub total	Females	138	0	0	0	26	26	31	0	0	0	26	26	31
	Males	351	0	0	0	30	30	58	0	0	0	30	30	58
Total	Male & Female	489	11	11	11	46	46	89	0	0	0	57	57	100
*Registered with professional Associate Body e.g CA (SA)														

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT *						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A & B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Reg. 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Reg. 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	0	1	0	1	1
<i>Chief financial officer</i>	1	0	1	0	1	1
<i>Senior managers</i>	3	0	3	0	1	1
<i>Any other financial officials</i>	32	0	32	8	0	8
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	1	0	1	1	0	1
<i>Supply chain management senior managers</i>	1	0	1	1	1	1
TOTAL	38	0	38	10	4	15
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

SKILLS DEVELOPMENT EXPENDITURE: 2024/25 (to be updated)										
Occupational Levels	Gender	Employee sas at 1 July2024	Original Budget and Actual Expenditure on skills development 2024/25							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget R	Actual R	Original Budget R	Actual R	Original Budget R	Actual R	Original Budget R	Actual R
Top management	Female	1	528 400,00	0	1 015 000,00	0	0	0	1 543 400,00	0
	Male	4	528 400,00	0	1 015 000,00	0	0	0	1 543 400,00	0
Senior management	Females	4	528 400,00	0	1 015 000,00	0	0	0	1 543 400,00	47 890,03
	Males	17	528 400,00	0	1 015 000,00	0	0	0	1 543 400,00	98 541,62
Professionally qualified and experienced specialists and mid- management	Female	17	528 400,00	0	1 015 000,00	0	0	0	1 543 400,00	258 987,45
	Males	15	528 400,00	0	1 015 000,00	0	0	0	1 543 400,00	126 735,00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Female	35	528 400,00	0	1 015 000,00	0	0	0	1 543 400,00	56 842,58
	Males	92	528 400,00	0	1 015 000,00	0	0	0	1 543 400,00	145 859,56
Semi-skilled and discretionary decision making	Females	41	528 400,00	0	1 015 000,00	0	0	0	1 543 400,00	193 895,00
	Males	92	528 400,00	0	1 015 000,00	0	0	0	1 543 400,00	212 566,34
Unskilled and defined decision making	Females	40	0	0	0	0	0	0	0	169 482,36
	Males	131	0	0	0	0	0	0	0	65 112,37
Sub total	Females	138	528 400,00	0	1 015 000,00	0	0	0	1 543 400,00	1 375 948,31
% and *R value of municipal salaries (original budget) allocated for workplace skills plan										



T4.5.4

COMMENTS ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

The Municipality's budget is effective for training of staff. However, the implementation of the budget is not adequately addressed, employees appointed with conditions are to apply from recognized institutions in order to ensure that amounts budgeted for and utilized. Department heads along with the SDF to encourage workers to apply for admission to obtain the relevant qualifications

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION

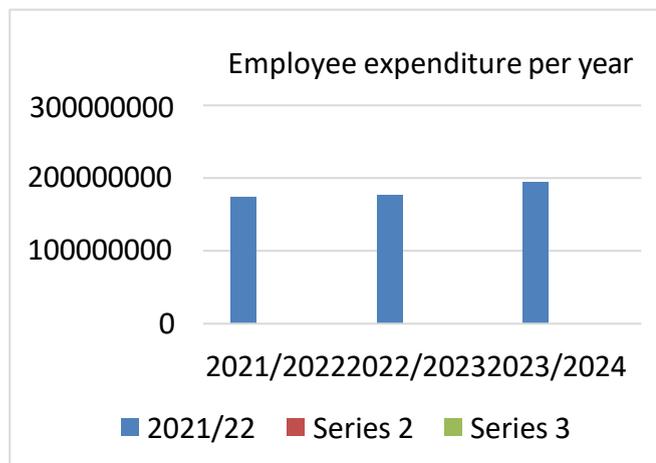
Expenditure such as overtime is controlled via policies that were put in place and managers are encouraged to monitor this and use their discretion.

Managers and Supervisors have the obligation to enforce Council's policies in order to ensure value-for-money performance and optimal production by the workforce.

T4.6.0

4.6 EMPLOYEE EXPENDITURE

2022/23	176 634 079
2023/24	185 178 029
2024/25	204 333 133
<i>T 4.6.1</i>	



COMMENT ON WORKFORCE EXPENDITURE

35% of the 2024/25 Operating Budget was allocated to employee costs.

NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED : 2024/25				
Beneficiaries	Gender	No. of Beneficiaries	Total	Indicate No. of Disabled
MM and S 57	Female	0	0	0
	Male	0		0
Senior management (Levels 13-16)	Female	0	0	0
	Male	0		0
Highly skilled supervision (Levels 9-12)	Female	0	0	0
	Male	0		0
Highly skilled production (Levels 6-8)	Female	0	0	0
	Male	0		0
Skilled (Levels 3-5)	Female	0	0	0
	Male	0		0
Lower skilled (Levels 1-2)	Female	0	0	0
	Male	0		0
Total		0	0	0
<i>The number of employees with disability amongst above-listed levels is shown in the right-hand side column in brackets, e.g. (x).</i>				<i>T 4.6.2</i>

EMPLOYEES WHOSE SALARY LEVELS EXCEED THE GRADE DETERMINED BY JOB EVALUATION				
Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for deviation
Supervisors	0	0	0	0
Electricians	0	0	0	0
Law Enforcement Officer	0	0	0	0
Fire Fighters	0	0	0	0
Clerk Gr2 : Collections	0	0	0	0
Clerk Gr2 : Rates	0	0	0	0
Cleaner	0	0	0	0
General Workers / Shift Workers	0	0	0	0
Revenue Clerk	0	0	0	0
Senior Cashiers	0	0	0	0
Cashier	0	0	0	0
Clerk / Typist	0	0	0	0
General Worker / Driver	0	0	0	0
IT Clerks	0	0	0	0
Administrator	0	0	0	0
Snr Clerk : Electrical	0	0	0	0
Tractor Driver	0	0	0	0
Ward Coordinator	0	0	0	0
Meter Readers	0	0	0	0
Librarian	0	0	0	0
				<i>T 4.6.3</i>

EMPLOYEES APPOINTED TO POSTS NOT APPROVED				
Department	Level	Date of Appointment	No. appointed	Reason for appointment when no established post existed
-	-	-	0	-
				<i>T 4.6.4</i>

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

During the 2021/22 year of reporting, Job Descriptions were submitted to the Job Evaluation Committee of Sarah Baartman District Municipality, for grading and evaluation. It some evaluation results has been received in the (2022/23) financial year.

T 4.6.5

DISCLOSURE OF FINANCIAL INTERESTS

Within each financial year, Disclosure of Financial Interest forms are distributed to all Employees for completion. Completed forms are kept in their personal files. Similarly, Councillors must also complete Disclosure of Financial Interest forms, and these are also kept on file.

T 4.6.6



Dr. Beyers Naudé
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CHAPTER 5

FINANCIAL PERFORMANCE



CHAPTER 5**FINANCIAL PERFORMANCE****INTRODUCTION**

Chapter 5 contains information regarding the financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The 2024/25 financial year was a difficult year for the Municipality. Dr Beyers Naudé is still struggling with debt inherited from amalgamation, old fleet and equipment that constantly need repairs and insufficient number of vehicles to ensure that excellent service delivery is done.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE**5.1 STATEMENTS OF FINANCIAL PERFORMANCE****INTRODUCTION TO FINANCIAL STATEMENTS**

*Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.*

This component provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

The Municipality traded at a deficit of R241 million (R26 million 2023/24), significant regression in financial health. An appropriate measure for year on year would be the prior year excluding the impact of the municipal debt relief revenue recognized in 2023/24 financial year of R133 million. This amount was meant to be recognized in the 2024/25 year also with the expected write-off of one third of the qualifying amount of Eskom debt. The write-off was not received due to the municipality not complying with all the conditions for write-off.

The Municipality is heavily reliant on Government grants and subsidies especially for infrastructure projects and accordingly does not have sufficient resources to fund capital expenditure from own revenue.

Employee cost contributes 25,1% to total expenditure (26,9% 2023/24). R91 million was spent on contracted services compared to 2023/24 financial year of R 71 million, a R20 million increase year on year. Concerning that the jump from 2022/23 was noted as a R23 million increase. Finance cost of R104 million was mainly due to the inability of the Municipality to pay creditors within the required 30 days with the largest of these relating to Eskom.

Cash equivalents at year end were R27 million. The majority cash held for the unspent grants roll over expected.

T5.1.0

❖ *THE 2024/25 ANNUAL FINANCIAL STATEMENTS (AFS) ARE ATTACHED AS ANNEXURE 1 IN VOLUME II OF THIS REPORT.*

(TABLES 2024/2025)

EC101 Dr Beyers Naudé Local Municipality- Table A2 Budget Summary

EC101 Dr Beyers Naudé Local Municipality- Table A2 Budget Summary

Description	2024/2025								2023/2024			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Functional												
Governance and administration	183 780	–	183 780	187 233		3 454	101,9%	101,9%				–
Executive and council	162	–	162	203		41	125,4%	125,4%				
Finance and administration	183 618	–	183 618	187 030		3 412	101,9%	101,9%				
Internal audit	–	–	–	–		–	–	–				
Community and public safety	36 572	(18 940)	17 632	6 242		(11 391)	35,4%	17,1%				–
Community and social services	3 248	–	3 248	3 301		54	101,6%	101,6%				
Sport and recreation	63	–	63	11		(51)	17,8%	17,8%				
Public safety	3 999	399	4 398	2 751		(1 647)	62,5%	68,8%				
Housing	29 263	(19 339)	9 924	178		(9 745)	1,8%	0,6%				
Health	–	–	–	–		–	–	–				
Economic and environmental services	34 700	5 922	40 621	55 027		14 406	135,5%	158,6%				–
Planning and development	1 988	–	1 988	2 996		1 009	150,7%	150,7%				
Road transport	30 380	5 922	36 301	49 699		13 398	136,9%	163,6%				
Environmental protection	2 332	–	2 332	2 332		–	100,0%	100,0%				
Trading services	364 586	25 027	389 613	356 950		(32 663)	91,6%	97,9%				–
Energy sources	142 744	16	142 761	160 794		18 034	112,6%	112,6%				
Water management	89 332	22 811	112 143	90 774		(21 369)	80,9%	101,6%				
Waste water management	83 769	2 200	85 969	68 318		(17 650)	79,5%	81,6%				
Waste management	48 740	–	48 740	37 063		(11 677)	76,0%	76,0%				
Other	55	–	55	8		(47)	15,3%	15,3%				
Total Revenue - Functional	619 693	12 009	631 701	605 460		(26 241)	95,8%	97,7%				–
Expenditure - Functional												
Governance and administration	143 520	42 576	186 096	259 944	73 849	73 849	139,7%	181,1%	–	–	–	–
Executive and council	32 849	5 183	38 032	34 897	(3 134)	(3 134)	91,8%	106,2%	–	–	–	–
Finance and administration	109 240	37 393	146 633	223 066	76 432	76 432	152,1%	204,2%	–	–	–	–
Internal audit	1 431	–	1 431	1 981	551	551	138,5%	138,5%	–	–	–	–
Community and public safety	40 840	3 952	44 792	50 547	5 755	5 755	112,8%	123,8%	–	–	–	–
Community and social services	7 485	(460)	7 025	5 574	(1 451)	(1 451)	79,3%	74,5%	–	–	–	–
Sport and recreation	20 904	4 116	25 020	18 910	(6 110)	(6 110)	75,6%	90,5%	–	–	–	–
Public safety	9 310	145	9 455	24 719	15 264	15 264	261,4%	265,5%	–	–	–	–
Housing	262	–	262	184	(78)	(78)	70,2%	70,2%	–	–	–	–
Health	2 879	151	3 030	1 160	(1 870)	(1 870)	38,3%	40,3%	–	–	–	–
Economic and environmental services	59 856	2 995	62 851	61 159	(1 692)	(1 692)	97,3%	102,2%	–	–	–	–
Planning and development	23 438	(290)	23 149	21 773	(1 376)	(1 376)	94,1%	92,9%	–	–	–	–
Road transport	34 085	3 285	37 370	37 492	121	121	100,3%	110,0%	–	–	–	–
Environmental protection	2 332	–	2 332	1 894	(438)	(438)	81,2%	81,2%	–	–	–	–
Trading services	298 838	61 298	360 136	472 472	112 337	112 337	131,2%	158,1%	–	–	–	–
Energy sources	154 883	29 564	184 447	189 002	4 555	4 555	102,5%	122,0%	–	–	–	–
Water management	68 129	8 583	76 712	105 017	28 305	28 305	136,9%	154,1%	–	–	–	–
Waste water management	48 640	19 626	68 267	121 212	52 945	52 945	177,6%	249,2%	–	–	–	–
Waste management	27 186	3 524	30 710	57 241	26 531	26 531	186,4%	210,6%	–	–	–	–
Other	2 438	3 793	6 231	4 032	(2 199)	(2 199)	64,7%	165,4%	–	–	–	–
Total Expenditure - Functional	545 491	114 614	660 105	848 155	188 049	188 049	128,5%	155,5%	–	–	–	–
Surplus/(Deficit) for the year	74 202	(102 606)	(28 404)	(242 694)	(214 290)	(214 290)	854,4%	-327,1%	–	–	–	–

EC101 Dr Beyers Naudé Local Municipality- Table A4 Budget Summary												
Description	2024/2025							2023/2024				
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Service charges - Electricity	142 179	–	142 179	158 646		16 467	111,6%	111,6%				147 725
Service charges - Water	56 426	–	56 426	56 603		177	100,3%	100,3%				51 742
Service charges - Waste Water Management	71 016	–	71 016	55 964		(15 052)	78,8%	78,8%				52 130
Service charges - Waste management	41 588	–	41 588	31 252		(10 335)	75,1%	75,1%				29 697
Sale of Goods and Rendering of Services	2 153	–	2 153	1 002		(1 150)	46,6%	46,6%				905
Agency services	5 841	–	5 841	1 969		(3 872)	33,7%	33,7%				1 903
Interest	–	–	–	–		–	–	–				–
Interest earned from Receivables	13 234	–	13 234	20 128		6 894	152,1%	152,1%				14 563
Interest from Current and Non Current Assets	1 196	–	1 196	1 117		(79)	93,4%	93,4%				1 102
Dividends	–	–	–	–		–	–	–				–
Rent on Land	–	–	–	–		–	–	–				–
Rental from Fixed Assets	2 127	–	2 127	758		(1 369)	35,6%	35,6%				970
Licence and permits	964	–	964	1 052		88	109,1%	109,1%				868
Operational Revenue	8 453	–	8 453	(422)		(8 875)	-5,0%	-5,0%				20 208
Property rates	51 761	–	51 761	55 273		3 512	106,8%	106,8%				45 518
Surcharges and Taxes	4 155	–	4 155	8 745		4 590	210,5%	210,5%				10 366
Fines, penalties and forfeits	94	3 138	3 231	21 623		18 392	669,1%	23116,8%				1 311
Licence and permits	–	–	–	–		–	–	–				–
Transfers and subsidies - Operational	163 164	(18 940)	144 224	134 167		(10 057)	93,0%	82,2%				123 584
Interest	2 661	–	2 661	3 481		820	130,8%	130,8%				1 907
Fuel Levy	–	–	–	–		–	–	–				–
Operational Revenue	–	–	–	–		–	–	–				133 241
Gains on disposal of Assets	–	–	–	–		–	–	–				–
Other Gains	–	–	–	614		614	#DIV/0!	#DIV/0!				–
Discontinued Operations	–	–	–	–		–	–	–				–
Total Revenue (excluding capital transfers and contributions)	567 011	(15 802)	551 208	551 973		765	100,1%	97,3%				637 739
Expenditure By Type												
Employee related costs	191 388	850	192 238	199 503	7 264	7 264	103,8%	104,2%				185 151
Remuneration of councillors	10 255	–	10 255	10 095	(160)	(160)	98,4%	98,4%				9 974
Bulk purchases - electricity	120 107	22 564	142 671	156 478	13 808	13 808	109,7%	130,3%				134 569
Inventory consumed	4 753	15	4 768	6 390	1 622	1 622	134,0%	134,4%				4 304
Debt impairment	8 969	6 592	15 560	28 244	12 684	12 684	181,5%	314,9%				417
Depreciation and amortisation	65 308	–	65 308	60 314	(4 994)	(4 994)	92,4%	92,4%				65 172
Interest	–	30 572	30 572	104 355	73 784	73 784	341,3%	#DIV/0!				83 101
Contracted services	24 460	50 718	75 178	54 414	(20 764)	(20 764)	72,4%	222,5%				62 039
Transfers and subsidies	150	–	150	120	(30)	(30)	80,0%	80,0%				120
Irrecoverable debts written off	4 829	0	4 829	106 175	101 345	101 345	2198,6%	2198,6%				110 699
Operational costs	115 272	3 303	118 575	123 056	4 481	4 481	103,8%	106,8%				83 458
Losses on Disposal of Assets	–	–	–	–		–	–	–				–
Other Losses	–	–	–	–		–	–	–				–
Total Expenditure	545 491	114 614	660 105	849 144	189 039	189 039	128,6%	155,7%				739 003
Surplus/(Deficit)	21 520	(130 417)	(108 897)	(297 171)		(188 274)	272,9%	-1380,9%				(101 264)
Transfers and subsidies - capital (monetary allocations)	52 682	27 811	80 493	53 487		(27 006)	66,4%	101,5%				63 684
Transfers and subsidies - capital (in-kind)	–	–	–	–		–	–	–				–
Surplus/(Deficit) after capital transfers & contributions	74 202	(102 606)	(28 404)	(243 684)		(215 280)	857,9%	-328,4%				(37 580)
Income Tax	–	–	–	–		–	–	–				–
Surplus/(Deficit) after income tax	74 202	(102 606)	(28 404)	(243 684)		(215 280)	857,9%	-328,4%				(37 580)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–		–	–	–				–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–		–	–	–				–
Surplus/(Deficit) attributable to municipality	74 202	(102 606)	(28 404)	(243 684)		(215 280)	857,9%	-328,4%				(37 580)
Share of Surplus/Deficit attributable to Associate	–	–	–	–		–	–	–				–
Intercompany/Parent subsidiary transactions	–	–	–	–		–	–	–				–
Surplus/(Deficit) for the year	74 202	(102 606)	(28 404)	(243 684)		(215 280)	857,9%	-328,4%				(37 580)

5.2 GRANTS

GRANT PERFORMANCE						
R' 000						
OPERATING TRANSFERS & GRANTS	2023/24	2024/25		2024/25 Variances		
	Actual	Budget	Adjustments Budget	Actual	Original Budget %	Adjustments Budget %
National Government:	118 600	125 930	125 930	128 262	-2%	-2%
Equitable share	114 382	121 571	121 571	121 571	0%	0%
Municipal Systems Improvement	4 218	4 359	4 359	6 691	-53%	-53%
Drought relief						
Other transfers/grants						
Provincial Government:	-	-	2 800	2 800	-100%	-100%
Health subsidy	-	-	2 800	2 800	-100%	-100%
Office of the premier						
Ambulance subsidy						
Sports and Recreation						
Other transfers/grants						
Sarah Baartman District Municipality:	5 506	5 306	7 905	7 905	-49%	0%
Fire Grant	2 098	2 201	2 600	2 600	-18%	0%
Library Grant	2 308	3 105	3 105	3 105	0%	0%
Operational Grant	1 100	-	2 200	2 200	-100%	0%
Other grant providers:	516	333	333	556	-67%	-67%
SETA	420	333	333	378	-14%	-14%
TOURISM	96	-	-	178	-100%	-100%
Total Operating Transfers and Grants	124 622	131 569	136 968	139 523	-6%	-2%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						<i>T 5.2.1</i>

COMMENT ON OPERATING TRANSFERS AND GRANTS

The total grant income increased since prior year mostly due to increased equitable share.

The Municipality received a Finance Management Grant to the value of R3 million (consistent with the 2024/25) which is mainly used for the appointment of Finance Interns and skills development of Finance staff, including the minimum competency training.

All grants were used in terms of approved business plans and were fully spent at financial year end.

T 5.2.2

5.3 ASSET MANAGEMENT

INTRODUCTION

The objective of asset management per the Asset Management Policy is to ensure effective and efficient control over the Municipality's assets by or through:

- The proper recording of assets from the date of authorisation, acquisition and to subsequent disposal.
- Providing for safeguarding procedures
- Setting proper guidelines regarding permissible utilisation; and
- Prescribing requirements for the proper maintenance of assets.

This policy must comply with all relevant legislative requirement, including:

- The Constitution of the Republic of South Africa, 1996;
- Municipal Structure Act 1998;
- Municipal Systems Act, 2000;
- Division of Revenue Act (enacted annually);
- Municipal Finance Management Act No 56 of 2003; and
- National Treasury Regulations

The vastness of the municipal area makes asset management extremely difficult. The Asset Management unit is currently occupied by a limited staff of only 3 persons that must ensure control over the asset register.

The Municipality is currently struggling financially, and the maintenance of assets is becoming more and more difficult.

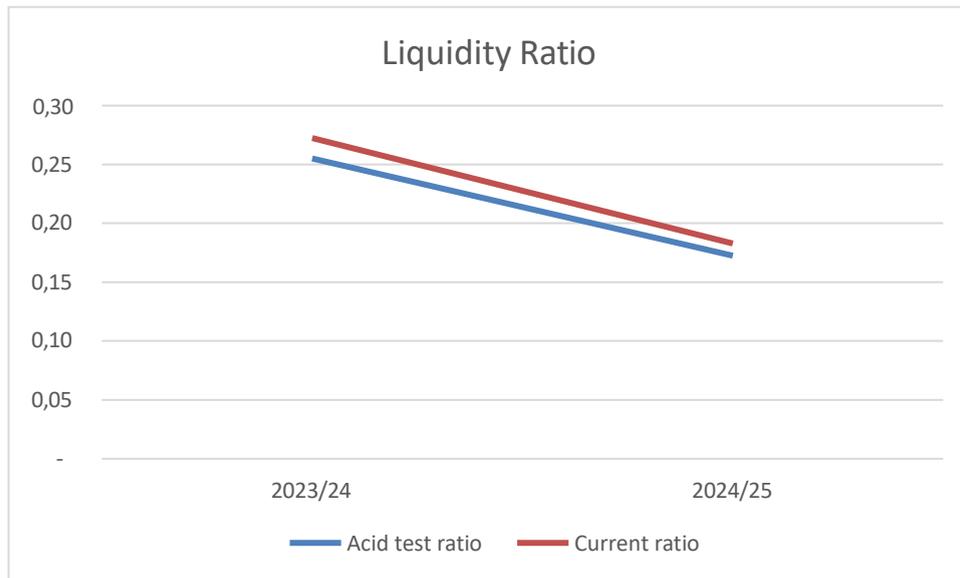
T 5.3.3

REPAIR AND MAINTENANCE EXPENDITURE : 2024/25				
R' 000				
Description	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	43 060	46 300	56 198	21%
				T 5.3.4

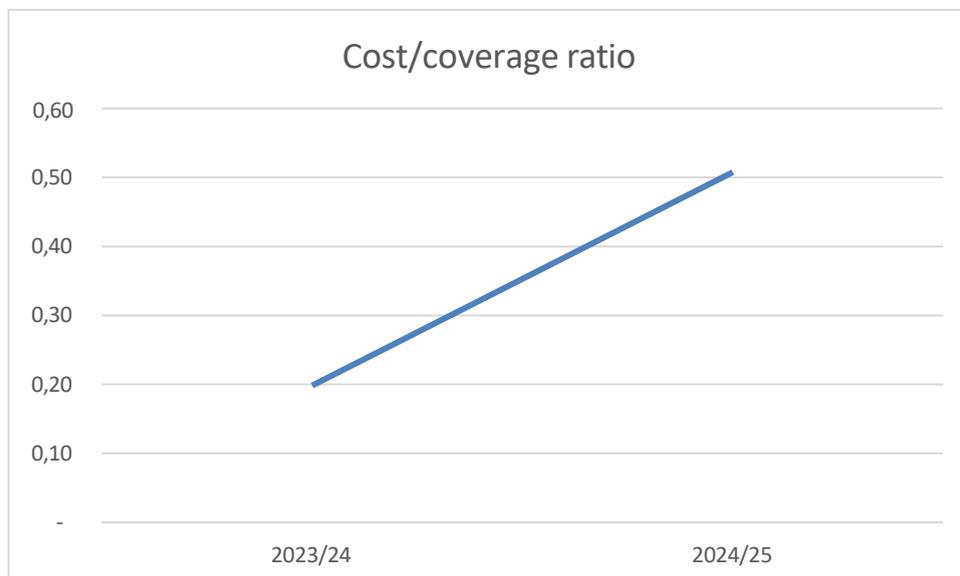
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

The large variance from budget can be attributed to the financial position of the municipality where the quick savings are applied to repairs and maintenance.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



T5.4.1 : Liquidity Ratio – Measures the municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality’s current liabilities. A higher ratio is better.

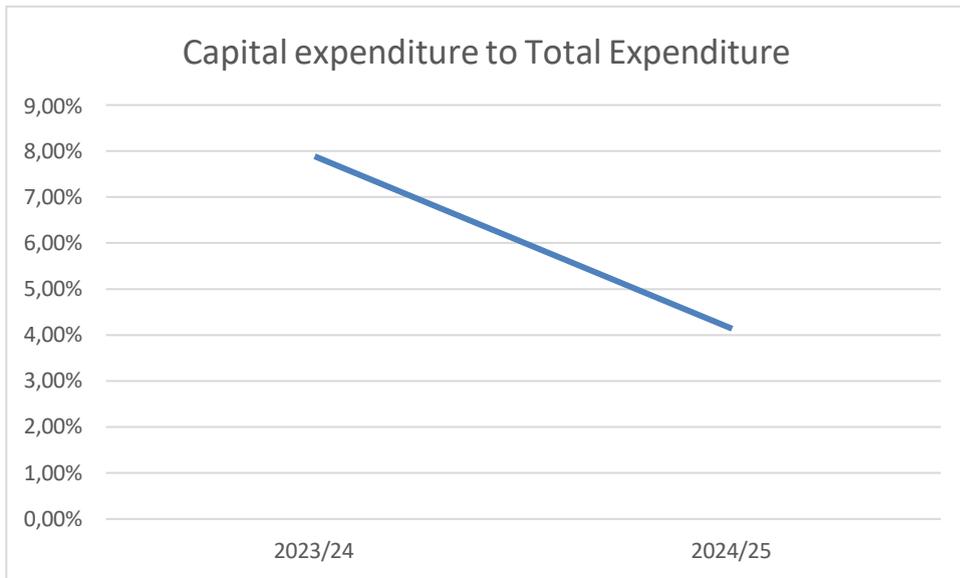


T5.4.2 : Cost Coverage ratio – explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated.

T 5.4.3 : Outstanding Service Debtors

T 5.4.4 : Debt Coverage

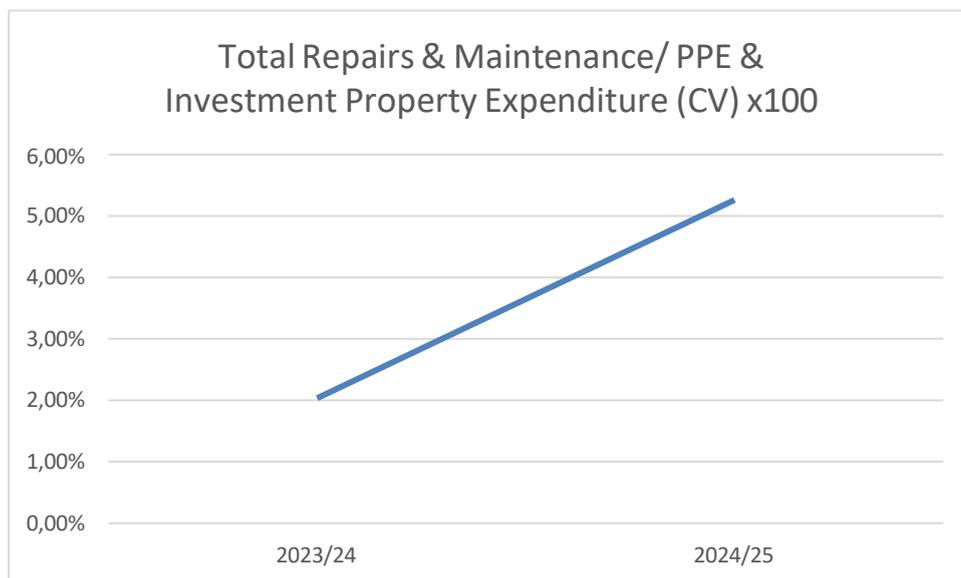
T 5.4.4 : Creditors System Efficiency



T5.4.6 : Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.



T 5.4.7 : Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.



T5.4.8 : Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

COMMENTS ON FINANCIAL RATIOS

As can be seen from the above ratios, the Municipality is struggling financially.

Dr Beyers Naudé Municipality Liquidity ratios: The current ratio is 0.18:1 (0.27:1 2023/24). The acid test ratio is 0.17:1 (0.26:1 2023/24). Both ratios fall outside of the National Treasury norm of 1.5-2:1 and 1:1 respectively, which highlights serious financial challenges and likely liquidity problems.

Employee costs in relation to expenditure have slightly decreased from 26.9% to 25.1% year on year and an increase in relation to revenue totals from 27.8% to 35%. Attributable to the reduction in revenue and growth of employee cost of about 10.2%

The Municipality is currently only spending 5.26% of total PPE and Investment Property on repairs and maintenance which contributes to the poor quality of the fleet and equipment as well as infrastructure. Repairs and maintenance should in future be prioritised.

Capital expenditure to operating expenditure has decreased from 8.6% to 4.3% in 2024/25 year. This is primarily due to the decrease in capital expenditure and growth in total expenditure on operations.

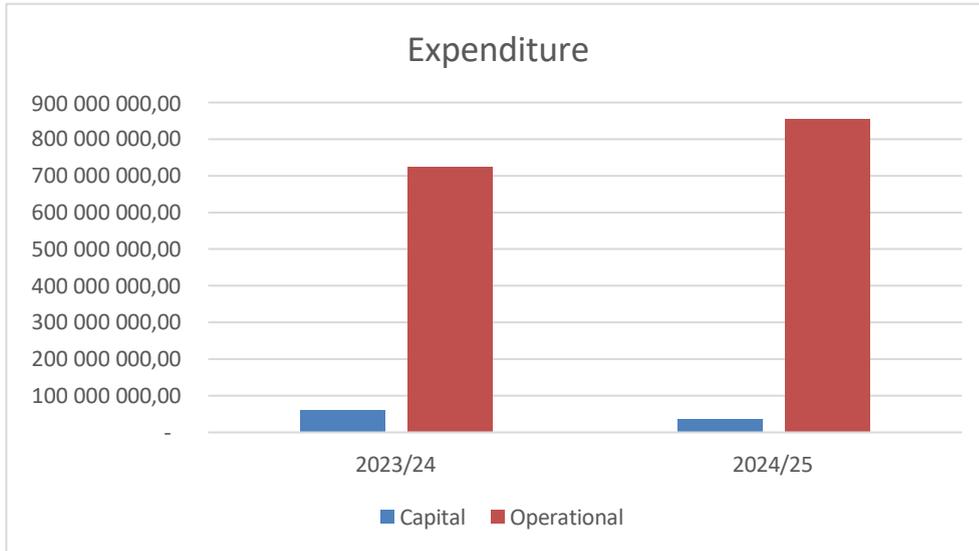
Creditors cannot be paid within the required 30 days.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION

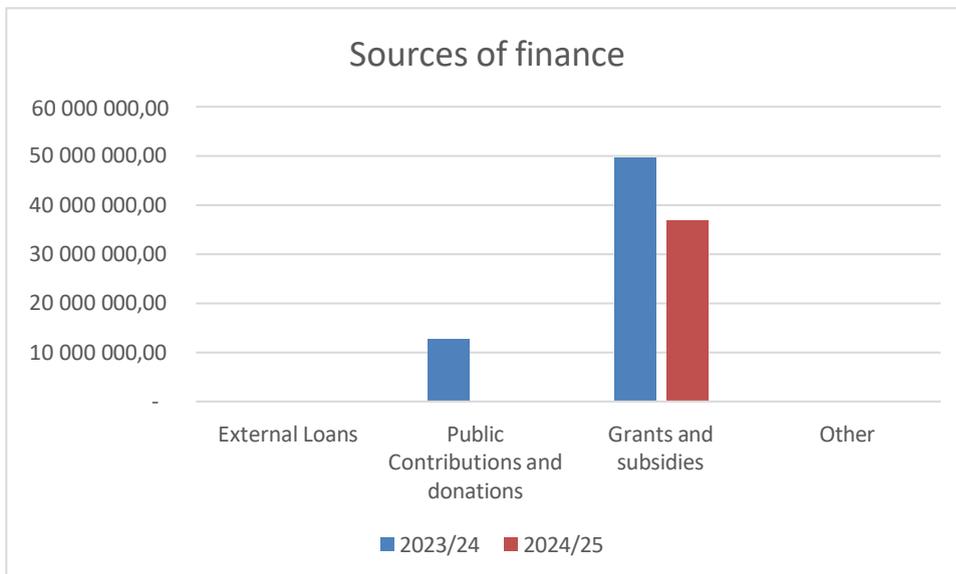
Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings, and surpluses.

Component B deals with capital spending, indicating where the funding comes from and whether the Municipality can spend the available funding as planned.



5.5 SOURCES OF FINANCE

The municipality is fully reliant on government grants to fund its capital expenditure.



CAPITAL EXPENDITURE BY FUNDING SOURCES : 2023/24 TO 2024/25						
Details	2023/24	2024/25				
	Actual	Original Budget	Adjustment Budget	Actual	Adjustment to Original Budget (%)	Actual to Original Budget (%)
Source of Finance						
External Loans	0	0	0	0	0	0
Public Contributions and Donations	3 612	0	0	12 602	100%	100%
Grants and Subsidies	76 140	74 050	84 395	49 491	14%	67%
Other	0	0	0	0	0	0
Total	79 752	74 050	84 395	62 093		
<i>Percentage of Finance</i>						
External Loans	0%	0%	0%	0%		
Public Contributions and Donations	5%	0%	0%	20%		
Grants and Subsidies	95%	100%	100%	80%		
Other	0%	0%	0%	0%		
Capital Expenditure						
Water & Sanitation	63 814	54 584	58 218	44 735	6.7%	81.9%
Electricity	780	3 517	3 517	3 058	0%	86.9%
Housing	0	0	0	0	0%	100%
Roads & Stormwater	0	4 676	166	567	-9.4%	12.1%
Other	15 158	11 274	22 495	13 733	199.5%	121.8%
Total	79 752	74 050	84 395	62 093		
<i>Percentage of Expenditure</i>						
Water & Sanitation	80%	74%	69%	72%		
Electricity	1%	5%	4%	5%		
Housing	0	0%	0%	0%		
Roads & Stormwater	0	6%	0%	1%		
Other	19%	15%	27%	22%		

COMMENT ON SOURCES OF FUNDING

The above graph and table indicate the extent of the grant dependency for capital projec

5.6 CAPITAL SPENDING ON THE FIVE LARGEST PROJECTS

CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS*					
R' 000					
Name of Project	2024/25			Variance 2024/25	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment Variance (%)
WM BULK WATER SUPPL STEEL PIPELINE WANHOOP	9 886	9 886	8 596	100	100
WM GROUND WATER STUDY & EXPLORATION DRILLING	9 513	9 513	8 272	100	100
UPG STREETS & STORMWATER	9 794	9 185	7 989	94	100
MDRG RECONSTRUCTION & REHABILITATION ROADS	0	6 410	5 574	-	100
NEW RAW WATER RESERVOIR	0	1 365	1 187	-	100
<i>* Projects with the highest capital expenditure in Year 0</i>					
Name of Project - A	WM BULK WATER SUPPL STEEL PIPELINE WANHOOP				
Objective of Project	To upgrade the bulk water supply in the Willowmore area				
Delays	none				
Future Challenges	None				
Anticipated citizen benefits	To have daily water available without problems				
Name of Project - B	WM GROUND WATER STUDY & EXPLORATION DRILLING				
Objective of Project	New Sites explored for future drilling				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Continuous water supply daily				
Name of Project - C	UPG STREETS & STORMWATER				
Objective of Project	Upgrade of stormwater channels to all				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	To have eliminated the risk of flooding during storms				
Name of Project - D	MDRG RECONSTRUCTION & REHABILITATION ROADS				
Objective of Project	Continuous Road maintenance to citizens				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Have better maintained roads				
Name of Project - E	NEW RAW WATER RESERVOIR				
Objective of Project	Upgrade storage facilities				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Have adequate water facilities				

5.7 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS : OVERVIEW

CATEGORY	BACKLOG
Roads	328,92
Sports fields	12
Community halls	20
Sanitation	1020
Water	1870

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

T 5.8.1

SERVICE BACKLOGS AS AT 30 JUNE 2025				
Households (HHs)				
Description	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	22 619	97	699	3
Sanitation	19 587	84	3 730	16
Electricity				
Waste management				
Housing				
<i>% HHs are the service *above/**below minimum standard as a proportion of total HHs. 'Housing' refers to formal and informal settlements.</i>				T 5.8.2

MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE ON SERVICE BACKLOGS : 2024/25						
R' 000						
Details	Budget	Adjustments Budget	Actual	% Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport						
<i>Roads, Pavements & Bridges</i>	2 700	2 876	2 876	0%	-3%	
<i>Storm water</i>						
Infrastructure – Electricity						
<i>Generation</i>						
<i>Transmission & Reticulation</i>						
<i>Street Lighting</i>						
Infrastructure – Water						
<i>Dams & Reservoirs</i>						
<i>Water purification</i>						
<i>Reticulation</i>						
Infrastructure – Sanitation						
<i>Reticulation</i>						
<i>Sewerage purification</i>						
Infrastructure – Other						
<i>Waste Management</i>						
<i>Transportation</i>						
<i>Gas</i>						
Other Specify:						
<i>Sports stadiums</i>						
Total						
<p>* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</p>						T 5.8.3

COMMENT ON BACKLOG

T 5.8.4

COMPONENT C : CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION

Cash flow management is the most important aspect of every business. A healthy cash flow ensures that the Municipality can pay salaries on time and have funds for growth and expansion of service delivery. Resources are also available for paying creditors on time.

