

**COLLINS CHABANE
LOCAL MUNICIPALITY**
Since 2016



**COLLINS CHABANE LOCAL MUNICIPALITY 2024/2025
DRAFT ANNUAL REPORT**

TABLE CONTENTS

ABBREVIATIONS/CONCEPTS AND MEANING.....	3
CHAPTER 1.....	6
1.1 INTRODUCTION TO MUNICIPAL BACKGROUND.....	10
1.2. VISION AND MISSION.....	10
1.2.1 VISION.....	10
1.2.2 MISSION.....	10
1.3 MUNICIPAL CORE VALUES/STANDARDS.....	10
1.4. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW.....	10
1.4.1 MUNICIPAL FUNCTIONS.....	10
1.4.2 GEOGRAPHIC PROFILE.....	11
1.4.2.1 MAPS OF COLLINS CHABANE LOCAL MUNICIPALITY.....	12
1.4.2.2 DEMOGRAPHIC PROFILE.....	12
1.4.2.3 POPULATION.....	13
1.4.2.4 NUMBER OF HOUSEHOLDS.....	13
1.4.2.5 PERCENTAGE OF HOUSEHOLDS CONNECTED TO THE ELECTRICITY GRID.....	14
1.4.2.6 PERCENTAGE OF PEOPLE WHO HAVE A HIGHER-EDUCATION QUALIFICATION.....	14
1.5 SERVICE DELIVERY OVERVIEW.....	15
1.5.1 WATER AND SANITATION.....	15
1.5.2 ROADS.....	15
1.5.3 SOLID WASTE MANAGEMENT.....	15
1.6 FINANCIAL OVERVIEW.....	15
CHAPTER 2.....	16
2.1 INTRODUCTION TO GOVERNANCE.....	16
2.2 POLITICAL GOVERNANCE STRUCTURE.....	16
2.2.1 CURRENT POLITICAL GOVERNANCE STRUCTURE.....	16
2.2.2 TABLE OF CHAIRPERSONS OF PORTFOLIO COMMITTEES.....	18
2.2.3 COUNCILLORS.....	18
2.2.4 TABLE OF PR COUNCILLORS:.....	19
2.2.5 POLITICAL DECISION-MAKING STRUCTURES.....	20
2.3. ADMINISTRATIVE GOVERNANCE.....	20
2.3.1 ROLE OF THE ACCOUNTING OFFICER.....	20
2.4 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS.....	21
2.4.1 PROVINCIAL INTERGOVERNMENTAL STRUCTURE.....	21
2.4.2 DISTRICT INTERGOVERNMENTAL STRUCTURES.....	21
2.5 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION.....	21
2.5.1 PUBLIC MEETINGS.....	22
2.5.1.1 COMMUNICATION, PARTICIPATION AND FORUMS.....	22
2.5.1.2 WARD COMMITTEES.....	22
2.5.1.3 IDP PARTICIPATION AND ALIGNMENT.....	23
2.6 OVERVIEW OF CORPORATE GOVERNANCE.....	23
2.6.1 RISK MANAGEMENT.....	23
2.6.2 ANTI CORRUPTION AND ANTI FRAUD.....	24
2.6.3 AUDIT COMMITTEE.....	Error!
Bookmark not defined.	
2.6.3.1 MEMBERS OF THE AUDIT COMMITTEE.....	Error!
Bookmark not defined.	
2.6.5 COMMUNICATION.....	26
2.6.5.1 MUNICIPAL WEBSITES.....	26
2.6.6 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES.....	27
2.6.7 BY LAWS.....	27
2.6.8 SUPPLY CHAIN MANAGEMENT.....	27
2.6.8.1 DISCLOSURE OF FINANCIAL INTEREST.....	28
2.6.8.2 COMPETITIVE BIDS.....	28
CHAPTER 3.....	29
3.1. WATER PROVISION & SANITATION.....	29
3.2. ELECTRICITY.....	29

3.2. WASTE MANAGEMENT (REFUSE COLLECTIONS).....	31
3.3. HOUSING.....	31
3.4. ROADS & MAINTENANCE.....	32
3.5. PLANNING.....	34
3.6. LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)	35
3.7. LIBRARIES; COMMUNITY FACILITIES.....	36
3.8. OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER).....	36
3.9. TRAFFIC LAW ENFORCEMENT.....	37
3.10. LICENSING.....	37
3.11. SPORT AND RECREATION.....	38
3.12. PARKS & CEMETERIES.....	38
3.13. LEGAL.....	39
CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE.....	41
4.1. EMPLOYEE TOTALS AND VACANCIES.....	41
4.2. POLICIES.....	42
4.3. INJURIES AND SICK LEAVE.....	44
4.3.1 INJURIES.....	44
4.3.2 SICK LEAVE.....	45
4.4. PERFORMANCE REWARDS.....	45
4.5. SKILLS DEVELOPMENT AND TRAINING.....	45
CHAPTER 5.....	47
5.1 STATEMENTS OF FINANCIAL PERFORMANCE 2024/2025.....	47
5.2 GRANTS.....	48
5.2.1 Operational Grants for 2024/25 Financial Year.....	48
5.2.2 Capital Grants for 2024/25 Financial Year.....	48
5.3 ASSET MANAGEMENT.....	49
5.4. CAPITAL SPENDING ON 5 LARGEST PROJECTS.....	49
CHAPTER 6.....	50
CHAPTER 7.....	61
ANNEXURE A AUDIT ACTION PLAN.....	62
ANNEXURE B ANNUAL FINANCIAL STATEMENT.....	Error!
Bookmark not defined.	
ANNEXURE C 2024/25 ANNUAL PERFORMANCE REPORT.....	100Error! Bookmark not defined.
ANNEXURE D AUDIT COMMITTEE REPORT.....	123
ANNEXURE E MPAC OVERSIGHT REPORT.....	124

ABBREVIATIONS/CONCEPTS AND MEANING

ABBREVIATIONS/ CONCEPTS	MEANING
Accountability documents	Documents used by executive authorities to give "full and regular" 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 "what we do".
Adequacy indicators	The quantity of input or output relative to the need or demand.
AG	Office of the Auditor General.
AFS	Annual Financial Statement
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.
BTO	Budget and Treasury Office.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
CCLM	Collins Chabane Local Municipality.
COGHSTA	Corporative Governance, Human Settlement and Traditional Affairs
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
VDM	Vhembe District Municipality.
Distribution indicators	The distribution of capacity to deliver services.

EPMDS	EPMDS performance standards are divided into indicators and the time factor.
EPWP	Expanded Public Works Programmes.
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.
FY	Financial Year
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.
HH	Households.
HRD	Human Resource Development
IDP	Integrated Development Plan.
IWMP	Integrated Waste Management Plan
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
INEP	Integrated National Electrification Programme
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
IT	Information Technology.
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development.
LGSETA	Local Government Sector Education and Training
LM	Local Municipality.
LLF	Local Labour Forum
MFMA	Municipal Finance Management Act.
MIG	Municipal Infrastructure Grant.
MOU	Memorandum of Understanding.
MPAC	Municipal Public Accounts Committee.
MSA	Municipal Systems Act (Act No. 32 of 2000).
NERSA	National Energy Regulator of South Africa
OPEX	Operational Expenditure
Q	Quarter
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 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.
PMS	Performance Management System.
Service Delivery 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.
SDF	Spatial Development Framework.
SG	Surveyor General
SPLUMA	Spatial Planning and Land Use Management Act
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.
WSDP	Water Service Development Plan

CHAPTER 1

COMPONENT A: EXECUTIVE SUMMARY BY THE MAYOR'S FOREWORD



It is my privilege to present the 2024/2025 Draft Annual Report of Collins Chabane Local Municipality to the community of Collins Chabane and our stakeholders which has been prepared in line with the provisions of various pieces of legislations like the Local Government Municipal Systems Act, 2000 read together with the provisions of the Local Government Municipal Finance Management Act 56 of 2003. Section 121(1) of the Local Government Municipal Finance Management Act 2003, states that, every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this chapter. The Council of a municipality must within nine months after the end of the financial year deal with the Annual Report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

The 2024/25 Draft Annual Report outlines the milestones and performance achievements based on the targets the municipality set in the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP) for 2024/25 financial year. The 2024/25 municipal financial year commenced on 1 July 2024 and ended on 30 June 2025. The five-year term of local government provides an opportunity for us to review the previous financial year's performance and improve thereon.

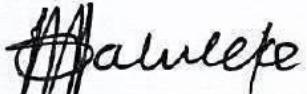
During the 2024/25 financial year, Collins Chabane Local Municipality received license from the National Energy Regulator of South Africa (NERSA) to distribute electricity. The license allows the municipality to sell electricity it generates through its own solar plants and three pilot areas have been identified: Nkuzana, Malamulele D and Mavambe View.

Collins Chabane community played a key role in achieving our goals by participating optimally on municipal programmes through public participation structures and platforms that we have such as ward committee meetings, IDP/PMS and Budget Rep forums and Mayoral Imbizo. Your contributions enabled us to confirm where our key challenges lie and construct a plan to address them.

Chapter 6 of the Local Government Municipal System Act requires that all municipalities must develop a Performance Management System (PMS) which will monitor the implementation of the IDP. The municipality in line with this legislated imperative has developed the Draft Annual Report which gives account of municipal performance in terms of its own predetermined objectives which set targets that need to be achieved at the end of Financial Year

The Draft Annual Report is one of the highly reputable tools of government and in terms of accountability, to assess the effectiveness of the Municipality and the impact it has on the community. It also gives an overview of the state of financial affairs of the Municipality and the administrative and governance maturity levels of the institution. The Draft Annual Report also indicate challenges for targets that were not achieved and the reason for non-achievement.

In conclusion, I would like to express my gratitude to every community member, ward Committee members, Councilors, Management and Staff members for their support



Councilor S.G Maluleke
His Worship, the Mayor:

COMPONENT B: EXECUTIVE SUMMARY BY THE MUNICIPAL MANAGER



The 2024/25 Draft Annual Report records the performance and progress made by Collins Chabane Local Municipality in fulfilling its strategic objectives contained in the integrated Development Plan (IDP), Budget, and Service Delivery Budget Implementation Plan (SDBIP) as approved by Council. The report gives the community an opportunity to reflect and see how the municipality responded to its mandate as a local sphere of government given the responsibility of delivering basic services to the communities of Collins Chabane.

The municipality achieved an unqualified Audit opinion during the 2024/25 financial year after regressing to qualified in the previous financial year and Auditor General Action Plan it is in place to address the findings Identified. I am confident that the current administration, under my leadership is competent, capable and disciplined enough to rise the occasion and successfully fulfil the vision of the municipality.

Administrative Functionality

The administration has been stronger than ever and with the support and guidance of the Council we have made a remarkable stride in achieving our vision "A Spatial integrated and sustainable local economy by 2030."

Performance Management

The performance management policy was reviewed, and the municipality has reviewed the individual performance for Mid-Year 2024/25 of staff members to create a performance culture throughout the entire organisation. For the 2024/25 financial year institutional annual performance is sitting at **89 %** which shows a regress by **1%** as compared to **90%** of 2023/24 financial year. All senior managers are appointed to execute the administrative functions of the municipality.

Communication

Municipality has implemented several communication systems to keep the public abreast with the progress and information that affects them. After the implementation and successful execution of newsletter, a messaging system proceeded and established a social media presence. This platform has ensured that we have interactive, real time communication with our communities

LED

The municipality is determined to ensure that we meet our strategic objectives of Local Economic Development. We have placed our focus on job creation within the areas via EPWP and CWP. We are pleased to have a good relationship with our LED stakeholders and looking forward to the coming financial year to make new and improved changes in the LED environment.

Good governance

Good governance remains crucial to the success of the organisation and the value of a well-functioning Council with its Committee structures, as well as Ward Committees cannot be overstated by the institution.

All reasonable steps were taken into consideration to maintain effective, efficient and transparent system of financial, risk management and internal control.

Public participation

The municipality realises that community participation is a major implication on democratising service delivery. Therefore, we continue to utilize space for public participation programmes where we communicate regularly with communities and disseminate relevant information through structures that are in place.

Financial Sustainability

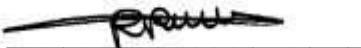
The financial viability of Collins Chabane Local Municipality has not improved as several problems stills prevail and the municipality is still very dependent on grant funding. We are considerate of indigent people to receive goods and services such as housing, water and sanitation, refuse removal and electricity.

Joint projects and functions with Sector Departments

The Municipality share the area and community with other spheres of government and has to work closely with National, Provincial department and District Municipality to ensure effective implementation of various projects and functions.

In conclusion, I would like to thank the Mayor, Executive Committee, Councilors and Senior Managers who dedicated themselves and worked hard in ensuring that the people of Collins Chabane benefit from improved quality of life in a sustainably functional municipal area. I also commend all the staff, irrespective of the rank, their commitment, dedication, loyalty and hard work that contributed to a successful year. I acknowledge the good relationship that prevailed with sector departments and applaud the working relations with municipal labour unions', SAMWU and IMATU during the financial year under review.

R.R SHILENGE
MUNICIPAL MANAGER



1.1 INTRODUCTION TO MUNICIPAL BACKGROUND

This report addresses the performance of Collins Chabane Local Municipality (CCLM) in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the Council of the Municipality provides regular and predictable reporting on program performance and the general state of affairs in their locality.

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

1.2. VISION AND MISSION

The Collins Chabane Local Municipality committed itself to the following vision and mission:

1.2.1 VISION

“A spatially integrated and sustainable local economy by 2030”

1.2.2 MISSION

To ensure the provision of sustainable basic services and infrastructure to improve the quality of life of our people and to grow the local economy for benefit of all citizens

1.3 MUNICIPAL CORE VALUES/STANDARDS

Linked to the mission, the municipality identified the following **CORE VALUES** to be adhered to by the Councilors, management and the officials of the Municipality for all the interactions with customers:

- **Transparency**,
- **Accountability**,
- **Responsive**
- **Professional**
- **Creative**
- **Integrity**

The above values are aligned to **Batho Pele** Principles which are the following:

- Consultation
- Service Standards
- Access
- Courtesy
- Information
- Openness and Transparency
- Re-dress
- Value for Money

1.4. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.4.1 MUNICIPAL FUNCTIONS

A municipality has the functions and powers assigned to it in terms of Sections 156 and

229 of the Constitution. In terms of the Municipal Structures Act No. 117 of 1998 Collins Chabane Local Municipality (Lim 345) is classified a B Municipality and falls within the Vhembe District Municipality (DC29). This act made provision of the division of powers and functions between the district and local municipalities with the most day-to-day service delivery functions being delegated to local municipalities and the District wide to District Municipalities. Hereunder are the powers and functions allocated to the Collins Chabane Local Municipality:

- Municipal Planning
- Local Tourism
- Local Amenities
- Cleansing
- Control of public nuisance
- Storm Water
- Local Sports Facilities
- Municipal Roads
- Fencing
- Electricity

1.4.2 GEOGRAPHIC PROFILE

The Collins Chabane Local Municipality is a Category B municipality situated within the Vhembe District in the far north of the Limpopo Province. The municipality shares borders with Musina in the north, Thulamela in the north-east, the Mopani District in the south, and Makhado in the west. It is one of the four municipalities in the district, making up 20% of its geographical area. It was established by the amalgamation of portions of the Thulamela and Makhado Local Municipalities in August 2016.

The administrative seat of the Municipality finds itself in Malamulele and the municipal area is divided into 36 wards which consists of 193 villages.

Area: 5 003km^a

Main Economic Sectors: Agriculture, community services, finance, trade, transport

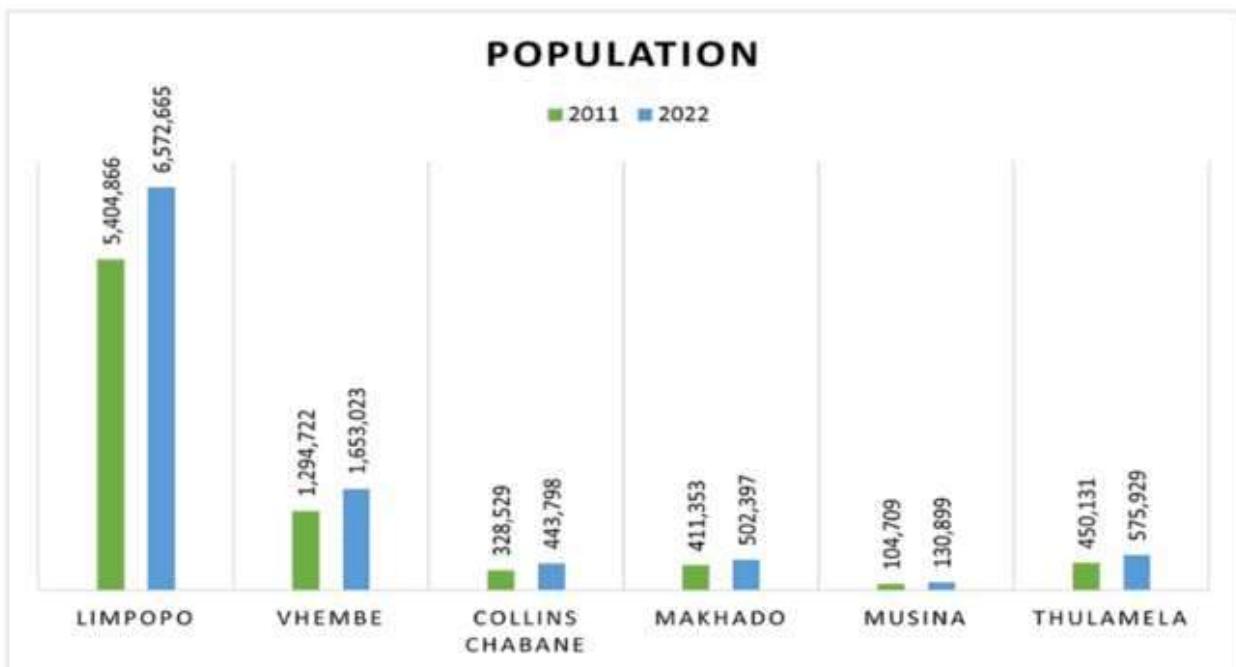
1.4.2.1 MAPS OF COLLINS CHABANE LOCAL MUNICIPALITY



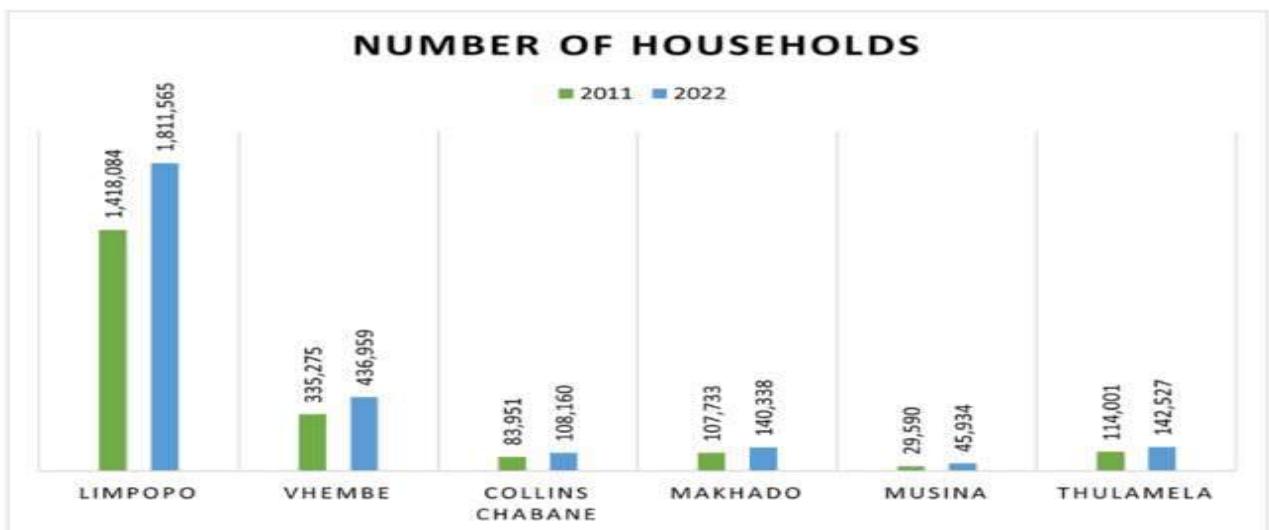
1.4.2.2 DEMOGRAPHIC PROFILE:



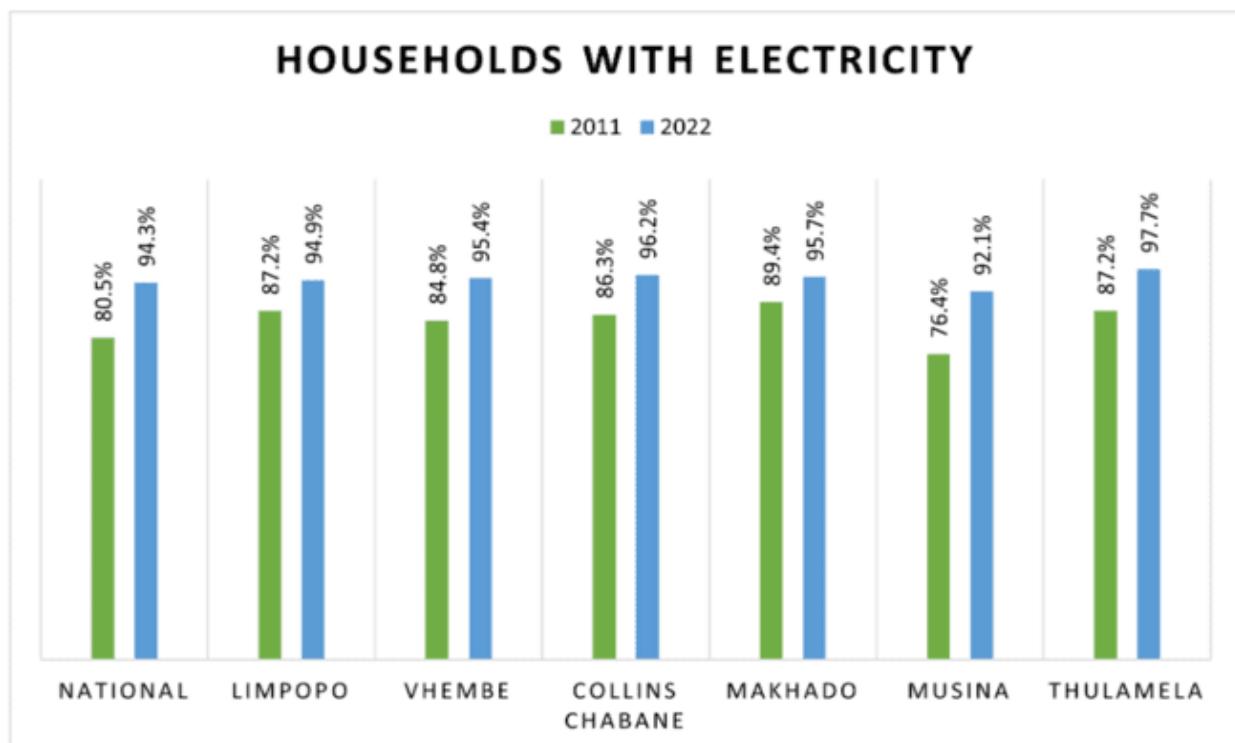
1.4.2.3 POPULATION



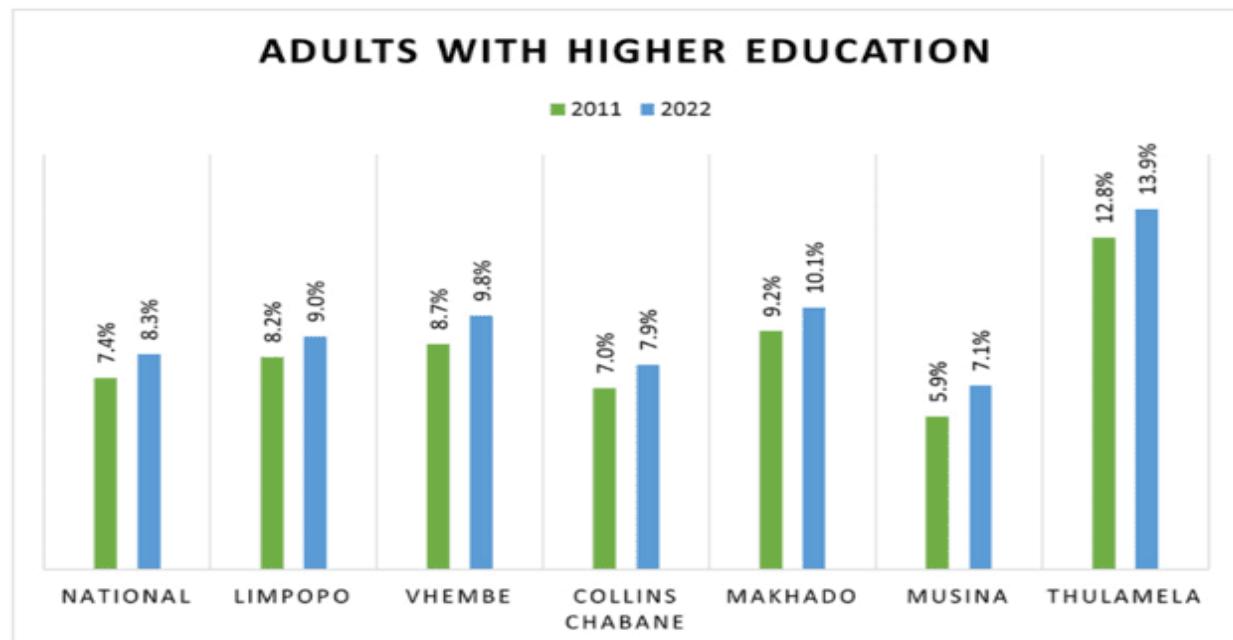
1.4.2.4 NUMBER OF HOUSEHOLDS



1.4.2.5 PERCENTAGE OF HOUSEHOLDS CONNECTED TO THE ELECTRICITY GRID.



1.4.2.6 PERCENTAGE OF PEOPLE WHO HAVE A HIGHER-EDUCATION QUALIFICATION.



1.5 SERVICE DELIVERY OVERVIEW

1.5.1 WATER AND SANITATION

Collins Chabane Local Municipality is not mandated to provide water and sanitation services however, Vhembe District Municipality is the Water Service Authority for Collins Chabane Local Municipality since 2003. Vhembe District Municipality has a Water Service Development Plan (WSDP) that has been adopted in 2021. The WSDP is **linked** and aligned to the Collins Chabane Local municipality long-term development plan as well as the spatial development framework, District Growth and Development Plan, Housing and Integrated Waste management plans. The role of the iLembe Technical Services Department is to provide water and sanitation services throughout the District thereby eliminating backlogs.

1.5.2 ROADS

Collins Chabane Local Municipality is responsible for some of the new roads and maintaining the existing roads. The asset roads maintenance plan provides a structure within which to strategically manage the maintenance and to optimize the life cycle of the Municipality's assets in accordance with service delivery requirements and towards achieving the needs of the communities that the Municipality is responsible for the key objectives.

1.5.3 SOLID WASTE MANAGEMENT

The Collins Chabane Local Municipality is responsible for solid waste management within its jurisdiction. The municipality has developed an Integrated Waste Management Plan (IWMP) as per the requirements of the National Environmental Management Waste Act (59 of 2008) as amended (hereafter referred to as the Waste Act) to sustain and improve waste management in the municipal area. The IWMP was approved and adopted by the Collins Chabane Local Municipality Council in May 2022. The IWMP is an integral part of the IDP and therefore it must be aligned to the Municipality's IDP.

1.6 FINANCIAL OVERVIEW

For the year under review, municipal budgeted surplus was R 165 677 000 and incurred an actual surplus of R 139 822 000

FINANCIAL OVERVIEW: 2024/25 FINANCIAL YEAR SUMMARY: STATEMENT OF FINANCIAL PERFORMANCE

DESCRIPTION	BUDGET 2024/25 FINANCIAL YEAR	ACTUAL 2024/25 FINANCIAL YEAR
Total Revenue by Source (Excluding Capital Transfers)	649,725,000	643,135,000
Capital Transfers	116,519,000	116,519,000
Total Revenue by Source (Including Capital Transfers)	766,244,000	759,654,000
Less Total Expenditure	600,567,000	619,832,000
Equals: Surplus/deficit	165,677,000	139,822,000

CHAPTER 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 INTRODUCTION TO GOVERNANCE:

Collins Chabane Local Municipality is a Category B which forms part of the five (4) local municipalities under the Vhembe District Municipality (VDM). A local municipality is a type of municipality that serves as the third, and most local, tier of local government.

2.2 POLITICAL GOVERNANCE STRUCTURE

Collins Chabane Local Municipality has a total number of 36 Ward Councilors and 35 PR Councilors.

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, Councilors are also actively involved in community work and the various special programs in the municipal area.

2.2.1 CURRENT POLITICAL GOVERNANCE STRUCTURE

POLITICAL STRUCTURE	FUNCTION
MAYOR: Cllr Maluleke S.G	Functions of the Mayor: The Mayor of a municipality: Presides at meetings of the executive committee; and Performs the duties, including any ceremonial functions, and exercises the powers delegated to the Mayor by Municipal Council or the Executive Committee.
SPEAKER: Cllr Mbedzi T.S	Functions of the Speaker: The Speaker of a municipal council: Presides at meetings of the council; Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000); Must ensure that the council meets at least quarterly; Must maintain order during the meetings; Must ensure compliance in the council and council committees with the Code of conduct set out in schedule 1 to the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000); and Must ensure that the council meetings are conducted in accordance with the rules and orders of the council.

