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THE ADMINISTRATOR



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**Beaufort West
Municipality**

Annual Report 2024/25

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Website
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CHAPTER 1

COMPONENT A: MAYOR'S FOREWORD

It is with a sense of accountability and confidence that I present the Beaufort West Municipality's Annual Report for the financial year ended 30 June 2025. This report provides a comprehensive and transparent account of the Municipality's performance in respect of governance, financial management, institutional capacity, and service delivery, in accordance with the requirements of the Municipal Finance Management Act (MFMA).



The year under review was characterised by a demanding operating environment, marked by financial pressures, service delivery backlogs, and capacity constraints. Notwithstanding these challenges, the municipality remained steadfast in its commitment to sound financial management, good governance, and the uninterrupted provision of basic services to the community of Beaufort West.

A significant achievement during the financial year was the attainment of an unqualified audit opinion. This outcome reflects sustained improvements in financial reporting, compliance with applicable legislation, and the strengthening of internal control systems. It is indicative of a collective commitment by Council, management, and officials to accountability, transparency, and prudent financial stewardship.

The Municipality also recorded measurable progress in the implementation of the Financial Recovery Plan (FRP). Focused interventions relating to expenditure containment, revenue enhancement, creditor management, and cash flow stabilisation have yielded positive results and laid the foundation for improved financial sustainability. While the full recovery process remains ongoing, the progress achieved during the year demonstrates a clear commitment to restoring financial resilience and institutional credibility. Importantly, these financial and governance improvements were realised while maintaining continuity in essential service delivery. The Municipality continued to provide core services such as water, sanitation, electricity, refuse removal, and road maintenance, despite operational and resource constraints.

Service delivery remained central to all decision-making, with a consistent focus on improving the quality of life of residents and supporting local economic activity.

During the year under review, the Municipality also made progress in strengthening institutional stability. The appointment of a permanent Chief Financial Officer marked a critical milestone in stabilising the Finance Department, enhancing compliance with the MFMA, and providing consistent leadership in the execution of financial controls and the Financial Recovery Plan.

This appointment has contributed positively to improved financial oversight, governance, and administrative stability. However, the position of Municipal Manager remained vacant during the reporting period. Council managed this transition through appropriate acting arrangements to ensure continuity in administration and service delivery, while recognising the strategic importance of finalising the appointment to further strengthen organisational leadership and accountability.

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In response to persistent water losses, billing challenges, and infrastructure inefficiencies, the Municipality has committed to the phased rollout of smart water meters, particularly in areas where meters are currently absent, outdated, or faulty. This initiative forms part of a broader water demand management and revenue protection strategy aimed at improving consumption measurement, enabling early leak detection, enhancing billing accuracy, and promoting responsible water use. Over time, the rollout of smart meters is expected to contribute meaningfully to reduced non-revenue water, improved financial performance, and long-term water security.

This Annual Report further reflects performance against the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP), as well as compliance with legislative and regulatory requirements. Where performance gaps or challenges have been identified, corrective measures have been initiated to strengthen capacity, improve controls, and enhance service delivery outcomes.

I wish to express my sincere appreciation to the Honourable Council, the Municipal Public Accounts Committee, the Audit Committee, Management, Organised Labour, and all Municipal Employees for their dedication and professionalism. I also extend my gratitude to the residents and stakeholders of Beaufort West Municipality for their continued cooperation and engagement.

The Beaufort West Municipality remains committed to consolidating the gains achieved, strengthening financial sustainability, and delivering responsive, efficient, and sustainable services to all communities.

Yours faithfully,

Georgina Duimpies

EXECUTIVE MAYOR



Component B: Executive Summary

It is my pleasure to present the Municipal Manager's Foreword for the 2024/25 Financial Year's Annual Report, which outlines Council's performance, operations, and financial position for the year ended 30 June 2025.



This Annual Report demonstrates Council's continued commitment to good governance, transparency, and responsible management of public resources. Throughout the reporting period, Council has worked to deliver services and programs that support our community while navigating a challenging operating environment influenced by economic pressures, regulatory requirements, and evolving community expectations.

The past year has seen great achievements, with our unqualified audit opinion being the highlight, the Municipality now has a basis to work from as we know that there are still many challenges that needs to be improved on. In terms of our Eskom and Water debt relief programmes, the Municipality is able to meet its monthly conditions set in these programmes and the benefits thereof can be claimed in our financial reporting.

The Municipality is currently in phase 2 of the Financial Recovery Plan (FRP) and significant progress is being made under this phase, during this year of 2026, indication will be given on the progress of the Municipality under the FRP from both National and Provincial Treasury. In contrast with our report last year, less billing issues have been experienced, but the culture of non-payment of accounts remains, which further places the finances of the Municipality under pressure. The reality of unemployment remains and the inability to create meaningful and long-term employment goes along with it. From a leadership perspective, the position of Municipal Manager still remains vacant.

Despite these challenges, Council has maintained a strong focus on financial sustainability, service delivery, and compliance with legislative obligations. Prudent financial management, ongoing monitoring of operational risks, and the dedication of our workforce have enabled Council to meet its key objectives and continue delivering essential services to residents and businesses.

I would like to acknowledge the Executive Mayor and Councillors for their leadership and strategic direction during the year, and to thank Council staff for their professionalism, resilience, and commitment to serving the community. Their efforts are reflected in the outcomes reported throughout this document.

This Annual Report provides a clear account of Council's achievements and performance against its strategic and operational plans. I commend it to our community as an important record of Council's activities and accountability for the year.

B Jacobs

ACTING MUNICIPAL MANAGER

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY



1.1 Municipal overview

This report addresses the performance of Beaufort West Municipality (BWM) in the Western Cape 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 Annual Report reflects on the performance of the Municipality for the period 1 July 2022 to 30 June 2023. 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.

1.1.1 Vision and mission

The Municipality committed itself to the following vision and mission:

Vision:

“Beaufort West in the Central Karoo, the economic gateway to the Western Cape, where people are developed and living together in harmony.”

Mission:

To reflect the will of the South African people as reflected in the Constitution and by Parliament:

- 🏠 **Service Delivery:** To provide excellent services to the residents of Beaufort West Municipality
- 🏠 **Growing the Economy:** To implement infrastructure to grow the economy and create jobs
- 🏠 **Staff:** To have an equipped, skilled and motivated staff establishment
- 🏠 **Well-run Administration:** establish a sound, efficient and effective administration for the Municipality
- 🏠 **Financial Sustainability:** Collecting all debtors and paying creditors in time
- 🏠 **Sport Centre:** To become the sport and recreational mecca of the Karoo, creating harmony and unity
- 🏠 **Safe Place:** To create a crime-free, safe and healthy environment
- 🏠 **Reduce Poverty:** To reduce poverty and promote the empowerment of women, youth and people living with disabilities



Strategic Objectives:

- SO1:** Provide, maintain and expand basic services to all people in the municipal area
- SO2:** Sustainable, safe and healthy environment
- SO3:** Promote broad-based growth and development
- SO4:** Maintain an ethical, accountable and transparent administration
- SO5:** Enabling a diverse and capacitated workforce
- SO6:** Uphold sound financial management principles and practices

1.2 Municipal functions, population and environmental overview

1.2.1 Population

The table below illustrates the population in the municipal area as per the Socio-economic profile 2017 and 2020 and the Census 2001 – 2011 and 2022:

Population	2001	2011	2018	2020	2022
Number of people residing in the Beaufort West municipal area	43 284	49 586	53 168	51 074	72 972
<i>Census 2001 and 2011</i>			<i>Socio-economic profile 2017</i>	<i>Socio-economic profile 2020</i>	<i>Census 2022</i>

Table 1. Demographic information of the municipal area – Total population

1.2.2 Population by race

The table below reflects on the race classification of the population within the Beaufort West area:

Year	Black African	%	Coloured	%	Indian or Asian	%	White	%	Other	%	Total
2001	6 923	16	31 792	73.4	42	0.1	4 528	10.5	0	0	43 284
2011	8 103	16.3	36 433	73.5	241	0.5	4 539	9.2	270	0.5	49 586
2022	11 447	15.7	56 455	77.5	274	0.4	3 612	5.0	1 021	1.4	72 972
<i>Census 2001 and 2011</i>											

Table 2. Population by race



1.2.3 Population by age

The table below includes data about the composition of the population per age category.

Year	0 – 18	19 – 30	31 – 40	41 – 50	51 – 65	66 – 120	Total
2001	17 938	7 848	6 048	4 896	4 321	2 233	43 284
2011	19 132	9 162	6 508	6 030	6 091	2 663	49 586
2022	27 036	11 650	11 048	8 607	9 908	4 723	72 972

Census 2001, 2011 and 2022

Table 3. Population by age

1.2.4 Households

The number of households within the municipal area is 13 066. The size of a household is about 5 people (as per Census 2011).

The table below indicates the growth of households:

Households	2021/22	2022/23	2023/24	2024/25
Number of households	13 013	13 014	13 066	13 066

Table 4. Total number of households

1.2.5 Demographic Information

a) Municipal Geographical Information

Towering mountains and rolling plains welcome you to the Beaufort West region. Beaufort West, the oldest and largest town in the Central Karoo, lies in an ancient area which once was a swamp, now a semi-desert area named “thirst land”, making it rich in history. This ancient area of the Karoo is considered one of the world’s most interesting arid zones and holds intrigue for scientist, historians and eco-tourists which is fondly referred to as place of the pioneers. In February 1837, BWM became South Africa’s first and therefore oldest municipality. It is the centre of an agricultural district based mainly on sheep farming and meat production. Strategically positioned on the N1 National Road, which links Cape Town with the interior and northern parts of South Africa, BWM maintains a minimal but steady amount of growth due to the high volume of passing road traffic.



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The nearby Karoo National Park is a national asset which aims to reclaim the original flora of the Karoo and is one of the chief tourist attractions in the region, boasting a wide variety of endemic wildlife. The municipal area covers approximately 16 330 km² with the town situated 851 meters above sea level between the Gamka and Kuils Rivers. The town lies just south of a ridge of hills and north of the Nuweveld Mountains in the Central Karoo where rocks date back some 230 million years. Not only was the first reptile fossil discovered in the area, but Beaufort West has been described as the world's richest collecting ground for fossils. The town's historic centre displays an electric mix of historical architecture that

makes a stop-over here essential.

Summer rains normally begin with light showers around October. Rain is very sporadic and mostly occurs in the form of thunderstorms. Snowfalls can occur as late as September and the first snowfalls reached ground level in 2011. Temperatures increase dramatically during November and remain high until February, reaching highs of between 38 and 48 degrees. The mid-winter months of June and July are cold and dry with temperatures falling well below zero.

In the year 2000, the smaller rural towns of Merweville and Nelspoort were incorporated into the BWM, and since June 2011 the town of Murraysburg has also been a DMA of the Municipality.

b) Wards

The Municipality is structured into the following 7 wards:

Ward	Areas
1	Murraysburg and Murraysburg rural areas
2	Nelspoort, Nelspoort rural, Noord Einde, part of Hillside, central town, part of rural areas of Beaufort West and part of Hospital Hill
3	Part of Rustdene, Essopville and Nieuvelde Park
4	Part of Kwa Mandlenkosi, De Lande, part of central town and southern part of Hospital Hill
5	Part of Kwa Mandlenkosi, part of Rustdene, Paddavlei, Hooyvlakte, New Lands and New Town
6	Part of Rustdene and Prince Valley
7	Part of rural Beaufort West, part of Hillside I and II, Toekomsrus, Merweville and rural parts of Merweville

Table 5. Municipal wards

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Below is a map that indicates the municipal area and wards:

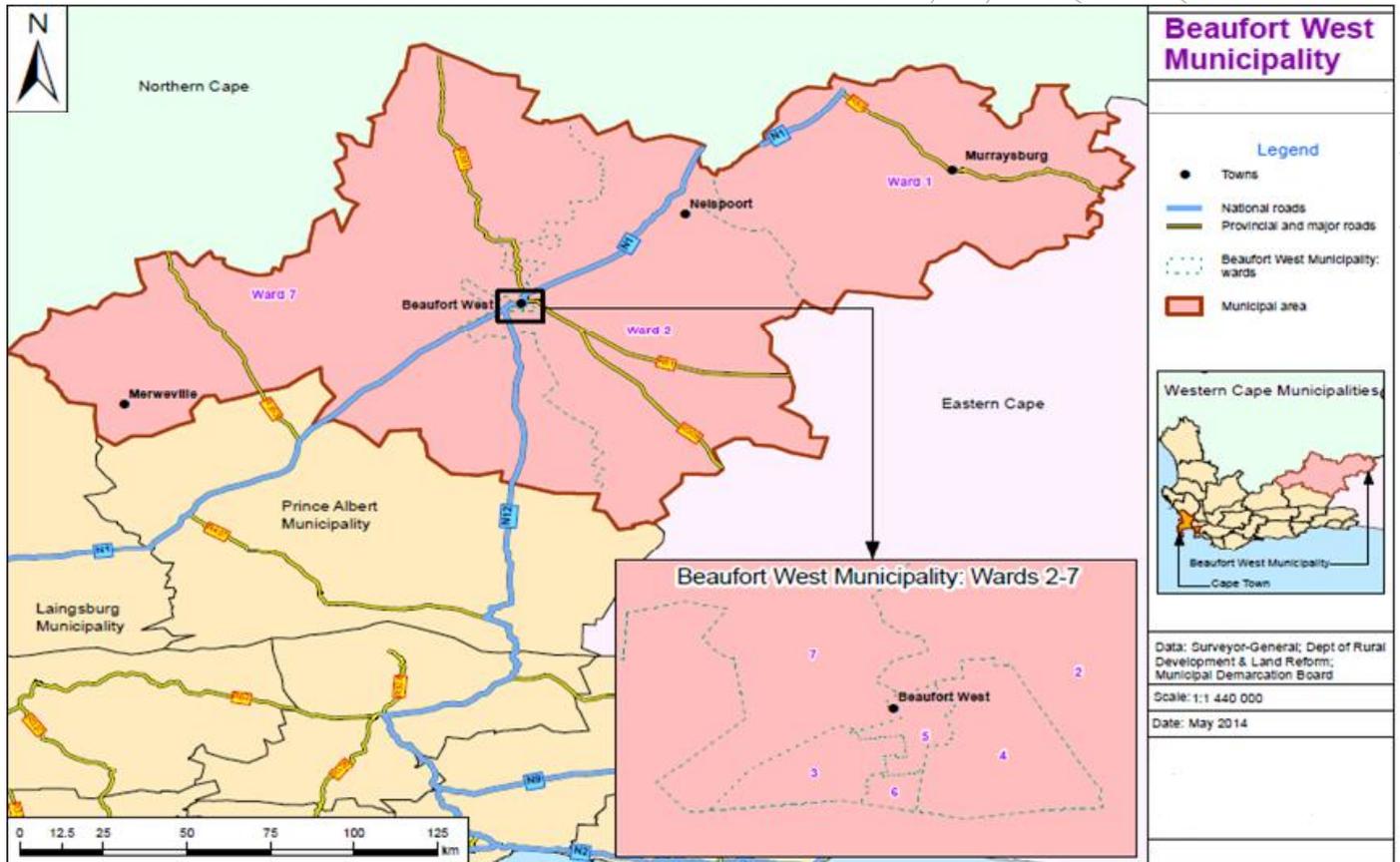


Figure 1.: Beaufort West municipal area and wards

Merweville

Merweville is a small town situated 160 km south-west of Beaufort West and 40 km from Prince Albert Road station. This Central Karoo town lies in a picturesque area of plains often linked to the Nevada Desert region of the United States. It was established around 1897 on the farm of Jacobus van der Bijl, a jack of many trades: farmer, shopkeeper, postmaster, magistrate and justice of the peace.



He built a church that was later used as a school. Merweville lies in the *koup*, which means "caul fat", and was so named by early indigenous inhabitants who felt that the patches of golden veld grass, interspersed by dark brown soil, resembled the fat and blood vessels surrounding a sheep's liver. The reason for this name is quite apparent at the onset of winter when the veld is less lush and the gold and brown patches become evident. Merweville maintains a great deal of the charm of earlier days and is an ideal spot to rest, relax and unwind from the pressures of modern-day city life.

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Murraysburg

Murraysburg, a typical old-world Great Karoo town that lies 160 km north-east of Beaufort West, became Ward 1 with the new demarcation and as a result became a DMA of the BWM, after it was previously a DMA of the Central Karoo District Municipality. Murraysburg, located at the foot of the Sneeuberg Mountains in a scenic mix of mountains and plains, offers tranquility for environmentalists and eco-watchers. In the late 18th century, a bloody and vicious war of revenge and retaliation raged for many years between the San and farmers. Farms were attacked, houses set alight and herdsmen murdered. Farmers went out on punitive missions and killed many of the San, who hunted the livestock of the farmers.



The region was very unsettled by stock theft, murders and reprisal expeditions against the San. At the beginning of the 19th century, the San began to move towards the Kalahari and eventually the farm *Eenzaamheid* was bought from Mr. Kootjie Burger where after the farm became the town of Murraysburg. It was a “church town”, meaning that the Dutch Reformed Church (DRC) exercised full control over the town and its inhabitants.

Below picture shows the beauty of Murraysburg during a snow filled winter season:

The new town was named after Reverend Andrew Murray, minister of the DRC in Graaff-Reinet. The “burg” derives from the Dutch word meaning “place of safety”.

Nelspoort

Nelspoort, situated 56 km north of Beaufort West, is a small community in the depths of the Central Karoo. The Bushmen and Khoi visited the surrounding heads and left their mark in rock engravings. Long since the Bushmen, the area became a haven for those with chest ailments.



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As early as 1836, Beaufort West's dour but well-loved Dr. John Christie appealed to people to "breathe" the air of the Nuweveld Mountains. White farmers later established their homes here and for a while the sanatorium brought peace and healing to much tuberculosis (TB) sufferers. Established in 1924 through the efforts of Dr. Alfred Jasper Anderson and John Garlick, a philanthropist, the Nelspoort area was identified as an ideal location for "the first chest hospital on the African continent." By 1969, the first psychiatric patients were admitted. The disastrous socio-economic effects of tuberculosis had decreased by then and the disease could be treated with drugs at home. The old magic mountain method of healing with good food and fresh air was a thing of the past and thus Nelspoort devoted itself to psychiatric patients, maintaining only one TB ward Today, both roles have declined.

c) Key economic activities

Agriculture forms the backbone of the Beaufort West economy and accounts for the largest labour to date. Despite the harsh climate and poor carrying capacity of the veldt, it still offers opportunities for growth and employment creation. The Municipality is dependent upon the following main economic activities:

Key economic activities	Description
Agriculture and agri-processing	Fresh meat (mutton, game, Karoo lamb, ostrich, goat, beef)
	Processed meat (biltong, cold meats, "droë wors")
	Fresh fruit and vegetables (figs, olives, apricots, grapes, herbs)
	Processed fruit and vegetables (chutney, dried figs, olives, jams)
	Animal bi-products (skins, hides, wool, mohair, milk)
	Processed animal bi-products (leather products, dairy products, wool and mohair products)
	Other (traps for problem animals – manufacturing and servicing)
Transportation	The transportation sector in the Central Karoo is one of the strongest contributors to the regional economy and completely dominated by Beaufort West, which contributes 86.4% of the total gross domestic product in this sector
Tourism	Wide-open spaces, magnificent landscapes, panoramas and the sense of solitude attractions
	Historic and cultural attractions

Table 6. Key economic activities

1.3 Service delivery overview

1.3.1 Highlights: Basic services delivery performance

The table below shows the Municipality's achievement with regards to service delivery:

Highlight	Description
Waste Management Fleet	1x front- end-loader and 1x tipper truck funded through MIG funding
Vaalkoppies Landfill Site Action Plan	A 3-year plan developed through support of MISA, approved and budget allocated as of the 2024/25 financial year.

Table 7. Basic services delivery highlights

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1.3.2 Challenges: Basic services delivery

The Municipality faced the following challenges during the year:

Service area	Challenges	Action to address
Water Services	Vandalism to borehole infrastructure	Funding applications submitted
Waste and Waste Water Networks	Lack of fencing around Beaufort West WWTW	
Electricity Services	Shortage of service vehicles	Acquire at least 2 cherry pickers
Waste Management	Poor waste awareness and educational programmes	Include awareness programmes annually on business plans funded by Department of Trade and Industry (DTI) and Department of Forestry, Fisheries and the Environment (DFFE) to appoint participants to conduct awareness programmes

Table 8. Basic services delivery challenges

1.3.3 Proportion of households with access to basic services

The table below indicates the Municipality's performance related to basic services provided:

Description	2023/24	2024/25
Water - minimum service level and above percentage	98%	99%
Sanitation - minimum service level and above percentage	96%	96%
Electricity - minimum service level and above percentage	100%	100%
Waste collection - minimum service level and above percentage	100%	100%

Table 9. Households with minimum level of basic services

1.4 Financial health overview

1.4.1 Highlights: Financial viability

The table below indicate the highlights faced during the financial year:

Highlight	Description
88% collection rate	The Municipality managed to reach 88% collection rate as at 30 June 2025, which is as per the Eskom Debt Relief
Eskom Municipal Debt Relief approved for an amount of R76 million	The Municipality received approval of R76 million for amounts owing to Eskom for bulk electricity purchases not paid for over the past decades. In the first year ending 30 June 2024, the Municipality received approximately R25 million write off the amount

Table 10. Financial viability highlights

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1.4.2 Challenge: Financial viability

The table below indicates the challenge faced during the financial year:

Challenge	Action to address
Lack of capacity within Department	Development of individual leaning plans, on the job training and evaluation of performance against set targets. Full financial system training based on business processes, duties and standard operating procedures (SOP's)
Unfunded budget	An impairment methodology and framework to be developed. The Municipality will also look into preparing a long-term financial plan

Table 11. Financial viability challenge

1.4.2 National Key Performance Indicators – Municipal financial viability and management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators (KPI) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Municipal Systems Act (MSA). These KPI's are linked to the National Key Performance Area (KPA) namely: Municipal financial viability and management.

KPA and Indicator	2023/24	2024/25
Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2025 $[(\text{Short Term Borrowing} + \text{Bank Overdraft} + \text{Short Term Lease} + \text{Long Term Borrowing} + \text{Long Term Lease}) / \text{Total Operating Revenue} - \text{Operating Conditional Grant}] \times 100]$	2%	1%
Financial viability measured in terms of the outstanding service debtors as at 30 June 2025 $[(\text{Total outstanding service debtors} / \text{revenue received for services}) \times 100]$	80.42%	73%
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2025 $(\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment} / \text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}$	0.42	0.36

Table 12. National KPI's for financial viability and management

1.4.3 National KPI - Good governance and public participation

The following table indicates the Municipality's performance in terms of the National KPI's required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This KPI is linked to the National KPA - Good governance and public participation.