A regular analysis of the Municipality's finances ensures that management can project the future cash flow with accuracy and take necessary action.

The amalgamation continues to put constraints on the cash flow. The additional employee cost is another factor which contributes to the cash flow constraints. The vastness of the area requires a lot of travelling and associated costs. Staff regularly need to travel between the towns to perform their functions. Old fleet and equipment places strain on financial resources with continuous maintenance that is required.

T 5.9

5.8 CASH FLOW

CASH FLOW OUTCOMES				
R'000				
Description	2023/24	2024/25		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Ratepayers and Other	221 121	405 042	414 953	259 427
Government – Operating	203 296	183 124	193 523	204 577
Interest	18 920	1 196	1 196	26 014
Suppliers and Employees	(399 745)	(660 950)	(615 958)	(434 601)
NET CASH FROM / (USED) OPERATING ACTIVITIES	43 592	27 593	(6 286)	55 417
CASHFLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal	17 141	-	-	2 359
Increase in PPE	(50 715)	(67 329)	(80 648)	(38 262)
NET CASHFLOWS FROM / (USED) INVESTING ACTIVITIES	(33 573)	(67 329)	(80 648)	(35 903)
CASHFLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in Consumer deposits				
Increase (Decrease) in financial liabilities	(12 859)	-	-	(1 072)
NET CASH FROM / (USED) FINANCING ACTIVITIES	(12 859)	-	-	(1 072)

NET INCREASE/(DECREASE) IN CASH HELD	(2 840)	(39 736)	(86 934)	18 443
Cash/cash equivalents at the year begin	12 206	996	1 079	9 366
Cash/cash equivalents at the year end	9 366	(38 740)	(85 855)	27 809
				<i>T5.9.1</i>

COMMENT ON CASH FLOW OUTCOMES

T5.9.1.1

Cash flow management is critical to the municipality as it enables the organisation to assess whether sufficient cash is available at any point in time to honour the Council's commitments.

5.9 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Dr Beyers Naudé LM does not have any borrowings. Investments are normally short-term investments for grant funds received. Long term loans can only be used to procure capital items to be used for the purpose of achieving the objects of local government as set out in section 152 of the Constitution.

T 5.10.1

MUNICIPAL INVESTMENTS	2022/2023 Actual	2023/24 Actual	2024/25 Actual
Securities - National Government			
Listed Corporate Bonds	0	0	0
Deposits – Bank	12 206	9 366	27 809
Deposits - Public Investment Commissioners	0	0	0
Deposits - Corporation for Public Deposits	0	0	0
Bankers' Acceptance Certificates	0		
Negotiable Certificates of Deposit - Banks	0		
Guaranteed Endowment Policies (sinking)	0	0	0
Repurchase Agreements – Banks	0	0	0
Municipal Bonds	0	0	0
Other	0	0	0
Consolidated total	1 319	12 206	27 809
			<i>T 5.10.2</i>

COMMENT ON BORROWING AND INVESTMENTS

T5.10.3

The municipality did not enter any borrowing contracts during the financial year ended 30 June 2025. The municipality does not have any municipal entities under its control.

5.10 PUBLIC PRIVATE PARTNERSHIPS

The Municipality does not have any public private partnerships.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

OVERVIEW

Supply Chain Management seeks to ensure the proper flow of goods and services between the supplier and the Municipality in the right quality and quantity whilst advancing the goals of the IDP, ensuring value for money, expeditious and appropriate service delivery. As a financial management tool, it seeks to reform and regulate the manner in which public funds are utilized when procuring goods and services, whilst in pursuit of service delivery that is responsive to the needs of the society and to curtail any administrative and fraudulent practices on the procurement front.

LEGISLATIVE REQUIREMENTS

Dr Beyers Naudé Local Municipality is committed to apply and create the prescribed legislative environment pertaining Supply Chain Management by way of:

- The Constitution
- The Municipal Finance Management Act (MFMA)
- Regulations in terms of section 168 of the Municipal Finance Management Act
- Local Government: Municipal Systems Act
- The Preferential Procurement Policy Framework Act (PPPFA)
- The Prevention and Combating of Corrupt Activities Act
- The Construction Industry Development Board (CIDB) Act
- Other applicable by-laws, ordinance and legislation

POLICY CHANGES AND AMENDMENTS

The Dr Beyers Naudé Municipality's Supply Chain Management Policy was reviewed and approved in May 2024. The following amendments were made:

- ITQ thresholds have been increased from R 200 000 to R 300 000 as per new regulations.
- The threshold for variation orders that may be approved by the accounting officer has increased to R 300 000
- Verbal and written quotations have been removed as per new regulations.
- I section has been added, further elaborating on the process of negotiations with the preferred bidder.

NEW AND FUTURE DEVELOPMENTS

The organizational structure of the supply chain unit has been reviewed to ensure better service delivery and the facilitation of functions.

MFMP COMPETENCY LEVELS

The Manager SCM, SCM Practitioner Demand Management, SCM Practitioner Acquisition Management and SCM Officer have all met the minimum competency levels as prescribed by the National Treasury Regulations for Supply Chain Management officials.

LONG-TERM CONTRACTS

The Municipality did not award any long-term contracts during 2024/25.

SUPPLY CHAIN MANAGEMENT PROCUREMENT PLAN 2023/24

The procurement plan is derived from the Municipal Service Delivery Budget Implementation Plan (SDBIP) which in turn directly relates to the municipal Integrated Development Plan (IDP).

The plan indicates quarterly targets that must be met by each department with regard to the procurement of goods and services. The report must be analyzed in conjunction with the SDBIP.

CHALLENGES FACED DURING THE YEAR

- Staff shortages – no appointed contract management official

MAIN AUDIT FINDINGS DURING 2024/25 – refer to the audit report 2024/25

T 5.12.1

5.12 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice, and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the Municipality. It will also ensure that the Municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications. Dr Beyers Naudé is currently fully GRAP compliant and did not deviate from GRAP standards currently applicable.

T 5.13.1

5.13 MSCOA IMPLEMENTATION

T 5.14.1

The Dr Beyers Naudé Local Municipality has converted to mSCOA and is reporting monthly.



Dr. Beyers Naudé
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rising together for development

CHAPTER 6

AUDITOR-GENERAL: AUDIT FINDINGS



CHAPTER 6**AUDITOR-GENERAL AUDIT FINDINGS****INTRODUCTION**

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

Audit Outcome

The audit outcome regressed to a qualified audit opinion for the 2024/25 financial year.

The regression relates to the Valuation roll and related Property Rates revenue. The AG was unable to obtain sufficient appropriate audit evidence that property rates were billed for all properties as the valuation roll was not complete.

Other findings

- Money owed by the municipality was not always paid within 30 days of receipt of invoice.
- Reasonable steps were not taken to prevent irregular expenditure.
- Reasonable steps were not taken to prevent unauthorised expenditure.
- The performance of some contractors was not monitored.

AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE : 2023/24

Audit Report Status*:	Unqualified opinion
Non-Compliance Issues	Remedial Action Taken
Reasonable steps were not taken to prevent irregular and unauthorised expenditure as required by section 62 of the MFMA.	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses.
Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(E) of	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses

AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE : 2023/24

Audit Report Status**:	Usefulness : No Material Findings Reliability : No Material Findings
Non-Compliance Issues	Remedial Action Taken
The municipality did not have an adequate record keeping system to ensure reliable reporting on the achievement of the indicators listed.	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses.
<i>T 6.1.2</i>	

COMPONENT B: AUDITOR-GENERAL OPINION OF AFS YEAR 0

6.1 AUDITOR-GENERAL'S REPORT FOR 2024/25

AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE : 2024/25	
Audit Report Status*:	Qualified opinion
Non-Compliance Issues	Remedial Action Taken
Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses
Reasonable steps were not taken to prevent irregular, fruitless/wasteful and unauthorised expenditure as required by section 62(1)d of the MFMA	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses.
The performance of contractors was not monitored on a monthly basis as required by section 116(2)(b) of the MFMA	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses.
The municipal manager and senior managers did not sign the performance agreements within the prescribed period as required by section 57(2)(a) of the MSA	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses.
<i>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</i>	
T 6.2.1	

AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE : 2024/25*	
Audit Report Status**:	<ul style="list-style-type: none"> • Usefulness: No Material Findings • Reliability: No Material Findings
Non-Compliance Issues	Remedial Action Taken
<i>* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0.</i>	
<i>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</i>	
T 6.2.2	

COMMENT ON THE AUDITOR-GENERAL’S REPORT ON THE 2024/25 FINANCIAL STATEMENTS

The main objective after improvement is to sustain the standard and improve even further. The AG audit not only provides an opinion on the financial reporting but also plays an important role to a maturing municipality. Therefore the audit action plan has been drafted, which is specific to addressing the issues mentioned by the AG and progress is being monitored by all Oversight Committees.

- ❖ *THE 2024/25 AUDITOR-GENERAL’S REPORT IS ATTACHED AS ANNEXURE 2 IN VOLUME II OF THIS REPORT.*

T 6.2.3

- ❖ *THE AUDIT ACTION PLAN ADDRESSING AUDIT FINDINGS IS ATTACHED AS ANNEXURE 3 IN VOLUME II OF THIS REPORT.*

T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

The compliance with S71 of the MFMA is an ongoing process which is in place. Regular feedback is provided by the Provincial Treasury on issues that require attention. The reporting is therefore in compliance with the legislation.

.....
Signed by the Chief Financial Officer

.....
Date

T 6.2.5

GLOSSARY

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

Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a Municipality aims to achieve within a given time period.
Service Delivery and Budget Implementation Plan (SDBIP)	Detailed plan approved by the mayor for implementing the Municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a Municipality is divided for appropriation of money for the different departments or functional areas of the Municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a Municipality is divided for the appropriation of money for the different departments or functional areas of the Municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i></p>

APPENDICES

APPENDIX A

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE 2022/23

COUNCIL MEMBERS	FULL TIME / PART TIME FT/PT	COMMITTEES ALLOCATED	WARD AND / OR PARTY REPRESENTED	% OF COUNCIL MEETINGS ATTENDED	% APOLOGIES FOR NON- ATTENDANCE
AS FROM 1 NOVEMBER 2021 LOCAL GOVERNMENT ELECTIONS (24 COUNCILLORS)					
Cllr: Willem. Jacobus Sáfers	FT	Chairperson of EXCO Chair of IDP Rep Forum & political champion of the IDP Chair of Infrastructure Services Standing Committee	Mayor and PR Councillor	100%	N/A
Cllr: Cheslin Felix	FT	Chairperson of Council	Speaker & PR Councillor	100%	N/A
Cllr: Yvonne. Frazenburg	PT		Ward 1 Councillor	86%	0%
Cllr: Ricardo Smith	PT	Community Services Committee	Ward 2 Councillor	86%	50%
Cllr: Annela. Koeberg	PT	Chairperson of MPAC Community Services Committee Rules & Ethics Committee	Ward 3 Councillor	79%	33%
Cllr: Xolile Galada	PT		Ward 5 Councillor	86%	50%
Cllr: Joy Williams	PT	Community Services Committee	Ward 4 Councillor	100%	N/A
Cllr: Andile. Nofemele	PT	Local Labour Forum Corporate Services Standing Committee	Ward 6 Councillor	86%	0%
Cllr: Nathan Jacobs	PT	Infrastructure Services Committee & BTO	Ward 7 Councillor	100%	N/A

Cllr: Ewald Loock	PT	Chairperson of BTO EXCO Member	Ward 8 Councillor	93%	100%
Cllr: H Booysen	PT	Infrastructure Services Committee	Ward 9 Councillor	100%	N/A
Cllr: I Bolligello	PT		Ward 10 Councillor	86%	0%
Cllr: Abraham Arries	PT	Corporate Service Committee MPAC	Ward 11 Councillor	100%	N/A
Cllr: Danie Bezuidenhout	PT	Infrastructure Services Committee MPAC Rules & Ethics Committee	Ward 12 Councillor	93%	0%
Cllr: Sakkie. Van Zyl	PT	MPAC	PR Councillor	86%	100%

Cllr: Eldridge Ruiters	PT	Chairperson of Corporate Services Committee EXCO Member	PR Councillor	86%	50%
Cllr: A van Heerden	PT	Rules & Ethics Committee	PR Councillor	100%	N/A
Cllr: Eunice. Khunjuzwa. Kekana	PT	EXCO Member Chairperson of Community Services Committee Rules & Ethics Committee	PR Councillor	100%	N/A
Cllr: Tracey-Lee. Plaaitjies	PT		PR Councillor	93%	0%
Cllr: Johnnika. Jillian. Arries	PT	Corporate Services Committee	PR Councillor	86%	100%
Cllr: James. Lomberg	PT	Local Labour Forum	PR Councillor	93%	100%
Cllr: Katie. Hendricks	PT	BTO Committee	PR Councillor	93%	0%
Cllr: Thembekile. Spogter	PT	Whip of Council	PR Councillor	100%	N/A
Cllr: Mandy. Deyzel	PT	BTO Committee	PR Councillor	100%	N/A

COMMENTS ON COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

Up until the 1 November 2021 Local Government Elections, there were a total of 27 Councillors, of which 14 were elected Ward Councillors with 13 PR Councillors, appointed on a proportional basis. Concurrent with the Local Government Elections, 12 newly delimited Wards came into being, as promulgated in Government Gazette No. 45216 on 23 September 2021, and 12 Ward Councillors were duly elected, with 12 PR Councillors, making up a total of 24 Councillors.

The Chairpersons of EXCO, Council and the four Standing (Portfolio) Committees are detailed in the table above. The various structures are further made up of other Councillors, the Municipal Manager and Directors, as well as senior Officials.

Councillors' meeting attendance is good and apologies are tendered for their absence.

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE) AND THEIR PURPOSE	
MUNICIPAL COMMITTEES	PURPOSE OF COMMITTEE
Local Labour Forum	Discussing labour related issues
Training & Occupational Health & Safety Committee	Discussing training of employee and employer and occupational health and safety issues
MPAC & Oversight Committee	The committee plays an oversight role over operations of the Municipality
Disaster Management Committee	Discussing all issues relating to disaster
IGR Meeting Committee	Discussing Inter-Governmental issues relating to all stakeholders or state departments
Disability Forum	Discussing Special Programmes pertaining to Disabled people
Youth Forum	Discussing Special Programmes pertaining to Youth of Dr Beyers Naudé Local Municipality
Sports Council	Discussing Special Programmes pertaining to sport codes of Dr Beyers Naudé Local Municipality
LED Committee	Discussing social and economic development issues
Audit Committee	Discussing audit related issues
Commonage Committee	Discussing all municipal commonage/farming land issues
IDP Representative Forum	Discussing all Integrated Development Planning related items – more specifically to effect sectoral alignment
IDP Steering Committee	Discussing Ward-Based Planning and Integrated Development Planning
Top Management & Management Committee	Discussing all issues that need recommendation/input from Management
Infrastructure Services Committee	Discussing all infrastructural and planning items
Community Services Committee	Discussing all community developmental issues
Corporate Services Standing Committee	Discussing all Human Resources issues
Budget & Treasury Committee	Discussing all finance-related matters
Budget Steering Committee	Planning and managing the preparation of the annual budget

APPENDIX C

THIRD TIER ADMINISTRATIVE STRUCTURE

DIRECTORATE	DIRECTOR / MANAGER
Municipal Manager	Municipal Manager: Dr E.M. Rankwana
	Senior Manager Strategic Services: Mr H. Hendricks
	Chief Internal Audit Executive: Mr G. Maya
	IDP Manager: Mr. V. Dala
	PMS Manager: Mrs E. Abader
Corporate Services	Director Corporate Services: Ms. Z.V. Kali
	Manager: Human Resources: Ms D Klassen
	Manager: Administration: Ms. N. W. Oliphant
	Manager: Records and Archives: Ms. C. Cona
	Acting Area Manager: Mrs P Devos (from 1April 2024 to 30 June 2025 Willowmore)
	Area Manager: Mr A. Damane (Jansenville) until December 2024
	Area Manager: Mr C. Kombani (Aberdeen) From February 2025
	Manager, Corporate Services: Mr M. Lötter (Steytlerville)
Manager, Corporate Services: Mr X. Jack (Jansenville) until February 2023	
Community Services	Acting Director Community Services: Mr. M. Pietersen 1 July 2024-September 2024
	Acting Director Community Services: Mrs. A. Abader from 19 th September 2024
	Manager Protection Services: Mr D. Fortuin
	Manager Community Services: Mr M. Pietersen
Budget & Treasury	Chief Financial Officer: Mr J. Joubert
	Manager Reporting: Mr S. Mbotya
	Manager Revenue: Ms D. Thorne until 31 December 2024
	Manager Supply Chain Management: Mr R. Jegels
	Manager Assets: Mr. R. Deysel
	Manager Expenditure: Mr. J. Booysen
	Manager ICT: Mr. C. Thomson
Infrastructure Services	Director Infrastructure Services: Mr B. Arends
	Manager, Electrical Services : Mr T. Van Zyl
	Manager, Planning & Spatial Development : Mr N. Camngca
	Manager, PMU (EPWP/MIG) : Mr S. Fourie

APPENDIX D**FUNCTIONS OF MUNICIPALITY / ENTITY**

MUNICIPAL POWERS AND FUNCTIONS	Applicable to Municipality	Applicable to Entity
RSA Constitution Schedule 4, Part B Functions	(Yes / No)	(Yes / No)
Air pollution	Yes	No
Building regulations	Yes	No
Child care facilities	No	No
Electricity and gas reticulation	Yes	No
Fire-fighting services	Yes	No
Local tourism	Yes	No
Municipal airports	Yes	No
Municipal planning	Yes	No
Municipal health services (PHC function has been provincialized)	No	No
Municipal public transport	No	No
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	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Storm water management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	No

MUNICIPAL POWERS AND FUNCTIONS	Applicable to Municipality	Applicable to Entity
RSA Constitution Schedule 5, Part B Functions	(Yes / No)	(Yes / No)
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	Yes	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	No	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	Yes	No
Municipal abattoirs	No	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No

APPENDIX E

WARD REPORTING

WARD NO.	NAME OF WARD CLLR AND ELECTED WARD COMMITTEE MEMBERS	COMMITTEE ESTABLISHED (Yes / No)	NO. OF MONTHLY COMMITTEE MEETINGS HELD DURING THE YEAR	NUMBER OF MONTHLY REPORTS SUBMITTED TO SPEAKER'S OFFICE ON TIME	NUMBER OF QUARTERLY PUBLIC WARD MEETINGS HELD DURING YEAR
12 NEWLY DELIMITED WARDS, AS FROM 1 NOVEMBER 2021 LOCAL GOVERNMENT ELECTIONS					
1	Cllr Yvonne Frazenburg - Brendan Flippies - Bernardo De Vos - Godwin Grobbelaar - Johnika Arries - Jane Saayman - Wongalethu Magewu - Pamela Mgazi - Xolelwa Dlayedwa - Loyiso Skosana - Johannes Mauply	Yes		12	
2	Cllr Ricardo Smith - Sakkie Van Zyl - Michelle Erasmus - Jacobus Petrus Grobbelaar - Kim van Behr Imrie - Althea Jesersky - Shirley Haarhoff - Collen Haarhoff - Ulrich Engelbrecht - Gert Jonkers - Bernard Fillies	Yes		12	
3	Cllr A Mfundisi - Booi Smith - Cynthia Jaftha - Gilbert Vers - Alfred Damoms - Paul Skut - Selina Davids - Romano Jaftha - Cynthia Mabie - Deon Prins - Martha Hart	Yes		12	

4	Cllr Joy Williams - James Piet - Alfred Arries - Eldorique Gouws - Rienie Gouws - Nella Reid - Benjamin Jaftha - Jonathan Wessels - David Adams - Mariana Williams - Chantel Maitland	Yes		12	
5	Cllr Xoliile Galada - Jacoba Baartman - Maureen Malaya - Emelda Fletcher - Cindy Davids - Magareth Jaftha - Charlotte Davids - Thembinkosi Booysen - Solly Saul - Linda Jaftha - William Simons	Yes		12	
6	Cllr A Nofemela - Barthwell Goliath - Kwanele Jantjies - Portia Volontiya - Vuyisa Jantjies - Svuyile Thanda - Sipiwo Giyose - Dan Memese - Vuyelwa Fisani - Maria Meishek	Yes		12	
7	Cllr Nathan Jacobs - Margie Du Plooy - Ayrton Travill - Heinie Pienaar - Pieter Erasmus - Hanna Makoba - Gerald Erasmus - Evenise Weman - Jonathan Demas - Lilly Williams - Jesmina Stuurman	Yes		12	
8	Cllr Ewald Loock - Abbey-Gail Lukas - Henry Blou - Jane Zaayman - El-Christo Gouws - Kenward Neil Sarels	Yes		12	

9	Cllr H Booyesen - Christopher De Vos - Euna De Vos - Chris De Vos - Madeline Wolhurter - Stephanus Matyeka - Sussana Magillies - Zenobia Kitas - Jurieda Jordan - Will be co-opted - Andrew Diedericks	Yes		12	
10	Cllr Bolligelo - Madoda Jeyi - Vuyolwethu Desha - Jackson Ngayiza - Shirley Brouwers - Thembekile Kock - Luthando Sikiwe - Stanley Desha - Ntombizandile Nkasayi - Bukiwe Kock - Angeline Sakata	Yes		12	
11	Cllr Abraham Arries - Mavis Ngqeza - Anne Sauls - Thandokazi Nkasayi - Loretta Plaatjies - Sandisiwe Pheyi - Brenda Cola - Gladys Ketchem - Yolandi Afrika - Johnny Lewis - Mugabe Vanda	Yes		12	
12	Cllr Daniel Bezuidenhout - Sophia Stout - Willem Jafta - Kiewiet Witbooi - Elwean Fischer - Joe Kobe - Nonzaliseko Ntshsiza - Thozamile Jack - Portia Erasmus	Yes		12	

PPENDIX F

WARD INFORMATION

WARD 1 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	Cemeteries (Fence, fix and maintain. Attend to flood damage as indicated on map)	No progress. Situation is critical. DEDEAT has recommended Section 30A route. MIG funding has been withdrawn / redirected to W & S.
2	Stormwater (reconstruct and address ongoing problem in front of Clinic)	None. Shared competency.
3	Sports Fields (develop, upgrade & maintain)	None. Budgetary constraints.
4	Waste Management, illegal dumping & littering	Landfill site was tidied up, but illegal dumping continues. BNLM has implemented anti-littering campaigns, but there has not been any improvement in the situation.
WARD 2 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	RDP Housing : NB (housing development below Pienaarsig to be expedited)	No progress for several years of reporting. Provincial competency. Funding has been made available for further planning. Must be expedited. More recently it was indicated that the 250 units originally anticipated, will be reduced substantially.
2	Traffic Control : GRT (speeding & dangerous intersections)	None (some are Provincial competency). Situation has worsened.
3	MR605 : NB (last section of road up to Sam's Drift must be tarred. The bridge on bend at De Toren is deteriorating; structural safety is a concern.)	Provincial competency. Only grading of gravel surface was done; tarring of last section still to be completed. Bridge has not received any attention. Surfacing of MR605 was set to commence later in 2020, but thus far no progress.
4	Waste Management : GRT (address illegal dumping on river banks and other areas)	None. Private Sector assisted in cleaning both Transfer Station & Landfill site. BNLM continued working on the Landfill site, but the Transfer Station remains closed. Illegal dumping & littering still rife. Law enforcement is required. Plans in place but no MIG funding has been allocated for upgrading of sites in Graaff-Reinet in 3YCP.
WARD 3 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	RDP Housing (rezoning and formal development of Riemvasmaak; electrification)	None. Provincial competency. (Informal Settlement upgrading programme is being developed.)
2	Multi-purpose Centre (Community Hall, Clinic, Library, SPU desks, Care Centre, etc)	None. Provincial competency. MPCC Committee was established but nothing further. Site was allocated by Municipality (erf 3625). No movement on side of DoHS.
3	Streets (surfacing/paving of gravel streets that carry high traffic volumes)	Only slight progress. The rest remains unattended and there are serious flooding problems.
4	RDP Housing (fallen and rectifications in Smartie Town & Geluksdal)	Provincial competency – no progress, no budget.
WARD 4 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24

1	RDP Housing (Lower Umas : replace all mud houses with new units & indoor toilets)	Provincial competency – after standing still, the project has recommenced. 152 new RDP units had to be built. 98 + the 11 Units (Mandela Park) were scheduled for completion Dec. 2020,
2	Streets & Stormwater (Lower Umas : all gravel streets to be surfaced/paved)	Some work was done, but there is still a serious flooding problem.
3	MPCC for Umasizakhe (to include Youth training & skills development facilities)	New priority. No progress as yet. DoHS is waiting for co-ordinates of site.
4	Waste Management : provision of refuse bins and bags for all households	Refuse is being removed by Municipality, with regular clean-up of affected Wards. Educational campaigns are underway and other means of improving the service are being investigated.
WARD 5 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	Streets & Stormwater (surfacing/paving of identified streets, filling of potholes and urgent attention required at areas prone to flooding)	Area adjacent to the Ward was worked on but has not had desired result. Flooding still taking place. More effective maintenance is required.
2	Clinic (New facility urgently required at site identified. Existing one must be closed)	No progress - Provincial competency. Situation is critical.
3	Sewerage Network (blockages, overflowing in Mandela Park; to be upgraded)	Situation has been brought under control.
4	RDP Housing (housing delivery)	No progress – Provincial competency. The project for the 11 houses was due to commence, but was stopped by the Community.
WARD 6 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	Land Release (unblock land in Eunice Kekana Village, Tjoksville & Chris Hani areas for housing, clinic, commercial & church sites)	None. There has only been a verbal communication that DoHS is considering a project of 40 new Units.
2	Streets & Stormwater (stormwater systems to be upgraded, streets to be widened)	Work was done on the Stormwater system but has not solved the problem. Serious flooding still occurring.
3	RDP Housing (remove and replace asbestos roofs in Umasizakhe & Elite View)	Provincial competency. Fallen houses project has recommenced. Still no progress with asbestos roofs.
4	Traffic calming measures (speedhumps required at crèche and Main Street)	No progress. (Dir. Community Services did indicate that suitable measures are being investigated.)
WARD 7 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	Cemetery : Aberdeen (construction of new cemetery to be expedited and existing to be repaired & maintained)	No progress. Situation is critical. DEDEAT has recommended Section 30A route. MIG funding has been withdrawn / redirected to W & S.
2	Streets & Stormwater : Aberdeen (surfacing/paving of all internal streets; priority to those indicated on map)	No progress apart from some basic maintenance. Water furrows in Aberdeen have become problematic.
3	Public Toilets : Aberdeen (to be upgraded and maintained)	Private sector assisted with some sprucing up of facility in previous year but situation has since deteriorated.
4	Traffic calming measures : Aberdeen (speedhumps and other traffic control measures - as indicated on map)	R338 no progress - a Provincial competency. Only routine maintenance is being budgeted for. Speedhumps are required on internal (Municipal) roads.
WARD 8 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	Bulk water supply to Willowmore (via Wanhoop)	Project is well underway. Needs to be expedited as old pipeline will not last much longer. Multi-year MIG-funded project with allocations indicated in 2021/22 3YCP.
2	RDP Housing ❖ Willowmore (new housing for Vondeling)	Provincial competency. Talks have been underway but clarity is required on certain aspects. Only the Down project seems to be moving forward – latter half of 2020.

	<ul style="list-style-type: none"> ❖ Rietbron (40 houses built – identification of beneficiaries) ❖ Baviaanskloof (for people living in mud dwellings) 	Verbal communication by DoHS indicated that 110 Units were underway in Willowmore and 82 in Steytleville.
3	Electricity in Vondeling & Baviaanskloof	No progress - Dept of Energy competency. Approximately 90 beneficiaries were registered.
4	Connection of houses in Willowmore town to main sewerage line (removal of septic tanks)	No progress. Situation requires urgent attention. To be brought into planning (extension of sewage reticulation system).
WARD 9 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	Streets & Stormwater (new, fix, maintain, pave or tar all gravel streets, maintenance of all manholes)	No further progress since previous year's reporting. More funding is required to complete all areas.
2	Cemetery : existing one to be expanded	No progress. Situation is critical. DEDEAT has recommended Section 30A route. MIG funding has been withdrawn / redirected to W & S.
3	Sidewalks along Noord- & East Street (Willowmore)	No progress.
4	Lighting in dark areas (High mast & flood lights)	No progress with high mast lights. (Reflected in 3 rd year of 2021/22 3YCP.) Maintenance on streetlights was done.
WARD 10 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	Water Purification Plant	Situation has deteriorated. Multi-year RBIG-funded project with allocations indicated in 2021/22 3YCP.
2	Streets & Stormwater (paving & upgrading)	No progress – project was not completed.
3	Septic Tanks (Households to be connected to Mun. system)	No progress. Situation is hazardous & critical.
4	RDP Housing (rectifications)	No progress - Provincial competency. Two destitute houses were earmarked for attention.
WARD 11 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	RDP Housing (new development next to Klipplaat Rd to address backlog)	No progress - Provincial competency. Awaiting report from DoHS. 6 Destitute houses requiring urgent attention.
2	Bulk Water Supply (pipeline between Klipfontein & Jansenville, and water quality)	RBIG project has commenced; multi-year funded project in 2021/22 3YCP. However, there is concern over Klipplaat water source, as their dam has dried up. Water quality in Jansenville requires urgent attention.
3	Sidewalks (to be constructed along gravel streets, where indicated on map)	No progress yet with Phase 2.
4	Sports Facility (upgrade of Phumlani stadium & indoor sport centre)	No progress. According to Dir. Community Services, there are funding constraints.
WARD 12 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	RDP Housing (next to Daleview & Bosman Streets)	Provincial competency. No progress other than an indication that Golden Valley project is set to commence in Oct 2020. EIA issue must be investigated and clarified. Verbal communication by DoHS indicated that 110 Units were underway in Willowmore and 82 in Steytleville.
2	Waste Management (Steytleville Landfill and refuse removal service required for Wolwefontein)	Refuse not collected in Wolwefontein for several months. Work at Steytleville landfill had not yet started. Multi-year MIG funding has been indicated in 2021/22 3YCP.

3	School/s (more teachers to be appointed)	Provincial competency. Situation at Daleview is under control but situation at Karel du Toit has deteriorated even more and requires urgent intervention.
4	Streets & Stormwater (paving of gravel streets, speed humps, etc.)	Some work was done and stormwater currently under control. However, regular maintenance of stormwater systems is required.
WARD 13 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	Upgrading of Vuyolwethu hall (Steytlerville)	No progress. Minor maintenance done a few years ago was of inferior standard. The facility has deteriorated even more and requires urgent attention.
2	Streets & Stormwater (new, fix, maintain, pave or tar all gravel streets, new signage)	Some work was done and maintenance is being carried out. Rest of Steytlerville and Willowmore projects must be completed.
3	High-mast lights & flood lights in dark areas	Most areas have been addressed but high mast lights are still required in some problematic, crime hotspot areas. (MIG funding is reflected in 3 rd year of 2021/22 3YCP.)
4	RDP Housing (housing backlog must be addressed urgently) & rectification	Provincial competency. Willowmore project set to commence in Oct 2020. Some movement too with Steytlerville Infill houses. Verbal communication by DoHS indicated that 110 Units were underway in Willowmore and 82 in Steytlerville.
WARD 14 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2023/24
1	RDP Housing (housing delivery must be expedited to address critical need)	No progress – Provincial competency. Awaiting report from DoHS.
2	Streets (surfacing/paving of gravel streets with priority to those indicated on map)	Some areas were attended but there are streets that were listed as priority areas that still need to be attended to.
3	Waste Management (additional skips and refuse bins)	There has been some progress with cleaning up by BNLN and educational campaigns, but illegal dumping & littering is still a huge problem. Skips are required at specific spots and refuse bins for all households.
4	Stormwater (address areas prone to flooding as indicated on map)	Some work was done in neighbouring Wards. Flooding is still a problem in Ward 14; in particular Zinia Street where some reconstruction is required.
<i>CBP Report = Community-based Planning Report (containing Ward-based Plans), which is reviewed and updated annually, with the IDP. 3YCP = Three-year Capital Plan with allocations as per DORA promulgations. Current 3YCP covers 2021/22, 2122/23 and 2023/24.</i>		TF

APPENDIX G

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

REPORT BY THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2025**1. Introduction**

The Audit Committee (AC) is pleased to present its report for the financial year ended 30 June 2025, in accordance with sections 166(2) and (3) of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) read with the Treasury Regulations, National Treasury Internal Audit Framework, MFMA Circular 65 and applicable Council resolutions.

The Audit Committee presents the annual report to Council following the municipality's achievement of a **Qualified Audit Outcome** for the 2024/2025 financial year. This is a regression from the **Unqualified Audit Outcome** in the previous financial year.

The reason for the qualification relates to the fact that the AG was unable to obtain sufficient appropriate audit evidence that property rates was billed for all properties as the valuation roll was incomplete.

The Committee also records its appreciation for the **excellent working relationship** that continues to exist between the Council, Audit and Risk Committee, senior management, Internal Audit, and the Auditor General. This culture of openness, professionalism, and mutual respect is an essential pillar of the municipality's sustained governance improvement.

2. Audit Committees Legislative Roles and Responsibilities

The Audit Committee is constituted in terms of sections 166(1) and (2) of the Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA). The Audit Committee is an advisory body which must advise the municipal council, the political office bearers, the accounting officer and the management and staff of the municipality on matters relating to:

- Internal Financial control and internal audits
- Risk management
- Accounting policies
- The adequacy, reliability and accuracy of financial reporting, records, and information
- Performance management
- Effective governance
- Compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation
- Performance evaluation
- Any other matter referred to it by the institution.

Sections 166(2)9(a),(b),(c),(d) and (e) the MFMA also requires the Audit Committee to review the Annual Financial Statements and respond to Council on matters raised by the Auditor General of South Africa (AGSA) in the management letter and audit report, carry out such investigations into the financial affairs of the municipality and to perform such other functions as may be prescribed by Council.

The role and responsibilities of the Audit Committee are set out in the Audit Committee Charter which was reviewed and approved by the Council. The Audit Committee Charter and Internal Audit Charters were aligned to the National Treasury Toolkit Templates.

The Audit Committee always endeavors to conduct its oversight role in compliance with the MFMA and applicable legislation.

The advice presented to management and Council by the Audit Committee is recorded in the minutes of the quarterly and special meetings of the committee which are tabled in the Council meetings.

The Chairperson of the Audit Committee attends the meetings of Council when Audit Committee minutes are tabled and is also available to present to Council the background to recommendations and to answer any questions the Councilors may have.

3. Membership of the Audit Committee and Internal Audit Staff Complement

The Audit Committee Charter makes provision for three independent external members who have the relevant qualifications and experience to render the services associated with the committee's functions.

The Municipal Manager, Internal Audit, all Directors, the office of the Auditor general of South Africa, the MPAC Chairperson, Provincial Treasury and COGTA have standing invitations to all Audit Committee meetings.

All members and attendees at meetings of the Audit Committee participate with commitment and objectivity.

The committee consists of three members who are consistent in attending all the statutory meetings, including the Annual Financial Statements Review meeting. The following table portrays the names and meetings attended by Audit Committee members.