CHIEF WHIP: Cllr Baloyi M.E	<p>Political management of council meetings and committee meetings</p> <p>Inform councilors of meetings called by the Speaker and the Mayor and ensuring that such meetings quorate</p> <p>Advises the Mayor and Speaker on the Council agenda</p> <p>Informs councilors on important matters on the relevant agenda</p> <p>Advise the Speaker on the amount of time to be allocated to speakers and the order of such speakers addressing the Council</p> <p>Ensures that councilors' motions are prepared and timeously tabled in terms of the procedural rules of Council</p> <p>Assisting the Speaker in the counting of votes</p> <p>Advising the Mayor and Speaker of urgent motions</p> <p>Advising the Mayor and Speaker on how to deal with important items not disposed of at a Council meeting</p>
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EXECUTIVE COMMITTEE:

NAME OF MEMBERS	HEAD OF PORTFOLIO
CLLR MAVIKANE X.S	PORTFOLIO HEAD OF TECHNICAL SERVICES
CLLR THOVHAKALE M.S	PORTFOLIO HEAD OF COMMUNITY SERVICES
CLLR MANGANYI M.N	PORTFOLIO HEAD OF FINANCE
CLLR CHAUKE F.T	PORTFOLIO HEAD OF CORPORATE SERVICES
CLLR LEBEA M.E	PORTFOLIO HEAD OF PLANNING AND DEVELOPMENT
CLLR MAHLAWULE T.P	PORTFOLIO HEAD OF SPECIAL PROGRAMMES
CLLR MABASA D	PORTFOLIO HEAD OF LEGISLATION AND TRADITIONAL AFFAIRS
CLLR BALOYI D.L	EXCO MEMBER
CLLR SHIBURI S.K	EXCO MEMBER

2.2.2 TABLE OF CHAIRPERSONS OF PORTFOLIO COMMITTEES:

NO	CHAIRPERSON OF PORTFOLIO COMMITTEE	PORTFOLIO COMMITTEE	POLITICAL PARTY
1	CLLR W MABASA	PLANNING AND LED	ANC
2	CLLR T.S MUDAU	MPAC	ANC
3	CLLR Z.W SUNDUZA--	WOMEN CAUCAS	ANC
4	CLLR H.M MALULEKE	EDUCATION, SPORTS, ARTS AND CULTURE	ANC
5	CLLR H.F MATHAVHA	ETHICS COMMITTEE	ANC
6	CLLR H.R BALOYI	TECHNICAL SERVICES AND INFRASTRUCTURE	ANC
7	CLLR J MABASA	CORPORATE SERVICES	ANC
8	CLLR H.J BALOYI	LEGISLATION AND TRADITIONAL AFFAIRS	ANC
9	CLLR L.R MALULEKE	RULES COMMITTEE	ANC
10	CLLR H.G CHAUKE	FINANCE	ANC
11	CLLR M.J SHANDUKANI	HOUSING AND ELECTRICITY	ANC
12	CLLR S.E MAKHOMISANI	WOMEN, YOUTH AND CHILDREN	ANC
13	CLLR H.D NDOVE	SPECIAL PROGRAMMES	ANC
14	CLLR S.M REKHOTSO	COMMUNITY SERVICES	ANC

2.2.3 COUNCILLORS

Below is a table that categorise the Councilor's within their specific political parties and wards:

WARD NO:	COUNCILLOR	GENDER	WARD NUMBER	POLITICAL PARTY
1	CLLR R.E MARINGA	MALE	01	ANC
2	CLLR M.J SHANDUKANI	FEMALE	02	ANC
3	CLLR H.R MAREMANE	MALE	03	ANC
4	CLLR G.M RIKHOTSO	MALE	04	ANC
5	CLLR P.F MASHIMBYE	MALE	05	ANC
6	CLLR S MAKHUBELE	MALE	06	ANC
7	CLLR M.S THOVHAKALE	MALE	07	ANC
8	CLLR T.M MUTELE	FEMALE	08	ANC
9	CLLR G KHANGE	FEMALE	09	ANC
10	CLLR E BAMUZA	MALE	10	ANC
11	CLLR H.F MATHAVHA	MALE	11	ANC
12	CLLR D.L TSHOTELI	MALE	12	ANC
13	CLLR T.E MALULEKE	MALE	13	ANC
14	CLLR T.S MUDAU	MALE	14	ANC
15	CLLR X.S MAVIKANE	MALE	15	ANC
16	CLLR H.L MANGANYI	MALE	16	ANC
17	CLLR G.D MASANGU	MALE	17	ANC
18	CLLR H.J BALOYI	FEMALE	18	ANC
19	CLLR N MUNYAI	MALE	19	INDEPENDENT

20	CLLR D MABASA	FEMALE	20	ANC
21	CLLR H.R BALOYI	MALE	21	ANC
22	CLLR C MHANGWANA	FEMALE	22	ANC
23	CLLR H.M MALULEKE	MALE	23	ANC
24	CLLR K.R CHABALALA	MALE	24	ANC
25	CLLR M.C CHAUKE	MALE	25	ANC
26	CLLR M.J BALOYI	MALE	26	ANC
27	CLLR S SHIVAMBU	MALE	27	ANC
28	CLLR J MABASA	MALE	28	ANC
29	CLLR T.S CHAUKE	MALE	29	ANC
30	CLLR S HLUNGWANI	MALE	30	ANC
31	CLLR M.W SITHOLE	MALE	31	ANC
32	CLLR H.G CHAUKE	MALE	32	ANC
33	CLLR W MABASA	MALE	33	ANC
34	CLLR M.C MABUNDA	MALE	34	ANC
35	CLLR C CHABANGU	FEMALE	35	ANC
36	CLLR M.L MATHEBULA	FEMALE	36	ANC

The municipality has a total number of 36 Ward Councilors of which 28 are males and 8 are females.

2.2.4 TABLE OF PR COUNCILLORS:

NO	PR COUNCILLORS:	GENDER	POLITICAL PARTY
1	CLLR M.E BALOYI	MALE	ANC
2	CLLR F.T CHAUKE	FEMALE	ANC
3	CLLR M.E LEBEA	MALE	ANC
4	CLLR R.P MUDAU	FEMALE	ANC
5	CLLR N.M MANGANYI	MALE	ANC
6	CLLR T.P MAHLAWULE	FEMALE	ANC
7	CLLR Z.W SUNDUZA	FEMALE	ANC
8.	CLLR L.R MALULEKE	FEMALE	ANC
9	CLLR S.G MALULEKE	MALE	ANC
10	CLLR S.E MAKHOMISANI	FEMALE	ANC
11	CLLR MBEDZI T.S	FEMALE	ANC
12.	CLLR H.D NDOVE	MALE	ANC
13	CLLR S.M REKHOTSO	FEMALE	ANC
14	CLLR M.E MATHEBULA	MALE	ANC
15	CLLR M.S MATAMELA	FEMALE	ANC
16	CLLR N.R RASIUBA	FEMALE	ANC
17	CLLR T.R CHAUKE	FEMALE	ANC
18	CLLR M.M MULAUDZI	MALE	ANC
19	CLLR M.G CHAUKE	MALE	ANC
20	CLLR T.G HLATSWAYO	FEMALE	EFF
21	CLLR R.M MAFANELA	FEMALE	EFF
22	CLLR B.S MALOLEKA	MALE	EFF

23	CLLR S.L SIWEYA	FEMALE	EFF
24	CLLR R.M MALULEKE	FEMALE	EFF
25	CLLR S.K SHIBURI	MALE	AL
26	CLLR K.R MUTHUBI	MALE	AL
27	CLLR T.M MASIA	FEMALE	DA
28	CLLR N.S MAKONDO	FEMALE	APC
29	CLLR T.J MUNARINI	MALE	KYN
30	CLLR K.K MABASA	MALE	ACDP
31	CLLR M.J MANGANYE	MALE	XIMOKO
32	CLLR Z.Q MIYAMBO	FEMALE	PAC
33	CLLR T.L HLABANGWANI	FEMALE	EFF
34	CLLR T.G KHOSA	FEMALE	ANC
35	CLLR M.L MAHLAULE	MALE	EFF

2.2.5 POLITICAL DECISION-MAKING STRUCTURES:

Decisions are taken through the Council and the Executive Committee oversees that all resolutions are implemented. MPAC plays an oversight role.

2.3. 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.

2.3.1 ROLE OF THE ACCOUNTING OFFICER

The Municipal Manager is the Accounting Officer of the Municipality. S/He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. S/He is assisted by his/her directors which constitutes the Management Team, whose structure is outlined in the table below:

Designation	Name
Municipal Manager	Shilenge R.R
Chief Financial Officer	Maluleke N.V
Senior Manager: Planning & Development	Radali A.C
Senior Manager: Corporate services	Moselankoe P.D
Senior Manager: Technical Services	Baloyi P.M
Senior Manager: Community services	DR. Maluleke G.L

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.4 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution section 41. As outlined in Chapter 3 of the Intergovernmental Relations Framework (2005), the Implementation Protocols (IP) better known as Memorandum of Understanding (MOU) is a useful tool to operationalize the management of a Joint Programme to realize government developmental outcomes. The Inter-governmental Relations Framework Act, (Act No 13 of 2005), requires all spheres of government to work jointly, coordinate, communicate, align and integrate service delivery effectively, to ensure access to services. In this regard the Municipality complies with the provisions of the Act.

2.4.1 PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Collins Chabane Local Municipality attends the Provincial MUNIMEC and Provincial Municipal Infrastructure Forum, Local Government Communications Forum, EPWP Provincial Steering Committee, Chief Audit Executive Forum, Provincial Legal Advisor's Forum, Provincial Round Table on Public Participation, Chief Audit Executive Forum, HRD & Collective bargaining Working Group, Provincial Skills Development Facilitators Forum to consult on matters of mutual interest and where the state and progress of municipalities are addressed.

2.4.2 DISTRICT INTERGOVERNMENTAL STRUCTURES

Collins Chabane Municipality attends the District IGR and District Mayors Forum (DIMAFO), Speakers Forum, District Municipal Manager's Forum, District Strategic Manager's Forum, District Internal Audit Forum District Engineering Forum, District Communicators Forum (DCF), District Legal Advisor's Forum, District Wide Planning and Economic Development Forum, District Agricultural Forum, District Corporate Services District Forum (CSDF), District Skills Development Facilitators Forum, District Tourism Forum, District Aids Council, District Finance Forum and District IDP/Budget and PMS Representative Forum and District Initiation Forum.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.5 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

- The preparation, implementation, review of the IDP
- Establishment, implementation, review of the IDP
- Monitoring and review of the performance, including the outcomes and impact of such performance.
- Preparation of the Municipal budget.

2.5.1 PUBLIC MEETINGS

2.5.1.1 COMMUNICATION, PARTICIPATION AND FORUMS

As guided and inspired by the Legal framework that includes the Constitution of the Republic of South Africa, The Municipal Systems Act 32 of 2000, as well as the Municipal Structures Act No.117 Of 1998, Collins Chabane Local municipality has ensured regular and effective communication with the community. The Municipality has to manage strategically information flow with relevant target groups, and also to ensure that communication in all spheres of government is driven by a clear message to improve the lives of the people.

It is widely recognized and understood that an organization's success rests on how well it understands the needs of its customers, and how it responds to those needs by delivering what is required. Good Customer Care clearly implies delivering a professional service, providing access to quality information, providing services that are timely, cost effective, and useful, for Government's core objectives. The Presidential Hotline is an electronic tool we are utilizing to manage queries, complaints.

Below is a communication checklist of the compliance to the communication requirements:

Communication Activities	Yes/No
Communication Unit	Yes
Communication strategy	Yes
Communication policy	Yes
Customer satisfaction survey	No
Functional Complaint management system	Yes
Newsletter distributed quarterly	No

The municipality has ensured during the year that there is full participation of the public through:

- IDP/Budget and PMS Representative Forums.
- IDP /Budget and PMS Road shows.
- Local Communicator's Forum.

Notices were issued on time and dispatched in public places to ensure that each Ward is afforded the opportunity to participate.

2.5.1.2 WARD COMMITTEES

The Ward Committees support the Ward Councilors who receives report on development, participate in development planning processes and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all Ward Committees function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

WARD COMMITTEE MEETINGS

DESCRIPTION	NUMBER
No. of wards	36
No. of ward committees	36
No. of ward committee members	360
No. of functional ward committee members	360
No. of non-functional ward committees' members	0
No. of ward committees' meetings	432

2.5.1.3 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 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted to Council within the stipulated time frames?	No

COMPONENT D: CORPORATE GOVERNANCE

2.6 OVERVIEW OF CORPORATE GOVERNANCE

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

2.6.1 RISK MANAGEMENT

Collins Chabane Municipality recognize that proactive risk management is essential for effective governance and service delivery. Our structured risk management approach ensures that potential threats are identified, assessed, and mitigated to safeguard municipal operations and financial sustainability. To enhance oversight, the Audit Committee plays a pivotal role in monitoring risk management efforts. A dedicated Risk Committee Chairperson has been appointed, reporting directly to the Accounting Officer and providing quarterly updates to the Audit Committee. This ensures that risk management remains a priority at the highest levels of municipal administration.

The Audit Committee not only oversees risk mitigation strategies but also provides technical support to the Council, enabling informed decision-making. Through this framework, the Council upholds its duty of care, skill, and diligence by continuously identifying, assessing, and addressing potential risks. Furthermore, the Audit Committee

actively recommends strategic risk management policies and monitors their implementation to foster a culture of accountability and resilience within the municipality. This commitment to effective risk governance strengthens our ability to deliver reliable services, promote financial stability, and build public trust.

During the period under review, the municipality took significant progress in refining its risk management approach by developing the following specialized risk registers:

- Strategic Risk Register to addresses municipality-wide risks that may impact long-term goals.
- Departmental Operational Risk Registers tailored to specific operational risks within municipal departments.
- Fraud Risk Register focused on preventing and mitigating fraudulent activities
- mSCOA and OHS Risk registers to strengthen transparency and compliance with laws and regulation.
- ICT Risk Register to enhances cybersecurity and information systems resilience.
-

These initiatives align with our broader Risk Mitigation Plan, aimed at continuously improving our risk management system and reinforcing a culture of accountability across all levels of governance. By prioritizing risk management, Collins Chabane Municipality ensures a stable and resilient foundation for effective service delivery and community development.

2.6.2 ANTI CORRUPTION AND ANTI FRAUD

Commitment to a Corruption-Free Municipality

During the 2024-25 financial year, no allegations of fraud or corruption were reported to the Municipality through any of the available reporting channels. Internally, one case of alleged fraud related to fuel theft was identified and has since been referred to the South African Police Service (SAPS) for further investigation.

At our Municipality, we uphold a strict zero-tolerance policy towards fraud, corruption, maladministration, and any dishonest activities. Any such incidents are thoroughly investigated, and decisive actions are taken against those responsible. These actions may include criminal charges, civil and administrative proceedings, and financial recoveries where applicable.

Encouraging Transparency and Accountability

We believe that combating fraud and corruption is a collective responsibility. Employees, community members, and stakeholders are encouraged to report any suspected fraudulent activities to the Municipality or through designated government platforms. To strengthen our efforts, Vhembe District Municipality, in partnership with all four local municipalities, including Collins Chabane, launched a shared Anti-Fraud and Corruption Hotline. Reports can be submitted to key offices, including: Office of the Mayor, Office of the Speaker and Office of the Municipal Manager. Additionally, reports can be made through the following hotlines:

- **Presidential Hotline:** 17737
- **Premier's Hotline:** 0800 864 729
- **VDM Anti-Fraud Hotline:** 0800 115 446

All reports are directed to the Municipal Manager, who ensures that they are properly addressed in collaboration with the district. Strict confidentiality is maintained throughout the process, ensuring that whistleblowers are protected and that reports are only shared with authorized investigators.

Proactive Measures in Fraud Prevention

Beyond reactive measures, the Municipality is committed to preventing fraud and

corruption through continuous education and awareness. During the year, we conducted workshops and campaigns to educate Senior Management and middle management, Traffic Officials, Budget & Treasury and Councilors. These initiatives reinforce our commitment to ethical governance and accountability, ensuring that our Municipality remains a transparent and corruption-free institution.

2.6.3 AUDIT COMMITTEE

The current audit committee has an effective audit committee, which is constituted by five independent members and it meets at least four times per annum as per its approved terms of reference, although additional special meetings may be arranged as the need arises.

The purpose of the committee is to provide:

- Independent assurance on the adequacy of the risk management framework, performance management, governance and the control environment.
- Independent scrutiny of the municipality's financial and non-financial performance; and
- To oversee the financial reporting and compliance processes.

The key benefits of the audit committee are as follows:

- Increasing public confidence in the objectivity and fairness of both financial and non-financial reporting.
- Reinforcing the importance and independence of internal and external audit and similar review processes.
- Providing additional assurance through a process of independent review.
- Raising awareness of the need for internal control and the implementation of audit recommendations.

Summary of Audit Committee responsibilities:

The responsibilities of the Committee, as laid down in the Charter, include providing oversight on financial reporting and other matters such as the monitoring of governance processes, controls and risk management in the municipality. The Committee also ensures effective communication between the internal auditors, external auditors, the Council and management.

During this period the Committee conducted the following business and made recommendations for improvement in the relevant areas:

- Approval of the Risk Based Annual Internal Audit Plan and Three-Year Rolling Plan.
- Reviewed the Annual Financial Statement for 2024/2025 financial year.
- Reviewed the municipalities financial and performance reports.
- Reviewed the risk management framework of the municipality.
- Reviewed the Performance Management policy of the municipality.
- Considered litigation matters facing the municipality.
- Reviewed Internal Audit quarterly reports.
- Reviewed External and Internal Audit recommendations, monitoring and tracking thereof.
- Ensures that an Audit Action Plan is developed and monitor progress thereof on issues that were raised on the previous years by the Auditor General of South Africa.

2.6.3.1 MEMBERS OF THE AUDIT COMMITTEE

The Committee comprises of five independent executive members. Representatives from the office of the Auditor General, Internal Audit and senior management of the municipality attend committee meetings on an *ex officio status*. In terms of our Charter at least four (04) meetings should be held during a financial year. We are pleased to announce that all four meetings were held in the 2024/2025 financial year. Details of the Committee members are as follows:

No.	INITIAL & SURNAME	POSITION
1.	Mashaba TG	Chairperson - Audit Committee
2.	Kgopa MJ	Member - Audit Committee
3.	Nenngwekhulu N	Member - Audit Committee
4.	Xivuri KP	Member - Audit Committee
5.	Shiringane PC	Member - Audit Committee

Collins Chabane Local Municipality has an in-house Internal Audit function that consists of Chief Audit Executive and Internal Auditor. Each municipality and each municipal entity must have an internal audit unit, subject to MFMA section 165 (1) (2).

(2) The internal audit unit of a municipality or municipal entity must—

- (a) Prepare a risk-based audit plan and an internal audit program for each financial year.
- (b) Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to—
 - (i) internal audit.
 - (ii) internal controls.
 - (iii) accounting procedures and practices.
 - (iv) risk management.
 - (v) performance management.
 - (vi) loss control; and
 - (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and Perform such other duties as may be assigned to it by the accounting officer.

2.6.5 COMMUNICATION

Local Government has a legal obligation and a political responsibility to ensure that there is regular and effective communication with the community. The Constitution of Republic of South Africa Act, 1996 and other statutory enactment all impose an obligation on local government communication and required high levels of transparency, accountability, openness, participatory, democracy and direct communication with the communities to improve the lives of all.

2.6.5 .1 MUNICIPAL WEBSITES:

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirement of Section 75 of the MFMA and Section 21 (b) of the MSA as amended. The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be reviewed, accurate and timeously updated.

The Municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow

easily and convenient access to relevant information. The Municipal website should serve as an integral part of the municipality's communication strategy. The website was later in the financial year upgraded with a new look and feel to be user friendly, documents according to Municipal Systems Act and Municipal Finance Management Act have been updated e.g. Tenders, vacancies, notices and monthly budget.

2.6.6 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The role of the ICT section is to provide the Municipality's business units with Information and Communication technologies that enable Municipal clients/end-users to access the information and services necessary to achieve their business goals within the Municipality and for the external clients/citizens to access all information required to be published by law.

The goal of the section is to become an enabler of change within the Municipality, by assisting different departments within the Municipality to enhance productivity through the innovative use of technology. The section provides and maintains the network infrastructure, general office applications and equipment (e.g. Computers and Printers) and provides support for all application systems. Other significant roles include user support and training, electronic information security, business continuity and recovery planning.

The ICT Section is performing well and have managed to minimize most of the End-User support problems, which were encountered. Servers were boosted with an Uninterrupted Power Supply to ensure it keeps powered even during load shedding periods as this was affecting both services and access to the servers, which was harmful to the server systems. The ICT is in a process to upgrade the network to cater for more users to connect simultaneously.

2.6.7 BY LAWS

Below is a list of all the available by-laws developed and tabled to Council.

MUNICIPAL BY LAWS

NAME	COUNCIL ADOPTION	STATUS
Advertising billboard by-law	2019	Operational
Hardware Storage by-law	2019	Operational
Noise Control by-law	2021	Operational
Waste Management by-Law	2022	Operational
Paupers by-Law	2022	Operational
Cemetery by-Law	2022	Operational
Street Trading by-law	2023	Operational
Places of public worship	2023	Operational

2.6.8 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy of the Municipality is deemed to be fair, equitable, transparent, competitive and cost effective as required by Section 217 of the Constitution. SCM Policy complies duly with the requirement of Section 112 of the MFMA as well as the Supply Chain Management Regulations. The Policy was drafted based on the SCM Model Policy issued by National Treasury and amended to suit the local circumstances within the

ambit of the regulatory framework and sometimes even stricter than the legal requirement.

2.6.8.1 DISCLOSURE OF FINANCIAL INTEREST

The officials, Councilors have all declared the business interest for this current financial year in order to improve transparency and accountability in Supply Chain Management.

2.6.8.2 COMPETITIVE BIDS

The Accounting officer established a committee system that is consistent with the MFMA and Municipal SCM Regulations for bids consisting of:

- A bid specification committee
- A bid evaluation committee
- A bid adjudication committee

CHAPTER 3

COMPONENT A - BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

The Municipality together with other spheres of government provide these basic services

3.1. WATER PROVISION & SANITATION

Collins Chabane Local Municipality is not mandated to provide water and sanitation services however, Vhembe District Municipality is the Water Service Authority for Collins Chabane Local Municipality since 2003

There is only one Waste Water Treatment facility in the municipal area, located in Malamulele. The existing Waste Water Treatment Plant in Malamulele is operating at its full capacity.

3.2. ELECTRICITY

The Millennium Development Goal states that all households must have universal access to electricity by 2025. Access to electricity will alleviate poverty as the use of electricity supports lighting and cooking facilities. Eskom supplies electricity in the jurisdiction of Collins Chabane Local Municipality. The 2022 Stats SA Community Survey figures depicts that there are 83,951 households in the municipal area, of which 86.3% of those households have access to electricity.

Eskom provides and maintains electricity supply to the areas of Collins Chabane in accordance with their Rural Electrification Programme. Collins Chabane local municipality is only responsible for maintenance of public lighting and its own buildings.

For the year 2024/25 the municipality has received a license from the National Energy Regulator of South Africa (NERSA) to distribute electricity, making Collins Chabane the first municipality to be granted such a license since the dawn of democracy. The license allows the sell electricity it generates through its own solar plants. Three pilot areas have been Identified: Nkuzana, Malamulele D and Mavambe view.

RURAL ELECTRIFICATION PROGRAMME

PROJECTS STATUS QUO

PROJECT	PROGRESS TO DATE	CHALLENGES
Construction of network and connection of 328 households with electricity at Nthlaveni Block C (149), Phungwani (49), Hlungwani (33), Hasani Dakari (64) and Nyavani (33)	328 households constructed and connected with electricity network infrastructure at Nthlaveni Block C (149), Phungwani (49), Hasani Dakari (64) and Nyavani (33) energized, 33 households at Hlungwani were not energized	Delays due to arrangements with specialists who deals with live works
Construction of 4km 22kv electricity Feeder Line at Mahlohlwani	4km 22kv Feeder Line constructed from Nkavele Village to Mahlohlwani with electricity network infrastructure	None
Application of Electricity distribution license at NERSA	Application for electricity distribution license submitted to National Energy Regulator of South Africa (NERSA) for approval. Draft electricity distribution license has been approved	None
Construction of network and connection of 205 households at Nkovani (82), and Ximixoni (123)	205 households constructed and connected electricity network infrastructure as follows: Nkovani (43) Govhu (39) Xitachi (123). NB: The Ximixoni project was relocated to Xitachi due to lack of capacity by Eskom. At Nkovani the municipality found 43 households only, then the balance was allocated to Govhu (their backlog was close to the balance)	None
Construction of network and connection of 164 households with electricity Infrastructure at Vyeboom	164 Households constructed and connected with electricity network infrastructure at Vyeboom	None

COMMUNITY HIGH MAST LIGHTING

Collins Chabane Local Municipality is responsible for maintenance of community high mast lighting to ensure safety to communities.

PROJECTS STATUS QUO

PROJECT	PROGRESS TO DATE	CHALLENGES
Maintenance of high mast lights	60 high mast lights maintained at ward: 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29 and 30	None

3.2. WASTE MANAGEMENT (REFUSE COLLECTIONS)

The municipality provides refuse removal services on a weekly basis to different residential areas including Malamulele, Saselemani, Vuwani and Hlanganani. The service has been extended to rural areas and industrial areas where collection is done on a weekly basis where Municipality Skip bins are placed.

3.3. HOUSING

Provision of low cost housing is the responsibility of the Department of COGHSTA. However, the Municipality plays a facilitation role in terms of compilation of housing needs analysis, identification of beneficiaries, completing beneficiaries' application forms, and form part in Project Management during construction stage and signing of happy letters on completion.

Collins Chabane Local Municipality housing backlog is estimated at +-3800.

FINANCIAL YEAR	ALLOCATION	COMPLETED	NOT COMPLETED
2024/2025	176	174	2

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

Housing provision is not the Municipality competency, the Municipality coordinates the identification of beneficiaries and form part of inspection team during construction.

COMPONENT B: ROAD SERVICES

3.4. ROADS & MAINTENANCE

INTRODUCTION TO ROADS

Technical Services department is primarily responsible for the maintenance and rehabilitation of the Municipal roads and stormwater drainage network within the Collins Chabane Municipal area. The municipality is responsible for 100% access to local roads within its jurisdiction, which include all streets within Malamulele, Vuwani and rural areas. It ensures the maintenance of a number of municipal roads which serve all communities and are regularly maintained, with the objective of addressing specific needs. The majority of municipal roads are gravel.

The municipality is responsible for the repairing of potholes on the existing surfaced road and unblocking and cleaning of drainage ketch pit to maintain free flow storm water. Rehabilitation of existing roads, and re-gravelling and blading of gravel roads in rural and Malamulele and Vuwani on regular basis. There are approximately 3465, 35 km of roads in the municipal area. Only 162.48 km of these roads are tarred which translates to (5%) of the roads in the municipal area.

PROJECTS STATUS QUO

PROJECT	PROGRESS TO DATE	CHALLENGES
Construction of 2.5km ring road at Gidjana	2.5km base of 2.5km ring road constructed at Gidjana	None
Construction of 2.5km ring road at Muchipisi	1.5km box cut of 2.5km ring road constructed at Muchipisi	None
Construction of 6.8km ring road at Josefa	1km paving of 6.8km ring road paved at Josefa	None
Construction of 7.3km ring road at Xihosana ring road-MIG	Completed	None
Construction of Low-Level Bridges at Ward (19,9 and 10)	Three (03) Low Level Bridges Constructed at 3 Wards (Tovhowani ward 19, Vyboom ward 9 and Majosi ward 10)	None
Construction of 2.8km ring road at Jim Jones	1.5km base of 2.8km ring road constructed at Jim Jones	None
Construction of 2.85km ring road at Masia Headkraal	2.85km of 2.85km ring road paved at Masia Headkraal	None
Construction 2.82km ring road at Nghezimani (MIG)	Completed	None

Construction of loading and offloading zone at Collins Chabane Drive ward 23	<p>-The contractor has constructed roadbed, Subbase, base, kerbs and paving.</p> <p>-IN PROGRESS are the following: Installation of road signs and road markings.</p>	-Delay of road signs installation, and road markings by the contractor due to the project being implemented next to busy operating main road
Construction of 2.65km ring road at Botsoleni (MIG)	Completed	None
Opening and Widening of Streets in Business Park	3.9km of 5.6km streets surfaced up to practical completion in Malamulele Business Park	None
Construction of 2.5km ring road km at Masakona	2.5km roadbed of 2.5km ring road constructed at Masakona	None

GRADING PROGRAMME:

- The grading programme is divided into four clusters which are Hlanganani Cluster, Vuwani Cluster, Malamulele Cluster and Saselemani Cluster.
- One grader is allocated to one Ward for a period of three weeks and is done on a rotational basis to focus on grading of identified critical areas.
- Upon lapsing of three weeks regardless of whether all critical identified road are finalized the grader is moved to another ward.

PROJECTS STATUS QUO

PROJECT	PROGRESS TO DATE	CHALLENGES
Grading of streets	480km Kilometre of street graded within Collins Chabane local municipality (Ward:1,2,3,4,5,6,7,9,10,11,12,13,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	None

GRADING OF STREETS

PROJECTS STATUS QUO

PROJECT	PROGRESS TO DATE	CHALLENGES
Grading of Streets	480km Kilometre of street graded within Collins Chabane local municipality (Ward:1,2,3,4,5,6,7,9,10,11,12,13,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	None

COMPONENT C: PLANNING AND DEVELOPMENT

3.5. PLANNING

INTRODUCTION TO PLANNING

The Department comprises of four divisions namely: Spatial Planning and Land Use; Local Economic Development; Property Housing Building and Property Management; and Integrated Development Planning.

SPATIAL PLANNING AND LAND USE MANAGEMENT

- Processing land development applications such as, subdivisions, consolidation business applications in rural and urban areas, rezoning, and assist in the approval of building plans.
- Provides information on the zoning and land use regulations for properties within the municipality.
- Ensure compliance with the land use management scheme.
- Responsible for spatial/ forward planning interventions.
- Deals with any queries relating to zoning and land use controls for properties that fall within the municipality and any other general queries related to town planning.
- To facilitate preparation of development strategies and policies e.g. SDF precinct plans
- To manage land use in order to provide safe and healthy living environment
- Demarcation of residential sites in rural and urban areas.
- Advice council and general public on issues related to land matters.
- Administration of file and ensure proper filling.
- Issuing of property zoning certificates.
- Investigating and resolving land-use management complaints and illegal land use
- To co-ordinate the renewal programme of the central business district.
- Provides survey service, which includes site identification, verification and allocation in case of demarcated sites and demarcation of sites.

DEVELOPMENT SUPPORT

- To be the guardian of the built environment.
- To exercise control over building activities in general.
- To apply relevant legislation and regulations.
- Approval of building plans.
- Conducting of building inspections.
- Issuing of occupation certificates.
- To conduct foundation inspections.
- Processing of registration or application of Deed of Grant, PTO and Trading licenses
- To provide data and system administration, development and mapping for GIS
- Integration of data.

- Integration of workflow i.e. Planning, Management and Operations.
- Facilitate the preparation of valuation roll for the entire municipal area

PROJECTS STATUS QUO

PROJECT	PROGRESS TO DATE
Formalization Proclamation Mabandla	& Final Layout Plan for formalisation of Mabandla Township submitted to Office of the SG for approval
Formalization Proclamation Majosi	& Township register opened and Majosi area proclaimed
Formalization Proclamation Saselamani	& of Final Layout Plan for formalisation of Saselamani township submitted to Office of the SG for approval
Formalization of Vuwani	Final Layout Plan for formalisation of Vuwani Township submitted to office of the SG for approval
Demarcation and Survey of Sites	2116 sites Demarcated and Surveyed at Kings View and Kings View Ext 1 by 30 June 2025

3.6. LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

Local Economic Development (LED) is the process by which public, business and Non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all. LED involves building the capacity of SMMEs, assisting SMMEs and cooperative to access funding and promotion of local economic development. Collins Chabane has a competitive advantage in agriculture, tourism, SMME's, mining and manufacturing more details are reflected in LED strategy of the municipality. The challenges for the above-mentioned sectors are in financing community projects. LED conduct Tourism sub-committee, Agriculture Sub- Committee and SMME Sub-committee once per quarter

Our priorities during 2024/25 include the following: marketing of tourism attraction points, development of SMME and agricultural initiatives, forming partnership with other agencies and institutions, facilitates and initiate tourism programmes as well as assisting cooperatives. To enhance our performance, the following measures were taken: implementation of Community Work Programme, mentoring unemployed graduates, facilitate some workshops for SMMEs and cooperatives.

LOCAL ECONOMIC DEVELOPMENT

- Formulate a credible LED Strategy with implementable programmes that will enable key economic sectors to develop.
- To facilitate the establishment and development of the Collins Chabane Economic Development Partnership.
- To broaden participation in the local economy of Collins Chabane.
- To build investor confidence of local, national and international investors.
- To assist in sharpening Municipality's competitive edge as a unique and attractive location for business and investment.
- To promote local products and services.
- To retain and promote local businesses in Collins Chabane.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.7. LIBRARIES; COMMUNITY FACILITIES

The Municipality play a coordinating role on libraries that belongs to Provincial Government under the Department of Sport, Arts and Culture.

The performance of schools around is having a high pass rate as well as fluent in reading.

HALLS/ COMMUNITY FACILITIES

Horticulture extend its services for beautification and landscaping services along the roads and within all Municipal Buildings including traffic Stations, community halls, Municipal offices, stadiums.

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

INSTITUTIONAL CAPACITY FOR DISASTER MANAGEMENT

Collins Chabane Local Municipality had opted to follow disaster management structures and organisation. We have adopted our Disaster Management Plan which is reviewed after 5 years and / when needs arise. We have also established Disaster Advisory Forum which is conducted once per quarter of which the total is four in a financial year.

RISK REDUCTION

Program to reduce risk are in place and spearheaded by the District Disaster Management.

RISK ASSESSMENT

Risk analysis is done using independent knowledge and GIS techniques in our Disaster Management Plan. All areas that are prone to various hazards are indicated on the map, and all wards are aware of the hazards prominent in their areas. Infrastructures that are built along flood lines are also identified in various wards.

COMPONENT E: ENVIRONMENTAL PROTECTION

A practice of protecting the natural environment on individual, organization controlled on governmental levels, for the benefits of both the environment and humans. It's aimed to conserve the natural resources, preserving the current state of natural environment and where possible reversing its degradation.