KPA and Indicators	Municipal achievement	Municipal achievement
	2023/24	2024/25
The percentage of the municipal capital budget spent by 30 June 2025 $(\text{Actual amount spent} / \text{Total amount budgeted for capital projects}) \times 100]$	105%	93%

Table 13. National KPIs - Good governance and public participation performance

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY



1.4.4 Financial overview

The table below indicates the Municipality's financial overview for the financial year:

Details	Original budget	Adjustment budget	Actual
Income (R'000)			
Grants (transfer recognition)	129 113	137 791	127 047
Taxes, levies and tariffs (property and services)	237 617	241 931	219 714
Other (investments and own)	158 870	129 066	118 495
Sub total	525 600	508 788	465 256
Less expenditure	449 398	468 084	463 846
Net surplus/(deficit)	76 202	40 704	1 410

Table 14. Financial overview

1.4.5 Total capital expenditure

The table below indicates the Municipality's capital expenditure for the financial year:

Detail	2023/24	2024/25
	R'000	
Original budget	50 828	25 757
Adjustment budget	50 711	31 575
Actual	50 741	29 507
% Spent	100%	93%

Table 15. Total capital expenditure

1.5 Auditor-General report

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our Country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters

There can be 5 different outcomes to an audit, once the municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follows:

- A clean audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation

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- Unqualified audit with findings:** The financial statements are free from material misstatements but findings have been raised. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects
- Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated
- Adverse audit opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements
- Disclaimer of audit opinion:** Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in their financial statements and annual performance report/reporting information

BWM implemented MGRO as initiated by Provincial Treasury. MGRO is a Municipal Governance and Review Outlook plan to monitor the performance of municipalities within certain focus areas to ensure clean administration within the Western Cape.

1.5.1 Audited outcomes

The table below indicates the audit opinion received for the past financial years:

Year	2022/23	2023/24	2024/25
Opinion received	Qualified	Qualified	Unqualified with emphasis of matter

Table 16. Audit outcomes



Chapter 2

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

Component A: Political and Administrative Governance

2.1 Governance structure

2.1.1 Political governance structure

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

Council

The Council comprises of 13 elected Councillors made up from 7 Ward Councillors and 6 Proportional Representation (PR) Councillors. The portfolio committees are made up of Councillors drawn from all political parties.

Below is a table that categorise the Councillors within their specific political parties and wards for 2023/24 financial year:

Council members	Capacity	Political party	Ward representing or proportional	Number of meetings attended
G Duimpies	Executive Deputy Mayor	DA	Ward 3	7
J Reynolds	Executive Mayor	DA	Ward 2	11
A Slabbert	Fulltime Councillor	DA	Proportional	8
O Haarvoor	Fulltime Councillor	DA	Ward 1	11
S Essop	Councillor	Good	Proportional	8
G Pietersen	Councillor	PA	Proportional	7
L Piti	Councillor	ANC	Ward 5	10
E Links	Councillor	DA	Ward 6	11
S Jooste	Councillor	KDF	Proportional	10
Alderman JJ Van Der Linde	Speaker	DA	Proportional	11
S Meyers	MPAC [Chairperson]	DA	Proportional	9
C De Bruin	Councillor	ANC	Ward 4	8
L Mduumani	Councillor	ANC	Ward 7	6

Table 17. Council 2024/25

The table below indicates the Council meeting attendance for the 2024/25 financial year:

CHAPTER 2: GOOD GOVERNANCE



Meeting dates	Council meetings attendance	Apologies for non-attendance
Tuesday, 27 August 2024	13	0
Thursday, 26 September 2024	10	3
Tuesday, 29 October 2024	13	0
Tuesday, 25 November 2024	13	0
Monday, 10 December 2024	12	(1)
Tuesday, 28 January 2025	12	1
Tuesday, 27 February 2025	13	0
Continuation on Wednesday, 19 March 2025	10	2(1)
Monday, 31 March 2025	11	1(1)
Continuation on Monday, 7 April 2025	11	1(1)
Friday, 30 May 2025	11	2
Continuation on Wednesday, 11 June 2025	10	2
Monday, 30 June 2025	11	1 (1)

Table 18. Council meetings

b) Executive Mayoral Committee

The Executive Mayor is at the centre of the system of governance, since executive powers are vested in the Executive Mayor to manage the day-to-day affairs. This means that the Executive Mayor has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation.

Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 1 July 2024 to 30 June 2025:

Name of member	Capacity
J Reynolds (Resigned with immediate effect as the Executive Mayor on the 30 May 2025)	Executive Mayor
G Duimpies	Executive Deputy Mayor
A Slabbert (Fulltime position was terminated on the 30 May 2025)	Fulltime Councillor
O Haarvoor (Fulltime position was terminated on the 30 May 2025)	Fulltime Councillor

Table 19. Mayoral Committee members

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The table below indicates the dates of the Mayoral Committee meetings and the number of reports submitted to Council for the 2024/25 financial year:

Meeting date	Number of reports submitted to Council
1 July 2024	7
16 July 2024	
23 July 2024	
22 August 2024	
10 September 2024	
19 November 2024	
15 April 2025	

Table 20. Executive Mayoral Committee meetings

Due to resignation of the Executive Mayor on 30 May 2025 the Executive Mayoral Committee dissolve. A new Executive Mayoral Committee was appointed in August 2025.

c) Portfolio Committees

The MSA provides for the establishment of Section 79 and Section 80 Committees.

Section 79 Committees are Council committees, appointed by Council for a specific purpose and accounting to Council section 79 Committees must be composed to reflect the way in which parties and interest are reflected in Council.

Council has established the following Section 79 Committees:

- 🏛️ Financial and Development Committee
- 🏛️ Corporate Services and Social Development Committee
- 🏛️ Human Resource (HR) Development Committee
- 🏛️ Municipal Resource Development Committee

The portfolio committees and their chairpersons for the period 1 July 2024 to 30 June 2025 were as follows:

Chairperson	Other members	Number of minutes submitted to Council	Meeting dates
Financial and Development Committee			
J Reynolds	G Duimpies	3	18 September 2024 5 November 2024 18 February 2025
	Alderman JJ van der Linde		
	O Haarvoor		
	S Essop		
	G Pietersen		
	L Piti		
	S Jooste		
Corporate Services, Human Resource, Youth and Women			
AM Slabbert	S Essop	4	10 September 2024 15 October 2024
	E Links		

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Chairperson	Other members	Number of minutes submitted to Council	Meeting dates
	G Duimpies		3 February 2025 9 June 2025
	S Jooste		
	S Meyers (Seized to be a Councillor on 9 June 2025)		
	L Piti		
Community, Traffic, and Housing			
G Duimpies	S Meyers	3	17 September 2024 16 October 2024 17 February 2025
	L Mdudumani		
	S Essop		
	E Links		
	G Pietersen		
	S Jooste		
Engineering and Infrastructure Services Committee			
O Haarvoor	E Links	5	11 September 2024 15 October 2024 4 February 2025 22 April 2024 22 May 2025
	C De Bruin		
	O Haarvoor		
	A Slabbert		
	S Essop		
	S Jooste		
	Alderman JJ van der Linde		

Table 21. Portfolio Committees

d) Municipal Public Accounts Committee

The Municipal Public Accounts Committee (MPAC) is a committee of the Municipal Council, appointed in accordance with Section 80 of the Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of Council as delegated and to ensure good governance in the Municipality.

Name of representative	Departments / Sections / Council	Political Party	Meeting dates
S Meyers (Seized to be a Councillor on 9 June 2025)	Council	DA	19 September 2024 14 October 2024 27 November 2024 20 March 2025 19 May 2025
S Essop	Council	Good	
E Links	Council	DA	
L Mdudumani	Council	ANC	
G Pietersen	Council	PA	

Table 22. MPAC

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2.1.2 Administrative governance structure

The Municipal Manager is the accounting officer of the Municipality. He is the head of the administration and primarily must serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the management team, whose structure is outlined in the table below:

Name of official	Department	Performance agreement signed
		Yes/No
Mr A Makendlana	Director: Corporate Services	Yes
Mr L Nqotola	Director: Infrastructure Services	Yes
Mr B Jacobs	Director: Financial Services	Yes
Mr M Tshibo	Senior Manager: Community Services	No

Table 23. Administrative governance structure

Component B: Intergovernmental Relations

2.2 Intergovernmental relations

In terms of the Constitution of South Africa, all spheres of government and all organs of state must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest, coordinate their actions, adhere to agreed procedures and avoid legal proceedings against one another.

a) Intergovernmental structures

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

Name of structure	Members	Outcomes of engagements/topics discussed
Chief Audit Executives Forum	Internal Auditor	The objective of the forum is to enhance the MFMA; Internal Audit Framework; build capacity & relationships; promote sound financial governance
Chief Risk Officers Forum	Chief Risk Officer (CRO)	The objective of the forum is to enhance the MFMA; Risk Management Framework; build capacity & relationships; promote sound financial governance

Table 24. Intergovernmental structures

b) Joint projects and functions with sector departments

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



Component C: Public Accountability and Participation

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

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

2.3 Public meetings

The table below indicates the public meetings arranged and dates that it took place on:

Venue	Ward	Date
Murraysburg community hall	1	14 November 2024
Christian family centre church	3	21 November 2024
Pinkster eenheid church	6	28 November 2024

Table 25. Public meetings

2.4 Ward committees

Ward committees support the ward councillor who receives reports 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.

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2.4.1 Ward Committees

The tables below indicate each ward with their associated members and dates of meetings:

a) Ward 1: Murraysburg and Murraysburg rural areas

Name of representative	Capacity representing	Number of meetings held during the year
V Mlilwana	Block A	8 July 2024
A Wagner	Block A	7 August 2024
M Faster	Block B	9 September 2024
D Ngondo	Block B	7 October 2024
S Tshikolo	Block C	16 November 2024
G Zahela	Block C	2 December 2024
M Macpherson	Block D	1 January 2025
I Goeieman	Block D	5 February 2025
S Karolis	Block E	16 March 2025
J Sibhozo	Block E	9 April 2025
		6 May 2025
		2 June 2025

Table 26. Ward 1: Committee meetings

b) Ward 2: Nelspoort, Nelspoort Rural, Noord Einde, part of Hillside, central town, part of rural areas of Beaufort West and part of Hospital Hill

Name of representative	Capacity representing	Number of meetings held during the year
H Bezuidenhout	Block A	15 July 2024
A Jonas	Block A	21 August 2024
M Wettels	Block B	13 September 2024
Y Sauls	Block B	16 October 2024
E Snyman	Block C	15 November 2024
M Breda	Block C	8 December 2024
W Pienaar	Block D	17 January 2025
W de Bruyn	Block D	18 February 2025
J Lodewyk	Block E	12 March 2025
A Hugo	Block E	9 April 2025
		22 May 2025
		11 June 2025

Table 27. Ward 2: Committee meetings

c) Ward 3: Part of Rustdene, Essopville and Nieuveld Park

Name of representative	Capacity representing	Number of meetings held during the year
A Plaatjies	Block A	8 July 2024
J Jacobs	Block A	27 August 2024
E Jacobs	Block B	19 September 2024
A Sass	Block B	25 October 2024

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Name of representative	Capacity representing	Number of meetings held during the year
G Makok	Block C	16 November 2024
S Brown	Block C	December 2024
D Koopman	Block D	20 January 2025
B Snyman	Block D	21 February 2025
J Martins	Block E	26 March 2025
F Botha	Block E	24 April 2025
		23 May 2025
		24 June 2025

Table 28. Ward 3: Committee meetings

d) Ward 4: Part of Kwa Mandlenkosi, De Lande, part of central town and southern part of Hospital Hill

Name of representative	Capacity representing	Number of meetings held during the year
G Swanepoel	Block A	27 July 2024
J Stadler	Block A	22 August 2024
S Johnson	Block B	10 September 2024
A Swanepoel	Block B	24 October 2024
L Banda	Block C	16 November 2024
R Moletsane	Block C	10 December 2024
X Voorslag	Block D	20 January 2025
A Makendlana	Block D	21 February 2025
B Lenderts	Block E	21 March 2025
Y Simpson	Block E	20 April 2025
		21 May 2025
		12 June 2025

Table 29. Ward 4: Committee meetings

e) Ward 5: Part of Kwa Mandlenkosi, part of Rustdene, Paddavlei, Hooyvlakte, New Lands and New Town

Name of representative	Capacity representing	Number of meetings held during the year
S Dyson	Block A	22 July 2024
Vacant	Block A	19 August 2024
B Adonis	Block B	23 September 2024
E Stols	Block B	17 October 2024
R Adonis	Block C	16 November 2024
Vacant	Block D	11 December 2024
Vacant	Block D	20 January 2025
F Matunzi	Block E	19 February 2025
N Baba	Block E	17 March 2025
S Kelem	Block E	30 April 2025
		13 May 2025
		12 June 2025

Table 30. Ward 5: Committee meetings

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f) Ward 6: Part of Rustdene and Prince Valley

Name of representative	Capacity representing	Number of meetings held during the year
J Daniels	Block A	17 July 2024
K Edwards	Block A	21 August 2024
J Esau	Block B	19 September 2024
A Daniels	Block B	22 October 2024
M Molligan	Block C	16 November 2024
F Martin	Block C	11 December 2024
M Macdonald	Block D	14 January 2025
E Mosterd	Block D	20 February 2025
D van der Bergh	Block E	20 March 2025
Vacant	N/A	15 April 2025
		26 May 2025
		12 June 2025

Table 31. Ward 6: Committee meetings

g) Ward 7: Part of rural Beaufort West, part of Hillside I and II, Toekomsrus, Merweville and rural parts of Merweville

Name of representative	Capacity representing	Number of meetings held during the year
E Hough	Block A	10 July 2024
M Stevens	Block A	14 August 2024
D Klein	Block B	19 September 2024
A Rittles	Block B	15 October 2024
J Johannes	Block C	16 November 2024
J Bosman	Block D	12 December 2024
K Booyesen	Block D	15 January 2025
J Joachim	Block E	19 February 2025
D Abrahams	Block E	24 March 2025
L van Wyk	Block E	9 April 2025
		21 May 2025
		11 June 2025

Table 32. Ward 7: Committee meetings

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2.5 Functionality of Ward Committees

The purpose of a ward committee is:

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

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

The table below provides information on the ward committees and their functionality for the 2024/25 financial year:

Ward number	Committee established Yes / No	Number meetings held during the year	Committee functioning effectively (Yes / No)
Ward 1	Yes	12	Yes
Ward 2	Yes	12	Yes
Ward 3	Yes	12	Yes
Ward 4	Yes	12	Yes
Ward 5	Yes	12	Yes
Ward 6	Yes	12	Yes
Ward 7	Yes	12	Yes

Table 33. Functioning of ward committees

2.6 Representative forums

2.6.1 Labour Forum

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

Name of representative	Capacity	Meeting dates
L Piti	Councillor	23 September 2024 07 November 2024 19 February 2025 13 March 2025 24 April 2025 03 June 2025
S Essop	Councillor	
E Links	Councillor	
O Haarvoor	Councillor	
S Meyers	Councillor	
S Jooste	Councillor	
A Makendlana	Director Corporate Services	
D Welgemoed	Municipal Manager	
S Nkanyezi	SAMWU Shop steward	
H Maans	SAMWU Shop steward	
N Ikula	SAMWU Shop steward	



Name of representative	Capacity	Meeting dates
G Plaatjies	SAMWU Shop steward	
W Hugo	SAMWU Shop steward	
M Govender	IMATU Shop steward	
E Van der Horst	IMATU Shop steward	
C Lottering	IMATU Shop steward	

Table 34. Labour Forum

Component D: Corporate Governance

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

2.7 Risk management

To maintain an overall positive perception of the Municipality and confidence in the Municipality from the public and other stakeholders, well planned goals and objectives should be coordinated and achieved within the Municipality. Section 62(1) of the MFMA stipulates that the Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality. BWM has instituted a systematic and formalised process to identify, assess, manage and monitor risks which effectively ensures achievement of those planned goals and objectives. Thus, risk management is essentially a good governance measure instituted to ensure the municipality accomplish its vision, mission and strategic plans.

The Municipality has an approved Risk Management Policy, Framework and Implementation Plan as approved by Council on 23 January 2017 (resolution number 8.15 5/12/2/1). The policy is reviewed annually by the Risk Committee and submitted to the Municipal Manager for approval.

The risk management function is facilitated internally by the internal audit division and externally by a service provider to ensure the following functions are performed:

- Assisting management to develop and implement the Risk Management Policy, Strategy and Implementation Plan;
- Coordinating risk management activities;
- Facilitating identification and assessment of risks;
- Recommending risk responses to management; and
- Developing and disseminating risk reports.

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a) Risk assessment process

The risk assessment for the 2023/24 financial year was completed during February to March 2021 where risks were identified and categorised into the following groups:

-  Operational risks
-  Strategic risks

The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk has before taking controls into consideration). The risk rating is determined by a 10 X 10 risk matrix.

b) Top strategic risks

As part of the risk assessment, management identifies current controls, which mitigates the inherent risks identified. After considering controls, the identified risks will receive a residual risk.

After the residual risks have been determined it will be categorised again according to high, medium and low risks, where after management determines which of the risks require further actions to mitigate the impact it may have.

The top ten risks of the Municipality for the financial year were as follow:

Risk level	Risk	Directorate	Impact	Likelihood	Risk rating
High	Financial Feasibility in the long term	Strategic	5	5	25
High	Ageing and deteriorating infrastructure	Strategic	5	5	25
High	Occupational Health and Safety hazards	OHS	5	5	25
High	Non-compliance with laws and regulations (All applicable laws and regulations on all departments)	Strategic	5	5	25
High	Excessive overtime and standby	Strategic	5	5	25
High	New Financial system not supporting business processes resulting in inaccurate record of stock & reconciliation/reporting/Billing(Loss of income)	Strategic	5	5	25
High	Illegal Landfill site operated at Murraysburg (funding already acquired and new regional landfill site identified) and Merweville operating without an approved license.	Waste Management	5	5	25
High	Implementation of revised organigram hampered by budget limitations	HR: Recruitment & appointment	5	5	25
High	Inaccurate Financial Reports/ Incomplete Financial Data	Strategic	5	5	25
High	Excessive maintenance on old/redundant assets	Assets	5	5	25

Table 35. Strategic risks

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c) Organisational risk assessment

The table below reflects the annual risk assessments for the past two financial years, reflecting the change in the risk profile:

2023/24			2024/25		
Risk categories	Risks	% of all risk	Risk categories	Risks	% of all risks
High	61	20.27	High	62	20.46
Medium	158	52.49	Medium	160	52.81
Low	82	27.24	Low	81	26.73
Total	301	100	Total	303	100

Table 36. Risk profile

d) Risk Committee

The role of the Risk Committee is to provide timely and useful enterprise risk management reports to the Audit Committee of the Municipality. The reports contain the current top risks of the Municipality, which includes:

- Key strategic and financial risks facing the Municipality (all extreme and high-risk exposures)
- Key operational risks per strategic goal (top 5 risks per objective as per risk exposure from high to low)

The Risk Committee consists of the following members:

Name of Committee Member	Capacity	Meeting dates
Ms. R Naidoo	CRO	18 July 2024 23 October 2024 11 April 2025 9 May 2025
Mr. N Gabada - membership expired 31 December 2024	Chairperson	
Mr. A Makendlana	Member	
Mr. D Welgemoed – contract terminated 31 May 2025	Member	
Mr. N Nqotola	Member	
Mr. B Jacobs	Member	
Mr. M Tshibo	Member	
Mr. M Nhlengethwa – resigned 28 October 2024	Member	
Mr. M Adams– member appointed 2 January 2025	Chairperson	

Table 37. Members of the Risk Committee

2.8 Anti-corruption and anti-fraud

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



a) Developed strategies

Name of strategy	Developed Yes/No	Dates adopted
Integrity Management Framework	Yes	31 March 2025

Table 38. Strategies and response plan

2.9 Audit and Performance Audit Committee

a) Functions of the Audit Committee (AC)

The AC has the following main functions as prescribed in Section 166(2)(a-e) of the MFMA, and the Local Government Municipal and Performance Management Regulation:

- 🏠 To advise Council on all matters related to compliance and effective governance
- 🏠 To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, Division of Revenue Act (DoRA) and other applicable legislation
- 🏠 Respond to Council on any issues raised by the Auditor-General in the audit report
- 🏠 Carry out investigations into the financial affairs of the municipality as Council may request
- 🏠 Review the quarterly reports submitted by internal audit
- 🏠 Evaluate audit reports pertaining to financial, administrative and technical systems
- 🏠 Evaluate the compliance to existing policies and relevant legislation
- 🏠 Review the performance management system and make recommendations in this regard to Council
- 🏠 Assess whether the performance indicators are sufficient
- 🏠 Determine possible reasons for discrepancies between performance and targets
- 🏠 Identify major risks to which Council is exposed and determine the extent to which risks have been minimised
- 🏠 To review the annual report of the municipality
- 🏠 Investigating cases of fraud, misbehaviour and conflict of interest involving employees
- 🏠 Review the plans of internal audit and ensure that the plan addresses the high-risk areas and ensure that adequate resources are available
- 🏠 Review audit results and action plans implemented by management
- 🏠 Provide support to internal audit
- 🏠 Ensure that no restrictions or limitations are placed on internal audit

b) Functions of the Performance Audit Committee

The regulations require that the Performance Audit Committee (PAC) is comprised of a minimum of three members, the majority of whom are external (neither a Councillor nor an employee) of the municipality. Section 14(2)(b) of the Regulations further stipulates that the PAC must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the PAC who is neither a Councillor nor an employee of the municipality as the chairperson of the committee.

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Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a PAC. While the regulations preclude the appointment of a Councillor as chairperson of the PAC, the MFMA excludes the involvement of a Councillor in the composition of a PAC entirely.

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

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

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

In terms of Section 14(4)(a) of the Regulations the PAC has the responsibility to -

- 🏠 review the quarterly reports produced and submitted by the internal audit process;
- 🏠 review the municipality's performance management system and make recommendations in this regard to the Council of the municipality; and
- 🏠 at least twice during each financial year submit a performance audit report to the Council of the municipality.

c) Members of the PAC

The table below indicates the names of the members of the AC and PAC:

Name of representative	Capacity	Meeting dates
S Ngwevu	Chairperson	26 August 2024 26 September 2024 20 November 2024 18 March 2025 25 June 2025
W Phillips	Member	
N Gabada (membership expired 31 December 2024)	Member	
M Adams (member appointed 2 January 2025)	Member	
K Mckay	Member	

Table 39. Members of the AC and PAC

2.10 Internal audit

Section 165(2)(a) and (b)(iv) of the MFMA requires that the internal audit unit of a municipality prepare a risk-based audit plan and an internal audit program for each financial year; advise the accounting officer and report to the AC on the implementation on the internal audit plan and matters relating to:

- 🏠 internal audit;
- 🏠 internal controls;
- 🏠 accounting procedures and practices;
- 🏠 risk and risk management;
- 🏠 performance management;
- 🏠 loss control;

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- compliance with this Act, the annual Division of Revenue Act and any other applicable legislation, and
- perform other duties as may be assigned to it by the accounting officer.