Audit Committee Member	Meetings attended during 2023/2024
Mr. D. De Lange 02 May 2023 from to 31 August 2025 - Chairperson	All the scheduled meetings attended
Ms. T Ncapayi from 02 May 2023 to current	All the scheduled meetings attended
Mr A C Mpela from 02 May 2023 to current	All the scheduled meetings attended
Internal Audit Unit	Position

Michael Bantom	Acting Chief Audit Executive
Ashwyn Goss	Internal Auditor
Gcobisa Raula	Internal Auditor

The 2024/2025 quarterly meetings were held the following dates:

- Quarter one: 3 October 2024
- Quarter two: 14 November 2024
- Quarter three: 11 March 2025
- Quarter four: 3 June 2025

4. Performance Management and Evaluation

The Audit Committee is responsible to report to Council, the Accounting Officer and management on matters relating to performance management. The Audit Committee reviewed the Performance Management Report for the 2024/2025 financial year. The Municipality's performance against its KPI's was 74 % for the 2024/2025 financial year. The Audit Committee reviewed the relevance of noted indicators together with their measurability in relation to services performed. The AG did not identify any material findings on the reported performance information for the selected indicators.

5. Effectiveness of Internal Controls and Internal Audit

The systems of internal control are the legislative responsibility of the accounting officer and senior executive management as required by the MFMA, read in conjunction with the National Audit and Risk Framework, MFMA Circular 65 and International Standards for the Professional Practice of Internal Auditing.

The internal Audit Unit consists of the following positions:

- 1 x Chief Audit Executive (Acting)
- 2 x Internal Auditors

Without a fully resourced Internal Audit Committee the Internal Annual Audit Plan cannot be executed and Internal Audit is unable to:

- Evaluate the effectiveness of municipal systems of internal control.
- Provide assurance regarding the adequacy and effectiveness of the system of internal control, and
- Identify areas where internal controls need to be improved and where corrective action is required to ensure that risks are adequately addressed.

During the year the Internal Audit Unit completed 40% of the 2024/2025 Audit Plan.

The following internal audits were not completed:

- mSCOA compliance review
- Project Management and performance audit
- Budget management processes review
- Develop/review recruitment, placement, training and staff retention programme
- Internal training programme

Where the Internal Audit Unit is unable to perform the abovementioned functions the Audit Committee cannot provide assurance that internal controls within the institution are of an acceptable standard to mitigate risks.

During the year the Internal Audit Unit performed the following audits:

- Prepared the Annual Internal Audit Plan for 2024/2025 which was approved by the Audit Committee on 03 October 2024
- Assisted with the review of the Internal Audit Charter and Audit Committee Charter approved by the Audit Committee on 30 September 2024
- Completed 40% of the 2024/2025 audit plan, including:
 - Review of the Annual Financial Statements and Performance management
 - Review of disaster management plan and procedures (controls)
 - Compliance reviews
 - Review of water and electricity losses
 - Human resources, and ICT and disaster management review

The response time by management to internal audit findings in the Internal Audit Findings Tracker needs to improve.

Despite having limited resources, the Internal Audit Unit produced internal audit reports and reviewed the Annual Financial Statements maintaining high standards and provided administrative support to the Audit Committee.

6. Risk Management, Control and Corporate Governance

The Audit Committee, through the review of assurance reports, oversees:

- Financial reporting risks
- Internal financial controls
- Fraud risks as it relates to financial reporting
- IT risks as they relate to financial reporting.

- The Audit Committee considers that the internal audit work carried out will assist in improving the effectiveness of risk management, control and governance processes.
- The Audit Committee reviews those recommendations made by Internal Audit on a quarterly basis
- Internal audit continues to contribute effectively to identifying high risk areas.

A progress report was presented in the second quarter Audit Committee meeting regarding the functionality of the risk management unit. No Strategic Risk Assessment was conducted during the current year under review.

The risk registers, both strategic and operational, have been updated by management and reported. No significant changes have been identified. The progress made to date within the Risk Management Unit includes:

- The risk management committee is in the progress of being established
- The risk management policy has been adopted by council and subject to its annual review.
- The fraud management policy has been adopted by council and subject to its annual review.
- Whistle-blowers policy has been introduced and adopted by council, and its subject to its annual review.
- The advert for the chairperson of the risk committee has been finalized.

7. ICT

The internal audit findings that a "Limited control framework was in place regarding information technology was a major concern. ICT is a mission critical function that needed to be managed effectively. Significant control flaws were discovered, which if not corrected, might result in a material risk. Responsible officers must be held accountable for meeting timelines. The disaster recovery test run was not completed during the year, the server room was in a place vulnerable to natural disasters, and there were insufficient ICT employees to cover the municipality's geographical area. The Audit Committee recommended that management give immediate attention to the findings and to develop a plan of action with timeframes to implement appropriate remedial strategies.

8. Human Resource Management

The internal audit findings were that the overall control environment relating to human resource management was inadequate, emphasizing, that a "Limited control framework in place". Significant control flaws were discovered, which, if not corrected, might result in material exposure.

The Recruitment and selection processes, management of overtime and leave were not adequately managed which may result in financial losses. It is important that the internal audit recommendations relating to human resource management are implemented.

9. Compliance

The AG'S findings regarding compliance included:

Reasonable steps were not taken to ensure that money owed by the municipality was paid within 30 days as required by section 65 (2)(e) of the MFMA.

Reasonable steps were not taken to prevent unauthorized, irregular, and fruitless and wasteful expenditure as required by section 62 (1)(d) of the MFMA.

The performance of contractors was not monitored monthly as required by sections 116(2)(b) and 116(2) (c)(ii) of the MFMA.

The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets and non-current liabilities and revenue and disclosure items identified by the AG in submitted financial statements were subsequently corrected but uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

10. Supply Chain Management

The Audit Committee raised concern regarding the extensive list of deviations where contracts were procured without inviting competitive bids. This could be attributed to bad planning and inadequate processes to ensure procurement processes on a timely manner. The risk is that the deviation transactions could be classified as irregular expenditure.

11. Budget Management Process

The Audit Committee emphasised to the Senior Management to comply with all the relevant prescripts such as MFMA, DORA and National Treasury Circulars as this is one of the areas the AC provides advisory services.

12. Material Uncertainty Relating to Going Concern

The municipality has experienced long term cash flow problems and it has been unable to fully meet its financial commitments.

The current assets of the municipality of R173 302 998 (2024 - R134 982 821) are exceeded by the current liabilities of R947 781 192 (2024 – R495 461 809).

The net current liabilities amount to R774 478 194 (2024 - R360 478 988) and results in a current ratio of 0,18:1 (2024 - 0,27:1). The position casts some doubt on the ability to continue as a going concern.

The AG found that management is unable to collect revenue timeously as the debt collection period is above the norm of 30 days. This indicates that the municipality is exposed to significant cash flow and liquidity risk.

The municipality has however notwithstanding limited resources used its equitable share of national revenue and conditional grants effectively to provide its citizens with basic services.

The municipality has developed a financial recovery plan and is participating in Eskoms debt relief programme to improve the financial sustainability of the municipality which is currently in the process of being implemented.

13. Matters of emphasis raised by the AG

Water and electricity losses are concern which has been brought to the attention of council.

13.1 Water losses

The reported water losses for the 2024/2025 financial year amounted to R 60 million which represents (51,5%) of total water production which is unsustainable.

The maintenance and phased in replacement of old infrastructure is now a priority to ensure the reduction in water losses over the medium term.

13.2 Electricity losses

Electricity losses reported quarterly are also a major concern.

The reported electricity losses for the 2024/2025 financial year amounted R 13,9 Million due to technical losses, vandalism, and theft.

The Audit Committee was informed of the revenue enhancement strategies employed to reduce losses however these have not been effective in reducing electricity losses.

The Audit Committee has recommended management to continue with the revenue enhancement strategies and develop new approaches which must also focus of electricity theft and vandalism.

13.3 Unauthorized Irregular Fruitless and Wasteful Expenditure (UIF&WE)

The Auditor General regards the lack of progress dealing with the UIF&WE as failure to deal with consequence management in terms of section 32 of the MFMA which can result in a finding that impacts negatively on the audit outcome.

The Audit Committee recommended that all Internal UIF&WE transactions should be investigated and tested to ensure value for money was received and that there was no negligence, financial loss or corruption involved in the processing of transactions for payment.

In the case of the fruitless and wasteful expenditure the payments are mainly in respect of interest charged on late payments of creditors accounts. Efforts have been made to make payment arrangements with creditors to reduce interest on long outstanding amounts.

14. Review of the Annual Financial Statements

Improving the accuracy and reliability of the Annual Financial Statements (AFS) requires a coordinated and proactive approach by management, the Council, Municipal Manager, CFO and the B&T Team, Internal Audit, and the Audit Committee. There were material misstatements in the 2024/2025 annual financial statements that had to be corrected as well as other issues which the AG believes the Internal Audit Division and Audit Committee should have identified during their review. The AG stated that the oversight that they provided was not effective.

The question is how these weaknesses should be resolved and what steps should be taken to improve the review of the annual financial statements.

The Audit Committee will develop a structured plan to enhance the review of the annual financial statements process within the municipality:

Stability in Financial Leadership

- Prioritising the appointment and retention of competent senior finance to ensure continuity and institutional memory

Strengthening Internal Controls

- Regular monitoring, updating, and testing of internal control systems across financial management, performance information, compliance, and ICT environments.

Implementation of the AG'S Audit Action Plans and Internal Audit Recommendations

- Timeous, evidence-based implementation of internal and external audit recommendations with strong oversight by management.

Financial Reporting Discipline

- Ongoing preparation of supporting schedules, reconciliations, and GRAP-compliant records throughout the year—avoiding year-end pressure.

Performance Information Quality Assurance

- Ensuring that SDBIP indicators are well-defined, evidence is audit-ready, and project performance is accurately reported.

Risk Management Maturity

- Embedding proactive risk identification, mitigation, and escalation processes, especially regarding emerging risks and service-delivery pressures.

Ethics, Compliance and Governance

- Continued adherence to key legislative requirements, transparent procurement processes, and strengthened consequence management.

Audit Readiness Culture

- Promoting year-round audit readiness as a standard operating practice, supported by ongoing engagements between the Audit and Risk Committee, management, Internal Audit, and the AG.

15. Appreciation

The Committee extends its appreciation to:

- The **Mayor and Council** for consistent support,
- The **Municipal Manager** and Senior Management for their leadership and commitment,
- **Internal Audit** for professional and diligent service,
- **The AGSA** for constructive engagement and guidance, and

Conclusion

The Audit and Risk Committee resolutions for the 2024/2025 financial year is attached as Annexure "A".

The Audit Committee remains committed to supporting Council and management in ensuring that the audit outcome is improved as a foundation for improved service delivery and enhanced public trust.

Compiled by: Daniel J de Lange.
Chairperson: Audit Committee.

APPENDIX H**LONG-TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIPS**

LONG-TERM CONTRACTS (20 Largest Contracts Entered into)					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
NOT APPLICABLE. NO LONG-TERM CONTRACTS ENTERED INTO					

PUBLIC PRIVATE PARTNERSHIPS ENTERED INTO					
R' 000					
Name and Description of Project	Name of Partner/s	Initiation Date	Expiry Date	Project manager	Project Value
NOT APPLICABLE. NO PP PARTNERSHIPS ENTERED INTO					

APPENDIX J

DISCLOSURES OF FINANCIAL INTEREST

Period 1 July 2022 to 30 June 2024		
POSITION	NAME	DESCRIPTION OF FINANCIAL INTEREST
Mayor	Willem Jacobus Säfers	Declared that there was no financial interest
Speaker	Cheslin Felix	Declared that there was no financial interest
Councillor	Thembekile Spogter	Declared that there was no financial interest
Councillor	Eldrige Ruiters	Declared that there was no financial interest
Councillor	Eunice Kekana	Declared that there was no financial interest
Councillor	Katie Hendricks	Declared that there was no financial interest
Councillor	Tracy Plaatjies	Declared that there was no financial interest
Councillor	Adriaan Van Heerden	Declared that there was no financial interest
Councillor	Isak Jacobus Van Zyl	Declared that there was no financial interest
Councillor	Garry Wiehahn	Declared that there was no financial interest
Councillor	J. Lomberg	Declared that there was no financial interest
Councillor	Mandy Deyzel	Declared that there was no financial interest
Councillor	Y. Frazenburg	Declared that there was no financial interest
Councillor	Ricardo Smith	Declared that there was no financial interest
Councillor	Anella Koeberg	Declared that there was no financial interest
Councillor	Joy Juanita Williams	Declared that there was no financial interest
Councillor	Xolile Mzimkulu Galada	Membership of close corporation; other financial interest in business undertaking
Councillor	Andile Nofemele	Declared that there was no financial interest
Councillor	Nathan Jacobs	Declared that there was no financial interest
Councillor	Hendrik Booyesen	Declared that there was no financial interest
Councillor	Ewald Laurens Looek	Other financial interest in business undertaking
Councillor	Jacquin Bolligello	Declared that there was no financial interest
Councillor	Abraham Arries	Declared that there was no financial interest
Councillor	Daniel Johannes Bezuidenhout	Membership of close corporation

Municipal Manager	Edward Martin Rankwana	Declared that there was no financial interest
Chief Financial Officer	Jimmy Joubert	Declared that there was no financial interest
Director Infrastructure Services	Benjamin Arends	Declared that there was no financial interest
Director Community Services	G.W.Hermanus	Declared that there was no financial interest
Director Corporate Services	Zoleka Viola Kali	Declared that there was no financial interest
Chief Operations Officer	Hans Hendricks	Interest in property
<i>FINANCIAL INTERESTS TO BE DISCLOSED EVEN IF THEY INCURRED FOR ONLY PART OF THE YEAR. SEE MBRR SA34A</i>		<i>T J</i>

APPENDIX K

REVENUE COLLECTION PERFORMANCE
BY VOTE AND BY SOURCE

APPENDIX K (i) : REVENUE COLLECTION PERFORMANCE BY VOTE

EC101 Dr Beyers Naude - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2024/25									Total over 90 days	Actual Bad Debts Written Off against	Impairment i.to Council
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	5 866	4 765	3 693	3 608	3 779	3 740	85 939	18 997	130 388	116 063	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	8 495	1 712	721	623	502	910	5 835	285	19 063	8 155	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	56 896	1 157	987	902	894	1 195	42 030	4 304	108 365	49 325	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	26 218	4 421	4 246	4 168	3 951	3 836	81 140	17 043	145 022	110 137	-	-
Receivables from Exchange Transactions - Waste Management	1600	12 042	2 779	2 686	2 619	2 539	2 471	67 079	23 437	115 651	98 145	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	(1)	(1)	(1)	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	185	89	89	84	85	339	4 380	391	5 642	5 279	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	109 702	14 924	12 422	12 003	11 750	12 491	286 403	64 457	524 151	387 103	-	-
2023/24 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	2300	42 641	2 179	1 126	1 018	748	1 429	23 344	2 718	75 204	29 258	-	-
Households	2400	67 061	12 744	11 296	10 985	11 002	11 062	263 059	61 739	448 947	357 845	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	109 702	14 924	12 422	12 003	11 750	12 491	286 403	64 457	524 151	387 103	-	-

APPENDIX K (ii) : REVENUE COLLECTION PERFORMANCE BY SOURCE

EC101 Dr Beyers Naude - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		147 725	142 179	142 179	18 325	176 227	142 179	34 047	24%	142 179
Service charges - Water		51 742	56 426	56 426	5 104	57 174	56 426	748	1%	56 426
Service charges - Waste Water Management		52 130	71 016	71 016	2 990	55 964	71 016	(15 052)	-21%	71 016
Service charges - Waste management		29 697	41 588	41 588	1 948	31 252	41 588	(10 335)	-25%	41 588
Sale of Goods and Rendering of Services		905	2 153	2 153	84	1 002	2 153	(1 150)	-53%	2 153
Agency services		1 903	5 841	5 841	(284)	1 969	5 841	(3 872)	-66%	5 841
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		14 563	13 234	13 234	1 857	20 128	13 234	6 894	52%	13 234
Interest from Current and Non Current Assets		1 102	1 196	1 196	46	1 117	1 196	(79)	-7%	1 196
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		970	2 127	2 127	58	758	2 127	(1 369)	-64%	2 127
Licence and permits		868	964	964	92	1 052	964	88	9%	964
Operational Revenue		20 208	8 453	8 453	337	2 065	8 453	(6 388)	-76%	8 453
Non-Exchange Revenue										
Property rates		45 518	51 761	51 761	(237)	55 273	51 761	3 512	7%	51 761
Surcharges and Taxes		10 366	4 155	4 155	1 797	8 745	4 155	4 590	110%	4 155
Fines, penalties and forfeits		1 311	94	3 231	328	3 402	94	3 308	3537%	3 231
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		123 584	163 164	144 224	143	134 167	163 164	(28 998)	-18%	144 224
Interest		1 907	2 661	2 661	306	3 481	2 661	820	31%	2 661
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		133 241	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	614	614	-	614	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		637 739	567 011	551 208	33 506	554 391	567 011	(12 620)	-2%	551 208
Expenditure By Type										
Employee related costs		185 151	191 388	192 238	19 513	197 688	191 388	6 300	3%	192 238
Remuneration of councillors		9 974	10 255	10 255	821	10 071	10 255	(185)	-2%	10 255
Bulk purchases - electricity		134 569	120 107	142 671	18 453	155 212	120 107	35 105	29%	142 671
Inventory consumed		4 304	4 753	4 768	568	6 098	4 753	1 345	28%	4 768
Debt impairment		417	8 969	15 560	-	-	8 969	(8 969)	-100%	15 560
Depreciation and amortisation		65 172	65 308	65 308	9 477	64 889	65 308	(419)	-1%	65 308
Interest		83 101	-	30 572	10 587	47 090	-	47 090	#DIV/0!	30 572
Contracted services		62 039	24 460	75 178	18 970	51 712	24 460	27 252	111%	75 178
Transfers and subsidies		120	150	150	-	120	150	(30)	-20%	150
Irrecoverable debts written off		-	4 829	4 829	-	1	4 829	(4 828)	-100%	4 829
Operational costs		83 458	115 272	118 575	23 508	135 603	115 272	20 331	18%	118 575
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		628 304	545 491	660 105	101 898	668 485	545 491	122 993	23%	660 105
Surplus/(Deficit)		9 435	21 520	(108 897)	(68 392)	(114 094)	21 520	(135 613)		(108 897)
Transfers and subsidies - capital (monetary allocations)		63 684	52 682	80 493	16 193	53 487	52 682	805	0	80 493
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		73 119	74 202	(28 404)	(52 200)	(60 607)	74 202	(134 808)		(28 404)
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		73 119	74 202	(28 404)	(52 200)	(60 607)	74 202	(134 808)		(28 404)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		73 119	74 202	(28 404)	(52 200)	(60 607)	74 202	(134 808)		(28 404)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany /Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		73 119	74 202	(28 404)	(52 200)	(60 607)	74 202	(134 808)		(28 404)

APPENDIX L

CONDITIONAL GRANTS RECEIVED

EC101 Dr Beyers Naude - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		103 968	111 783	111 783	561	111 378	111 783	(405)	-0,4%	111 783
Equitable Share		99 316	107 059	107 059	–	107 059	107 059	–		107 059
Expanded Public Works Programme Integrated Grant		1 552	1 624	1 624	(353)	1 624	1 624	(0)	0,0%	1 624
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–		–
Local Government Financial Management Grant		3 100	3 100	3 100	914	2 695	3 100	(405)	-13,1%	3 100
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–		–
Water Services Infrastructure Grant		–	–	–	–	–	–	–		–
Provincial Government:		301	2 201	2 201	1 044	3 057	2 201	856	38,9%	2 201
GRANT CACADU (FIRE)		301	2 201	2 201	1 044	3 057	2 201	856	38,9%	2 201
District Municipality:		2 308	4 328	4 328	–	2 308	4 328	(2 020)	-46,7%	4 328
ENVIRONMENTAL HEALTH GRANT SBDM		–	2 020	2 020	–	–	2 020	(2 020)	-100,0%	2 020
GRANTS RECEIVED UTILIZED		2 308	2 308	2 308	–	2 308	2 308	–		2 308
Other grant providers:		135	938	1 475	–	518	1 475	(957)	-64,9%	1 475
Construction, Education and Training SETA		135	353	1 475	–	518	1 475	(957)	-64,9%	1 475
ESKOM		–	585	–	–	–	–	–		–
Total Operating Transfers and Grants	5	106 712	119 250	119 787	1 605	117 261	119 787	(2 526)	-2,1%	119 787
Capital Transfers and Grants										
National Government:		61 314	65 949	80 725	6 506	72 996	80 725	(7 729)	-9,6%	80 725
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–		–
Municipal Disaster Response Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		28 564	23 010	33 010	3 648	28 846	33 010	(4 164)	-12,6%	33 010
Regional Bulk Infrastructure Grant		20 750	32 000	38 776	2 857	36 377	38 776	(2 399)	-6,2%	38 776
Water Services Infrastructure Grant		12 000	10 939	8 939	–	7 773	8 939	(1 166)	-13,0%	8 939
Total Capital Transfers and Grants	5	61 314	65 949	80 725	6 506	72 996	80 725	(7 729)	-9,6%	80 725
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	168 026	185 199	200 512	8 110	190 257	200 512	(10 255)	-5,1%	200 512

APPENDIX M**CAPITAL EXPENDITURE, NEW & UPGRADE /
RENEWAL PROGRAMMES**

APPENDIX M (i) : CAPITAL EXPENDITURE (NEW ASSETS PROGRAMME)

COMBINED WITH....

APPENDIX M (ii) : CAPITAL EXPENDITURE (NEW AND UPGRADE / RENEWAL
PROGRAMMES)

ON NEXT PAGE.

EC101 Dr Beyers Naude - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 9 - MUNICIPAL MANAGER (31: CAPEX)		-	-	-	-	-	-	-	-	-
Vote 10 - CORPORATE SERVICES: ADMINISTRN (32: CAPEX)		-	-	150	-	-	150	(150)	-100%	150
Vote 11 - CORPORATE SERVICES: COMM SERV (33: CAPEX)		-	6 000	12 416	2 379	(0)	12 416	(12 416)	-100%	12 416
Vote 12 - CORPORATE SERVICES: PROTECTION (34: CAPEX)		-	-	-	-	-	-	-	-	-
Vote 13 - FINANCIAL SERVICES (36: CAPEX)		-	1 100	1 100	607	-	1 100	(1 100)	-100%	1 100
Vote 14 - TECHNICAL SERVICES: ENGINEERING (38: CAPEX)		-	57 799	66 158	4 029	(0)	66 158	(66 158)	-100%	66 158
Vote 15 - TECHNICAL SERVICES: ELECTRICAL (39: CAPEX)		-	1 000	1 000	-	-	1 000	(1 000)	-100%	1 000
Total Capital single-year expenditure	4	-	65 899	80 825	7 015	(0)	80 825	(80 825)	-100%	80 825
Total Capital Expenditure		-	65 899	80 825	7 015	(0)	80 825	(80 825)	-100%	80 825
Capital Expenditure - Functional Classification										
Governance and administration		-	1 100	1 250	607	-	1 250	(1 250)	-100%	1 250
Finance and administration		-	1 100	1 250	607	-	1 250	(1 250)	-100%	1 250
Community and public safety		-	6 000	12 416	2 379	(0)	12 416	(12 416)	-100%	12 416
Sport and recreation		-	6 000	12 416	2 379	(0)	12 416	(12 416)	-100%	12 416
Trading services		-	58 799	67 158	4 029	(0)	67 158	(67 158)	-100%	67 158
Energy sources		-	1 000	1 000	-	-	1 000	(1 000)	-100%	1 000
Water management		-	48 784	57 144	2 857	(0)	57 144	(57 144)	-100%	57 144
Waste water management		-	5 014	5 014	1 171	-	5 014	(5 014)	-100%	5 014
Waste management		-	4 000	4 000	-	(0)	4 000	(4 000)	-100%	4 000
Total Capital Expenditure - Functional Classification	3	-	65 899	80 825	7 015	(0)	80 825	(80 825)	-100%	80 825
Funded by:										
National Government		-	63 799	78 575	6 407	(0)	78 575	(78 575)	-100%	78 575
Transfers recognised - capital		-	63 799	78 575	6 407	(0)	78 575	(78 575)	-100%	78 575
		-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	2 100	2 250	607	-	2 250	(2 250)	-100%	2 250
Total Capital Funding		-	65 899	80 825	7 015	(0)	80 825	(80 825)	-100%	80 825

APPENDIX N

CAPITAL PROGRAMME BY PROJECT YEAR 0

CAPITAL PROGRAMME BY PROJECT					
R' 000					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
WATER					
Graaff Reinet Bulk Water Supply Scheme: Phase 2	2 053	2 053	2 053	100%	100%
Drilling of Additional Boreholes Southern Wellfield	9 946	9 946	9 946	100%	100%
Graaf-Reinet Emergency Bulk Water Supply Scheme (WSS)	16 000	16 000	15 995	99.96%	99.96%
Ikwezi Bulk Water Supply 18/19	10 000	5 000	4 999	99.98%	50%
Ground Water Development in Jansenville, Klipplaat and Rietbron	6 057	6 057	6 057	100%	100%
New Bulk Water Reticulation Steel Pipeline, Willowmore 2020/21	4 500	4 500	4 478	99.5%	99.5%
SANITATION / SEWERAGE					
Graaff Reinet, Refurbishment and Upgrading of Sewer Pump Stations	9 655	9 655	9 655	100%	100%
ELECTRICITY					
REFUSE REMOVAL					
Steytlerville Upgrading of Solid Waste Site	4 000	4 000	3 999	99.97%	99.97%
ROADS & STORMWATER					
SPORTS, ARTS & CULTURE					
Upgrading Of Kollie Koeberg Sport Complex	21 716 225	0	21 716 225	100%	100%
LOCAL ECONOMIC DEVELOPMENT					
SAFETY AND SECURITY					
ICT & OTHER					
ENVIRONMENT					
HOUSING					

APPENDIX 0	CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

CAPITAL PROGRAMME BY PROJECT BY WARD		
Capital Project	Ward(s) affected	Works completed (Yes/No)
WATER		
Graaff Reinet Bulk Water Supply Scheme: Phase 2	Ward 2-7	Yes
Drilling of Additional Boreholes Southern Wellfield	Ward 2-7	Yes
Graaf-Reinet Emergency Bulk Water Supply Scheme (WSS)	Ward 2-7	Yes
Ikwezi Bulk Water Supply 18/19	Ward 10 & 11	No, Multi Year Project
Ground Water Development in Jansenville, Klipplaat and Rietbron	Ward 9,10 & 11	Yes
New Bulk Water Reticulation Steel Pipeline, Willowmore 2020/21	Ward 8 & 9	No, Multi Year Project
SANITATION / SEWERAGE		
Graaff Reinet, Refurbishment and Upgrading of Sewer Pump Stations	Ward 2-7	No, Multi Year Project
ELECTRICITY		
REFUSE REMOVAL		
Steytlerville Upgrading of Solid Waste Site	Ward 12	No, Multi Year Project
ROADS & STORMWATER		
SPORTS, ARTS & CULTURE		
Upgrading Of Kollie Koeberg Sport Complex	Ward 7	No, Multi Year Project
LOCAL ECONOMIC DEVELOPMENT		
SAFETY AND SECURITY		
ICT & OTHER		
ENVIRONMENT		
HOUSING		
Graaff Reinet Bulk Water Supply Scheme: Phase 2		

APPENDIX P

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

SERVICE BACKLOGS: SCHOOLS AND CLINICS				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
SCHOOLS (names, locations)				
CLINICS (names, locations)				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				TP

APPENDIX Q**SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION****SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS THE SERVICE PROVIDER**

(where the municipality whether or not act on agency basis)

Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:		
Housing:		
Licencing and Testing Centre:		
Reservoirs		
Schools (Primary and High):		
Sports Fields:		
T Q		

APPENDIX R**DECLARATION OF LOANS AND GRANTS
MADE BY THE MUNICIPALITY**

Dr Beyers Naudé Municipality made the following donations/grants during the 2024/25 financial year :

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY : 2024/25

Organisation or Person in receipt of Loans* / Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
NOT APPLICABLE. NO LOANS OR GRANTS PROVIDED BY THE MUNICIPALITY.				

** Loans / Grants - whether in cash or in kind*

APPENDIX S**NATIONAL AND PROVINCIAL OUTCOMES
FOR LOCAL GOVERNMENT****NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT 2024/25**

Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.		T S

VOLUME II**ANNEXURES****ANNEXURE 1 : ANNUAL FINANCIAL STATEMENTS**

The 2024/25 Annual Financial Statements attached hereto .

ANNEXURE 2 : AUDITOR-GENERAL REPORT

The 2024/25 Auditor-General's Report to be attached hereto once audit is concluded

ANNEXURE 3 : AUDIT ACTION PLAN

The 2024/25 Audit Action Plan to be attached hereto.

ANNEXURE 4 : ANNUAL PERFORMANCE REPORT

The 2024/25 Annual Performance Report attached her



Dr. Beyers Naudé

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rising together for development

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

AUDITED

Dr Beyers Naude Local Municipality

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

INDEX

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

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ASB	Accounting Standards Board
MPAC	Municipal Public Accounts Committee
PAYE	Pay As You Earn
SALGA	South African Local Government Association
GRAP	Generally Recognised Accounting Practice
SARS	South African Revenue Services
SDL	Skills Development Levy
IAS	International Accounting Standards
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
mSCOA	Municipal Standard Chart of Accounts

Dr Beyers Naude Local Municipality

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

GENERAL INFORMATION

Legal form of entity	The entity functions as a Local Municipality established under par 151 of the Constitution of the Republic of South Africa 1996, as amended.	
Nature of business and activities	The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.	
Mayoral committee		
Mayor	Cllr W.J Safers	
Speaker	Cllr C.W Felix	
Executive Committee	Cllr W.J Safers Cllr E.A Ruiters	Cllr K.E Kekana Cllr E.L Loock
Councillors	Cllr A Arries Cllr I.J Bolligelo Cllr I.J Van Zyl Cllr Y.D Frazenburg Cllr K Hendricks Cllr J.D Lomborg Cllr A.S Nofemele Cllr T.R Spogter Cllr A.R Van Heerden Cllr J.J Williams	Cllr D.J Bezuidenhout Cllr H Booysen Cllr M Deysel Cllr X.M Galada Cllr N.A.V Jacobs Cllr A Mfundisi-Koeberg Cllr T.L.A Plaatjies Cllr R.L Smith Cllr J.J Arries *
* Partial year		
Grading of local authority	Grade Three (3)	
Accounting Officer	Dr. E.M Rankwana	
Chief Financial Officer	Mr J. Joubert	
Registered office	P.O. Box 71 Graaff Reinet 6280	
Business address	12 - 14 Caledon Street Graaff Reinet 6280	
Auditors	Auditor General of South Africa (AGSA) - East London 69 Frere Road Vincent East London	
Primary banker	Standard Bank	

Dr Beyers Naude Local Municipality

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

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

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

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

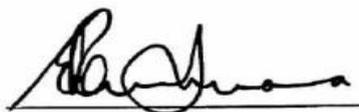
I, as the accounting officer acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, I have set standards for internal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

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

I have reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in the light this review and the current financial position, I am satisfied that the municipality has access to adequate resources to continue in operational existence for the foreseeable future.

The councillors are remunerated within the upper limits of the framework envisaged in Section 219 of the Constitution, as required by the MFMA, section 124(1)(a).

The annual financial statements set out on pages 5 to 86, which have been prepared on the going concern basis, were approved by the accounting officer on 31 AUGUST 2025 and were signed by me:



Dr E.M RANKWANA
ACCOUNTING OFFICER
31 AUGUST 2025

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

Figures in Rand

	Notes	2025	2024 Restated*
ASSETS			
Current Assets			
VAT Accrual Receivable	3	100 192 303	76 300 396
Inventories	4	9 808 262	8 603 235
Other Receivables	5	1 563 394	4 586 215
Statutory Receivables from Non-Exchange Transactions	6	11 388 857	6 165 164
Receivables from Exchange Transactions	7	22 541 297	29 961 795
Cash and Cash Equivalents	8	27 808 885	9 366 017
		173 302 998	134 982 821
Non-Current Assets			
Investment Property	9	26 777 924	26 649 290
Property, Plant and Equipment	10	1 041 269 981	1 072 126 725
Intangible Assets	11	5	5
Heritage Assets	12	11 097 670	11 097 670
		1 079 145 579	1 109 873 689
Total Assets		1 252 448 578	1 244 856 511
LIABILITIES			
Current Liabilities			
VAT Accrual Payable	3	1 168 693	1 971 677
Other financial liabilities	13	-	1 049 339
Payables from Exchange Transactions	14	521 257 128	348 005 030
Payables from Non-exchange Transactions	15	2 783 931	4 325 470
Municipal Debt Relief financial liabilities	16	398 279 010	126 316 271
Consumer Deposits	17	4 298 665	3 939 947
Unspent Conditional Grants and Receipts	18	15 875 706	6 410 000
Employee benefit obligation	20	4 118 059	3 444 075
		947 781 192	495 461 809
Non-Current Liabilities			
Municipal Debt Relief financial liabilities	16	-	214 870 699
Provisions	19	40 003 900	34 213 650
Employee benefit obligation	20	58 362 129	52 238 786
		98 366 029	301 323 135
Total Liabilities		1 046 147 221	796 784 944
Net Assets		206 301 357	448 071 567
Accumulated Surplus		206 301 357	448 071 567

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

Figures in Rand	Notes	2025	2024 Restated*
REVENUE			
Revenue from Exchange Transactions			
Service charges	21	302 237 738	280 976 202
Agency services	22	2 137 352	2 027 534
Interest earned	23	24 896 793	17 818 078
Interest earned - Investments	23	1 116 830	1 102 203
Rental of facilities and equipment	24	758 100	969 552
Other revenue	25	7 451 384	4 332 812
Licences and permits	26	883 602	743 429
Gains on disposal of assets	40	-	2 001 227
		339 481 798	309 971 037
Revenue from Non-exchange Transactions			
Taxation revenue			
Property Rates	27	55 272 750	45 517 792
Transfer revenue			
Fines, penalties and forfeits	28	21 609 643	1 303 700
Government grants and subsidies	29	195 111 587	196 885 959
Public contributions and donations	30	2 043 771	148 423 773
		274 037 750	392 131 225
Total Revenue		613 519 548	702 102 262
EXPENDITURE			
Employee related costs	31	(204 333 133)	(185 389 630)
Remuneration of councillors	32	(10 094 816)	(9 949 338)
Debt impairment	33	(132 976 544)	(101 266 668)
Depreciation and amortisation	34	(54 373 919)	(58 042 536)
Impairment loss	35	(2 432 038)	(241 985)
Finance cost	36	(104 355 432)	(83 100 828)
Bulk purchases	37	(156 478 171)	(134 568 958)
Operational Cost	38	(76 858 028)	(68 249 926)
Contracted Services	39	(91 411 853)	(71 612 910)
Operating Leases	41	(13 916 884)	(13 813 038)
Loss on disposal of assets	40	(8 673 244)	-
Total Expenditure		(855 904 062)	(726 235 817)
Deficit before actuarial gains		(242 384 514)	(24 133 556)
Actuarial (losses)/gains	42	614 304	(2 111 755)
DEFICIT FOR THE YEAR		(241 770 210)	(26 245 311)

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

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

Figures in Rand

	Accumulated Surplus	Total of Net Assets
Opening balance as previously reported	452 004 005	452 004 005
Adjustments for correction of errors		
Property, Plant and Equipment	(876 484)	(876 484)
VAT Payables Accrual	23 161 190	23 161 190
Payables from Exchange Transactions	28 166	28 166
Balance at 01 July 2023 as restated*	474 316 877	474 316 877
Changes in net assets		
Deficit for the year	(26 245 311)	(26 245 311)
Balance at 01 July 2024 as restated*	448 071 567	448 071 567
Changes in net assets		
Deficit for the year	(241 770 210)	(241 770 210)
Balance at 30 June 2025	206 301 357	206 301 357

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

Figures in Rand

	2025	2024 Restated*
Cash flow from operating activities		
Receipts		
Rates and services	259 427 057	221 120 901
Government grants and subsidies	204 577 293	203 295 959
Interest received	26 013 623	18 920 281
	490 017 973	443 337 141
Payments		
Employee cost	(237 700 798)	(192 987 237)
Suppliers	(156 068 182)	(153 266 014)
Interest paid	(40 831 599)	(53 492 235)
	(434 600 579)	(399 745 486)
Net cash flow from operating activities	43 55 417 394	43 591 655
Cash flow from investing activities		
Purchase of property, plant and equipment	(38 261 956)	(50 714 569)
Proceeds from sale of property, plant and equipment	2 358 991	17 141 717
Net cash flow from investing activities	10 (35 902 965)	(33 572 852)
Cash flow from financing activities		
Payment of other financial liabilities	(1 071 561)	(12 858 720)
Net cash flow from financing activities	(1 071 561)	(12 858 720)
Net increase/(decrease) in cash and cash equivalents	18 442 868	(2 839 917)
Cash and cash equivalents at the beginning of the year	9 366 017	12 205 934
Cash and cash equivalents at the end of the year	8 27 808 885	9 366 017