Is the process reducing or eliminating the release of pollutants, contaminants, usually human-made into the environment? It is regulated by various environmental acts of pollutants into air, water and land. The main aim is to control emissions such as smoke, dust and gaseous emissions released from manufacturing operations.

COMPONENT F: HEALTH

The municipality had during this period had continued with its role in providing a conducive environment that show the protection of human dignity against HIV/AIDS through its Aids Technical Committee and its Aids Council.

COMPONENT G: SECURITY AND SAFETY

The Municipality does not have Municipal Police but Traffic Officers, Examiners and Law Enforcement Officers. The personnel mentioned perform the same functions as in 3.8 Transport report above. Security services are provided internally for safeguarding of all Municipal assets. Duties of Traffic Officers is to enforce National Road Traffic Act within the Jurisdiction of Collins Chabane Local Municipality and attend to incidents and accidents within Collins Chabane. Law enforcement Officers Enforce Municipal By-Laws within the jurisdiction of Collins Chabane Local Municipality.

The mode of transport that is domain in the municipal area is through public transport, and road transport is commonly used. It is mainly the urban, with some well-established rural areas that are reasonably served. Rural areas still experience various problems of public transport. Various Bus and taxis operate daily in most areas serving most of our residents, connecting them to their place of work, businesses and leisure. Majority of our rural roads are gravel, making them vulnerable to damage during adverse weather conditions.

3.9. TRAFFIC LAW ENFORCEMENT

The following tasks were performed in the year under review:

- Continuous patrol duty on major routes
- Speed measuring on the continuous bases
- Continuous checking for drivers' Licence and road worthy conditions of vehicles
- Ensuring safe crossing of busy roads and intersections

We are continuously replenishing patrol vehicles

3.10. LICENSING

Municipality is an agent of Department Transport for the issuing of vehicle licenses which also includes testing of vehicles as part of vehicle licensing procedure. For this task the Municipality retains 20% of revenue generated from these services which does not cover its operational costs to perform the function. The municipality continue to render traffic services in an effort to ensure the maintenance of highest safety standards

The Municipality is performing the function of Licensing & Registration Services and the following services were rendered to the community for the year under review.

APPLICATION FOR LEARNER'S LICENSE

NUMBER APPLIED	TOTAL TESTED
7294	7294

DRIVER LICENSES AND APPLICATION

NUMBER APPLIED	TOTAL TESTED
1310	1310

MOTOR VEHICLES TESTED

NUMBER APPLIED	TOTAL TESTED
329	329

COMPONENT H: SPORT AND RECREATION

3.11. SPORT AND RECREATION

Sports Arts and Culture involve the management of sports facilities, promotion and development of Arts and Culture. The division is responsible for co-ordination of Sport activities; it is also their responsibility to manage bookings of council facilities and provision of basic sport facilities, including their maintenance. While coordinating, the division is also benefitting immensely through MIG Funding for Sporting and Cultural infrastructures.

PROJECTS STATUS QUO

PROJECT	PROGRESS TO DATE
Upgrading of Bungeni Stadium	Bungeni Stadium grandstand upgraded to window level
Construction of Davhana Stadium	Parking area paved and main pavilion electrified up to practical completion at Davhana Stadium
Upgrading of Vuwani Sports Complex	Excavations at Vuwani Sports Complex completed, earthworks not done.

Collins Chabane has one big stadium (Malamulele) which qualify to host big events e.g. Motsepe foundation Championship games. We have so far managed to successfully host games even on Saturday and Sunday.

COMPONENT I: PARKS & CEMETERIES

3.12. PARKS & CEMETERIES

The division for Parks and Cemeteries makes sure that graves are provided as and when need arises, bereaved families purchase graves for use and as a division the service is done in all proclaimed cemeteries.

The municipality was able to identify an area declared as park at Malamulele and the project is completed and General maintenance is also done weekly.

General maintenance is also done in all two cemeteries. There are two cemeteries around our proclaimed areas namely: Malamulele cemetery and Vuwani cemetery.

Service Statistics for Graves 2024/25 Financial Year:

LOCATION:	2022/23	2023/24	2024/25
Malamulele Cemetery	250 graves	215 graves	65
Vuwani Cemetery	120 graves	130 graves	29

PROJECTS STATUS QUO

PROJECT	PROGRESS TO DATE	CHALLENGES
Cemeteries	100% of graves dug (94/94)	None

COMPONENT J: CORPORATE POLICY, OFFICES AND OTHER SERVICES

3.13. LEGAL

Collins Chabane Legal provides legal service to the entire municipality thereby instituting and defending legal actions, drafting of contracts entered into with service providers, providing legal opinions and legal advice and also develop By-Laws to regulate members of the community within its jurisdiction.

The Legal Section also advise the municipality to comply with various municipal legislations which includes, amongst others, Municipal Structures Act, Municipal Systems Act and Municipal Finance Management Act and monitor contracts entered into with different service providers

LEGAL SERVICES

The Legal Services is one of the departments located in the Municipal Manager's Office. The department offers legal support and advice to the municipality. The support offered includes but not limited to:

- Vetting of contracts, policies and other legal documents
- Drafting of contracts and other legal documents
- Legal opinions and comments;
- Litigation management;
- Advice on legislation and its application/implications;
- Advising on by-laws and other related matters;
- Legal compliance management;
- Management of Panel of Attorneys; and
- General legal support to the municipality.

Service Statistics Legal matters and progress made by 30 June 2025:

Status of cases	Number of cases
Number of pending litigation from previous financial years	27
Number of litigation received	7
Number of litigation resolved	0
Number of pending litigation	7
Main contributing challenges	Neo-Constitutionalism

Contingent liabilities are prepared annually and are disclosed in the Annual Financial Statements.

COMPONENT K: ORGANISATIONAL PERFORMANCE

KPA	TOTAL KPIs	TOTAL ACHIEVED	TOTAL NOT ACHIEVED	ACHIEVED PERCENTAGE	UNACHIEVED PERCENTAGE
Municipal Transformation and Organisational Development	6	6	0	100%	0%
Spatial Rationale	8	7	1	88%	12%
Basic Service Delivery and Infrastructure Development	30	26	4	87%	13%
Local Economic Development	5	5	0	100%	0%
Municipal Finance Management and Viability	13	12	01	92%	8%
Good Governance and Public Participation	10	8	2	80%	20%
Total	72	64	8	89%	11%

The municipality had a total of 72 key performance indicators for 2024/25 financial year compared to 86 in the prior year (2023/24). For the year under review 2024/25 the Municipality achieved 64 of reported 72 targets which amounts to 89 % achievement as compared to 90% in the prior year which marks a regress of 1% in 2024/2025 financial year.

CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE

INTRODUCTION

Municipal Organogram and Policies are reviewed annually with the view to make necessary adjustment to align with the adopted IDP and to provide Regulatory Framework for the effective and efficient recruitment of Employees who possess relevant Skills and Competencies to achieve the vision and mission of the Institution.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1. EMPLOYEE TOTALS AND VACANCIES

Employees			
Description	YEAR: 2023/24	YEAR: 2024/25	
	Employees No.	Employees No.	Vacancies No.
Office of the Municipal Manager	08	06	05
Technical Services	47	45	64
Community Services	103	100	116
Corporate Services	33	35	39
Planning and Development	34	32	14
Budget and Treasury	38	39	21
Totals	263	257	259

COMMENT ON VACANCIES AND TURNOVER:

The filling of Senior Management positions undergoes several stages including approval by the Executive Committee, Council and MEC for Local Government. It takes a minimum of three months for section 54A/56 posts to be filled.

All Senior Managers positions were filled during the financial year under review. All other positions lower than section 56 are regulated by Human Resource Recruitment and Selection Policy.

COMPONENT B: POLICIES

4.2. POLICIES

The municipality has human resources policies in place, which serve as framework for workforce management. All policies are approved by council before implementation. For the year under review, policies have been reviewed and approved by council.

THE FOLLOWING IS THE LIST OF POLICIES THAT WERE TABLED TO COUNCIL

NO	POLICY DESCRIPTION	YEAR OF REVIEW	DEPARTMENT
CORPORATE SERVICES			
1.	Placement Policy	2024	Corporate Services
2.	Leave Policy	2024	Corporate Services
3.	Staff Provisioning Policy	2024	Corporate Services
4.	Bereavement Policy for Councillors	2024	Corporate Services
5.	Bereavement Policy for Officials	2024	Corporate Services
6.	Training and Development Policy	2024	Corporate Services
7.	Acting Allowance Policy	2024	Corporate Services
8.	Employee Assistant Policy	2024	Corporate Services
9.	Occupational Health and Safety Policy	2024	Corporate Services
10.	Employment Equity Policy	2024	Corporate Services
11.	Overtime Policy	2024	Corporate Services
12.	Remuneration Policy	2024	Corporate Services
13.	Attendance and Punctuality Policy	2024	Corporate Services
14.	Disability Policy	2024	Corporate Services
15.	Municipal Employees Sports Policy	2024	Corporate Services
16.	Dress Code Policy	2024	Corporate Services
17.	Elimination of Harassment and Building Policy	2024	Corporate Services
18.	Danger Allowance Policy	2024	Corporate Services
19.	Performance Management System Policy and Framework	2024	Corporate Services
20.	Mayor's Bursary Fund Policy	2024	Corporate Services
21.	Public Participation Policy	2024	Corporate Services
22.	Fleet Management Policy	2024	Corporate Services
23.	Communication Policy	2024	Corporate Services
24.	Communication Strategy	2024	Corporate Services
25.	ICT Telecommunication Policy	2024	Corporate Services
26.	Records Management Policy	2024	Corporate Services
27.	ICT Operating System Security Control Policy	2024	Corporate Services
28.	ICT Data Backup and Recovery Policy	2024	Corporate Services
29.	ICT Disaster Recovery Policy	2024	Corporate Services
30.	ICT Service Level Agreement Management Policy (ICT and CCLM)	2024	Corporate Services
31.	ICT Service Level Agreement Management Policy (External Service Providers/Vendors)	2024	Corporate Services
32.	ICT User Access Management Policy	2024	Corporate Services
33.	ICT Management Policy	2024	Corporate Services
34.	ICT Change Management Policy	2024	Corporate Services

35.	ICT Patch Management Policy	2024	Corporate Services
36.	ICT Adding New User Procedure	2024	Corporate Services
37.	ICT Equipment and Usage Policy	2024	Corporate Services
38.	ICT Firewall and Procedure Policy	2024	Corporate Services
39.	ICT Internet Acceptance Use Policy	2024	Corporate Services
40.	ICT Incident and Problem Management Policy	2024	Corporate Services
41.	ICT Orgplus Installation Procedure	2024	Corporate Services
42.	ICT Project Framework	2024	Corporate Services
43.	ICT Tel-Trace Procedure	2024	Corporate Services
44.	ICT Website Content Approval Procedure	2024	Corporate Services
45.	ICT Confidential and Non-Disclosure Contract	2024	Corporate Services
46.	ICT Security Control Policy	2024	Corporate Services
47.	ICT Procedure Manual User Access Review	2024	Corporate Services
48.	ICT Municipal Corporate Governance of Information and Communication Technology Policy	2024	Corporate Services
49	Car Allowance Policy	2024	Corporate Services
BUDGET AND TREASURY			
50.	Subsistence and Travel Policy	2024	Budget and Treasury
51.	Investment and Cash Management Policy	2024	Budget and Treasury
52.	Indigent Policy	2024	Budget and Treasury
53.	Unclaimed Deposit Policy	2024	Budget and Treasury
54.	Writing Off of Irrecoverable Debt Policy	2024	Budget and Treasury
55.	Tariff Policy	2024	Budget and Treasury
56.	Property Rates Policy	2024	Budget and Treasury
57.	Budget Policy	2024	Budget and Treasury
58.	Virement Policy	2024	Budget and Treasury
59.	Contract Management Policy	2024	Budget and Treasury
60.	Credit Control and Debt Collection Policy	2024	Budget and Treasury
61.	Funding and Reserve Policy	2024	Budget and Treasury
62.	Asset Management Policy	2024	Budget and Treasury
63.	Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy	2024	Budget and Treasury
64.	Supply Chain Management Policy	2024	Budget and Treasury
65.	Cost Containment	2024	Budget and Treasury
66.	Borrowing Policy	2024	Budget and Treasury
67.	Expenditure Policy	2024	Budget and Treasury
68.	Inventory Management Policy	2024	Budget and Treasury
69.	Consultants Policy	2024	Budget and Treasury
70.	Fraud Prevention Policy	2024	Budget and Treasury
71.	Insurance Management Policy	2024	Budget and Treasury
MUNICIPAL MANAGER'S OFFICE			
72.	Risk Management Strategy	2024	Municipal Manager's Office
73.	Risk Management Committee Charter	2024	Municipal Manager's Office
74.	Risk Management Policy	2024	Municipal Manager's Office
75.	Audit Committee Charter	2024	Municipal Manager's

			Office
76.	Anti-Fraud and Corruption Strategy	2024	Municipal Manager's Office
77.	Whistle Blowing Policy	2024	Municipal Manager's Office
PLANNING AND DEVELOPMENT			
78.	Spatial Development Framework	2024	Planning and Development
79.	Land use Scheme Policy	2024	Planning and Development
80.	Parking Policy	2024	Planning and Development
81.	Facilities Management Policy	2024	Planning and Development
82.	Facilities Management Policy	2024	Planning and Development
83.	Land Disposal Policy	2024	Planning and Development
TECHNICAL SERVICES			
84.	EPWP Policy	2024	Technical Services

WORKFORCE POLICY DEVELOPMENT

All the above-mentioned Policies were adopted by Council

4.3. INJURIES AND SICK LEAVE

4.3.1 INJURIES

Number and Cost of Injuries on Duty				
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using injury leave	Average Injury Leave per employee
	Days	No.	%	Days
Required basic medical attention only	9	4	44%	2
Temporary total disablement	34	1	3%	0
Permanent disablement	0	0	0	0
Fatal	0	0	0	0
Total	43	5	47%	2

4.3.2 SICK LEAVE

Number of days and Cost of Sick Leave (excluding injuries on duty)				
Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
Days	%	No.	No.	Days
1072	3%	212	257	4

4.4. PERFORMANCE REWARDS

The municipality has been implementing Performance Management System only for Section 54A and section 56 managers. PMS framework was reviewed and adopted by council.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5. SKILLS DEVELOPMENT AND TRAINING

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Capacity building for municipal employees and Councilors was dealt with in terms of the Workplace Skills Plan, which is compiled annually and submitted to LGSETA for approval. The capacity building programmes were conducted using the municipal budget and mandatory grant received from the LGSETA.

TRAINING	TOTAL NUMBER OF COUNCILLORS	TOTAL NUMBER OF SENIOR MANAGERS	TOTAL NUMBER OF OFFICIALS BELOW SENIOR MANAGERS	GRAND TOTAL
Code of Ethical Leadership	71	0	0	71
IMPSA Conference	0	1	2	3
Gapskill System Training	0	0	3	3
Records Management	0	0	3	3
Customer Centered Service Delivery	0	0	3	3
Managing Unauthorized, Irregular and Fruitless Expenditure	0	0	2	2
POPIA & PAIA Training Workshop	0	0	96	96
Performance Management and Development Training	0	0	12	12

TRAINING	TOTAL NUMBER OF COUNCILLORS	TOTAL NUMBER OF SENIOR MANAGERS	TOTAL NUMBER OF OFFICIALS BELOW SENIOR MANAGERS	GRAND TOTAL
Workshop				
SCM & Procurement	0	0	4	4
Risk Management Skills Programme	0	0	50	50
Financial Legislation, Regulations & Ethics	17	0	33	50
Occupational Directed Education Training & Development (ODETDP)	0	1	9	10
Employment Equity Committee Training	0	1	11	12
Safety Health & Environment Representative Training	0	0	11	11
Bricklayer Assistant	0	0	15	15
Building & Civil Construction (Plastering)	0	0	20	20
Building & Civil Construction (Paving)	0	0	20	20
Audit, Risk & Management and MPAC Seminar	0	0	1	1
Global Internal Audit Standards	0	1	0	1
Municipal Standard Charts of Accountants (MSCOA)	0	1	1	2
Chattered Institute of Government Finance , Audit & Risk Officers	0	0	1	1

Training for all the departments is budgeted for in the Corporate Services department

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

Introduction to Workforce Expenditure

Workforce expenditure is managed through the payroll system administered by Payday system. Each department is allocated budget for employee related cost which mainly covers salaries, accommodation, S&T and overtime. Expenditure management and salaries of employees are processed by payroll section within the Finance department.

CHAPTER 5

Collins Chabane Local Municipality has ensured that it improves its financial management through the implementation of relevant internal controls and adhering to legislation. Financial reporting – finance reports are presented to the Finance Portfolio Committee on a monthly basis.

INTRODUCTION

Chapter 5 contains information regarding 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: Cash Flow Management And Investment
- Component D: Other Financial Matters

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE 2024/2025

OPERATING & CAPITAL EXPENDITURE ANALYSIS THE BELOW TABLE INDICATE THE EXPENDITURE BY TYPE

Financial overview:2024/25 summary of financial performance	Budget 2024/2025	Actuals 2024/25	Variance
Total Revenue by source (Excluding Capital Transfers)	649 725 000	643 135 000	6 590 000
Capital Transfers	116519000	116519000	-
Total Revenue by source (Including Capital Transfers)	766 244 000	759 654 000	6 590 000
Less: Total Expenditure	600 557 000	619 832 000	-19 275 000
Equals: Surplus/deficit	165 687 000	139 822 000	25 865 000

The municipality has calculated the surplus/deficit based the Total Revenue including Capital Transfers less the Total Expenditure.

The municipality has calculated the surplus/deficit based the Total Revenue including Capital Transfers less the Total Expenditure. The overspending on operational expenditure, was caused by non-cash items, which include depreciation and impairment of property, plant and equipment, debt impairments and fair value adjustments for investment properties, and loss on disposal of assets

EXPENDITURE ANALYSIS

	Final Budget:2025	Actual amounts:2025	Variance:2025
EXPENDITURE			
Employee related costs	155 451 170.00	153 440 697.00	2 010 473.00
Remuneration of councillors	31 634 311.00	30 641 080.00	993 231.00
Depreciation and amortisation expense	78 284 152.00	77 236 864.00	1 047 288.00
Impairment loss/Reversal of impairment	-	3 170 029.00	- 3 170 029.00
Impairment Reversal to be written off	-	183 200 398.00	183 200 398.00
Finance costs	-	95 730.00	- 95 730.00
Debt impairments	32 897 000.00	1 474 920.00	31 422 080.00
Fair value adjustments	-	310 605.00	- 310 605.00
Bad debts written off	-	224 386 592.00	- 224 386 592.00
Contracted services	226 626 823.00	224 167 235.00	2 459 588.00
General expenses	75 664 109.00	87 819 715.00	- 12 155 606.00
TOTAL EXPENDITURE	600 557 565.00	619 543 069.00	- 18 985 504.00

INCOME ANALYSIS

	Final Budget:2025	Actual amounts:2025	Variance:2025
REVENUE			
Property rates	37 207 540.00	39 238 186.00	- 2 030 646.00
Service charges	5 942 313.00	5 685 036.00	257 277.00
Government grants Operational	520 654 737.00	520 654 737.00	-
Government grants Capital	116 519 000.00	116 519 000.00	-
TOTAL REVENUE	600 557 565.00	682 096 959.00	- 1 773 369.00

5.2 GRANTS

5.2.1 Operational Grants for 2024/25 Financial Year

	Opening Balance	Fund withheld by Treasury	DoRA Allocation	Additional Funding	Fund Received	Fund Utilised	Closing Balance /Unspent
Operational Grants	R	R	R	R	R	R	R
Equitable Share	-	-	513 239 000.00	-	513 239 000.00	N/A	-
Expanded Public Works Programme Integrated Grant	-	-	1 725 000.00	-	1 725 000.00	1 725 000.00	-
Municipal Disaster Response Grant	1 933 743.00	-	-	-	-	-	-
Local Government Financial Management Grant	-	-	2 500 000.00	-	2 500 000.00	2 500 000.00	-
	1 933 743.00	-	517 464 000.00	-	517 464 000.00	4 225 000.00	-

The municipality spent 100% on operational conditional grants.

5.2.2 Capital Grants for 2024/25 Financial Year

	Opening Balance	Fund withheld by Treasury	DoRA Allocation	Additional Funding	Fund Received	Fund Utilised	Closing Balance /Unspent
Capital Grants	R	R	R	R	R	R	R
Municipal Infrastructure Grant	-	-	96 519 000.00	20 000 000.00	116 519 000.00	116 519 000.00	-
Integrated National Electrification Programme Grant	-	-	19 105 000.00	-	19 105 000.00	19 105 000.00	-
	-	-	115 624 000.00	20 000 000.00	135 624 000.00	135 624 000.00	-

The municipality received R 7 693 000 additional funding in the year under review, R 7 693 000 is for Integrated National Electrification Programme Grant. The municipality Spent 100% on INEP Grant (Rollover, DoRA allocation and Additional Funding

5.3 ASSET MANAGMENT

Asset management is practiced within the organization based on a comprehensive asset management policy. The Asset Management Policy provides direction for the management, accounting and control of Property, Plant & Equipment (Assets) owned or controlled by the municipality to ensure the following:

Implementation of the approved Asset Management Policy as required in terms of section 63 of the Municipal Finance Management Act (MFMA). Verify assets in possession of the Council annually, during the course of the financial year.

Keep a complete and balanced record of all assets in possession of the Council. Report in writing all asset losses, where applicable, to Council. Those assets are valued and accounted for in accordance with a statement of GRAP.

Those assets are properly maintained and safeguarded. The roles of the following are clearly defined within the Asset Management Policy:

- Municipal Manager
- Chief Finance Officer
- Asset Section
- Manager Budget Section
- Manager Expenditure Section
- SCM & Procurement Section
- All other departments

Asset Management is performed in line with the Asset Management Policy as described above. The control and safeguarding of assets remain the responsibility of each department. Each department budgets for the necessary maintenance of the assets under their control in order for the assets to achieve their economic life spans.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.4. CAPITAL SPENDING ON 5 LARGEST PROJECTS

Description	Budget:2025	Actuals:2025	Variance:2025
Acquisitions:Outsourced Corp Serv Construction of Municipal Office Building(new)	24 128 483	24 042 453	86 030
Acquisitions:Outsourced UPGRADING OF BUNGENI STADIUM	27 694 024	27 694 024	-
Acquisitions:Outsourced CONSTRUCTION OF XIHOSANA RING ROAD- MIG	13 574 921	13 477 668	97 253
Acquisitions:Outsourced Opening and Widening of Streets in Business Park	15 493 075	15 432 263	60 812
Cost:Acquisitions PHAPHAZELA ROAD 2.5KM	3 428 160	3 427 649	511
	84 318 663	84 074 057	244 606

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENT

The municipality did not encounter Cash Flow Management challenges for the year under review.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Property rates		12 975 968	16 639 296
Service charges		2 145 812	2 318 820
Grants and subsidies		635 239 994	612 582 619
Interest received -Bank		15 330 652	16 910 819
VBS Recovery		22 768 358	-
Interest on debtors		474 350	-
Other receipts		27 854 482	75 572 033
		<u>716 789 616</u>	<u>724 023 587</u>
Payments			
Employee costs		(188 625 914)	(178 558 002)
Suppliers		(308 907 950)	(313 125 970)
		<u>(497 533 864)</u>	<u>(491 683 972)</u>
Net cash flows from operating activities	44	<u>219 255 752</u>	<u>232 339 615</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(256 151 083)	(328 265 638)
Net cash flows from investing activities		<u>(256 151 082)</u>	<u>(328 265 638)</u>
Cash flows from financing activities			
Finance lease payments		(2 076 344)	(1 809 759)
Finance cost		(95 730)	(164 854)
Net cash flows from financing activities		<u>(2 172 074)</u>	<u>(1 974 613)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(39 067 404)</u>	<u>(97 900 636)</u>
Cash and cash equivalents at the beginning of the year		96 354 094	194 254 730
Cash and cash equivalents at the end of the year	2	<u>57 286 690</u>	<u>96 354 094</u>

COMMENT ON CASH FLOW OUTCOMES:

Collection on property rate decreased from R 16 639 296 to R12 975 968 and the interest income decreased by R 1 000 000 as compared with the previous financial year. The municipal cash and cash keeps on decreasing each financial year. The municipality recovered R 22 768 358 from VBS investment.

CHAPTER 6

AUDITOR GENERAL REPORT

Auditor General Report on Financial Performance 2024/2025	
Audit Report status	Unqualified

Report of the auditor-general to Limpopo Provincial Legislature and council of Collins Chabane Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Collins Chabane 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, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Collins Chabane municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the requirements of the Standards of Generally Recognised Accounting Practices (Standards of GRAP), the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.
7. As disclosed in note 59 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2025.
8. As disclosed in note 37 to the financial statements, material losses of R224 386 592 were incurred as a result of bad debts written-off for irrecoverable receivables from exchanges and non-exchange transactions.

Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.
10. 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

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP, 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.
12. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page XX, forms part of our auditor's report.

Report on the audit of the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance areas presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
16. I selected the following key performance areas presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected key performance areas that measure the

municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Key performance area	Page numbers	Purpose
Basic service delivery and infrastructure development	[XX]	Promote community wellbeing and environmental welfare
Spatial rationale	[XX]	Integrated human settlements

17. I evaluated the reported performance information for the selected key performance area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

18. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives.
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any measures taken to improve performance.

19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

20. I did not identify any material findings on the reported performance information for the selected key performance areas:

- Basic service delivery and infrastructure development
- Spatial rationale

Other matter

21. I draw attention to the matter below:

Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides explanations for measures taken to improve performance.

23. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any measures taken to improve performance are included in the annual performance report on pages XX to XX.

Basic service delivery and infrastructure development

Targets achieved: 88% Budget spent 100%		
Key indicator not achieved	Planned target	Reported achievement
To construct and connect 328 households with electricity network infrastructure at Nthlaveni Block C (149), Phungwani (49), Hlungwani (33), Hasani Dakari (64) and Nyavani (33) by 30 June 2025	328 households constructed and connected with electricity network infrastructure at Nthlaveni Block C (149), Phungwani (49), Hlungwani (33), Hasani Dakari (64) and Nyavani (33) by 30 June 2025	328 households constructed and connected with electricity network infrastructure at Nthlaveni Block C (149), Phungwani (49), Hasani Dakari (64) and Nyavani (33) energized, 33 households at Hlungwani were not energized
To construct the Municipal Office Building by 30 June 2025	Municipal Office Building completed by 30 June 2025	Municipal Office Building not completed. - Installation of paving on parking area completed. -in progress are the following: Installation of tiles, windows, plumbing, doors, walls plastering from first floor, second and third floor partitioning from Section A, B and C ground, first floor, second floor and third floor electrification.
To construct six (06) loading and offloading zone at Collins Chabane Drive ward 23 by 30 June 2025	Six (06) loading and offloading zone Constructed at Collins Chabane Drive ward 23 by 30 June 2025	-The contractor has constructed roadbed, Subbase, base, kerbs and paving. -IN PROGRESS are the following: Installation of road signs and road markings.
To upgrade Vuwani Sports Complex up to earthworks and excavation by 30 June 2025	Vuwani Sports Complex upgraded up to earthworks and excavation by 30 June 2025	Excavations at Vuwani Sports Complex completed., Earthworks not done.

Spatial rationale

<p>Targets achieved: 87% Budget spent 91%</p>		
Key indicator not achieved	Planned target	Reported achievement
To transfer 35 Parcels Previously Registered in The Name of Thulamela and Makhado to Collins Chabane by 30 June 2025.	35 Land Parcels Previously Registered in The Name of Thulamela and Makhado transferred to Collins Chabane by 30 June 2025	33 Land Parcels Previously Registered in The Name of Thulamela and Makhado transferred to Collins Chabane

Material misstatements

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

Report on compliance with legislation

25. 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.

26. 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.

27. 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.

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

Annual financial statements, performance and annual report

29. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

Material misstatements of current assets, revenue, expenditure, disclosure items and cashflow statement identified by the auditors in the submitted financial statement were subsequently

corrected and/or the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

30. Reasonable steps were not taken to prevent irregular expenditure amounting to R21 425 894 as disclosed in note 54 to the annual financial statements, as required by section 62(1) (d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management (SCM) processes.
31. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R56 918 164, as disclosed in note 52 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by exceeding the budget on debt impairment and general expenses.

Consequence management

32. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
33. Unauthorised expenditure was certified by council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(a)(ii) of the MFMA.
34. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
35. Some of the losses resulting from irregular expenditure were certified by council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(b) of the MFMA.
36. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
37. Fruitless and wasteful expenditure were certified by council certified as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(b) of the MFMA.

Strategic planning and performance management

38. The performance management system and related controls were not maintained as performance monitoring, review and reporting processes was not conducted and managed, as required by municipal planning and performance management regulation 7(1).

Procurement and contract management

39. SCM officials / other SCM role players whose associates had a private or business interest in contracts awarded by the municipality participated in the process relating to that contract, in contravention of SCM regulation 46(2)(f).

Other information in the annual report

40. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported on in this auditor's report.
41. 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.
42. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
43. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

44. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
45. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings in the financial statements, annual performance report and on compliance with legislation included in this report.
46. Management did not prepare regular, accurate and complete financial and performance reports that are supported by reliable information as evidenced by the number of material findings identified and corrected during the audit.
47. Management did not review and monitor compliance with applicable legislation as evidenced by the material findings issued that did not comply with Standards of GRAP requirements and material non compliances identified on various subject matters.

Other reports

48. I draw attention to the following investigation conducted by various parties. 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.
49. The Directorate for Priority Crime Investigation is investigating allegations of an irregular award of a tender that was awarded in 2017-18 for the procurement of the new office block for the municipality. The investigation was in progress at the date of the auditor's report.