The Municipality has an in-house internal audit function.

a) Annual audit plan

The table below provides detail on audits completed:

Description			Date completed
Phase 1			
Operational and Strategic Risk Assessment			January – February 2024
Phase 2			
Compilation of Risk Based Audit Plan			June 2025
Phase 3			
Type of audit engagement	Department	Detail	Date completed
Quarterly audit of Performance Management	Strategic	Quarterly audit of the Performance management system	5 December 2024 26 February 2025 20 May 2025 17 September 2025
Follow-up of previous Internal Audit Findings - Quarterly	Strategic	To ensure that that controls are implemented, reviewed and monitored by Management	Continuous
Combined Assurance Reports	Strategic	Progress on the control effectiveness of the mitigation of the top risks	October 2024 January 2025 April 2025 July 2025
Grants	Strategic	To ensure compliance with DoRA	21 July 2025
Audit action plan follow-up progress – Financial Recovery Plan (FRP)	Strategic	To provide assurance on the implementation of the audit action plan	1 April 2025 5 May 2025 2 June 2025 15 July 2025
Investigate non-payment for services by Councillors and administrative officials quarterly - FRP	Strategic	To provide some assurance whether processes and procedures were in place to verify that all the Councillors and Administrative officials billing accounts are not more than three months in arrears.	8 November 2024 31 March 2025 30 May 2025 10 September 2025
Year-end physical inventory count conducted on 28 June 2025	Finance	To provide some reassurance regarding the effectiveness and adequacy of internal controls at the annual inventory count as well as the accuracy and completeness of the final inventory count report.	14 August 2025

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Description			Date completed
Income Department: Cash management	Finance	To provide assurance on the cash management processes	29 August 2024
HR & Payroll sections: Excessive overtime and standby	Strategic	To provide assurance and compliance with legislative requirements of the overtime and standby	7 October 2024
SCM section: Request for RFQ processes	Finance	To provide assurance and compliance with legislative requirements to the SCM regulations	4 December 2024
Occupational Health and Safety processes	Strategic	To provide assurance and compliance with OHS legislative requirements	2 April 2025
IT General control review	ICT	To provide assurance with IT requirements	4 April 2025
Building control and Town planning processes	Strategic	To provide assurance and compliance with legislative requirements	12 June 2025

Table 40. Internal audit plan

2.11 By-laws and policies

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies.

No new by-laws were developed or reviewed during the 2024/25 financial year.

2.12 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community.

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

Communication activities	Yes/No
Communication Strategy	Yes
Communication Policy	Yes
Functional Complaint Management Systems	Yes

Table 41. Communication activities

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Additional communication channels utilised:

Channel	Yes/No	Number of people reached
SMS system	Yes	8 702 per month
Municipal Facebook page	Yes	9 100 followers
Municipal website	Yes	10 600
Door to Door (in partnership with Community Development Workers)	Yes	1 500 per month
Loud hailing	Yes	4 000 per month
Municipal email system	Yes	11 515 per month

Table 42. Additional communication channels

2.13 Website

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

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

Description of information and/or document	Yes/No and/or Date Published
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical and postal address of the Municipality	Yes
Financial information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Tabled Budget 2024/25	Yes
Adjusted Budget 2024/25	Yes
Asset Management Policy	No
Customer Care, Credit Control and Debt Collection Policy	Yes
Indigent Policy – Part of Credit Control Debt Collection Policy	Yes
Funds and Reserves Policy	Yes
Investment and Cash Management Policy	Yes
Rates Policy	Yes
SCM Policy	Yes
Tariff Policy	Yes
Virement Policy	No
Petty Cash Policy – Part of SCM Policy	Yes
Travel and Subsistence Policy	No
Long Term Financial Policy	Yes
Borrowing Policy	Yes
SDBIP 2024/25	Yes

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Description of information and/or document	Yes/No and/or Date Published
Budget and Treasury Office Structure	No
IDP and public participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2024/25	Yes
IDP Process Plan for 2024/25	Yes
SCM (Sections 14(2), 33, 37 and 75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes
Long-term borrowing contracts	Yes
SCM contracts above R 30 000	Yes
Service delivery agreements	Yes
Public invitations for formal price quotations	Yes
Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2023/24	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly reports	Yes
Monthly budget statement	Yes
LED (Section 26(c) of the MSA)	
LED Strategy	No
Economic profile	No
LED projects	No
Performance management (Section 75(1)(d) of the MFMA)	
Performance agreements for employees appointed as per S57 of MSA (Municipal Manager only)	Yes
Assurance functions (Sections 62(1), 165 and 166 of the MFMA)	
Internal Audit Charter	Yes
Audit Committee Charter	Yes
Risk Management Policy, Strategy and Implementation Plan	Yes

Table 43. Website checklist

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2.14 SCM

The SCM Policy of BWM is deemed to be fair, equitable, transparent, competitive and cost-effective as required by Section 217 of the Constitution.

2.14.1 Competitive bids in excess of R200 000

a) Bid committee meetings

The following table details the number of Bid Committee meetings held for the 2023/24 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
39	32	15

Table 44. Bid committee meetings

The members of the bid committees for the financial year were:

Bid Specifications Committee	Bid Evaluation Committee	Bid Adjudication Committee
S Pheiffers	W Plaatjies	S Madumbo
B Mitchell	S Madumbo	B Jacobs
D Le Roux	C Bowers	L Nqotola
J Abrahams	J Abrahams	B Koopman
M Lawrence	V Ruiters	M Tshibo
V Ruiters	A Halm	S Pothberg
W Plaatjies	B Mitchell	A Makendlana
B Motsoane	S Pheiffers	M Nhlengethwa
S Pothberg	L Swarts	K Gertse
C Bowers	B Damon	R Eland
S Madumbo	S Nombila	
C Wright	S Pothberg	
N Kotze	M Lawrence	
C De Koker	C De Koker	

Table 45. Members of bid committees

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b) Awards made by the Bid Adjudication Committee

The highest bids awarded by the Bid Adjudication Committee are as follows:

Bid number	Date of award	Title of bid	Successful bidder	Value of bid awarded (R)
30/2025	June 2025	Provision of Security Services	Sibakulu Trading	6 541 489.80
28/2025	June 2025	Support and Maintenance of Beaufort West Municipality's IT Equipment and systems for a 3 year period: 01 July 2025 - 30 June 2028 [Effective from 01 July 2025]	Uber Technologies	4 004 008.18
19/2025	May 2025	Distribution of Municipal Accounts for a contract period of Three (3) Years	PostNet	3 144 537.36

Table 46. Highest bids awarded by Bid Adjudication Committee

c) Awards made by the accounting officer

The following award was made by the accounting officer of the Municipality:

Bid number	Date bid was awarded	Title of bid	Successful bidder	Value of bid awarded (R)
30/2025	June 2025	Provision of Security Services	Sibakulu Trading	6 541 489.80
28/2025	June 2025	Support and Maintenance of Beaufort West Municipality's IT Equipment and systems for a 3 year period: 01 July 2025 - 30 June 2028 [Effective from 01 July 2025]	Uber Technologies	4 004 008.18
19/2025	May 2025	Distribution of Municipal Accounts for a contract period of Three (3) Years	PostNet	3 144 537.36

Table 47. Awards made by the Accounting Officer

d) Appeals lodged by aggrieved bidders

No appeals were received for the 2024/25 financial year.

2.14.3 Logistics management

The system of logistics management must ensure:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;

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- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores is coded and are listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. If special projects are being launched by departments, such information must be communicated timely to the stores section for them to order stock more than the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

The system of disposal management must ensure the following:

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise, as community value makes up for the lower market value
- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous
- Firearms are not sold or donated to any person or institution within or outside the republic unless approved by the National Conventional Arms Control Committee
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated
- In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment

Assets must be disposed of in terms of Council's Asset Management and Immoveable Property Management Policy.



2.15 Municipal Cost Containment Measures

2.15.1 Municipal Cost Containment Regulations (MCCR)

National Treasury first published the draft MCCR for public comment on 16 February 2018, with the closing date being 31 March 2018. Comments were received, from the Department of Cooperative Governance and Traditional Affairs, SALGA, municipalities and other stakeholders. After extensive consultation and consideration of all comments received, the MCCR were finalised and promulgated on 7 June 2019 in the Government Gazette, with the effective date being 1 July 2019.

2.15.2 Municipal Cost Containment Policy

The MCCR do not apply retrospectively, therefore will not impact on contracts concluded before 1 July 2019. If municipalities and municipal entities decided to extend current contracts, such contracts should have been aligned with the principles outlined in the MCCR and SCM regulations.

Regulation 4(1) of the MCCR requires municipalities and municipal entities to either develop or review their cost containment policies. The MCCR require municipalities to adopt the cost containment policies as part of their budget related policies prior to 30 September 2019. The Beaufort West Municipality adopted cost containment policies on 15 June 2021.

2.15.3 Cost containment measure and annual cost saving

The effective implementation of the MCCR is the responsibility of the municipal council and the municipal accounting officer. In terms of the cost containment framework provided in the MCCR, which is consistent with the provisions of the MFMA and other government pronouncements, the following cost savings for the financial year are disclosed:

Cost Containment			
Cost Containment Measure	Budget	Total Expenditure	Savings
	R'000	R'000	R'000
Use of consultants	14 052	11 855	2 197
Vehicles used for political office -bearers	0	0	0
Travel and subsistence	744	658	86
Domestic accommodation	743	322	421
Sponsorships, events and catering	148	134	14
Communication	2 668	2 523	145
Other related expenditure items			
- Overtime	4,614	4,718	(104)
- Standby	2,647	2,631	16
- Acting Allowance	1,816	1 887	(71)
- Furniture & Office Equipment	254	103	151
- Machinery and Equipment	735	616	119
Total	28 421	25 447	2 974

Table 48. Cost Containment Measure and Annual Cost Saving



CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2024/25 in terms of the deliverables achieved compared to the KPI's and objectives in the IDP. It includes an overview on achievement in 2024/25 when compared to actual performance in 2023/24.

3.1 Overview of performance within the organisation

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

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

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

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

The MSA, 2000 requires municipalities to establish a performance management system. Further, the MSA and the MFMA requires the IDP to be aligned to the municipal budget and to be monitored for the performance of the budget via the service delivery and the budget implementation plan (SDBIP).

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

The Municipality adopted a Performance Management Policy that was approved by Council on 25 June 2022.

3.1.1 Legislative requirements

In terms of Section 46(1)(a) of the MSA a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and

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the performance targets set by the Municipality for the following financial year and measures that were or are to be taken to improve performance.

3.1.2 Organisational performance

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

This report highlights the strategic performance in terms of the Municipality's Top Layer SDBIP per strategic objective and the National KPI's prescribed in terms of Section 43 of the MSA.

3.1.3 The performance system followed for 2023/24

a) The IDP and the budget

The IDP and the budget for 2024/25 was reviewed and approved by Council on 21 May 2024. The IDP and performance management processes are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

The SDBIP was prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on 4 June 2024.

3.1.4 Performance management

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- 🏰 The Top Layer SDBIP was approved by the Mayor on 4 June 2024 and the information was loaded on an electronic web-based system
- 🏰 The web-based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against KPI targets of every month for the previous month's performance
- 🏰 The performance system administrator reminded all departments on a monthly basis to update their actual performance on the web-based system

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3.2 Introduction to strategic and municipal performance for 2024/25

3.2.1 Strategic SDBIP

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

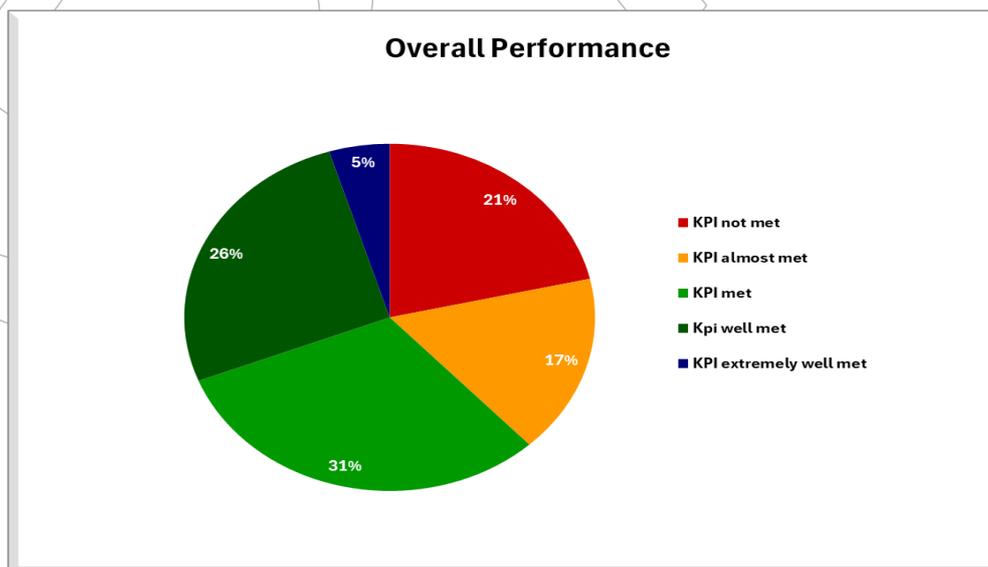
In the detail below the performance achieved is illustrated against the Top Layer SDBIP according to the IDP (strategic) objectives.

The following table explains the method by which the overall assessment of actual performance against targets set for the KPI’s of the SDBIP is measured:

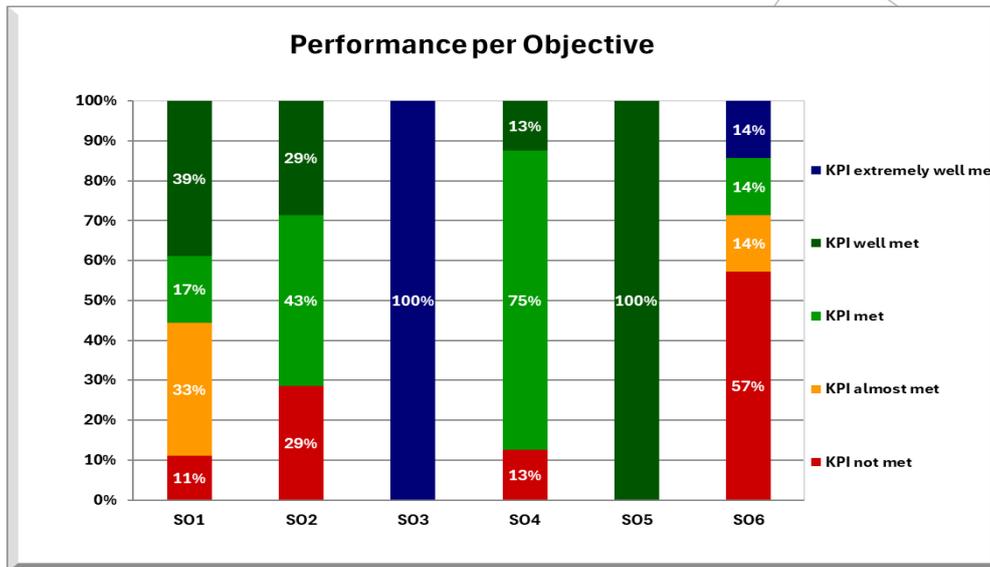
Category	Rating	Explanation
KPI Not Yet Measured	Not yet measured	KPI’s with no targets or actuals in the selected period
KPI Not Met	KPI Not Met	0% > = Actual/Target < 75%
KPI Almost Met	KPI Almost Met	75% > = Actual/Target < 100%
KPI Met	KPI Met	Actual/Target = 100%
KPI Well Met	KPI Well Met	100% > Actual/Target < 150%
KPI Extremely Well Met	KPI Extremely Well Met	Actual/Target > = 150%

Figure 2.: SDBIP measurement categories

The graph below displays the overall performance in terms of the Top Layer SDBIP per strategic objectives for 2024/25:



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Measurement Category	SO1: Provide, maintain and expand basic services to all people in the municipal area	SO2: Sustainable, safe and healthy environment	SO3: Promote broad-based growth and development	SO4: Maintain an ethical, accountable and transparent administration	SO5: Enabling a diverse and capacitated workforce	SO6: Uphold sound financial management principles and practices
KPI Not Met	2	2	0	1	0	4
KPI Almost Met	6	0	0	0	0	1
KPI Met	3	3	0	6	0	1
KPI Well Met	7	2	0	1	1	0
KPI Extremely Well Met	0	0	1	0	0	1
Total	18	7	1	8	1	7

Graph 1.: Overall performance per strategic objective

3.2.2 Detailed actual performance for 2024/25 KPI's per strategic objectives

a) SO1: Provide, maintain and expand basic services to all people in the municipal area

Ref	National KPA	KPI	Unit of measurement	Ward	Actual performance of 2023/24	Overall performance 2024/25							
						Target						Actual	
						Q1	Q2	Q3	Q4	Original Target	Revised Target		
TL5	Basic Service Delivery	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and	Number of residential properties which are billed for water or have pre-paid meters as at 30 June 2025	All	7 525	6 700	6 700	6 700	6 700	8 000	6 700	6 823	G 2

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Ref	National KPA	KPI	Unit of measurement	Ward	Actual performance of 2023/24	Overall performance 2024/25							
						Target						Actual	
						Q1	Q2	Q3	Q4	Original Target	Revised Target		
		which are billed for water or have pre-paid meters as at 30 June 2025											
TL6	Basic Service Delivery	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and which are billed for electricity or have pre-paid meters (Excluding Eskom areas) as at 30 June 2025	Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas) as at 30 June 2025	All	11 231	11350	11 350	11 350	11 350	11 350	11 350	10855	0
Corrective Measure			The Municipality conducted a meter audit to establish the status quo in order to ensure meeting the target level. The audit data was scrutinised and followed up, as the target level had been based on historical growth assumptions that did not materialise. It was discovered that meters remained linked to demolished properties (burned down etc.). Instead of reflecting corrective action in order to meet the target, this resulted in a net negative impact at the time. With meters being removed, the property was levied with availability fees.										
TL7	Basic Service Delivery	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2025	Number of residential properties which are billed for sewerage as at 30 June 2025	All	10 712	11600	11 600	11 600	11 600	11 900	11 600	11023	0
Corrective Measure			The Municipality conducted an audit to establish the status quo in order to ensure meeting the target level. The audit data was scrutinised and followed up, as the target level had been based on historical growth assumptions that did not materialise. It was discovered that services remained linked to demolished properties (burned down etc.). Instead of reflecting corrective action in order to meet the target, this resulted in a net negative impact at the time. With services being removed, the property was levied with availability fees.										

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Ref	National KPA	KPI	Unit of measurement	Ward	Actual performance of 2023/24	Overall performance 2024/25							
						Target						Actual	
						Q1	Q2	Q3	Q4	Original Target	Revised Target		
TL8	Basic Service Delivery	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2025	Number of residential properties which are billed for refuse removal as at 30 June 2025	All	10 814	11700	11 700	11 700	11 700	11 700	11 700	11380	0
Corrective Measure			The Municipality conducted an audit to establish the status quo in order to ensure meeting the target level. The audit data was scrutinised and followed up, as the target level had been based on historical growth assumptions that did not materialise. It was discovered that services remained linked to demolished properties (burned down etc.). Instead of reflecting corrective action in order to meet the target, this resulted in a net negative impact at the time. With services being removed, the property was levied with availability fees.										
*TL9	Basic Service Delivery	Provide free basic water to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2025	Number of active indigent households receiving free basic water as at 30 June 2025	All	3 094	4 500	4 500	4 500	4 500	4 500	4 500	3 533	0
Corrective Measure			The target excluded indigent households that did not have meters and therefore were not receiving the 6 kℓ free basic water benefit but were instead placed on the flat-rate indigent rebate. Because reporting is based on actual connections, the target was reasonably set on the assumption that the Smart Meter Grant and the Provincial Treasury (PT) Meter Project would have progressed significantly by year-end. Remedial actions taken at the time included measures to expedite both projects—such as the Council-approved communication strategy and door-to-door public participation to prevent further delays. However, due to funding delays, contractor availability, and other external factors beyond the municipality's control, the target could not be achieved.										
*TL10	Basic Service Delivery	Provide free basic electricity to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2025	Number of active indigent households receiving free basic electricity as at 30 June 2025	All	5 998	6 000	6 000	6 000	6 000	6 000	6 000	5 946	0
Corrective Measure			The Municipality achieved the target at 99.5%. The shortfall was addressed at the time by conducting additional indigent drives and community outreach initiatives to encourage all qualifying households to register. Pamphlets were printed and distributed, and further consultation took place with Council, including the workshop held on 24 March and presented by the National Treasury (NT) Municipal Finance Improvement Programme (MFIP) advisor and in attendance PT.										

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Ref	National KPA	KPI	Unit of measurement	Ward	Actual performance of 2023/24	Overall performance 2024/25						Actual		
						Target					Original Target			Revised Target
						Q1	Q2	Q3	Q4					
*TL11	Basic Service Delivery	Provide free basic sanitation to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2025	Number of active indigent households receiving free basic sanitation as at 30 June 2025	All	5 278	5 380	5 380	5 380	5 380	5 380	5 380	6 099	G 2	
*TL12	Basic Service Delivery	Provide free basic refuse removal to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2025	Number of active indigent households receiving free basic refuse removal as at 30 June 2025	All	5 389	5 380	5 380	5 380	5 380	5 380	5 380	6 094	G 2	
TL13	Basic Service Delivery	The percentage of the municipal capital budget spent by 30 June 2025 [(Actual amount spent /Total amount budgeted for capital projects)X100]	% of capital budget spent by 30 June 2025	All	105%	10%	40%	60%	95%	95%	95%	93%	O	
Corrective Measure		The improvements to the library resulted in a 7% underspending of the capital budget. Limited remedial action was possible at the time, as the procurement process had already been delayed due to insufficient planning. Nothing could be done to expedite expenditure within the legal framework. The municipality will need to strengthen project planning and improve the implementation of the procurement plan to prevent similar delays in future.												
TL23	Basic Service Delivery	Complete the upgrade of Kwa-Mandlenkosi Library by 30 June 2025 [(Actual expenditure divided by the total approved project budget)x100]	Upgrade completed by 30 June 2025	5		0	0	0	1	1	1	0	R	
Corrective Measure		The improvements to the library resulted in a 7% underspending of the capital budget. Limited remedial action was possible at the time, as the procurement process had already been delayed due to insufficient planning. Nothing could be done to expedite expenditure within the legal framework. The municipality will need to strengthen project planning and improve the implementation of the procurement plan to prevent similar delays in future.												

CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Ref	National KPA	KPI	Unit of measurement	Ward	Actual performance of 2023/24	Overall performance 2024/25							
						Target					Actual		
						Q1	Q2	Q3	Q4	Original Target		Revised Target	
TL27	Basic Service Delivery	95% of the project budget spent on the upgrade of vandalised boreholes in the Beaufort West Municipal Area by 30 June 2025	% project budget spent	All	New KPI for 2024/25. No audited comparative available	10%	40%	60%	95%	95%	95%	100%	G 2
TL28	Basic Service Delivery	95% of the project budget spent on the upgrade of telemetry system in the Beaufort West Municipal Area by 30 June 2025	% project budget spent	All	New KPI for 2024/25. No audited comparative available	10%	40%	60%	95%	95%	95%	100%	G 2
TL31	Basic Service Delivery	95% of the project budget spent on the Phase 6 Main Substation Beaufort West by 30 June 2025	% project budget spent	All	New KPI for 2024/25. No audited comparative available	10%	40%	60%	95%	95%	95%	100%	G 2
TL32	Basic Service Delivery	95% of the approved project budget spent on the supply and delivery of a Yellow Plant (Landfill Site) in Beaufort West by 30 June 2025 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2025	All	99%	10%	40%	60%	95%	95%	95%	100%	G 2
TL33	Basic Service Delivery	Review the Water Services Development Plan and submit to Council by 31 October 2024	Reviewed Water Services Development Plan submitted to Council by 31 October 2024	All	New KPI for 2024/25. No audited comparative available	0	1	0	0	1	1	1	G

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Ref	National KPA	KPI	Unit of measurement	Ward	Actual performance of 2023/24	Overall performance 2024/25								
						Target						Original Target	Revised Target	Actual
						Q1	Q2	Q3	Q4					
TL37	Basic Service Delivery	Submit a quarterly report on the Illegal Dumping Project (Department of Environmental Affairs) to Council	Number of reports submitted	All	0	1	1	1	1	1	1	1	G	
TL38	Good Governance and Public Participation	Review the Housing Pipeline Report to Council by 30 June 2025	Number of reports submitted	All	New KPI for 2024/25. No audited comparative available	0	0	0	1	1	1	1	G	
TL39	Basic Service Delivery	Draft the Waste By-Law and submit to Council for approval by 30 September 2024	Number of by-laws submitted for approval	All	0	0	1	0	0	1	1	0	R	
Corrective Measure			The Municipality lacked the internal capacity and resources to draft this by-law in compliance with all requirements. As part of the remedial actions taken, the Municipality requested assistance from the Department of Forestry, Fisheries and the Environment (DFFE), which agreed to support the development of the required by-law. Despite the Municipality taking action to complete the process timeously, delays arising from both internal and external processes resulted in the target level not being achieved by the reporting date.											

Table 49. SO1: Provide, maintain and expand basic services to all people in the municipal area

*The definition of indigent households refers to the definition prescribed in the Municipality's Indigent Policy and not the Credit Control and Debt Collection Policy as stated KPI description

b) SO2: Sustainable, safe and healthy environment

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2023/24	Overall performance 2024/25								
						Target						Original Target	Revised Target	Actual
						Q1	Q2	Q3	Q4					
TL26	Basic Service Delivery	95% of water samples in the Beaufort West jurisdiction area comply with SANS241 micro biological indicators	% of water samples compliant to SANS 241	All	95.75%	95%	95%	95%	95%	95%	95%	95%	100%	G2

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Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2023/24	Overall performance 2024/25							
						Target						Actual	
						Q1	Q2	Q3	Q4	Original Target	Revised Target		
TL29	Basic Service Delivery	95% of the approved project budget spent on the upgrade of sportsgrounds in Nelspoort by 30 June 2025 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2025	2	100%	10%	40%	60%	95%	95%	95%	100%	G2
TL36	Good Governance and Public Participation	Hold roadblocks in conjunction with the Provincial Traffic Department quarterly	Number of roadblocks held	All	0	1	1	1	1	4	4	4	G
TL41	Basic Service Delivery	Develop an Air Quality Management By-Law and submit to Council by 30 June 2025	Number of by-laws submitted	All	0	0	0	0	1	1	1	0	R
Corrective Measure			The DFFE provided the Municipality with two graduates which can assist the Department with these assignments										
TL43	Basic Service Delivery	Draft a Spaza Shop By-Law and submit to Council for approval by 30 June 2025	Number of by-laws submitted for approval	All	New KPI for 2024/25. No audited comparative available	0	0	0	1	1	1	1	G
TL44	Basic Service Delivery	Draft an Animal Impounding By-Law and submit to Council for approval by 30 June 2025	Number of by-laws submitted for approval	All	New KPI for 2024/25. No audited comparative available	0	0	0	1	1	1	1	G
TL45	Basic Service Delivery	95% of the approved project budget spent on the upgrade of netball courts in Murraysburg by 30 June 2025 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2025	All	New KPI for 2024/25. No audited comparative available	0%	0%	0%	95%	95%	95%	0%	R

CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2023/24	Overall performance 2024/25					
						Target					Actual
						Q1	Q2	Q3	Q4	Original Target	
Corrective Measure		Project was not approved									

Table 50. S02: Sustainable, safe and healthy environment

c) S03: Promote broad-based growth and development

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2023/24	Overall performance 2024/25							
						Target					Actual		
						Q1	Q2	Q3	Q4	Original Target		Revised Target	
TL25	Local Economic Development	Create temporary job opportunities in terms of the Extended Public Works Programme (EPWP) projects by 30 June 2025	Number of temporary jobs opportunities created by 30 June 2025	All	90	0	0	0	55	55	55	191	B

Table 51. S03: Promote broad-based growth and development

d) S04: Maintain an ethical, accountable and transparent administration

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2023/24	Overall performance 2024/25							
						Target					Actual		
						Q1	Q2	Q3	Q4	Original Target		Revised Target	
TL1	Good Governance and Public Participation	Compile the Risk based audit plan for 2025/26 and submit to Audit committee for consideration by 30 June 2025	Risk based audit plan submitted to Audit committee by 30 June 2025	All	1	0	0	0	1	1	1	1	G
TL2	Good Governance and Public Participation	70% of the Risk based audit plan for 2024/25 implemented by 30 June 2025 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and tasks identified in the RBAP) x 100]	% of the Risk Based Audit Plan implemented by 30 June 2025	All	70%	10%	25%	50%	70%	70%	70%	89.47%	G2

CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2023/24	Overall performance 2024/25							
						Target						Actual	
						Q1	Q2	Q3	Q4	Original Target	Revised Target		
TL3	Good Governance and Public Participation	Review the Integrated Development Plan 2022-2027 and submit to Council by 31 May 2025	Revised IDP submitted	All	1	0	0	0	1	1	1	0	G
TL4	Good Governance and Public Participation	Submit the Annual Performance Report to the Auditor-General by 31 August 2024	Annual Performance Report submitted	All	1	1	0	0	0	1	1	1	G
TL18	Municipal Transformation and Institutional Development	Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	All	1	0	0	0	1	1	1	1	G
TL19	Municipal Transformation and Institutional Development	0.5% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2025 [(Actual amount spent on training/total personnel budget) x100]	% of the municipality's personnel budget spent on implementing its workplace skills plan	All	0.50%	0%	0%	0%	0.50%	0.50%	0.50%	0.1%	R
Corrective Measure			Ring fence the training budget										
TL21	Municipal Transformation and Institutional Development	Submit the Portfolio of Evidence Policy to Council by 30 June 2025	Portfolio of Evidence Policy submitted to Council by 30 June 2025	All	0	0	0	0	1	1	1	1	G

CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2023/24	Overall performance 2024/25							
						Target						Actual	
						Q1	Q2	Q3	Q4	Original Target	Revised Target		
TL22	Municipal Transformation and Institutional Development	Establish the Municipal Moderation Committee by 30 June 2025	Municipal Moderation Committee established by 30 June 2025	All	0	0	0	0	1	1	1	1	G

Table 52. SO4: Maintain an ethical, accountable and transparent administration

e) SO5: Enabling a diverse and capacitated workforce

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2023/24	Overall performance 2024/25							
						Target						Actual	
						Q1	Q2	Q3	Q4	Original Target	Revised Target		
TL24	Municipal Transformation and Institutional Development	95% of the approved project budget spent on computer equipment by 30 June 2025 [(Actual expenditure divided by the total approved project budget)x100]	% of project budget spent	All	New KPI for 2024/25. No audited comparative available	0%	0%	0%	95%	95%	95%	100%	G2

Table 53. SO5: Enabling a diverse and capacitated workforce s

f) SO6: Uphold sound financial management principles and practices

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2023/24	Overall performance 2024/25							
						Target						Actual	
						Q1	Q2	Q3	Q4	Original Target	Revised Target		
TL14	Municipal Financial Viability and Management	Financial viability measured in terms of the municipality's ability to meet its service debt obligations at 30 June 2025 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	Debt to Revenue as at 30 June 2025	All	2%	0%	0%	0%	45%	45%	45%	1%	B

CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2023/24	Overall performance 2024/25							
						Target				Original Target	Revised Target	Actual	
						Q1	Q2	Q3	Q4				
TL15	Municipal Financial Viability and Management	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2025 [(Total outstanding service debtors/annual revenue received for services)x 100]	Service debtors to revenue as at 30 June 2025	All	80.42%	0%	0%	0%	35%	35%	35%	73%	R
Corrective Measure			Municipality under Financial Recovery Plan (FRP). National Treasury (NT) baseline set as 81,26%										
TL16	Municipal Financial Viability and Management	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2025 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Cost coverage as at 30 June 2025	All	0.42	0	0	0	1	1	1	0.36	R
Corrective Measure			Municipality under FRP										

CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2023/24	Overall performance 2024/25							
						Target				Original Target	Revised Target	Actual	
						Q1	Q2	Q3	Q4				
TL17	Municipal Financial Viability and Management	Achieve a payment percentage of 88% by 30 June 2025 [(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100]	Payment % achieved by 30 June 2025	All	81.76%	85%	85%	85%	88%	88%	88%	88%	G
TL20	Local Economic Development	Spend 100% of the library grant by 30 June 2025 (Actual expenditure divided by the total grant received)	% of grant spent by 30 June 2025	All	97%	0%	0%	0%	100%	100%	100%	97%	O
Corrective Measure			The problem with the Value-Added Tax (VAT) matter made it impossible for the Municipality to fill all vacant positions										
TL34	Municipal Financial Viability and Management	Limit unaccounted for water quarterly to less than 25% during 2024/25 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (including free basic water) / Number of Kilolitres Water Purchased or Purified x 100]	% unaccounted water	All	78.33%	0%	0%	0%	25%	25%	25%	76.42%	R
Corrective Measure			RT 29 tender and grant received for install of water meters										

CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2023/24	Overall performance 2024/25								
						Target				Original Target	Revised Target	Actual		
						Q1	Q2	Q3	Q4					
TL35	Municipal Financial Viability and Management	Limit unaccounted for electricity to less than 10% quarterly during the 2024/25 financial year [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased] × 100]	% unaccounted electricity	All	20.19%	0%	0%	0%	10%	10%	10%	10%	17.63%	R
Corrective Measure			Bypass of electricity meters are done. Implement penalties for electricity theft											

Table 54. SO6: Uphold sound financial management principles and practices

3.2.3 Adjustment SDBIP 2024/25

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

The following amendments/adjustments were made as per the Adjustment Budget of 26 February 2025:

Top Layer Reference Number	Reason for adjustment/ amendment
TL5	KPI target adjusted. Due to lack of new meters. Straight line connections, faulty meters.
TL7	KPI target adjusted. Target was set to high previously
TL9	KPI target adjusted. Due to lack of new meters. Straight line connections, faulty meters. Indigent target previously to high.
TL30	KPI removed. No budget approved to implement project in this current financial year
TL34; TL35	KPI moved from Infrastructure Services to Financial Services. The portfolio of evidence is obtained from Finance
TL38	KPI wording changed to bring in line with portfolio of evidence
TL40	KPI Removed. Resources are needed to appoint Professional Service Provider (PSP) to develop the Master Plan
TL41	KPI target changed to 30 June 2025
TL42	KPI removed. The issues of vacancies in the Unit needs to be resolved so that any strategy development can be implemented
TL43; TL44; TL45	New KPI's added

Table 55. SDBIP TL 2024/25 adjustments/amendments – 26 February 2025

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On 30 May 2025 Council approved another amended SDBIP.

The following amendments/adjustments were made as per the Adjustment Budget of 30 May 2025:

Top Layer Reference Number	Reason for adjustment/ amendment
TL46; TL47	New KPI's added. Budget allocation for projects

Table 56. SDBIP TL 2024/25 adjustments/amendments – 30 May 2025

3.2.4 Municipal functions

The municipal functional areas are as indicated below:

Municipal function	Municipal function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No



Municipal function	Municipal function Yes / No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 57. Municipal functions

3.3 Component A: Basic Services

3.3.1 Water Services

a) Introduction to Water Services

Beaufort West is dependent on three different water sources:

- Surface water (Gamka Dam, Springfontein Dam and Walker Dam)
- Boreholes (40 boreholes in 6 aquifers)
- Water Reclamation Plant (WRP)

The water sources mentioned above are used to adhere to the demand of the community. The demand is approximately 9 mega litres per day. This figure varies depending on the weather conditions. During summer the water consumption is much higher than during winter. The high summer consumption is balanced by abstracting water from the Gamka Dam, boreholes and water from the WRP. During winter, only boreholes and the WRP are used to adhere to the demand from the community. The water quality of Beaufort West, Nelspoort, Merweville and Murraysburg is of a good standard.

Water losses are reduced to the minimum from the source to sector meters.

b) Challenges: Water Services

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Vandalism to borehole infrastructure	Funding applications submitted
Lack of fencing around Beaufort West Water Treatment Works (WTW)	

Table 58. Water Services challenge

CHAPTER 3: SERVICE DELIVERY PERFORMANCE



c) Total use of water by sector

The table below indicates the total use of water per sector:

Total use of water by sector (cubic meters)				
Financial year	Agriculture	Forestry	Industrial	Domestic
2023/24	0	0	334 115	3 378 275
2024/25	0	0	452 810	4 075 291

Table 59. Total use of water by sector (cubic meters)

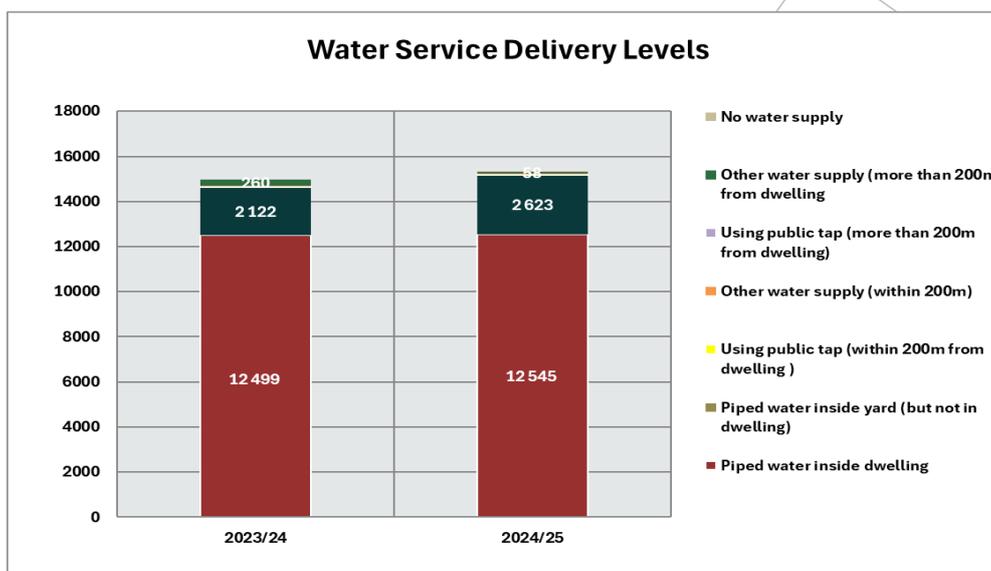
d) Water service delivery levels

The table below indicates the water service delivery levels:

Households		
Description	2023/24	2024/25
	Actual	Actual
	No.	No.
<i>Water: (above min level)</i>		
Piped water inside dwelling	12 499	12 545
Piped water inside yard (but not in dwelling)	2 122	2 623
Using public tap (within 200m from dwelling)	49	44
Other water supply (within 200m)	31	39
Minimum service level and above sub-total	14 701	15 251
Minimum service level and above percentage	98	99
<i>Water: (below min level)</i>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	260	58
No water supply	0	34
Below minimum service level sub-total	260	92
Below minimum service level percentage	2	1
Total number of households	14 961	15 343
Include informal settlements		

Table 60. Water service delivery levels

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Graph 2.: Water service delivery levels

e) Access to water

The table below indicates the number of households that have access to water:

Financial year	Number of households with access to water points*	Proportion of households with access to piped water	Number of households receiving 6 kl free#
2023/24	14 961	89.1%	6 866
2024/25	15 251	99%	3 747

* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute
6 000 litres of potable water supplied per formal connection per month

Table 61. Access to water

f) Employees: Water Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	1	1	1	0	0
Semi-skilled	7	7	5	2	28.57
Unskilled	13	13	11	2	15.38
Total	22	22	18	4	18.18

Table 62. Employees: Water Services

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g) Capital expenditure: Water Services

The table below indicates the capital expenditure incurred:

Capital projects	2024/25 (R'000)		
	Budget	Adjustment budget	Actual expenditure
Upgrade of Telemetry System	957	957	956
Upgrade of Vandalised Boreholes	1 217	1 217	1 217
Repairs to vandalized Switchgear for critical boreholes	0	87	79
Upgrade vandalized borehole - Hoenderplaas	0	652	652
Replacement of Bulk Meters	0	435	341
Total	2 174	3 348	3 245

Table 63. Capital Expenditure: Water Services

3.3.2 Water and Waste Water Networks

a) Introduction to Sanitation Services

The Municipality has four Waste Water Treatment Works (WWTW) that are situated in Beaufort West, Nelspoort, Merweville and Murraysburg. The WWTW of Nelspoort, Murraysburg and Merweville has recently been upgraded and are operating within the design capacity and the final effluent is of good quality.

The WWTW of Nelspoort, Merweville and Murraysburg are evaporation ponds.

Studies are being done on the Beaufort West WWTW as the biological trickle filter system has been de-commissioned and this increases the load on the activated sludge process.

The final effluent of the Beaufort West WWTW is reclaimed by the reclamation plant and treated to drinking water standards.

b) Challenge: Sanitation Services

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Vandalism to infrastructure Lack of fencing around Beaufort West WWTW	Funding applications and reports have been submitted

Table 64. Sanitation Services challenges

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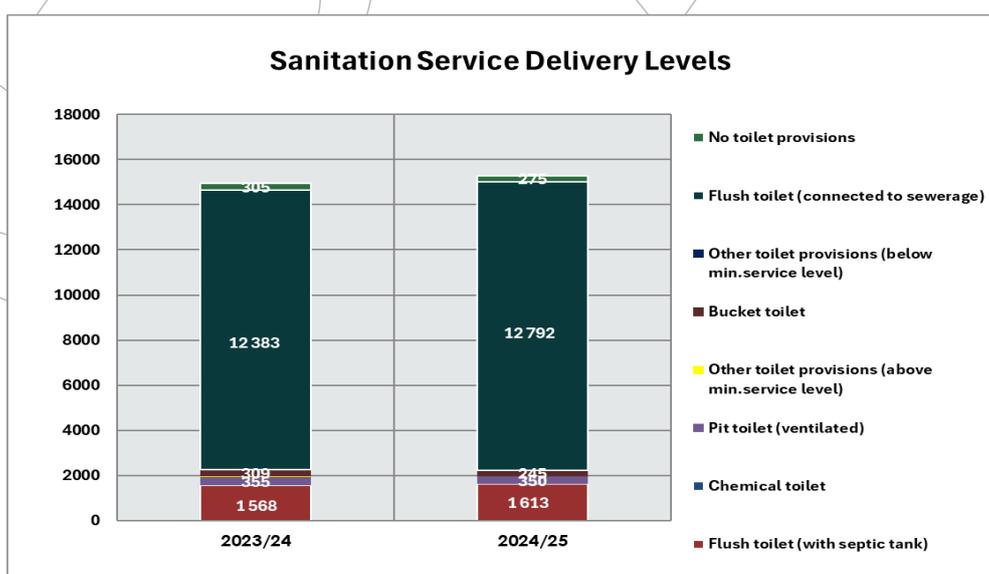


c) Sanitation service delivery levels

The table below indicates the service delivery levels for sanitation:

Households		
Description	2023/24	2024/25
	Actual	Actual
	No.	No.
<i>Sanitation/sewerage: (above minimum level)</i>		
Flush toilet (connected to sewerage)	12 383	12 792
Flush toilet (with septic tank)	1 568	1 613
Chemical toilet	0	0
Pit toilet (ventilated)	355	350
Other toilet provisions (above min.service level)	31	7
Minimum service level and above sub-total	14 337	14 762
Minimum service level and above percentage	96%	96%
<i>Sanitation/sewerage: (below minimum level)</i>		
Bucket toilet	309	245
Other toilet provisions (below min.service level)	0	0
No toilet provisions	305	275
Below Minimum Service Level sub-total	617	520
Below Minimum Service Level Percentage	4%	4%
Total households	14 951	15 282
Including informal settlements		

Table 65. Sanitation Service delivery levels



Graph 3.: Sanitation Service delivery levels

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d) Employees: Sanitation Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	1	1	1	0	0
Semi-skilled	1	1	1	0	0
Unskilled	11	13	11	2	15.38
Total	14	16	14	2	12.50

Table 66. Employees: Sanitation Services

3.3.3 Electricity Services

a) Introduction to Electricity Services

Local Government plays an important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

The distribution of electricity in Beaufort West started in 1919 when the railway supplied the Municipality with electricity. The cost was 4.5 pennies per unit. During 1924, the Municipality started building their own power station. On 1 November 1925, the power station was officially opened and ever since, electricity has grown to be a huge industry, supplying energy to businesses and the community. The department is licensed by the National Electricity Regulator (NER) to supply electricity within its approved area of supply. The department is responsible for the distribution and supply of electricity for Beaufort West, Nelspoort, Merweville and surrounding rural areas. Eskom is responsible for the distribution of electricity in Merweville and partially in Murraysburg.

The department takes supply from Eskom at 132 000 volts at Katjieskop substation and distributes 11 000 volts to the supply areas.

The electricity is sold to industrial, commercial and domestic customers. Approximately 31.89% of the electricity is sold to industrial and commercial customers, 38.24% to domestic customers, 6.85% to indigents, 3.21% for street lighting and 2.18% for own use. Energy losses during the financial year amounted to 17.63%.

There are no backlogs in the provision of service connections. Applications for connections are processed as they are received and the necessary connection fees collected. All electricity customers receive a full service but are differentiated in terms of connection size in relation to connection fees paid.

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I) SERVICE BACKLOGS

Due to the lack of financial resources over the past number of years, a backlog in repair and maintenance, as well as refurbishment and network expansion has increased. This backlog can only be addressed by sufficient capital investment into the electricity infrastructure, appointing all vacant positions and acquiring new service rendering vehicles and equipment.