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025**Budget on cash basis**

Figures in rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Variance between final and approved	%	Ref
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Statement of financial performance**Revenue from Exchange Transactions**

Service charges	310 904 546	99	310 904 645	302 237 738	8 666 907	3%	N1
Agency services	5 382 017	-	5 382 017	2 137 352	3 244 665	60%	N2
Interest earned	20 050 401	3	20 050 404	24 896 793	(4 846 389)	-24%	N3
Interest earned - Investments	1 196 173	0	1 196 173	1 116 830	79 343	7%	N4
Rental of facilities & equipment	2 126 639	1	2 126 640	758 100	1 368 540	64%	N5
Other revenue	3 404 226	16 395	3 420 621	7 451 384	(4 030 763)	-118%	N6
Licences and permits	1 422 814	-	1 422 814	883 602	539 212	38%	N7
	344 486 816	16 498	344 503 314	339 481 798	5 021 516		

Revenue from Non-exchange Transactions**Taxation revenue**

Property Rates	51 760 613	37	51 760 650	55 272 750	(3 512 100)	-7%	N9
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Transfer revenue

Fines, penalties and forfeits	90 015	3 121 540	3 211 555	21 609 643	(18 398 088)	-573%	N10
Government grants and subsidie	215 846 121	8 870 704	224 716 825	195 111 587	29 605 238	13%	N11
Public contributions and donatio	2 238 225	-	2 238 225	2 043 771	194 454	9%	N12
	269 934 974	11 992 281	281 927 255	274 037 750	7 889 505		

Total Revenue

	614 421 790	12 008 779	626 430 569	613 519 548	12 911 021		
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EXPENDITURE

Employee related costs	193 812 347	850 030	194 662 377	204 333 133	(9 670 756)	-5%	N13
Remuneration of councillors	10 255 299	3	10 255 302	10 094 816	160 486	2%	N14
Debt impairment	13 797 748	6 591 877	20 389 625	132 976 544	(112 586 919)	-552%	N15
Depreciation and amortisation	64 573 373	-	64 573 373	54 373 919	10 199 454	16%	N16
Impairment losses	-	-	-	2 432 038	(2 432 038)	0%	N17
Finance cost	-	30 571 586	30 571 586	104 355 432	(73 783 846)	-241%	N18
Bulk purchases	120 106 560	22 563 951	142 670 511	156 478 171	(13 807 660)	-10%	N19
Contracted Services	38 034 779	53 228 393	91 263 172	91 411 853	(148 681)	0%	N20
Operational Cost	92 669 213	808 434	93 477 647	76 858 028	16 619 619	18%	N21
Operating Leases	12 241 817	1	12 241 818	13 916 884	(1 675 066)	-14%	N22
Gains/(Loss) on disposal of ass	(5 271 495)	-	(5 271 495)	8 673 244	(13 944 739)	265%	N8
	540 219 641	114 614 275	654 833 916	855 904 062	(201 070 146)		

Total Expenditure

	74 202 149	(102 605 496)	(28 403 347)	(242 384 514)	213 981 167		
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Operating deficit

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025**Budget on cash basis**

Figures in rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Variance between final and approved	%	
Statement of financial position							
Current Assets							
VAT Accrual Receivable	64 338 401	15 600 575	79 938 976	100 192 303	(20 253 327)	-25%	N23
Inventories	23 996 178	(14 141 580)	9 854 598	9 808 262	46 336	0%	
Other Receivables	(1 309 196)	1 983 010	673 814	1 563 394	(889 580)	-132%	N24
Statutory Receivables from Non	52 962 629	(13 201 873)	39 760 756	11 388 857	28 371 899	71%	N25
Receivables from Exchange Tra	57 790 322	(43 317 141)	14 473 181	22 541 297	(8 068 116)	-56%	N26
Cash and Cash Equivalents	66 062 885	(103 628 386)	(37 565 501)	27 808 885	(65 374 386)	174%	N27
	263 841 219	(156 705 395)	107 135 824	173 302 998	(66 167 174)		
Non Current Assets							
Investment Property	25 230 214	811 187	26 041 401	26 777 924	(736 523)	-3%	
Property, Plant and Equipment	1 084 895 523	(7 462 386)	1 077 433 137	1 041 269 981	36 163 156	3%	
Intangible Assets	450 601	-	450 601	5	450 596	100%	N28
Heritage Assets	11 097 671	-	11 097 671	11 097 670	1	0%	
	1 121 674 009	(6 651 199)	1 115 022 810	1 079 145 579	35 877 231		
TOTAL ASSETS	1 385 515 228	(163 356 594)	1 222 158 634	1 252 448 578	(30 289 944)		
Current Liabilities							
VAT Accrual Payable	34 218 916	9 850 836	44 069 752	1 168 693	42 901 059	97%	N29
Payables from Exchange Transa	638 714 269	(168 680 282)	470 033 987	521 257 128	(51 223 141)	-11%	N30
Payables from Non-exchange Tr	13 268 825	6 410 001	19 678 826	2 783 931	16 894 895	86%	N31
Long term Trade Payables	-	-	-	398 279 010	(398 279 010)	100%	N36
Consumer Deposits	3 934 819	(1 183 149)	2 751 670	4 298 665	(1 546 995)	-56%	N32
Unspent Conditional Grants	-	-	-	15 875 706	(15 875 706)	100%	N33
Employee benefit obligation	13 225 218	(1 766 329)	11 458 889	4 118 059	7 340 830	64%	N37
Total Current Liabilities	703 362 047	(155 368 923)	547 993 124	947 781 192	(399 788 068)		
Non Current Liabilities							
Borrowings	7 754 648	(6 705 308)	1 049 340	-	1 049 340	100%	N35
Long term Trade Payables	-	214 870 699	214 870 699	-	214 870 699	100%	N36
Provisions	41 406 793	7 431 956	48 838 749	40 003 900	8 834 849	18%	N34
Employee benefit obligation	28 252 644	7 951 228	36 203 872	58 362 129	(22 158 257)	-61%	N37
Total Non Current Liabilities	77 414 085	223 548 575	300 962 660	98 366 029	202 596 631		
TOTAL LIABILITIES	780 776 132	68 179 652	848 955 784	1 046 147 221	(197 191 437)		
NET ASSETS	604 739 096	(231 536 246)	373 202 850	206 301 357	166 901 493		

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Financial Performance

- N1** Actual is in line with budget and variance lower than 10%
- N2** Many other agencies are being utilized for renewal of licences resulting in lower agency fees
- N3** Significant growth in receivables due low collection rate, resulting in higher than anticipated interest revenue
- N4** Actual is in line with budget and variance lower than 10%
- N5** Certain community halls not operational and resulting in lower revenue than anticipated
- N6** Unallocated deposits not yet claimed or allocated increasing revenue for the year
- N7** Closure of DLTC for upgrades and Introduction of computerised learners licence tests which resulted in applicants using alternative testing centres
- N8** PPE items being replaced with the new projects for current year. Verification identification of scrappings. Vandalism and theft volatile to budget forecasts
- N9** New valuation roll implemented resulting in higher than anticipated revenue
- N10** New speed camera system setup during the year not budgeted for
- N11** Unspent allocations contributing to higher under performed grants income. Some grants are claimed back based on spending
- N12** Lower write-off of debt by the Auditor General
- N13** Growth applicable to notch increments higher than anticipated and implementation of job evaluation outcomes
- N14** Actual is in line with budget and variance lower than 10%. Remuneration is in line with the upper limits regulation
- N15** Significant increase of debtors during the financial year due to free basic services (IGG) review process. Fines accrual significant due to speed cameras
- N16** Higher than anticipated increases in impairment and disposal of PPE
- N17** Very difficult to budget for impairment on assets
- N18** Estimated interest severely affected by non payment of creditors within legislated 30 days period due to severe cashflow constraints
- N19** Anticipated SSEG program growing slower than expected
- N20** Actual is in line with budget and variance lower than 10%.
- N21** Reallocation of expenditure to other financial statement line items
- N22** Additional expenditure due to increased leased items

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Financial Position

- N23** Non payment of Eskom which resulted in higher than anticipated VAT receivables
- N24** Reduction in other receivables less than anticipated
- N25** High debt impairment for property rates
- N26** Growth in receivables from exchange much higher than anticipated. Poor payment of eskom areas
- N27** Unspent grants funds held for roll over
- N28** Higher budgeted balance than anticipated
- N29** VAT accrual was restated in current year for provision for doubtful debts. Budget was approved prior to the restatement
- N30** Higher budgeted balance than anticipated. Eskom payment conditions not met resulting in additional interest
- N31** Unallocated deposits balance was reduced significantly due to investigations and follow ups
- N32** Improved forecasting required for consumer deposits
- N33** Unspent grants were not anticipated at budget time
- N34** Slower growth in the liability to rehabilitate the landfill sites
- N35** Settlement of the security deposit with no new deposit raised
- N36** Municipal debt relief liability now reflected back at the original amount since the conditions for write-off was not met
- N37** Employee benefit obligation are expert calculation which are difficult to forecast.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (No. 56 of 2003).

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

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

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

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality. All amounts are rounded to the nearest Rand.

1.2 Going concern assumption

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

1.3 Budget information

Budget information is in accordance with GRAP 1 and 24, has been provided in the Statement of comparison of budget and actual amounts.

1.4 Comparative figures

When the presentation or classification of items in the financial statements is amended, prior year comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, 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.

The presentation and classification of items in the current year is consistent with prior years.

The nature and reasons for the reclassifications and restatements are disclosed in note 43 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.5 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.6 Significant judgements and sources of estimation uncertainty

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require material adjustment to the carrying amount of the relevant asset or liability in future period.

Judgements

In the process of applying these accounting policies, management has made the following judgement that may have a significant effect on the amounts recognised in the annual financial statements.

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the entity's accounting policies, the following estimates were made:

Receivables

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

The impairment for trade receivables is calculated based on the grading of category of debtors according to their payment history. An accumulation of arrear balances is an indicator of debtor delinquency. Such debtors are provided for as they are considered to be impaired due to uncertainty surrounding the recoverability of the outstanding amounts.

Provisions

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amount that will be required in future to settle the provision, management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions. Additional disclosure of these estimates of provisions are included in note 18 - Provisions.

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1.6 Significant judgements and sources of estimation uncertainty (continued)

Pension and other post-retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate, future salary increase, mortality rates and future medical increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

The measurement of receivables is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles, so that the effect of any impairment on a group of receivables would not differ materially from the impairment, that would have been determined had each debtor been assessed for impairment on an individual basis. The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance the estimates are made about probability of recovery of the debtors based on their past payment history and risk profile.

Provision for rehabilitation of refuse landfill sites

The municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the size/ extent of the land to be rehabilitated, the rehabilitation cost per square meter, the monitoring cost per square meter, and the rehabilitation period. Current costs are projected using the average rate of inflation over the remaining period until rehabilitation, and the discounted to their present value using an appropriate discount rate, representing the time value of money.

Depreciation and amortisation

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's current condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the useful life and residual value, management considers the impact of technology and minimum service requirements of the assets.

Inventory

The estimation of the water stock in the 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.

The value of water inventory is calculated by considering the quantity of water in the pipes and is estimated based on the dimensions/ measurements of the pipes and the average cost per kilolitre.

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1.7 Investment property

Initial recognition

Investment property is property held to earn rentals or for capital appreciation or both, rather than for:

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

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

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

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

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

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

Subsequent Measurement - Cost Model

Subsequent to the initial recognition, investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation recognised on investment property is determined with reference to the useful lives and residual values of the underlying items. Depreciation is provided to write down cost, less estimated residual value by equal instalments over the useful life of the property.

The useful lives of items of investment property have been assessed as follows:

Item	Depreciation method	Average useful life
Items useful life:		
Land	None	Indefinite
Buildings	Straight line	30 - 100 years

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

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1.7 Investment property (continued)

Impairments

The entity tests for impairment where there is an indication that the asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an investment property is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

Derecognition

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or services potential are expected from its disposal gains or losses arising from the retirement or disposal of investment property is the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of financial performance in the period of retirement or disposal.

1.8 Property, plant and equipment

Initial recognition

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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1.8 Property, plant and equipment (continued)

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

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

Major spare parts and stand-by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand-by equipment which can only be used in connection with an items of property, plant and equipment are accounted for as property, plant and equipment.

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

Subsequent measurement - Cost model

Subsequent to initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land, which is not depreciated as it is deemed to have an indefinite useful life. Where the municipality replaces part of an asset, it derecognises that part of the asset being replaced and capitalises the new component.

Depreciation

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Components that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an asset's residual value.

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

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1.8 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Land	None	Indefinite
Buildings	Straight line	30 - 100 years
Infrastructure		
Roads, sidewalks, stormwater	Straight line	25 - 100 years
Water supply and reticulation	Straight line	20 - 100 years
Electricity	Straight line	10 - 80 years
Sewerage mains and purification	Straight line	10 - 80 years
Landfill sites	Straight line	10 - 60 years
Community		
Recreational facilities	Straight line	20 - 50 years
Museums and art galleries	Straight line	20 - 50 years
Security measures	Straight line	5 - 15 years
Cemeteries	Straight line	25 - 30 years
Community halls	Straight line	30 - 100 years
Transport assets		
Specialised vehicles	Straight line	10 - 30 years
Other vehicles	Straight line	7 - 20 years
Other property, plant and equipment		
Office equipment	Straight line	3 - 15 years
Furniture and fittings	Straight line	7 - 20 years
Bins and Containers	Straight line	5 - 15 years
Specialized plant and equipment	Straight line	10 - 15 years
Other plant and equipment	Straight line	2 - 5 years
Airports	Straight line	15 years
Computer equipments	Straight line	3 - 7 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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

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

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

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

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1.8 Property, plant and equipment (continued)

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

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

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.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

Library books

Library books are held to provide a service to the community. The books are fully depreciated in the year of acquisition due its individual and aggregate immaterial value. Library books are expected to be used over more than one reporting period and are therefore classified as property, plant and equipment. A register of the library books is maintained by the municipality. Using the principles in GRAP 1 and GRAP 3, the number of books on hand at year-end are disclosed as narrative in the note on property, plant and equipment.

1.9 Intangible assets

Initial recognition

An Intangible asset is an identifiable non-monetary asset without physical existence. An intangible asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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1.9 Intangible assets (continued)

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

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

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

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

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

Subsequent measurement - Cost model

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

Amortization

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

Amortisation of an intangible asset with a finite life 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 the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset. The residual value of an intangible asset with a finite useful life is considered to be zero.

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

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

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

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1.9 Intangible assets (continued)

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 - 5 years

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (Note 11).

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 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.

1.10 Financial instruments

Initial recognition

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

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

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

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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

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

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

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1.10 Financial instruments (continued)

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

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

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

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

A financial asset is:

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

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

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

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

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

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

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

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1.10 Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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

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

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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1.11 Inventories

Initial recognition

Inventories are recognised as an asset 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.

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

Subsequent measurement

Subsequently inventories are measured at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and net realisable value.

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

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

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

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs. The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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

1.12 Employee benefits

Short-term employee benefits

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

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

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1.12 Employee benefits (continued)

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

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined Benefit plans

Post Retirement Medical Obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

1.13 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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1.13 Provisions and contingencies (continued)

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

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

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

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

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

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

A constructive obligation to restructure arises only when an entity:

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

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 54.

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

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1.13 Provisions and contingencies (continued)

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

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

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement.

Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

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

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

1.14 Revenue from exchange transactions

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

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

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

Measurement

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

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1.14 Revenue from exchange transactions (continued)

Sale of goods

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

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

Rendering of services

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

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

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

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

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

1.15 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

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

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

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1.15 Revenue from non-exchange transactions (continued)

Measurement

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

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Traffic Fines

Revenue from the issuing of fines is recognised when:

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

The municipality has two types of fines: spot fines and summonses. 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. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

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1.15 Revenue from non-exchange transactions (continued)

Government grants (continued)

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imburement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.16 Borrowing costs

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

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

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

1.18 Fruitless and wasteful expenditure

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

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

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1.19 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 or Municipal Entities' 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.

1.20 Related parties

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

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

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

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

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

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

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

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

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

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1.21 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

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

- Antique/Art/Jewelry
- Historical buildings
- Monuments

Initial recognition

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

A heritage asset that qualifies for recognition as an asset shall be measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

The municipality applies the cost model to all classes of heritage assets. After recognition as an asset, a class of heritage assets is carried at cost less any accumulated impairment losses.

Impairment

A heritage asset shall not be depreciated but an entity shall assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

Compensation from third parties for heritage assets that have been impaired, lost or given up, shall be included in surplus or deficit when the compensation becomes receivable.

Transfers

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

Derecognition

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

The carrying amount of a heritage asset shall be derecognised: (a) on disposal (including disposal through a non-exchange transaction); or (b) when no future economic benefits or service potential are expected from its use or disposal.

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

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1.22 Statutory receivables

Identification

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

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

The municipality has the following major categories under the ambit of statutory receivables:

- Property Rates debtors
- Traffic fine debtors

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

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

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

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1.22 Statutory receivables (continued)

Accrued interest

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

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

Impairment losses

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

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

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

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

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

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

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

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1.22 Statutory receivables (continued)

Derecognition

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

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

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

1.23 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.24 Leases

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

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

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

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1.24 Leases (continued)

Operating leases - lessor (continued)

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.25 Events after reporting date

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

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

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

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

1.26 Impairment of cash-generating assets

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

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

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

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

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1.26 Impairment of cash-generating assets (continued)

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

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

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

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

Useful life is either:

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

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

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

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

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

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1.26 Impairment of cash-generating assets (continued)

Value in use

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

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

Cash-generating units

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 municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

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

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.27 Value added Tax (VAT)

The municipality is registered with the South African Revenue Service (SARS) for Value Added Tax on the payments basis, in accordance with Section 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

The municipality is registered to declare VAT transactions on the cash basis to SARS. The municipality is liable to account for VAT at the standard rate (15%) in terms of section 7 (1) (a) of the VAT Act in respect of the supply of goods or services, except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or is out of scope for VAT purposes. The municipality accounts for VAT on a monthly basis and VAT is settled between the VAT vendor and SARS, based on the cash collected by the municipality and the cash paid by the municipality.

VAT Payable to/Receivable from SARS:

The non-exchange transaction is the transaction concluded between the person or entity imposing the tax (national government) and the consumer of goods and services in the South African economy. The municipality is responsible to collect taxes from its consumers for the goods and services provided who becomes a deemed debtor to the national government when collecting and remitting VAT. Consequently, VAT due to the national government by the entity (VAT vendor) results in a deemed debtor-creditor relationship and is an exchange transaction.

VAT Accrual:

In accordance with GRAP, the municipality recognises transactions on an accrual basis of accounting. Therefore, the transaction between the municipality and customer includes the provision of goods or services in cash or credit; and the levying and/or collection of VAT by the municipality from the customer.

Similarly, the transaction between the municipality and the supplier includes the supply of goods or services in cash or credit; and the obligation to recognise VAT by the supplier to the municipality from the customer.

The VAT accrual accounts therefore does not represent amounts to be received or paid to SARS, but rather amounts that are associated with transactions that are yet to be settled. As a result, the accrual transactions are considered to be contractual in nature, and therefore do not meet the definition of a statutory arrangement. As there is no transaction to "settle" with a specific counterparty at this point, the municipality considers the offsetting of the amounts as inappropriate, and has separately disclosed these transactions in the notes to the annual financial statements.

Input VAT Accrual represents amounts that are yet to be claimed from SARS, subject to settlement of the outstanding creditors. This therefore shall be disclosed as a receivable from exchange transaction in accordance with

Output VAT Accrual represents amounts that are yet to be paid to SARS, subject to collection from outstanding debtors of the municipality. This shall be accounted for as a trade and other payables in accordance with GRAP 19.

1.28 Investment income

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.29 Consumer deposits

Consumer deposits are disclosed as a current liability and carried at amortised cost which is the amount at which the liability is measured at initial recognition minus principal repayments.

Consumer deposits are levied in line with council's policy to consumers when services are initially connected. 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.

1.30 Contingent liabilities and assets

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 Municipality. 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 wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

1.31 Living and Non-living resources

Living resources are those resources, other than Biological Assets that form part of an agricultural activity, that undergo biological transformation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, are not recognised as assets in the financial statements of the Municipality.

The municipality does not have any living resources

The municipality extracts water from various boreholes across the municipality to sustain the demand. The Nqweba dam that is a natural resource has been experiencing severe pressure and has been dry for long periods. However the only water source subject to our control is the boreholes as the Nqweba dam is the ownership of the department of water and sanitation as it was handed to for major maintenance to be performed.

For each borehole the municipality has a water use licence that stipulates the abstraction rate. No rehabilitation is done, the idea is to manage the abstraction to prevent the borehole from drying up.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.32 Segment reporting

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

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).

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

Management does monitor performance geographically but does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

1.33 Principal-Agent Arrangement

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

When the Municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether the Municipality is a principal or an agent requires the Municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

The Municipality is a principal when, in relation to transactions with third parties, all three of the following criteria are present:

- It has the power to determine the significant terms and conditions of the transaction.
- It has the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is exposed to variability in the results of the transaction.

Where the Municipality acts as a principal, it recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirement of the relevant Standards of GRAP

The Municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of other Standards of GRAP

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective but not adopted in the current year

The revised GRAP 104 Financial Instruments standard became effective for financial periods commencing on or after 1 April 2025 but was not early adopted in the period end 30 June 2025.

2.2 Standards and interpretations issued, but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

- GRAP 1: Presentation of Financial Statements
- GRAP 103 Heritage assets
- GRAP 105, 106, 107 Transfers of Functions and Mergers

All the other listed standards as listed above will only be effective when a date is announced by the Minister of Finance.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board, International Financial Reporting Standards or Generally Accepted Accounting Principles. Where a standard of GRAP has been issued, but is not yet effective, the municipality may elect to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying paragraph 12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	R	Restated* R
3. VAT ACCRUAL RECEIVABLE / (PAYABLE)		
VAT Accrual Receivable	100 192 303	76 300 396
VAT Accrual (Payable)	(1 168 693)	(1 971 677)
Output VAT accrual	42 597 630	34 982 200
Provision for doubtful debt impairment	(41 428 937)	(33 010 523)

The prior year VAT Receivable / (Payables) balance has been restated. Refer to prior period errors note for information.

VAT accrual input and output are not off-set. In terms of GRAP 104; an entity can only offset a financial asset and financial liability if, and only if, it has a legally enforceable right to set off the recognised amounts. The input and output tax is still at accrual stage arising from invoices from suppliers and bills raised to debtors, they don't represent amounts due from or due to SARS.

4. INVENTORIES

Consumable stores	9 592 784	8 387 756
Water	215 479	215 479
	<u>9 808 262</u>	<u>8 603 235</u>

Consumable stores are held for own use and measured at the lower of Cost and Current Replacement Cost. Water inventory is held for distribution and measured at the lower of Cost and Net Realisable value.. No write downs of Inventory to Net Realisable Value were required.

Inventory to the value of R266,681 (2024: R6,510) was written up during the year.

No Inventories have been pledged as collateral for liabilities of the municipality.

Reconciliation of consumable stores

Opening balance	8 387 756	3 488 123
Acquisitions/Purchases	6 317 921	10 201 407
Inventory consumed	(5 193 824)	(5 315 206)
Write-downs	266 681	6 510
Adjustments	(185 750)	6 922
Closing balance	<u>9 592 784</u>	<u>8 387 756</u>

Reconciliation of Water inventory

	2025			2024		
	Volume	Unit value	Total	Volume	Unit value	Total
Opening Balance	21 680		215 479	35 836		215 418
Water production	4 568 437	25,49	116 447 968	4 839 029	24,25	117 360 372
Water Sold	(2 214 595)	25,49	(56 449 304)	(2 654 068)	24,25	(64 368 783)
Non-revenue water	(2 353 842)	25,49	(59 998 664)	(2 199 117)	24,25	(53 334 903)
Average unit rate adjust						343 375
	<u>21 680</u>		<u>215 479</u>	<u>21 680</u>		<u>215 479</u>

5. OTHER RECEIVABLES

Sundry deposits	510 900	510 900
Sundry debtors	1 052 494	4 075 315
	<u>1 563 394</u>	<u>4 586 215</u>

The prior year Other Receivable balance has been restated. Refer to prior period errors note for information.

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	2025 R	2024 Restated* R
6. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Gross balances		
Rates	54 137 524	42 657 079
Traffic fines accrual	20 548 848	2 359 273
	74 686 372	45 016 352
Less: Allowance for impairment		
Rates	(47 898 128)	(37 795 615)
Traffic fines accrual	(15 399 386)	(1 055 573)
	(63 297 514)	(38 851 188)
Net Balance	11 388 857	6 165 164
Ageing - Property rates receivables		
Current (0-30 days)	888 949	1 860 209
31 - 60 days	1 110 823	892 445
61 - 90 days	957 027	762 027
91 - 120 days	932 030	990 968
121 days +	50 248 694	38 151 430
	54 137 524	42 657 079
Summary of debtors by customer classification - Property rates receivables		
Residential		
Current (0-30 days)	1 418 718	1 263 701
31 - 60 days	704 137	478 443
61 - 90 days	614 637	412 294
91 - 120 days	570 578	418 596
121 days +	22 187 943	17 032 163
	25 496 012	19 605 197
Industrial/commercial		
Current (0-30 days)	794 252	660 388
31 - 60 days	378 234	396 986
61 - 90 days	330 824	336 088
91 - 120 days	352 900	561 765
121 days +	21 699 593	18 507 151
	23 555 804	20 462 378
National and provincial government		
Current (0-30 days)	(1 324 021)	(63 880)
31 - 60 days	28 452	17 016
61 - 90 days	11 566	13 645
91 - 120 days	8 553	10 606
121 days +	6 361 157	2 612 116
	5 085 707	2 589 503
Total - Property rates receivables		
Current (0-30 days)	888 949	1 860 209
31 - 60 days	1 110 823	892 445
61 - 90 days	957 027	762 027
91 - 120 days	932 030	990 967
121 days +	50 248 694	38 151 430
Less: Impairment	(47 898 128)	(37 795 615)
	6 239 395	4 861 463

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	2025	2024
	R	Restated* R
6. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (Continued)		
Total debtors past due but not impaired		
61 - 90 days	32 477	138 152
91 - 120 days	18 240	102 160
121 days +	6 459 543	3 155 351
Reconciliation of allowance for impairment		
Balance at beginning of the year	(38 851 188)	(34 032 074)
Bad debts written off against allowance	726 341	754 988
Current year's impairment	(25 172 667)	(5 574 102)
	(63 297 514)	(38 851 188)
Impairment of Statutory receivables are assessing based on indicators that exist at each reporting date. These include but not limited to payment history and the customers overall profile.		
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Gross balances		
Electricity	22 146 163	22 690 421
Water	133 447 789	110 791 998
Sewerage	121 063 839	85 624 506
Refuse	104 672 326	82 880 255
Housing	157 608	159 719
Sundry	6 414 199	6 407 681
	387 901 924	308 554 580
Less: Allowance for impairment		
Electricity	(11 201 945)	(8 481 178)
Water	(128 184 800)	(102 673 697)
Sewerage	(117 429 564)	(81 321 484)
Refuse	(102 922 651)	(80 517 777)
Housing	(157 086)	(159 155)
Sundry	(5 464 582)	(5 439 494)
	(365 360 627)	(278 592 785)
Net balance		
Electricity	10 944 218	14 209 243
Water	5 262 989	8 118 301
Sewerage	3 634 274	4 303 022
Refuse	1 749 676	2 362 478
Housing	522	564
Sundry	949 617	968 187
	22 541 297	29 961 795

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	R	Restated* R
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)		
Electricity		
Current (0-30 days)	9 384 485	10 798 960
31 - 60 days	1 590 632	1 587 748
61 - 90 days	784 715	894 249
91 - 120 days	557 254	741 829
121 days +	9 829 077	8 667 635
	22 146 163	22 690 421
Water		
Current (0-30 days)	8 105 596	11 447 619
31 - 60 days	4 002 729	4 632 616
61 - 90 days	3 741 067	4 464 821
91 - 120 days	3 906 874	3 973 389
121 days +	113 691 523	86 273 553
	133 447 789	110 791 998
Sewerage		
Current (0-30 days)	5 242 013	5 310 117
31 - 60 days	4 432 964	4 028 032
61 - 90 days	4 235 232	3 731 000
91 - 120 days	4 014 377	3 018 932
121 days +	103 139 252	69 536 425
	121 063 839	85 624 506
Refuse		
Current (0-30 days)	3 055 563	3 130 120
31 - 60 days	2 781 350	2 537 252
61 - 90 days	2 665 498	2 369 275
91 - 120 days	2 578 205	1 954 925
121 days +	93 591 711	72 888 683
	104 672 326	82 880 255
Housing rental		
Current (0-30 days)	1	-
31 - 60 days	10	1
61 - 90 days	1	1
91 - 120 days	39	1
121 days +	157 557	159 716
	157 608	159 719
Sundry		
Current (0-30 days)	115 864	142 887
31 - 60 days	99 400	94 235
61 - 90 days	86 354	102 066
91 - 120 days	85 708	135 997
121 days +	6 026 872	5 932 497
	6 414 199	6 407 681

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025 R	2024 Restated* R
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)		
Summary of debtors by customer classification		
Residential		
Current (0-30 days)	20 501 587	25 435 716
31 - 60 days	10 717 207	11 070 558
61 - 90 days	10 307 233	10 413 325
91 - 120 days	10 357 534	8 671 539
121 days +	302 710 772	223 216 709
	354 594 333	278 807 845
Industrial/commercial		
Current (0-30 days)	5 266 978	7 130 197
31 - 60 days	854 896	1 121 201
61 - 90 days	641 767	642 447
91 - 120 days	460 759	729 501
121 days +	17 600 271	15 493 944
	24 824 671	25 117 290
National and provincial government		
Current (0-30 days)	134 958	(1 736 208)
31 - 60 days	1 334 982	688 125
61 - 90 days	563 866	505 639
91 - 120 days	324 164	424 034
121 days +	6 124 949	4 747 856
	8 482 919	4 629 446
Total		
Current (0-30 days)	25 903 523	30 829 704
31 - 60 days	12 907 085	12 879 884
61 - 90 days	11 512 866	11 561 411
91 - 120 days	11 142 457	9 825 074
121 days +	326 435 992	243 458 509
Less: Impairment	(365 360 627)	(278 592 784)
	22 541 297	29 961 797
Impairment:	(365 360 627)	(278 592 784)
Total debtors past due but not impaired		
61 - 90 days	686 744	1 510 060
91 - 120 days	367 391	1 000 209
121 days +	7 557 998	7 355 597
Reconciliation of allowance for impairment		
Balance at beginning of the year	(278 592 784)	(194 746 307)
Bad debts written off against allowance	29 454 448	21 695 422
Current year's impairment	(116 222 290)	(105 541 899)
	(365 360 627)	(278 592 784)

The prior year Receivables from exchange transactions balance has been restated. Refer to prior period errors note for information

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	R	Restated* R
8. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	4 305	4 305
Bank Accounts	6 421 853	800 137
Current Investments	21 382 727	8 561 575
Total Bank, Cash and Cash Equivalents	27 808 885	9 366 017

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
ABSA - Cheque Account - 4053623514	179 638	64 681	-	-
Standard Bank - Cheque - Primary	5 990 426	607 992	6 311 886	690 948
Standard Bank - Cheque - 0332104206	53 330	109 189	109 966	109 189
ABSA Investments - 9257114251	35 098	32 402	35 098	32 402
Standard bank - FMG Call account - /002	20 160 498	7 446 916	20 160 498	7 446 916
Standard bank - FMG Call account - /003	3 413	3 269	3 413	3 269
Standard bank - FMG Call account - /004	25 313	8 917	25 313	8 917
Standard bank - FMG Call account - /006	1 158 407	1 070 071	1 158 407	1 070 071
	27 606 122	9 343 437	27 804 580	9 361 712

9. INVESTMENT PROPERTY

	2025			2024		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	28 478 366	(1 700 443)	26 777 924	28 308 367	(1 659 077)	26 649 290

Reconciliation of investment property - 2025

	Opening balance	Additions	Depreciation	Total
Land	26 261 728	170 000	-	26 431 728
Buildings	387 562	-	(41 366)	346 196
	26 649 290	170 000	(41 366)	26 777 924

Reconciliation of investment property - 2024

	Opening balance	Additions	Depreciation	Total
Land	26 261 728	-	-	26 261 728
Buildings	428 928	-	(41 366)	387 562
	26 690 656	-	(41 366)	26 649 290

The prior year Investment Property balance has been restated. Refer to prior period errors note for information

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

All of the municipality's investment property is held under freehold interest and no investment property has been pledged as security for any liabilities of the municipality. There are no restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal. There are no contractual obligations on investment property.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025			2024		
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Land	121 712 259	-	121 712 259	121 783 156	-	121 783 156
Buildings	56 137 499	(24 752 488)	31 385 011	56 355 291	(23 105 131)	33 250 160
Infrastructure	1 265 001 870	(450 325 727)	814 676 143	1 253 384 199	(413 599 954)	839 784 245
Community	42 680 357	(8 511 530)	34 168 827	42 717 400	(7 002 648)	35 714 752
Work-in-progress	6 058 028	-	6 058 028	8 210 845	-	8 210 845
Landfill sites	14 883 918	(4 598 717)	10 285 201	14 883 918	(4 213 389)	10 670 528
Transport assets	33 980 127	(15 490 192)	18 489 935	31 443 203	(13 294 031)	18 149 172
Other assets	15 749 973	(11 255 395)	4 494 578	14 569 617	(10 005 751)	4 563 866
Total	1 556 204 029	(514 934 048)	1 041 269 981	1 543 347 630	(471 220 905)	1 072 126 725

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Additions through transfers from WIP	Depreciation and Impairment	Total
Land	121 783 156	-	(70 898)	-	-	121 712 259
Buildings	33 250 160	-	(63 288)	-	(1 801 861)	31 385 011
Infrastructure	839 784 245	31 178 879	(10 688 124)	3 792 006	(49 390 862)	814 676 143
Community	35 714 752	-	-	-	(1 545 925)	34 168 827
Work-in-progress	8 210 845	1 639 189	-	(3 792 006)	-	6 058 028
Landfill sites	10 670 528	-	-	-	(385 328)	10 285 201
Transport assets	18 149 172	2 917 319	(194 738)	-	(2 381 818)	18 489 935
Other assets	4 563 866	1 204 696	(15 187)	-	(1 258 798)	4 494 578
	1 072 126 725	36 940 083	(11 032 235)	-	(56 764 591)	1 041 269 981

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Additions through transfers from WIP	Depreciation and Impairment	Total
Land	121 909 535	-	(126 379)	-	-	121 783 156
Buildings	32 748 954	3 030 185	(170 932)	-	(2 358 047)	33 250 160
Infrastructure	782 817 729	45 210 414	(7 438 662)	69 834 139	(50 639 375)	839 784 245
Community	24 064 132	2 086 938	(14 547)	10 848 864	(1 270 635)	35 714 752
Work-in-progress	87 735 665	1 765 338	-	(81 290 158)	-	8 210 845
Landfill sites	11 221 509	-	-	-	(550 981)	10 670 528
Transport assets	11 330 600	9 208 485	(171 778)	-	(2 218 135)	18 149 172
Other assets	11 510 332	870 553	(7 218 192)	607 155	(1 205 982)	4 563 866
	1 083 338 456	62 171 913	(15 140 490)	-	(58 243 155)	1 072 126 725

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025	2024
R	Restated*
R	R

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

The municipality only transfers ownership or otherwise disposes of capital assets after the council, in a meeting open to the public, has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

Impairment Losses on Property, Plant and Equipment to the amount of R2 432 038 (2024: R241 987) has been recognised in operating surplus and are included in Impairment Losses in the Statement of Financial Performance as indicated in Note 35

The municipality has 12 libraries within the geographical area. The library books controlled on behalf of the Province are all individually and in aggregate immaterial and most of the books are not in a good condition. The cost of the library books is recorded in asset listings but are depreciated in full in the year of acquisition. The recording in the asset listings is necessary in order that control can be exercised over the books.

No assets were pledged as security for liabilities

The municipality has various assets that are fully depreciated which are still in use. These assets are immaterial in value (averaging R105 per item) and will be replaced once funding is made available.