Auditor-General

Polokwane

14 December 2025



Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected key performance areas and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a),

CHAPTER 7

ANNEXURE A	Annual Financial Statement
ANNEXURE B	Audit Action Plan
ANNEXURE C	2024/25 Annual Performance Report
ANNEXURE D	Audit Committee Report
ANNEXURE E	MPAC Oversight Report

ANNEXURE B

Audit Action Plan

Financial Year: 2024/2025

Annexure: Matters

Affecting Audit Report

Audit Action Plan Status:

Implementation Status: Not Yet Started/In Progress/Completed/Agreed Findings Addressed

Line Item	Finding	No. of Years Repeated	Responsible Person	Due date Dev	Due Date Implementation	Management Approval Comments	CFO Approval Comments	IA Assurance Comments	Action Plan Status	Implementation Progress %	Implementation Status
N/A	Planning: Limitation of scope - COMAF 01	3	Nyeleti Maluleke, Rodgers Maringa	21/Jan/2026	21/Jan/2026	Management to ensure that all information is kept secure in soft copies to ensure ease of retrieval.	Action plan approved		Developed (CFO Approved)		Not Yet Started
As per audit finding	COMAF 02 - Planning: Issues noted on high-level review of the AFS and APR		Nyeleti Maluleke	21/Jan/2026	21/Jan/2026	The CFO will ensure the development of a AFS preparation process plan which	Action plan approved		Developed (CFO Approved)		Not Yet Started

						must detail the various reviews to be conducted over the AFS timeously to ensure the absence of material errors.					
N/A	COMAF 04- Planning: External quality assessment on internal audit not performed		Seth Rambau	21/Jan/2026	31/Mar/2026	CAE in consultation with CFO'S office to ensure the procurement of an external reviewer's services.	Action plan approved		Developed (CFO Approved)		Not Yet Started
Other	COMAF 05 - Irregular expenditure: Misstatement noted		Nyeleti Maluleke , Rodgers Maringa	21/Jan/2026	21/Jan/2026	The CFO will develop an AFS process plan which outline the various review processes that must occur in	Action plan supported		Developed (CFO Approved)		Not Yet Started

						order to ensure the absence of material errors on the AFS and supporting schedules.				
N/A	COMAF 11: Internal controls - Use of consultants	3	Nyeleti Maluleke , Rodgers Maringa	21/Jan/2026	21/Jan/2026	The CFO will ensure that all SLA'S signed between municipality's and consultants clearly outline the requirement and the manner in which skills shall be transferred to the municipal staff.	Action plan approved.	Developed (CFO Approved)		Not Yet Started
Missing or incomplete information	COMAF 06 – Procurement and Contract Management: Bids not		Nyeleti Maluleke , Rodgers Maringa	21/Jan/2026	21/Jan/2026	The Manager SCM will ensure that the bid opening registers	Action plan approved	Developed (CFO Approved)		Not Yet Started

	published as required					are uploaded on the municipal website in accordance with the municipal policy				
Irregular expenditure	COMAF 05 - Irregular expenditure: Misstatement noted		Nyeleti Maluleke	21/Jan/2026	21/Jan/2026	The CFO will ensure that an AFS process plan is developed which will clearly outline review timelines that will ensure that material errors on AFS and supporting schedules are resolved prior to finalization. additional	Action plan Approved	Developed (CFO Approved)		Not Yet Started

						ly, the CFO will review the irregular register on a quarterly basis to ensure early detection of errors.				
Statement of comparison of budget and actual amounts	COMAF 12 - SoBA: Misstatements noted		Nyeleti Maluleke , Phathu Masuvhelle	21/Jan/2026	21/Jan/2026	The CFO will develop an AFS process plan which clearly details when reviews including the review on comparison of budget against actuals will be performed to ensure prevention	Action plan approved	Developed (CFO Approved)		Not Yet Started

Other	COMAF 13 – VAT: Issues noted on presentation and disclosure	Phathu Masuvhelle	21/Jan/2026	21/Jan/2026	n and detection of error.	Action plan approved	Developed (CFO Approved)			Not Yet Started

						that are applicable for any section for improved quality in reviewing.				
Taxation	COMAF 14 - VAT: Issues noted on grants and subsidies VAT treatment		Nyeleti Maluleke	21/Jan/2026	21/Jan/2026	The CFO will ensure sufficient review of AFS supporting schedules to ensure detection of oversight errors, additionally the CFO will develop an AFS Process Plan which clearly outlines the times of the reviews required	Action plan approved	Developed (CFO Approved)		Not Yet Started

Cash flow statement	COMAF 15 - CFS: Misstatements noted		Phathu Masuvhelle	21/Jan/2026	21/Jan/2026	The CFO will ensure that the AFS process plan allows for timeous completion of the AFS to allow for sufficient review of the cash flow workings.	Action plan approve		Developed (CFO Approved)		Not Yet Started
Other	COMAF 16 - Financial instruments: Disclosure issue noted		Phathu Masuvhelle	21/Jan/2026	21/Jan/2026	The CFO will ensure that the process plan developed encompasses the review and timelines for checking of the GRAP checklist	Action plan approved		Developed (CFO Approved)		Not Yet Started

						to ensure that all disclosures are accounted for correctly.				
Fruitless and wasteful expenditure	COMAF 17- UIFWE: Expenditure management		Nyeleti Maluleke , Rodgers Maringa	21/Jan/2026	21/Jan/2026	The CFO will develop a UIFW reduction strategy which will outline how the municipality intends to combat the UIFW expenditure.	Action plan approved	Developed (CFO Approved)		Not Yet Started
N/A	COMAF 18- Strategic planning and performance management: Non-compliance identified		Daphney Moselankoe	21/Jan/2026	21/Jan/2026	The Senior Manager Corporate Services will ensure that there is sufficient review of the APR and its supporting	Action plan approved	Developed (CFO Approved)		Not Yet Started

						information to ensure alignment between the two, in preparation of the this the senior manager corporate services will ensure that the is a process plan on the development and review.				
Property , plant and equipment	COMAF 19 – WIP: Misstatements and non-compliance noted		Nyeleti Maluleke , Andrew Simango	21/Jan/2026	21/Jan/2026	The Manager Assets will ensure that the WWIP register is timeously updated and reviewed against	Action plan approved	Developed (CFO Approved)		Not Yet Started

Other	COMAF 20 - Grants: LGSETA grant not adequately disclosed	Phathu Masuvhelle	21/Jan/2026	31/Jan/2026	the supporting documents. the timelines of review will be outlined on the AFS process plan	Action plan approved.	Developed (CFO Approved)		Not Yet Started

Rev from non-exch transactions: Other	COMAF 21- Revenue: Misstatements due to indigents		Nyeleti Maluleke	21/Jan/2026	31/Jan/2026	AFS process plan.	Action plan approved.	Developed (CFO Approved)		Not Yet Started

						communit y members receiving indigent benefits.				
Property , plant and equipment	Communication of audit findings 24 – Various sections		Nyeleti Maluleke	21/Jan/2026	31/Jan/2026			Not Yet Started		Not Yet Started
General expenses	Communication of audit findings 26 – Expenditure	3	Nyeleti Maluleke	21/Jan/2026	31/Jan/2026	The CFO will ensure that systems and processes are put in place to ensure the accuracy of figures prior to capturing on the financial module.	Action plan approved	Developed (CFO Approved)		Not Yet Started
N/A	COMAF 23 – Expenditure management.	3	Nyeleti Maluleke	21/Jan/2026	31/Jan/2026	The CFO will ensure that document tracking controls	Action plan approved	Developed (CFO Approved)		Not Yet Started

					are in place to ensure that all payments are made within 30 days of arrival to the end user department. i.e stamping the invoice on date of arrival at the end user department.				
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are in place to ensure that all payments are made within 30 days of arrival to the end user department. i.e stamping the invoice on date of arrival at the end user department.

**COLLINS CHABANE
LOCAL MUNICIPALITY**
Since 2016



Collins Chabane Local Municipality
(Registration number LIM345)
Financial statements
for the year ended 30 June 2025

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

General Information

Nature of business and principal activities	Providing municipal services and maintaining the best interest of the local community
Accounting Officer	Shilenge RR
Registered office	225 Old DCO Building Collins Chabane Drive Hospital Road 0982
Business address	225 Old DCO Building Collins Chabane Drive Hospital Road 0982
Postal address	Private Bag X9271 Malamulele 0982
Bankers	First National Bank
Auditors	Auditor-General South Africa (AGSA)

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

General Information

Mayoral Committee

Executive Mayor	Cllr Maluleke SG
Speaker	Cllr Mbedzi TS
Chief Whip	Cllr Baloyi ME

Members of the Executive Committee

Cllr Maluleke S.G
Cllr Chauke T.F
Cllr Lebea M.E
Cllr Mabasa D
Cllr Mahlawule T.P
Cllr Manganyi M.N
Cllr Mavikane S.X
Cllr Shiburi S.K
Cllr Thovhakale M.S

Audit Committee members

Mashaba Tsakani Glory (Chairperson Appointed 01 December 2024)
Xivuri Khensani Pretty (Appointed 01 December 2024)
Kgopa Motshwane Jerry (Appointed 01 December 2024)
Shiringane Philemon Clerance (Appointed 01 December 2024)
Nenngwekhulu Ndivhuwo (Appointed 01 December 2024)
Mudau FJ (Former Chairperson Terminated 30 November 2024)
Mabuza JM (Terminated 30 November 2024)
Ngobeni SAB (Terminated 30 November 2024)
Nevhutalu TG (Terminated 30 November 2024)
Makhubele E (Terminated 30 November 2024)

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

General Information

Other members of municipal council

Cllr Baloyi HR
Cllr Baloyi HJ
Cllr Baloyi ME
Cllr Baloyi MJ
Cllr Bamuza E
Cllr Chabalala KR
Cllr Chabangu ST
Cllr Chauke FT
Cllr Chauke GP (Terminated 30 April 2025)
Cllr Chauke HG
Cllr Chauke MC
Cllr Chauke MG
Cllr Chauke ST
Cllr Chauke TS
Cllr Hlabangwani TL
Cllr Hlatswayo TG
Cllr Hlungwani S
Cllr Khange G
Cllr Lebea ME
Cllr Mabasa J
Cllr Mabasa KK
Cllr Mabasa SD
Cllr Mabasa W
Cllr Mabunda MC
Cllr Mafanela RM
Cllr Mahlawule ML
Cllr Makhomisani SS
Cllr Makhubela S
Cllr Makondo NS
Cllr Maloleka SB
Cllr Maluleka RM
Cllr Maluleke ET
Cllr Maluleke HM
Cllr Maluleke LR
Cllr Maluleke SG
Cllr Manganye MJ
Cllr Manganyi HL
Cllr Manganyi MN
Cllr Maremane HR
Cllr Maringa RE
Cllr Masangu GD
Cllr Mashimbye FP
Cllr Masia TM
Cllr Matamela SM
Cllr Mathavha HF
Cllr Mathebula ME
Cllr Mathebula ML
Cllr Mavikane SX

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

General Information

Cllr Mbedzi SM
Cllr Mhangwani C
Cllr Miyambo SZ
Cllr Mudau RP
Cllr Mudau TS
Cllr Mulaudzi MM
Cllr Munarini TJ
Cllr Munyai N
Cllr Mutele ST
Cllr Muthubi KR
Cllr Ndove HD
Cllr Rasiuba NR
Cllr Rekhotsso SS
Cllr Rikhotso GM
Cllr Shandukani SM
Cllr Shiburi SK
Cllr Shivambu S
Cllr Sithole S M
Cllr Siweya SL
Cllr Sunduza SZ
Cllr Thovhakale MS
Cllr Tshoteli LD
Cllr Khosa T.G (Appointed on the 01 April 2025)
Cllr Mahlaule ML (Appointed 01 May 2025)

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Index

	Page
Accounting Officer's Responsibilities and Approval	7
Accounting Officer's Report	8
Statement of Financial Position	9
Statement of Financial Performance	10
Statement of Changes in Net Assets	11
Cash Flow Statement	12
Statement of Comparison of Budget and Actual Amounts	13 - 15
Significant Accounting Policies	16 - 41
Notes to the Financial Statements	42 - 98

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Index

Abbreviations used:

COIDA	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
CFO	Chief Financial Officer
AGSA	Auditor-General of South Africa
CIGFARO	Chartered Institute of Governance, Finance, Audit and Risk Officers
CCLM	Collins Chabane Local Municipality
MM	Municipal Manager
INEP	Integrated National Electrification Programme
FMG	Finance Management Grant
ME's	Municipal Entities
MEC	Member of the Executive Council
MIG	Municipal Infrastructure Grant (Previously CMIP)
WIP	Work in Progress
EPWP	Extended Public Works Programme
VAT	Value Added Tax
SALGA	South African Local Government Association
PPPFA	Preferential Procurement Policy Framework Act
UIF	Unemployment Insurance Fund
PAYE	Pay As You Earn
WCA	Workmen's Compensation Act

Collins Chabane Local Municipality

(Registration number LIM345)

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 financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the 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 financial statements and was given unrestricted access to all financial records and related data.

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

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

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

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

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

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

The financial statements set out on pages 8 to 98, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2025.



Shilenge RR
Municipal Manager

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Accounting Officer's Report

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

1. Incorporation

The municipality was incorporated on 10 August 2016 and obtained its certificate to commence business on the same day.

The municipality was established in terms of section 12 of the Municipal Structures Act, No. 117 of 1998 and is a category B municipality. It consists of 71 elected councillors and 36 wards.

2. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of 1 995 716 422 and that the municipality's total assets exceed its liabilities by 1 995 716 422.

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

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

3. Events after the reporting period

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

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4. Accounting policies

The financial statements prepared in accordance with the GRAP, including any interpretations of such Statements issued by the Accounting Practices Board, and in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. Accounting Officer

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

Name	Nationality
Shilenge RR	South African

6. Auditors

Auditor-General South Africa (AGSA) will continue in office for the next financial period.



Shilenge RR
Municipal Manager

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	2	57 286 690	96 354 094
Consumer debtors	3	8 909 064	7 655 121
Receivables from exchange transactions	4	29 723 560	29 815 442
Receivables from non-exchange transactions	5	11 211 362	10 115 172
Inventories	6	9 011 904	5 055 871
Other receivable		-	22 768 357
		116 142 580	171 764 057
Non-Current Assets			
Investment property	7	2 400 016	3 000 014
Property, plant and equipment	8	2 015 944 856	1 835 209 968
Intangible assets	9	1 008 776	1 939 907
Heritage assets	10	1 126 500	1 126 500
Other financial assets		2	3
		2 020 480 150	1 841 276 392
Total Assets		2 136 622 730	2 013 040 449
Liabilities			
Current Liabilities			
Payables from exchange transactions	11	109 320 938	124 275 807
Unspent conditional grants and receipts	12	-	1 933 743
Finance lease obligation	13	1 517 435	2 076 345
Employee benefit obligation	14	6 423 588	7 274 399
Provisions	15	820 732	1 037 020
		118 082 693	136 597 314
Non-Current Liabilities			
Finance lease obligation	13	-	1 517 434
Employee benefit obligation	14	22 823 615	19 031 121
		22 823 615	20 548 555
Total Liabilities		140 906 308	157 145 869
Net Assets			
Accumulated surplus		1 995 716 422	1 855 894 580
Total Net Assets		1 995 716 422	1 855 894 580

* See Note 59

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Sale of Stands	16	13 512 398	732 167
Service charges	17	5 685 036	5 672 816
Rendering of services	18	1 727 318	2 443 222
Construction contracts	19	16 613 043	21 679 130
Rental of facilities and equipment	20	389 404	343 707
Interest on outstanding	21	2 675 557	4 041 317
Agency services	22	4 398 273	4 148 166
Licences and permits	23	4 008 110	4 979 837
Other income-VBS Investment		-	22 768 357
Gain on assets/Fair value adjustments	24	(51 283)	26 784
Interest received - investment	25	11 857 703	16 910 819
Total revenue from exchange transactions		60 815 559	83 746 322
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	39 238 186	35 824 726
Interest on outstanding	27	20 337 205	35 060 608
Transfer revenue			
Government grants & subsidies	28	637 173 737	594 951 876
Public contributions and donations	29	-	2 759 595
Fines, Penalties and Forfeits	30	1 800 220	1 188 100
Total revenue from non-exchange transactions		698 549 348	669 784 905
Total revenue		759 364 907	753 531 227
Expenditure			
Employee related costs	31	(153 440 697)	(146 501 308)
Remuneration of councillors	32	(30 641 080)	(29 545 232)
Depreciation and amortisation	33	(77 236 864)	(71 679 729)
Impairments loss	34	(3 170 029)	(4 925 923)
Impairment Reversal to be written off	62	183 200 398	-
Finance costs	35	(95 730)	(164 854)
Debt impairment	36	(1 474 920)	(58 048 436)
Bad debts written off	37	(224 386 592)	(2 612 456)
Contracted services	38	(224 167 235)	(219 777 661)
Transfers and Subsidies	39	(11 904 072)	(9 713 939)
Loss on disposal of assets and liabilities	40	-	(2 923 707)
Fair value adjustments	41	(310 605)	(4 885 776)
General Expenses	42	(75 915 643)	(75 519 356)
Total expenditure		(619 543 069)	(626 298 377)
Surplus for the year		139 821 838	127 232 850

The accounting policies on pages 16 to 41 and the notes on pages 42 to 98 form an integral part of the financial statements.

* See Note 59

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	1 726 959 627	1 726 959 627
Adjustments		
Prior year adjustments 59	1 702 103	1 702 103
Balance at 01 July 2023 as restated*	1 728 661 730	1 728 661 730
Changes in net assets		
Prior year adjustment 59	(266 890)	(266 890)
Surplus for the year	127 499 740	127 499 740
Total recognised income and expenses for the year	127 232 850	127 232 850
Total changes	127 232 850	127 232 850
Restated* Balance at 01 July 2024	1 855 894 584	1 855 894 584
Changes in net assets		
Surplus for the year	139 821 838	139 821 838
Total changes	139 821 838	139 821 838
Balance at 30 June 2025	1 995 716 422	1 995 716 422

Note(s)

* See Note 59

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Property rates		12 975 968	16 639 296
Service charges		2 145 812	2 318 820
Grants and subsidies		635 239 994	612 582 619
Interest received -Bank		15 330 652	16 910 819
VBS Recovery		22 768 358	-
Interest on debtors		474 350	-
Other receipts		27 854 482	75 572 033
		<u>716 789 616</u>	<u>724 023 587</u>
Payments			
Employee costs		(188 625 914)	(178 558 002)
Suppliers		(308 907 950)	(313 125 970)
		<u>(497 533 864)</u>	<u>(491 683 972)</u>
Net cash flows from operating activities	44	<u>219 255 752</u>	<u>232 339 615</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(256 151 083)	(328 265 638)
Net cash flows from investing activities		<u>(256 151 082)</u>	<u>(328 265 638)</u>
Cash flows from financing activities			
Finance lease payments		(2 076 344)	(1 809 759)
Finance cost		(95 730)	(164 854)
Net cash flows from financing activities		<u>(2 172 074)</u>	<u>(1 974 613)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(39 067 404)</u>	<u>(97 900 636)</u>
Cash and cash equivalents at the beginning of the year		96 354 094	194 254 730
Cash and cash equivalents at the end of the year	2	<u>57 286 690</u>	<u>96 354 094</u>

The accounting policies on pages 16 to 41 and the notes on pages 42 to 98 form an integral part of the financial statements.

* See Note 59

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

<u>Budget on Cash Basis</u>		Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and	Reference		
Figures in Rand						actual			
Statement of Financial Performance									
Revenue									
Revenue by source									
Revenue from exchange transactions									
Property rates	37 207 540	(1 765)	37 205 775	39 238 186	2 032 411				
Service charges	5 942 313	(877 255)	5 065 058	5 685 036	619 978				
Other own revenue	18 073 728	5 943 600	24 017 328	13 467 397	(10 549 931)				
Rendering of services	-	-	-	1 727 318	1 727 318				
Fines	636 000	650 581	1 286 581	1 800 220	513 639				
Agency services	5 139 047	-	5 139 047	4 398 273	(740 774)				
Licences and permits	8 206 504	(2 015 504)	6 191 000	4 008 110	(2 182 890)				
Construction contracts	19 105 000	-	19 105 000	16 613 043	(2 491 957)				
Interest received-Investment	16 941 350	(3 345 210)	13 596 140	11 857 703	(1 738 437)				
Interest received on outstanding debtors-service charges	9 214 484	7 905 000	17 119 484	2 675 557	(14 443 927)				
Rental income	399 636	-	399 636	389 404	(10 232)				
Revenue from exchange transactions									
Government grants & subsidies	517 464 000	3 136 000	520 600 000	520 654 737	54 737				
Gain on assets/Fair value adjustments	-	-	-	283 111	283 111				
Interest received on outstanding debtors-Rates	-	-	-	20 337 205	20 337 205				
Total Revenue (excluding capital transfers and contributions)	638 329 602	11 395 447	649 725 049	643 135 300	(6 589 749)				
Expenditure by type									
Employee costs	(158 534 932)	3 083 830	(155 451 102)	(153 440 697)	2 010 405				
Remuneration of councillors	(31 871 391)	237 080	(31 634 311)	(30 641 080)	993 231				
Depreciation & asset impairment	(62 579 559)	(15 704 593)	(78 284 152)	(80 406 893)	(2 122 741)				
Contracted services	(153 257 000)	(73 369 891)	(226 626 891)	(224 167 235)	2 459 656				
Bad debts written off	-	-	-	(41 186 194)	(41 186 194)				
Fair value adjustments	-	-	-	(599 998)	(599 998)				
Debt Impairment	(5 897 000)	(27 000 000)	(32 897 000)	(1 474 920)	31 422 080				
Finance charges	-	-	-	(95 730)	(95 730)				
Transfers and subsidies	-	-	-	(11 904 072)	(11 904 072)				
General expenditure	(85 985 000)	10 320 891	(75 664 109)	(75 915 643)	(251 534)				
Total expenditure	(498 124 882)	(102 432 683)	(600 557 565)	(619 832 462)	(19 274 897)				
Deficit	140 204 720	(91 037 236)	49 167 484	23 302 838	(25 864 646)				
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	96 519 000	20 000 000	116 519 000	116 519 000	-				
Deficit after capital transfers & contributions	236 723 720	(71 037 236)	165 686 484	139 821 838	(25 864 646)				
Deficit for the year	236 723 720	(71 037 236)	165 686 484	139 821 838	(25 864 646)				

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<hr/>						
Figures in Rand						
<hr/>						
Statement of Financial Position						
Net Assets	2 479 943 401	(59 722 723)	2 420 220 678	2 365 991 975	(54 228 703)	
<hr/>						
Assets						
Current Assets						
Cash	340 610 595	(256 330 655)	84 279 940	57 286 690	(26 993 250)	
Consumer debtors	12 511 000	62 629 000	75 140 000	8 909 064	(66 230 936)	
Other debtors	19 348 000	12 725 000	32 073 000	4 358 085	(27 714 915)	
Current portion of long-term receivables	66 581 000	32 016 000	98 597 000	11 211 362	(87 385 638)	
Inventory	5 403 670	530 490	5 934 160	9 011 904	3 077 744	
	444 454 265	(148 430 165)	296 024 100	90 777 105	(205 246 995)	
<hr/>						
Non-Current Assets						
Investment property	4 238 071	-	4 238 071	2 400 016	(1 838 055)	
Property, plant and equipment	1 822 520 000	198 580 000	2 021 100 000	2 015 944 856	(5 155 144)	
Intangible	3 666 065	-	3 666 065	1 008 776	(2 657 289)	
Heritage assets	1 182 000	-	1 182 000	1 126 500	(55 500)	
	1 831 606 136	198 580 000	2 030 186 136	2 020 480 148	(9 705 988)	
Total Assets	2 276 060 401	50 149 835	2 326 210 236	2 111 257 253	(214 952 983)	
<hr/>						
Liabilities						
Current Liabilities						
Trade and other payables	177 892 000	(21 284 000)	156 608 000	104 101 116	(52 506 884)	
Provisions	8 656 000	(7 456 000)	1 200 000	8 761 755	7 561 755	
	186 548 000	(28 740 000)	157 808 000	112 862 871	(44 945 129)	
<hr/>						
Non-Current Liabilities						
Provisions	17 335 000	2 000 000	19 335 000	22 823 615	3 488 615	
Total Liabilities	203 883 000	(26 740 000)	177 143 000	135 686 486	(41 456 514)	
Net Assets	2 072 177 401	76 889 835	2 149 067 236	1 975 570 767	(173 496 469)	
<hr/>						
Community wealth/equity						
Accumulated Surplus/(Deficit)	2 330 085 000	12 857 000	2 085 035 000	1 995 716 431	(89 318 569)	
Total community wealth/equity	2 330 085 000	12 857 000	2 085 035 000	1 995 716 431	(89 318 569)	

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						

Cash Flow Statement

Cash flows from operating activities

Receipts

Property rates	22 625 000	(9 603 000)	13 022 000	33 723 961	20 701 961
Service charges	3 349 000	(1 576 000)	1 773 000	12 475 843	10 702 843
Government - capital	633 088 000	23 136 000	656 224 000	635 239 994	(20 984 006)
Interest income	16 941 000	(3 345 000)	13 596 000	11 857 703	(1 738 297)
Other revenue	82 530 000	(46 331 000)	36 199 000	22 328 125	(13 870 875)
	758 533 000	(37 719 000)	720 814 000	715 625 626	(5 188 374)

Payments

Suppliers and employees	(415 848 000)	(73 528 000)	(489 376 000)	(496 369 872)	(6 993 872)
Net cash flows from operating activities	342 685 000	(111 247 000)	231 438 000	219 255 754	(12 182 246)

Cash flows from investing activities

Payments

Capital assets	(205 847 000)	(49 284 000)	(255 131 000)	(256 151 083)	(1 020 083)
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Cash flows from financing activities

Payments

Repayment of borrowing	-	-	-	(2 172 074)	(2 172 074)
Net increase/(decrease) in cash held	136 838 000	(160 531 000)	(23 693 000)	(39 067 403)	(15 374 403)
Cash/cash equivalents at the year begin:	203 773 000	(99 999 500)	103 773 500	96 354 094	(7 419 406)
Cash and cash equivalents at the end of the year	340 611 000	(260 530 500)	80 080 500	57 286 691	(22 793 809)

The accounting policies on pages 16 to 41 and the notes on pages 42 to 98 form an integral part of the financial statements.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

Figures in Rand	Notes	2025	2024
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1. Significant accounting policies

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

1.1 Basis of preparation

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

These 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.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

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

1.3 Going concern assumption

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

1.4 Materiality

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

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

The municipality does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.5 Investment property

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

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

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.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.5 Investment property (continued)

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.

1.6 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

Property, plant and equipment is carried at cost, being the cost/fair value at the date of acquisition or transfer less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Land is carried at cost and is not depreciated.

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

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.6 Property, plant and equipment (continued)

Components of assets that are significant relative to the overall asset and have different useful lives are depreciated separately. The annual depreciation rates are based on the estimated average asset lives outlined in the MFMA - Local Government Capital Assets Management Guidelines.

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

Item	Depreciation method	Average useful life (years)
Buildings/ Community Assets	Straight-line	5 - 30
Electrical	Straight-line	3 - 80
Solid waste	Straight-line	5 - 55
Computer equipment	Straight-line	3 - 10
Furniture and office equipment	Straight-line	3 - 10
Motor vehicles	Straight-line	4 - 15
Plant, machinery and equipment	Straight-line	2 - 20
Bridges	Straight-line	15 - 80
Roads	Straight-line	5 - 80
Storm water drainage	Straight-line	20 - 80
Other infrastructure assets	Straight-line	5 - 30
Leased assets	Straight-line	Limited to the contract term

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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

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

Impairment

The municipality tests for impairment whenever there is an indication that an asset may be impaired. An assessment to determine whether such an indication exists is conducted at each reporting date. If the carrying amount of an item of property, plant, and equipment exceeds its estimated recoverable amount (or recoverable service amount), the asset is written down to its recoverable amount. An impairment loss is then recorded in the Statement of Financial Performance. Note that an impairment loss on a revalued asset is treated as a revaluation decrease.

Derecognition

Items of property, plant, and equipment are derecognized when they are disposed of or when there are no further economic benefits or service potential expected from their use. The gain or loss resulting from the derecognition of such an item is included in the surplus or deficit at the time of derecognition. This gain or loss is determined as the difference between any net disposal proceeds and the carrying amount of the item.

The municipality separately discloses expenditure related to the repair and maintenance of property, plant, and equipment in the notes to the financial statements (see note 8).

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.7 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life (years)
Licenses and franchises	Straight-line	2 - 5
Computer software, other	Straight-line	2 - 5

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.7 Intangible assets (continued)

Other Intangible assets

Straight-line

2 - 5

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 8).

Derecognition

Intangible assets are derecognised:

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

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

1.8 Heritage assets

Heritage assets are assets that have cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

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

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

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

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

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

1.9 Financial instruments

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

A financial asset is:

- cash;
- a residual interest of another entity; or

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.9 Financial instruments (continued)

- 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.

Consumer deposits are recognised as liabilities.

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 another 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.

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.

Classification

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

Class	Category
Consumer receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost

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

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Finance lease liabilities	Financial liability measured at amortised cost

Initial recognition

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.9 Financial instruments (continued)

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

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.9 Financial instruments (continued)

Initial measurement

The municipality measures a financial asset and financial liability initially at its fair value (for financial instruments not classified as fair value through profit or loss (FVPL), plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The fair value of a financial instrument upon initial recognition is typically the transaction price, unless a different fair value is evident from observable market data. For financial instruments that are not traded in an active market, the municipality employs a discounted cash flow model incorporating entity-specific variables to determine fair value. Differences may arise between the fair value initially recognized (which, in accordance with GRAP 104, is generally the transaction price) and the amount initially determined using the valuation technique. Any such differences are subsequently recognized in profit or loss only to the extent that they relate to changes in factors (including time) that market participants would consider when setting the price.

Subsequent measurement

Financial assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to-maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation. The municipality classifies its financial assets into the following categories:

- Loans and receivables; a
- Fair value through profit and loss

The classification depends on the purpose for which the financial asset is acquired, and is as follows: Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

Fair value through profit and loss financial assets include derivative financial instruments used by the entity to manage its exposure to fluctuations in interest rates attached to certain of its external borrowings interest swap agreements. Any fair value adjustment is recorded in the Statement of Financial Performance in the period in which it arises. To the extent that a derivative instrument has a maturity period of longer than a year, the fair value of these instruments will be reflected as a noncurrent asset or liability, and is subsequently measured at fair value at Statement of Financial Position date.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discount) through the expected life of the financial asset, or, where appropriate a shorter period.

Trade and other receivables

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments.

An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

Cash and cash equivalents

Cash includes cash on hand and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as current assets.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.9 Financial instruments (continued)

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

Fixed deposit investments

Short-term deposit is cash and cash equivalents which is short-term and highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three to twelve months or less and are subject to an insignificant risk of change in value.

Impairment

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the financial asset.

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

Impairment of non-financial assets

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

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

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

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.9 Financial instruments (continued)

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

1.10 Statutory receivables

Identification

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

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

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

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

Value-Added Tax (VAT)

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Accrued interest

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.10 Statutory receivables (continued)

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

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

Other charges

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

Impairment losses

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

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

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

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

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

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

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

Derecognition

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

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

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.10 Statutory receivables (continued)

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

1.11 Value Added Tax

Basis

The municipality accounts for VAT on the cash basis when preparing VAT returns, the accrual basis of accounting is applied in capturing vat on the accounting system. Recognition:

- VAT Input Accruals are recognized when qualifying expenditure is incurred and the Municipality has a statutory right to claim such amounts from the South African Revenue Service (SARS).
- VAT Output Accruals are recognized when taxable supplies are made and the Municipality has a statutory obligation to remit VAT to SARS.

Measurement:

- VAT Input and Output Accruals are measured at the amounts calculated in terms of the VAT Act, using the invoice (accrual) basis of accounting, unless the Municipality is registered under the payments basis.
- Input VAT is presented as a statutory receivable in accordance with GRAP 108.
- Output VAT is presented as a financial liability in accordance with GRAP 104.

Supply Categories:

- Standard-rated supplies (15%)
- Zero-rated supplies (0%)
- Exempt supplies

Disclosure:

- VAT Input is disclosed as Receivables from exchange transactions and Output balances are separately disclosed in Payables from exchange transactions in the Statement of Financial Positions.

1.12 Leases

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

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

Finance leases - lessee

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

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

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

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

1.13 Inventories

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

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.13 Inventories (continued)

"**Land inventory** is recognised at fair value which equate to net realisable value due to illegal occupation."

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

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

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

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

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

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

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

The cost of inventories is assigned using the weighted average cost 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.

1.14 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by .

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.14 Construction contracts and receivables (continued)

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

1.15 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Useful life is either:

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

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.16 Employee benefits

Identification

Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

- (a) a municipality's decision to terminate an employee's employment before the normal retirement date; or
- (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service. Vested employee benefits are employee benefits that are not conditional on future employment. Composite social security programmes are established by legislation and operate as multi-employer plans to provide postemployment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees. A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.16 Employee benefits (continued)

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Post-employment benefits

Recognition and measurement

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.16 Employee benefits (continued)

Termination benefits

Recognition

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- (a) terminate the employment of an employee or group of employees before the normal retirement date; or
- (b) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.17 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

Provisions are not recognised for future operating deficits.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.17 Provisions and contingencies (continued)

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 47.

Contingent liabilities:

"Contingent liabilities shall not be recognized in the statement of financial position; a contingent liability shall be disclosed under the notes unless the possibility of an outflow of resources embodying economic benefits or service potential is remote."

"A disclosure shall be made for each class of contingent liability at the reporting date with a brief description of the nature of the contingent liability and where practicable.

Contingent assets:

"Contingent assets shall not be recognised in the Statement of financial position, a contingent asset usually arises from unplanned or other unexpected events that are not wholly within the control of the municipality that give rise to the possibility of an inflow of economic benefits."

"A contingent asset is disclosed under the notes by providing a brief description of the nature of the contingent assets at the reporting date, and where practicable, an estimate of their financial effect.