II) INFRASTRUCTURE

Although the Municipality has been able to assist all applicants by providing electricity, the low level of investment in the upgrade, refurbishment and expansion of the electricity infrastructure has led to a situation that new developments can no longer be accommodated without major capital investment. It is therefore absolutely essential that the Municipality direct more of the surplus generated by the sale of electricity to the capital requirements of the electrical department. Currently, the Municipality is busy with upgrading of its primary substations in Beaufort West and this will be completed by the year 2026. This project was made possible with funding from Integrated National Electrification Programme (INEP).

b) Challenges: Electricity Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Shortage of Personnel	Fill budgeted vacancies
Shortage of service vehicles	Acquire at least 2 cherry pickers
Inadequate or no training for staff	Training for electrical staff must be prioritised

Table 67. Electricity Services challenges

c) Electricity service delivery levels

The table below indicates the service delivery levels for electricity:

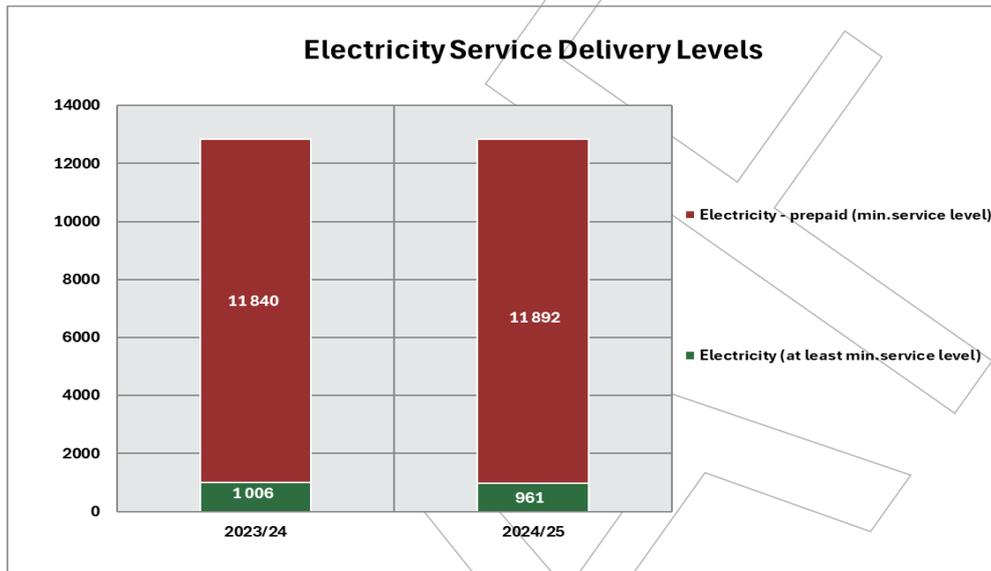
Description	Households	
	2023/24	2024/25
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity (at least min.service level)	1 006	961
Electricity - prepaid (min.service level)	11 840	11 892
Minimum service level and above sub-total	12 846	12 853
Minimum service level and above percentage	100	100
Energy: (below minimum level)		
Electricity (<min.service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
Below minimum service level sub-total	0	0

CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Households		
Description	2023/24	2024/25
	Actual	Actual
	No.	No.
Below minimum service level percentage	0	0
Total number of households	12 846	12 853

Table 68. Electricity Service delivery levels



Graph 4.: Electricity Service delivery levels

d) Employees: Electro-Technical Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technical, superintendents, etc.	2	2	2	0	0
Semi-skilled	5	6	5	1	16.67
Unskilled	14	15	12	3	20
Total	21	23	19	4	17.39

Table 69. Employees: Electricity Services

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e) Capital expenditure: Electricity Services

The table below indicates the capital expenditure incurred:

Capital projects	2024/25 (R'000)		
	Budget	Adjustment budget	Actual expenditure
48 km 22kV Murraysburg Overhead Power Line (Phase I) - Murraysburg	544	0	0
20MVA 22/11 kV Upgrading of Main Substation (Phase VI)	5,813	6,072	6,072
Beaufort West - New High Mast Lights : Various Areas Phase 3	123	123	0
Short Sub - Replace 500 kVA Transformer	0	382	0
Upgrade Line - Waterworks	0	261	0
Total	6 480	6 838	6 072

Table 70. Capital expenditure: Electricity Services

3.3.4 Waste Management (refuse collections, waste disposal, street cleaning and recycling)

a) Introduction: Waste Management

I) WASTE COLLECTION (DOMESTIC/GENERAL)

The Section provides a weekly door-to-door waste removal service to households and bi-weekly to some businesses. Domestic waste is removed on daily in Beaufort West including Murraysburg, Nelspoort and Merweville. Refuse is stored either in 85 litre refuse bins/ refuse bags or used containers.

II) STREET CLEANSING

The street cleansing programme focuses on removing litter, debris from streets, sidewalks, and other public areas, open spaces and emptying public litter bins. This programme is mostly implemented by permanent personnel in the Central Business District (CBD) area in Beaufort West daily and on public holidays. Other cleaning programmes funded by the Department of Transport and Infrastructure (EPWP), Department of Forestry Fishery and Environment (DFFE) and Community Working Programme (CWP) focus mostly in residential areas where there's no permanent employees allocated and according to complaints received from affected residents within the Beaufort West jurisdiction for the duration of the project.

III) INDUSTRIAL WASTE

Builder's rubble is removed by the community using their own transport or hire private transport from local companies. Municipality removes when dumped illegally on open spaces or upon request from households with costs involved.

IV) OTHER TYPE OF WASTE

Medical waste generated from hospitals, clinics, general practitioners and related Non-Governmental Organisations (NGO's) is collected by a private company. Organic waste in businesses especially in the CBD area in Beaufort West is collected by small farmers locally. The private company is responsible for spillage removal along the N1 national road transversing the Beaufort West area.

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V) LANDFILL SITE DISPOSAL SITES

The four waste management facilities within the Beaufort West municipal area are situated in:

-  Beaufort West - known as Vaalkoppies Landfill Site
-  Merweville – known as Merweville Landfill Site
-  Nelspoort – known as Nelspoort Landfill Site
-  Murraysburg – known as Murraysburg Landfill Site

All landfill sites are operational of which 3 has permits (Vaalkoppies, Merweville and Nelspoort) but Murraysburg licensed expired.

VI) WASTE MINIMISATION

Recycling programmes have not yet been formalised though recycling activities are done by waste pickers on all four (4) sites and streets in residential and business areas. Waste pickers collect and sell recyclables to private recycling facility in Beaufort West. Not much recycling activities occurs in the outside areas (Murraysburg, Nelspoort and Merweville) due to lack of storage and transportation. Currently, it is done mostly by waste pickers onsite and few residents have started with collection in residential and business areas. The recyclers from outside areas sell their recyclables to the nearby recycling depot (Beaufort West or Graff-Reinet and Prince Albert). The Municipality is in the process of engaging with all interested parties to support, in terms a formal agreement, storage and capacity building through the Department of Development and Planning.

VII) WASTE AWARENESS AND EDUCATION

Waste awareness and education is currently done quarterly through the distribution of pamphlets on social media and door to door. The target audience for these initiatives are schools and communities.

b) Highlights: Waste Management

The table below indicate the highlights during the financial year:

Highlights	Description
Waste Management Fleet	1x front- end-loader and 1x tipper truck funded through MIG funding
Vaalkoppies Landfill Site Action Plan	A 3-year plan developed through support of MISA, approved and budget allocated as of the 2024/25 financial year.

Table 71. Waste Management highlights

c) Challenges: Waste Management

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Lack of management and maintenance of landfill Sites (Murraysburg , Nelspoort and Merweville)	Appoint and deploy Expanded Public Work Programme (EPWP) workers at all 3 sites Transport waste fleet to the outside areas
Poor waste awareness and educational programmes	Include awareness programmes annually on business plans funded by Department of Trade and Industry (DTI) and Department of DFFE to appoint participants to conduct awareness programmes

Table 72. Waste Management challenges

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d) Waste Management service delivery levels

The table below indicates the service delivery levels for waste management:

Description	Households	
	2023/24	2024/25
	Actual	Actual
	No.	No.
Solid waste removal: (minimum level)		
Removed at least once a week	12 978	12 978
Minimum service level and above sub-total	12 978	12 978
Minimum service level and above percentage	100	100
Solid waste removal: (below minimum level)		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	12 978	12 978

Table 73. Waste Management service delivery levels



Graph 5.: Waste Management service delivery levels

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e) Integrated Waste Management Plan (IWMP)

1) INTEGRATED WASTE MANAGEMENT PLAN (IWMP) IMPLEMENTATION

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

Reporting on the Implementation of the Municipality's Integrated Waste Management Plan (IWMP): 2024/25									
IWMP Goal	Description of Activity for Implementation	Activity implementation score	Actions undertaken	If not implemented – indicate reasons	Planned budget (R)	Actual expenditure (R)	Person/s Responsible for Monitoring	Frequency of Monitoring	
Ensure the safe and proper disposal of waste	Upgrading of all landfill Sites i.e. Establishment of signage, weighbridge, admin offices, ablation facilities and fence repair	Yes	BWM and DFFE entered into a MOA for the upgrading of Vaalkoppies and Murraysburg landfill Sites and the mentioned assets which includes the construction of transfer station	N/A	Funding by DFFE	R17 000 000	V Ruiters	Daily	
Provide the effective and efficient delivery of waste services	Identify and compile map or schedule of serviced and unserved areas within the municipality	Partial	Included informal settlements and nearby farms on weekly collection schedule	N/A	N/A	N/A	V Ruiters	Daily	
Ensure sufficient resources to provide an effective waste management	Review of existing organogram of waste management personnel in terms the NEM:WAA	Yes	An Environmental Officer post included, though vacant and unfunded	Budget constraint	None	None	V Ruiters	Annually	
Promote waste minimisation, re-use, recycle and recovery	Establish Municipal Recycling Forum with stakeholders and hold quarterly forum meetings to co-ordinate waste minimisation in order to encourage growth on the recycling section and to discuss possible initiatives for, or by entrepreneurs	Partial	Engagement with local recycling groups and NGO's for giving support in terms of storage, capacity building, attending meetings (provincial), funding and develop forum	N/A	None	None	V Ruiters	Monthly	
Ensure the development of legislative tools to enforce the Waste Act and other applicable legislation	Update the by-laws to address the NEM:WAA requirements	Yes	Final draft 3rd IWMP to be approved by Council	N/A	DFFE appointed a service provider	None	V Ruiters	N/A	
Waste Information System to achieve waste management planning	Maintain Waste Information System (WIS)	Yes	Dedicated and trained personnel available on all 4 Sites for record keeping and report on IPWIS monthly	N/A	None	None	V Ruiters	Daily	
Ensure that people are aware of the impact of waste on their health, well-being and the environment.	Recruit environmental/waste education personnel	Yes	About 32 EPWP participants conducted environmental awareness programs in schools and CBD area	N/A	EPWP Grant Funding	R676 570	V Ruiters	Quarterly	
Total number of actual activities implemented		6	Actual budget expended on Implementing the IWMP			R17 676 570			

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Reporting on the Implementation of the Municipality's Integrated Waste Management Plan (IWMP): 2024/25								
IWMP Goal	Description of Activity for Implementation	Activity implementation score	Actions undertaken	If not implemented – indicate reasons	Planned budget (R)	Actual expenditure (R)	Person/s Responsible for Monitoring	Frequency of Monitoring
Total number of activities required to be implemented as per the IWMP		7						
Implementation Score		86%						

Table 74. IWPM implementation

II) MEASURES – WASTE SERVICES

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

Measures Taken to Secure the Efficient Delivery of Waste Management Services		
Description	Indicate (Yes/No)	Elaborate on Measures Undertaken/ Provide Reasons if not Undertaken
		2024/25
Establishment of additional waste management infrastructure	Yes	Construction of Transfer station in Murraysburg landfill Site through the agreement between DFFE and BWM
Upgrade of existing waste management infrastructure	Yes	Upgrading of Vaalkoppies Waste Disposal Facility (weighbridge, admin offices , ablution facilities and fence repair) through the agreement between DFFE and BWM
Addressing compliance issues at waste management facilities	Yes	Access control, reporting of waste quantities , personnel and required machinery on Site
Clean-up of illegal dumping	Yes	Monthly illegal dumping report submitted to Province monthly
Additional equipment procured	Yes	Purchase of front-end loader and tipper truck
Additional vehicles procured	No	Compactor
Additional waste management or collection staff employed	Yes	3 x Supervisor / Truck Drivers
Staff training undertaken	Yes	3x operator, IPWIS and handling and storage of waste
Improved waste collection route planning	Yes	Normal refuse collection and emergency weekly program (public holidays and when refuse trucks in repairs, weekly program extended to weekends)
Use of technology	No	N/A
Other measures undertaken e.g. funding applications, shared services, secondments etc.	Yes	MIG funds (Application for Waste Management Yellow Fleet)

Table 75. Measures – Waste Management Services

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III) COMPLIANCE WITH WASTE MANAGEMENT STANDARDS

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

Compliance with Waste Management Standards			
Applicable Standard (e.g. <i>National Domestic Waste Collection Standards , 2013</i>)	2024/25		
	Compliance with Standard (Yes/No)	Provide Detail on Compliance/Non-Compliance	Measures Undertaken to Secure Compliance with Standard
Standard A Norms and Standards for Storage of Waste, 2013.	No	N/A	In terms of recycling BWM rely on private companies
Standard B Norms and Standards for Extraction, Flaring or recovery of Landfill Gas, 2013.	No	N/A	In terms of recycling BWM rely on private companies
Standard C Norms and Standards for the Sorting, Shredding, Grinding, Crushing, Screening or Bailing of General Waste, 2017.	No	N/A	In terms of recycling BWM rely on private companies
Standard D Norms and Standards for Organic Waste Composting, 2020.	No	N/A	In terms of recycling BWM rely on private companies
Standard E Norms and Standards for the treatment of Organic Waste 2022.	No	N/A	In terms of recycling BWM rely on private companies

Table 76. Employees: Waste Management

e) Employees: Waste and Facility Management (Street Cleaning/Sanitation, Vacuum Services, Landfill Site & Refuse Removal)

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
		Number			
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	13	13	13	0	0
Semi-skilled	8	8	4	4	50
Unskilled	29	30	27	3	10
Total	51	52	45	7	13.46

Table 77. Employees: Waste Management

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f) Employees: Waste, Environment and Facility Management (Administrative Support, EPWP Administrations & Projects, Parks & Gardens, Cemeteries, Pound, Halls, Stadiums & Swimming Pools)

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	10	10	10	0	0
Semi-skilled	4	4	4	0	0
Unskilled	24	24	23	1	4.16
Total	39	39	38	1	2.56

Table 78. Employees: Waste, Environment and Facilities Management

g) Capital expenditure: Waste Management

The table below indicates the capital expenditure incurred:

Capital projects	2024/25 (R'000)		
	Budget	Adjustment budget	Actual expenditure
Landfill site: Supply and Delivery of Yellow Plant - Beaufort West	10 451	10 629	10 629
Fence - Landfill Site	0	304	189
Total	10 451	10 933	10 818

Table 79. Capital expenditure: Waste Management

3.3.5 Employees: Basic Services: Merweville, Murraysburg and Nelspoort (excluding Library Services of the 3 towns)

The table below indicates the number of staff employed within the unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total Budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technical, superintendents, etc.	8	8	6	2	25



Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total Budgeted posts)
	Number				
Semi-skilled	8	9	9	0	0
Unskilled	31	31	29	2	6.45
Total	47	48	44	4	8.33

Table 80. Employees: Basic Services: Merweville, Murraysburg and Nelspoort

3.3.6 Housing

a) Introduction to housing

Being encouraged by the Housing Act 107 of 1997, our Municipality strives to establish and maintain habitable, stable and sustainable public and private residential environment to ensure viable households and communities in areas allowing convenient access to economic, health, educational and social opportunities.

The scale of the housing problem confronting the Central Karoo is actual. The number of units delivered has lessened in comparison with the growing demand for low-cost housing. This result in the increasing demand backlogs and a disturbing degree of quality.

Planners need to understand the scope of problems and the benefits related to strategic, conceptual and implementation alternatives. Alternative strategies must thus be sought which address issues regarding the quantity and quality of housing delivered. The need for improved approaches is thus clear.

I) HOUSING NEED

The need for an inclusive approach which considers community participation and stakeholder engagement, whilst considering the wide scale of impact related to housing development is recognised. Our Municipality recognise the following programmes as clarified by need with the income group categories:

- 🏠 Integrated Residential Development Programme (IRDP): R0 – R3 500 per month
- 🏠 Consolidation Housing Project: R0 – R3 500 per month
- 🏠 Military Veteran Housing (MV): R0 – R10 417 per month
- 🏠 Social Housing (Nelspoort Nurses Home) R 1 501 – R15 000 per month
- 🏠 Finance Linked Individual Subsidy Programme (FLISP) and GAP Housing R3 501 – R22 000 per month

II) EXISTING UNITS

Given the strategic decision to focus first on IRDP and GAP housing, these housing needs can be summarized as follows:

IRDP Subsidy	6 939 - units according to recent estimates of the housing demand data base (Includes towns Beaufort West, Murraysburg, Merweville and Nelspoort)
GAP	587 - potential applicants have registered on our data system

Table 81. Housing needs

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b) Prioritised IRDP housing sites

The prioritised IRDP housing site figures for the financial year is indicated in the table below:

Site	Units
Subsidy: Priority 1	
3 284	360
Subsidy Priority 2	
S7	624

Table 82. Prioritised housing sites

c) GAP housing sites

The table below indicates the GAP housing sites of the Municipality and the number of units built:

Site	Property	Units
GAP: Priority 1		
2 851	G2	67
1 946	G1	120
Rem Farm 185	G3	1 134

Table 83. GAP housing sites

d) Highlight: Housing

The table below indicates the highlight achieved during the financial year:

Description	Actions to address
The submission of planning documents for G1 project successful	These planning documents ensures the successful packaging of the Human Settlements Projects
The submission of planning documents for G2 project successful	
The submission of planning documents for G3 project successful	

Table 84. Housing: highlight

e) Challenge: Housing

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Lack of capacity and discontinuation of budget instead of filing vacant posts	Filing budgeted vacant post
Appointment of turnkey service provider	The service provider plays a critical role in ensuring successful packaging and implementation of housing projects. The absence thereof has detrimental effect on all aspects of Human Settlement Projects. The Municipality has since requested the intervention of the Provincial Government to assist with the rolling out of projects

Table 85. Housing: challenge

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f) Households with access to basic housing

The table below indicates the statistics of households with access to basic housing:

Number of households with access to basic housing			
Financial Year	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2023/24	13 066	13 014	99.60%
2024/25	13 066	13 019	99.60%

Table 86. Households with access to basic housing

g) Housing waiting list

The following table shows the increase in the number of people on the housing waiting list.

Financial Year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2023/24	7 248	4.42%
2024/25	7 526	3.80%

Table 87. Housing waiting list

h) Housing allocation

A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2023/24	0	0	0	0	0
2024/25	0	0	0	0	0

Table 88. Houses built in 2024/25

i) Employees: Human Settlements and Land Affairs

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technical, superintendents, etc.	1	1	1	0	0
Semi-skilled	1	2	1	1	50
Unskilled	1	1	1	0	0

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Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Total	3	4	3	1	25

Table 89. Employees: Human Settlements and Land Affairs

3.3.7 Free basic services and indigent support

a) Introduction

The Municipality is one of the first municipalities in the country to implement free basic services to its indigent households. A debtor is considered indigent if the total monthly household income equals two times the amount of state funded social pensions or less (currently R3 380 per month). All indigent households receive 6kl water and 50kWh electricity free each month. Furthermore, an indigent debtor also receives a subsidy on refuse removal and sewerage, depending on the household income.

All indigents have to renew their applications annually in order to qualify for the benefits.

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the Municipality, all households earning less than R3 380 per month will receive the free basic services as prescribed by the national policy.

b) Households: Free basic services

The tables below indicate the number of households that received free basic services in the 2022/23 and 2023/24 financial years:

Financial Year	Number of households								
	Total no of HH	Free basic electricity		Free basic water		Free basic sanitation		Free basic refuse removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2023/24	11 350	5 998	52	3 921	35	5 278	46	5 389	47
2024/25	11 375	5 968	52	6 146	54	6 102	54	6 098	54

Table 90. Free basic services: Number of households

Financial Year	Electricity								
	Indigent households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000
2023/24	5 998	50	7 054	5 233	3.1758	46 520	83	50	655 649
2024/25	5 968	50	9 229	5 407	3.5315	45 765	602	50	656 843

Table 91. Free basic services: Electricity

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Water						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value	No. of HH	Unit per HH (kl)	Value
			R'000			R'000
2023/24	3 921	6	8 871	7 429	27.00	10 034
2024/25	6 146	6	11 871	5 229	28.62	14 566

Table 92. Free basic services: Water

Sanitation						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2023/24	5 278	147.34	8 788	6 072	147.34	19 136
2024/25	6 103	156.18	10 155	5 260	156.18	19 771

Table 93. Free basic services: Sanitation

Refuse removal						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2023/24	5 389	1	5 710	5 961	93.10	10 787
2024/25	6 099	1	6 824	5 276	99.75	11 036

Table 94. Free basic services: Refuse removal

3.4 Component B: Road Transport

This component includes Roads, Transport, and Waste Water (Stormwater Drainage).

3.4.1 Roads

a) Introduction to Roads

The Municipality does pothole repairs, while contractors undertake the construction of new paved roads. These projects are done according to the Expanded Public Works Programme (EPWP) standards to create job opportunities.

All road construction is done by a main contractor and a nominated sub-contractor who is responsible for the labour. The main contractor trains the sub-contractor in all aspects of safety and construction.

The general maintenance of tarred and gravel roads was delayed due to budget constraints and unreliable machinery.

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b) Highlight: Roads

The following table indicate the highlight of the financial year:

Highlight	Description
Continuous roads pothole repair programme	Repairing potholes continuously in all towns
Road reseal programme	The reseal of 6km road with slurry mix
Spending of operational budget	Original allocation spent in second of financial year

Table 95. Roads highlight

c) Challenges: Roads

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Limited budget for resealing	Apply for more budget funding
Unreliable/ broken machines	Repair or hire short term machinery
Issue Personal Protective Equipment (PPE)	Issue PPE on time as required

Table 96. Roads challenges

d) Gravel roads infrastructure: Kilometres

The table below indicates the amount of gravel roads constructed, maintained and upgraded during the financial year:

Gravel roads infrastructure: Kilometres				
Financial year	Total km's gravel roads	New gravel roads constructed	Gravel roads upgraded to paved	Gravel roads graded/maintained (km)
2023/24	55.14	0	0.160	32
2024/25				

Table 97. Gravel road infrastructure

e) Tarred road infrastructure: Kilometres

The table below indicates the number of tarred/paved roads constructed, maintained and upgraded during the financial year:

Tarred/paved road infrastructure: Kilometres					
Financial year	Total tarred/paved roads	New paved roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar/paved roads maintained
2023/24	110.700	0.160	0	0	85
2024/25					

Table 98. Tarred road infrastructure

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f) Cost of maintenance and construction of roads

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

Financial year	New and replacements	Resealed	Maintained
	R'000		
2023/24 (Main roads)	3 448	0	0
2024/25 (Other roads)			
2023/24 (Main roads)	0	0	0
2024/25 (Other roads)			

The cost for maintenance includes stormwater

Table 99. Cost of maintenance and construction of roads

g) Employees: Roads and Stormwater

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, Superintendents, etc.	10	10	9	1	10
Semi-skilled	0	0	0	0	0
Unskilled	39	39	29	10	25.64
Total	50	50	39	11	22

Table 100. Employees: Roads and stormwater

h) Capital expenditure: Roads and Stormwater

The table below indicates the capital expenditure incurred:

Capital projects	2024/25 (R'000)		
	Budget	Adjustment budget	Actual expenditure
Upgrade Gravel Roads : Blankenweg - Hillside	0	426	426
Total	0	426	426

Table 101. Capital expenditure: Roads and Stormwater

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3.4.2 Waste Water (Stormwater Drainage)

a) Introduction to Waste Water (Stormwater Drainage)

Maintenance of the waste water/stormwater drainage systems are done by a work team in the Roads & Stormwater Section and also temporary Expanded Public Works Programme (EPWP) employees as well as external managed Community Work Programme (CWP) Teams:

The project involves the following:

- maintenance and cleaning of inlets, channels, culverts and earth drains
- construction of minor stormwater systems/structures

b) Highlights: Waste water (stormwater drainage)

The following table indicates the highlight of the financial year:

Highlight	Description
Maintenance of critical plant	TLB & Tipper truck, Tractor
No major flooding damages	This financial year saw localised flooding in Murraysburg and Beaufort West take place
Opening of earth channel	Maintaining stormwater systems
Opening of stormwater inlets & manholes	

Table 102. Waste water (stormwater drainage) highlight

c) Challenges: Waste water (stormwater drainage)

The tables below reflect the challenges experienced during the financial year:

Description	Actions to address
Limited budget for operational work	Apply for more budget allocation
Broken machinery	Repair or hire short term machinery
Murraysburg flooding	Upgrade and maintain flood systems
Climate change effect causing more abnormal rain seasons, and flooding. Old stormwater systems outdated/ insufficient	Apply for funding to complete full stormwater master planning with implementation actions

Table 103. Waste water (stormwater drainage) challenges

d) Stormwater infrastructure: kilometres

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

Stormwater infrastructure: Kilometres				
Financial year	Total stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2023/24	Master plan outdated	0.06	3	110
2024/25	Master plan outdated	0	0	80

Table 104. Stormwater infrastructure

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e) Cost of stormwater infrastructure

The table below indicates the amount of money spend on stormwater maintenance:

Financial year	Stormwater measures		
	New	Upgraded	Maintained
2023/24	Upgrading of Pieter Street stormwater – R1 615 935	0	Part of Roads budget
2024/25	0	0	Part of Roads budget

Table 105. Cost of construction/maintenance of stormwater systems

EPWP funds were made available to create jobs through stormwater maintenance. Material was purchased with savings from the operational and maintenance budget.