The prior year Property, plant and equipment balance has been restated. Refer to prior period errors note for information

Effect of changes in accounting estimates

A change in the estimated useful life of various assets of the municipality has resulted in the following decreases (increases) in depreciation for the mentioned asset categories for the financial year:

	Depreciation 2024/2025	Depreciation 2023/2024	Change in depreciation 2025
Infrastructure assets	2 561 998	7 301 305	<u>4 739 306</u>
Total change in estimate for useful life of property, plant and equipment			<u>4 739 306</u>

The nature of the adjustment relates to a change in the remaining useful life, based on the annual review of the useful lives of assets in operation. The effect relating to future periods is not disclosed, as it is impracticable to do so. (GRAP 3.42)

Work in Progress balances

The following work in progress balances are included in PPE. No depreciation charge is recognized against these amounts.

Infrastructure Assets	5 847 670	7 637 879
Community Assets	210 358	426 195
Landfill Sites	-	<u>146 771</u>
	<u>6 058 028</u>	<u>8 210 845</u>

Work in Progress projects taking a significant longer period to complete

The following projects (included in work-in-progress) is taking a significant longer period to complete:

Project	Carrying value	Reason for delays
Installation bulk water&sewerage infrastructure	501 975	The planned settlement was halted due to financial constraints and lack of developers to develop the infrastructure. The Project to continue in 2025/2026.
Electricity standby transformers	336 120	The delay was due to the municipality awaiting grant funding approval. Project approved for additional funding and to continue in the 2025/26 financial year.

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	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	362 563	(362 558)	5	362 563	(362 558)	5
Reconciliation of intangible assets - 2025			Opening balance	Amortization	Total	
Computer software			5	-	5	
			<u>5</u>	<u>-</u>	<u>5</u>	
Reconciliation of intangible assets - 2024			Opening balance	Amortization	Total	
Computer software			5	-	5	
			<u>5</u>	<u>-</u>	<u>5</u>	
	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carryin value
Historical buildings	2 768 000	-	2 768 000	2 768 000	-	2 768 000
Antique/Art/Jewelry	1 215 950	-	1 215 950	1 215 950	-	1 215 950
Monuments	7 113 720	-	7 113 720	7 113 720	-	7 113 720
Total Heritage Assets	11 097 670	-	11 097 670	11 097 670	-	11 097 670
Reconciliation of heritage assets - 2025			Opening balance	Total		
Historical buildings			2 768 000	2 768 000		
Antique/Art/Jewelry			1 215 950	1 215 950		
Monuments			7 113 720	7 113 720		
			<u>11 097 670</u>	<u>11 097 670</u>		
Reconciliation of heritage assets - 2024			Opening balance	Total		
Historical buildings			2 768 000	2 768 000		
Antique/Art/Jewelry			1 215 950	1 215 950		
Monuments			7 113 720	7 113 720		
			<u>11 097 670</u>	<u>11 097 670</u>		

No heritage assets have been pledged as collateral for liabilities of the municipality.

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	2025	2024
	R	Restated* R
13. OTHER FINANCIAL LIABILITIES		
At amortised cost		
Performance security deposit- Utilities world	-	1 049 339
Total other financial liabilities	<u>-</u>	<u>1 049 339</u>
Security deposit settled in July 2024 with final payment made. No new security deposit was received with the new tender awarded for prepaid vending services.		
Current liabilities		
At amortised cost	<u>-</u>	<u>1 049 339</u>
14. PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade payables and other accruals	453 172 497	249 478 526
Retentions	1 837 988	4 008 889
Leave pay accrual	12 878 503	12 512 588
Bonus accrual	7 670 565	6 855 775
Debtors with credit balances	7 511 085	8 691 875
Statutory and non-statutory deductions	36 792 193	62 247 805
VAT Control Payable (SARS)	1 394 297	4 209 572
Total Payables	<u>521 257 128</u>	<u>348 005 030</u>
The prior year Payables from exchange transactions balance has been restated. Refer to prior period errors note for information		
15. PAYABLES FROM NON-EXCHANGE TRANSACTIONS		
Unallocated receipts	1 968 034	3 507 436
Debtors with credit balances	815 897	818 034
Total Payables	<u>2 783 931</u>	<u>4 325 470</u>
The prior year Payables from Non-exchange transactions balance has been restated. Refer to prior period errors note for information		
16. MUNICIPAL DEBT RELIEF FINANCIAL LIABILITIES		
At fair value	<u>398 279 010</u>	<u>341 186 970</u>
Description		
Non-current liabilities		
At amortised cost	<u>-</u>	<u>214 870 699</u>
Current liabilities		
At amortised cost	<u>398 279 010</u>	<u>126 316 271</u>

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2025	2024
R	Restated* R

16. MUNICIPAL DEBT RELIEF FINANCIAL LIABILITIES (Continued)

The municipality was approved to participate in the Municipal Debt Relief programme effective 1 December 2023 where debt on 1 April 2023 will be written off over 3 years provided certain conditions are met. The Municipal Debt Relief arrangement changes the substance of the liability to a repayment arrangement. In line with the accounting guidelines of the Office of the Accountant General, this arrangement has a "concessionary element" in that no interest will be charged over the period of the arrangement. This liability, like all others, is recognised at fair value on initial recognition.

Although the municipality was not eliminated from the program explicitly, the conditions were not met and accordingly the municipality did not qualify for write-off as per agreement. The full unwinding of interest meant to be spread over 3 years has been written back to the original gross value. The municipality awaits final decision of National Treasury for the program.

17. CONSUMER DEPOSITS

Electricity	2 897 410	2 587 888
Water	1 375 725	1 326 528
Other sundry deposits	25 531	25 531
	4 298 665	3 939 947

No interest accrues on consumer deposits as Dr Beyers Naude Local Municipality is not a deposit taking entity in terms of the banking Act.

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid

The management of the municipality is of the opinion that the carrying value of Consumer Deposits approximate their fair values.

18. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Total Unspent Conditional Grants	15 875 706	6 410 000
Movement during the year		
Balance at the beginning of the year	6 410 000	-
Conditional grants Additions during the year	68 054 000	81 775 135
Conditional grants Income recognition during the year	(58 588 294)	(75 365 135)
Balance at the end of the year	15 875 706	6 410 000

See note 29 for reconciliation of grants from National/Provincial Government.

19. PROVISIONS

Reconciliation of provisions - 2025	Opening balance	Additions	Total
Rehabilitation of landfill sites	34 213 650	5 790 250	40 003 900
Total Provisions	34 213 650	5 790 250	40 003 900

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	2025	2024
	R	Restated* R
19. PROVISIONS (Continued)		
Reconciliation of provisions - 2024	Opening balance	Additions
Legal proceedings	1 872 820	(1 872 820)
Rehabilitation of landfill sites	28 359 000	5 854 650
Total Provisions	30 231 820	34 213 650
Non-current liabilities	40 003 900	34 213 650
Current liabilities	-	-
	40 003 900	34 213 650

Rehabilitation of landfill sites

The movement of the provision for rehabilitation of landfill sites is attributable to the unwinding of the present value obligation

The obligation for the environmental rehabilitation results from the onus imposed by the Environmental Conservation Act no.73 of 1989 to rehabilitate landfill sites after use. Some of the sites are expected to be closed in 2041, after which rehabilitation will take place over the course of the next 20 years after which the site is expected to be fully rehabilitated. The following assumption were used when calculating the provision for landfill Site rehabilitation: - The CPIX was used to adjust the cost as it is the only determining factor year on year.

The landfill sites are nearing the end of their useful lives, the ground and ground water on the entire site are thus considered to be contaminated and not just the portion in use, i.e. the provision provides for the cost of rehabilitating the entire site and not just the portion used up to financial year end. The entire site would need to be rehabilitated due to waste distributed across the entire site over the years since opening thereof. Thus, as provided in GRAP 19 where it states that the provision should only be raised to the extent that the costs would need to be incurred, it is considered that the full cost of rehabilitation would need to be incurred to rehabilitate the sites.

The following are the landfill sites of the municipality:

Sites	Remaining useful life
Jansenville	1 years remaining
Klipplaat	4 years remaining
Steytlerville	6 years remaining
Willowmore	4 years remaining
Rietbron	3 years remaining
Aberdeen	16 years remaining
Graaff-Reinet	11 years remaining
Nieu-Bethesda	1 year remaining

20. EMPLOYEE BENEFIT OBLIGATIONS

Post Retirement Medical Benefits	(49 194 034)	(42 993 953)
Long Service Awards	(13 286 154)	(12 688 908)
	(62 480 188)	(55 682 861)
Non-current liabilities	(58 362 129)	(52 238 786)
Current liabilities	(4 118 059)	(3 444 075)
	(62 480 188)	(55 682 861)

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	2025 R	2024 Restated* R
20. EMPLOYEE BENEFIT OBLIGATIONS (Continued)		
Changes in the present value of the employee benefit obligation are as follows:		
Opening balance	(55 682 861)	(47 886 566)
Benefits paid	2 506 753	2 478 937
Net expense recognised in the statement of financial performance	<u>(9 304 080)</u>	<u>(10 275 232)</u>
Balance at end of Year	<u>(62 480 188)</u>	<u>(55 682 861)</u>
Net expense recognised in the statement of financial performance		
Current service cost	(3 508 813)	(2 548 694)
Interest cost	(6 409 571)	(5 614 783)
Actuarial (losses)/gains	<u>614 304</u>	<u>(2 111 755)</u>
	<u>(9 304 080)</u>	<u>(10 275 232)</u>
20.1 POST RETIREMENT MEDICAL BENEFITS		
The movement in Post Retirement Medical Benefits are reconciled as follows:		
Opening balance	(42 993 952)	(35 024 954)
Contribution during the year		
Current Service Cost	(2 150 117)	(1 489 630)
Interest Cost	(5 254 594)	(4 388 654)
Benefits paid	1 478 824	1 261 212
Actuarial (losses)/gains	(274 194)	(3 351 926)
Closing balance	<u>(49 194 033)</u>	<u>(42 993 952)</u>
Current portion	2 230 556	1 387 645
Net change in the Accrued Liability over the financial year ending 30 June 2025	(6 200 081)	(7 968 998)

The defined benefit obligation is unfunded, and therefore no disclosures are made relating to plan assets and the effect of the asset ceiling.

Last Valuation and Actuarial Valuation Method

The obligation in respect of medical care contributions for retirement benefits is valued every year by independent qualified actuaries. The last actuarial valuation was performed on 30 June 2025 by One Pangaea expertise & solutions using the Projected Unit Credit Method.

Characteristics of defined benefit plans and risks associated with them

The municipality provides post employment medical benefits as follows:

- Eligible employees will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement.
- Continuation members and their eligible dependants receive a 70% subsidy
- Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	R	Restated* R
20. EMPLOYEE BENEFIT OBLIGATIONS (Continued)		
20.1 POST RETIREMENT MEDICAL BENEFITS (Continued)		
Characteristics of defined benefit plans and risks associated with them (Continued)		
Notable benefit plan risks faced by the Municipality can be summarised as follows:		
- Longevity Risk: The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.		
- Operational Risk: This is the risk emanating from inadequate, ineffective or failed internal processes, people or systems. If the data quality is compromised, any calculated values based on that data will be affected.		
- Economic Risk: The valuation of the post-employment medical subsidies liability is sensitive to the discount rate used, which is influenced by the broader economic conditions and market interest rates. Any changes to these macroeconomic factors will affect the valuation of the municipality's accrued liability.		
- Medical Aid Inflation Risk: Any increases in excess of the CPI+1.5% assumption would lead to increases in accrued liability beyond that predicted by our valuation.		
Key assumptions used		
Assumptions used at the reporting date:		
Discount Rate used	12,32%	12,42%
Health Care Cost Inflation Rate	7,78%	8,40%
Net Discount Rate used	4,21%	3,71%
The PA 90-1 post-retirement mortality table used for pensioners and SA85-90 (Normal) for active employees.		
Proportion married for active employees 60% of married and 90% of single in-service members and for pensioners the actual marital status is used.		
Average age of Continuation pensioners at 30 June 2025 was 72.52, with an average employer monthly contribution of R4,157,09.		
Number of active employees: 234		
Average age of active employees as at 30 June 2025 was 45.34, with an average employer monthly contribution of R2,967.55.		
Sensitivity Analysis - Defined Benefit Obligation at year-end		
The Defined Benefit Obligation are based on a number of assumptions as indicated above. The extent to which the actual Defined Benefit Obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The assumption which tends to have the greatest impact on the results is the medical aid contribution inflation rate relative to the discount rate. The impact of the aforementioned and the other significant assumptions are disclosed below:		
The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:		
	Decrease:	Increase:
	% Change	% Change
	Valuation	Valuation
	basis	basis
Accrued liability	-14,13%	13,97%
	42 244 905	56 065 295
Current service cost	-20,41%	19,51%
	1 656 649	2 487 662
Interest cost	-14,44%	14,28%
	5 068 089	6 769 580
	49 194 033	56 065 295
	2 081 585	2 487 662
	5 923 629	6 769 580

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				2025	2024
				R	Restated* R
20. EMPLOYEE BENEFIT OBLIGATIONS (Continued)					
20.1 POST RETIREMENT MEDICAL BENEFITS (Continued)					
Sensitivity Analysis - Defined Benefit Obligation at year-end (Continued)					
The effect of a 1% movement in the assumed rate of discount rate is as follows:					
	Decrease:		Valuation		Increase:
	% Change	Valuation	basis	Valuation	% Change
Accrued liability	13,17%	55 671 755	49 194 033	42 624 373	-13,35%
Current service cost	17,62%	2 448 357	2 081 585	1 687 813	-18,92%
Interest cost	4,26%	6 176 164	5 923 629	5 529 294	-6,66%
The effect of a 10% reduction in the continuation of medical aid by active members:					
	Decrease:		Valuation		
	% Change	Valuation	basis		
Accrued liability	-7,90%	45 306 950	49 194 033		
Current service cost	-14,83%	1 772 821	2 081 585		
Interest cost	-8,08%	5 444 714	5 923 629		
Reducing the continuation percentage reduces the active members who are in receipt of medical aid subsidies upon retirement. This reduces the size of the accrued liability					
The effect of a 20% adjustment in the mortality assumption (PA (90)-2) is as follows:					
	Decrease:		Valuation		
	% Change	Valuation	basis		
Accrued liability	3,77%	51 049 971	49 194 033		
Current service cost	2,57%	2 135 025	2 081 585		
Interest cost	4,04%	6 163 005	5 923 629		
PA(90)-2 (PA(90) with a two-year age adjustment) means that, to each beneficiary we assigned a mortality rate of an individual two year younger than that beneficiary, ie lighter mortality implying that the individual lives longer than expected in the valuation basis.					
20.2 LONG SERVICE AWARDS					
The movement in Long Service Awards are reconciled as follows:					
Opening balance				(12 688 908)	(12 861 612)
Contribution during the year					
Current Service Cost				(1 358 696)	(1 059 064)
Interest Cost				(1 154 977)	(1 226 129)
Benefits paid				1 027 929	1 217 725
Actuarial (losses)/gains				888 498	1 240 172
Closing balance				<u>(13 286 154)</u>	<u>(12 688 908)</u>
Current portion				1 887 503	2 056 430
Net change in the Accrued Liability over the financial year ending 30 June 2025				(597 246)	172 704

The defined benefit obligation is unfunded, and therefore no disclosures are made relating to plan assets and the effect of the asset ceiling.

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	2025	2024
	R	Restated* R
20. EMPLOYEE BENEFIT OBLIGATIONS (Continued)		
20.2 LONG SERVICE AWARDS (Continued)		
Last Valuation and Actuarial Valuation Method		
The obligation in respect of long service awards is valued every year by independent qualified actuaries. The last actuarial valuation was performed on 30 June 2025 by One Pangaea expertise & solutions using the Projected Unit Credit Method.		
Characteristics of defined benefit plans and risks associated with them		
The municipality provides a long service award benefits as follows:		
- The Municipality offers employees Long Service Awards for every five years of Service completed		
- The provision is an estimate of the amounts likely to be paid based on an actuarial valuation performed at the reporting date.		
- The Municipality does not pay any pro-rata Long Service Awards.		
Notable benefit plan risks faced by the Municipality can be summarised as follows:		
- Mortality Risk: As employees live longer and work for longer periods, the legislature's liability for these awards increases.		
-Operational Risk: This is the risk emanating from inadequate, ineffective or failed internal processes, people or systems. If the data quality is compromised, any calculated values based on that data will be affected.		
- Economic Risk: The valuation of the long service awards liability is sensitive to the discount rate used, which is influenced by the broader economic conditions and market interest rates. Any changes to these macroeconomic factors will affect the valuation of the municipality's accrued liability.		
- Regulatory/Legislative Risk: The risk that changes to legislation with respect to long service awards may change the accrued liability for the Municipality		
Key assumptions used		
1. Salary increase rate	4,42%	5,48%
2. The mortality rate	SA 85 - 90	SA 85 - 90
3. Normal retirement age	65	65
4. Assumed retirement age	62	62
5. CPI rate	3,42%	4,48%
6. Discount rate used	8,97%	9,90%
7. Net Discount rate used	4,35%	4,19%

The Defined-Benefit Obligation are based on a number of assumptions as indicated above. The extent to which the actual Defined-Benefit Obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The assumption which tends to have the greatest impact on the results is the medical aid contribution inflation rate relative to the discount rate. The impact of the aforementioned and the other significant assumptions are disclosed below:

Sensitivity Analysis - Defined Benefit Obligation at year-end

The effect of a 1% movement in the assumed rate of salary inflation rate is as follows:

	Decrease:		Increase:		
	% Change	Valuation	Valuation basis	Valuation	% Change
Accrued liability	-5,22%	12 592 101	13 286 154	14 041 435	5,68%
Current service cost	-5,41%	1 151 521	1 217 358	1 289 233	5,90%
Interest cost	-5,60%	1 044 872	1 106 809	1 174 237	6,09%

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				2025	2024
				R	Restated* R
20. EMPLOYEE BENEFIT OBLIGATIONS (Continued)					
20.2 LONG SERVICE AWARDS (Continued)					
Sensitivity Analysis - Defined Benefit Obligation at year-end (Continued)					
The effect of a 1% movement in the assumed rate of discount rate is as follows:					
	Decrease:		Valuation		Increase:
	% Change	Valuation	basis	Valuation	% Change
Accrued liability	5,49%	14 015 601	13 286 154	12 625 725	-4,97%
Current service cost	5,70%	1 286 770	1 217 358	1 154 706	-5,15%
Interest cost	-5,92%	1 041 244	1 106 809	1 164 724	5,23%
The effect of a 2 year adjustment in the average retirement age is as follows:					
	Decrease:		Valuation		Increase:
	% Change	Valuation	basis	Valuation	% Change
Accrued liability	-8,11%	12 209 054	13 286 154	14 454 431	8,79%
Current service cost	-6,33%	1 140 353	1 217 358	1 294 499	6,34%
Interest cost	-8,51%	1 012 655	1 106 809	1 211 574	9,47%
The effect of a 50% decrease in the withdrawal rate is as follows:					
	Decrease:		Valuation		
	% Change	Valuation	basis		
Accrued liability	11,10%	14 761 255	13 286 154		
Current service cost	12,78%	1 372 904	1 217 358		
Interest cost	11,92%	1 238 713	1 106 809		
Decreasing the withdrawal rate increases the number of employees who remain employed until their forthcoming milestones. This increases the accrued liability.					
21. SERVICE CHARGES					
Sale of Electricity				158 467 158	147 440 283
Sale of Water				56 561 345	51 714 816
Sewerage and Sanitation Charges				55 957 090	52 123 931
Refuse Removal				31 252 145	29 697 172
				<u>302 237 738</u>	<u>280 976 202</u>
22. AGENCY SERVICES					
eNatis commission				<u>2 137 352</u>	<u>2 027 534</u>
The municipality is part of a principal-agent arrangements with the department of roads and transport to act as agent on their behalf where the municipalities collect the fees due from motor vehicle owners and simultaneously issue the new licences on behalf of the provincial government.					
23. INTEREST EARNED					
Outstanding Debtors:					
Outstanding Billing Debtors				<u>24 896 793</u>	<u>17 818 078</u>
External Investments:					
Bank Account				107 923	68 281

Investments

<u>1 008 907</u>	<u>1 033 922</u>
<u>1 116 830</u>	<u>1 102 203</u>

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	2025 R	2024 Restated* R
24. RENTAL OF FACILITIES AND EQUIPMENT		
Premises		
Rental of Facilities and Equipment	<u>758 100</u>	<u>969 552</u>
25. OTHER REVENUE		
Administrative charge	296 623	179 746
Building plan fees	401 451	324 074
Commission received	274 870	263 824
Tender deposits	53 282	32 499
Connections - Electricity	227 751	318 071
Cost recoveries	227 303	20 855
Burial and cemetery fees	124 735	95 890
Insurance proceeds	208 400	88 731
Library fees	2 849	9 050
Unallocated deposits revenue	3 256 718	158 578
Valuation certificates	329 922	301 288
Eskom Wheeling revenue	1 907 719	2 449 632
Sundry income	<u>139 762</u>	<u>90 574</u>
	<u>7 451 384</u>	<u>4 332 812</u>
26. LICENCES AND PERMITS		
Licences and permits	<u>883 602</u>	<u>743 429</u>
Included above are Drivers licence fees and learners licence fees.		
27. PROPERTY RATES		
Rates received		
Residential	24 386 183	16 364 758
Commercial	13 485 402	9 570 319
State	10 619 031	12 543 547
Small holdings and farms	<u>6 782 134</u>	<u>7 039 168</u>
	<u>55 272 750</u>	<u>45 517 792</u>
Valuations		
Residential	3 884 532 200	2 460 477 421
Commercial	993 672 800	672 876 600
State	638 443 200	790 664 260
Municipal	258 963 600	326 690 860
Agricultural	9 237 259 100	8 642 282 800
Exempt	296 691 800	279 053 810
Industrial	92 127 000	89 395 800
Multiple	<u>36 845 000</u>	<u>18 955 100</u>
	<u>15 438 534 700</u>	<u>13 280 396 651</u>

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	2025 R	2024 Restated* R
27. PROPERTY RATES (Continued)		
The last valuation was done prior to 1 July 2024. This valuation roll is effective for the period 1 July 2024 to 30 June 2029.		
The Dr Beyers Naude Local Municipality is established in terms of section 12 of the Local Government Municipal Structures Act of 199 (Act 117 of 1998), Government Gazette No.3717. Section 7 relating to the Valuation and Supplementary rolls states that the newly established municipality must continue to apply the valuation roll, supplementary roll, property rates policy, property rates By-laws and property rates tariffs that were in force in the former areas of the merging municipalities until it adopts a new general valuation roll in terms of section 30 of the Local Government Municipality Property Act, 2004 (Act 6 of 2004).		
28. FINES, PENALTIES AND FORFEITS		
Traffic fines	<u>21 609 643</u>	<u>1 303 700</u>
29. GOVERNMENT GRANTS AND SUBSIDIES		
Operating grants		
Equitable Share	121 571 000	114 382 000
Sarah Baartman - fire grant	2 600 000	2 097 570
DSRAC Library Grant	3 105 000	2 308 000
EPWP integrated grant	1 359 000	1 118 000
EPWP DEDEAT	2 332 000	-
Finance management grant	3 000 000	3 100 000
Sarah Baartman District Municipality - Maintenance project	2 200 000	-
SETA Training Grant	377 916	419 585
Department of Transport - Paving project	2 800 000	-
Sarah Baartman - Tourism grant	-	1 100 000
Human settlements Grant	178 376	95 670
	<u>139 523 292</u>	<u>124 620 825</u>
Capital grants		
Municipal infrastructure grant	23 438 000	22 273 999
Municipal Disaster Relief Grant	6 951 165	3 675 000
Water conservation and demand grant	25 199 130	26 250 000
Regional bulk infrastructure grant	-	20 066 135
	<u>55 588 294</u>	<u>72 265 134</u>
Total Government Grants and Subsidies	<u>195 111 587</u>	<u>196 885 959</u>
National: Equitable Share		
Current year receipts	121 571 000	114 382 000
Transferred to Revenue	(121 571 000)	(114 382 000)
In terms of Section 227 of the Constitution, this grant is used to enable the municipality to provide basic services and perform functions allocated to it. The Equitable Share grant also provides funding for the municipality to deliver free basic services to poor households and subsidise the cost of administration and other core services for the municipality.		
The prior year Government grants and subsidies balance has been restated. Refer to prior period errors note for information		
Municipal infrastructure grant - Conditional		
Current year receipts	23 438 000	22 273 999
Conditions met - transferred to Revenue	(23 438 000)	(22 273 999)

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	2025	2024
	R	Restated* R
29. GOVERNMENT GRANTS AND SUBSIDIES (Continued)		
Municipal infrastructure grant		
The Municipal Infrastructure Grant (MIG) was allocated for the construction of roads, basic sewerage and water infrastructure as part of the upgrading of poor households, micro enterprises and social institutions; to provide for new, rehabilitation and upgrading of municipal infrastructure. No funds have been withheld.		
DSRAC libraries grant		
Current year receipts	3 105 000	2 308 000
Transferred to Revenue	(3 105 000)	(2 308 000)
This grant was received from the Department of Sport, Recreation, Arts and Culture. This grant is used to support the maintenance of the library.		
Regional Bulk Infrastructure Grant - Conditional		
Current year receipts	-	20 066 135
Conditions met - transferred to Revenue	-	(20 066 135)
RBIG allocation is received from the department of water and sanitation to assist with drought alleviation in the municipality.		
The grant is received in tranches based on the spending by the municipality. The grant is therefore a reimbursement. Due to timing differences in reporting periods, an amount was spent in the prior year and claimed but the receipt of the grant was only in the new year.		
SETA Training Grant		
Current year receipts	377 916	419 585
Conditions met - transferred to Revenue	(377 916)	(419 585)
SETA grant is a mandatory funding received from MICT SETA derived from the skills levy paid by the municipality		
Finance Management Grant - Conditional		
Current year receipts	3 000 000	3 100 000
Conditions met - transferred to Revenue	(3 000 000)	(3 100 000)
The municipality utilised the grant for the employment of Financial Interns, training in line with competencies and the compilation of annual financial statements, audit improvement and mSCOA implementations.		
Sarah Baartman district - Fire services Grant		
Current year receipts	2 600 000	2 097 570
Transferred to Revenue	(2 600 000)	(2 097 570)
Received from Sarah Baartman DM to part fund the municipality carrying out the district mandate for fire services.		
Expanded Public Works Programme Integrated Grant		
Current year receipts	1 359 000	1 118 000
Transferred to Revenue	(1 359 000)	(1 118 000)
This grant is used pay stipends for unemployed youths through the EPWP programme.		

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	2025	2024
	R	Restated* R
29. GOVERNMENT GRANTS AND SUBSIDIES (Continued)		
Sarah Baartman district - Clean up project		
Current year receipts	-	1 100 000
Transferred to Revenue	-	(1 100 000)
Received from Sarah Baartman DM to fund the municipality carrying out specific clean up campaign in community services		
Water service infrastructure grant - Conditional		
Current year receipts	25 200 000	26 250 000
Transferred to Revenue	(25 199 130)	(26 250 000)
	870	-
The water services infrastructure grant is allocated to the municipality to assist in drought relief.		
Municipal Disaster Relief Grant - Conditional Operational		
Opening balance	6 410 000	-
Current year receipts	16 416 000	10 085 000
Transferred to Revenue	(6 951 165)	(3 675 000)
	15 874 835	6 410 000

Grant received from the Department of Cooperative Governance & Traditional Affairs to counter the effects floods in the form of a municipal disaster relief grant

30. PUBLIC CONTRIBUTIONS AND DONATIONS

Eskom Municipal debt relief revenue	-	133 241 239
Donations-in-Kind	170 000	12 680 549
Auditor-General debt waive	1 873 771	2 501 985
Public Contributions and Donations	2 043 771	148 423 773

The prior year Public contributions and donations balance has been restated. Refer to prior period errors note for information

31. EMPLOYEE RELATED COSTS

Basic Salaries and Wages	139 754 793	126 669 684
Bonus	10 836 975	10 034 538
Medical aid - company contributions	9 439 317	8 332 332
Unemployment insurance fund	992 685	917 352
Skills Development Levy	1 751 579	1 573 385
Pension fund contributions	22 753 753	21 226 130
Travel, Motor Car, Accommodation, Subsistence allowance	4 260 605	3 884 765
Overtime Payments	12 039 300	10 353 056
Housing Benefits and Allowances	423 531	388 930
Other allowances	2 080 595	2 009 458
	-	-
Total Employee Related Costs	204 333 133	185 389 630

The prior year Employer related cost balance has been restated. Refer to prior period errors note for information

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025 R	2024 Restated* R
31. EMPLOYEE RELATED COSTS (Continued)		
Remuneration of Municipal Manager		
Annual Remuneration	1 261 630	1 070 921
Contributions to UIF, Medical and Pension Funds	177 811	158 400
Allowances	290 067	262 420
	1 729 508	1 491 741
Remuneration of Chief Financial Officer		
Annual Remuneration	1 134 593	1 009 838
Contributions to UIF, Medical and Pension Funds	16 276	14 439
Allowances	301 030	204 936
	1 451 899	1 229 214
Remuneration of Director - Corporate Services		
Annual Remuneration	997 297	826 009
Contributions to UIF, Medical and Pension Funds	183 146	161 011
Allowances	271 030	245 436
	1 451 472	1 232 456
Remuneration of the Director - Planning and Engineering		
Annual Remuneration	1 129 094	942 766
Contributions to UIF, Medical and Pension Funds	16 280	14 301
Allowances	307 030	278 436
	1 452 403	1 235 503
Remuneration of Acting Director - Community Services		
Annual Remuneration	969 369	677 950
Contributions to UIF, Medical and Pension Funds	240 093	10 062
Allowances	177 269	177 187
	1 386 731	865 199
32. REMUNERATION OF COUNCILLORS		
Councillor remuneration and allowances	10 094 816	9 949 338
	10 094 816	9 949 338
		Total 2025
Councillor	Remuneration	Allowances
Mayor - Cllr W.J Safers	930 143	82 798
Speaker - Cllr C.W Felix	772 751	47 004
Executive committee - Cllr K.E Kekana	408 201	47 004
Executive committee - Cllr E.L Looek	381 662	73 543
Executive committee - Cllr E.A Ruiters	408 201	47 004
MPAC chairperson - Cllr T.L.A Plaatjies	305 975	47 004
Cllr A Arries	308 722	47 004
Cllr J.J Arries *	293 646	45 979
Cllr D.J Bezuidenhout	308 722	47 004
Cllr I.J Bolligelo	308 722	47 004
Cllr H Booyesen	308 722	47 004
Cllr M Deyzel	308 722	43 200
Cllr Y Frazenburg	308 722	47 004
Cllr X.N Galada	308 722	47 004

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	2025	2024	
	R	Restated* R	
32. REMUNERATION OF COUNCILLORS (Continued)			
Councillor	Remuneration	Allowances	Total 2025
Cllr K Hendricks	308 722	47 004	355 726
Cllr N.A.V Jacobs	308 722	47 004	355 726
Cllr A Koeberg	374 658	47 004	421 662
Cllr J.D Lomborg	308 722	47 004	355 726
Cllr A.S Nofemele	308 722	47 004	355 726
Cllr R.L Smith	308 722	47 004	355 726
Cllr T.R Spogter	403 147	47 004	450 151
Cllr A.R Van Heerden	308 722	47 004	355 726
Cllr I.J Van Zyl	308 722	47 004	355 726
Cllr J.J Williams	308 722	47 004	355 726
	<u>8 909 215</u>	<u>1 185 601</u>	<u>10 094 816</u>

* Served for portion of the year only

Councillor	Remuneration	Allowances	Total 2024
Mayor - Cllr W.J Safers	961 828	46 353	1 008 181
Speaker - Cllr C.W Felix	771 014	46 353	817 367
Executive committee - Cllr K.E Kekana	402 450	46 353	448 803
Executive committee - Cllr E.L Look	402 450	46 353	448 803
Executive committee - Cllr E.A Ruiters	402 450	46 353	448 803
MPAC chairperson - Cllr T.L.A Plaatjies *	372 983	46 353	419 336
Cllr A Arries	305 184	46 353	351 537
Cllr D.J Bezuidenhout	305 184	46 353	351 537
Cllr I.J Bolligelo	305 184	46 353	351 537
Cllr H Booyesen	305 184	46 353	351 537
Cllr M Deyzel	305 184	42 600	347 784
Cllr Y Frazenburg	305 184	46 353	351 537
Cllr X.N Galada	295 863	46 353	342 216
Cllr K Hendricks	305 184	46 353	351 537
Cllr N.A.V Jacobs	305 184	46 353	351 537
Cllr J.D Lomborg	305 184	46 353	351 537
Cllr A Mfundisi	305 184	46 353	351 537
Cllr A.S Nofemele	305 184	46 353	351 537
Cllr R.L Smith	305 184	46 353	351 537
Cllr T.R Spogter	402 450	46 353	448 803
Cllr A.R Van Heerden	305 184	46 353	351 537
Cllr I.J Van Zyl	303 738	46 353	350 091
Cllr G.J Wiehahn *	256 733	42 436	299 169
Cllr J.J Williams	305 184	46 353	351 537
	<u>8 844 536</u>	<u>1 104 802</u>	<u>9 949 338</u>

The Remuneration of Councillors is based on the upper limit as per the Government Gazette.

No in-kind benefits have been received by council

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	2025	2024
	R	Restated* R
33. DEBT IMPAIRMENT		
Debt impairment	111 214 169	88 665 591
Bad debts written off	30 180 788	22 450 410
Movement in VAT included in debt impairment	(8 418 414)	(9 849 333)
	132 976 544	101 266 668

Debt impairment is an assessment of the amounts that will not be recovered from the debtors, based on the municipality's policy.

The prior year Debt Impairment balance has been restated. Refer to prior period errors note for information.

34. DEPRECIATION AND AMORTISATION

Depreciation: Property, Plant and Equipment	54 332 553	58 001 170
Depreciation: Investment Property	41 366	41 366
Total Depreciation and Amortisation	54 373 919	58 042 536

The prior year Depreciation and Amortisation balance has been restated. Refer to prior period errors note for information.

35. IMPAIRMENT LOSS

Property, plant and equipment	2 432 038	241 985
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36. FINANCE COST

Long service award	1 154 977	1 226 129
Post retirement medical benefit	5 254 594	4 388 654
Trade and other payables	40 853 821	55 165 402
Municipal Debt Relief	57 092 041	22 320 643
	104 355 432	83 100 828

Finance cost for Long service and post retirement medical benefit disclosed separately for the net expense of employee benefits liabilities recognised in the statement of financial performance

37. BULK PURCHASES

Electricity	156 478 171	134 568 958
	156 478 171	134 568 958

38. OPERATIONAL COST

Unwinding of provision of landfill sites obligation	5 035 000	5 854 650
Advertising, Publicity and Marketing	185 743	187 101
Audit Fees - External	8 179 263	7 398 129
Bank Charges	555 015	764 598
Cash Shortage	209	7 110
Chemicals	8 020 616	5 893 766
Commissions	6 050 075	2 215 493
Communication	(10 332)	107 926
Consumables	15 153 071	11 882 951
Cost recoveries	39 315	79 006

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	2025	2024
	R	Restated* R
38. OPERATIONAL COST (Continued)		
Courier and Delivery Services	811 021	916 095
External Computer Services	4 369 400	3 820 650
Grants and Donations Made	120 000	120 000
Hire charges	1 126 209	642 734
Insurance underwriting	951 057	2 121 072
Inventories losses/write-downs	(266 681)	(6 510)
Levies	441 115	476 835
Motor vehicle expenses	8 957 166	10 691 363
Municipal service charges	7 177 833	6 372 690
Social clubs	17 883	-
Professional Bodies, Membership and Subscription	2 200 280	2 066 434
Remuneration to Ward Committees	972 000	995 250
Training and Seminars	1 232 862	721 710
Travel and subsistence	3 933 373	2 871 218
Uniform and Protective Clothing	317 972	950 244
Workmen's Compensation Fund	1 288 562	1 099 411
	76 858 028	68 249 926

39. CONTRACTED SERVICES

Consultants and professional services	5 160 602	4 465 362
Outsourced services	86 251 251	67 147 548
	91 411 853	71 612 910

REPAIRS AND MAINTENANCE

Repairs and maintenance is removed as a line item from the statement of financial performance in line with GRAP and implementation of mSCOA as it does not reflect the nature of the expense. It is disclosed in various other expenditure line items as stated below:

The following expenditure relating to repairs and maintenance projects were identified by the municipality:

Contracted services	18 073 711	6 590 032
Outsourced service - Technical	18 073 711	6 590 032
Operational cost	8 601 856	9 422 668
Consumables	7 317 578	9 129 381
IT maintenance	77 943	293 286
Hire charges	772 880	-
Motor vehicle expenses	433 455	-
Total	26 675 566	16 012 699

GRAP 17 requires disclosure of repairs and maintenance per asset class:

Buildings	306 592	1 766 643
Transport assets	6 660 953	2 348 314
Infrastructure assets	18 159 460	11 330 694
Community assets	846 239	262 410
Other assets	702 323	304 639
	26 675 566	16 012 699

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	2025	2024
	R	Restated* R
40. (GAINS)/LOSS ON DISPOSAL OF ASSETS		
(Gains)/Loss on disposal of property, plant and equipment	<u>8 673 244</u>	<u>(2 001 227)</u>

The municipality only transfers ownership or otherwise disposes of capital assets after the council, in a meeting open to the public, has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

41. OPERATING LEASES

Furniture and Office Equipment	5 471 271	4 875 223
Transport Assets	<u>8 445 613</u>	<u>8 937 815</u>
	<u>13 916 884</u>	<u>13 813 038</u>

Lease of voltage optimization System

The Municipality is a lessee as it has entered into operating leases for the use of voltage optimization equipment with Sky Metro Equipment (Pty) Ltd. These leases were negotiated for a three year term from 1 October 2021 to 30 September 2024, with no renewal clauses, purchase options or contingent rent or subleases. The lease payments do not carry any escalations per annum; therefore, the Municipality is required to straight line the lease payments.