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

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

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

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

- financial difficulty of the debtor;

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.17 Provisions and contingencies (continued)

- 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, a municipality recognises the obligation at the higher of:

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

1.18 Commitments

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

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.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.19 Revenue from exchange transactions

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

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

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

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. Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, VAT and other similar allowances. Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges

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

- 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.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

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.

Interest

Interest is recognised, on a time proportionate basis that takes into account the effective interest rate method. Interest is earned from primary bank account and short-term deposits.

Agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement. The revenue is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services. Collection charges are recognised when incurred.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.20 Revenue from non-exchange transactions

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

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

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

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

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

Gain/loss on assets

Gain/ loss on assets - this applies to assets acquired at no consideration and disposal of assets.

Gain/loss on fair value

Gain/ loss on fair value - this applies to the movement on fair value adjustments on investment property as at year-end.

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

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

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

Public contributions and donations

Revenue from donations are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria is met. Revenue from property rates is recognised when the legal entitlement to this revenue arises.

Collection charges are recognised when such amounts are legally enforceable.

Rebates are respectively granted to owner of land on which not more than two dwelling units are erected provided that solely used for residential purpose.

Assessment rates income is recognised as rates account has been issued to the rate payers.

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

Government grants and transfers

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

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

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

"The municipality recognizes government grants as revenue upon receipts except for; Grants with conditions is recognised as revenue when capital expenditure is incurred. These grants are only recognized as revenue only upon the fulfilment of the conditions attached to the use of the grants. The grants shall be disclosed as a liability until the conditions attached are met."

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

Traffic fines

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

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

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

1.21 Investment income

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

1.22 Accounting by principals and agents

Identification

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

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

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

Identifying whether an entity is a principal or an agent

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

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

Binding arrangement

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

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

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.22 Accounting by principals and agents (continued)

Assessing which entity benefits from the transactions with third parties

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

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

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

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

Recognition

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

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

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

1.23 Translation of foreign currencies

1.24 Changes in accounting policies, estimates and errors

Accounting policies are the specific principles, bases, conventions, rules and practices applied by a municipality in preparing and presenting financial statements. A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors.

Prior period errors are omissions from, and misstatements in, the municipality's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- (a) was available when financial statements for those periods were authorised for issue; and
- (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Prospective application of a change in an accounting policy and of recognising the effect of a change in an accounting estimate, respectively, are:

- (a) applying the new accounting policy to transactions, other events and conditions occurring after the date as at which the policy is changed; and
- (b) recognising the effect of the change in the accounting estimate in the current and future periods affected by the change. Retrospective application is applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied.

The effect of a change in an accounting estimate shall be recognised prospectively.

Change in Accounting Policy – INEP Grant

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.24 Changes in accounting policies, estimates and errors (continued)

During the year, the municipality changed its accounting treatment of the Integrated National Electrification Programme (INEP) Grant in accordance with Municipal SCOA Circular 16 and GRAP 23. Previously, INEP allocations were capitalised directly to Property, Plant and Equipment as WIP during the construction phase and subsequently transferred to Eskom upon completion. Under the revised policy, INEP allocations are recognised as Construction contracts revenue and expensed directly under contracted services as and when the municipality complies with the grant conditions. Unspent allocations are recognised as a liability.

The change has been applied retrospectively. Comparative figures have been restated where practicable. The effect of the change was a decrease in the WIP PPE for 2024 of R 21 679 130 and an increase in Construction contracts revenue of R 21 679 130.

1.25 Comparative figures

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

1.26 Unauthorised expenditure

Unauthorised expenditure means:

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

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.

1.27 Fruitless and wasteful expenditure

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

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

1.28 Irregular expenditure

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

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

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

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.28 Irregular expenditure (continued)

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

1.29 Segment information

A segment is an activity of a municipality:

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

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

Measurement

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

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

1.30 Budget information

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

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

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

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

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

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

The municipality will provide an explanation of +-10% variance on comparison of budget and actual amounts.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.31 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

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

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

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

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

1.32 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.

1.33 Expenditure

Expenditure is recognised in the financial statements on an accrual basis.

1.34 Consumer deposits

Consumer deposits represents funds received by the municipality as security for payment of consumer accounts. The amount represent the actual cash received and can either be paid back or set off against an consumer account. The gross un-utilised deposit amount is indicated. No interest is paid to the consumers on the deposits held by the municipality.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	51 982	-
Bank balances	57 234 709	24 681 144
Short-term deposits	-	71 672 950
	57 286 691	96 354 094

The municipality holds 12 months fixed deposit investments with ABSA and Nedbank. The ABSA and Nedbank investment commenced in December 2023. Both investments matured in December 2024. The municipality redeemed capital and interest accrued upon maturity for both banks and there is no reinvestment made in 2024/2025 financial year. The municipality had cash on hand as at 30 June 2025 amounting to R 51 982 which relate to rendering of services. The receipting has been done on the last day of the financial year and the money reflected in the municipality bank on the 1st July 2025.

No cash and cash equivalents were pledged as collateral.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2025	30 June 2024	30 June 2023	30 June 2025	30 June 2024	30 June 2023
FNB Current Account - 62632407020	57 234 667	24 681 144	121 923 644	57 286 690	24 681 144	121 923 644
Nedbank - 12 Month Fixed Deposit - 03/7881166908/000004	-	35 868 837	36 359 960	-	35 868 837	36 359 960
ABSA - 12 Month Fixed Deposit- 2081408049	-	35 804 112	-	-	35 804 112	-
FNB 12 Month Fixed Deposit -76201583143	-	-	35 971 128	-	-	35 971 128
Total	57 234 667	96 354 093	194 254 732	57 286 690	96 354 093	194 254 732

3. Consumer debtors

Gross balances

Refuse	41 207 337	37 115 571
Refuse - write off	(21 784 345)	-
Consumer debtors-other	202 828 694	187 864 271
Consumer debtors - Write off	(149 142 256)	-
	73 109 430	224 979 842

Less: Allowance for impairment

Refuse	(17 413 129)	(35 642 218)
Consumer debtors - other	(46 787 238)	(181 682 504)
	(64 200 367)	(217 324 722)

Net balance

Refuse	2 009 863	1 473 353
Consumer debtors - other	6 899 201	6 181 768
	8 909 064	7 655 121

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

3. Consumer debtors (continued)

Refuse

Current (0 -30 days)	877 444	486 243
31 - 60 days	389 800	388 000
61 - 90 days	382 629	372 115
91 - 120 days	378 093	360 070
121 - 365 days	2 934 030	2 744 880
>365 days	14 460 996	32 764 263
Less: Allowance for impairment	(17 413 129)	(35 642 218)
	2 009 863	1 473 353

Consumer debtors - other

Current (0 -30 days)	3 651 146	1 587 159
31 - 60 days	1 773 334	1 543 909
61 - 90 days	1 742 358	1 513 090
91 - 120 days	1 711 768	1 484 513
121 - 365 days	12 941 990	10 727 155
> 365 days	31 865 842	171 008 446
Less: Allowance for impairment	(46 787 238)	(181 682 504)
	6 899 200	6 181 768

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
3. Consumer debtors (continued)		
Summary of debtors by customer classification		
Residential		
Current (0 -30 days)	4 518 254	2 012 701
31 - 60 days	2 120 439	1 942 592
61 - 90 days	2 083 266	1 826 683
91 - 120 days	2 049 162	1 790 911
121 - 365 days	15 308 942	13 301 499
> 365 days	56 212 885	146 270 646
	82 292 948	167 145 032
Industrial/ commercial		
Current (0 -30 days)	1 197 399	659 199
31 - 60 days	409 040	281 764
61 - 90 days	402 347	253 135
91 - 120 days	397 887	243 619
121 - 365 days	2 440 629	1 745 682
> 365 days	8 838 756	16 927 746
	13 686 058	20 111 145
Government		
Current (0 -30 days)	4 669 346	2 218 144
31 - 60 days	2 242 433	2 282 474
61 - 90 days	2 226 831	2 116 578
91 - 120 days	2 213 464	2 079 490
121 - 365 days	18 193 931	15 857 841
> 365 days	96 793 100	81 476 190
	126 339 105	106 030 717
Total		
Current (0 -30 days)	10 385 000	4 890 044
31 - 60 days	4 771 912	4 506 831
61 - 90 days	4 712 443	4 196 396
91 - 120 days	4 660 513	4 114 021
121 - 365 days	35 943 503	30 905 022
> 365 days	161 844 741	244 674 582
	222 318 112	293 286 896
Less: Allowance for impairment	(202 719 036)	(285 631 776)
	19 599 076	7 655 120
Reconciliation of allowance for impairment		
Balance at beginning of the year	(378 189 709)	(118 526 200)
Contributions to allowance	175 470 674	(259 663 509)
	(202 719 035)	(378 189 709)

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
4. Receivables from exchange transactions		
Deposits	2 517 720	2 228 300
Sundry debtors-Other	-	466 329
Sales of stand	958 384	-
Statutory receivable	4 199 376	3 560 460
Input Accrual	21 166 099	22 985 947
Sundry debtors	8 257 254	7 949 679
Sundry debtors -Write off	(7 375 273)	-
Sundry debtors - impairment	-	(7 375 273)
	29 723 560	29 815 442
5. Receivables from non-exchange transactions		
Gross balances		
Fines	4 085 700	2 574 730
Traffic Fines - Write off	(387 400)	-
Consumer debtors - Rates	197 871 921	170 461 908
Consumer debtors - Write off	(45 697 318)	-
	155 872 903	173 036 638
Less: Allowance for impairment		
Fines	(3 176 950)	(2 056 480)
Consumer debtors - Rates	(141 484 592)	(160 864 987)
	(144 661 542)	(162 921 467)
Net balance		
Fines	521 350	518 250
Consumer debtors - Rates	10 690 012	9 596 922
	11 211 362	10 115 172
Ageing analysis		
Rates		
Current (0 -30 days)	5 858 620	2 816 642
31 - 60 days	2 613 909	2 574 922
61 - 90 days	2 592 543	2 311 192
91 - 120 days	2 575 695	2 269 438
121 - 365 days	20 106 024	17 432 987
> 365 days	118 427 813	143 056 728
Less: Allowance for Impairment	(141 484 592)	(160 864 987)
	10 690 012	9 596 922
6. Inventories		
Consumable stores	5 803 055	5 055 738
Land inventory	3 208 849	133
	9 011 904	5 055 871

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

7. Investment property

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	2 400 016	-	2 400 016	3 000 014	-	3 000 014

Reconciliation of investment property - 2025

		Opening balance	Fair value adjustments	Total
Investment property		3 000 014	(599 998)	2 400 016

Reconciliation of investment property - 2024

	Opening balance	Transfers out	Fair value adjustments	Total
Investment property	3 720 015	(50 003)	(669 998)	3 000 014

Pledged as security

During the financial year ended 30 June 2025, no components of investment of property were pledged as security for borrowings or banking facilities:

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.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

7. Investment property (continued)

The fair values of investment properties as disclosed in the Annual Financial Statements are based on the valuation by Luthendo Group, an independent valuer who is adequately qualified and has experience in the valuation industry. The values of the investments properties were reduced by R 599 998 in the current period 2025 And 2024 R 669 998 in the prior year due to illegal occupations. The valuation assumptions applied include recent sales comparisons approach investments properties. Investments properties were assessed for impairment as at year end, those which have indicators of impairment were impaired.

Maintenance of investment property

There were no repairs and maintenance costs incurred on investment properties during the reporting period. .

Rental Income Disclosure

There were no rental incomes raised from occupations of investments properties during the reporting period.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

8. Property, plant and equipment

	2025		2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	
Land	25 453 445	-	25 453 445	28 713 444	- 28 713 444
Buildings	45 175 487	(11 700 040)	33 475 447	45 175 487	(9 569 869) 35 605 618
Movable assets	149 909 910	(86 747 177)	63 162 733	143 912 632	(67 704 744) 76 207 888
Roads Infrastructure	1 235 644 909	(161 116 275)	1 074 528 634	970 307 207	(123 224 991) 847 082 216
Community assets	260 851 690	(64 200 218)	196 651 472	259 546 663	(51 127 368) 208 419 295
WIP-Infrastructure	518 938 780	-	518 938 780	528 204 528	- 528 204 528
Electricity assets	130 532 090	(28 123 350)	102 408 740	130 532 090	(22 871 292) 107 660 798
Leased assets	5 972 094	(4 646 489)	1 325 605	5 972 095	(2 655 914) 3 316 181
Total	2 372 478 405	(356 533 549)	2 015 944 856	2 112 364 146	(277 154 178) 1 835 209 968

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers received	Transfers outs	Fair value adjustment	Depreciation	Impairment loss	Total
Land	28 713 444	-	-	-	-	(3 259 999)	-	-	25 453 445
Buildings	35 605 618	-	-	-	-	-	(1 713 414)	(416 757)	33 475 447
Movable assets	76 207 888	6 008 368	(228)	2 142	(2 142)	-	(17 781 016)	(1 272 279)	63 162 733
Roads Infrastructure	847 082 216	1 109 856	-	264 227 848	-	-	(37 371 383)	(519 903)	1 074 528 634
Community assets	208 419 295	1 305 026	-	-	-	-	(12 641 475)	(431 374)	196 651 472
WIP-Infrastructure	528 204 528	255 047 396	-	-	(264 227 847)	-	-	(85 297)	518 938 780
Electricity assets	107 660 798	-	-	-	-	-	(4 807 689)	(444 369)	102 408 740
Leased assets	3 316 181	-	-	-	-	-	(1 990 576)	-	1 325 605
	1 835 209 968	263 470 646	(228)	264 229 990	(264 229 989)	(3 259 999)	(76 305 553)	(3 169 979)	2 015 944 856

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Fair value adjustment	Disposals	Transfers received	Transfers out	Depreciation	Impairment loss	Impairment reversal	Total
Land	28 713 442	-	2 740 000	-	-	(2 739 998)	-	-	-	28 713 444
Buildings	36 757 762	557 862	-	-	-	-	(1 710 006)	-	-	35 605 618
Movable assets	90 846 600	2 674 193	-	(90 021)	72 511	-	(17 314 887)	(277 538)	297 030	76 207 888
Roads Infrastructure	651 623 100	9 512 786	-	(135 822)	217 521 363	-	(31 422 314)	(16 897)	-	847 082 216
Community assets	200 821 372	2 833 209	-	-	17 122 274	-	(12 035 998)	(321 562)	-	208 419 295
WIP-Infrastructure	460 578 911	327 686 604	-	-	-	(260 060 987)	-	-	-	528 204 528
Electricity assets	111 248 966	1 374 074	-	-	4 720 104	-	(5 075 390)	(4 606 956)	-	107 660 798
Leased assets	5 311 830	-	-	-	-	-	(1 995 649)	-	-	3 316 181
	1 585 901 983	344 638 728	2 740 000	(225 843)	239 436 252	(262 800 985)	(69 554 244)	(5 222 953)	297 030	1 835 209 968

Pledged as security

The municipality assessed the asset's conditions for impairments as at year end, those assets which showed signs of deterioration in conditions have been impaired. During the financial year ended 30 June 2025, no components of property, plant and equipment were pledged as security for borrowings or banking facilities.:

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

8. Property, plant and equipment (continued)

Other information

Completion of the following projects were delayed due to budget constraints and community disputes

Upgrading of Vuwani Stadium	7 889 504	869 566
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The following projects were delayed due to budget constraints

Construction of traffic circle Malamulele	434 783	434 783
Construction of road at Masakona Village	4 680 005	869 565
Construction of stormwater channel at Malamulele B	869 321	869 321
Construction of ring road at Muchipisi Village	3 545 349	869 565
Construction of Tiyani Mall intersection	434 783	434 783
Construction of sub-offices traffic/DLTC and VTS at Hlaganani	869 550	869 550
Vuwani traffic and licensing admin block	434 783	434 783
Rehabilitation of Saselemani taxi rank	763 015	848 315
Construction of Highmast Lights	-	1 374 074
Wedenning of Streets in Business Park	54 900 934	23 921 071
	66 932 523	30 925 810

Cumulative work in progress (WIP) expenditure as per GRAP 16.92(a) and GRAP

17.87(a) for the reported period is as follows:

Building infrastructure	162 402 536	137 411 799
Community assets	154 850 853	104 282 983
Electrical infrastructure	3 370 090	1 174 614
Roads infrastructure	198 315 302	285 335 134
	518 938 781	528 204 530

The completion of the project was delayed due to pre cast concrete:

Construction of municipal building	162 402 543	137 411 806
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Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
8. Property, plant and equipment (continued)		
Assets under Investigation		
There are assets as disclosed on the below table that could not be verified during the 2025 Financial period. This asset is currently under investigation pending council approval for write off:		
Computer equipment	210	778
Furniture and office equipment	765	107
Machinery and equipment	449	349
	1 424	1 234
The completion of the project was delayed due to licence approval from Limpopo		
Department of Economic Development, Environment and Tourism (LEDET) and		
Department of Water and Sanitation (DWS)		
Development of Landfill Site	49 887 018	49 887 018
The completion of the following project was delayed due to community Unrest and weather challenges.		
Construction at Jim Jones access road to public	11 510 308	869 565
The completion of the following project was delayed due to change in Borrow-pit and weather challenges.		
Terms and conditions		
Construction of 2,5km road @ Head Kraal Masia Village	33 038 691	10 741 122
In terms of GRAP3 - Accounting policies, changes in estimates and errors		
Changes in accounting estimates		
In terms of the requirements of GRAP 17 the useful lives of all asset's items were reviewed by management at year end. The remaining useful live expectations of some asset's items differed from previous estimates. This resulted in a revision of some of the previous estimates. The effect of this revision is a decrease in depreciation charges for the current period of R2 124 014.76. 2025 and R 550 188.47 for previous period 2024.		
Assets categories		
Furniture and fixtures	254 167	82 730
Motor vehicles	386 774	21 941
Community assets	12 563	89 306
Roads infrastructure	928 922	79 224
Computer equipment	458 145	185 259
Machinery and equipment	83 444	91 727
	2 124 015	550 187

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

8. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

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

Electrical Infrastructure	-	3 074 271
Buildings Infrastructure	-	4 063 105
Machinery and equipment	8 746 075	2 349 849
Roads infrastructure	13 454 369	5 328 698
Motor vehicles	-	2 093 933
Community assets	-	19 268
	22 200 444	16 929 124

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.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

9. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	8 825 739	(7 816 963)	1 008 776	8 825 739	(6 885 832)	1 939 907

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Computer software, other	1 939 907	(931 131)	1 008 776

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software, other	8 825 739	(6 885 832)	1 939 907

Pledged as security

Carrying value of intangible assets is not pledged as security:

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

9. Intangible assets (continued)

Changes in accounting estimates

Intangible assets/ computer software	834 016	235 514
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In terms of the requirements of GRAP 17 the useful lives of all asset's items were reviewed by management at year end. The remaining useful live expectations of some asset's items differed from previous estimates. This resulted in a revision of some of the previous estimates. The effect of this revision is a decrease in depreciation charges for the current period of R834 015.94 2025 and R 235 514.23 for previous period 2024.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

10. Heritage assets

	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Mayoral Chain and gowns	1 126 500	-	1 126 500	1 126 500	-	1 126 500

Reconciliation of heritage assets 2025

	Opening balance	Total
Mayoral chain and gowns	1 126 500	1 126 500

Reconciliation of heritage assets 2024

	Opening balance	Total
Mayoral chain and gowns	1 126 500	1 126 500

11. Payables from exchange transactions

Trade payables	15 536 195	18 774 746
Payments received in advanced	2 110 384	18 003 962
Retention	73 927 782	72 759 913
Accrued bonus	3 552 845	3 427 671
Statutory Payable	2 196 580	3 468 382
VAT Payable	2 429 693	1 617 949
Unallocated Deposit	1 027 949	1 414 526
Department of Transport	1 727 416	1 675 510
Sundry creditors	6 812 095	3 133 147
	<u>109 320 939</u>	<u>124 275 806</u>

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

11. Payables from exchange transactions (continued)

11.1 VAT PAYABLE

Output accrual	142 000	1 716 637
Provision for impairment	(2 571 693)	(3 334 587)
	<u>(2 429 693)</u>	<u>(1 617 950)</u>

12. Unspent conditional grants and receipts

There following were unspent grants as at 30 June 2025.

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Disaster Relief Grant (DRG)	-	<u>1 933 743</u>

Movement during the year

Balance at the beginning of the year	-	4 500 000
Additions during the year	-	9 000 000
Income recognition during the year	-	(11 566 257)
	<u>-</u>	<u>1 933 743</u>
	<u>-</u>	<u>1 933 743</u>

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

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

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

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

13. Finance lease obligation

Non-current liabilities	-	1 517 434
Current liabilities	<u>1 517 435</u>	<u>2 076 345</u>
	<u>1 517 435</u>	<u>3 593 779</u>

Municipality has entered into a contract to lease photocopier machines for a period of 36 months. The lease agreement provides for monthly payments with a 10% annual escalation.

The municipality is also required to pay extra charges per month based on usage. This extra charge includes all printing & copying services, labour, breakdown calls, spares, transport, toner, and drums but excludes paper.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
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14. Employee benefit obligations

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

Carrying value

Defined benefit obligation: Long service award	(5 726 000)	(4 590 000)
Defined benefit obligation: Unused leave days	(9 257 203)	(8 947 520)
Defined benefit obligation: Post employment medical aid	(14 264 000)	(12 768 000)
	(29 247 203)	(26 305 520)
Non-current liabilities	(22 823 615)	(19 031 121)
Current liabilities	(6 423 588)	(7 274 399)
	(29 247 203)	(26 305 520)

14.1 Long service award

The municipality provides long service awards to its permanent employees. The municipality offers rewards for specified year intervals of completed years of services.

In accordance with prevailing legislation, the defined benefits funds are actuarially valued at intervals of every year. The latest valuation was performed by ARCH Actuarial Consulting for 30 June 2025.

Long service awards relate to the legal obligation to provide long service awards. Actuarial benefits have been calculated for 257 eligible employees as at 30 June 2025 that are entitled to long service awards.

The long service awards liability is not a funded arrangement. i.e no assets have been set aside to meet this liability. The municipality offers rewards as per specified year intervals of completed service

Changes in the long service award liability are as follows:

Opening balance	4 590 000	4 300 000
Service cost	683 000	620 000
Interest Cost	522 000	462 000
Expected benefit vesting	105 000	72 000
Actuarial gain	(174 000)	(864 000)
	5 726 000	4 590 000

Key assumptions

Discount rates used	10,81%	11,95 %
General salary inflation rate	5,81%	6,65 %
Net discount rate	4,72%	4,63 %
Average retirement age (Years)	62	62

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

14. Employee benefit obligations (continued)

14.2 Unused leave days

This is the present value of the total unused leave benefit expected to become payable under the employer's current service arrangements and based on the assumption made.

This may be regarded as the amount of money that should be set aside in present day terms to cover all expected unused leave benefit for current employee

Unused leave days

Non-Current portion	3 366 615	2 198 121
Current portion	5 890 588	6 749 399
	9 257 203	8 947 520
Opening balance	8 947 520	7 932 749
Service cost	1 221 526	1 076 277
Interest cost	1 009 606	907 527
Expected benefit vesting	(946 329)	(883 623)
Actuarial gain	(975 120)	(85 410)
The total economic entity contribution to such schemes	9 257 203	8 947 520
Discount rate	11,90 %	11,90 %
General salary inflation	6,93 %	6,93 %
Net discount rate	4,64 %	4,64 %
Average retirement age (years)	62	62

14.3 Post employment medical aid

The municipality provides Post-Employment Medical Aid (PEMA) to its permanent employees.

In accordance with prevailing legislation, the defined benefits funds are actuarially valued at intervals of every year. The latest

valuation was performed by ARCH Actuarial Consulting for 30 June 2025.

PEMA relate to the legal obligation to provide medical aid contribution after retirement. Actuarial benefits have been calculated

for eligible employee as at 30 June 2025 that are entitled to Post employment medical aid.

The post-employment health care benefit is not a funded arrangement. i.e no assets have been set aside to meet this liability.

The municipality offers rewards as per specified year intervals of completed service

Changes in the post employment medical aid liability are as follows:

Post employment medical aid

Non-current portion	13 895 000	12 417 000
Current portion	369 000	351 000
	14 264 000	12 768 000
Opening balance	12 768 000	11 695 000

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
14. Employee benefit obligations (continued)		
Service cost	738 000	764 000
Interest cost	1 556 000	1 461 000
Expected benefit vesting	(351 000)	(145 000)
Actuarial gain	(447 000)	(1 007 000)
The total economic entity contribution to such schemes	<u>14 264 000</u>	<u>12 768 000</u>
Discount rate	11,40 %	12,35 %
Health care cost inflation rate	7,10 %	8,46 %
Net discount rate	4,00 %	4,21 %

Sensitivity analysis

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	+1% increase	-1% decrease
Effect on the current service cost	746,000	738,000
Effect on the interest cost	1,556,000	1,604,000

14. Employee benefit obligations (continued)

Effect on the defined benefit obligation	14,264,000	10,259,000
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The effect of a 1 year movement is assumed, the mortality rates are as follows on the ensuing years assumptions

	+1 year	-1 year
Total accrued liability	12,412,000	12,412,000
Effect on interest cost	1,556,000	1,604,000
Effect on service cost	746,000	738,000

A medical aid contribution inflation rate of 7.1% per annum has been assumed. This is 1.8% in excess of expected consumer price index (CPI) inflation over the expected term of the DBO, namely 6.31% per annum. A larger differential would be unsustainable, eventually forcing members to less expensive options. This implies a net discount rate of 4.0% per annum which derives from $((1+11.4\%)/(1+7.1\%))-1$.

The CPI inflation assumption of 5.3% per annum was obtained from the differential between market yields on index-linked bonds consistent with the estimated term of the DBO (5.2%) and those of fixed interest bonds (11.4%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). This was thus determined as follows:

$$((1+11.4\%-0.50\%)/(1+5.3\%))-1$$

Demographic assumptions

Mortality before retirement has been based on the SA 85-90 mortality tables. Mortality post-employment (for pensioners) has been based on the PA (90)-1 with a 1% mortality improvement p.a. from 2010. Continuation of membership at retirement is 75% Proportion with a spouse dependant at retirement is 60%

Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy at retirement is 10%

Normal and average retirement age

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

14. Employee benefit obligations (continued)

The average retirement age for all active employees was assumed to be 62 years. This assumption implicitly allows for illhealth and early retirements. The normal retirement age (NRA) for all active employees was assumed to be 65 year

Notable benefit plan risks faced by the Municipality can be summarised as follows:

- Inflation: The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.
- Longevity: The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.
- Volatility of open-ended, long-term DBO: The risk that the DBO may be volatile which is exacerbated by its long-term nature.
- Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- Future changes in legislation: The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the DBO for the Municipality.

15. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Reversed during the year	Total
Provision for performance bonus	1 037 020	(216 288)	820 732

Reconciliation of provisions - 2024

	Opening Balance	Additions	Total
Provision for performance bonus	553 749	483 271	1 037 020

16. Sales of stands

Sale of Stands	13 512 398	732 167
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17. Service charges

Refuse removal	5 685 036	5 672 816
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Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
18. Rendering of services		
Re-issue of statement	-	2 001
Sales of Goods and Rendering of Services: Advertisements	16 389	17 119
Sales of Goods and Rendering of Services: Cemetery and Burial	167 474	122 081
Plan & Dev SPLUMA Application Fees for Land Usage	269 235	564 349
Special consent	518 542	264 266
Sales of Goods and Rendering of Services: Clearance Certifica	80 787	44 232
Transfer of ownership	34 165	84 210
Sales of Goods and Rendering of Services: Town Planning and S	148 841	257 684
Publications: Tender Documents	459 098	1 053 670
Valuation certificate	32 787	33 610
	1 727 318	2 443 222
19. Construction contracts		
Construction contracts: Revenue	16 613 043	21 679 130
Construction contracts: Expenditure	(16 613 043)	(21 679 130)
Construction contract Surplus/deficit	-	-
To determine construction completion, the Percentage of Completion (POC) method, which calculates the proportion of work done against the total project. This is typically done using the Cost-to-Cost formula: (Costs Incurred to Date / Total Estimated Costs) x 100.		
20. Rental of facilities and equipment		
Premises		
Rental income- Facilities	389 404	343 707
21. Interest on outstanding debtors from exchange transaction		
Interest on arrears receivables	2 675 557	4 041 317
22. Agency services		
Driver's Licenses	4 398 273	4 148 166
23. Licences and permits		
Trading	247 558	66 525
Licences and permits	3 760 552	4 913 312
	4 008 110	4 979 837
24. Gain on assets/Fair value adjustments		
Gain on assets/Fair value adjustments	(51 283)	26 784
25. Investment revenue		
Interest revenue		
Bank	11 857 703	16 910 819

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
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26. Property rates

Rates received

Property rates	39 238 186	35 824 726
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Valuations

Residential	1 746 788 000	1 619 180 000
Commercial	494 667 000	364 087 000
Agricultural	160 415 004	153 014 000
Government	1 585 055 000	1 640 850 000
	3 986 925 004	3 777 131 000

The General Valuation is valid for 5 years and has become effective from 1 July 2023 to June 2028.

27. Interest on outstanding debtors from non-exchange transaction

Interest on arrear receivables	20 337 205	35 060 608
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Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
28. Government grants & subsidies		
Operating grants		
Equitable share	513 239 000	486 442 000
Extended Public Works Programme Grant (EPWP)	1 725 000	1 404 000
Financial Management Grant (FMG)	2 500 000	2 550 000
LG SETA Grant	1 256 994	1 419 619
Disaster Relief Grant (DRG)	1 933 743	11 566 257
	520 654 737	503 381 876
Capital grants		
Municipal Infrastructure Grant (MIG)	116 519 000	91 570 000
	637 173 737	594 951 876
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
All registered indigents receive a monthly subsidy which is funded from the grant.		
Financial Management Grant		
Current-year receipts	2 500 000	2 550 000
Conditions met - transferred to revenue	(2 500 000)	(2 550 000)
	-	-
The grant conditions were met as at year-end.		
The grant is used to create temporary work for unemployed people.		
Municipal Disaster Relief Grant		
Balance unspent at beginning of year	1 933 743	4 500 000
Current-year receipts	-	9 000 000
Conditions met - transferred to revenue	(1 933 743)	(11 566 257)
	-	1 933 743
The grant conditions were met as at year-end.		
The grant is used for re-gravelling roads and construction of low-level bridges.		
Extended Public Works Program (EPWP)		
Current-year receipts	1 725 000	1 404 000
Conditions met - transferred to revenue	(1 725 000)	(1 404 000)
	-	-
The grant conditions were met as at year-end.		
The grant is used to create temporary work for unemployed people.		
Municipal Infrastructure Grant (MIG)		
Current-year receipts	116 519 000	91 570 000
Conditions met - transferred to revenue	(116 519 000)	(91 570 000)
	-	-

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
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28. Government grants & subsidies (continued)

The grant conditions were met as at year-end.

This grant was used to construct municipal infrastructure to provide basic services for the benefit of communities.

LGSETA Grant

Current-year receipts	1 256 994	1 419 619
Conditions met - transferred to revenue	(1 256 994)	(1 419 619)
	-	-

The grant conditions were met as at year-end. The grant is used for training muicipality staff to enhance their skills in their respective position.