Personnel appointed for these projects are categorized as the following:

Description	Female	Male	Youth
Data capturer	0	0	0
Supervisor	0	0	0
Labourers	3	11	14

Table 106. Appointments for EPWP stormwater maintenance

3.5 Component C: Planning and LED

3.5.1 Planning and Building Control

a) Introduction to Planning and Building Control

Due to the growing beneficiary list for subsidised housing, planning for residential areas to accommodate the IRDP and GAP Housing was performed by a Turn Key contractor. The aforementioned planning was done in conjunction with the officials of the Municipality.

b) Highlights: Planning and Building Control

The following table indicates the highlights of the financial year:

Highlights	Description
Spatial Planning and Land Use Management Act (SPLUMA) applications	Spaza shop applications
	Renewable energy structure on farm portions
	Encroachment of boundary lines

Table 107. Planning and building control highlights

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c) Challenge: Planning and Building Control

The table below indicates the challenges faced during the financial year:

Description	Actions to address
The Municipality does not have a registered Town Planner	Fill vacant positions
The Municipality does not have Building Inspectors	
The Municipality does not have a registered GIS Operator	Apply to add post on organogram

Table 108. Planning and building control challenge

d) Service statistics: Planning and Building Control

The table below indicates the performance statistics for planning and building control:

Type of service	2023/24	2024/25
Building plans application processed	83	72
Total surface (m ²)	6 159.77	11 217.30
Approximate value (Rand)	279 372.04	277 121.00
Residential extensions	79	52
Land use applications processed	16	6
Rural applications	0	0

Table 109. Service statistics: Planning and building control

e) Employees: Planning and Building Control

The table below indicates the number of staff employed within the unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technical, superintendents, etc.	1	1	1	0	0
Semi-skilled	0	0	0	0	0
Unskilled	0	0	0	0	0
Total	1	1	1	0	0

Table 110. Employees: Planning and building control

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f) Capital expenditure: Planning and development

The table below indicates the capital expenditure incurred:

Capital projects	2024/25 (R'000)		
	Budget	Adjustment budget	Actual expenditure
Machinery and Equipment	0	300	616
Total	0	300	616

Table 111. Capital expenditure: Planning and development

3.5.2 Local Economic Development (including market places)

a) Introduction to LED

As part of its local government mandate, the Beaufort West Local Municipality has embarked on a process to develop a new LED Strategy for the Beaufort West municipal area. The aim of this process is to provide the Beaufort West Local Municipality, the private sector and the local community the opportunity to develop a planning guide that promotes economic growth, facilitates job creation and addresses poverty within the area.

The purpose of the Local Economic Development Strategy (LEDS) is to interrogate available economic information in an integrated and coordinated manner to identify opportunities that can broaden the economic base of the Beaufort West municipal area. These opportunities are then packaged into an implementation framework which sets out guidelines as to how existing economic potential can be utilised to generate positive spin-offs for the local economy.

The LED Strategy was subsequently approved and adopted by council on 27 August 2024.

b) Private sector projects on LED

The Municipality currently have no private sector projects on LED.

c) Mobilisation of private sector resources

Development proposals were requested through an open bidding process during the 2023/24 financial year for the development of the following:

Private Hospital, Hub and Airport

- No progress has been made with the project that were intended for the 2023/24 financial year
- As a result, no projects were implemented in 2024/25 financial year

The Municipality was involved in some inter-sectoral job creation opportunities during the 2024/25 financial year, including the Expanded Public Works Programme (EPWP) and the Community Work Programme (CWP). Details of the programmes/projects are reflected below.

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EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The main funder of the EPWP is the National Department of Public Works; and the CWP is funded by the National Department of Cooperative Governance, which also hires the implementing agent to facilitate the programme within the Western Cape.

The consistent reporting with regards to the work opportunities created across all sectors on the EPWP. The EPWP work opportunities are consistently presented on the municipal annual report which forms part of the IDP public participation process. The project implementation status-quo is always reflected on the annual reports.

EPWP Budget allocations as well as the number of work opportunities for the 2022/23, 2023/24 and 2024/25 financial year are reflected below:

Financial Year	Budget Allocation	Expenditure
2022/23	R1 136 000	R1 005 915
2023/24	R1 372 000	R1 288 725
2024/25	R1 226 000	R1 226 000

Table 112. EPWP budget allocations

Financial Year	Project Name	Work Opportunities
2022/23	IG COVID-19 Screening and Support Services	11
	IG Road and Storm water Maintenance	11
	IG Waste Management Project	10
	IG Clearing of Invasive Alien Plants	21
	IG Administration Support	5
2023/24	IG Road and Stormwater Maintenance	11
	IG Waste Management Project	10
	IG Clearing of Invasive Alien Plants	19
	IG Administration Support	3
2024/25	IG Road and storm water	11
	IG waste	31

Table 113. EPWP work opportunities

d) Community Works Programme (CWP)

The Community Works Programme is an intervention that was adopted by national government to afford the unemployed of working age the opportunity to do a community beneficial job, while also giving the participants the opportunity to improve their chances of getting a long-term full-time job through skills development.

e) Public Employment Creation Programme: Department Local Government

The use of Public Employment Programmes is to increase the labour intensity of programmes which tackles problems of unemployment. Which highlights the following objectives of the programme:

- 🏠 Employment without compromising quality of assets

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- 🏠 Basic income security without compromising conditions of work
- 🏠 Multi-sectoral Investments without compromising human capital investment

f) LED and Tourism Strategy

The Municipality still does not have a dedicated LED and Tourism Official. The vacancy could not be filled due to financial constraints.

The final Draft LED Strategy was developed with the support of the Municipal Infrastructure Support Agent (MISA). Due to unforeseen circumstances, this could not be achieved by 30 June 2024. The Strategy was ultimately approved on the 27 August 2024 by Council

Some of the projects that are included in the LED Strategy are the following:

- 🏠 development of a business hub;
- 🏠 reserve and identification of land for business purposes;
- 🏠 subdivision of agricultural land and provision of industrial land;
- 🏠 rezoning of road infrastructure (conversion of streets in CBD to one ways); and
- 🏠 utilisation of the farm Lemoenfontein for renewable energy.

f) Challenges: LED

The table below indicates the challenges faced during the financial year:

Description	Actions to address
The absence of a champion to lead LED remains a major problem due to financial constraints.	An official must be appointed to focus on LED and Tourism

Table 114. LED challenges

3.5.2 Tourism

a) Introduction to Tourism

The primary purpose of the Tourism Office is to actively introduce and market the tourism experiences and services of the municipal area within its frontier, throughout the Western Cape, the country as a whole and in foreign countries, where possible.

It is important to coordinate the marketing actions of local government, private sector and other institutions within the area, to optimally utilise the tourism potential. At the same time, it is important to continually expand new tourism experiences and enhance current activities and experiences.

Tourism directly employs 362 full time positions and 48 casual employees in the town of Beaufort West alone. This does not include the knock-on effect from tourism suppliers and related industries, nor the surrounding small towns and farm stays.

It must be noted that the tourism office has been closed and no tourism information is really escalated to the municipality. The municipality does not have a dedicated person and a budget to deal with tourism.



b) Tourism initiatives

Initiative	Proposals
Tourism transformation	Integrated tourism routes, tourism conservancy adjacent to park, Beaufort West Empowerment Through Tourism (BWETT), upgrading of arts and crafts centre to serve as a hub for township tourism
Cycle tourism	Development of self-guided cycle routes throughout the area, linking smaller towns. Cycling is a proven tourism catalyst and builds new tourism initiatives
Self-drive routes	Development of self-drive routes throughout the area, linking the smaller towns in the area and highlighting the rich culture and heritage of our wonderful region. With small budgets these can be created
Astro tourism	The area has excellent opportunities for astro tourism. Funding for training and development of astro tourism should be allocated
Dine with a local	This is an initiative that has a proven success in both Stellenbosch and George. Have 4 cultural food experiences showcasing Beaufort West's diverse cultural heritage by having group visitors enjoy a meal with a local
Nelspoort rock engravings complex	Nelspoort has an incredible array of rock engravings on a farm belonging to Beaufort West Municipality. It is suggested that a small part of this farm should be set aside so that these engravings can be showcased in an appropriate manner, thus creating a tourism experience which would benefit the local community of Nelspoort

Table 115. Tourism initiatives

3.6 Component D: Community and Social Services

3.6.1 Libraries

a) Introduction to Libraries

Beaufort West Municipality has six libraries which are based in the following towns:

-  Beaufort West (3 libraries);
-  Merweville (1 library);
-  Murraysburg (1 library); and
-  Nelspoort (1 library).

Beaufort West libraries provide library and information services which are free, equitable and accessible. Libraries also promote a culture of reading, library usage and lifelong learning. Beaufort West libraries also provide free access to the internet, Wi-Fi and Mzantsi Libraries Online. The Municipality is also continuing with the Mini Libraries for the Blind Project at Church Street Library.

The Libraries provide other services such as magazines, books on brail for the blind, CD'S, DVD'S and audio books.

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b) Highlights: Libraries

The table below indicates the highlights of the financial year:

Highlight	Description
Upgrading of Kwa-Mandlenkosi Library	The library has been upgraded and now it boasts children section, study area, computer room and a foyer for library display

Table 116. Libraries highlights

c) Challenge: Libraries

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Value-Added Tax (VAT) issue	Municipalities are expected to sign the Executive Assignment in order to avoid paying VAT for the conditional grant. But so far, most of the Western Cape Municipalities has not sign the Executive assignment

Table 117. Libraries challenge

d) Service statistics for libraries

The table below indicates the service statistics for library services:

Type of service	2023/24	2024/25
Library members	19 200	18 400
Books circulated	24 200	32 000
Exhibitions held	90	120
Internet users	23 200	40 000
New library service points or wheelie wagons	0	0
Visits by school groups	18	28

Table 118. Service statistics for libraries

e) Employees: Libraries (including Murraysburg, Merweville & Nelspoort

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	5	6	6	0	0

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Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Semi-skilled	10	10	10	0	0
Unskilled	9	11	10	1	9.09
Total	25	28	27	1	3.57

Table 119. Employees: Libraries

f) Capital expenditure: Libraries

The table below indicates the capital expenditure incurred:

Capital projects	2024/25 (R'000)		
	Budget	Adjustment budget	Actual expenditure
Kwa-Mandlenkosi Library Upgrade	1 304	1 304	910
Furniture and Office Equipment	0	105	27
Total	1 304	1 409	937

Table 120. Capital expenditure: Libraries

3.6.2 Cemeteries

a) Introduction to Cemeteries

There are currently enough burial grounds in Beaufort West but new cemeteries will have to be developed in Murraysburg.

b) Highlight: Cemeteries

The table below indicates the highlight of the financial year:

Highlight	Description
Murraysburg: Extension of Existing Cemetery and Planning for New Cemetery funding secured	Started with the planning and statutory approvals of the expansion

Table 121. Cemeteries highlight

c) Challenge: Cemeteries

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Funding for capacity study for Nelspoort and Merweville	Apply for funding

Table 122. Cemeteries challenge

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d) Service statistics: Cemeteries

The table below indicates the performance statistics for Cemeteries:

Type of service	2023/24	2024/25
Pauper burials	48	12
Total	48	12

Table 123. Capital expenditure: Cemeteries

e) Capital expenditure: Cemeteries

The table below indicates the capital expenditure incurred:

Capital projects	2024/25 (R'000)		
	Budget	Adjustment budget	Actual expenditure
Murraysburg: Cemetery: Expansion of Cemetery Site	0	132	131
Total	0	132	131

Table 124. Capital expenditure: Cemeteries

3.7 Component E: Security and Safety

3.7.1 Traffic Services and Law Enforcement Services

a) Introduction to Traffic and Law Enforcement Services

Traffic Law Enforcement is responsible for road safety and by-law enforcement. The Office also renders the following services and functions:

- Vehicle testing for roadworthiness
- Driving License Testing Centre
- Motor Vehicle Registration
- Court and prosecutorial function

b) Highlights: Traffic and Law Enforcement Services

The following table indicates the highlights of the financial year:

Highlight	Description
New computerised learner licence equipment	Learner licence test conducted on tablet and longer from books. Results immediately available on the Electronic National Administration Traffic Information System (eNaTIS)
New equipment for vehicle testing station	Wheel Play Detector, Control Unit and Scuff Gauge installed to comply with legal requirements

Table 125. Traffic and Law Enforcement Services highlights

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c) Challenge: Traffic Services and Law Enforcement

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Staff vacancies crippling service delivery of Section	Advertise budgeted vacant posts

Table 126. Traffic and Law Enforcement Services challenge

d) Service statistics for Traffic and Law Enforcement Services

The table below indicates performance statistics for Traffic and Law Enforcement Services:

Details	2023/24	2024/25
Motor vehicle licenses processed	69 216	13 253
Learner driver licenses processed	9 640	1 099
Driver licenses processed	468	480
Driver licenses issued	1 719	1 533
Fines issued for traffic offenses	94 674	71 602
R-value of fines collected	18 209 540	12 551 350
Roadblocks held	104	183
Complaints attended to by Traffic Officers	0	5
Awareness initiatives on public safety	0	2

Table 127. Service statistics for Traffic and Law Enforcement Services

e) Employees: Traffic Services and Law Enforcement

The table below indicates the number of staff employed within the Unit:

Occupational Level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
		Number			
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	14	16	13	3	18.75
Semi-skilled	8	8	7	1	12.50
Unskilled	1	1	1	0	0
Total	24	26	22	4	15.38

Table 128. Employees: Traffic and Law Enforcement Services

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3.7.2 Fire and Disaster Management Services

a) Introduction to Fire and Disaster Management Services

The Fire and Disaster Management Services play a critical role in safeguarding lives, properties and the environment from the devastating impact of fires, disasters and emergencies. Our dedicated team of professionals works tirelessly to prevent, prepare for, and respond to a wide range of incidents, from residential fires to large-scale disasters. Through proactive risk reduction strategies, emergency planning and swift response, we strive to minimize harm, to protect our community and promote resilience in the face of adversity.

b) Highlights: Fire and Disaster Management Services

The following table indicate the highlights of the financial year:

Highlight	Description
New bunker gears per fire fighter	Protection enhancement against various hazards, and boosting confidence
Incident attended to with minimal damage	The reported incident was attended to with great success and limited damage to property. There was no loss of life during the reporting period

Table 129. Fire and Disaster Management Services highlights

c) Challenges: Fire and Disaster Management Services

The table below indicate the challenges faced during the financial year:

Description	Actions to address
Shortage of stuff	All vacant positions to be filled
Insufficient fire engines/ fleet capacity	The municipality must strive within its limited resources to capacitate the unit with the necessary machinery

Table 130. Fire and Disaster Management Services challenges

d) Service statistics for Fire and Disaster Management Services

The table below indicates performance statistics of fire services and disaster management services:

Details	2023/24	2024/25
Operational callouts	146	59
Reservists and volunteers trained	1	0
Awareness initiatives on fire safety	4	10

Table 131. Service statistics for Fire and Disaster Management Services

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e) Employees: Fire and Disaster Management Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technical, superintendents, etc.	1	1	1	0	0
Semi-skilled	12	12	11	1	8.33
Unskilled	0	0	0	0	0
Total	13	13	12	1	7.69

Table 132. Employees: Fire and Disaster Management Services

3.8 Component F: Sport and Recreation

3.8.1 Sport and Recreation

The community loves sport, but the main challenge is to raise enough funds to develop the different sport fields as only 15% of the Municipal Infrastructure Grant (MIG) funds are available for this purpose.

a) Highlight: Sport and Recreation

The following table indicate the highlight of the financial year:

Highlight	Description
Upgrading of Nelspoort Soccer / Rugby Field and Facilities: Phase 1: Area C	Project completed
Beaufort West: Rustdene: Upgrading of Netball and Tennis Court Phase 1	Funding secured
Upgrading of Murraysburg Netball Facility	Funding received from DCAS
Upgrading of Murraysburg Sport Facility: Phase 1	Application submitted for Municipal Infrastructure Grant (MIG) ringfenced

Table 133. Sport and Recreation highlight

b) Challenges: Sport and Recreation

Challenges	Actions to address
Could not procure contractors for the upgrading of Murraysburg Netball Facility. Rollover application submitted	Once rollover is approved, alternative procurement will be used
Vandalism on newly completed projects, security fencing on Rustdene sportsground were removed/ stolen.	Insurance claims need to be registered and security fencing need to be replaced

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Challenges	Actions to address
Non-functional irrigation pumpstation and irrigation systems on all sports facilities	Construction of new Beaufort West irrigation pumpstation and upgrading of pumpstations on all sport facilities to be registered on the MIG Programme

Table 134. Sport and recreation challenge

c) Service Statistics for Sport and Recreation

The table below indicates performance statistics of sport and recreation services:

Type of service	2023/24	2024/25
Community parks		
Number of parks with play park equipment	2	2
Number of wards with community parks	7	7
Swimming pools		
Number of visitors per annum	12 744	6 430
R-value collected from entrance fees	R157 032	R94 960.40
Sport fields		
Number of wards with sport fields	5	5
Sport halls		
Number of wards with sport halls	5	5
Number of sport associations utilizing sport halls	4	4

Table 135. Service statistics for sport and Recreation

d) Capital expenditure: Sport and Recreation

The table below indicates the capital expenditure incurred:

Capital projects	2024/25 (R'000)		
	Budget	Adjustment budget	Actual expenditure
Upgrade Sportsgrounds - Nelspoort	4 666	6,633	6,633
Upgrading of Murraysburg Netball Courts	0	957	0
Total	4 666	7 590	6 633

Table 136. Capital expenditure: Sport and Recreation

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3.9 Component G: Corporate Policy Offices and Other Services

3.9.1 Corporate Services

a) Introduction to Corporate Services

The purpose of the Corporate Service Department is to provide corporate support to the institution. Corporate Services support the efficient organizational and administrative processes of the Municipality and includes the following functions:

- 🏠 provide legal and administrative support
- 🏠 render HR management and support services to the Municipality that will sustain optimal utilization of municipal human capital
- 🏠 coordinate and provide functional and administrative support to the political office bearers
- 🏠 provide library information services to the community
- 🏠 coordinate administrative processes and activities pertaining to the Thusong Centres
- 🏠 provides ICT support to the Municipality

b) Highlights: Corporate Services

The following table indicate the highlights of the financial year:

Highlight	Description
Councillors provided with tools of trade such as laptops	Agendas distributed electronically

Table 137. Corporate Services highlight

c) Challenges: Corporate Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Financial constraints	Increase revenue collection in order to budget for office equipment
Council chambers not suitable to host public	Financial ability to build new chambers

Table 138. Corporate Services challenges

d) Employees: Administration

The following tables represents the number of employees in the Administration Units of Corporate Services, Infrastructure Services & Community Services:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	1	1	0	1	100
Senior management	4	4	3	1	25
Middle management and professionals	13	14	14	0	0
Skilled technically, superintendents etc.	89	92	66	26	26

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Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Semi-skilled	145	148	115	33	22.29
Unskilled	31	32	25	7	21.87
Total	283	291	223	68	23.36

Table 139. Employees: Administration

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	0	1	100
Skilled technically, superintendents etc	1	1	1	0	0
Semi-skilled	13	13	8	5	38.46
Unskilled	1	1	1	0	0
Total	16	16	10	6	37.50

Table 140. Employees: Councillor Support and Thusong Service Centres

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	1	1	0	1	100
Senior management	4	4	3	1	25
Middle management and professionals	1	1	1	0	0
Skilled technically, superintendents etc.	1	1	0	1	100
Semi-skilled	2	2	2	0	0
Unskilled	0	0	0	0	0
Total	9	9	6	3	33.33

Table 141. Employees: Office of the Municipal Manager

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3.9.2 Financial Services

a) Highlights: Financial Services

The following table indicate the highlight of the financial year:

Highlight	Description
88% collection rate	The Municipality managed to reach 88% collection rate as at 30 June 2025, which is as per the Eskom Debt Relief
Concluding acknowledgement of debt (AOD) with the following big creditors: <ul style="list-style-type: none"> Western Cape Department of Mobility Auditor-General of South Africa (AGSA) 	The Municipality managed to secure and sign AOD's for the large creditors. This will assist in improving the Municipality's liquidity ratio
Eskom Municipal Debt Relief approved for an amount of R76 million	The Municipality received approval of R76 million for amounts owing to Eskom for bulk electricity purchases not paid for over the past decades. In the first year ending 30 June 2024, the Municipality received approximately R25 million write off the amount
General Valuation (GV) Roll 2024/25	The Municipality has not had a full GV performed in 7 years. Appointment of a Valuer was completed in September 2023 and GV Role was completed in June 2024
Reduction in legal fees due to SCM matters	Non-compliance to SCM rules, laws, regulations and policies. A detailed procurement plan was developed to avoid unplanned spending
MIG funding 100% spent	The Municipality managed to spend 100% of the capital expenditure or MIG

Table 142. Financial Services highlight

b) Challenges: Financial Services

The following table indicates the challenges faced during the financial year:

Description	Actions to address
Lack of capacity within Department	Development of individual leaning plans, on the job training and evaluation of performance against set targets. Full financial system training based on business processes, duties and standard operating procedures (SOP's)
Unfunded budget	An impairment methodology and framework to be developed. The Municipality will also look into preparing a long-term financial plan
Incorrect billing	Data cleansing of the customer database on the billing system. Appointment of the following positions: <ul style="list-style-type: none"> Controller: Billing, Rates and Taxes Controller: Credit Control, Indigent Controller: Cashiering and Customer Care
Failure to implement Credit Control and Debt Collection	The Beaufort West Credit Control and Debt Collection Policy to be workshopped to all Staff, Councillors and Ward Committee Members. Workshops to be held in the 7 wards

Table 143. Financial Services challenges

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c) Debt recovery statistics

The table below indicates the debt recovery statistics for the financial year:

Details of the types of account raised and recovered	2023/24			2024/25		
	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected in the year	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected
	R'000		%	R'000		
Property Rates	14 697	64 247	69%	17 696	69 116	80%
Electricity	11 231	102 466	82%	12 439	115 689	92%
Water	7 613	30 000	53%	11 743	38 990	70%
Sanitation	11 706	28 105	70%	12 727	29 926	66%
Refuse	11 749	16 498	61%	12 176	17 861	62%

Table 144. Debt recovery

d) Employees: Financial Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	2	2	1	1	50
Middle management and professionals	3	3	2	1	33.33
Skilled technically, superintendents etc.	16	16	11	5	31.25
Semi-skilled	43	43	26	17	39.53
Unskilled	6	6	4	2	33.33
Total	70	70	44	26	37.14

Table 145. Employees: Financial Services

e) Capital expenditure: Financial Services

The table below indicates the capital expenditure incurred:

Capital projects	2024/25 (R'000)		
	Budget	Adjustment budget	Actual expenditure
Computer Equipment	500	631	553
Furniture and Office Equipment	0	150	76
Total	500	781	629

Table 146. Capital Expenditure: Financial Services

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3.9.3 HR

a) Highlights: HR

The following table indicates the highlights of the financial year:

Highlight	Description
Vacancies	The position of Manager: Human Resources was filled in July 2024 and the position of Labour Relations Officer was filled in October 2024.
Organogram	The Municipality received comments from the Member of the Executive Committee (MEC) on the organogram that was approved in June 2023. Based on the advice received, the organogram was amended and Council approved the amended organogram in June 2025

Table 147. HR highlights

b) Challenges: HR

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Advertising of budgeted vacancies	The Municipal Staffing Regulations (MSR) (Regulation 891 of the Municipal Systems Act) require that all budgeted vacancies be filled within 6 months of becoming vacant or being budgeted. However, the Municipality cannot fill all budgeted vacancies without approval from the Cash-Flow Committee, in terms of Section 139(5)(a) of the Constitution and the Financial Recovery Plan
Job descriptions	Significant progress has been made with regards to the job descriptions and TASK evaluations have been conducted. A decision has been taken to revise and evaluate all job descriptions in the 2025/26 financial year, with implementation of the outcomes planned for the 2026/27 financial year
Labour relations	With the appointment of the Labour Relations Officer (LRO), long-outstanding cases were finalised
Employment Equity (EE)	An EE Committee was established, but members still require training. Until this training is provided, the EE Plan cannot be revised and approved by Council. However, EE targets were taken into account in the appointment of the Chief Financial Officer (CFO)
Senior Management vacancies	The CFO resigned in October 2024, after which an acting CFO was appointed. The position was advertised, but the selected candidate later declined due to medical reasons. The post was re-advertised; the appointment process was followed and the MEC has given concurrence for the appointment. The contract of the Municipal Manager has been terminated. The Director: Corporate Services is currently acting in the position while the recruitment process is underway

Table 148. HR challenges

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c) Employees: HR Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	1	1	0	0
Skilled technically, superintendents etc.	1	2	2	0	0
Semi-skilled	3	5	3	2	40
Unskilled	0	0	0	0	0
Total	4	8	6	2	25

Table 149. Employees: HR

3.9.4 Information and Communication Technology (ICT) Services

a) Introduction to ICT services

The ICT department consist of a permanent appointed ICT manager. All Technical support functionalities are outsourced to a service provider.

b) Highlights: ICT services

The following table indicates the highlight of the financial year:

Highlight	Description
ICT Strategy and policies	Approval of ICT Strategy and ICT policies
Installation of an ICT firewall	The Municipality was able to source and receive funding for the procurement and installation of a firewall
Procurement of ICT Infrastructure and Technologies	The Municipality was able to procure ICT hardware equipment and emailing services platform (Microsoft office 365) from their own funding despite its financial health

Table 150. ICT Services highlight

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c) Challenges: ICT services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Data Management	Unreliable system and conversion results. Subsequent processing interruptions and Data integrity issues There are no reliable systems to ensure archiving of data from both emails and work document saved in the end-user device
No Standard Operating Procedures (SOPs) in place	No documented SOP in place, resulting to most processes not being followed and business continuity being compromised
No clear Continuity Plan in place	Plans not accessible to all required parties, which may result in failure to recover IT systems and services in a timely manner
Current technology inappropriately utilised	Undetected service degradation, Inability to challenge costs and service quality, and Inability to optimise choice of suppliers

Table 151. ICT Services challenges

3.9.5 Procurement Services

a) Service statistics for Procurement Services

The following table indicates the performance statistics of Procurement Services:

Description	Total No.	Monthly average	Daily average
Requests processed	0	0	0
Orders processed	1 441	120.08	3.95
Requests cancelled or referred back	90	7.50	0.25
Extensions	4	0.33	0.01
Bids received (number of documents)	238	19.83	0.65
Bids awarded	27	2.25	0.07
Bids awarded below R200 000	8	0.67	0.02
Appeals registered	1	0	0
Successful appeals	0	0	0

Table 152. Service statistics for Procurement Services

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b) Details of deviations for Procurement Services

The following table indicates the detail of deviations incurred during the financial year:

Type of deviation	Number of deviations	Percentage of total deviations number (%)	Value of deviations (R)	Percentage of total deviations value (%)
Emergency	4	30.77	216 259.39	27.92
Sole supplier	3	23.08	245 135.15	31.64
Acquisition of special works of art or historical objects where specifications are difficult to compile	0	0.00	0	0.00
Any other exceptional case where it is impossible or impractical to follow the official procurement process	0	0.00	0	0.00
Any contract with an organ of state, a local authority or a public utility corporation or company	0	0.00	0	0.00
Any contract relating to the publication of notice and advertisements by the municipality	0	0.00	0	0.00
The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	0	0.00	0	0.00
Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	6	46.15	313 261.82	40.44
TOTAL	13	100	774 656.36	100

Table 153. Statistics of deviations: Procurement Services

3.9.6 Municipal Buildings

a) Introduction to Municipal Buildings

Maintenance on municipal buildings is done on an ad hoc basis due to financial constraints. Budget was made available during the financial year for the upgrade of municipal stores.

An indigent household team, under the EPWP project, was established in accordance with EPWP standards to create job opportunities.

This project involved the fixing of leaks at indigent households to enhance water saving measures.

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b) Highlights: Municipal Buildings

The following table indicates the highlight of the financial year:

Highlight	Description
Continuation of service	Addressing queries speedily
Assistance with labour from Central Karoo District Municipality (CKDM) programmes	Student allocated from (CKDM) from their training programmes
Sound financial management	100% spending of allocated budget
Restoration work at Museum	Restoring of wood handrails and floors at Museum

Table 154. Municipal buildings highlight

c) Challenges: Municipal Buildings

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Limited operational budget	Apply to increase budget allocation for operation repairs
No capital budget	Apply for funding for capital work
No Indigent -or Expanded Public Works (EPWP) Team to assist with complaints	Establish Indigent -or EPWP team for repairs on indigent households
High vacancy rate in Section. 11 positions are vacant. Shortage in skilled labour	Fill budgeted vacancies

Table 155. Municipal buildings challenges

d) Cost of Municipal Building Maintenance

The table below shows the costs involved for the maintenance of buildings within the municipal area:

Maintenance details	2023/24	2024/25
Municipal	R347 890.00	R347 890.00
Total	R347 890.00	R347 890.00

Table 156. Cost of Municipal Building Maintenance

e) Employees: Municipal Buildings

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
		Number			
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technically, superintendents, etc.	3	3	2	1	33.33
Semi-skilled	0	0	0	0	0



Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Unskilled	10	10	9	1	10
Total	14	14	12	2	14.28

Table 157. Employees: Municipal buildings

3.9.7 Fleet Management Services

a) Introduction to Fleet Management Services

I) THE GOAL:

Provide a safe, reliable and cost-effective fleet to different departments in a manner that the service to the community can be delivered in a timely manner.

The fleet consist of the following vehicles, including:

- 🚗 Motor vehicles;
- 🚚 Light duty vehicles;
- 🚛 Trucks and tractors;
- 🚜 Earth moving vehicle; and
- 🔧 Compressors and small plants

II) OBJECTIVE:

To achieve the aim of our Municipality's Fleet Management Plan, key objectives for fleet services have been set as follows:

- 🚗 Maintain fleet costs effectively and in a timely manner
- 🚗 Put internal control methods in place to prevent fraud and fruitless expenditures
- 🚗 Implementing policies formulated by Council to deliver an efficient service to the community
- 🚗 Share values, norms and expectations
- 🚗 Provide a safe and reliable fleet by keeping fleet in a roadworthy condition
- 🚗 Implementing replacement policies ensuring vehicles are always road and service ready
- 🚗 Building team support, trust, cooperation and evaluate performance of all employees
- 🚗 Keep a thorough record of statistics of vehicle history, logs, petrol usage, vehicles issued and availability
- 🚗 Set up reports that is transparent and accessible to responsible people

The functions of the Fleet Management Section are as follows:

- 🚗 Vehicle maintenance and repairs
- 🚗 Driver management
- 🚗 Vehicle financing
- 🚗 Fuel management
- 🚗 Monthly, quarterly and annually reports

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- 🛠️ Licensing and road worthiness of fleet vehicles
- 🛠️ Provide technical specs for fleet tenders and evaluate
- 🛠️ Administrative and record keeping
- 🛠️ Documentation of Incidents and accidents claims
- 🛠️ Reconciliation of Bank Statements with petrol cards
- 🛠️ Vehicles acquisitions

b) Highlight: Fleet Management Services

The table below indicates the highlight achieved during the financial year:

Description	Actions to address
Fleet broken down for years are repaired	Grader, Loader, Cherry Pickers and numerous trucks have been broken down in excess of 4 years
Fleet being monitored for maintenance	After fleet and trucks have been brought back in service, parts are ordered and fitted to do maintenance to prevent break downs
Refuge trucks consistently operational	Since September 2023, all refuge trucks have undergone major repairs. On average, 3 trucks have been in operation on a daily basis
Backlog of servicing plant	All plant and trucks have been serviced at least once in 2024. In some cases, plant and trucks have not been serviced for more than 3 years
Plant and trucks' punctured wheels repaired	Plant and trucks have been issued spare wheels, and punctured wheels are being repaired ASAP
Hour meters fitted	Plant and trucks are being fitted with hour meters to ensure an accurate account of fuel consumption and timeous service intervals
Safe tires fitted to vehicles	All vehicles with worn tires have been equipped with new tires

Table 158. Fleet management highlight

c) Challenges: Fleet Management Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Discipline of drivers	Accountability measures should be introduced
Ageing fleet/yellow fleet	Some vehicles are between 20 – 50 years old. Years of neglected maintenance have left the fleet in poor condition, resulting in frequent breakdowns. Availability of parts for old machines makes repairs difficult
Capacity constraints	Until September 2023, no noticeable structures were in place. With one mechanic also acting as Fleet Manager, it is a difficult task facilitate proper maintenance and record keeping and implement effective systems
	One mechanic (also acting as Fleet Manager), two assistants, and one welder are responsible for servicing Community Services, Electrical, Water and Sanitation, Construction, and three outlying towns. Four staff members must maintain more than 100 ageing vehicles and plant across a 160 km radius

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Description	Actions to address
Skilled workers	Investing in training for current employees will improve skills and overall performance
Outdated fleet	Management and Council need to decide on the future of the current fleet within the Municipality
Fleet Policies/Standard Operating Procedures (SOPs)	Policies and SOPs need to be put in place in order to ensure proper fleet management
Vandalism/Theft	The workshop is shared with the public during working hours (for roadworthy inspections) and remains accessible after hours due to weak fencing, placing municipal assets at risk. Upgrading and securing fencing around the yard will improve organisation and present a more professional environment for visitors

Table 159. Fleet management challenges

d) Employees: Mechanical Workshop and Fleet Management

The table below indicates the number of staff employed within the Unit:

Occupational level	2023/24	2024/25			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	0	0	0	0
Skilled technically, superintendents etc	0	1	1	0	0
Semi-skilled	4	4	4	0	0
Unskilled	0	0	0	0	0
Total	5	5	5	0	0

Table 160. Employees: Mechanical Workshop and Fleet Management

3.10 Component H: Service Delivery Priorities for 2025/26

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

3.10.1 Provide, maintain and expand basic services to all people in the municipal area

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL5	Basic Service Delivery	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and which are billed for water or have pre-paid meters as at 30 June 2026	Number of residential properties which are billed for water or have pre-paid meters as at 30 June 2026	All	6 700

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Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL6	Basic Service Delivery	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and which are billed for electricity or have pre-paid meters (Excluding Eskom areas) as at 30 June 2026	Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas) as at 30 June 2026	All	11 350
TL7	Basic Service Delivery	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2026	Number of residential properties which are billed for sewerage as at 30 June 2026	All	11 600
TL8	Basic Service Delivery	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2026	Number of residential properties which are billed for refuse removal as at 30 June 2026	All	11 700
TL9	Basic Service Delivery	Provide free basic water to active indigent households as defined in paragraph 9(1) of the Municipality's Indigent Policy as at 30 June 2026	Number of active indigent households receiving free basic water as at 30 June 2026	All	4 500
TL10	Basic Service Delivery	Provide free basic electricity to active indigent households as defined in paragraph 9(1) of the Municipality's Indigent Policy as at 30 June 2026	Number of active indigent households receiving free basic electricity as at 30 June 2026	All	6 000
TL11	Basic Service Delivery	Provide free basic sanitation to active indigent households as defined in paragraph 9(1) of the Municipality's Indigent Policy as at 30 June 2026	Number of active indigent households receiving free basic sanitation as at 30 June 2026	All	5 500
TL12	Basic Service Delivery	Provide free basic refuse removal to active indigent households as defined in paragraph 9(1) of the Municipality's Indigent Policy as at 30 June 2026	Number of active indigent households receiving free basic refuse removal as at 30 June 2026	All	5 500
TL13	Basic Service Delivery	The percentage of the municipal capital budget spent by 30 June 2026 [(Actual amount spent / Total amount budgeted for capital projects)X100]	% of capital budget spent by 30 June 2026	All	95%
TL26	Basic Service Delivery	95% of the project budget spent on the upgrade of vandalised boreholes in the Beaufort West Municipal Area by 30 June 2026 [(Total actual expenditure for the project/Total amount budgeted for the project)x100]	% project budget spent	All	95%

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Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL27	Basic Service Delivery	95% of the project budget spent on the upgrade of telemetry system in the Beaufort West Municipal Area by 30 June 2026 [(Total actual expenditure for the project/Total amount budgeted for the project)x100]	% project budget spent	All	95%
TL28	Basic Service Delivery	95% of the project budget spent on the 20MVA 22/11 kV Upgrading of Main Substation in Beaufort West by 30 June 2026 [(Total actual expenditure for the project/Total amount budgeted for the project)x100]	% project budget spent	All	95%
TL29	Basic Service Delivery	Upgrade Blanken Way (Gravel Road) in Hillside by 30 June 2026	Gravel Road (Blanken Way) upgraded by 30 June 2026	All	1
TL30	Basic Service Delivery	95% of the project budget spent on the upgrade of Rev Fass Street (Gravel Road) in Kwa-Mandlenkosi by 30 June 2026 [(Total actual expenditure for the project/Total amount budgeted for the project)x100]	% project budget spent	All	95%
TL31	Basic Service Delivery	95% of the project budget spent on the upgrade of Beaufort West Netball and Tennis Courts by 30 June 2026 [(Total actual expenditure for the project/Total amount budgeted for the project)x100]	% project budget spent	All	95%
TL32	Basic Service Delivery	Complete the Nelspoort Water Treatment Works by 30 June 2026	Completed Water Treatment Works by 30 June 2026	All	1
TL36	Basic Service Delivery	Submit a quarterly report on the Illegal Dumping Project (Department of Environmental Affairs) to Council	Number of reports submitted	All	1
TL37	Good Governance and Public Participation	Review the Housing Pipeline Report to Council by 31 March	Number of reports submitted	All	1
TL38	Good Governance and Public Participation	Develop the Human Settlements Plan and submit to Council by 31 March 2026	Human Settlements Plan submitted to Council by 31 March 2026	All	1
TL39	Good Governance and Public Participation	Submit quarterly reports to Council on Informal Settlements in Beaufort West Municipal Area	Number of reports submitted	All	4

Table 161. Service delivery priority: Provide, maintain and expand basic services to all people in the municipal area

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3.10.2 Sustainable, safe and healthy environment

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL25	Basic Service Delivery	95% of water samples in the Beaufort West jurisdiction area comply with SANS241 micro biological indicators	% of water samples compliant to SANS 241	All	95%
TL33	Basic Service Delivery	95% of the project budget spent on the Beaufort West Waste Water Treatment Works by 30 June 2026 [(Total actual expenditure for the project/Total amount budgeted for the project)x100]	% project budget spent	All	95%
TL34	Basic Service Delivery	95% of the project budget spent on the Expansion of the Murraysburg Cemetery Site by 30 June 2026 [(Total actual expenditure for the project/Total amount budgeted for the project)x100]	% project budget spent	All	95%
TL35	Good Governance and Public Participation	Hold roadblocks in conjunction with the Provincial Traffic Department quarterly	Number of roadblocks held	All	4
TL40	Good Governance and Public Participation	Develop a Fire Risk Management Plan and submit to Council by 31 March 2026	Fire Risk Management Plan submitted by 31 March 2026	All	1
TL41	Good Governance and Public Participation	Develop a Traffic Strategy and submit to Council by 31 March 2026	Traffic Strategy submitted by 31 March 2026	All	1

Table 162. Service delivery priority: Sustainable, safe and healthy environment

3.10.3 Promote broad-based growth and development

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL24	Local Economic Development	Create temporary job opportunities in terms of the Extended Public Works Programme (EPWP) projects by 30 June 2026	Number of temporary jobs opportunities created by 30 June 2026	All	250

Table 163. Service delivery priority: Promote broad-based growth and development

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3.10.4 Maintain an ethical, accountable and transparent administration

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL1	Good Governance and Public Participation	Compile the Risk based audit plan for 2026/27 and submit to Audit committee for consideration by 30 June 2026	Risk based audit plan submitted to Audit committee by 30 June 2026	All	1
TL2	Good Governance and Public Participation	70% of the Risk based audit plan for 2025/26 implemented by 30 June 2026 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and tasks identified in the RBAP) x 100]	% of the Risk Based Audit Plan implemented by 30 June 2026	All	70%
TL3	Good Governance and Public Participation	Review the Integrated Development Plan 2022-2027 and submit to Council by 31 May 2025	Revised IDP submitted	All	1
TL4	Good Governance and Public Participation	Submit the Annual Performance Report to the Auditor-General by 31 August 2025	Annual Performance Report submitted	All	1
TL20	Municipal Transformation and Institutional Development	Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	All	1
TL21	Municipal Transformation and Institutional Development	0.5% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2026 [(Actual amount spent on training/total personnel budget) x100]	% of the municipality's personnel budget spent on implementing its workplace skills plan	All	0.50%
TL23	Good Governance and Public Participation	Compile and submit the final annual report and oversight report to Council by 31 March 2026	Final annual report and oversight report submitted to Council by 31 March 2026	All	2

Table 164. Service delivery priority: Maintain an ethical, accountable and transparent administration

3.10.6 Uphold sound financial management principles and practices

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL14	Municipal Financial Viability and Management	Financial viability measured in terms of the municipality's ability to meet its service debt obligations at 30 June 2026 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	Debt to Revenue as at 30 June 2026	All	45%

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Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL15	Municipal Financial Viability and Management	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2026 [(Total outstanding service debtors/annual revenue received for services)x 100]	Service debtors to revenue as at 30 June 2026	All	35%
TL16	Municipal Financial Viability and Management	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2026 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Cost coverage as at 30 June 2026	All	1
TL17	Municipal Financial Viability and Management	Achieve a payment percentage of 90% by 30 June 2026 [(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100]	Payment % achieved by 30 June 2026	All	86.25%
TL18	Municipal Financial Viability and Management	Limit unaccounted for water quarterly to less than 25% during 2025/26 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (including free basic water) / Number of Kilolitres Water Purchased or Purified x 100]	% unaccounted water	All	25%
TL19	Municipal Financial Viability and Management	Limit unaccounted for electricity to less than 10% quarterly during the 2025/26 financial year [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) x 100]	% unaccounted electricity	All	10%
TL22	Local Economic Development	Spend 100% of the library grant by 30 June 2026 (Actual expenditure divided by the total grant received)	% of grant spent by 30 June 2026	All	100%

Table 165. Service delivery priority: Uphold sound financial management principles and practices



CHAPTER 4

4.1 National KPI – Municipal transformation and organisational development

The following table indicates the Municipality’s performance in terms of the National KPI required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These KPI’s are linked to the National KPA – Municipal transformation and organisational development.

KPA and Indicators	Municipal achievement	Municipal achievement
	2023/24	2024/25
Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality’s approved employment equity plan	1	1
0.5% of the municipality’s personnel budget spent on implementing its workplace skills plan by 30 June 2024 [(Actual amount spent on training/total personnel budget) x100]	0.50%	0.10%

Table 166. National KPIs– Municipal transformation and organisational development

4.2 Component A: Introduction to the municipal workforce

The Municipality currently employs **371** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality’s objectives. The primary objective of HR management is to render an innovative service that addresses both skills development and an administrative function.

4.2.1 Employment equity

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

The Municipality has no Employment Equity Commission (EEC) and Employment Equity Plan (EEP) since 2015. Thus, targets were not set. The EEC to be established by end of 15 September 2024. The Municipality does, however, consider appointment of underrepresented groups into the staff establishment.

a) Employment equity targets and actuals

African		Coloured		Indian		White	
Target	Actual	Target	Actual	Target	Actual	Target	Actual
71	103	274	256	0	0	40	12

Table 167. 2024/25 Employment equity targets and actuals by racial classification

Males (including disability)		Females (including disability)	
Target	Actual	Target	Actual
180	240	205	131

Table 168. 2024/25 Employment equity targets and actuals by gender classification

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b) Specific occupational categories - Race

The table below indicates the number of employees (excluding vacancies) by race within the specific occupational categories:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	0	0	0	0	0	0	0	0
Senior management	2	1	0	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid- management	2	1	0	5	2	1	0	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	18	0	3	5	10	0	0	41
Semi-skilled and discretionary decision making	33	88	0	2	21	57	0	2	203
Unskilled and defined decision making	24	56	0	0	9	24	0	0	113
Total permanent	66	164	0	10	37	92	0	2	371

Table 169. Occupational categories

4.2.2 Vacancy rate

The approved organogram of the Municipality had **485** budgeted posts for the 2024/25 financial year. The actual positions filled are indicated in the tables below by post and by functional level. **114** posts were vacant at the end of 2024/25, with **59** budgeted and **55** not budgeted, resulting in a vacancy rate of **13.72%** if the budgeted vacancies in calculated only. The table below indicates a breakdown of vacancies within the Municipality:

Per functional level		
Functional area	Filled	Vacant
Municipal Manager	2	5
Corporate Services	54	3
Financial Services	59	10
Community Services	116	11
Infrastructure Services	142	30
Total	371	59

Table 170. Vacancy rate per post and functional level

4.2.3 Staff turnover rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional knowledge. The staff turnover rate shows a **decrease** from 4.73% in 2023/24 to 2.70% in 2024/25.