The minimum lease payments due under the above lease are as follows: within one year: R0 (2024: R68 700) 2 – 5 years inclusive: R0 (2024: R0) over 5 years: R0 (2024: R0)

Lease of photocopiers

The Municipality is a lessee as it has entered into operating leases for the use of photocopiers and office equipment with Sky Metro Equipment (Pty) Ltd. These leases were negotiated for a two year term from 1 November 2022 to 30 October 2024, with no renewal clauses, purchase options or contingent rent or subleases. The lease payments do not carry any escalations per annum; therefore, the Municipality is required to straight line the lease payments.

The minimum lease payments due under the above lease are as follows: within one year: R907 023 (2024: R2 577 360) 2 – 5 years inclusive: R859 120 (2024: R859 120) over 5 years: R0 (2024: R0)

Lease of telephones system

The Municipality is a lessee as it has entered into operating leases for the use of telephones with Sky Metro. These leases were negotiated for a three year term from 1 November 2022 to 30 October 2025, with no renewal clauses, purchase options or contingent rent or subleases. The lease payments do not carry any escalations per annum; therefore, the Municipality is required to straight line the lease payments.

The minimum lease payments due under the above lease are as follows: within one year: R220 511 (2024: R661 534) and 2 – 5 years inclusive: R0 (2024: R220 511) over 5 years: R0 (2024: R0)

Lease of vehicles

The Municipality is a lessee as it has entered into operating leases for the use of vehicles with Sky Metro. These leases were negotiated for a three year term from 4 November 2023 to 30 October 2026, with no renewal clauses, purchase options or contingent rent or subleases. The lease payments do not carry any escalations per annum; therefore, the Municipality is required to straight line the lease payments.

The minimum lease payments due under the above lease are as follows: within one year: R8 276 184 (2024: R8 276 184) and 2 – 5 years inclusive: R2 758 728 (2024: R11 034 912)

At the Reporting Date the following minimum lease payments were payable under Non-cancellable operating leases for Property, Plant and Equipment, which are payable as follows:

Payable within 1 year	9 403 718	11 583 778
Payable within 2 to 5 years	<u>2 758 728</u>	<u>12 114 543</u>
	<u>12 162 446</u>	<u>23 698 321</u>

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	2025 R	2024 Restated* R
42. ACTUARIAL (LOSSES) / GAINS		
Actuarial (losses) / gains	614 304	(2 111 755)
	<u>614 304</u>	<u>(2 111 755)</u>
43. CASH GENERATED BY OPERATIONS		
Deficit for the Year	(241 770 210)	(26 245 311)
Adjustment for:		
Depreciation and Amortisation	54 373 919	58 042 536
Losses / (Gains) on Disposal of Property, Plant and Equipment	8 673 244	(2 001 227)
Debt impairment	132 976 544	101 266 668
Finance cost Other financial liabilities	22 221	1 673 167
Employee benefit obligation - Current service cost	3 508 813	2 548 694
Employee benefit obligation - Current interest cost	6 409 571	5 614 783
Employee benefit obligation - Subsidies paid	(2 506 753)	(2 478 937)
Employee benefit obligation - Actuarial gains	(614 304)	2 111 755
Provision non cash movement - Unwinding	5 790 250	3 981 830
Public contributions and donations	(2 043 771)	(15 182 534)
Municipal Debt Relief Revenue	-	(133 241 239)
Municipal Debt Relief Finance cost	57 092 040	22 320 643
Impairment loss	2 432 038	241 985
Operating surplus before working capital changes	<u>24 343 602</u>	<u>18 652 813</u>
Changes in working capital:		
Decrease/(Increase) in Inventories	(1 205 027)	(4 899 633)
Decrease/(Increase) in Receivables Exchange	(100 383 378)	(105 279 290)
Decrease/(Increase) in Statutory Receivables Non Exchange	(30 396 360)	(7 130 323)
Decrease/(Increase) in Other receivables	3 022 821	(3 527 904)
Increase/(Decrease) in Payables Exchange	176 447 743	160 580 071
Increase/(Decrease) in Payables Non Exchange	(1 541 539)	(1 950 653)
Decrease/(Increase) in VAT Accrual Receivable	(23 891 906)	(19 878 773)
Increase/(Decrease) in VAT Accrual Payable	(802 984)	579 901
Increase/(Decrease) in Unspent conditional grants Liability	9 465 706	6 410 000
Increase/(Decrease) in Consumer Deposits	358 718	35 446
Cash generated by Operations	<u>55 417 396</u>	<u>43 591 655</u>

The cash flow statement and related cash generated by operations has been restated for the prior year disclosure

44. PRIOR PERIOD ERRORS

During the year the following errors were discovered in the prior year annual financial statements and the financial accounting system. These errors have been corrected retrospectively through restatements of prior year through journals in the financial accounting system and correcting the misrepresented prior year column on the annual financial statements.

STATEMENT OF FINANCIAL POSITION	Previously reported	Reclassified	Correction of error	Restated 2024
Current Assets				
VAT Accrual Receivable	39 127 307	37 192 974	(19 886)	76 300 396
Other receivables	5 865 736	(1 303 700)	24 179	4 586 215
Receivables from Non-exchange transactions	4 861 464	1 303 700	-	6 165 164
Receivables from Exchange transactions	29 903 518	-	58 277	29 961 795
Investment Property	27 292 764	(643 474)	-	26 649 290
Property, Plant and Equipment	1 071 247 674	643 474	235 576	1 072 126 725

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

			2025	2024
			R	Restated* R
44. PRIOR PERIOD ERRORS (Continued)				
STATEMENT OF FINANCIAL POSITION				
	Previously reported	Reclassified	Correction of error	Restated 2024
Current Liabilities				
VAT Accrual Payable	-	34 982 200	(33 010 523)	1 971 677
Payables from Exchange Transactions	345 532 010	2 210 774	262 246	348 005 030
Payables from Non-exchange Transactions	4 925 470	-	(600 000)	4 325 470
TOTAL ASSETS	1 207 365 390	37 192 974	298 147	1 244 856 511
TOTAL LIABILITIES	792 940 246	37 192 974	(33 348 277)	796 784 944
STATEMENT OF FINANCIAL PERFORMANCE				
Revenue from Non-exchange Transactions				
Government grants and subsidies	196 285 959	-	600 000	196 885 959
Public contributions and donations	148 345 000	-	78 773	148 423 773
Gains on disposal of assets	2 001 219	-	8	2 001 227
Expenditure				
Employee related costs	(185 178 029)	-	(211 601)	(185 389 630)
Remuneration of councillors	(9 973 517)	-	24 179	(9 949 338)
Debt impairment	(111 116 001)	-	9 849 333	(101 266 668)
Depreciation and amortisation	(59 075 815)	-	1 033 279	(58 042 536)
Operational Cost	(68 216 994)	-	(32 932)	(68 249 926)
Contracted Services	(71 605 423)	-	(7 487)	(71 612 910)
ACCUMULATED SURPLUS adjustments				
Opening balance as previously reported	(452 004 005)	-	-	(452 004 005)
Prior period errors impacting opening balance:				
Property, Plant and Equipment			876 484	876 484
VAT Payables Accrual			(23 161 190)	(23 161 190)
Payables from Exchange Transactions		-	(28 166)	(28 166)
Balance at 01 July 2023 as restated	(452 004 005)	-	(22 312 872)	(474 316 877)
Deficit for the year	37 578 863	-	-	37 578 863
Prior period errors impacting deficit for the year:				
Government grants and subsidies		-	(600 000)	(600 000)
Public contributions and donations		-	(78 773)	(78 773)
Gains on disposal of assets			(8)	(8)
Employee related costs		-	211 601	211 601
Remuneration of councillors			(24 179)	(24 179)
Debt impairment		-	(9 849 333)	(9 849 333)
Depreciation and amortization		-	(1 033 279)	(1 033 279)
Operational cost		-	32 932	32 932
Contracted Services		-	7 487	7 487
Balance at 01 July 2024 as restated	(414 425 142)	-	(33 646 424)	(448 071 566)
STATEMENT OF CASH FLOW STATEMENT				
Cash flow from operating activities				
Rates and services	220 021 953	-	1 098 948	221 120 901
Government grants and subsidies	202 695 959	-	600 000	203 295 959
Public contributions and donations	2 501 985	-	(2 501 985)	-
Interest - investment	1 102 203	-	17 818 078	18 920 281
Employee cost	(193 069 693)	-	82 456	(192 987 237)

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			2025	2024
			R	Restated* R
44. PRIOR PERIOD ERRORS (Continued)				
STATEMENT OF CASH FLOW STATEMENT	Previously reported	Reclassified	Correction of error	Restated 2024
Suppliers	(113 847 876)	-	(39 418 138)	(153 266 014)
Interest paid	<u>(75 812 878)</u>	-	<u>22 320 643</u>	<u>(53 492 235)</u>
Net cash flow from operating activities	<u>43 591 653</u>	-	-	<u>43 591 655</u>
Cash flow from investing activities				
Purchase of property, plant and equipment	(50 715 527)	-	959	(50 714 569)
Proceeds from sale of property, plant and equipment	<u>17 142 676</u>	-	<u>(959)</u>	<u>17 141 717</u>
	<u>(33 572 851)</u>	-	-	<u>(33 572 852)</u>

DESCRIPTION OF ERRORS**VAT Receivables/Payables accrual**

- Appropriate accounting was performed in line with the Accounting Standards Board developed VAT fact sheet 11. This required a split between the VAT control and VAT accrual and further split of VAT accrual between the Input and Output accrual.
- The VAT output accrual required an adjustment for the impact of the provision for doubtful debts and the relevant VAT implications. The VAT was previously not adjusted for and the full movement of debt provision was recognised in the deficit.
- Debt impairment expense and Payables from Exchange is impacted by this restatement

Receivables from Exchange Transactions

- A contract employee was not terminated on the system after the term expired which meant the employee was continuously paid for work not done. The individual was requested to repay and an account was opened for him.
- Employee related costs expense is impacted by this restatement

Other Receivables

- The fines accrual balance was incorrectly disclosed as Other receivables but are arise by law and contravention by individual which makes it a Statutory receivables. This balance is therefore transferred from other to Statutory receivables.
- Statutory Receivables from Non-Exchange Transactions is impacted by this restatement

Property, Plant and Equipment

- An asset item was donated to the municipality by Sarah Baartman District Municipality but not accounted for in the correct financial year since information was not provided to the Assets department. Identified during physical verification that took place
- Public contributions and donations revenue and Depreciation expense is impacted by this restatement
- Certain buildings on the register was not appropriately componentized which has been corrected in the current year
- An item of Work in progress in the prior year was completed before 30/06/2024 resulting in error in classification
- Some land parcels classified as Investment property had changed their classification to owner use/service delivery. This reclassification is not relevant to the current but rather prior years. Transferred to Property, plant and equipment.
- The classification of Landfill sites was revisited with amounts being reclassified to Buildings and Infrastructure under PPE in order to align with GRAP 17 reporting of classes of assets.

Payables from Non-Exchange Transactions

- An amount received by the municipality for grants was unallocated and sitting as a payable. This amount relates to the Sarah Baartman Fire Grant and reallocated accordingly.
- Government grants and subsidies revenue is impacted by this restatement

Payables from Exchange Transactions

- Non-moving items were investigated and we noted that some items have been duplicated and old debt prescribed
- The Department of Water Affairs incorrectly charged Dr Beyers Naude Municipality for borehole fees which related to other municipalities. A credit note was issued and corrected accordingly
- Short payments to the "SALA pension fund" due to rates changes that took place during 2020/21. The company contribution is affected and the additional liability is being recognised
- VAT receivable accrual and employee related cost expense is impacted by this restatement

Other prior period adjustments

- The Cash flow and related notes were restated for prior years to improve the disclosure of information in line with GRAP 2
- Adjustment in terms of GRAP 109 was required to ensure adequate disclosure of principal-agent information

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	R	Restated* R
45. COMMITMENTS		
Authorised capital expenditure contracted for but not provided for		
Total Capital Commitments	69 956 638	79 181 772

A significant portion (98%) of the committed expenditure relates Infrastructure and will be financed by Government Grants and own resources

This expenditure will be financed from:

Government Grants	69 139 958	79 181 772
Own Resources	816 679	-
	69 956 638	79 181 772

46. UNAUTHORISED EXPENDITURE**Reconciliation of Unauthorised Expenditure:**

Opening balance	203 799 755	622 642 629
Add: Unauthorised Expenditure current year	193 465 939	98 023 159
Less: Approved by Council or condoned	(203 799 755)	(516 866 033)
Unauthorised Expenditure awaiting authorisation	193 465 939	203 799 755

The unauthorised expenditure additions are primarily related to the overspending of budget votes as defined in the MFMA:

Budgeted votes exceeded:-	Amount	Status
Vote 4 - CORPORATE SERVICES: COMM SERV	11 267 934	To be investigated and considered by council
Vote 5 - CORPORATE SERVICES: PROTECTION	16 326 210	To be investigated and considered by council
Vote 6 - FINANCIAL SERVICES	85 359 935	To be investigated and considered by council
Vote 7 - TECHNICAL SERVICES: ENGINEERING	75 423 909	To be investigated and considered by council
Vote 8 - TECHNICAL SERVICES: ELECTRICAL	5 087 952	To be investigated and considered by council
	193 465 939	

47. FRUITLESS AND WASTEFUL EXPENDITURE**Reconciliation of Fruitless and Wasteful expenditure:**

Opening balance	128 634 462	114 018 441
Add: Fruitless and Wasteful Expenditure current year	40 831 600	53 492 236
Less: Written off by Council	(128 634 462)	(38 876 214)
Fruitless and wasteful expenditure awaiting authorisation	40 831 600	128 634 462

Details of Fruitless and Wasteful Expenditure

Interest charged by CJ Bouwer	16 842	-
Interest charged by Amatola water board	48 245	56 426
Interest charged by Auditor General	138 011	286 686
Interest Charged by Eskom	36 483 708	42 645 175
SARS penalties and interest	3 595 843	4 717 571
Interest charged by the department of water and sanitation	143 319	311 483
Interest charged by MDL Electrical	18 988	-
Interest charged by Workmans compensation fund	345 080	768 456
Interest and Penalties charged by Pension Funds	-	4 632 369
Interest charged by Piet Viljoen Motors	26 081	8 843
Interest charged to LA Health	-	62 908
Interest charged by other	15 483	2 318
	40 831 600	53 492 236

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	R	Restated* R
48. IRREGULAR EXPENDITURE		
Reconciliation of Irregular Expenditure:		
Opening balance	168 819 902	465 058 814
Add: Irregular Expenditure current year	47 073 636	61 772 835
Less: Written off by Council	<u>(168 819 902)</u>	<u>(358 011 747)</u>
Irregular Expenditure awaiting authorisation	<u>47 073 636</u>	<u>168 819 902</u>

49. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

Goods and services to the value of R11 535 266 (2024 - R14 090 816) were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

Incidents

Deviations due to Emergency procurement	2 713 265	4 461 467
Deviations due to Sole supplier procurement	1 204 247	491 066
Deviations due to impracticality of following SCM processes	<u>7 617 754</u>	<u>9 138 283</u>
	<u>11 535 266</u>	<u>14 090 816</u>

50. RELATED PARTIES**Relationships**

Mayor		Cllr W.J Safers
Speaker		Cllr C.W Felix
Executive committee		Cllr E.A Ruiters
Executive committee		Cllr E.L Loock
Executive committee		Cllr K.E Kekana
MPAC chairperson		
Councillor	Cllr A Arries	Cllr T.R Spogter
Councillor	Cllr D.J Bezuidenhout	Cllr J.D Lomborg
Councillor	Cllr I.J Bolligelo	Cllr A Mfundisi-Koeberg
Councillor	Cllr H Booysen	Cllr A.S Nofemele
Councillor	Cllr I.J Van Zyl	Cllr T.L.A Plaatjies
Councillor	Cllr M Deysel	Cllr R.L Smith
Councillor	Cllr Y.D Frazenburg	Cllr A.R Van Heerden
Councillor	Cllr K Hendricks	Cllr J.J Arries *
Councillor	Cllr N.A.V Jacobs	Cllr J.J Williams
Councillor	Cllr X.M Galada	
Municipal manager		Dr. E.M Rankwana
Director of engineering and planning		B Arends
Chief financial officer		J. Joubert
Director of Corporate Services		Z. Kali
Acting Director of Community Services		E. Abader

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	2025	2024	
	R	Restated* R	
50. RELATED PARTIES (Continued)			
The mayor and councillors only received remuneration as set out in Note 32. Rates and municipal services were in line with other customers, see note 6.			
The Section 57 managers only received remuneration as set out in Note 31. Rates and municipal services were in line with other customers.			
All councillors and employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.			
All related government entities transactions, including the district municipality, such as rates and municipal services were in line with government legislation.			
The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.			
The municipality did not have any transactions with related parties listed during the financial year.			
51. PRINCIPAL-AGENT ARRANGEMENTS			
The municipality is party to a principal-agent arrangement for the prepaid electricity sales. In terms of the arrangement the municipality is the principal and the agent is responsible for the prepaid vending sales and collection on our behalf. Utilities world (agent) was the prepaid vendor where the contract expired during the 2024/25 financial year and re-appointed following a fresh tender bid process. No significant change in the terms and conditions occurred. No significant risk arises as the vendor is required to deposit the weekly cash to the municipality which remains enforced. A sudden termination of the contract would have major consequences for the municipality and community, the risk which is monitored weekly with the deposits.			
Cash of the municipality that are under the custodianship of the agent	-	1 786 361	
Fee paid as commission to the agent	2 234 512	2 011 025	
52. FINANCIAL INSTRUMENTS			
52.1 Classification			
The Municipality recognised the following financial instruments:			
<u>Financial Assets</u>			
In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:			
Cash and Cash Equivalents	27 808 885	9 366 017	
Receivables from Exchange transactions	22 541 297	29 961 795	
Other receivables	1 563 394	4 586 215	
Total	<u>51 913 576</u>	<u>43 914 027</u>	
<u>Financial Liabilities</u>			
In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:			
Other financial liabilities	Amortized cost	-	1 049 339
Payables from exchange transactions	Amortized cost	462 521 570	262 179 290
Municipal Debt Relief financial liabilities	Fair value	398 279 010	341 186 970
Total		<u>860 800 580</u>	<u>604 415 599</u>

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	2025	2024	
	R	Restated* R	
52. FINANCIAL INSTRUMENTS (Continued)			
52.2 Risk management			
Liquidity risk			
The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.			
The municipality aims to maintain flexibility in funding by keeping committed credit lines available. The municipality manages a budget which is updated regularly and reported to the municipal management and the council.			
The table below analyses the municipalities financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.			
At 30 June 2025	Maturity less than a year	Maturity more than a year	Total
Payables from exchange transactions	462 521 570	-	462 521 570
Municipal Debt Relief financial liabilities	398 279 010	-	398 279 010
At 30 June 2024	Maturity less than a year	Maturity more than a year	Total
Payables from exchange transactions	262 179 290	-	262 179 290
Other financial liabilities	1 049 339	-	1 049 339
Municipal Debt Relief financial liabilities	126 316 271	214 870 699	341 186 970
Liquidity risk is mainly concentrated on the trade and other payables balance.			
The municipality does not have any collateral and /or credit enhancements that aid in the mitigation of the liquidity risks.			
Credit risk			
Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.			
Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.			
Financial assets exposed to credit risk at year end were as follows:			
Financial instrument			
Cash and cash equivalents		27 808 885	9 366 017
Receivables from exchange transactions		22 541 297	29 961 795

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	R	Restated* R
52. FINANCIAL INSTRUMENTS (Continued)		
52.2 Risk management (Continued)		
Market risk		
Interest rate risk		
The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Interest rate risk is managed by investing any surplus funds into high yield investments. The resultant interest earned is likely to offset interest paid, as both are linked to prime rates.		
Foreign currency risk		
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The financial instruments of the Municipality is not directly exposed to any currency risk.		
53. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
53.1 Contributions to organised local government - SALGA		
Opening Balance	5 783 887	6 791 076
Current year subscription/fee	2 105 163	1 957 811
Amount Paid - current year	<u>(2 100 000)</u>	<u>(2 965 000)</u>
Balance Unpaid (included in Creditors)	<u>5 789 050</u>	<u>5 783 887</u>
53.2 Audit Fees		
Opening Balance	1 461 447	2 203 073
Current year Audit Fee	9 406 152	8 470 548
Credit note and adjustments	(1 856 372)	(2 590 597)
Amount Paid - current year	<u>(7 243 283)</u>	<u>(6 621 576)</u>
Balance Unpaid (included in Creditors)	<u>1 767 945</u>	<u>1 461 447</u>
53.3 VAT Control Payable		
The VAT Control (payable) balances are shown in Note 14. All VAT returns have been declared and submitted.		
53.4 PAYE, Skills Development Levy and UIF		
Opening Balance	43 730 687	39 379 499
Current year Payroll Deductions	32 110 187	27 978 875
Amount Paid - current year	(61 097 805)	(30 355 062)
Adjustment	3 031 521	6 727 374
Balance Unpaid (included in Creditors)	<u>17 774 590</u>	<u>43 730 687</u>
53.5 Pension and Medical Aid Deductions		
Opening Balance	26 166 926	37 788 500
Current year Payroll Deductions and Council Contributions	49 771 434	41 936 339
Amount Paid - current year	(59 197 697)	(54 894 690)
Adjustment	65 603	1 336 777
Balance Unpaid (included in Creditors)	<u>16 806 267</u>	<u>26 166 926</u>

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	2025	2024	
	R	Restated*	R
53. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)			
53.6 Councillor's arrear Consumer Accounts			
The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2025			
	Outstanding up to 90 days	Outstanding more than 90 days	Total
30 June 2025			
Cllr E.L. Loock	3 332	53	3 385
Cllr D Bezuidenhout	7 814	8 112	15 926
Cllr I Bolligelo	2 031	30 274	32 305
Cllr A Koeberg	-	7 863	7 863
Cllr Y Frazenburg	4 422	59 047	63 470
Cllr T.R. Spogter	2 550	4 471	7 021
Cllr X Galada	1 835	58 592	60 427
Cllr K Hendricks	1 936	1 652	3 588
Cllr N Jacobs	3 221	2 565	5 786
Cllr J Lomborg	2 895	13 034	15 929
Cllr J.J. Williams	799	249	1 048
Cllr A Arries	1 936	43 410	45 346
Cllr K Kekana	2 334	25 117	27 451
Cllr E Ruiters	1 626	37 594	39 220
Cllr R Smith	2 545	28 165	30 710
Cllr A Nofemele	2 673	18 060	20 733
	41 949	338 259	380 208
30 June 2024			
Cllr D Bezuidenhout	6 589	8 589	15 178
Cllr I Bolligelo	1 905	20 390	22 296
Cllr Y Frazenburg	1 750	26 704	28 454
Cllr X Galada	1 830	49 063	50 893
Cllr K Hendricks	1 846	1 456	3 302
Cllr N Jacobs	3 076	3 382	6 458
Cllr J Lomborg	1 921	797	2 718
Cllr J.J. Williams	681	5 135	5 816
Cllr A Arries	1 846	35 542	37 388
Cllr K Kekana	2 229	14 165	16 395
Cllr E Ruiters	1 550	28 765	30 315
Cllr R Smith	2 096	16 602	18 698
Cllr A Nofemele	4 336	6 145	10 481
	31 655	216 735	248 390

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	R	Restated* R
54. DISTRIBUTION LOSSES - ELECTRICITY		
Electricity units (kWh) purchased from Eskom	73 659 556	71 063 745
Electricity units (kWh) sold to customers	<u>(64 693 717)</u>	<u>(65 589 107)</u>
	<u>8 965 838</u>	<u>5 474 638</u>

Electricity losses occur due to inter alia, technical and non-technical losses. (Technical losses - Inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections). The problem with tampered meters/illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

Electricity losses for the financial year is 12,2% (2024 - 7,7%) of purchased electricity. The Rand value of the electricity losses for the period ending 30 June 2025 is R13 901 931 (2024 - R7 754 985)

55. DISTRIBUTION LOSSES - WATER

Balance at the beginning of the year in reservoirs and pipes	21 680	35 836
Water Units produced	4 568 437	4 839 029
Water Units sold	(2 214 595)	(2 654 068)
Balance at the end of the year in reservoirs and pipes	<u>(21 680)</u>	<u>(21 680)</u>
Non revenue water	<u>2 353 842</u>	<u>2 199 117</u>

Water losses occur due to inter alia, leakages, tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as they are reported.

Water losses for the financial period amounted to 51,52% (2024 - 45,15%) of water produced. The Rand value of the water losses for the period ending 30 June 2025 is R59 998 664 (2024 - R53 334 903).

56. CONTINGENCIES

Contingencies arise from pending litigation on contractual disputes and damage claims. As the conclusion of the process is dependent on the setting of the dates by the respective courts, the timing of the economic outflow is therefore uncertain:

Harold Stephanus Kruger - Mr Kruger instituted a claim for damages suffered resulting from injuries caused after he allegedly fell into a ditch along a sidewalk.

Eskom - The Municipality is in dispute with Eskom for charging much higher tariffs than allowed and for years not reimbursing the Municipality for the utilization of it's electrical network to supply Eskom customers in Municipal area. An amount was offered by Eskom however the municipality considers the amount to be much lower than the true amount which cannot be determined at this stage. The matter is outstanding.

Ilinge Labantu Training Institute CC - The plaintiff claims outstanding money for various training services rendered.

Bay Projects Coastal (Pty) Ltd - Served formal demand on Bay Projects for repayment of R1,269,768. Legal costs anticipated with uncertainty on the amount when it goes to trial

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	R	Restated* R
56. CONTINGENCIES (Continued)		
<u>Andries Oelofse</u> - Mr Oelofse instituted legal action for damages resulting from injuries he suffered after allegedly falling on the pavement in Jansenville.		
<u>R Adams</u> - The applicant is claiming for injuries and damages suffered resulting from her son who fell from an approximately 3 metre high pedestrian wall at Hope Street Graaff-Reinet.		
<u>SE Zaayman</u> - Plaintiff is suing for damages resulting from a motor vehicle collision with a Mun vehicle driven by a Mun employee.		
<u>L Meshilinie</u> - A bargaining council decision to reinstate an employee that was dismissed by the municipality may have financial implication for remuneration and benefits lost. An application to review the sanction is in progress.		
<u>SB Payne</u> - The vehicle of the applicant collided with a municipal vehicle and claim was instituted against the municipality.		
<u>CP Boesak</u> - Possible claim may be instituted for Clayton Boesak who was hospitalised for stadium gate that collapsed on him causing severe injuries		
<u>W Berrington</u> - Former director lodged claim against the municipality for performance evaluations not yet paid out where the individual believes he qualified for 3 years.		
The table below summarises the potential financial impact of the law suits:		
<u>Contingent Assets</u>		
Bay Projects Coastal (Pty) Ltd	1 269 768	1 269 768
	1 269 768	1 269 768
<u>Contingent Liabilities</u>		
Ilinge Labantu Training Institute CC	28 000	28 000
Harold Stephanus Kruger	400 000	400 000
Andries Oelofse	314 747	314 747
CP Boesak	10 000 000	-
R Adams	11 224 922	5 000 000
SE Zaayman	31 036	31 036
SB Payne	202 825	202 825
W Berrington	1 473 024	-
	23 674 554	5 976 608

57. EVENTS AFTER REPORTING DATE

No events occurred post year end that requires specific disclosure

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2025	2024
R	Restated* R

58. GOING CONCERN

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

The current assets of the municipality of R173 302 998 (2024 - R134 982 821) are exceeded by the current liabilities of R947 781 192 (2024 - R495 461 809). The net current liabilities amounts to R774 478 194 (2024 - R360 478 988) and results in a current ratio of 0,18:1 (2024 - 0,27:1). The position casts some doubt on the ability to continue as a going concern.

The following material uncertainties of the financial statements are noted which casts significant doubt on the ability of the municipality's going concern status.

The municipality incurred a deficit of R241 770 210 during the 2025 financial year and is an increase in the deficit from the 2024 financial year of R26 245 311. This is mainly attributable to the municipal debt relief revenue in 2024.

The municipality faces severe financial challenges, primarily due to poor payment practices and excessive liabilities. It takes an average of 395 days to settle debts, with overdue payments making up 55.53% of budgeted expenditure. Its Debt/total borrowing ratio is 159%, significantly above the 45% norm, and current liabilities exceed next year's budget resources by 172%.

Additionally, the municipality's cash flow is compromised, with a liquidity ratio of only 0.03:1 against the required 1:1. Revenue collection is sluggish, with debtors taking 47 days to pay, and a 91% debtors' impairment provision raises concerns about cash conversion.

Maintenance expenditures are critically low, at 2% against a recommended 8%, and distribution losses in electricity and water exceed acceptable limits. Ultimately, these issues point to ineffective financial management and a declining asset base, posing risks to the municipality's operational sustainability.

The municipality's sustainability as a going concern depends on key factors, primarily reliant on government grants for fulfilling its legislative duties. Ongoing efforts by the management to secure funding from national and provincial government, improved collection rates through updated credit control policies, and community engagement are critical. Additionally, cost containment strategies and collaboration with COGTA and MECs for local government and finance for support amid amalgamation challenges are necessary. The council has sanctioned a financial recovery and approved a budget funding plan, which is continuously monitored.

59. SEGMENT REPORTING**General information**

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

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2025	2024
R	Restated* R

59. SEGMENT REPORTING (Continued)

The Municipality has several departments/functional areas and accordingly the segments were aggregated for reporting purposes as follow:

Reportable segment	Goods and/or services delivered
Community and Social services	Community Halls, Cemeteries, Libraries, Parks and Sports fields
Energy sources	Electricity related services
Planning and Development	Town Planning, Economic Development, Corporate Planning / Project Management Unit
Public Safety	Traffic control, Animal pounds, Public Nuisances, Fencing, Licensing and Control of Animals
Waste Water Management	Sewerage, Sanitation, Storm Water Management and Public Toilets
Waste management	Solid Waste Removal, Landfill Sites, Recycling and Street Cleaning
Water Management	Water treatment and supply

Non-Reportable segment

The reconciling items listed are items under the directorates that do not form part of the segments (not contributing directly to service delivery and revenue generation), namely:

- Executive and council
- Finance and administration
- Internal audit
- Sport and recreation

The Non-Reportable Segment is added to reconcile back to the Statement of Financial Position and the Statement of Financial Performance as required by GRAP 18.

Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas (i.e. wards), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

The prior year notes were restated to align the disclosure with the new format.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

59. REPORTABLE SEGMENTS (Continued)

Figures in Rand

30 JUNE 2025									
Segment Revenue	Community and Social Services	Energy Sources	Planning and Development	Public Safety	Waste Water Management	Waste management	Water Management	Non- Reportable segments	TOTAL
Service Charges	-	158 467 158	-	-	55 957 090	31 252 145	56 561 345	-	302 237 738
Income from agency services	-	-	-	2 137 532	-	-	-	(180)	2 137 352
Interest revenue	-	1 496 795	-	-	8 572 137	6 182 065	4 938 206	3 707 590	24 896 793
Interest revenue - Investments	-	-	-	-	-	-	-	1 116 830	1 116 830
Rental of facilities and equipment	68 877	-	-	-	-	-	22 437	666 786	758 100
Other Income	127 583	2 327 183	467 407	24 535	73 943	-	41 869	4 388 864	7 451 384
Licences and permits	-	-	-	883 602	-	-	-	-	883 602
Property rates	-	-	-	-	-	-	-	55 272 750	55 272 750
Fines	-	-	-	21 609 643	-	-	-	-	21 609 643
Government grants and subsidies	3 105 000	-	2 529 085	24 867 915	2 200 000	-	32 150 294	130 259 292	195 111 587
Public contributions and donations	-	-	-	-	-	-	-	2 043 771	2 043 771
Total segment revenue	3 301 461	162 291 137	2 996 492	49 523 226	66 803 170	37 434 209	93 714 150	197 455 703	613 519 548

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

59. REPORTABLE SEGMENTS (Continued)

Figures in Rand

	30 JUNE 2025								
Segment Expenditure	Community and Social Services	Energy Sources	Planning and Development	Public Safety	Waste Water Management	Waste management	Water Management	Non- Reportable segments	TOTAL
Employee related costs	4 601 358	13 965 462	19 740 155	27 341 706	10 130 833	17 148 918	16 181 168	95 223 532	204 333 133
Remuneration of councillors	-	-	-	-	-	-	-	10 094 816	10 094 816
Debt impairment	-	2 531 997	-	14 343 813	42 310 894	26 801 917	36 159 069	10 828 854	132 976 544
Depreciation and amortization	176 393	2 874 006	135 646	7 779 661	13 278 371	300 495	26 631 997	3 197 350	54 373 919
Impairment Losses	147 367	29 537	164 486	-	519 254	552 702	893 673	125 019	2 432 038
Finance cost	-	-	-	-	-	-	-	104 355 432	104 355 432
Bulk purchases	-	156 478 171	-	-	-	-	-	-	156 478 171
Operational cost	383 491	8 483 404	1 606 116	8 172 264	8 749 965	7 903 512	12 368 873	29 190 403	76 858 028
Contracted services	412 876	4 639 823	291 228	4 555 918	44 309 400	5 085 723	12 782 708	19 334 177	91 411 853
Operating leases	-	-	-	-	-	-	-	13 916 884	13 916 884
Loss on disposals of assets	-	-	-	-	-	-	-	8 673 244	8 673 244
Actuarial gains n losses	-	-	-	-	-	-	-	(614 304)	(614 304)
Total segment expenditure	5 721 485	189 002 400	21 937 631	62 193 362	119 298 716	57 793 268	105 017 488	294 325 408	855 289 758
Surplus/(Deficit) for the year	(2 420 024)	(26 711 263)	(18 941 139)	(12 670 136)	(52 495 546)	(20 359 059)	(11 303 338)	(96 869 705)	(241 770 209)
Capital expenditure	-	710 156	258 942	229 188	10 176 353	2 572 932	17 062 761	5 920 112	36 930 444
Reconciling - Capital acquisitions	-	710 156	258 942	229 188	10 176 353	2 572 932	17 062 761	5 920 112	36 930 444

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

59. REPORTABLE SEGMENTS (Continued)

Figures in Rand

30 JUNE 2024									
Segment Revenue	Community and Social Services	Energy Sources	Planning and Development	Public Safety	Waste Water Management	Waste management	Water Management	Non- Reportable segments	TOTAL
Service Charges	-	147 440 283	-	-	52 123 931	15 229 787	66 182 201	-	280 976 202
Income from agency services	-	-	-	2 027 534	-	-	-	-	2 027 534
Interest revenue	-	1 423 411	-	-	5 223 112	4 517 511	4 495 874	2 158 171	17 818 078
Interest revenue - Investments	-	-	-	-	-	-	-	1 102 203	1 102 203
Rental of facilities and equipment	80 884	-	-	-	-	-	22 437	866 231	969 552
Other Income	105 863	2 745 457	463 424	2 583	45 431	-	36 192	933 861	4 332 812
Licences and permits	-	-	-	743 429	-	-	-	-	743 429
Gains/Loss on disposals of assets	-	-	-	-	-	-	-	2 001 227	2 001 227
Property rates	-	-	-	-	-	-	-	45 517 792	45 517 792
Fines	-	-	-	1 303 700	-	-	-	-	1 303 700
Government grants and subsidies	2 308 000	-	2 404 534	2 097 571	1 100 000	-	49 991 134	138 984 719	196 885 959
Public contributions and donations	-	133 241 239	78 774	-	-	-	-	15 103 760	148 423 773
Total segment revenue	2 494 746	284 850 391	2 946 733	6 174 817	58 492 474	19 747 297	120 727 838	206 667 965	702 102 262

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2025

59. REPORTABLE SEGMENTS (Continued)

Figures in Rand

30 JUNE 2024									
Segment Expenditure	Community and Social Services	Energy Sources	Planning and Development	Public Safety	Waste Water Management	Waste management	Water Management	Non- Reportable segments	TOTAL
Employee related costs	4 262 319	13 857 192	18 267 876	14 642 642	7 792 523	14 704 994	14 104 979	97 757 107	185 389 630
Remuneration of councillors	-	-	-	-	-	-	-	9 949 338	9 949 338
Debt impairment	-	659 309	-	-	34 883 299	22 986 613	37 006 620	5 730 827	101 266 668
Depreciation and amortization	188 453	3 070 500	53 358	(94 379)	14 186 204	321 040	28 495 479	11 821 883	58 042 536
Impairment Losses	-	-	-	-	-	-	241 985	-	241 985
Finance cost	-	-	-	-	-	-	-	83 100 828	83 100 828
Bulk purchases	-	134 568 958	-	-	-	-	-	-	134 568 958
Operational cost	769 567	6 690 357	1 688 054	1 837 929	7 662 123	9 305 719	9 445 689	30 850 488	68 249 926
Contracted services	-	3 954 538	235 788	-	34 710 338	3 885 179	11 717 769	17 109 299	71 612 910
Operating leases	-	-	-	-	-	-	-	13 813 038	13 813 038
Actuarial gains n losses	-	-	-	-	-	-	-	2 111 755	2 111 755
Total segment expenditure	5 220 339	162 800 853	20 245 075	16 386 191	99 234 487	51 203 544	101 012 520	272 244 562	728 347 572
Surplus/(Deficit) for the year	(2 725 592)	122 049 537	(17 298 343)	(10 211 374)	(40 742 013)	(31 456 247)	19 715 318	(65 576 597)	(26 245 310)
Capital expenditure	-	3 057 876	286 198	-	-	23 133 205	29 394 495	6 221 366	62 093 140
Reconciling - Capital acquisitions	-	3 057 876	286 198	-	-	23 133 205	29 394 495	6 221 366	62 093 140

Report of the Auditor-General to the Eastern Cape Provincial Legislature and the council of Dr Beyers Naude Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of Dr Beyers Naude Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of Dr Beyers Naude local municipality as at 30 June 2025, and its financial performance and cash flows for the year then ended 30 June 2025 in accordance with the Standards of Generally Recognised accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for qualified opinion

Property rates

3. I was unable to obtain sufficient appropriate audit evidence that property rates were billed for all properties, as the valuation roll was not complete. I could not confirm whether property rates were billed for all properties by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to property rates stated at R55,3 million in the financial statements and the market values disclosed in note 27 stated at R15,4 billion in the financial statements.