29. Public contributions and donations

Public contributions and donations	-	2 759 595
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Conditions still to be met - remain liabilities (see note 12)

Provide explanations of conditions still to be met and other relevant information

30. Fines, Penalties and Forfeits

Municipal Traffic Fines	1 800 220	1 188 100
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Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
31. Employee related costs		
Basic	102 617 145	97 758 940
Bonus	8 233 923	8 474 735
Medical aid - company contributions	7 318 177	6 298 402
UIF	548 543	546 346
Other payroll levies	37 112	29 359
Leave pay provision charge	924 699	1 369 034
Overtime payments	776 001	1 214 682
Long-service awards	2 235 308	1 175 607
Acting allowances	168 678	-
Car allowance	12 220 246	11 972 743
Housing benefits and allowances	250 090	235 677
Uniform allowance	-	15 000
Cellphone allowance	6 000	6 000
Pension fund contribution	18 104 775	17 404 783
	153 440 697	146 501 308
Remuneration of Municipal Manager		
Annual Remuneration	1 067 327	1 096 483
Car Allowance	301 041	292 225
Performance Bonuses	-	92 726
	1 368 368	1 481 434
Remuneration of Chief Finance Officer		
Annual Remuneration	876 331	903 909
Car Allowance	247 170	239 932
Performance Bonuses	-	54 381
	1 123 501	1 198 222
Remuneration of Senior Manager - Corporate Services		
Annual Remuneration	438 165	903 909
Car Allowance	123 585	239 932
Performance Bonuses	-	97 885
Acting allowance	6 660	-
	568 410	1 241 726
Remuneration of Senior Manager - Spatial Planning and Development		
Annual Remuneration	876 331	903 909
Car Allowance	247 170	239 932
Performance Bonuses	-	54 381
	1 123 501	1 198 222
Remuneration of Senior Manager - Technical Services		
Annual Remuneration	876 331	903 909
Car Allowance	247 170	239 932
	1 123 501	1 143 841
Remuneration of Senior Manager - Community Services		

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
31. Employee related costs (continued)		
Annual Remuneration	876 331	903 909
Car Allowance	247 170	239 932
	1 123 501	1 143 841
32. Remuneration of councillors		
Executive Mayor	1 046 305	1 002 979
Speaker	846 446	811 389
Councillors	28 093 849	27 102 914
Chief Whip	654 480	627 950
	30 641 080	29 545 232
33. Depreciation and amortisation		
Property, plant and equipment	75 958 198	70 145 260
Intangible assets	1 278 666	1 534 469
	77 236 864	71 679 729
34. Impairment loss		
Impairments		
Investment property	3 170 029	4 925 923
35. Finance costs		
Finance lease	95 730	164 854
36. Debt impairment		
Debt impairment	1 474 920	58 048 436
37. Bad debts write-off		
Bad debts written off	224 386 592	2 612 455
38. Contracted services		
Outsourced Services		
Catering Services	1 735 103	1 915 215
Personnel and Labour	13 915	-
Security Services	18 347 136	17 254 312
Consultants and Professional Services		
Business & advisory , IT and other	137 752 303	129 873 405
Legal Cost	24 063 161	18 709 222
Contractors		
Event Promoters	1 756 365	2 227 592
Maintenance of Buildings and Facilities	1 309 774	811 301
Maintenance of Equipment	8 746 075	13 536 759
Maintenance of Unspecified Assets	13 454 369	16 399 988
Inep Projects	16 989 034	19 049 867

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
38. Contracted services (continued)	224 167 235	219 777 661
39. Transfer and subsidies		
Other subsidies		
Free Basic Electricity	9 750 899	7 723 438
Bursaries	2 153 173	1 357 290
Cooporative support	-	633 211
	11 904 072	9 713 939
40. Gain and loss on assets disposal		
Gain or loss on disposal of assets and liabilities	-	(2 923 707)
41. Fair value adjustments		
Investment property (Fair value model)	(599 998)	(4 118 709)
Eskom deposits	289 393	144 198
Land inventory - Transferred out	-	(911 265)
	(310 605)	(4 885 776)
42. General expenses		
Advertising	796 547	711 099
Auditors remuneration	6 073 840	4 456 148
Bank charges	1 180 079	967 771
Consumables	12 819 890	14 516 155
Insurance	8 428 877	7 185 173
Printing and stationery	1 711 692	1 666 080
Protective clothing	2 474 308	5 593 126
Subscriptions and membership fees	1 991 853	115 739
Telephone and fax	431 559	427 607
Conferences and seminars	1 993 909	1 209 511
Accommodation	5 836 761	6 724 324
Ward committees	6 325 500	6 835 200
Travel - local	2 640 915	2 557 008
Electricity	9 103 722	7 993 044
Licence and permits	448 306	371 963
IDP forum and other trainings	5 050 964	6 667 522
IT expenses	7 107 735	7 521 886
Workmen's Compensation Assessment	1 499 186	-
	75 915 643	75 519 356
General expenditure has been restated from R 110 301 630 to R 75 618 564 due to the reclassification done in the current year. Transfers and indigent expenses has been reclassified from general expenditure to Transfers and subsidies.		
43. Auditors' remuneration		
Fees	6 073 840	4 456 148

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
44. Cash generated from operations		
Surplus	139 821 838	127 232 850
Adjustments for:		
Depreciation and amortisation	77 236 863	71 379 513
Bad debts written off	224 386 592	8 483 585
Gain on sale of assets and liabilities	-	2 923 707
Fair value adjustments	310 605	4 885 776
Finance costs - Finance leases	-	164 854
Impairment Reversal to be written off	(183 200 398)	-
Impairment loss	3 170 029	4 925 923
Debt impairment	1 474 920	52 177 307
Non-cash donations and other in-kind benefits	-	(2 759 595)
Other non-cash items	3 487 877	(16 577 863)
Gain on Assets	-	(69 146)
Adjusting for transfer expenditure	-	19 683 078
Movements in retirement benefit assets and liabilities	-	483 271
Changes in working capital:		
Inventories	(3 956 032)	1 699 239
Receivables from exchange transactions	(19 056 189)	(2 494 519)
Receivables from non-exchange transactions	(28 920 983)	(43 141 130)
Consumer debtors	(1 253 943)	(2 503 240)
other receivables	22 768 357	(22 768 357)
Increase in VAT Receivables	-	23 018 092
Unspent conditional grants and receipts	(1 933 743)	(1 933 743)
(Decrease) / Increase in payables from exchange	(15 080 041)	7 530 013
	219 255 752	232 339 615

45. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At cost	Total
Consumer debtors	8 909 064	8 909 064
Consumer receivables from exchange transactions	4 358 085	4 358 085
Receivables from non-exchange transactions	11 211 362	11 211 362
Cash and cash equivalents	57 234 667	57 234 667
	81 713 178	81 713 178

Financial liabilities

	At cost	Total
Trade and other payables from exchange transactions	104 694 666	104 694 666
Finance lease obligations	1 517 434	1 517 434
	106 212 100	106 212 100

2024

Financial assets

	At cost	Total
Consumer debtors	7 655 120	7 655 120
Consumer receivables from exchange transactions	26 037 392	26 037 392

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
45. Financial instruments disclosure (continued)		
Receivables from non-exchange transactions	10 115 172	10 115 172
Cash and cash equivalents	96 354 092	96 354 092
	140 161 776	140 161 776

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
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45. Financial instruments disclosure (continued)

Financial liabilities

	At cost	Total
Trade and other payables from exchange transactions	119 189 475	119 189 475
Finance lease obligation	3 593 778	3 593 778
	122 783 253	122 783 253

46. Commitments

Authorised expenditure

Already contracted for but not provided for

• Capital	280 096 526	319 622 542
• Operational	107 582 253	44 673 669
	387 678 779	364 296 211

Total commitments

Commitments in respect of capital and operational expenditure are disclosed inclusive of VAT.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

47. Contingencies

Litigation comprised of the lawsuits which are deemed to be possible obligations and neither the expense nor the accompanying liability was recognised. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely.

Contingent liabilities

Cases

1. Nyari Violet & Others (Applicants) versus LIM 345 [Collins Chabane] Local Municipality (Respondent) - Case Number 832/18 for finalisation as Case Number 1036/18

1 1

Nyari Violet and her twenty-five (25) other colleagues (the Applicants) were procured to serve as workers under the Extended Public Works Programme (EPWP) within Collins Chabane Local Municipality (the Municipality). Their contract has since been terminated by the municipality.

The municipality lawyers & management considers the likelihood of the success to be in favour of the municipality.

2. Midiro Civils and Construction CC (First Applicant) & Lebaka Construction (Pty) Ltd (Second Applicant) versus Engineerex (Pty) Ltd (First Respondent) & Collins Chabane Local Municipality (Second Respondent) - Case Number 5472/2018 and Engineerex (Pty) Ltd (Applicant) versus Midiro Civils and Construction CC (First Respondent), Lebaka Construction (Pty) Ltd Municipality (Second Respondent) & Collins Chabane Local Municipality (Third Respondent) - Case Number A5472/2018

- 17 165 134

Dispute over a payment certificate for the construction of Xikundu Ring Road.

The municipality lawyers and management consider the likelihood of the success against the municipality being successful as indeterminable.

3. Collins Chabane Local Municipality (Applicant) versus Chris Maluleke (1st Respondent) and Others - Case Number 1450/2020

- 3 000 000

Dispute over a piece of land at Malamulele D Extension 3.

The municipality lawyers & management considers the likelihood of the success against the municipality to be indeterminable.

4. MM INDUSTRIES (PTY) LTD & ANOTHER (Plaintiffs) // COLLINS CHABANE LOCAL MUNICIPALITY (Defendant) - Case Number: 45/2021

1 730 618 1 730 618

Dispute regarding retention funds claim for a road construction.

The municipality lawyers & management considers the likelihood of the success against the municipality to be indeterminable.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
47. Contingencies (continued)		
5. Midiro Civils and Construction JV Lebaka Construction (Pty) Ltd (1st Plaintiff), Lebaka Construction (Pty) Ltd (2nd Plaintiff) & Midiro Civils and Construction CC (3rd Plaintiff) Vs Collins Chabane Local Municipality (Defendant) - Case Number 2632/2021	4 716 691	4 716 691
Claims for retention funds plus interest for the upgrade of Xikundu Ring Road.		
The municipality lawyers & management considers the likelihood of the success against the municipality to be indeterminable.		
6. Khazamula Philemeon Mahange (Plaintiff) and Collins Chabane Local Municipality (Defendant) - Case Number D446/2/2021	1	1
Claims for damages due to alleged collision between the claimants' vehicle and the municipality's grader.		
The municipality lawyers & management considers the likelihood of the success against the municipality to be indeterminable.		
7. Jackson Transport Pty (Ltd) (Plaintiff) versus Collins Chabane Local Municipality (Defendant) - Case Number D446/2/2021	190 974	190 974
Claim for collision damages suffered due to an unmarked speed hump on R81 road.		
The municipality lawyers & management considers the likelihood of the success to be in favour of the municipality.		
8. Rakgogo P [Applicant] // South African Local Government Bargaining Council (SALGBC) [1st Respondent] & Others	1	1
Dispute over an alleged unfair labour practice against one of the employees of Collins Chabane Local Municipality (the Municipality)		
The municipality lawyers & management considers the likelihood of the success to be in favour of the municipality.		
9. Mafemani David Chabalala (Plaintiff) // Collins Chabane Local Municipality (Defendant)	-	78 862
Claims for damages due to alleged collision between the claimants' vehicle and the municipality's grader.		
The municipality lawyers & management considers the likelihood of the success are in favour of the municipality.		
10. Nesengani Traditional Community (Applicant) // Collins Chabane Local Municipality (1st Respondent) and 4 Others	1	1

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

47. Contingencies (continued)

Dispute over the right of the title to the land ownership/possession for the remainder of Schuynshoogte 29 LT farm at the Vuwani area.

The municipality lawyers & management considers the likelihood of the success are in favour of the municipality.

11. Nkuna, Jan Wisani (Applicant) versus Collins Chabane Local Municipality (1st Respondent), Registrar of Deeds Polokwane (2nd Respondent), Divhani Mudau (3rd Respondent) and Tshindima Family Trust (4th Respondent)

250 000

1

Dispute over the title deed transfer for a portion of land in Business Park Area.

The municipality lawyers & management considers the likelihood of the success are in favour of the municipality.

6 888 283

26 882 279

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
47. Contingencies (continued)		
Contingent assets		
Cases		
Collins Chabane Local Municipality // VBS Liquidation (Creditors Claim)	1	1
R120 000 000 worth of the municipality's funds unlawfully invested with VBS to be claimed from liquidators. R31 337 093 have so far been recouped with R88 662 907 outstanding.		
The municipality lawyers & management considers the likelihood of the successful claim from the liquidators to be in favour of the municipality.		
1, Midiro Civilis and Construction CC (First Applicant) & Lebaka Construction (Pty) Ltd (Second Applicant) versus Engineerex (Pty) Ltd (First Respondent) & Collins Chabane Local Municipality (Second Respondent);- Case Number 5472/2018 and 2. Engineerex (Pty) Ltd (Applicant) versus Midiro Civilis and Construction CC (First Respondent), Lebaka Construction (Pty) Ltd Municipality (Second Respondent) & Collins Chabane Local Municipality (Third Respondent) - Case Number A5472/2018.	4 702 662	-
State versus L & E Construction (Pty) Ltd in re: Collins Chabane Local Municipality (Plaintiff) versus L & E Construction and Projects (Pty) Ltd (First Defendant) & Lufuno Michael Musalafu (Second Defendant	674 625	674 625
Criminal case opened against service provider for unpaid monies mistakenly paid to them.		
The municipality lawyers & management considers the likelihood of the success to be indeterminable.		
	5 377 287	674 625

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

48. Related parties

Relationships

Remuneration of key management personnel

Refer to note 31

RR Shilenge (Municipal Manager)

NV Maluleke (Chief Financial Officer)

AC Radali (Senior Manager Spatial Planning and Development)

MP Baloyi (Senior Manager Technical Services)

GL Maluleke (Senior Manager Community Services)

TMD Maputla (Senior Manager Corporate Services-Terminated)

PD Moselankoe (Senior Manager Corporate Services- Appointed on 1st April 2025)

Refer to the detail remuneration below:

Councillors

Related party transactions

Remuneration of management

Management class: Councillors

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

48. Related parties (continued)

2025

Name	Basic salary	Car allowance	Cellphone allowance	Total
Cllr Maluleke SG (Mayor)	999 301	-	47 004	1 046 305
Cllr Mbedzi TS (Speaker)	647 972	151 470	47 004	846 446
Cllr Baloyi ME (Chief Whip)	607 476	142 003	47 004	796 483
Cllr Maremane HR	256 305	59 917	47 004	363 226
Cllr J Bila ST	8 728	-	-	8 728
Cllr Lebea ME	338 896	79 221	47 004	465 121
Cllr Mashimbye FP	256 305	59 917	47 004	363 226
Cllr M Mutele ST	256 305	59 917	47 004	363 226
Cllr Chauke HG	326 158	76 895	47 004	450 057
Cllr Baloyi DL	11 552	-	-	11 552
Cllr Shivambu S	256 305	59 917	47 004	363 226
Cllr Mabasa SD	338 896	79 221	47 004	465 121
Cllr S Matamela SM	256 305	59 917	47 004	363 226
Cllr Masangu GD	256 305	59 917	47 004	363 226
Cllr R Chauke ST	256 305	59 917	47 004	363 226
Cllr Maluleke ET	256 305	59 917	47 004	363 226
Cllr Ndoive TS	328 949	76 895	47 004	452 848
Cllr Mudau TS	595 271	139 150	47 004	781 425
Cllr Mabasa KK	256 305	59 917	47 004	363 226
Cllr Mabasa J	328 949	76 895	47 004	452 848
Cllr Baloyi HR	328 949	76 895	47 004	452 848
Cllr W Sunduza SZ	328 949	76 895	47 004	452 848
Cllr C Chabangu ST	256 305	59 917	47 004	363 226
Cllr Mabunda MC	256 305	59 917	47 004	363 226
Cllr N Munyai	256 305	59 917	47 004	363 226
Cllr W Sithole SM	256 305	59 917	47 004	363 226
Cllr J Shandukani SM	328 949	76 895	47 004	452 848
Cllr M Rekhotsi SS	328 949	76 895	47 004	452 848
Cllr Q Miyambo SZ	256 305	59 917	47 004	363 226
Cllr Baloyi MJ	256 305	59 917	47 004	363 226

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

48. Related parties (continued)

Cllr Hlabangwani TL	315 942	73 239	44 960	434 141
Cllr Masia TM	256 305	59 917	47 004	363 226
Cllr Rikhotso GM	256 305	59 917	47 004	363 226
Cllr Thovhakale MS	343 817	79 221	47 004	470 042
Cllr Mathavha HF	328 949	76 895	47 004	452 848
Cllr Baloyi HJ	328 949	76 895	47 004	452 848
Cllr Manganyi HL	256 305	59 917	47 004	363 226
Cllr Mabasa W	328 949	76 895	47 004	452 848
Cllr Mhangwani C	256 305	59 917	47 004	363 226
Cllr Khange G	256 304	59 917	47 004	363 225
Cllr Mashila D	8 413	-	-	8 413
Cllr Makhubela S	256 305	59 917	47 004	363 226
Cllr Bamuza E	256 305	59 917	47 004	363 226
Cllr Hlatswayo TG	256 305	59 917	47 004	363 226
Cllr Mafanela RM	256 305	59 917	47 004	363 226
Cllr Maluleka RM	256 305	59 917	47 004	363 226
Cllr Mathebula ML	256 305	59 917	47 004	363 226
Cllr Rasiuba NR	256 305	59 917	47 004	363 226
Cllr Mahlawule TP	338 896	79 221	47 004	465 121
Cllr Maluleke HM	328 949	76 895	47 004	452 848
Cllr Tshoteli LD	256 305	59 917	47 004	363 226
Cllr Maloleka SB	256 305	59 917	47 004	363 226
Cllr Chabalala KR	256 305	59 917	47 004	363 226
Cllr Chauke MC	256 305	59 917	47 004	363 226
Cllr Hlungwani S	256 305	59 917	47 004	363 226
Cllr Mathebula ME	256 305	59 917	47 004	363 226
Cllr Chauke GP	215 306	49 667	39 170	304 143
Cllr Khoza TS	60 420	15 105	11 545	87 070
Cllr Maringa RE	256 305	59 917	47 004	363 226
Cllr Manganye MJ	256 305	59 917	47 004	363 226
Cllr Makhomisani SS	328 949	76 895	47 004	452 848
Cllr Mulaudzi MM	256 305	59 917	47 004	363 226
Cllr Chaoke TS	256 305	59 917	47 004	363 226
Cllr Chauke MG	256 305	59 917	47 004	363 226
Cllr Munarini TJ	256 305	59 917	47 004	363 226
Cllr Yingwani T	2 181	-	-	2 181

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

48. Related parties (continued)

Clir Maluleke LR	331 323	76 895	47 004	455 222
Clir Chauke FT	596 736	142 003	47 004	785 743
Clir Mavikane SX	607 476	142 003	47 004	796 483
Clir Mudau RP	256 305	59 917	47 004	363 226
Clir Makondo NS	256 305	59 917	47 004	363 226
Clir Manganyi MN	604 311	142 003	47 004	793 318
Clir Siweya SL	252 668	59 917	47 004	359 589
Clir Shiburi SK	396 139	72 965	47 004	516 108
Clir Muthubi KR	252 668	59 917	47 004	359 589
Clir Mahlaule ML	40 999	10 250	7 834	59 083
	22 368 488	4 972 808	3 299 781	30 641 077

2024

Name	Basic salary	Car allowance	Cellphone allowance	Total
Clir Maluleke SG (Mayor)	956 409	-	46 570	1 002 979
Clir Mbedzi SE (Speaker)	581 380	144 884	46 570	772 834
Clir Baloyi ME (Chief Whip)	619 935	137 215	46 570	803 720
Clir Maremane HR	247 069	57 898	46 570	351 537
Clir Bila J	234 805	54 832	44 096	333 733
Clir Lebea ME	325 684	57 898	46 570	430 152
Clir Mashimbye FP	247 069	76 549	46 570	370 188
Clir Mutele ST	316 211	57 898	46 570	420 679
Clir Chauke HG	320 408	75 230	46 570	442 208
Clir Baloyi DL	309 469	72 496	44 096	426 061
Clir Shivambu S	247 069	57 898	46 570	351 537
Clir Mabasa SD	325 684	76 549	46 570	448 803
Clir Matamela SM	247 069	57 898	46 570	351 537
Clir Masangu GD	247 069	57 898	46 570	351 537
Clir Chauke ST	247 069	57 898	46 570	351 537
Clir Maluleke ET	247 069	57 898	46 570	351 537
Clir Ndove HD	316 211	74 302	46 570	437 083
Clir Mudau TS	569 760	134 458	46 570	750 788

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

48. Related parties (continued)

Cllr Mabasa KK	247 069	57 898	46 570	351 537
Cllr Mabasa J	316 211	74 302	46 570	437 083
Cllr Baloyi HR	316 211	74 302	46 570	437 083
Cllr Sunduza SZ	316 211	74 302	46 570	437 083
Cllr Chabangu ST	247 069	57 898	46 570	351 537
Cllr Mabunda MC	247 069	57 898	46 570	351 537
Cllr Munyai N	247 069	57 898	46 570	351 537
Cllr Sithole SM	247 069	57 898	46 570	351 537
Cllr Shandukani SM	316 211	74 302	46 570	437 083
Cllr Rekhotsa SS	316 211	74 302	46 570	437 083
Cllr Miyambo SZ	247 069	57 898	46 570	351 537
Cllr Baloyi MJ	247 069	57 898	46 570	351 537
Cllr Hlabangwani TL	91 727	19 063	13 172	123 962
Cllr Masia TM	247 069	57 898	46 570	351 537
Cllr Shiburi SK	122 441	31 681	25 564	179 686
Cllr Rikhotsa GM	247 069	57 898	46 570	351 537
Cllr Thovhakale MS	438 959	101 609	46 570	587 138
Cllr Mathavha HF	316 211	74 302	46 570	437 083
Cllr Baloyi HJ	316 211	74 302	46 570	437 083
Cllr Manganyi HL	247 069	57 898	46 570	351 537
Cllr Mabasa W	316 211	74 302	46 570	437 083
Cllr Mhangwani C	247 069	57 898	46 570	351 537
Cllr Khange G	247 069	57 898	46 570	351 537
Cllr Mashila D	146 332	31 621	19 151	197 104
Cllr Makhubela S	247 069	57 898	46 570	351 537
Cllr Bamuza E	247 069	57 898	46 570	351 537
Cllr Hlatswayo TG	247 069	57 898	46 570	351 537
Cllr Mafanelo RM	247 069	57 898	46 570	351 537
Cllr Maluleke RM	247 069	57 898	46 570	351 537
Cllr Mathebula ML	247 069	57 898	46 570	351 537
Cllr Rasiuba NR	247 069	57 898	46 570	351 537
Cllr Mahlawule TP	325 684	76 549	46 570	448 803
Cllr Maluleke HM	316 211	74 302	46 570	437 083
Cllr Tshoteli LD	247 069	57 898	46 570	351 537
Cllr Maloleka SB	247 069	57 898	46 570	351 537
Cllr Chabalala KR	247 069	57 898	46 570	351 537

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

48. Related parties (continued)

Cllr Chauke MC	247 069	57 898	46 570	351 537
Cllr Hlungwani S	247 069	57 898	46 570	351 537
Cllr Mathebula ME	247 069	57 898	46 570	351 537
Cllr Chauke GP	247 069	57 898	46 570	351 537
Cllr Makhomisa SS	316 211	74 302	46 570	437 083
Cllr Maringa RE	247 069	57 898	46 570	351 537
Cllr Manganye MJ	247 069	57 898	46 570	351 537
Cllr Manganyi MN	463 909	108 674	46 570	619 153
Cllr Muthubi KR	122 441	29 126	23 502	175 069
Cllr Mulaudzi MM	247 069	57 898	46 570	351 537
Cllr Chaoke TS	247 069	57 898	46 570	351 537
Cllr Chauke MG	247 069	57 898	46 570	351 537
Cllr Munarini TJ	247 069	57 898	46 570	351 537
Cllr Yingwani T	72 310	14 204	11 317	97 831
Cllr Maluleke LR	380 480	86 990	46 570	514 040
Cllr Chauke FT	494 844	121 775	46 570	663 189
Cllr Mavikane SX	580 163	137 214	46 570	763 947
Cllr Mudau RP	243 752	57 898	46 570	348 220
Cllr Makondo NS	239 330	57 898	46 570	343 798
Cllr Siweya SL	126 726	31 681	25 564	183 971
	21 522 855	4 811 438	3 280 082	29 545 233

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

49. Risk management

Financial risk management

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

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

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.

Future commitment will be covered with through cash reserves and approved MTEF budget.

At 30 June 2025	Current with 30 days	31-60 days	61-365 days	Over 365 days
Taxes and transfers payable (non-exchange)	15 536 195	-	-	-
At 30 June 2024	Current with 30 days	31 -60 days	61-365 days	Over 365 days
Finance lease obligation	-	-	-	1 517 434
Trade and other payables	15 368 225	3 406 521	-	-

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. In assessing and managing credit risks management have assessed receivables for impairment.

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

	2025	2024
Maximum credit exposure		
Consumer debtors	8 909 064	7 655 121
Receivables from exchange transactions	4 358 085	26 037 392
Receivables from non-exchange transactions	11 211 362	10 115 172
Other receivable	-	22 768 357
Other financial assets	3	3

Market risk

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

49. Risk management (continued)

Interest rate risk

As the municipality has interest-bearing assets which include short-term deposits and main account. The municipality's income and operating cash flows are substantially independent of changes in market interest rates. The municipality is not exposed to interest rate risk as it does not have significant outstanding debts due to its creditors, the municipality manage to pay its creditors within 30 day as required by section 65 of Municipal Finance Management Act (MFMA) and also the municipality does not have borrowings.

Interest rate exposure

Financial instrument	Current interest	Current-with 30	31-60 days	61-90 days	91-365 days	Over 365 days
	rate	days				
Trade and other Receivables from exchange transactions - normal credit terms	12.75 %	4 528 590	2 163 134	2 124 987	15 876 020	46 326 838
Trade and other receivables from non-exchange transactions	12.75 %	1 038 500	4 771 912	4 712 443	40 604 016	161 844 741
Trade and other payables	10.00 %	15 536 195	-	-	-	-

50. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of 1 995 716 422 and that the municipality's total assets exceed its liabilities by 1 995 716 422.

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

The municipality will continue to receive its equitable shares for the financial year 2025/26.

51. Events after the reporting date

Disclose for each material category of non-adjusting events after the reporting date:

- nature of the event.
- estimation of its financial effect or a statement that such an estimation cannot be made.

52. Unauthorised expenditure

Opening balance as previously reported	391 078 942	209 368 622
Add: incurred current year	56 918 164	86 344 991
Add: Unauthorised expenditure - prior period	-	181 030 203
Less: Write off	(420 290 293)	(85 664 874)
Closing balance	27 706 813	391 078 942

Unauthorised expenditure for the financial year ended 30 June 2025: R56 918 164 and 30 June 2024: R267 375 194. This was mainly caused by non-cash items which include depreciation and impairment of property, plant and equipment, debt impairments and fair value adjustments for investment properties, general expenses and loss on disposal of assets.

An unauthorised expenditure of R210 048 739 incurred in the previous financial years and R 210 241 554 relating to inactive accounts write-off was investigated by MPAC and approved for write-off by Council during 2025 financial year.

The Written-off unauthorised expenditure was not as a result of budget overrides and the expenditure was not incurred as a result of moving funds from one department to service a different department.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
53. Fruitless and wasteful expenditure		
Opening balance as previously reported	2 481 660	1 377 361
Add: Incurred in the year	96 810	1 125 568
Less: Interest reversed	(675 487)	-
Less: Fruitless expenditure recovered	(116 651)	(21 269)
Less: Amount written off	(870 958)	-
Closing balance	915 374	2 481 660

During the current year fruitless and wasteful expenditure incurred were investigated by MPAC and council approved the write off of R 870 957.63 during July 2025. 2024: R 21 269.00.

The fruitless and wasteful expenditure written-off was due to L&E Construction, Depreciation on assets unused, Eskom, Telkom, SARS interest and penalties charged to the municipality. The council approved the write-off as there was no intent for the municipality to incur fruitless expenditure and this was not caused by negligence, so there was no need to open a case.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
54. Irregular expenditure		
Opening balance as previously reported	3 150 202	4 090 350
Add: Irregular expenditure - current	21 425 894	32 795 752
Less: Amount written off - current	(20 874 560)	(33 735 900)
Closing balance	3 701 536	3 150 202

Disciplinary steps taken/criminal proceedings

During the current year irregular expenditure was investigated by MPAC and Council approved the write-off of R20 874 560: 2023/24 R33 735 900.00. Vat exclusive

The Irregular expenditure written-off was incurred due to not following proper SCM processes, however, the Municipality did receive the services required from the service providers and these were aligned to the specifications. The irregular expenditure was not due to ill intent to cause the irregular expenditure, there was no political bearer in the transaction. Furthermore, the municipality did not suffer any financial loss due to the irregular expenditure.

55. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Current year subscription / fee	<u>5 058 278</u>	<u>5 414 795</u>
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Pension and Medical Aid Deductions

Current year subscription / fee	<u>23 926 951</u>	<u>23 703 184</u>
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VAT

VAT receivable	<u>20 739 214</u>	<u>21 460 077</u>
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Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
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55. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2025:

30 June 2025	Outstanding more than 90 days	Total
Cllr Chauke FT	7 691	7 691
Cllr Matamela MS	7 167	7 167
Cllr Munarini TJ	21 230	21 230
	36 088	36 088

30 June 2024	Outstanding more than 90 days	Total
Cllr Baloyi HR	1 870	1 870
Cllr Baloyi MJ	3 563	3 563
Cllr Baloyi ME	157	157
Cllr Chabalala KR	2 476	2 476
Cllr Chauke FT	5 518	5 518
Cllr Mabasa D	114	114
Cllr Mabasa KK	9 265	9 265
Cllr Mabasa J	347	347
Cllr Maluleke SG	211	211
Cllr Manganyi MN	727	727
Cllr Matamela MS	7 532	7 532
Cllr Mathebula ME	1 894	1 894
Cllr Mbedzi SM	159	159
Cllr Munarini TJ	17 883	17 883
Cllr Munyai N	62	62
Cllr Shivambu S	3 677	3 677
Cllr Mizamani W	648	648
	56 103	56 103

56. 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 financial statements.

In terms of Section 36 of the Municipal Supply Chain Management Regulations, any deviation from the supply chain management policy needs to be approved by the Municipal Manager. The total deviations for the period amounted to R 5 642 361.76 (2024: R8 114 759) which has been tabled to council for noting in terms of Section 36(2).

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that deviations must be included as a note to the financial statements. The amount for deviations consists of the following categories that make up the disclosed balance:

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand	2025	2024
56. Deviation from supply chain management regulations (continued)		
Category		
(i) In an emergency	133 200	1 253 642
(ii) Goods or Services available from a Single Provider	2 714 509	5 379 500
(iii) for the acquisition of special works of art or historic objects where specifications are difficult to compile.	52 000	65 000
(v) Exceptional Case where it is impractical or impossible to follow the official procurement process	2 742 653	1 416 617
	5 642 362	8 114 759

Goods and services 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.

57. Accounting by principals and agents

The municipality is a party to a principal-agent arrangement(s).

The municipality is an agent in the Principal-Agent arrangement with the Provincial Department of Transport, and collects licencing fees on behalf of the Provincial Department of Transport. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as income from agency services in the Statement of Financial Performance as licences and permits and agency fees. The amounts due to the Provincial Department at year end is included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The agreement commenced on the 1st day of April 2024, and shall be in force and valid for a period of three (3) years terminating on the 31st day of March 2027, notwithstanding the date of signature by both parties.

Municipality as an agent - Department of Transport

Revenue recognised

Revenue recognised as compensation for transactions carried out on behalf of the DoT	4 398 273	4 148 166
Revenue earned on behalf of the principal	23 172 703	22 019 183

Liabilities recognised

Reconciliation of the Department of Transport payable

Opening balances	1 675 510	2 899 116
Revenue collected on behalf of the principal	23 172 703	22 019 184
Amount received and paid to the principal	(23 120 797)	(23 242 790)
	1 727 416	1 675 510

Municipality as principal - Tirhani Auctioneers

Resources (including assets and liabilities) of the entity under the custodianship of the agent

Collins Chabane Local Municipality entered into an agreement with Tirhani Auctioneers Gauteng CC to auction business stands on behalf of the municipality.

The sale of land to the value of R 958 384 was finalised on 30 June 2025. The conveyancer currently holds the amount due to the municipality. There is no payment made to the agent in the year under review.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

2025

2024

58. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of three major functional areas: primary, secondary and tertiary educational services. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

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.