Context for opinion

4. 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.
5. 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.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.
8. As disclosed in note 58 to the annual financial statements, which indicates that the municipality incurred a net deficit of R241,8 million (2024: R26,2 million) during the year ended 30 June 2025 and, as of that date, the municipality's current assets exceeded its total assets. These events and other conditions, along with other matters as set out in note 58, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern. The steps taken by management to address the risk and ensure the municipality's financial sustainability are also highlighted in note 58 to the financial statements.

Emphasis of matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters.
10. As disclosed in note 6 to the financial statements, material allowance for impairment of statutory receivables from non-exchange transactions of R47,9 million (2023-24: R37,8 million) and R15,4 million (2023-24: R1,1 million) was incurred due to non-payment by consumer debtors and fines debtors, respectively.
11. As disclosed in note 7 to the financial statements, material allowance for impairment for receivables from exchange transactions of R365,4 million (2023-24: R278,6 million) were incurred due to non-payment by trade debtors.
12. As disclosed in note 44 to the annual financial statements, the corresponding figures for the year ended 30 June 2024 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2025.
13. As disclosed in note 18, the municipality materially underspent its conditional grants by R15,9 million on the municipal disaster recovery grant (MDRG).
14. As disclosed in note 54 to the financial statements, material electricity losses of R13,9 million (2023-24: R7,8 million) were incurred, which represents 12,2% (2023-24: 7,7%) of total electricity purchased.
15. As disclosed in note 55 to the financial statements, material water losses of R60 million (2023-24: R53,3million) were incurred, which represent 51,5% (2023-24: 45,2%) of total water production.

Other matter

16. I draw attention to the matter below. My opinion is not modified in respect of this matter.
17. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

18. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with 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.
19. 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

20. 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.
21. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

22. 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.
23. I selected the following material performance indicators related to the basic service delivery and infrastructure development 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.
 - Reduce electricity losses to at least 10% by 30 June 2025.
 - Reduce water losses to at least 40% by 30 June 2025.
 - Number of cemeteries cleaned and maintained within the DBNLM by 30 June 2025.
 - Number of Sports Grounds ablution facilities repaired and maintained by 30 June 2025.
 - Number of boreholes drilled and yield testing for a new sustainable well field by 30 June 2025 (drilled four boreholes).

- Replacement of Willowmore Steel Pipeline by 30 June 2025 (replacement of Willowmore Steel Pipeline 600m).
- Upgrade 400m of gravel road to interlocking paving by 30 June 2025 (upgrade 400m of gravel road to interlocking paving by 30th June 2025).
- Upgrade 1300m of gravel road to interlocking paving by 30 June 2025 (upgrade 1300m of gravel road to interlocking paving by 30th June 2025).
- Number of standby transformers procured by 30 March 2025 (two standby transformers).

24. 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.

25. 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 and for the reasons provided for the measures taken to improve performance.

26. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

27. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

28. I draw attention to the matter below.

Achievement of planned targets

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

Basic service delivery and infrastructure development

<i>Targets achieved: 67%</i>		
<i>Budget spent: 90%</i>		
Key indicator not achieved	Planned target	Reported achievement
Reduce electricity losses to at least 10% by 30 June 2025.	10%	11.94%
Reduce water losses to at least 40% by 30 June 2025.	40%	51.52%
Number of sports grounds ablution facilities repaired and maintained by 30 June 2025	4	2
Upgrade 400m of gravel road to interlocking paving by 30th June 2025	400m	0

Report on compliance with legislation

31. 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.
32. 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.
33. 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.

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

Expenditure management

35. Reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 days, as required by section 65(2)(e) of the MFMA.
36. Reasonable steps were not taken to prevent irregular expenditure amounting to R47,1 million as disclosed in note 48 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The irregular expenditure was caused by non-compliance with multiple supply chain management (SCM) regulations.
37. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R193,5 million as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of budgeted votes within the approved budget of the municipality.
38. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R40,8 million as disclosed in note 47 to the 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 charged by creditors due to the municipality not paying invoices on due dates.

Procurement and contract management

39. Some of the contracts were awarded to bidders based on points given for legislative requirements that differed from those stipulated in the original invitation for bidding, in contravention of supply chain management regulations 21(b) and 28(1)(a)(i) and the Preferential Procurement Regulations.
40. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year. This non-compliance was identified in the contract management for the MDRG roads reconstruction and rehabilitation (43/2024), installation of raw water storage at Graaff-Reinet WTW (52/2025), upgrading of Willowmore Bulk Water Supply Phase 2 (213/2024) and MDRG roads recovery and rehabilitation – Phase 2 (11/2025).
41. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA. Similar non-compliance was also reported in the prior year.

Annual financial statements, annual performance report and annual report

42. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, non-current liabilities and revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Asset management

43. Capital assets were disposed of without the municipal council having in a meeting open to the public, decided on whether they still needed to provide the minimum level of basic municipal service and considered the fair market value of the assets and economic and community value to be received in exchange for the asset, as required by section 14(2)(a) and 14(2)(b) of the MFMA.

Human resources management

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

45. The municipal manager and senior managers did not sign performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.

Revenue management

46. I was unable to obtain sufficient appropriate audit evidence that revenue due to the municipality was calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

Other information in the annual report

47. 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 development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.

48. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

49. 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 development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

50. 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

51. 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.

52. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the material findings on compliance with legislation included in this report.
53. An effective and adequate audit action plan was not developed to address the root cause of findings relating to financial and compliance matters, which led to repeat audit findings.
54. Management did not perform a review of the source data of the valuation roll for completeness and accuracy.

Material irregularities

55. 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.

Status of previously reported material irregularities

56. The material irregularity identified is as follows:

Late payments of pension fund contributions to the pension funds 2023-24 financial year

57. The municipality has not been paying pension funds contributions to SALA and Consolidated Retirement Fund (CRF) pension funds on time as far back as 2018-19, and this is a non-compliance in terms of section 13A of the Pension Fund Act 24 of 1956 and the MFMA act paragraphs 65 (1), 65 (2) (d) (i), 65 (2) (e) and 65 (2) (f) which requires the municipality to pay over the employees' pension funds contributions over to the pension funds' bank accounts no later than seventh of the following month.
58. The late payments of pension fund contributions to pension funds are likely to result in substantial harm to the employees of the municipality (general public) in that at retirement, the employees will not receive the full value of their pensions, due to the increase in investment (interest) each employee loses, as the pension fund will not be able to invest the member's contribution on time due to late payment by the municipality, which is likely to have a severely adverse impact on their livelihood.
59. I notified the accounting officer of the material irregularity on 26 November 2024 and invited him to make a written submission on the actions taken.
60. I received the written submission on 21 January 2025. I considered the representations made and the substantiating documents provided and have concluded that appropriate actions are being taken to address the material irregularity.
61. Since being notified of the material irregularity, for each month's contributions, the municipality has managed to pay the majority of contributions to the pension funds on time for each month except for March 2025 and May 2025.
62. A follow-up will be made in the next audit to assess the appropriateness of actions taken to confirm that the municipality continues to pay the pension funds on time.

Other reports

63. I draw attention to the following engagements conducted by an external party. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
64. The Special Investigating Unit (SIU) is currently assessing allegations of maladministration and corruption relating to the procurement processes of certain awards by the municipality. The SIU is evaluating whether there is any substance to the allegation from the whistleblower.

Auditor-General

East London

30 November 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause 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

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

#	Selected legislation and regulations	Consolidated firm level requirements
1	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)
2	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)
3	MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
4	MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
5	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)
6	Construction Industry Development Board Act 38 of 2000	Section: 18(1)
7	Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
8	Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
9	Municipal Property Rates Act 6 of 2004	Section: 3(1)
10	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) Parent municipality with ME: Sections: 93B(a), 93B(b) Parent municipality with shared control of ME: Section: 93C(a)(iv), 93C(a)(v)

11	MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
12	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)
13	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)
14	MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
15	MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
16	MSA: Municipal Systems Regulations, 2001	Regulation: 43
17	Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
18	Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
19	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)
20	Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

Dr Beyers Naude Local Municipality
Audit Action Plan 2023/24

TOTAL ACTIONS	10
In Progress	1 50%
Completed	9 50%

Nr	FSLI	Audit Finding	Prior Year	Underlying Issue	Audit Action Plan	Responsible Designation and Official	Target Date	Status
1	Non-compliance	Oversight report on 2022/23 annual report not made public	No	Inadequate implementation of legal requirements	Ensure that the oversight report is made public in line with the legal requirements	Senior manager strategic services	31-Mar-25	Completed
2	Planning	External assessment and internal assessments not done	Yes	External assessment and internal assessments not done	Internal function should ensure that external and internal assessments are conducted	ACAE : Mr Bantom	30-Jun-25	In Progress
3	PPE	Public contributions and donation not recorded at fair value. During execution. It was noted that Coca Cola donated a groundwater project to the municipality and the donation revenue from this donation was not recorded as fair value	No	Standard operating procedures not sufficiently dealing with the donation of complex projects	Update standard operating procedure to account in detail for process necessary on receipt of donations-in-kind	Manager Assets:	28-Feb-25	Completed
4	Government grants	The government grants were tested, and difference were identified on the Sarah Baartman Fire Grant	Yes	Inadequate ownership by receiving departments	1) Ensure all receiving departments submit MOU to accounting dept 2) Monthly reconciliation of grants received to MOU	All managers CA	1) 31-Mar-25 2) Monthly 2) 10-Jul-25	Completed
5	Trade payables	During the execution phase of the audit, while auditing payables from exchange transactions a difference of R644 060,97 were identified between the trial balance and supporting schedules	No	Old balances from merger not addressed	Review all non-moving votes for investigation and correction	CA	28-Feb-25	Completed
6	Leave pay accrual	During the execution phase of the audit, differences were identified in the leave days balance as at 30 June 2024 for the employees listed below, and these have resulted in a difference between the auditor's recalculated leave pay provision and the leave pay provision recognised in the financial statements.	Yes	Standard operating procedures not sufficiently dealing with the leave accrual balances	1) Update standard operating procedure to account in detail for leave days recording. Consider specifically the days that cut across 2 financial years 2) Reconciliation of all leave days taken over June/July	Manager: HR	1) 31-Mar-25 2) Monthly 2) 20-Jul-25	Completed
7	Other Receivables	The municipality incorrectly classified fines accrual as other receivables in note 5 of the annual financial statements	No	Misclassifications in TB mapping and incorrect implementation of GRAP standards	Perform review on TB mapping for correct classification	CA	31-Mar-25	Completed
8	Consequence management	For the unauthorised expenditure in note number 44 there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Yes	Not implementing prior year audit action plan to address the audit finding	Ensure that all unauthorised expenditure at 30 June 2024 is investigated by the relevant oversight committees and dealt with by council	Acting Senior manager strategic services	31-May-25	Completed
9	Consequence management	For the fruitless and wasteful expenditure note number 45 there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Yes	Not implementing prior year audit action plan to address the audit finding	Ensure that all fruitless and wasteful expenditure at 30 June 2024 is investigated by the relevant oversight committees and dealt with by council	Acting Senior manager strategic services	31-May-25	Completed
10	Consequence management	For the irregular expenditure 46 there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Yes	Not implementing prior year audit action plan to address the audit finding	Ensure that all irregular expenditure at 30 June 2024 is investigated by the relevant oversight committees and dealt with by council	Acting Senior manager strategic services	31-May-25	Completed

**DR. BEYER'S NAUDE LOCAL
MUNICIPALITY**

2024/2025



**ANNUAL
PERFORMANCE
REPORT
(YEAR ENDED
30TH JUNE 2025)**

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INTRODUCTION

The function of Performance Management within the municipality is performed in the office of the municipal manager and includes monitoring the implementation of the Integrated Development Plan (IDP) through the SDBIP. Legislation states that key performance indicators and targets must be implemented to enable continual monitoring of the municipality and its administration. These indicators pinpoint areas of focus for each financial year and are included in the IDP. Once approved the IDP is married to the budget in a document called the Service Delivery and Budget Implementation Plan (SDBIP) which provides a workable management tool from which to operate under and monitor progress. The SDBIP is then used to develop agreed performance plans for the Municipal Manager and Directors which should be evaluated quarterly.

The Annual Performance Report is hereby submitted to the Dr. Beyers Naudé Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular No.11

This report covers the performance information from 01 July 2024 to 30 June 2025 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Integrated Development Plans (IDP).

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Service Delivery and Budget Implementation Plan (SDBIP) for 2024/2025.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area. This report will also endeavor to report to Council the Municipality's performance in terms of the five (5) National Government's Strategic key Performance Areas for local government, which are (1) Infrastructure Development; (2) Organizational Transformation and Institutional Development; (3) Community Development ;(4) Local Economic Development and (5) Back to Basics (Good Governance and Sound Financial Management)

In Summary

In summary the purpose of this report is as follows:

- To analyze the Capital Budget Projects status at the end of the financial year of 2024/25
- To track quarterly progress against the targets set in the SDBIP. This will in turn inform decision making and future goal setting
- To identify problems regarding performance of implementing Capital Budget Projects and Service Delivery Targets, with a view to obtain solutions
- To determine whether the objectives and strategies of the IDP have been met.
- To track the implementation of the Audit Action Plan
- To report on the overall Governance, Service Delivery and Supply Chain Management Performance of the Municipality.

LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000. 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, organized and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organization as a whole, but also to the individuals employed in the organization as well as the external service providers. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and Organizational performance.

MUNICIPAL OVERVIEW

Dr Beyers Naudé Local Municipality, the third largest Local Municipality in the country, is well-positioned as a portal to the mystical Karoo, in a region renowned for its pristine natural environment, rich heritage, diverse peoples and cultures. The vast area (28,653 km² in extent) includes the towns of Graaff-Reinet, Willowmore, Aberdeen, Jansenville, Steytlerville, Nieu-Bethesda, Klipplaat and Rietbron; plus a number of smaller settlements and surrounding farms. It boasts several very popular tourist attractions, beautiful landscapes and a healthy climate. The town of Graaff-Reinet, 4th oldest in South-Africa and referred to as the “Gem of the Karoo”, is a hub of agri-tourism activity; it is the seat of the Municipal Council and is the centre where the biggest concentration of the population lives and works. The second largest town is Willowmore, also with a strong and vibrant tourism and agricultural sector. Willowmore should be viewed as a strategically situated centre for managing and co-ordinating service-delivery and public participation in the southernmost part of the Municipal area.

Dr Beyers Naudé LM was established as a result of a merger between the former Municipalities of Camdeboo, Ikwezi and Baviaans – on 8 August 2016 – after the Local Government Elections held on 3 August 2016. Geographically the new Municipality makes up 49.19% of the Sarah Baartman District Municipality’s landmass, with a low population density of 2.8 persons per km², which is much lower than the District average of 7.7 persons per km². The area is characterised by large tracts of commercial farmlands that are sparsely populated. The most densely populated areas are found in and around the established main towns.

There are vast distances between main centres; some of the smaller towns and settlements can only be reached by unsurfaced (gravel) roads, not all of which are being maintained on a regular basis. The most difficult areas to access are situated within the Baviaanskloof. The towns in the region have their own unique dynamics and attractions that draw visitors from far and wide, many of whom have made this their home. Well-known personalities that have carved a niche in our country's history and are closely associated with the Dr Beyers Naudé LM, include the likes of Robert Mangaliso Sobukwe, Dr Anton Rupert & Dr Beyers Naudé, Rev. Andrew Murray, Prof James Kitching, Athol Fugard, Anna Neethling Pohl, DF Malan, Helen Martins, Andries Pretorius...

Key features of the area include :

Agriculture

Biggest mohair producer in South Africa, wool and red meat production (sheep, beef, goats), poultry, game and crop farming.

Public Amenities

Libraries; sport, recreational and educational facilities; banks & post offices in the main centres.

Health Care Facilities

Primary Health Care clinics in most towns, hospitals and other medical facilities in the larger towns and mobile clinics servicing rural areas.

Commerce & Industry

Mostly small businesses in most of the towns, with some larger industry and government departments in the bigger towns, such as Graaff-Reinet.

Infrastructure & Services

Good infrastructure and basic services (water, electricity, sanitation and refuse removal) in urban areas, with free basic services and subsidized support to qualifying indigent households.

There are an estimated 23 460 households in the urban areas and approximately 624 in the non-urban (farm) areas. Only urban households are serviced by Dr Beyers Naudé Municipality. High levels of accessibility to Basic Services are maintained in the Municipal area, with an estimated 23 318 households deriving direct or indirect benefit from services being rendered by the Municipality. Water tanks, standpipes and toilet facilities were installed for informal settlements in Graaff-Reinet and Jansenville.

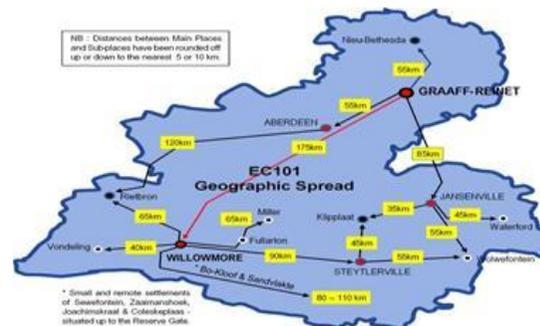
- 97% of households have access to a minimum standard of piped potable water (within 200 metres), with a minimum service level in urban areas of 97%;
- 96% of households have access to a minimum standard of sanitation (flush, chemical & VIP pit latrines), with a minimum service level in urban areas of 84%;
- 97% of households have access to a minimum standard of electricity (energy for lighting), with a minimum service level in urban areas of 96%;
- 89% of households have access to a minimum standard of refuse removal & disposal facility (Municipal, communal or private), with a minimum service level in urban areas of 100%.

Some of the main challenges in terms of Dr Beyers Naudé Municipality's growing population and increasing demand for basic services are:

- Consumers are not adhering to the water restrictions and as a result water usage are very high.
- Top 20 water users in all towns were identified for reduction in supply
- High welfare dependency and serious social problems (e.g. unemployment and substance abuse);
- The provision of suitable skills development and training, as well as the creation of sufficient and sustainable employment opportunities, especially amongst the unemployed Youth; Plumbers were trained by DWS to assist with water leaks in the Municipal area.
- Addressing the current housing backlog adequately in order to reduce and eventually eradicate the number of unserviced informal households; Additional water and sanitation services were provided to informal settlements in Graaff-Reinet and Jansenville.
- Loadshedding experienced which create electricity problems that contribute to water supply and sewer spillages. Informal settlements have expanded, and most dwellings do not comply with legal requirements for the provision of safe electrical installations. Some settlements are serviced by Eskom.

- All towns experienced water supply challenges which are being addressed through grant-funded capital infrastructure projects and operation and maintenance. The Municipality has been exploring ways and means of finding solutions for managing its scarce water resources more effectively and economically. Stringent water restrictions are in place. Defective water meters have been replaced in residential areas and bulk meters were installed.
- Over the past few years there have been issues with sewage pump and reticulation systems – mainly as a result of having to carry higher volumes, large objects being disposed of in and blocking the system, vandalism and ageing infrastructure. The Municipality implemented the Refurbishment of sewer pump stations and completed 4 sewer pump stations during the last financial year. The project was funded under the Municipal Infrastructure Grant.
- An increase of vandalism has been observed in Municipal Infrastructure at a huge cost to the Municipality and its residents, as well as disruptions in service delivery. Mainly electricity, water and sanitation infrastructure were vandalised.
- Aging infrastructure also remains a challenge.
- Water losses as reflected in the IDP amounted to 51.52% for the financial year ending 30 June 2025.
- Electricity losses amount to 11.94% for the financial year ending 30 June 2025.

In accordance with the Municipal Structures Act 117/1998, Dr. Beyer's Naudé has been classified as a Category B Municipality; a collective executive system limits the exercise of executive authority to the Municipal Council itself, and a Ward participatory system allows for matters of local concern to be dealt with by Ward committees.



PERFORMANCE MANAGEMENT OVERVIEW

In order to improve on performance planning, implementation, reporting and measurement, the institution implemented the following actions;

- Key performance indicators has been reviewed and the SMART principle has been applied, so that there is effective monitoring and measurement of Key performance indicators.
- The Performance Management Policy that is the guiding tool for the Municipality has been reviewed and approved by the Dr. Beyers Naude Municipality Council.
- There is a key performance indicator column added to Capital Budget Projects so that projects are more clearly defined.
- Within the scorecard sent out quarterly for performance evaluations, a column provision has been made for targets not met or lagging behind.
- The Performance Management is in the process of being cascaded to Management level within the Municipality and the intention is that individual performance will be evaluated in the 2025/2026 financial year.

	Performance Management guiding policy	All s54/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Reporting to Council
In place?	√	√	√	√	√	√

Performance Management System Checklist

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN OVERVIEW

The organizational performance is evaluated through the Service Delivery Budget Implementation Plan (SDBIP) at departmental levels.

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 process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.
- The SDBIP was prepared as described in the paragraphs below and approved by the Mayor.

The SDBIP consolidate service delivery targets set by Senior Management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the SDBIP include:

One-year detailed plan,

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected NOT billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators;
- Non-financial measurable performance objectives in the form of targets and indicators; and detailed capital project plan broken down by ward.

PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2024/2025 FINANCIAL YEAR

This section of the Annual Performance Report will report on the Municipality's actual performance against the planned targets as derived from the Municipality's SDBIP.

Performance against the National Key Performance Indicators

The following tables indicate 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 Areas.

Municipal Transformation and Institutional Development

INDICATOR	MUNICIPAL ACHIEVEMENT 2024/2025
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	4
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	1%

Basic Service Delivery

INDICATOR	MUNICIPAL ACHIEVEMENT 2024/2025
The percentage of households with access to basic level of water	97%
The percentage of households with access to basic level of sanitation	96%
The percentage of households with access to basic level of electricity	97%
The percentage of households with access to basic level of refuse removal	100%

Local Economic Development

INDICATOR	MUNICIPAL ACHIEVEMENT 2024/2025
The Number of jobs opportunities created through the Municipality EPWP Labour intensive programme to address high unemployment rate	405

Sound Financial Management

INDICATOR	MUNICIPAL ACHIEVEMENT 2024/2025
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	54.94%

SDBIP REPORT FOR 2024/2025

• CAPITAL BUDGET PROJECTS - 2024/2025

Infrastructure Development

Number of projects: 7

Number of projects Completed/ On Target: 6

Number of projects Not on Target: 1

Percentage on Target: 86%

Community Development

Number of projects: 1

Number of projects Completed/ On Target: 0

Number of projects Not on Target: 1

Percentage on Target: 0%

Institutional Development

Number of projects: 1

Number of projects Completed/ On Target: 1

Number of projects Not on Target: 0

Percentage on Target: 100%

OVERALL CAPITAL BUDGET PROJECT ACHIEVEMENT

Total Number of Capital Budget Projects per KPA = 9

Number of Key Performance Indicators on Target/Completed = 7

Number of Key Performance Indicators Not on Target = 2

Percentage on Target = 78%

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATOR- 2024/25

Development Priority: Infrastructure Development

Number of Indicators: 5

Number of indicators on Target: 2

Number of indicators Not on Target: 3

Percentage on Target: 40%

Development Priority: Community Development

Number of Indicators: 7

Number of indicators on Target: 7

Number of indicators Not on Target: 0

Percentage on Target: 100%

Development Priority: Institutional Development

Number of Indicators: 12

Number of indicators on Target: 11

Number of indicators Not on Target: 1

Percentage on Target: 92%

Development Priority: Local Economic Development

Number of Indicators: 6

Number of indicators on Target: 3

Number of indicators Not on Target: 3

Percentage on Target: 50%

Development Priority: Back to Basics – Good Governance

Number of Indicators: 13

Number of indicators on Target: 11

Number of indicators Not on Target: 2

Percentage on Target: 85%

Development Priority: Back to Basics – Sound Financial Management

Number of Indicators: 9

Number of indicators on Target: 4

Number of indicators Not on Target: 5

Percentage on Target: 44%

OVERALL SERVICE DELIVERY KEY PERFORMANCE INDICATOR ACHIEVEMENT

Total Number of Key Performance Indicators per KPA = 52

Number of Key Performance Indicators on Target/Completed = 38

Number of Key Performance Indicators Not on Target = 14

Percentage on Target = 73%

OVERALL KEY PERFORMANCE INDICATOR TARGET ACHIEVEMENT

Total Number of Key Performance Indicators = 61

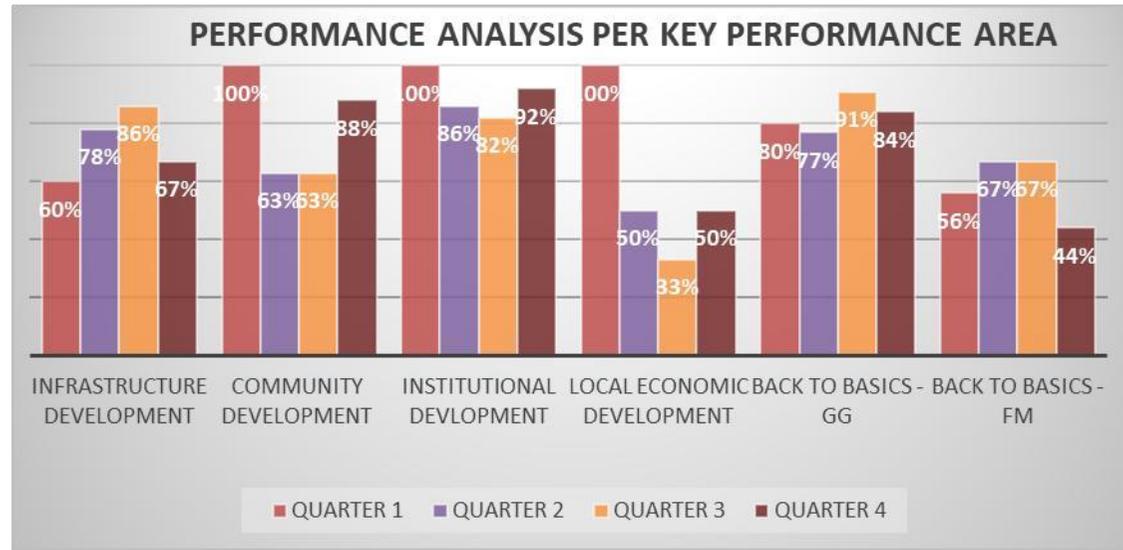
Number of Key Performance Indicators on Target = 45

Number of Key Performance Indicators Not on Target = 16

Percentage on Target = 74%

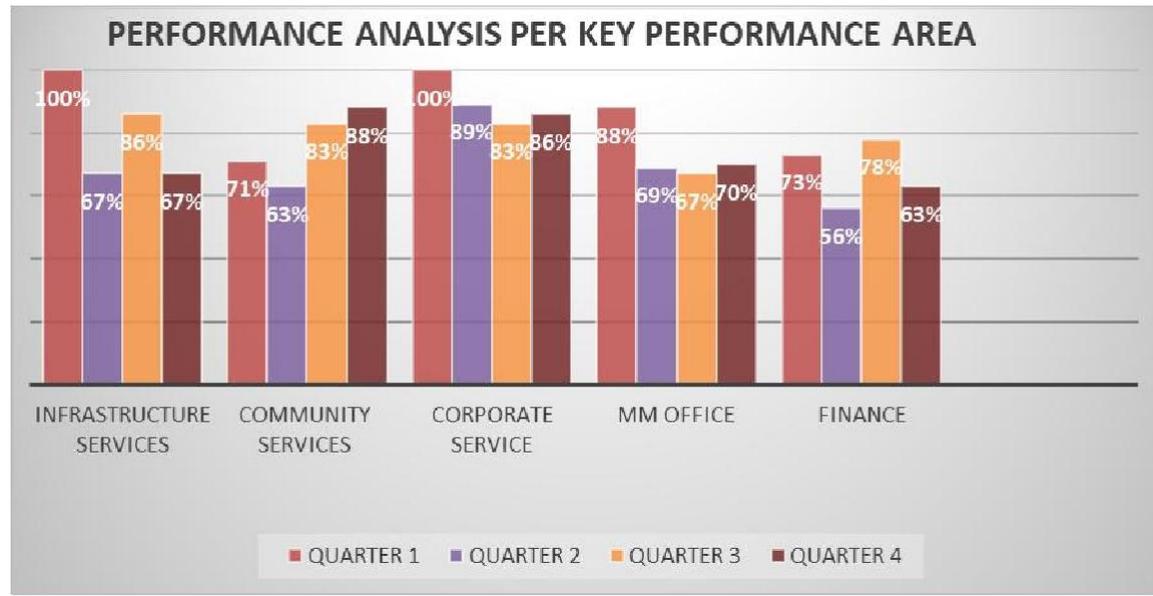
DEPARTMENTAL SDBIP OVERALL PERFORMANCE (to be updated)

The graph illustrates the SDBIP Organizational performance per Key Performance



INSTITUTIONAL KPA OVERALL PERFORMANCE (to be updated)

The graph illustrates the SDBIP performance per directorate for the four quarters of the financial year.



CAPITAL BUDGET PROJECT ANALYSIS

SDBIP ANALYSIS REPORT – CAPITAL BUDGET PROJECTS - 2024/2025

Infrastructure Development

Number of projects: 7

Number of projects Completed/ On Target: 6

Number of projects Not on Target: 1

Percentage On Target: 86%

Total budget per focus area versus expenditure:

Objective	Strategy	KPI	Wards	Responsible Person	Funding Source	Budget	OVERALL PERFORMANCE 2024/2025				
							Annual Target	On Target/ Not on Target	Brief description of actual output	Variance	Reason for variance and plan of action
Adequate Bulk services for new settlement and their amenities	Ensure that the Department of Human Settlements develops a new Housing Sector Plan for Dr Beyers Naudé LM and regularly reviews it, taking into consideration the social and economic needs of the new settlements being planned.	Development of Layout plan for Informal Settlement – Riemvasmaak by 30 th June 2025	Institutional	Infrastructure Services	External – Upgrading of Informal Settlements Program Grant	1,600 000.00	Layout Plan for Informal Settlement	On Target	Service provider appointed and layout plan developed	None	n/a

Adequate Bulk services for new settlement and their amenities	Ensure that the Department of Human Settlements develops a new Housing Sector Plan for Dr Beyers Naudé LM and regularly reviews it, taking into consideration the social and economic needs of the new settlements being planned.	Development of Layout plan for Informal Settlement – Vrygrond by 30 th June 2025	Institutional	Infrastructure Services	External – Upgrading of Informal Settlements Program Grant	1,600 000.00	Layout Plan for Informal Settlement	On Target	provider appointed and layout plan developed	None	n/a
To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure	Upgrade reticulation system by systematically replacing old installations.	Number of boreholes drilled and yield testing for a new sustainable well field by 30 th June 2025	8	Infrastructure Services	External MIG	9,512,594.00	Drill 4 boreholes	On Target	5 boreholes drilled and yield testing done for a new sustainable well field.	None	n/a
To adequately increase bulk water storage, upgrade reticulation	Upgrade reticulation system by systematically replacing old installations.	Replacement of Willowmore Steel Pipeline by 30 th June 2025	8&9	Infrastructure Services	External - MIG	9,885,675.00	Replacement of Willowmore Steel Pipeline 600m	On Target	2300m of steel pipeline replaced	+1700m	Due to aged infrastructure additional steel pipeline was replaced to enhance function ability

systems, secure permanent water supply and properly maintain all infrastructure											and overall usability.
To adequately construct, upgrade or install Streets & Stormwater networks and to maintain them on a regular basis	To adequately construct, upgrade or install Streets & Stormwater networks and to maintain them on a regular basis	Upgrade 400m of gravel road to interlocking paving by 30 th June 2025.	1-12	Infrastructure Services	External MIG	716,880.00	Upgrade 400m of gravel road to interlocking paving by 30 th June 2025.	Not on Target	No work has started; contractor has not provided statutory documents.	400m	Letter provided to contractor about intent to cancel contract. Project implementation delayed to 2025/2026 financial year.
To adequately construct, upgrade or install Streets & Stormwater networks and to maintain them on a regular basis	To adequately construct, upgrade or install Streets & Stormwater networks and to maintain them on a regular basis	Upgrade 1300m of gravel road to interlocking paving by 30 th June 2025.	1-12	Infrastructure Services	External MIG	9,184,670.00	Upgrade 1300m of gravel road to interlocking paving by 30 th June 2025.	On Target	6270 m ² of gravel road upgraded to interlocking paving in Aberdeen 6380m ² of gravel road upgraded to interlocking paving in Nieu-Bethesda	+11350 m ²	Additional upgrading done as per scope of works.
To adequately upgrade the electrical supply and install the necessary electrical infrastructure, as well as	Identify and implement suitable Electrification Projects.	Number of standby transformers procured by 30 th March 2025.	1-12	Infrastructure Services	Internal	1,000,000.00	2 Standby Transformers	On Target	4 transformers	+2	Due to pricing, additional transformers procured.

regular maintenance thereof.											
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Community Development

Number of projects: 1

Number of projects Completed/ On Target: 0

Number of projects Not on Target: 1

Percentage On Target: 0%

Total budget per focus area versus expenditure:

Objective	Strategy	KPI	Wards	Responsible Person	Funding Source	Budget	OVERALL PERFORMANCE 2024/2025				
							Annual Target	On Target/ Not on Target	Brief description of actual output	Variance	Reason for variance and plan of action
Systematically upgrade existing infrastructure; replace and rehabilitate where applicable.	Identify and implement suitable projects	Development of a Multi-Purpose Centre in Graaff-Reinet by 30 th June 2025	7	Infrastructure Services	EC DOHS	5,000,000.00	Foundation of MPCC 600m ²	Not on Target	Design phase completed.	600m ² Foundation of MPCC	The service provider was requested to revise their PIP due to delays encountered.