Types of services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Services
Spatial Planning and Development	Town planning, economic development, and spatial services
Community Services	Traffic services, waste management services, and property taxes
Technical Services	Roads construction and maintenance, electrical and building services
Budget and Treasury	Operational and support services
Segment 6	Goods and/or services 3
Segment 7	Goods and/or services 4
Segment 8	Goods and/or services 5
Segment 9	Goods and/or services 6
Segment 10	Goods and/or services 7

The grouping of these segments is consistent with the functional classification of municipal activities, which considers the nature of the services, the beneficiaries of such services, and the fees charged for the services rendered.

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

58. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2025

	Spatial Planning and Development	Community Services	Technical Services	Budget & Treasury	Unallocated	Total
Revenue						
Sale of stands	13 512 398	5 685 036	-	-	-	19 197 434
Rendering of services	1 084 357	167 474	-	459 098	16 389	1 727 318
Interest on outstanding	-	2 675 557	-	-	-	2 675 557
Construction contracts	-	-	16 613 043	-	-	16 613 043
Agency services	-	4 398 273	-	-	-	4 398 273
Licences and permits	247 558	3 760 552	-	-	-	4 008 110
Rental of facilities and equipment	-	389 404	-	-	-	389 404
Interest received - investment	-	-	-	11 857 703	-	11 857 703
Property rates	39 238 186	-	-	-	-	39 238 186
Government grants & subsidies	-	-	116 519 000	-	520 654 737	637 173 737
Gain on assets/Fair value adjustments	-	-	-	-	(51 283)	(51 283)
Interest on arrear receivables	20 337 205	-	-	-	-	20 337 205
Fines, penalties and forfeits	-	1 800 220	-	-	-	1 800 220
Total segment revenue	74 419 704	18 876 516	133 132 043	12 316 801	520 619 843	759 364 907
Entity's revenue						759 364 907

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

	Spatial Planning and Development	Community Services	Technical Services	Budget & Treasury	Unallocated	Total
58. Segment information (continued)						
Expenditure						
Employee related costs	18 029 796	20 947 848	13 493 812	27 188 455	73 780 786	153 440 697
Remuneration of councillors	-	-	-	-	30 641 080	30 641 080
Depreciation and amortisation	-	12 641 475	43 892 484	-	20 702 782	77 236 741
Impairment Reversal to be written off	-	431 374	1 466 313	-	1 272 342	3 170 029
Debt impairment	-	-	1 474 920	-	-	1 474 920
Finance cost	-	-	-	-	95 730	95 730
Bad debts written off	-	-	41 186 194	-	-	41 186 194
Contracted services	-	18 347 136	42 255 617	-	163 564 482	224 167 235
Transfers and subsidies	-	-	-	-	11 904 072	11 904 072
General Expenses	-	-	-	-	75 915 643	75 915 643
Fair value adjustments	599 998	-	-	-	(289 393)	310 605
Total segment expenditure	18 629 794	52 367 833	143 769 340	27 188 455	377 587 524	619 542 946
Total segmental surplus/(deficit)	55 789 910	(33 491 317)	(10 637 297)	(14 871 654)	143 032 319	139 821 961

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

	Spatial Planning and Development	Community Services	Technical Services	Budget & Treasury	Unallocated	Total
58. Segment information (continued)						
Assets						
Cash and cash equivalents	-	-	-	-	57 286 690	57 286 690
Consumer debtors	-	2 009 863	-	-	6 899 201	8 909 064
Inventories	-	-	-	-	9 011 904	9 011 904
Receivable from exchange transaction	958 384	-	-	-	3 399 701	4 358 085
receivable from non exchange	10 690 012	521 350	-	-	-	11 211 362
Vat receivable	-	-	-	-	20 739 213	20 739 213
Non-current						
Investment property	-	-	-	-	2 400 016	2 400 016
Property, plant and equipment	25 453 445	300 933 871	1 625 069 201	-	64 488 338	2 015 944 855
Intangible assets	-	-	-	-	1 008 776	1 008 776
Heritage assets	-	-	-	-	1 126 500	1 126 500
Other financial assets	-	-	-	-	2	2
Total segment assets	37 101 841	303 465 084	1 625 069 201	-	166 360 341	2 131 996 467
Total assets as per Statement of financial Position						2 131 996 467
Liabilities						
Current						
Payables from exchange transaction	-	1 227 416	73 927 782	-	29 539 468	104 694 666
Finance lease obligation	-	-	-	-	1 517 435	1 517 435
Employee benefit obligation	-	-	-	-	6 423 588	6 423 588
Provisions	-	-	-	-	820 732	820 732
Non-current						
Employee benefit obligation	-	-	-	-	22 823 615	22 823 615
Total segment liabilities	-	1 227 416	73 927 782	-	61 124 838	136 280 036
Total liabilities as per Statement of financial Position						136 280 036

2024

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

58. Segment information (continued)

	Spatial Planning and Development	Community Services	Technical Services	Budget & Treasury	Unallocated	Total
Revenue						
Sale of Stands	732 167	-	-	-	-	732 167
Service Charges	-	5 672 816	-	-	-	5 672 816
Rendering of services	1 250 253	122 181	-	1 070 789	-	2 443 223
Interest on arrear receivables	35 060 608	3 998 955	-	-	-	39 059 563
Agency services	-	4 148 166	-	-	-	4 148 166
Licences and permmits	-	4 979 837	-	-	-	4 979 837
Rental income	-	343 707	-	-	-	343 707
Investment revenue	-	-	-	16 910 819	-	16 910 819
Property rates	35 824 726	-	-	-	-	35 824 726
Construction contracts	-	-	21 679 130	-	-	21 679 130
Government grants and subsidies	-	11 566 257	92 974 000	488 992 000	1 419 619	594 951 876
Public contributions and donations	2 740 000	-	-	-	19 595	2 759 595
Gain on assets/Fair value adjustments	-	-	-	-	69 145	69 145
Traffic fines	-	1 188 100	-	-	-	1 188 100
Other income -VBS Investment	-	-	-	22 768 357	-	22 768 357
Total segment revenue	75 607 754	32 020 019	114 653 130	529 741 965	1 508 359	753 531 227
Total revenue						753 531 227
Expenditure						
Employee related costs	20 644 952	44 139 851	17 863 988	58 796 159	5 056 355	146 501 305
Remuneration of councillors	448 803	728 053	763 947	430 085	27 174 345	29 545 233
Depreciation and amortisation	-	12 255 365	36 308 932	-	23 115 432	71 679 729
Impairment reversal	-	321 562	4 623 853	-	(19 492)	4 925 923
Finance costs	-	-	-	-	164 854	164 854
Debt impairment	14 008 356	3 642 381	-	20 135 879	40 397 699	78 184 315
Contracted services	32 708 167	18 190 918	55 112 725	22 891 982	90 873 869	219 777 661
General expenses	3 089 119	5 002 975	29 134 338	23 922 349	14 370 575	75 519 356
Total segment expenditure	70 899 397	84 281 105	143 807 783	126 176 454	201 133 637	626 298 376

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

Figures in Rand

	Spatial Planning and Development	Community Services	Technical Services	Budget & Treasury	Unallocated	Total
58. Segment information (continued)						
Total segmental surplus/(deficit)	4 708 357	(52 261 086)	(29 154 653)	403 565 511	(199 625 278)	127 232 851
Assets						
Consumer debtors	-	7 655 121	-	22 768 357	-	30 423 478
Receivables from exchange transactions	-	-	-	-	3 269 035	3 269 035
Receivables from non-exchange transactions	10 115 172	-	-	-	-	10 115 172
Inventories	-	-	-	-	5 055 871	5 055 871
Cash and cash equivalents	-	-	-	-	96 354 094	96 354 094
Non-current						
Investment property	-	-	-	-	3 000 014	3 000 014
Property, plant and equipment	25 209 969	46 128 102	-	-	1 763 871 897	1 835 209 968
Intangible assets	-	-	-	-	1 939 907	1 939 907
Heritage assets	-	-	-	-	1 126 503	1 126 503
Total segment assets	35 325 141	53 783 223	-	22 768 357	1 874 617 321	1 986 494 042
Total assets as per Statement of financial position						1 986 494 042
Liabilities						
current						
Payables from exchange transactions	-	-	-	-	119 189 475	119 189 475
Employees benefit obligation	-	-	-	-	7 274 399	7 274 399
Unspent conditional grants and receipts	-	1 933 743	-	-	-	1 933 743
Non-current						
Finance lease obligation	-	-	-	-	3 593 779	3 593 779
Employee benefit obligation	-	-	-	-	19 031 121	19 031 121
Provisions	-	-	-	-	1 037 020	1 037 020
Total segment liabilities	-	1 933 743	-	-	150 125 794	152 059 537
Total liabilities as per Statement of financial position						152 059 537

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

59. Prior period errors/Reclassification

The Reclassification is as a result of implementation of Municipal Standard Charts of Accounts (mSCOA). The reclassification was done to achieve fair presentation of financial statements. **Government Grant:** During the year, the municipality changed its accounting treatment of the Integrated National Electrification Programme (INEP) Grant in accordance with Municipal SCOA Circular 16 and GRAP 23. Previously, INEP allocations were capitalised directly to Property, Plant and Equipment as WIP during the construction phase and subsequently transferred to Eskom upon completion. Under the revised policy, INEP allocations are recognised as Construction contracts revenue and expensed directly under contracted services as and when the municipality complies with the grant conditions. Unspent allocations are recognised as a liability.

The change has been applied retrospectively. Comparative figures have been restated where practicable. The effect of the change was a decrease in the WIP PPE for 2024 of R 21 679 130 and an increase in Construction contracts revenue of R 21 679 130.

Current Assets and Non-current Assets:

Receivable from exchange transactions- The figure has been adjusted to account for sundry debtor which was erroneously omitted in the prior year, the error was corrected in the current year to account for AGsa double payment.

Vat receivable: The municipality adopted GRAP 11 and circular 16 for INEP grant accounting treatment, it had implemented the standard retrospective hence the balance went down by the R 3 577 239. The credit notes passed to clear invalid creditors had an impact on the vat receivable balance for prior year.

Other assets: Management had incorrectly recognised VBS recovery as other assets in the prior year, the error has been corrected in the current year financial year.

Property, plant and equipment: The adjustments on PPE is mainly on depreciation.

Intangible assets: Being a correction of prior year accumulated depreciation, this correction has been done in the current financial year.

Current liabilities and Non-Current liabilities

Payables from exchange: The management processed creditors adjustment to clear invalid creditors as per COMAF 11, this correction has been done in the current financial year and also the effect of prior year adjustment on retention which was omitted in the prior year.

Commitment: Prior year commitment balance changed due to incorrect calculation of capital commitment.

Statement of Financial Position

	Audited	Prior year adjustments	Reclassifying adjustments	Restated
Assets				
Current Assets				
Cash and cash equivalents	-	-	-	-
Receivables from exchange transactions	2 802 708	27 012 734	-	29 815 442
VAT receivable	25 037 315	(25 037 315)	-	-
Other receivable	20 125 846	2 642 511	-	22 768 357
	47 965 869	4 617 930	-	52 583 799
Non-Current Assets				
Property, plant and equipment	1 834 453 381	756 587	-	1 835 209 968
Intangible assets	1 960 350	(20 443)	-	1 939 907
	1 836 413 731	736 144	-	1 837 149 875
Total Assets	1 884 379 600	5 354 074	-	1 889 733 674

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

59. Prior period errors/Reclassification (continued)

Liabilities

Current Liabilities

Payables from exchange transactions	120 356 945	3 918 861	-	124 275 806
Total Liabilities	120 356 945	3 918 861	-	124 275 806
Net Assets	1 764 022 655	1 435 213	-	1 765 457 868
Net Assets				
Accumulated surplus	1 854 459 367	1 435 213	-	1 855 894 580

Collins Chabane Local Municipality

(Registration number LIM345)

Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements

59. Prior period errors/Reclassification (continued)

Statement of Financial Performance

	Audited	Prior year adjustments	Reclassifying adjustments	Restated
Revenue				
Revenue from exchange transactions				
Construction contracts	-	-	21 679 130	21 679 130
Interest on outstanding debtors	1 812 568	2 228 749	-	4 041 317
Recoveries	-	22 768 357	-	22 768 357
Gains on disposal of assets	69 145	(42 361)	69 145	26 784
Total revenue from exchange transactions	1 881 713	24 954 745	21 748 275	48 515 588
Revenue from non-exchange transactions				
Taxation revenue				
Interest on arrear receivables	14 765 291	20 295 317	-	35 060 608
Transfer revenue				
Government grants & subsidies	619 882 876	(3 251 870)	(21 679 130)	594 951 876
Other income - VBS investment	20 125 846	(20 125 846)	-	-
Total revenue from non-exchange transactions	654 774 013	(3 082 399)	(21 679 130)	630 012 484
Total revenue	656 655 726	21 872 346	69 145	678 528 072
Expenditure				
Depreciation, amortisation and impairments	(71 379 513)	(300 216)	-	(71 679 729)
Debt impairment	(35 524 371)	(22 524 065)	-	(58 048 436)
Repairs and maintenance	(30 729 439)	-	30 729 438	-
Contracted services	(164 664 936)	(2 722 683)	(52 390 042)	(219 777 661)
Transfers and subsidies	-	-	(9 713 939)	(9 713 939)
General Expenses	(110 301 630)	3 407 731	31 374 543	(75 519 356)
Total expenditure	(412 599 889)	(22 139 233)	-	(434 739 121)
Operating surplus	244 055 837	(266 887)	69 145	243 788 951
Fair value adjustments	(4 816 631)	-	(69 145)	(4 885 776)
Surplus for the year	239 239 206	(266 887)	-	238 903 175

Cash flow statement has been restated due to prior year adjustment on trade and other payables, consumer receivable, Vat receivable and PPE.

60. Budget differences

Material differences between budget and actual amounts

The municipality explains excess of actual expenditure over the final budget of 10% over approved budget.

Differences between budget and actual amounts basis of preparation and presentation

A. Explanation of variances on the statement of financial performance

Service charges	Increased tariff and increased in proclaimed land which results in additional collection
Other own revenue	Income in advance which was raised in the prior year recognised as revenue in the current year.
Rendering of services	

Notes to the Financial Statements

60. Budget differences (continued)

Fines	Increased effort to recover fines through Traffic Management operations like enforcement of Warrant of Arrests and road blocks.
Agency services	Business interruptions and suspension of services due to theft of Face Value Documents
Licences and permits	Business interruptions and suspension of services due to theft of Face Value Documents
Construction contracts	Change in classification of INEP initially not budgeted for.
Interest received-Investment	Investments matured during quarter 3 of the financial year, no new investments were done in Q4 due to lower bank balance that initially anticipated.
Interest received on outstanding debtors-service charges	Interest recalculation on outstanding accounts.
Government grants & subsides	Variance immaterial.
Gain on assets/Fair value adjustments	Item not budgeted for.
Interest received on outstanding debtors-Rates	Interest on outstanding debtors was budgeted for under Revenue From Exchange transactions, however, actual interest on outstanding debtors was under-budgeted for.
Bad debts written off	Item not budgeted for.
Fair value adjustments	Item not budgeted for.
Debt Impairment	Reversal of debt impairment and recognition of write-off.
Finance charges	Fruitless and wasteful expenditure not budgeted for.
Transfers and subsidies	Item budgeted for under General Expenditure.
General expenditure	Variance less than 10%, immaterial.
Cash	Actual bank balance was lower than budgeted for due to low reserves and non-recovery of "Other Revenue").
VAT receivable	Budget omission, erroneously provisioned under "Other Debtors").
Consumer debtors	Write-off of inactive debt and provision of irrecoverable debt.
Other debtors	Write-off of inactive debt and provision of irrecoverable debt.
Investment property	Actual market value less than budget estimation.
Property, plant and equipment	Variance immaterial.
Intangible	Impairment at year end.
Heritage assets	Variance immaterial.
Provisions	High irrecoverability of debt.
Accumulated Surplus/(Deficit)	Variance immaterial.
Property rates	Impact of Debt relief programme.
Service charges	Audit of refuse bins resulting in higher billing and collection.
Interest income	Pressure on cash reserves, lower investment returns.
Repayment of borrowing	Deficit not anticipated during budget, therefore not budgeted for.
Cash and cash equivalents at the end of the year	Lower than anticipated cash reserves.

61. New standards and interpretations

61.1 Standards and interpretations issued, but not yet effective

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
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Notes to the Financial Statements

61. New standards and interpretations (continued)

• GRAP 107 Mergers	01 April 2025	There wont be any impact , the municipality is rural based municipality, the standard is not applicable since the municipality does not do mergers and acquisitions.
• GRAP 106 Transfer of Functions Between Entities Not Under Common Control	01 April 2025	There wont be any impact since the municipality does not have entities.
• GRAP 105 Transfer of Functions Between Entities Under Common Control	01 April 2025	There wont be any impact since the municipality does not have entities.
• GRAP 2023 Improvements to the Standards of GRAP 2023	To be determined	To be determined
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined	Not expected to impact results but may result in additional disclosure
• GRAP 103 (as revised): Heritage Assets	01 April 2025	Not expected to impact results but may result in additional disclosure
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Not applicable to the municipality since the municipality does not do foreign trades.
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Not expected to impact results but may result in additional disclosure

62. Impairment reversal

Impairment Reversal to be written off

(183 200 398)

-

provision for impairment previously recognized being written off in the current year.

**COLLINS CHABANE
LOCAL MUNICIPALITY**
Since 2016



2024/25 ADJUSTED ANNUAL PERFORMANCE REPORT

6. DETAILED SDBIP ORGANISATIONAL PERFORMANCE REPORT

6.1. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
DEVELOPMENT OBJECTIVE: IMPROVED GOVERNANCE AND ADMINISTRATION														
01	To review 84 municipal policies and submit to Council for approval by 30 June 2025	84 Municipal policies reviewed and approved by council	84 Municipal policies to be reviewed and submitted to Council for approval by 30 June 2025	Municipal Policies review	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	84 Municipal policies reviewed and submitted to Council for approval	None	None	Q4: Policy register, Policies & Council Resolutions	Corporate Services
02	Number of LLF Meetings convened by 30 June 2025	12 LLF Meetings convened	12 LLF Meetings convened by 30 June 2025	LLF Meetings	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	12 LLF Meetings convened	None	None	Q1- Q4: Minutes & Attendance Registers	Corporate Services
03	To develop and Submit the Workplace Skills Plan and Annual Training Report to LGSETA by 30 June 2025	Workplace skills plan and annual training report developed and submitted to LGSETA	Workplace Skills Plan and annual training report developed and submitted to LGSETA by 30 June 2025	Workplace skills plan and Annual Training Report	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	Workplace skills plan and annual training report developed and submitted to LGSETA	None	None	Q4: Acknowledgement letter from LGSETA	Corporate Services

04	Number of organizational performance reports developed and submitted to Council for approval by 30 June 2025	8 organizational performance report developed and approved by Council	8 organizational performance reports developed and submitted to Council for approval by 30 June 2025	Organizational performance reports developed and submitted to Council for approval by 30 June 2025	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	8 organizational performance reports developed and submitted to Council for approval: - 2023/24 Annual Performance report - 2023/24 4th quarter SDBIP report. - 2024/25 1st quarter SDBIP report. - 2024/25 2nd quarter SDBIP report - 2024/25 Mid-year Report - 2023/24 Annual Report - 2023/2024 Oversight report - 2024/25 3rd quarter SDBIP report	None	None	Q1:2023/24 Annual Performance report .2023/24 4th quarter report. Q2 2024/25 1st quarter SDBIP report. Q3 2024/25 2nd quarter SDBIP report ,2024/25 Mid-year Report, Q4 2023/24 Annual Report & Oversight report 2023/24 3rd quarter SDBIP 2024/25	Corporate Services
05	Number of Section 57 Managers with signed performance agreements by 30 June 2025	6 Section 57 Managers with signed performance agreements	6 Section 57 Managers with signed performance agreements by 30 June 2025	Performance Agreement	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	6 Section 57 Managers with signed performance agreements	None	None	Q1: Signed Performance Agreements	Municipal Manager
06	% litigation cases attended to by 30 June 2025 (Litigation cases received by Number of Litigation Cases attended to)	100% litigation cases attended to (9/9)	100% litigation cases attended to by 30 June 2025 (Litigation cases received by Number of Litigation Cases attended to)	Management of litigations	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	100% litigation cases attended to (7/7)	None	None	Q1 -Q4: Litigation Register	Municipal Manager

6.2. SPATIAL RATIONALE

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
DEVELOPMENT OBJECTIVE: INTEGRATED SPATIAL AND HUMAN SETTLEMENT														
07	To compile and publish Second Municipal Supplementary Valuation Roll for community comments by 30 June 2025.	Municipal Supplementary Valuation Roll compiled and published for comments by the community	Second Municipal Supplementary Valuation Roll compiled and published for comments by 30 June 2025	Supplementary Valuation Roll	Own Funding	R2 860 000,00	01/07/2024	30/06/2025	Target Achieved	Second Municipal Supplementary Valuation Roll compiled and published for comments	None	None	Q1: Project Work Plan Q2: Second Supplementary Valuation Roll Volume 1 Q3: Public Notice calling for inspection and lodging of objections Q4: Second Supplementary Valuation Roll Volume 2	Planning and Development
08	To conduct 4 Municipal Planning Tribunal Sittings by 30 June 2025.	3 Municipal Planning Tribunal Sittings conducted	4 Municipal Planning Tribunal Sittings conducted by 30 June 2025	Implementation Of SPLUMA	Own Funding	R600 000,00	01/07/2024	30/06/2025	Target Achieved	4 Municipal Planning Tribunal Sittings conducted	None	None	Q1-Q4; Invite, Minutes and Attendance Register	Planning and Development
09	To submit the Final Layout Plan for formalisation of Mabandla Township to Office of the SG for approval by 30 June 2025	Draft general plan submitted to the office of the Surveyor General for approval of formalization and proclamation of township at Mabandla area	Final Layout Plan for formalisation of Mabandla Township submitted to Office of the SG for approval by 30 June 2025	Formalization & Proclamation Mabandla	Own Funding	R14 187 000,00	01/07/2024	30/06/2025	Target Achieved	Final Layout Plan for formalisation of Mabandla Township submitted to Office of the SG for approval	None	None	Q1: Proof of submission to office of SG Q2: Small scale diagram and General Plans Q3: Amended Conditions of Establishment and final layout plan Q4: Proof of Submission to Office of the Surveyor General	Planning and Development

10	To open the township, Register and Proclaim Majosi area by 30 June 2025	Layout plan approved and letter from LEDET acquired for formalization and proclamation of township at Majosi area	Township register opened and Majosi area proclaimed by 30 June 2025	Formalization & Proclamation Majosi	Own Funding		01/07/2024	30/06/2025	Target Achieved	Township register opened and Majosi area proclaimed	None	None	Q1: Proof of submission to office of SG Q2: Small scale diagram and General Plans Q3: Proof of submission to the Deeds Office Q4: Proclamation notice	Planning and Development
11	To submit the Final Layout Plan for formalisation of Saselamani Township to Office of the SG for approval by 30 June 2025	Draft general plan not submitted to the office of the Surveyor General for approval for formalization and proclamation of township at Saselamani area	Final Layout Plan for formalisation of Saselamani township submitted to Office of the SG for approval by 30 June 2025	Formalization & Proclamation of Saselamani	Own Funding		01/07/2024	30/06/2025	Target Achieved	Final Layout Plan for formalisation of Saselamani township submitted to Office of the SG for approval	None	None	Q1: Proof of submission to office of SG Q2: Small scale diagram and General Plans Q3: Amended Conditions of Establishment and final layout plan Q4: Proof of Submission to Office of the Surveyor General	Planning and Development
12	To submit the Final Layout Plan for formalisation of Vuwani Township to office of the SG for approval by 30 June 2025	Application submitted to the Municipal Planning Tribunal for consideration for formalization and proclamation of township in Vuwani Area	Final Layout Plan for formalisation of Vuwani Township submitted to office of the SG for approval by 30 June 2025	Formalization of Vuwani	Own Funding		01/07/2024	30/06/2025	Target Achieved	Final Layout Plan for formalisation of Vuwani Township submitted to office of the SG for approval	None	None	Q1: Proof of submission to office of SG Q2: Small scale diagram and General Plans Q3: Amended Conditions of Establishment and final layout plan Q4: Proof of Submission to Office of the Surveyor General	Planning and Development

13	To Demarcate and Survey 2116 sites at Kings View and Kings View Ext 1 by 30 June 2025	New Indicator	2116 sites Demarcated and Surveyed at Kings View and Kings View Ext 1 by 30 June 2025	Demarcation and Survey of Sites	Own Funding	R6 000 000,00	01/07/2024	30/06/2025	Target Achieved	2116 sites Demarcated and Surveyed at Kings View and Kings View Ext 1	None	None	Q3: Draft Layout Plan Q4: Draft General Plans	Planning and Development
14	To transfer 35 Parcels Previously Registered in The Name of Thulamela and Makhado to Collins Chabane by 30 June 2025.	35 Land Parcels Registered in the name of Thulamela and Makhado transferred to	35 Land Parcels Previously Registered in The Name of Thulamela and Makhado transferred to Collins	Transfer land parcel from Thulamela and	Own Funding	R1 000 000,00	01/07/2024	30/06/2025	Target Not Achieved	33 Land Parcels Previously Registered in The Name of Thulamela and Makhado transferred to Collins Chabane	2 Land Parcels Previously Registered in The Name of Thulamela and Makhado were not transferred to Collins Chabane due to the following Challenges: Portion 10 of the Farm Malamulele 234 -The delay is due to an Eskom servitude that was initially not registered by the municipality. This oversight has necessitated additional legal and administrative processes to facilitate proper registration, thereby delaying the transfer.	Portion 2 of the Farm Zonnebloem 105 -The appointed conveyancer submitted a formal affidavit to the Deeds Office confirming the loss of the title deed and verifying that it is not held as security. Portion 10 of the Farm Malamulele 234 -An application for a certified copy of the lost deed has been submitted. -The Deeds Office has instructed that a notice be published in the Government Gazette for a period of one month to allow for public objections. -Once this objection period lapses with no	Q1: List of Properties to be Transferred Q2: Appointment Letter Q3: Copy of Transfer Documents Q4: Title deed	Planning and Development

**Portion 2 of
the Farm
Zonnebloem
105**

The original title deed for this property cannot be located at either the Provincial Deeds Office or the National Head Office. As a result, the matter is currently being addressed in terms of Regulation 68 of the Deeds Registries Act, which provides for the application and issuance of a certified copy of a lost title deed. Until this process is complete, the property cannot be transferred.

opposition, a certified copy will be issued and the transfer can proceed.

**Portion 10 of
the Farm
Malamulele
234**

-A meeting between both parties is being arranged to finalize and agree on servitude terms.
-The servitude must be properly registered at the Deeds Office before the land can legally be transferred.

6.3. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

NO .	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
DEVELOPMENT OBJECTIVE: IMPROVED ACCESS TO SUSTAINABLE BASIC SERVICES														
15	To construct and connect 328 households with electricity network infrastructure at Nthlaveni Block C (149), Phungwani (49), Hlungwani (33), Hasani Dakari (64) and Nyavani (33) by 30 June 2025	New indicator	328 households constructed and connected with electricity network infrastructure at Nthlaveni Block C (149), Phungwani (49), Hlungwani (33), Hasani Dakari (64) and Nyavani (33) by 30 June 2025	Construction of network and connection of 328 households with electricity at Nthlaveni Block C (149), Phungwani (49), Hlungwani (33), Hasani Dakari (64) and Nyavani (33) by 30 June 2025	INEP	R8 000 000, 00	01/07/2024	30/06/2025	Target not Achieved	295 households constructed and connected with electricity network infrastructure at Nthlaveni Block C (149), Phungwani (49), Hasani Dakari (64) and Nyavani (33) energized, 33 households at Hlungwani were not energized	Delays due to arrangements with specialists who deals with live works	The project will be energised on the 30 th of September 2025	Q1. Progress Report Q2. Progress report Q.3 progress report Q.4 Progress report and Completion Certificate	Technical Services
16	To Construct 4km 22kv Feeder Line from Nkaveleve Village to Mahlohlwani with Electricity network Infrastructure by 30 June 2025	New indicator	4km 22kv Feeder Line constructed from Nkavele Village to Mahlohlwani with electricity network infrastructure by 30 June 2025	Construction of 4km 22kv electricity Feeder Line at Mahlohlwani	INEP	R2 000 000, 00	01/07/2024	30/06/2025	Target Achieved	4km 22kv Feeder Line constructed from Nkavele Village to Mahlohlwani with electricity network infrastructure	None	None	Q1. Progress Report Q2. Progress report Q.3 progress report Q.4 Progress report and Completion Certificate	Technical Services
17	To submit the application for electricity distribution to National Energy Regulator of South Africa (NERSA) for approval by 30 June 2025	New indicator	Application for electricity distribution license submitted to National Energy Regulator of South Africa (NERSA) for approval by 30 June 2025	Application of Electricity distribution license at NERSA	Own funding	R5 030 000, 00	01/07/2024	30/06/2025	Target Achieved	Application for electricity distribution license submitted to National Energy Regulator of South Africa (NERSA) for approval. Draft electricity distribution license has been approved	None	None	Q.1 designs Q.2 Bulk supply approval and acknowledgement letter Q.3 Notice Q.4 Draft License	Technical Services
18	To construct and connect 205 households with electricity network infrastructure at Nkovani (82) and Ximixoni (123) by 30 June 2025	New indicator	205 households constructed and connected with electricity network infrastructure at Nkovani (82) and Ximixoni (123) by 30 June 2025	Construction of network and connection of 205 households at Nkovani (82), and Ximixoni (123)	INEP	R9 000 000, 00	01/07/2024	30/06/2025	Target Achieved	205 households constructed and connected electricity network infrastructure as follows: Nkovani (43) Govhu (39) Xitachi (123). NB: The Ximixoni project was relocated to Xitachi due to lack of capacity by Eskom. At Nkovani the	None	None	Q1. Council Resolution and Progress Report Q2. Progress report Q.3 Progress report Q.4 Progress Report and Completion Certificate	Technical Services

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
										municipality found 43 households only, then the balance was allocated to Govhu (their backlog was close to the balance)				
19	To construct and connect 164 households with electricity network infrastructure at Vyeboom by 30 June 2025	New indicator	164 Households constructed and connected with electricity network infrastructure at Vyeboom by 30 June 2025	Construction of network and connection of 164 households with electricity Infrastructure at Vyeboom	INEP		01/07/2024	30/06/2025	Target Achieved	164 Households constructed and connected with electricity network infrastructure at Vyeboom	None	None	Q1. Progress Report Q2. Progress report Q.3 Progress report and Completion certificate	Technical Services
20	To maintain 60 high mast lights at 30 wards (Wards: 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29 and 30) within Collins Chabane Local Municipality by 30 June 2025	100 % of reported Municipal high masts lights and streets lights maintained (135 faults reported /135 faults maintained)	60 high mast lights at 30 wards (Wards: 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29 and 30) within Collins Chabane Local Municipality maintained by 30 June 2025	Maintenance of high mast lights	Own Funding	R2 000 000,00	01/07/2024	30/06/2025	Target Achieved	60 high mast lights at 30 wards (Wards: 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29 and 30) within Collins Chabane Local Municipality maintained	None	None	Q.2 Appointment letter and Completion Certificate	
21	To upgrade Bungeni Stadium grandstand to window level by 30 June 2025	Elevated tank, drainage system of the soccer pitch installed and soccer pitch levelled at Bungeni Stadium	Bungeni Stadium grandstand upgraded to window level by 30 June 2025	Upgrading of Bungeni Stadium - MIG	Own Funding	R8 002 889,00	01/07/2024	30/06/2025	Target Achieved	Bungeni Stadium grandstand upgraded to window level	None	None	Q.1 Progress report Q.2 Progress report Q.3 Progress report Q.4 Progress report	Technical Services
					MIG	R27 694 024,00								
21	To construct the Municipal Office Building by 30 June 2025	Post tensioning , concrete pouring of the middle section of the third floor and	Municipal Office Building completed by 30 June 2025	Construction of Municipal Office Building (new)	Own Funding	R30 434 783,00	01/07/2024	30/06/2025	Target Not Achieved	Municipal Office Building not completed. - Installation of paving on parking area completed. -IN PROGRESS are the following: Installation of tiles,	Slow progress by the contractor.	- The contractor was put on penalties. - The offices will be completed by 30 June 2026	Q.1 Progress report Q.2 Progress report Q.3 Progress report Q.4 Progress report, Practical and Completion Certificate	Technical Services

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
		brickwork on third floor west and east of Municipal Office Building constructed at Malamulele								windows, plumbing, doors. walls plastering from first floor, second and third floor partitioning from Section A, B and C ground, first floor, second floor and third floor electrification.				
22	To upgrade Vuwani Sports Complex up to earthworks and excavation by 30 June 2025	New indicator	Vuwani Sports Complex upgraded up to earthworks and excavation by 30 June 2025	Upgrading of Vuwani Sports Complex	Own Funding	R10 120 071,00	01/07/2024	30/06/2025	Target Not Achieved	Excavations at Vuwani Sports Complex completed., Earthworks not done .	The Councillor received a dispute from the Vyeboom Civic Organisation regarding the formation of the Project Steering Committee (PSC), which resulted in the closure of the site and delayed the project.	-A meeting was facilitated for the Office of the Mayor to meet with the Vyeboom Civic Organisation regarding their disputes. -A meeting was officially held to officially kicksatrt the project on the 3 rd of june 2025 with the following resolutions -The resolutions were: 1. Vyeboom Civic Organisation will forward two members to the PSC. 2. PSC positions will be dissolved, and all members will have equal status. 3. All PSC members will attend progress	Q.1.Appointment Letter Q2. Progress Report Q3. Progress Report Q.4 progress report	Technical Services

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
												meetings.		
23	To construct 2.85km ring at Misevhe A, B, C & D by 30 June 2025	2.5 km roadbed and subbase of 2.85km ring road constructed at Misevhe A, B, C and D	2.85 km ring road constructed at Misevhe A, B, C, & D by 30 June 2025	Construction of 2.85km ring road at Misevhe A, B, C, &D (MIG)	MIG	R13 713 478 ,00	01/07/2024	30/06/2025	Target Achieved	2.85 km ring road constructed at Misevhe A, B, C, & D	None	None	Q.1 Progress report Q.2 Progress report Q.3 Progress report, Practical and Completion Certificate	Technical Services
					Own Funding	R3 355 300, 00								
24	To construct 2.5km base of 2.5km ring road at Gidjana by 30 June 2025	New Indicator	2.5km base of 2.5km ring road constructed at Gidjana by 30 June 2025	Construction of 2.5km ring road at Gidjana	Own Funding	R4 956 522, 00	01/07/2024	30/06/2025	Target Achieved	2.5km base of 2.5km ring road constructed at Gidjana	None	None	Q.1 Appointment letter Q.2 Site handover Minutes Q.3 Progress report Q.4 Progress report	Technical Services
25	To construct 1.5 box cutting of 2.5km ring road at Muchipisi by 30 June 2025	New indicator	1.5km box cutting of 2.5km ring road constructed at Muchipisi by 30 June 2025	Construction of 2.5km ring road at Muchipisi	Own Funding	R4 956 522, 00	01/07/2024	30/06/2025	Target Achieved	1.5km box cut of 2.5km ring road constructed at Muchipisi	None	None	Q.1 Appointment letter Q.2 Site handover Minutes Q.3 Progress report Q.4 Progress report	Technical Services
26	To pave 1km of 6.8 km ring road at Josefa by 30 June 2025	4 km of 6.8 km Ring Road paved at Josefa	1km of 6.8km ring road paved at Josefa by 30 June 2025	Construction of 6.8km ring road at Josefa	Own Funding	R8 387 148, 00	01/07/2024	30/06/2025	Target Achieved	1km paving of 6.8km ring road paved at Josefa	None	None	Q.1 Progress report Q.2 Progress report Q.3 Progress report Q.4 Progress Report	Technical Services
					MIG	R4 823 076, 00								
27	To construct 7.3 km ring road at xihosana by 30 June 2025	4.5 km Ring Road paved of 7.3 km Ring Road at Xihosana	7.3 km ring road constructed at xihosana by 30 June 2025	Construction of 7.3km ring road at Xihosana ring road- MIG	Own Funding	R10 367 960,00	01/07/2024	30/06/2025	Target Achieved	7.3 km ring road constructed at xihosana	None	None	Q.1 Progress report Q.2 Progress report Q.3 Progress Report and Practical Completion Q.4 Completion Certificate	Technical Services
					MIG	R13 574 921 ,00								
28	To Construct three (03) Low Level Bridges at 3 Wards (19,9 and 10) by 30 June 2025	New indicator	Three (03) Low Level Bridges Constructed at 3 Wards (Tovhowani ward 19, Vyboom ward 9 and Majosi ward 10) by 30 June 2025	Construction of Low-Level Bridges at Ward (19,9 and 10)	Own Funding	R3 508 696, 00	01/07/2024	30/06/2025	Target Achieved	Three (03) Low Level Bridges Constructed at 3 Wards (Tovhowani ward 19, Vyboom ward 9 and Majosi ward 10)	None	None	Q.2 Appointment letters Q.3 Completion Certificates Q4: Completion Certificate	Technical Services

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
29	To construct 1.5km base of 2.8km ring road at Jim Jones by 30 June 2025	New indicator	1.5km base of 2.8km ring road constructed at Jim Jones by 30 June 2025	Construction of 2.8km ring road at Jim Jones	Own Funding	R4 956 522,00	01/07/2024	30/06/2025	Target Achieved	1.5km base of 2.8km ring road constructed at Jim Jones	None	None	Q.1 Appointment letter Q.2 Site handover Minutes Q.3 Progress report Q.4 Progress report	Technical Services
30	To pave 2.85km of 2.85km ring road at Masia Headkraal by 30 June 2025	2.5 km roadbed and subbase of 2.85 km Ring Road constructed at Masia Headkraal	2.85km of 2.85km ring road paved at Masia Headkraal by 30 June 2025	Construction of 2.85km ring road at Masia Headkraal	MIG	R13 402 809,00	01/07/2024	30/06/2025	Target Achieved	2.85km of 2.85km ring road paved at Masia Headkraal	None	None	Q.1 Progress report Q.2 Progress report Q.3 Progress report Q.4 Progress report	Technical Services
31	To construct 2.82 ring road at Nghezimani by 30 June 2025	2.5 km roadbed and subbase of 2.82 km Ring Road constructed at Nghezimani	2.82km ring road constructed at Nghezimani by 30 June 2025	Construction 2.82km ring road at Nghezimani (MIG)	MIG	R14 338 838,00	01/07/2024	30/06/2025	Target Achieved	2.82km ring road constructed at Nghezimani	None	None	Q.1 Progress report Q.2 Progress report, Practical and Completion Certificate	Technical Services
32	To construct six (06) loading and offloading zone at Collins Chabane Drive ward 23 by 30 June 2025	New indicator	Six (06) loading and offloading zone Constructed at Collins Chabane Drive ward 23 by 30 June 2025	Construction of loading and offloading zone at Collins Chabane Drive ward 23	Own Funding	R869 565,00	01/07/2024	30/06/2025	Target Not Achieved	-The contractor has constructed roadbed, Subbase, base, kerbs and paving. -IN PROGRESS are the following: Installation of road signs and road markings.	-Delay of road signs installations, and road markings to be completed before the end the 30 th of October 2025	- Road signs installations, and road markings by the contractor due to the project being implemented next to busy operating main road	Q.2: Appointment Letter and Progress Report Q.3: Progress Report Q4: Progress Report	Technical Services

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
33	To construct 2.65km ring road at Botsoleni by 30 June 2025	2.65km roadbed and subbase of 2.65 km Ring Road constructed at Botsoleni	2.65 km ring road constructed at Botsoleni by 30 June 2025	Construction of 2.65km ring road at Botsoleni (MIG)	Own Funding	R842 909,00	01/07/2024	30/06/2025	Target Achieved	2.65 km ring road constructed at Botsoleni	None	None	Q.1 Progress report Q.2 Progress report, and Practical Completion Certificate Q3. Progress Report and Completion Certificate	Technical Services
					MIG	R13 773 722,00								
34	To surface 3.9km of 5.6km streets up to practical completion in Malamulele Business Park by 30 June 2025	1.7 km of 5.6 km street surfaced in Malamulele Business park	3.9km of 5.6km streets surfaced up to practical completion in Malamulele Business Pak by 30 June 2025	Opening and Widening of Streets in Business Park	Own Funding	R14 293 074,00	01/07/2024	30/06/2025	Target Achieved	3.9km of 5.6km streets surfaced up to practical completion in Malamulele Business Pak	None	None	Q.1 Progress Report Q.2 Progress report Q.3 Progress report Q.4 Progress Report and Practical Completion	Technical Services
35	To construct 2.5km roadbed of 2.5 km ring road at Masakona by 30 June 2025	New indicator	2.5km roadbed of 2.5km ring road constructed at Masakona by 30 June 2025	Construction of 2.5km ring road km at Masakona	Own Funding	R4 956 522,00	01/07/2024	30/06/2025	Target Achieved	2.5km roadbed of 2.5km ring road constructed at Masakona	None	None	Q.1 Appointment letter Q.2 Site handover Minutes Q.3 Progress report Q.4 Progress report	Technical Services
36	Number of Square meter Municipal Road maintained within Collins Chabane Municipality by 30 June 2025	1380.94 Square meter of municipal road maintained	830.1 Square meter Municipal Road maintained within Collins Chabane Municipality (510.4m ² Pothole repaired ,319.7m ² Road Surfaced) by 30 June 2025	Municipal Road Maintenance	Own Funding	R9 863 737,01	01/07/2024	30/06/2025	Target Achieved	830.1 Square meter Municipal Road maintained within Collins Chabane Municipality (510.4m ² Pothole repaired ,319.7m ² Road Surfaced	None	None	Q1-Q4 Municipal Roads maintenance report	Technical Services
37	To pave parking area and electrify the main pavilion up to practical completion at Davhana Stadium by 30 June 2025	Roof structure on the pavilion installed Davhana Stadium	Parking area paved and main pavilion electrified up to practical completion at Davhana Stadium by 30 June 2025	Construction of Davhana Stadium	Own funding	R5 272 580,00	01/07/2024	30/06/2025	Target Achieved	Parking area paved and main pavilion electrified up to practical completion at Davhana Stadium	None	None	Q1.Progress report Q2.Progress report Q3.Progress report Q4:Progress reports and Practical completion	Technical Services
38	Number Kilometre of street graded within Collins Chabane local municipality at 30	New indicator	480 km Kilometre of street graded within Collins Chabane local	Grading of streets	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	480km Kilometre of street graded within Collins Chabane local municipality	None	None	Q:2 Appointment Letters Q3: Completion	Technical Services

NO .	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
	wards by 30 June 2025		municipality by 30 June 2025 (Ward:1,2,3,4,5,6,7 ,9,10,11,12,13,17,1 8,19,20,21,22,23,2 4,25,26,27,28,29,3 0,31,32,33,34,35,3 6)							(Ward:1,2,3,4,5,6,7 ,9,10,11,12,13,17,1 8,19,20,21,22,23,2 4,25,26,27,28,29,3 0,31,32,33,34,35,3 6)			Certificate	
DEVELOPMENT OBJECTIVE: PROMOTE COMMUNITY WELL-BEING AND ENVIRONMENTAL WELFARE														
39	To Conduct 4 Environmental Education and clean-up/Awareness campaign by 30 June 2025	4 Environmental Education & clean-up/Awareness Campaign conducted	4 Environmental Education & clean-up/Awareness Campaign conducted by 30 June 2025	Environmental Education & Clean up Campaigns	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	4 Environmental Education & clean-up/Awareness Campaign conducted	None	None	Q1:-Q4: Invite, Report, Attendance Register and Pictures	Community Services
40	To Host Two (02) Arrive Alive Campaigns by 30 June 2025	Two (02) Arrive Alive Campaigns conducted	Two (02) Arrive Alive Campaigns Hosted by 30 June 2025	Arrive alive activities	Own Funding	R5000.00	01/07/2024	30/06/2025	Target Achieved	Two Arrive Alive Campaigns conducted	None	None	Q2 invitation and report Q4 invitation report	Community Services
41	To provide waste collection services at four municipality nodal point once per week by 30 June 2025 (malamulele, saselamane, hlanganani and Vuwani)	Waste collection services provided at Malamulele and Vuwani once per week	Waste collection services at four municipality nodal point once per week provided by 30 June 2025 (malamulele, saselamane, hlanganani and Vuwani)	Waste collection	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	Waste collection services at four municipality nodal point once per week provided (malamulele, saselamane, hlanganani and Vuwani)	None	None	Q1-Q4 : Job Cards and waste collection schedule	Community Services
42	% of disaster reported cases responded to by 30 June 2025 (number of reported cases against cases attended to)	100% of reported disaster cases attended to (83/83)	100% of disaster reported cases responded to by 30 June 2025 (number of reported cases against cases attended to)	Disaster management	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	100% of disaster reported cases responded (107/107)	None	None	Q1-Q4: disaster incident register and disaster management impact assessment form	Community Services
43	% of graves dug by 30 2025 (number of requests received by number of requests attended to)	New Indicator	100% of graves dug by 30 2025 (number of requests received by number of requests attended to)	Cemeteries	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	100% of graves dug (94/94)	None	None	Q1-Q4: Grave Requests and allocation forms	Community Services

6.4. LOCAL ECONOMIC DEVELOPMENT

NO .	KEY PERFORMANCE INDICATORS/MEA SURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
DEVELOPMENT OBJECTIVE: INTEGRATED LOCAL ECONOMY														
44	To coordinate four (04) LED Forums by 30 June 2025	Three (03) LED forum coordinated	Four (04) LED Forums coordinated by 30 June 2025	LED Forums	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	Four (04) LED Forums coordinated	None	None	Q1-Q4 Invite and attendance register	Planning and Development
45	To coordinate Four (04) Local Reference Committee meetings by 30 June 2025	Two (2) Local Reference Committee Meetings coordinated	Four (04) Local Reference Committee meetings coordinated by 30 June 2025	Local Reference Committee meetings	Own funding	OPEX	01/07/2024	30/06/2025	Target Achieved	Four (04) Local Reference Committee meetings coordinated	None	None	Q1-Q4 Invite and attendance register	Planning and Development
46	To conduct one (01) Tourism Advocacy awareness programme by 30 June 2025	New indicator	One (01) Tourism Advocacy awareness programme conducted by 30 June 2025	Tourism Advocacy awareness programme	Own funding	OPEX	01/07/2024	30/06/2025	Target Achieved	One (01) Tourism Advocacy awareness programme conducted	None	None	Q4: Attendance Register	Planning and Development
47	% new businesses registration attended to by 30 June 2025	New indicator	100% new businesses registration attended to by 30 June 2025 (Number of new registration received/number of new business registration attended to)	Business Registration	Own funding	OPEX	01/07/2024	30/06/2025	Target Achieved	100% new businesses registration attended to (580/580)	None	None	Q1:Q4: Certificates	Planning and Development
48	To conduct Two (02) business inspection by 30 June 2025	Two business inspections conducted	Two (02) business inspection conducted by 30 June 2025	Business Inspection	Own funding	OPEX	01/07/2024	30/06/2025	Target Achieved	Two (02) business inspection conducted	None	None	Q3-Q4: invite, attendance register and Business inspection report	Planning and Development

6.5. MUNICIPAL FINANCE MANAGEMENT AND VIABILITY

NO .	KEY PERFORMANCE INDICATORS/MEA SURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
DEVELOPMENT OBJECTIVE: SOUND FINANCIAL MANAGEMENT AND VIABILITY														
49	% Revenue collected by 30 June 2025	49% Annually Projected Revenue collected. (Actual collection of R 20 269 525 against billing of R 41 497 542 (Rates &Refuse Only)	100% Revenue collected by 30 June 2025	Revenue Management	Own Funding	OPEX	01/07/2024	30/06/2025	Target Not Achieved	35% Annually Projected Revenue collected. (Actual collection of R 15 485 000 against billing of R 44 485 000 (Rates &Refuse Only)	1. High government debt 2. Lack of consumer awareness on importance of payment services	1. Escalating to IGR platform for intervention. 2. Implementation of debt relief programme.	Q1-Q4 Financial Report	Budget and Treasury
50	% Capital budget spent by 30 June 2025	89% Capital Budget Spent R304 102 000 of Projected budget R343 401 000 (Own Funded Projects and Grants Projects)	100% Capital budget spent by 30 June 2025	Capital Budget	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	107% Projected Capital Budget Spent (R272 175 999.76 of R255 131 304.00 (Own Funded Projects and Grants Projects)	None	None	Q1-Q4 Financial Report	Budget and Treasury
51	To develop Interim Financial Statement and Submit to Municipal Manager by 30 June 2025	Interim financial statement developed and submitted to Municipal Manager by 30 June 2025	Interim financial statement developed and submitted to Municipal Manager by 30 June 2025	Interim Financial Statement	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	Interim financial statement developed and submitted to Municipal Manager	None	None	Q4: Interim financial statements	Budget and Treasury
52	To submit the 2023-24 Annual Financial Statement to AGSA, Treasuries and COGHSTA by 31 August 2024	2022-23 Annual Financial Statement submitted to AGSA, Treasuries and COGHSTA by 31 August 2024	2023-2024 Annual financial statement submitted to AGSA, Treasuries and COGHSTA by 31 August 2024	Annual Financial Statement	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	2023-2024 Annual financial statement submitted to AGSA, Treasuries and COGHSTA	None	None	Q1: AFS and Acknowledgements of Submission	Budget and Treasury

NO .	KEY PERFORMANCE INDICATORS/MEA SURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
53	To submit 2024-25 budget adjustment to Council for approval by 28 February 2025	2023-24 Budget adjusted and approved by Council	2024-25 budget adjustment submitted to Council for approval by 28 February 2025	Budget adjustment	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	2024-25 budget adjustment submitted and approved by Council	None	None	Q3: Adjusted budget & Council Resolution	Budget and Treasury
54	To submit 25/26 draft budget to Council for approval by 31 March 2025	24/25 Draft Budget Submitted to Council	25/26 Draft Budget Submitted to Council for approval by 31 March 2025	Draft Budget development	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	25/26 Draft Budget Submitted and approved by Council	None	None	Q3: Draft Budget and Council Resolution	Budget and Treasury
55	To submit 2025/26 Final budget to council for approval by 31 May 2025	2024/25 Final Budget Submitted and approved by Council	2025/26 Final Budget Submitted to Council for approval by 31 May 2025	Budget development	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	2025/26 Final Budget Submitted and approved by Council	None	None	Q4: Final Budget & Council Resolution	Budget and Treasury
56	Number of section 52 report submitted to Council within 30 days after the end of the quarter by 30 June 2025	4 section 52 report submitted to Council within 30 days after the end of the quarter	4 section 52 report submitted to Council within 30 days after the end of the quarter by 30 June 2025	Section 52 Reports	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	4 section 52 report submitted to Council within 30 days after the end of the quarter	None	None	Q1-Q4 Section 52 Reports Submitted in & Council Resolutions	Budget and Treasury
57	Number of section 71 report submitted to the Mayor & Provincial Treasury within 10 days after the end of the Month by 30 June 2025	12 section 71 report submitted Mayor & Provincial Treasury within 10 days after the end of the Month	12 section 71 report submitted to the Mayor & Provincial Treasury within 10 days after the end of the Month by 30 June 2025	Section 71 Reports	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	12 section 71 report submitted to the Mayor & Provincial Treasury within 10 days after the end of the Month	None	None	Q1-Q4 71 Reports and Acknowledgement of Receipts	Budget and Treasury
58	To compile section 72 report and submit to the Mayor and Treasuries by 31 January 2025	Section 72 report compiled and submitted to the Mayor and Treasuries by the 25 January 2025	Section 72 report compiled and submitted to the Mayor and Treasuries by 31 January 2025	Section 72 Report	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	Section 72 report compiled and submitted to the Mayor and Treasuries	None	None	Q:3 Section 72 report and Email print out or Acknowledgement of Receipts	Budget and Treasury
59	To update the GRAP Asset Management Register by 30 June 2025	GRAP Asset Management Register updated	GRAP Asset Management Register updated by 30 June 2025	GRAP Asset Management Register	Own Funding	R4 000 000, 00	01/07/2024	30/06/2025	Target Achieved	GRAP Asset Management Register updated	None	None	Q1-Q4 Updated Asset Register	Budget and Treasury
60	% of indigent households with	100% indigent	100% indigent households with	Free basic services	Own funding	R9 678 360, 00	01/07/2024	30/06/2025	Target Achieved	100% indigent households with	None	None	Q1-Q4 Approved	Budget and

NO .	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
	access to free basic services (electricity) by 30 June 2025	households with access to free basic services (electricity)(15150/15150)	access to free basic services (electricity) by 30 June 2025 (number of approved applicant by number of applicant receiving free basic services)							access to free basic services (electricity)(15150/15150)			Indigent register, monthly Eskom billing report	Treasury
61	To purchase 12 Office Furniture's (Executive chair (7), Executive table (1), Credenza (1), Mobile pedestal (1), Round table (1), and 2 Door wall unit (1) in line with the specification by 30 June 2025	New indicator	12 Office Furniture's purchased (Executive chair (7), Executive table (1), Credenza (1), Mobile pedestal (1), Round table (1), and 2 Door wall unit (1) by 30 June 2025	Acquisitions of Furniture	Own Funding	R500 000,00	01/07/2024	30/06/2025	Target Achieved	12 Office Furniture's purchased (Executive chair (7), Executive table (1), Credenza (1), Mobile pedestal (1), Round table (1), and 2 Door wall unit (1)	None	None	Q4. Appointment letter and delivery note	Budget and Treasury

6.6. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 24/25	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
DEVELOPMENT OBJECTIVE: IMPROVED GOVERNANCE AND ADMINISTRATION														
63	To hold 4 Communicators forums by 30 June 2025	3 Communicators forums held	4 Communicators forums held by 30 June 2025	Communications Forums	Own Funding	OPEX	01/07/2024	30/06/2025	Target Not Achieved	3 Communicators forums held	1 Communicators forums not held due to congestion of the mayor schedule	To develop a schedule of the mayoral activities	Q2:-Q4: Invites and Attendance Registers	Corporate Services
64	To hold 4 ordinary and 8 Special Council meetings by 30 June 2025	4 Ordinary Council and 8 Special Council meetings held	4 ordinary Council and 8 Special Council meetings held by 30 June 2025	Council Services (Council Meetings)	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	4 ordinary Council and 8 Special Council meetings held	None	None	Q1-Q4 Council Minutes and attendance register	Corporate Services
65	Number of ordinary EXCO meetings held by 30 June 2025	12 ordinary EXCO meetings held	4 ordinary EXCO and 8 Special EXCO meetings held by 30 June 2025	Council Services (EXCO meetings)	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	4 ordinary EXCO and 8 Special EXCO meetings held	None	None	Q1-Q4 EXCO Minutes and attendance register	Corporate Services
66	To award 10 learners with registration bursaries with mayoral bursary by 30 June 2025	14 learners awarded with mayoral bursary	10 learners awarded with registration bursaries awarded with mayoral bursary by 30 June 2025	Mayoral bursary	Own Funding	R2 000 000,00	01/07/2024	30/06/2025	Target Achieved	10 learners awarded with registration bursaries awarded with mayoral bursary	None	None	Q-2 Advert and bursary application form Q-3 Confirmation letter	Corporate Services
67	To purchase 12,084 Protective Clothing for employees by 30 June 2025	New indicator	12,084 Protective Clothing purchased for employees by 30 June 2025	Protective Clothing	Own Funding	R2 500 000,00	01/07/2024	30/06/2025	Target Achieved	12,084 Protective Clothing purchased for employees	None	None	Q2: Appointment letter and delivery Note	Corporate Services
68	% of ICT Requests attended to by 30 June 2025	100 % % of ICT Requests attended to by 30 June (2068/2068)	100% of ICT Requests attended to by 30 June 2025 (number request reported against number of request attended to)	ICT Maintenance and Support	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	100% of ICT Requests attended to by 30 June 2025 (1804/1804)	None	None	Q1-Q4: system report	Corporate Services

69	To hold 4 Audit Performance Committee meetings by 30 June 2025	4 audit and Performance committee meetings held	4 audit and Performance committee meetings held by 30 June 2025	Auditing	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	4 audit and Performance committee meetings held	None	None	Q1-Q4 Invitation, Minutes and attendance register	Municipal Manager
70	To hold 4 risk management committee meetings by 30 June 2025	4 risk management committee meetings held	4 risk management committee meetings held by 30 June 2025	Risk management committee meetings	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	4 risk management committee meetings held	None	None	Q1-Q4 Invitation, Minutes and attendance register	Municipal Manager
DEVELOPMENT OBJECTIVE: EFFECTIVE COMMUNITY PARTICIPATION														
71	To conduct 4 Mayoral Imbizo by 30 June 2025	3 Mayoral Imbizo conducted	4 Mayoral Imbizo conducted by 30 June 2025	Mayoral Imbizo	Own Funding	R1 200 000,00	01/07/2024	30/06/2025	Target Not Achieved	2 Mayoral Imbizo conducted	The imbizos were not held due community disagreements regarding the exact village of hosting the imbizos.	To develop a schedule of the mayoral activities	Q1-Q3: Invites and Attendance Registers	Corporate Services
72	To review and submit the 2025/26 IDP to Council for approval by 30 June 2025	2024/25 IDP reviewed, submitted and approved by council	2025/26 IDP reviewed and submitted to Council for approval by 30 June 2025	IDP Review	Own Funding	OPEX	01/07/2024	30/06/2025	Target Achieved	2025/26 IDP reviewed, submitted and approved by council	None	None	Q1; IDP process Plan and Council Resolution & Need Analysis Report and Attendance Registers Q2: Invite, Attendance Registers & Strategic Planning Report Q3. Draft IDP & Council Resolution Q4: Invite, Public Notice, Attendance Registers & Final IDP and Council	Municipal Manager / Planning and Development

										Resolution

8. PRIOR YEAR COMPARISON

ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2024/25 FINANCIAL YEAR										
NO	PROJECT NAME	AWARDED BIDDER	PROJECT NO.	SOURCE OF FUNDING	BUDGET	PERIOD UNDER ASSESSMENT		PROGRESS TO DATE	CHALLENGES/INTERVENTION	ASSESSMENT OF SERVICE PROVIDER
						START DATE	END DATE			
21	Opening and Widening 5.6 km street in Malamulele Business park	SASAVONA HOLDINGS	CCLM/24/21/22-TS	OWN FUNDING	R14 293 074,00	01/07/2024	30/06/2025	3.9km of 5.6km streets surfaced up to practical completion in Malamulele Business Park	None	AVERAGE
22	Construction of 2.5 km ring road at Masakona	HTE CONSTRUCTION cc	CCLM/19/23/24T	OWN FUNDING	R4 956 522,00	01/07/2024	30/06/2025	2.5 km roadbed of 2.5km ring road constructed at Masakona	None	EXCELLENT
23	Construction of Davhana Stadium	BICS ENGINEERING AND SUPPLY (PTY)LTD	CCLM/06/2018/2019C	OWN FUNDING	R5 272 580,00	01/07/2024	30/06/2025	Parking area paved and main pavilion electrified up to practical completion at Davhana Stadium	None	AVERAGE

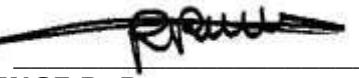
KPA	2023/24					2024/25				
	TOTAL KPIs	TOTAL ACHIEVED	TOTAL NOT ACHIEVED	ACHIEVED PERCENTAGE	UNACHIEVED PERCENTAGE	TOTAL KPIs	TOTAL ACHIEVED	TOTAL NOT ACHIEVED	ACHIEVED PERCENTAGE	UNACHIEVED PERCENTAGE
Municipal Transformation and Organisational Development	08	08	0	100%	0%	06	06	0	100%	0%
Spatial Rationale	09	06	03	67%	33%	08	07	01	88%	12%
Basic Service Delivery and Infrastructure Development	39	35	04	90%	10%	30	26	04	87%	13%
Local Economic Development	06	06	0	100%	0%	05	05	0	100%	0%
Municipal Finance Management and Viability	13	11	02	85%	15%	13	12	01	92%	8%
Good Governance and Public Participation	11	11	0	100%	0%	10	08	02	80%	20%
Total	86	77	09	90%	10%	72	64	08	89%	11%

The municipality had a total of 72 key performance indicators for 2024/25 financial year compared to 86 in the prior year (2023/24). For the year under review 2024/25 the Municipality achieved 64 of reported 72 targets which resulted to 89% achievement as compared to 90% in the prior year which marks a regress of 1% in 2024/2025 financial year.

9. CONCLUSION

A total 64 out of 72 KPI's were achieved which results to 89% of SDBIP KPI's achieved.

Approval by the Municipal Manager


SHILENGE R. R
MUNICIPAL MANAGER

26-NOVEMBER-2025
DATE

ANNEXURE D AUDIT COMMITTEE REPORT

AUDIT COMMITTEE ANNUAL REPORT 2024/2025

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

1. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

2. Audit Committee members and attendance

The Audit Committee, consisting of independent outside members, meets at least four times per annum as per its approved terms of reference, however additional special meetings may be called as the need arises.

3. The Effectiveness of Internal Controls

Our review of the internal control environment revealed that there were no material breaches of the system of internal controls during the year under review. However, there are several deficiencies in the system of internal controls and/or deviations were reported by the internal auditors and the Auditor General South Africa (AGSA). Nevertheless, the Audit Committee noted management's commitment and action plans to correct such deficiencies.

4. In-year Management and Monthly or Quarterly Report

The entity does have an effective monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA).

5. Performance and Risk Management

The Audit Committee has reviewed functionality of the performance and risk management system and they have been found to be adequate. However, there is a room for improvement in so far as achievement of planned targets is concerned and submission of portfolio of evidence timely.

6. Compliance with laws and regulations

A number of non-compliance with the enabling laws and regulations were revealed by Audit Committee and AGSA during the year. Thus, there is a room for improvement regarding the establishment of an effective system for monitoring compliance with laws and regulations.

7. Internal Audit

The Audit Committee is satisfied with the effectiveness of Internal Audit and Management and the Council are urged to address the issue of capacitating the Internal Audit Unit.

8. Progress in implementation of AGSA findings from prior year

AGSA, Audit Committee and Internal Audit's recommendations affecting the audit report were partially implemented by Management at the time of this report, which is commendable.

9. Evaluation of the Annual Financial Statements

Following the review by the Audit Committee of the Annual Financial Statements for the year ended 30 June 2025 before and after the audit, the Committee is of the view that, in all material respects, it complied with the relevant provisions of the MFMA and GRAP and fairly presents the financial position at that date and the results of its operations and cash flows for the year then end.

10. Evaluation of Annual Performance Report

Following the review by the Audit Committee of the Annual Performance Report for the year ended 30 June 2025 before and after the audit, the Committee is of the view that, in all material respects, the entity complied with the relevant provisions of the MFMA and Framework for Managing Programme Performance Information (FMPPI) and fairly presents the performance of the entity at that date. Furthermore, the Audit Committee concurs with reasons for deviations and measures proposed to address the underachieved contained in the report.

11. Final Auditor General South Africa's Report

The Audit Committee concurs with and accepts the AGSA's opinion on the Annual Financial Statements and its conclusion on the Annual Performance Report, which is unqualified with findings. Consequently, the Audit Committee is of the view that the audited Annual Financial Statements and the Annual Performance Report should be accepted and read together with the AGSA's report.

12. Conclusion

The Audit Committee wishes to acknowledge the commitment from Council, Management and staff of the entity. The stability in terms of the political and administrative leadership of the entity has contributed to these improvements reported above. We would also like to thank and appreciate the Mayor for his support, Councilors, Senior Management for their efforts and Internal Audit for their contribution.



- **Mrs. TG Mashaba**
- **Chairperson of the Audit Committee**
- **Collins Chabane Local Municipality**

ANNEXURE E MPAC OVERSIGHT REPORT

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