Institutional Development

Number of projects: 1

Number of projects Completed/ On Target: 1

Number of projects Not on Target: 0

Percentage On Target: 100%

Total budget per focus area versus expenditure:

Objective	Strategy	KPI	Wards	Responsible Person	Funding Source	Budget	OVERALL PERFORMANCE 2024/2025				
							Annual Target	On Target/ Not on Target	Brief description of actual output	Variance	Reason for variance and plan of action
To adequately construct, upgrade or install Streets & Stormwater networks and to maintain them on a regular basis.	Identify and implement suitable projects	Number of compactors for pothole repairs withing DBNLM by 31 December 2024	Institutional	Infrastructure Services	Internal	300,000.00	2 Compactors	On Target	2 Compactors procured and delivered n	None	n/a

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS PERFORMANCE ANALYSIS

INFRASTRUCTURE DEVELOPMENT					OVERALL PERFORMANCE 2024/2025				
KPA	Objective	Strategy	Depart	KPI	Annual Target	On Target/ Not on Target	Brief description of actual output	Variance	Reason for Variance and Plan of Action
Infrastructure and Service Delivery	To adequately upgrade the electrical supply and install the necessary electrical infrastructure, as well as regular maintenance thereof.	Improve reticulation losses and improve revenue by replacing old non-functional electricity and water meters.	Infrastructure Services	Reduce electricity losses to at least 10% by 30 th June 2025.	10%	Not on Target	11.94%	1.94%	Faulty meters are attended too, and action is taken against defaulters of tempered meters.
Infrastructure and Service Delivery	To have all Municipal water-supply consumers connected to a metering system and registered on the debtor's database for monthly billing purposes.	Improve reticulation losses and improve revenue by replacing old non-functional electricity and water meters.	Infrastructure Services	Reduce water losses to at least 40% by 30 th June 2025.	40%	Not on Target	51.52%	11.52%	Water losses are due to leakages, faulty water meters and lack of water meters in certain areas. Faulty water meter replacements and installation of water meters where required, are underway. Reported water leakages are attended too, to reduce water losses.
Infrastructure and Service Delivery	To provide facilities and services that will address the recreational and other	Identify existing facilities that can be converted or	Community Services	Number of libraries repaired and maintained within DBNLM	2	On Target	2 Steytleville and Willowmore Libraries repaired and maintained.	None	n/a

	social needs of the community.	better utilised by communities		by 30 th June 2025.					
Infrastructure and Service Delivery	To provide a dignified last resting place for our community within safe and secure sites that are well managed and maintained by dedicated personnel.	All burial sites must be secured and maintained.	Community Services	Number of Cemeteries cleaned and maintained within DBNLM by 30 th June 2025	8	On Target	8 Jansenville 2 Rietbron 2 Aberdeen 2 Graaff-Reinet 1 Steytlerville 1	None	n/a
Infrastructure and Service Delivery	Stadiums and sport fields that have been upgraded and equipped to function properly and by fully utilised.	Upgrade and maintain sport fields and ensure that personnel are on site.	Community Services	Number of Sports Grounds ablution facilities repaired and maintained by 30 th June 2025	4	Not on Target	2 Aberdeen and Nieu-Bethesda Sports grounds ablution facilities repaired and maintained.	2	Poor planning resulted in Implementation of only 2 Sport Facilities. Repairs of Graaff- Reinet and Aberdeen public ablution facilities were also attended too. Identified sport facilities will be attended to in 2025/2026 financial year.
COMMUNITY DEVELOPMENT					OVERALL PERFORMANCE 2024/2025				
KPA	Objective	Strategy	Depart	KPI	Annual Target	On Target/ Not on Target	Brief description of actual output	Variance	Reason for Variance and Plan of Action
Community Development	The eradication of illegal dumping and littering and creation	Develop a new Integrated waste	Community Services	Number of Waste management	1	On Target	1 Integrated Waste Management Plan adopted by Council.	None	n/a

	of clean and healthy urban areas and surrounding environment.	management plan for Dr. Beyers Naude Municipality and review it regularly		plans developed and approved by Council by 31 December 2024.					
Community Development	The eradication of illegal dumping and littering and creation of clean and healthy urban areas and surrounding environment.	Identify and implement suitable projects.	Community Services	Number of cleaning awareness campaigns to ensure a healthy environment within all wards of DBNLM by 30 th June 2025	4	On Target	4 1 Awareness Campaigns held in Steytleville: June 2025 1 Awareness Campaign held in Willowmore: 20 June 2025 1 Awareness Campaign held in Jansenville: 25 th June 2025. 1 Cleanup campaign held in Jansenville: 25 th June 2025	None	n/a
Community Development	To significantly reduce and mitigate the negative impact of disasters and to upgrade road traffic and pedestrian safety, with regular maintenance on installations and infrastructure as an ongoing concern.	Implement proactive measures to curtail or mitigate disasters	Community Services	Number of speedhumps erected within DBNLM by 30 th June 2025	8	On Target	9 Speedhumps erected	+1	In addition, 20 speedhumps were painted
Community Development	To significantly reduce and mitigate the negative impact of disasters and to	Implement proactive measures to curtail or	Community Services	Number of traffic signage installed within DBNLM by 30 th	24	On Target	58	+ 34	Additional signage installed, erected and painted.

	upgrade road traffic and pedestrian safety, with regular maintenance on installations and infrastructure as an ongoing concern.	mitigate disasters		June 2025.					
Community Development	To ensure a full functionality of the Drivers Licence Testing Centre's.	Monitoring of all functions at the Traffic Departments in accordance with the provisions of the National Roads Traffic Act.	Community Services	Number of traffic roadblocks conducted within DBNLM by 30 th June 2025	12	On Target	46 Roadblocks K78 with SAPS = 8 Speed operations roadblocks = 38	+34	Additional roadblocks done to ensure road safety
Good Governance	To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth	Design programmes and arrange events that will encourage the participation of the SPU sector, especially the Disabled, Youth and Women.	Municipal Manager – Strategic Services	Monitor Functionality of SPU consultative councils/ Forums by providing quarterly reports to the Corporate Services Portfolio Committee.	4	On Target	4 Q1 = 30/07/2024 Q2= 12/12/2024 Q3= 25/03/2025 Q4= 30/06/2025	None	n/a
Good Governance	To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth	Design programmes and arrange events that will encourage the participation of	Municipal Manager – Strategic Services	Number of Public Holidays commemorated in 2024/2025	10	On Target	10 Mandela Day Commemoration: 26/06/2024 Waterford Women's Day celebration:	None	n/a

		the SPU sector, especially the Disabled, Youth and Women.					22/09/2024 Heritage Day Commemoration: 12 th & 13 th September 2024. 16days of activism against abuse of women & children: 4 th December 2024 Person with disabilities: 13 th November & 6 th December 2024 HIV/Aids Awareness: 8 th December 2024 Robert Sobukwe Memorial: 5 th December 2025 Mayoral awards for top matric achievers: February 2025		
INSTITUTIONAL DEVELOPMENT					OVERALL PERFORMANCE 2024/2025				
KPA	Objective	Strategy	Depart	KPI	Annual Target	On Target/ Not On Target	Brief description of actual output	Variance	Reason for Variance and Plan of Action
Organisational Transformation & Institutional Development	To recruit staff with adequate qualifications, skills, training and experience.	Commence with placement process.	Corporate Services	100% Implementation of placement (recruitment and selection) by 31 March 2025.	100%	On Target	100% All employees placed	None	n/a
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to	Implement Plan & Policies and upgrade systems; accordingly, provide	Corporate Services	Number of HR plans revised by 31 March 2025	1	On Target	1 The HR plan was revised and approved subject to workshop. With Council. COGTA visited the	None	n/a

	improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as legally compliant	suitable training to enable staff to utilize these systems optimally and correctly.					municipality to conduct verification.		
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as legally compliant	Implement Plan & Policies and upgrade systems; accordingly, provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services	Number of employment equity plans revised/ developed by 31 March 2025.	1	Not on Target	0 Workshopped rescheduled for 22 nd July 2025	1	The EE plan was revised and due to be workshopped, but the workshop scheduled for the 3 rd quarter was postponed due to unavailability of DOL. Scheduled for 22 nd July 2025
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as legally compliant	Implement Plan & Policies and upgrade systems; accordingly, provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services	Develop a workplace skills plan with an annual training report by 30 th June 2025.	1	On Target	1 Workplace skills plan with annual training report developed and submitted to LG SETA	None	n/a
Organisational Transformation & Institutional	To provide sufficient operational requirements, furnish	Implement Plan & Policies and upgrade	Corporate Services	Number of trainings facilitated for	8	On Target	140 Q1 = (3) ABET, Employment Equity	+6	Additional training offered for employees and

Development	and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as legally compliant	systems; accordingly, provide suitable training to enable staff to utilize these systems optimally and correctly.		Councillors and Employees by 30 th June 2024			Training, Councillor induction program, SBDM Q2 = (6) TLB, Grader, Front Loader, ABET, LG Certificate, CET Certificate, Bricklaying trainings occurred for employees Q3- (3) LG Certificate, CET Certificate & EHP training for unemployed and employed Q4- (2) Local Government certificate ABET		unemployed.
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services	Number of Occupational Health & Safety initiatives events conducted by 30 June 2024	2	On Target	3 Cancer fun walk – 8 th November 2024 Medical Surveillance implemented in April 2025 Employee wellness programme held in Willowmore: June 2025	+1	Additional employee wellness initiative held.
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and	Implement Plan & Policies and upgrade systems accordingly;	Finance Department	Prepare Supply Chain Management Implementation Compliance	4	On Target	4 SCM reports prepared per quarter.	None	n/a

	venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	provide suitable training to enable staff to utilize these systems optimally and correctly.		through 4 quarterly reports by 30 June 2025.					
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Finance Department	Develop and Monitor Contract register for all service providers and provide quarterly reports by 30 June 2025.	4	On Target	4 Contract register reports prepared per quarter.	None	n/a
Organisational Transformation & Institutional Development	To develop a performance management culture within the Municipality	Quarterly institutional performance reports to Council.	Municipal Manager/ Strategic Services	4 quarterly SDBIP Performance reports submitted to Council by 30 June 2025, to inform Council of Institutional Performance.	4	On Target	4 Quarterly reports prepared and submitted to Council.	None	n/a
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to	Implement Plan & Policies and upgrade systems accordingly; provide	Municipal Manager	Monitor Council resolutions by providing 4 quarterly reports on the implementation of council	4	On Target	4 quarterly updated resolution register submitted to Council. Q1 – 30 th September 2024 Q2 – 12 th December 2024	None	n/a

	improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	suitable training to enable staff to utilize these systems optimally and correctly.		resolutions.			Q3 – 25 th March 2025 Q4 – 30 th June 2025		
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Finance	Ensure an updated Lease Register on a quarterly basis.	4	On Target	4 - Updated lease register was submitted to Council quarterly Q1 – 30 th September 2024 Q2 – 12 th December 2024 Q3 – 25 th March 2025 Q4 – 30 th June 2025	None	n/a
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly	Corporate Services	Report on all disciplinary hearings and litigations on a quarterly basis to EXCO.	4	On Target	4 Disciplinary Report submitted to Council Quarterly as follows: 30 September 2024 12 December 2024 25 March 2025 30 June 2025	None	n/a

LOCAL ECONOMIC DEVELOPMENT					OVERALL PERFORMANCE 2024/2025				
KPA	Objective	Strategy	Depart	KPI	Annual Target	On Target/ Not On Target	Brief description of actual output	Variance	Reason for Variance and Plan of Action
Local Economic Development	Job Creation, BEE & Partnerships, SMME, Industrial and Sector Development, Skills Development, Mainstreaming of 2 nd Economy, Youth and Women	Support, encourage and facilitate value-adding initiatives, programmes and projects.	Municipal Manager/ Strategic Services	Assistance and development of SMME's by 30 June 2025	30	On Target	47 Q1 – 7 SMME Trained Q2- 10 SMME Trained Q3- 30 SMME trained	+17	Additional Training occurred.
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager/ Strategic Services	Develop Tourism Sector Plan and approve by council by 30 th September 2024	1	On Target	1 Tourism Sector Plan adopted by EXCO and subsequently Council- 30 th September 2024	None	n/a
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager/ Strategic Services	Number of Tourism awareness campaigns/ initiatives conducted by 30 th March 2025.	2	On Target	2 Creative Industries awareness workshop held in August 2024. Tourism INDABA held on the 25 th June 2025.	None	n/a

Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager/ Strategic Services	Establishment of LED forum within Dr. Beyers Naude Municipality established by 31 December 2024	1	Not on Target	0	1	Executive was successfully elected by constituencies. Forum to be officially launched in the new financial year
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager/ Strategic Services	Number of Commonage Management Policies developed by 31 March 2025	1	Not on Target	0	1	No response from funders to assist with development of commonage management plan.
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Develop LED Strategic Plan with an economic Vision for the Municipality.	Municipal Manager/ Strategic Services	Number of policies developed, aimed at increasing participation in local economy by 30 th June 2025	2	Not on Target	0 Informal trading policy workshopped with Council. SMME policy developed and to be workshopped with Council.	2	Policies to table to Council in 2025/2026

BACK TO BASICS - KPA – Good Governance & Public Participation					OVERALL PERFORMANCE 2024/2025				
KPA	Objective	Strategy	Depart	KPI	Annual Target	On Target/ Not On Target	Brief description of actual output	Variance	Reason for Variance and Plan of Action
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Developing a credible Integrated Development Plan that will address the developmental needs of our community.	Municipal Manager/ Strategic Services	Review of a 5-year IDP for 2022 – 2027, by 30 June 2025.	1	On Target	1 IDP 4 th edition developed for 2022-2027	None	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Corporate Services	Facilitate the number of meetings held in terms of year planner by 30 June 2024 (4 Ordinary Council Meetings, 4 Standing Committee meetings and 4 EXCO Meetings)	12	On Target	25 4 Portfolio Committee Meetings held Per Quarter – September, November 2024, February and May 2025. 10 EXCO Meetings were held for the financial year, 25 July 2024 13 August 2024 10 September 2024 1 October 2024 28 November 2024 22 January 2025 19 February 2025 04 March 2025 26 May 2025 4 June 2025 4 Ordinary Council Meeting 30 September 2024	+13	Additional meetings held.

							12 December 2024 25 March 2025 30 June 2025 and 7 Special Council Meetings were held 28 August 2024 10 October 2024 10 December 2024 14 January 2025 21 January 2025 30 January 2025 26 February 2025 Progress report on the execution of Council resolutions was tabled to EXCO and Council		
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Corporate Services	Number of Audit Committee meetings to assist with oversight function until 30 June 2025	4	On Target	5 Q1- 29/08/2024 Q2- 3/10 2024 & 14/11/2024 Q3-11/03/2025 Q4- 03/06/2025	+1	Special Audit Committee held for review of AFS and APR.
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Municipal Manager	Number of MPAC meetings to assist with oversight function until 30 June 2025	4	On Target	4 Q1-0 Q2- 11 th December 2024 Q3-27 th February 2025 Q4- 21 May 2025 & 26 th June 2025	None	n/a
Good Governance & Public Participation	To become the best performing Municipality, in	Having a fully functional Council, with	Corporate Services	Revise standing rules and Order of	1	Not on Target	0	1	Standing rules and order to be revised in the

	all respects.	Standing Committees, Fora and other structures.		Council and its Committee's by 30 th June 2025					1 st quarter of 2025/2026
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Municipal Manager – Strategic Services	Number of reports on the functionality of ward committee by 30 th June 2025	4	On Target	4 Q1- 30 th September 2024 Q2- 12 th December 2024 Q3- 25 th March 2025 Q4- 30 th June 2025	None	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Municipal Manager – Strategic Services	Number of IT steering committee meetings held by 30 June 2025	4	On Target	4 Q1- 15 th July 2024 Q2- 14 th October 2024 Q3- 03 rd February 2025 Q4-	None	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Corporate Services (HR)	Ensure that the LLF is functioning properly and fulfilling its mandate by facilitating 4 Meetings annually	4	On Target	6 Q1- 25 th July 2024 Q2- 15 th October, 30 th October & 13 th November 2024 Q3- 13 th February 2025 Q4- 27 th May 2025	+2	Additional LLF meetings held.

Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Installing and maintaining effective and efficient communication s and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Corporate Services	Number of Occupational Health and Safety Committee Meetings held by 30 June 2025.	4	On Target	Q1- 20 th September 2024 Q2- 18 th November 2024 Q3-4 th February 2025 Q4- 9 th April 2025	None	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient communication s and other systems that will improve information-sharing, enhance public participation and promote socio-economic development	Corporate Services	Number of customer satisfaction surveys conducted by 31 March 2025	1	On Target	1 Survey was conducted between 13 th November – 13 th December 2024. Report presented to the Standing Committee, Exco and Council	None	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient	Municipal Manager/ Strategic Services	Number of quarterly newsletters distributed by	4	Not on Target	2 Newsletter developed, however not for the full quarter.	2	Communication Strategy in revision process inclusive of

		communication s and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.		30 June 2025					SOP's in order to develop quarterly newsletters.
Good Governance & Public Participation	To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient communication s and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Infrastructure Services	Number of Housing forum meetings convened by 30 th June 2025	2	On Target	2 Housing Meetings held in February and June 2025	None	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Installing and maintaining effective and efficient communication s and other systems that will improve information-	Corporate Services	Quarterly reports from the customer care call centre submitted to EXCO.	4	On Target	4 Customer Care report submitted to Council; 30 September 2024 12 December 2024 25 March 2025 30 June 2025	None	n/a

		sharing, enhance public participation and promote socio-economic development							
BACK TO BASICS – KPA – Sound Financial Management					OVERALL PERFORMANCE 2024/2025				
KPA	Objective	Strategy	Depart	KPI	Annual Target	On Target/ Not on Target	Brief description of actual output	Variance	Reason for Variance and Plan of Action
Sound Financial Management	To become a financially viable and sustainable Municipality.	The development and implementation of a Funding Strategy.	Municipal Manager	100% expenditure of Municipal Grants by 30 June 2025	100%	Not on Target	91.90% Budget: R199 577 292 Expenditure: R183 411 016	8.1%	MDRG was received late in the year thus unspent funds at year end. Rollover application is being prepared to enable spending remaining funds in 2025/26
Sound Financial Management	To receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Municipal Manager/All Directors	100% Reporting compliance by submitting s71, s72 and s52d reports within legislated timeframes by 30 June 2025	100%	Not on Target	91.67%	8.3%	Year-end procedures took longer than anticipated. Strict adherence to deadlines is being prioritised and audited by the internal auditors.
Sound Financial Management	To receive a Clean Audit Opinion from the	Implementation and execution of an	Finance Department	Verification of the completeness of the Asset	100%	On Target	100% of action completed as per quarterly SDBIP targets	None	n/a

	Auditor-General.	Audit Action Plan.		Register (Asset Register compliant to GRAP standards)					
Sound Financial Management	To become a financially viable and sustainable Municipality.	Alignment of the Budget to the IDP's Development Priorities.	Municipal Manager	Percentage CAPEX of budget spend by 30th June 2025.	100%	Not on Target	54.94% Budget: R71 493 800 Expenditure: R39 285 422	45.06%	MDRG was received late in the year thus unspent funds at year end. Rollover application is being prepared to enable spending remaining funds in 2025/26
Sound Financial Management	To become a financially viable and sustainable Municipality.	Alignment of the Budget to the IDP's Development Priorities.	Municipal Manager	Percentage OPEX budget spend by 30th June 2025.	80%	On Target	101% Budget: 660 105 411 Expenditure: 668 484 658	+ 21%	OPEX budget spent 100%
Sound Financial Management	To adopt a realistic, credible and funded Annual Budget	Alignment of the Budget to the IDP's Development Priorities.	Municipal Manager/ Finance Department	2025/2026 Budget approved by Council by 30 June 2025	1	On Target	Budget approved by Council on the 30 th May 2025	None	n/a
Sound Financial Management	To become a financially viable and sustainable Municipality.	Implementation and execution of the Financial Recovery Plan – robust plans for the repayment of debt and/or maintain a	Municipal Manager/ Finance Department	Number of reports on the implementation of the Budget Funding Plan by 30 June 2025.	12	On Target	12 Budget Funding Plan progress reports submitted to NT and PT monthly. FRP is being updated and will be tabled to council in quarter 1 of 2025/26	None	n/a

		healthy level of cash reserves and assets in order to meet unexpected costs.							
Sound Financial Management	To become a financially viable and sustainable Municipality.	Stringent implementation and execution of the Municipality's Credit Control & Debt Collection Policy.	Finance Department	Improve collection rate on service debtors to address cash flow constraints by 30 June 2025 (Service debtors/service debt collected)	100%	Not on Target	84%	16%	Debt collection policy cannot be implemented in Eskom supplied areas
Sound Financial Management	To become a financially viable and sustainable Municipality.	Stringent implementation and execution of the Municipality's Credit Control & Debt Collection Policy.	Finance Department	Effective control over 95% collection of property rates: by 30 June 2025 Property rates collected/ property rate debtors.	Ensure average 95% recovery rate of property rates billed by 30 June 2025.	Not on Target	80%	15%	Collection in the ESKOM areas are slower than expected, and handovers were mostly prioritised for businesses.

2023/2024 PERFORMANCE – TARGET ACHIEVEMENT VS 2024/2025 PERFORMANCE – TARGET ACHIEVEMENT

<u>2023/2024 - CAPITAL BUDGET PROJECTS</u>	<u>2024/2025 – CAPITAL BUDGET PROJECT</u>
<p><u>Infrastructure Development</u></p> <p>Number of projects: 8 Number of projects completed/ on target: 7 Number of projects Not on Target: 1 Percentage on targets: 88%</p> <p><u>Institutional Development</u></p> <p>Number of projects: 5 Number of projects completed/ on target: 5 Number of projects Not on Target: 0 Percentage on targets: 100%</p> <p>Total Number of Capital Budget Projects per KPA = 13 Number of Key Performance Indicators on Target/Completed = 12 Number of Key Performance Indicators Not on Target = 1 Percentage on Target = 92%</p>	<p><u>Infrastructure Development</u></p> <p>Number of projects: 7 Number of projects completed/ on target: 6 Number of projects Not on Target: 1 Percentage on targets: 86%</p> <p><u>Community Development</u></p> <p>Number of projects: 1 Number of projects completed/ on target: 0 Number of projects Not on Target: 1 Percentage on targets: 0%</p> <p><u>Institutional Development</u></p> <p>Number of projects: 1 Number of projects completed/ on target: 1 Number of projects Not on Target: 0 Percentage on targets: 100%</p> <p>Total Number of Capital Budget Projects per KPA = 9 Number of Key Performance Indicators on Target/Completed = 7 Number of Key Performance Indicators Not on Target = 2 Percentage on Target = 78%</p>

2023/2024- OPERATIONAL KPI'S / PROJECTS**Development Priority: Infrastructure Development**

Number of Indicators: 10
 Number of indicators on target: 4
 Number of indicators not on target: 6
 Percentage on target: 40%

Development Priority: Community Development

Number of Indicators: 2
 Number of indicators on target: 2
 Number of indicators not on target: 0
 Percentage on target: 100%

Development Priority: Institutional Development

Number of Indicators: 13
 Number of indicators on target: 10
 Number of indicators not on target: 3
 Percentage on target: 77%

Development Priority: Local Economic Development

Number of Indicators: 5
 Number of indicators on target: 1
 Number of indicators not on target: 4
 Percentage on target: 20%

Development Priority: Back to Basics – Good Governance

Number of Indicators: 11
 Number of indicators on target: 7
 Number of indicators not on target: 4
 Percentage on target: 64%

Development Priority: Sound Financial Management

Number of Indicators: 12
 Number of indicators on target: 5
 Number of indicators not on target: 7
 Percentage on target: 42%

2024/2025 – OPERATIONAL KPI'S / PROJECTS**Development Priority: Infrastructure Development**

Number of Indicators: 5
 Number of indicators on target: 2
 Number of indicators not on target: 3
 Percentage on target: 40%

Development Priority: Community Development

Number of Indicators: 7
 Number of indicators on target: 7
 Number of indicators not on target: 0
 Percentage on target: 100%

Development Priority: Institutional Development

Number of Indicators: 12
 Number of indicators on target: 11
 Number of indicators not on target: 1
 Percentage on target: 92%

Development Priority: Local Economic Development

Number of Indicators: 6
 Number of indicators on target: 3
 Number of indicators not on target: 3
 Percentage on target: 50%

Development Priority: Back to Basics - Good Governance

Number of Indicators: 13
 Number of indicators on target: 11
 Number of indicators not on target: 2
 Percentage on target: 85%

Development Priority: Back to Basics - Sound Financial Management

Number of Indicators: 9
 Number of indicators on target: 4
 Number of indicators not on target: 5
 Percentage on target: 44%

Total Number of Key Performance Indicators per KPA = 66
 Number of Key Performance Indicators on Target/Completed = 41
 Number of Key Performance Indicators Not on Target = 25
 Percentage on Target = 63%

OVERALL ORGANISATIONAL PERFORMANCE BASED ON SDBIP : 62%

Total Number of Key Performance Indicators per KPA = 61
 Number of Key Performance Indicators on Target/Completed = 45
 Number of Key Performance Indicators Not on Target = 16
 Percentage on Target = 74%

OVERALL ORGANISATIONAL PERFORMANCE BASED ON SDBIP: 74%

SERVICE PROVIDER PERFORMANCE 2024/2025

Service providers are appointed to undertake work on behalf of the municipality. As such, the work to be undertaken is for the benefit of the community and must be monitored to ensure that payment for services is warranted and well spent. Service providers employed to complete projects specified in the IDP are, by implication, monitored through the SDBIP and PMS, due to the fact that a budgeted amount is agreed for the work.

As a guide, all officials engaging the services of an outside body must ensure that clear terms of reference are used for all appointments and that clear indicators specifying agreed timeframes and deliverables are agreed and included in the appointment letter. The appointment letter must also indicate the recourse for non-delivery of agreed deliverables of the required standard.

On a monthly basis, the performance of service providers are monitored. The project owner/manager is issued with a performance report to complete and indicate the performance of the service provider for that particular month after a site visit is conducted. This report is signed by the service provider and the manager to indicate agreement of target achievement and filed.

Contract Management Structure

The position of Contract Management is within the Asset Management department but is still being performed by the SCM Practitioner: Demand Management until the position has been filled.

Tenders Awarded and Expenditure to date.

TENDER NUMBER	DESCRIPTION	SUCCESSFUL BIDDER(S)	APPOINTMENT DATE	ORIGINAL CONTRACT PRICE	FUNDING SOURCE	ESTIMATED COMPLETION DATE	TOTAL PAYMENTS AT YEAR END	COMMITMENT AT YEAR END
TENDER 15/2024	CONSULTING ENGINEERS: MUNICIPAL ROAD NETWORK RECOVERY	KCS CONSULTANTS	2024/09/05	R 1 423 191,38	Government Grants	2025/06/30	676 878,44	746 312,94
TENDER 165/2024	CONSULTING ENGINEERS: REPLACEMENT OF WILLOWMORE STEEL PIPELINE PHASE 2	MJM CONSULTING ENGINEERS	2024/09/25	R 399 990,00	Government Grants	2025/06/30	200 000,00	199 990,00
TENDER 166/2024	SUPPLY AND DELIVERY OF WATER CHEMICALS AND GASES FOR A PERIOD OF 3 YEARS	METSI CHEMICAL SOLUTIONS	2024/09/25	R 0,00	Own Resources	2027/09/30	687 282,05	-
TENDER 167/2024	CONSULTING ENGINEERS: INFORMAL SETTLEMENTS UPGRADING	MJM CONSULTING ENGINEERS	2024/11/12	R 999 990,00	Government Grants	2026/06/30	-	999 990,00

TENDER 168/2024	SUPPLY AND DELIVERY OF STORMWATER COVERS, SLABS AND KERBING	SERVIPIX 72 CC	2024/09/25	R 698 363,37	Own Resources	2024/11/30	698 363,37	-
TENDER 16G/2024	REPAIR AND MAINTENANCE OF PUMPS, GENERATORS, WATER/WASTE WATERPUMPSTATIONS AND FACILITIES FOR A PERIOD OF 3 YEARS	NORTHFIELD ENGINEERING JV IKAMVA LABANTU ENGINEERING	2024/09/25	R 0,00	Own Resources	2027/08/31	2 177 015,37	-
TENDER 17/2025	PAVING OF UMASIZAKHE LOCATION IN DR BEYERS NAUDE MUNICIPALITY	INGCALI JV STANDFIRM CIVILS	2025/06/05	R 6 364 350,56	Government Grants	2026/06/30	-	6 364 350,56
TENDER 175/2024	MANUFACTURE, REFURBISH AND REPAIR OF VEHICLES	BILLSON TRUCKS PE	2024/10/16	R 2 192 435,79	Own Resources	2025/06/30	768 924,72	1 423 511,07
TENDER 176/2024	SUPPLY AND DELIVERY OF TRANSFORMERS	ACTOM ELECTRICAL PRODUCTS	2024/10/17	R 816 679,40	Own Resources	2025/02/28	-	816 679,40
TENDER 177/2024	SUPPLY AND DELIVERY OF PROTECTIVE CLOTHING	PIENAAR BROTHERS	2024/10/25	R 1 950 632,59	Own Resources	2025/02/28	1 787 454,51	163 178,08

TENDER 186/2024	SUPPLY AND INSTALLATION OF BATTERIES FOR A PERIOD OF 3 YEARS	M&A SERVICE CENTRE	2024/11/12	R 0,00	Own Resources	2027/11/30	10 777,69	-
TENDER 1G1/2024	CONSULTING ENGINEERS: CONSTRUCTION OF A MULTI PURPOSE CENTRE IN GRAAFF-REINET	LA CONSULTING ENGINEERS	2024/10/17	R 469 974,81	Government Grants	2026/06/30	-	469 974,81
TENDER 1G2/2024	EMERGENCY EXPOSURE, UNBLOCKING, ASSESSING AND REPAIR OF THE EXISTING SUBSOIL IRRIGATION	AMANZI GROUP	2024/10/25	R 193 913,00	Own Resources	2025/06/30	193 913,00	-
TENDER 1G5/2024	SUPPLY AND DELIVERY OF CLEANING MATERIAL FOR A PERIOD OF 12 MONTHS	SERVIPIX 72 CC	2024/11/12	R 0,00	Own Resources	2025/11/30	171 602,00	-
TENDER 201/2024 ENGINEERING AND ADVICE	PANEL OF CONSULTING ENGINEERS FOR VARIOUS PROJECTS - MDGR PHASE 3	ENGINEERING ADVICE	2025/01/13	R 795 071,55	Government Grants	2026/06/30	214 197,95	580 873,60

TENDER 201/2024 MDGR PHASE 2	PANEL OF CONSULTING ENGINEERS FOR VARIOUS PROJECTS - MDRG PHASE 2	MJM CONSULTING ENGINEERS	2025/01/13	R 431 250,00	Government Grants	2026/06/30	-	431 250,00
TENDER 201/2024 UMASIZAKHE PAVING	PANEL OF CONSULTANTS FOR A PERIOD OF 3 YEARS - UMASIZAKHE PAVING 7DE LAAN	LA CONSULTING ENGINEERS	2025/01/13	R 546 250,00	Government Grants	2026/06/30	240 703,75	305 546,25
TENDER 203/2024	SUPPLY AND DELIVERY OF WATER METERS	SERVIPIX 72 CC	2024/11/12	R 935 998,80	Own Resources	2025/03/30	935 998,80	-
TENDER 213/2024	UPGRADING OF THE WILLOWMORE BULK WATER SUPPLY	PLATINUM CONSTRUCTION	2024/12/17	R 9 571 154,45	Government Grants	2025/06/30	7 706 302,81	1 864 851,64
TENDER 218/2024	ROAD NETWORK UPGRADING	GINGORDIN METHODS TRADING CC	2025/02/17	R 29 983 744,64	Government Grants	2026/06/30	-	29 983 744,64
TENDER 43/2024 PLATINUM CONSTRUCTION	MDRG ROADS RECOVERY AND REHABILITATION	PLATINUM CONSTRUCTION	2024/06/27	R 4 790 089,67	Government Grants	2025/06/30	1 750 462,87	3 039 626,80
TENDER 44/2024	CALCULATION OF REHABILITATION OF LANDFILL SITE PRVISION FOR A PERIOD OF YEARS	JG AFRIKA	2024/07/25	R 263 313,05	Own Resources	2027/06/30	74 520,00	188 793,05

TENDER 4G/2024	PROVISION OF TRAINING SERVICES: FETC ENVIRONMENTAL PRACTICE	AMANGILA ACADEMY	2024/05/22	R 499 980,00	Own Resources	2025/06/30	172 493,10	327 486,90
TENDER 50/2024	PROVISION OF TRAINING SERVICES: CERTIFICATE: LOCAL GOVERNMENT	AMANGILE ACADEMY	2024/05/22	R 499 980,00	Own Resources	2025/06/30	199 992,00	299 988,00
TENDER 52/2025	INSTALLATION OF RAW WATER STORAGE AT THE WTW	INGCALI JV STANDFIRM CIVILS	2025/06/27	R 17 394 386,62	Government Grants	2026/06/30	-	17 394 386,62
TENDER 56/2024	PANEL FOR HIRING OF PLANT, MACHINERY AND EQUIPMENT	VARIOUS	2024/09/25	R 0,00	Own Resources	2027/06/30	312 416,36	-
TENDER 57/2024 BILLSON TRUCKS	MANUFACTUR, REFURBISH AND REPAIR OF TRUCKS	BILLSON TRUCKS	2024/08/25	R 500 724,64	Own Resources	2025/06/30	-	500 724,64
TENDER 57/2024 SKY METRO	MANUFACTURE, REFURBISH AND REPAIR OF TRUCKS	SKY METRO EQUIPMENT	2024/08/25	R 1 885 804,86	Own Resources	2024/11/30	849 999,65	1 035 805,21
TENDER 58/2024	SUPPLY AND DELIVERY OF PHOTOSTAT PAPER FOR A PERIOD OF 2 YEARS	SERVIPIX 72 CC	2024/10/25	R 0,00	Own Resources	2026/10/31	189 750,00	177 671 628

TENDER 178-185	SECURITY AND RELATED SERVICES	AMAHLO CONSULTING AND GAP MANAGEMENT	2024/11/30	R0,00	Own Resources	2027/10/30	
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Overpayments

None

Contract performance monitoring

Concerns were raised for tender 11/2020 MFMP training. The service provider has not supplied the municipality with the learner certificates for more than a year after contract completion. Tender 29/2023 has been awarded to the same company, but the non-performance of the previous contract has led to the municipality canceling the forthcoming contract. LGSETA has subsequently indicated that there are discrepancies regarding the service providers' documentation.

Rates Based Tenders

- Tender 166/2024: Supply And Delivery of Water Chemicals and Gases for A Period Of 3 Years - Metsi Chemical Solutions
- Tender 169/2024: Repair And Maintenance of Pumps, Generators, Water/Wastewater pumpstations and Facilities for A Period Of 3 Years - Northfield Engineering Jv Ikamva Labantu Engineering
- Tender 178-185/2024: Security and related Services for a period of 3 years - Various
- Tender 186/2024: Supply And Installation of Batteries for A Period Of 3 Years - M&A Service Centre
- Tender 195/2024: Supply And Delivery of Cleaning Material for A Period Of 12 Months - Servipix 72 Cc
- Tender 56/2024: Panel For Hiring of Plant, Machinery and Equipment - Various
- Tender 58/2024: Supply And Delivery of Photostat Paper for A Period Of 2 Years - Servipix 72 Cc

Long-term contracts valid for more than 3 years:

- Standard Bank - T 129/2023: Provision for Banking Services
- DDP Valuers - T 32/2023: Valuation Roll and Supplementary Services

Extensions

The following two tenders are extended:

- R-Data – Financial System
- Muncomp – Municipal Administration System (Month to Month)

IMPROVING PERFORMANCE – AUDIT IMPLEMENTATION ACTION PLAN

Dr Beyers Naude Local Municipality

Audit Action Plan 2023/24

TOTAL ACTIONS	10
Not Started	- 0%
Past due not completed	- 0%
In Progress	4 50%
Completed	6 50%

Nr	FSLI	Audit Finding	Audit Action Plan	Responsible Designation and Official	Target Date	Status	COMMENT
1	Non-compliance	Oversight report on 2022/23 annual report not made public	Ensure that the oversight report is made public in line with the legal requirements	Senior manager strategic services	31-Mar-25	Completed	Made public on the website on 29 November 2024
2	Planning	External assessment and internal assessments not done	Internal function should ensure that external and internal assessments are conducted	ACAE : Mr Bantom	30-Jun-25	In Progress	
3	PPE	Public contributions and donation not recorded at fair value. During execution. It was noted that Coca Cola donated a groundwater project to the municipality and the donation revenue from this donation was not recorded as fair value	Update standard operating procedure to account in detail for process necessary on receipt of donations-in-kind	Manager Assets:	28-Feb-25	Completed	
4	Government grants	The government grants were tested, and difference were identified on the Sarah Baartman Fire Grant	1) Ensure all receiving departments submit MOU to accounting dept 2) Monthly reconciliation of grants received to MOU	All managers CA	1) 31-Mar-25 2) Monthly 2) 10-Jul-25	Completed	

5	Trade payables	During the execution phase of the audit, while auditing payables from exchange transactions a difference of R644 060,97 were identified between the trial balance and supporting schedules	Review all non-moving votes for investigation and correction	CA	28-Feb-25	Completed	
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Conclusion

Dr. Beyers Naudé Local Municipality is proud to present this Annual Performance Report for 2024/2025. The Municipality remains committed to respond to the expectations of communities within our jurisdiction, by providing quality and affordable services.