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Below is a table that shows the staff turnover rate within the Municipality:

Financial year	Appointments at the end of each financial year	New appointments	Terminations during the year	Turn-over rate
2023/24	380	4	18	4.73%
2024/25	371	11	10	2.70%

Table 171. Staff turnover rate

4.3 Component B: Managing the municipal workforce

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injuries will influence the loss of man hours and therefore financial and productivity performance. The number of injuries **decreased** from 18 for 2023/24 to 11 for the 2024/25 financial year.

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

Directorates	2023/24	2024/25
Municipal Manager	0	0
Corporate Services	2	1
Financial Services	2	1
Community Services	7	4
Infrastructure Services	7	5
Total	18	11

Table 172. Injuries

4.3.2 Sick leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2024/25 financial year shows an increase when compared with the 2023/24 financial year.

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

Department	2023/24	2024/25
Municipal Manager	3	25
Corporate Services	438	339
Financial Services	640	786
Community Services	818	1 050
Infrastructure Services	1 280	1 607

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Department	2023/24	2024/25
Total	3 179	3 807

Table 173. Sick leave

4.3.3 HR Policies and plans

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

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

HR policies categories supplied to Municipality		
Category	Policy	Date
Category A: Organisation management		
A6	Human Resource Communication Policy	Approved by Council: 26 June 2023
Category B: HR provisioning and maintenance		
B1	Recruitment and Selection Policy	Approved by Council: 26 June 2023
B2	Private Work Policy and Declaration of Interest Policy	Approved by Council: 26 June 2023
B3	Working Hours Policy	Approved by Council: 26 June 2023
B4	Overtime Policy	Approved by Council: 26 June 2023
B5	Legal Aid Policy	Approved by Council: 26 June 2023
B6	Promotion, Transfer, Secondment and Acting Appointment Policy	Approved by Council: 26 June 2023
B7	Placement Policy	Approved by Council: 26 June 2023
B8	Absent leave Policy	Approved by Council: 26 June 2023
B9	Remuneration Policy	Approved by Council: 26 June 2023
B10	Overtime Policy	Approved by Council: 26 June 2023
B11	Job Evaluation Policy	Approved by Council: 26 June 2023
B12	Occupational Health and Safety Policy	Approved
Category C: Human Capital Development		
C1	Succession Planning and Career Pathing	Approved by Council : 29 January 2019
C2	Induction Policy	Approved: 26 June 2023
Category D: Employee Wellness		
D1	HIV and Aids Policy	Approved by Council: 26 June 2023
D2	Incapacity Policy-Poor Work performance, Ill Health, Injury and Operational Requirements	Approved by Council: 26 June 2023
D3	Intoxicating Substance Abuse Policy	Approved by Council: 26 June 2023
D4	Staff Member Wellness Programme	Approved by Council: 26 June 2023
D5	On-boarding Medical Fitness	Approved by Council: 26 June 2023
Category E: Employment Equity		
E1	Employment Equity Policy Framework	Approved: July 2022
E2	Sexual Harassment	Approved: July 2022

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HR policies categories supplied to Municipality		
Category	Policy	Date
E3	Gender Policy	Approved: July 2022

Table 174. HR Policy list in categories

4.4 Component C: Capacitating the municipal workforce

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

4.4.1 Skills matrix

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

Management level	Gender	Number of employees identified for training at start of the year (2024/25)	Number of employees that received training (2024/25)
Municipal Manager and Section 57 employees	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	5	5
	Male	5	5
Associate professionals and technicians	Female	10	9
	Male	10	10
Professionals	Female	0	0
	Male	0	0
Clerks	Female	10	4
	Male	10	1
Service and sales workers	Female	20	10
	Male	20	10
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	10	0
	Male	10	5
Elementary occupations	Female	20	0
	Male	20	0
Sub-total	Female	75	28
	Male	75	31
Total		150	59

Table 175. Skills matrix

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4.4.2 Skills development – Training provided

The SDA and the MSA requires employers to supply employees with the necessary training in order to develop its HR capacity. Section 55(1)(f) states that the Municipal Manager is responsible for the management, utilisation and training of staff.

The table below gives an indication of the training provided to employees for the financial year:

Occupational categories	Gender	Training provided within the reporting period (2024/25)	
		Learnerships	
		Target	Actual
Municipal Manager and Section 57 employees	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	0	0
	Male	0	0
Associate professionals and technicians	Female	0	0
	Male	0	0
Professionals	Female	0	0
	Male	0	0
Technicians and associate professionals	Female	0	0
	Male	0	0
Clerks	Female	6	6
	Male	3	3
Service and sales workers	Female	0	0
	Male	0	0
Craft and related trade workers	Female	2	2
	Male	8	8
Plant and machine operators and assemblers	Female	0	0
	Male	0	0
Elementary occupations	Female	0	0
	Male	0	0
Sub-total	Female	8	8
	Male	11	11
Total		19	19

Table 176. Skills development

4.4.3 MFMA competencies

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

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

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

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior managers	2	2	2	2
Any other financial officials	3	3	3	3
SCM Officials				
Heads of SCM Units	1	1	1	1
SCM senior managers	0	0	0	0
Total	8	8	8	8

Table 177. MFMA competencies

4.5 Component D: Managing the municipal workforce expenditure

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

4.5.1 Personnel expenditure

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

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000		
2023/24	127 123	405 056	31.38%
2024/25	136 364	435 775	31.29%

Table 178. Personnel expenditure

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE



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

Financial year	2023/24	2024/25		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Councillors (political office bearers plus other)				
Basic salaries and wages	5 207	6 158	6 145	5 787
Pension and UIF contributions	99	182	0	0
Medical aid contributions	5	0	0	0
Motor vehicle allowance	136	155	136	136
Cell phone allowance	525	586	562	563
Other benefits and allowances	46	52	49	50
Sub total	6 018	7 133	6 892	6 536
% increase/ (decrease)	N/A	18.53	(3.38)	(5.17)
Senior managers of the Municipality				
Basic salaries and wages	2 734	3 359	3 234	2 864
Pension and UIF contributions	422	801	468	462
Medical aid contributions	184	390	215	223
Performance bonus	57	455	524	836
Motor vehicle allowance	200	261	382	291
Cell phone allowance	63	72	71	69
Other benefits and allowances	71	0	75	73
Payments in lieu of leave	49	0	30	0
Scarcity	249	330	297	263
Acting and post related allowance	83	0	35	49
Sub total	4 112	5 668	5 331	5 130
% increase/ (decrease)	N/A	37.84	(5.95)	(3.77)
Other municipal staff				
Basic salaries and wages	80 238	95 737	89 172	85 950
Pension and UIF contributions	13 789	16 583	15 180	14 434
Medical aid contributions	2 176	2 274	2 664	2 659
Overtime	4 116	3 344	4 614	4 718
Performance bonus	5 973	6 902	6 180	6 632
Motor vehicle allowance	169	162	225	223
Cell phone allowance	148	160	154	142
Housing allowances	405	420	976	712
Other benefits and allowances	5 326	5 055	5 798	5 554
Payments in lieu of leave	1 068	0	247	541
Long service awards	455	598	544	454
Post-retirement benefit obligations	964	1 630	1 580	841

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE



Financial year	2023/24	2024/25		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Acting and post related allowances	2 166	285	1 781	1 838
Sub-total	116 993	133 150	129 115	124 698
% increase/ (decrease)	N/A	13.81	(3.03)	(3.42)
Total Municipality	127 123	145 951	141 338	136 364
% increase/ (decrease)	N/A	14.81	(3.16)	(3.52)

Table 179. Councillor and staff benefits

CHAPTER 5: FINANCIAL PERFORMANCE



CHAPTER 5

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

Component A: Statements of Financial Performance

The statement of financial performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

5.1 Financial summary

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

Financial summary						
R'000						
Description	2023/24	2024/25		2024/25 % variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
Financial performance						
Property rates	46 614	55 152	54 691	55 326	0.31	1.15
Service charges	146 644	182 465	187 240	164 388	(11.00)	(13.90)
Investment revenue	14 970	2 221	2 650	15 285	85.47	82.66
Transfers recognised - operational	93 325	102 942	108 146	99 321	(3.65)	(8.88)
Other own revenue	103 937	156 649	126 416	102 750	(52.46)	(23.03)
Total revenue (excluding capital transfers and contributions)	405 490	499 429	479 142	437 071	(14.27)	(9.63)
Employee costs	121 705	138 817	134 446	129 828	(6.92)	(3.56)
Remuneration of Councillors	6 018	7 133	6 892	6 536	(9.13)	(5.45)
Depreciation and asset impairment	26 723	104 648	51 937	31 601	(231.16)	(64.35)
Finance charges	16 613	1 847	2 606	14 468	87.24	81.99
Materials and bulk purchases	107 322	130 821	138 316	127 430	(2.66)	(8.54)
Transfers and grants	0	0	0	0	N/A	N/A
Other expenditure	135 991	66 131	133 887	153 982	57.05	13.05
Total expenditure	414 372	449 398	468 084	463 846	3.11	(0.91)
Surplus/(deficit)	(8 882)	50 031	11 058	(26 775)	286.86	141.30
Transfers recognised - capital	16 190	26 171	29 645	27 725	5.61	(6.92)
Contributions recognised - capital and contributed assets	0	0	0	460	100.00	100.00

CHAPTER 5: FINANCIAL PERFORMANCE



Financial summary						
R'000						
Description	2023/24	2024/25		2024/25 % variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
Surplus/(deficit) after capital transfers and contributions	7 309	76 202	40 704	1 410	(5 303.11)	(2 786.09)
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised - capital	14 117	22 757	25 779	24 246	6.14	(6.32)
Public contributions and donations	0	0	0	460	100.00	100.00
Borrowing	1 582	0	0	0	N/A	N/A
Internally generated funds	1 190	2 818	5 979	4 802	41.31	(24.51)
Total sources of capital funds	16 889	25 575	31 757	29 507	13.33	(7.62)
Financial position						
Total current assets	94 332	196 540	98 020	84 945	(131.37)	(15.39)
Total non-current assets	462 348	447 732	458 585	460 741	2.82	0.47
Total current liabilities	141 373	314 529	93 213	128 413	(144.94)	27.41
Total non-current liabilities	101 770	101 639	107 239	102 325	0.67	(4.80)
Community wealth/equity	313 537	419 485	356 154	314 947	(33.19)	(13.08)
Cash flows						
Net cash from (used) operating	19 018	62 645	36 183	32 294	(93.98)	(12.04)
Net cash from (used) investing	(16 813)	(26 566)	(31 757)	(29 627)	10.33	(7.19)
Net cash from (used) financing	(1 182)	(1 102)	(1 181)	(1 181)	6.72	0.00
Cash/cash equivalents at the year end	1 023	34 978	3 244	1 485	(2 254.76)	(118.39)
Cash backing/surplus reconciliation						
Cash and investments available	15 883	114 661	47 671	17 369	(560.16)	(174.47)
Application of cash and investments	91 560	215 474	42 536	71 684	(200.59)	40.66
Balance - surplus (shortfall)	(75 677)	(100 814)	5 135	(54 316)	(85.61)	109.45
Asset management						
Asset register summary (WDV)	462 036	450 257	459 013	460 481	2.22	0.32
Depreciation and asset impairment	26 723	29 266	29 266	31 601	7.39	7.39
Renewal of existing assets	0	13 958	19 515	0	N/A	N/A
Repairs and maintenance	3 521	9 133	9 168	2 418	(277.79)	(279.21)
Free services						

CHAPTER 5: FINANCIAL PERFORMANCE



Financial summary						
R'000						
Description	2023/24	2024/25			2024/25 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
Cost of Free Basic Services provided	0	51 278	35 958	0	N/A	N/A
Revenue cost of free services provided	0	130	130	0	N/A	N/A

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual

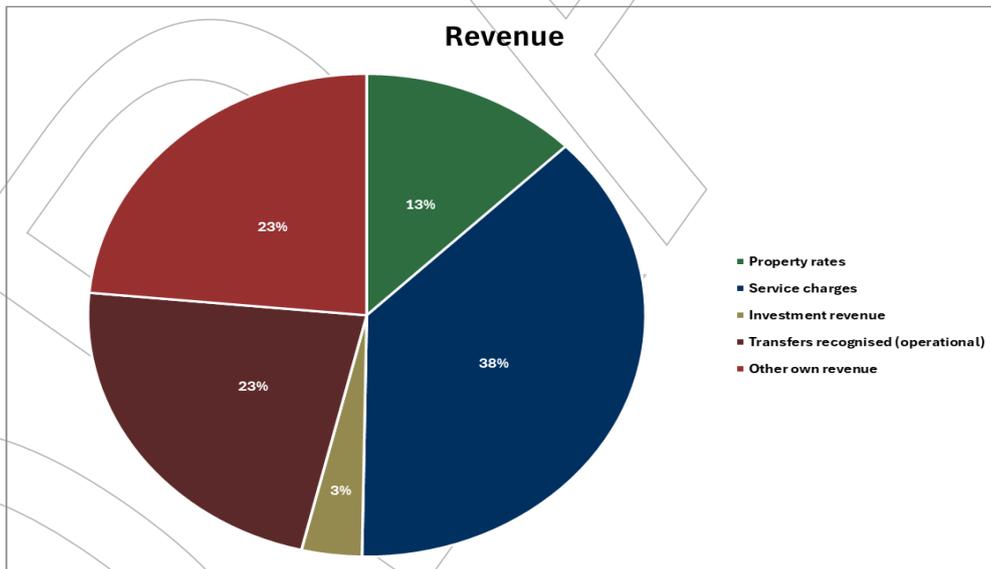
Table 180. Financial performance 2024/25

The table below shows a summary of performance against budgets:

Financial year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2023/24	453 198	421 680	(31 517)	(7)	434 042	414 372	19 671	5
2024/25	508 808	491 962	(16 847)	(3)	468 084	490 551	(22 467)	(5)

Table 181. Performance against budgets

The following graph indicates the various types of revenue items in the municipal budget for 2024/25

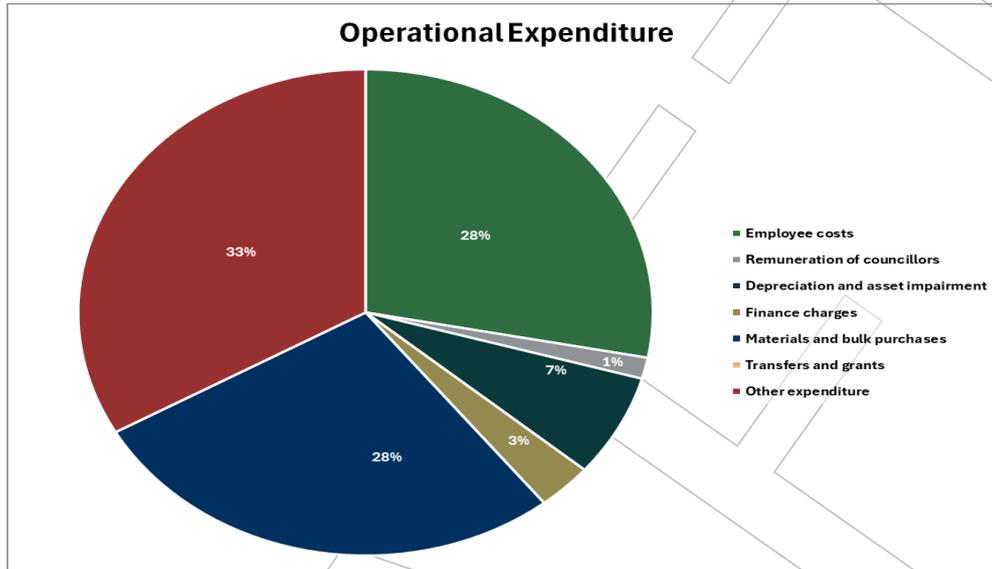


Graph 6.: Revenue

CHAPTER 5: FINANCIAL PERFORMANCE



The following graph indicates the various types of expenditure items in the municipal budget for 2024/25



Graph 7.: Operating expenditure

5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Vote description	2023/24	2024/25			2024/25 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Vote 1 – Executive and Council	8 725	9 073	9 799	8 467	(7.16)	(15.74)
Vote 2 - Financial Services	127 283	102 362	172 859	166 559	38.54	(3.78)
Vote 3 - Corporate Services	13 565	19 144	20 138	19 639	2.52	(2.54)
Vote 4 - Community Services	67 957	132 225	76 225	69 376	(90.59)	(9.87)
Vote 5 - Engineering Services	204 319	262 795	229 767	202 085	(30.04)	(13.70)
Total revenue by vote	421 848	525 600	508 788	466 126	(12.76)	(9.15)

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual

Table 182. Revenue by vote

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5.1.2 Revenue collection by source

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

Description	2023/24	2024/25			2024/25 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Property rates	46 614	55 152	54 712	55 326	0.31	1.11
Service Charges - electricity revenue	95 411	120 473	124 071	106 461	(13.16)	(16.54)
Service Charges - water revenue	21 128	20 853	29 405	27 119	23.11	(8.43)
Service Charges - sanitation revenue	19 317	24 740	21 644	19 772	(25.13)	(9.47)
Service Charges - refuse revenue	10 788	16 399	12 120	11 036	(48.59)	(9.82)
Rentals of facilities and equipment	1 715	2 022	1 801	1 181	(71.27)	(52.55)
Interest earned - external investments	2 684	2 221	2 650	3 059	27.40	13.38
Interest earned - outstanding debtors	12 286	15 440	13 670	12 226	(26.29)	(11.82)
Fines	75 692	73 189	79 486	66 860	(9.47)	(18.89)
Licences and permits	390	519	436	233	(123.33)	(87.37)
Agency services	1 356	1 766	1 601	1 366	(29.28)	(17.18)
Transfers recognised - operational	93 325	102 942	108 146	99 321	(3.65)	(8.88)
Other revenue	24 784	63 711	29 421	33 111	(92.42)	11.14
Gains on disposal of PPE	0	0	0	0	N/A	N/A
Total Revenue (excluding capital transfers and contributions)	405 490	499 429	479 163	437 071	(14.27)	(9.63)

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual

Table 183. Revenue by source

5.1.3 Operational services performance

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

Description	2023/24	2024/25			2024/25 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000					%
Operating Cost						
Water Services	30 990	37 062	42 421	42 412	12.62	(0.02)
Waste Water (Sanitation) Services	19 580	16 697	23 785	20 630	19.06	(15.30)
Electricity Services	109 909	135 228	138 699	129 230	(4.64)	(7.33)
Waste Management Services	18 089	18 196	23 027	16 698	(8.97)	(37.90)

CHAPTER 5: FINANCIAL PERFORMANCE



Description	2023/24	2024/25			2024/25 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
Operating Cost						
Component A: sub-total	178 568	207 183	227 932	208 969	0.86	-9.07
Roads and Stormwater	18 408	21 807	22 738	18 057	(20.77)	(25.92)
Transport	0	0	0	0	N/A	N/A
Component B: sub-total	18 408	21 807	22 738	18 057	(20.77)	(25.92)
Planning	11 787	9 850	(45 027)	11 890	17.16	478.69
Local Economic Development	0	0	0	0	N/A	N/A
Component C: sub-total	11 787	9 850	(45 027)	11 890	17.16	478.69
Housing	2 124	2 936	1 371	1 341	(118.92)	(2.27)
Social services & community development	0	0	0	0	N/A	N/A
Component D: sub-total	2 124	2 936	1 371	1 341	(118.92)	(2.27)
Environmental Protection (Pollution Control, Bio-Diversity, Landscape, Open Spaces, Parks, And Coastal Protection)	0	0	0	0	N/A	N/A
Component E: sub-total	0	0	0	0	N/A	N/A
Traffic & licensing	39 567	76 519	115 134	82 401	7.14	(39.72)
Fire Services and Disaster Management	0	0	0	0	N/A	N/A
Component F: sub-total	39 567	76 519	115 134	82 401	7.14	(39.72)
Sport and Recreation	9 544	9 527	9 299	9 024	(5.57)	(3.05)
Cemeteries	1 378	1 653	1 378	1 568	(5.44)	12.14
Libraries	24	7 465	6 908	0	N/A	N/A
Museum	0	0	0	0	N/A	N/A
Community Halls, Facilities, Thusong Centres	11 467	4 045	3 550	9 353	56.75	62.04
Component G: sub-total	22 412	22 689	21 135	19 945	(13.76)	(5.97)
Budget and Treasury Office	86 273	58 003	71 450	76 452	24.13	6.54
Executive and Council	19 979	24 359	25 741	21 965	(10.90)	(17.19)
Corporate Services	35 422	26 053	27 610	23 696	(9.95)	(16.52)
Component H: sub-total	141 673	108 415	124 800	122 113	11.22	(2.20)
Total Expenditure	414 539	449 398	468 084	464 716	3.30	(0.72)

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 184. Operational services performance

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5.2 Financial performance per municipal function

The tables below indicate the Municipality's performance with regards to each municipal function:

5.2.1 Water services

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	37 029	54 182	40 503	39 756	(1.88)
Expenditure:					
Employees	6 955	8 511	8 566	7 705	(11.18)
Repairs and maintenance	358	407	532	497	(6.97)
Other	23 678	28 144	29 801	34 102	12.61
Total operational expenditure	30 990	37 062	38 900	42 304	8.05
Net operational (service)	6 039	17 120	1 603	(2 548)	162.94
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 185. Financial performance: Water services

5.2.2 Waste water (sanitation) services

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	32 556	43 353	40 257	36 673	(9.77)
Expenditure:					
Employees	6 222	7 015	6 842	5 995	(14.13)
Repairs and maintenance	466	351	326	152	(114.53)
Other	12 891	9 331	9 442	14 483	34.80
Total operational expenditure	19 580	16 697	16 610	20 630	19.48
Net operational (service)	12 976	26 656	23 647	16 043	(47.39)
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 186. Financial performance: Waste water (sanitation) services

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5.2.3 Electricity

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	126 585	162 852	144 559	121 883	(18.60)
Expenditure:					
Employees	8 726	11 057	10 392	9 107	(14.11)
Repairs and maintenance	73	605	475	37	(1 185.57)
Other	101 109	123 566	127 875	119 389	(7.11)
Total operational expenditure	109 909	135 228	138 743	128 533	(7.94)
Net operational (service)	16 676	27 623	5 817	(6 650)	187.47

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 187. Financial performance: Electricity

5.2.4 Waste management

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	24 895	38 581	34 464	33 409	(3.16)
Expenditure:					
Employees	9 551	11 292	10 505	11 014	4.62
Repairs and maintenance	11	249	249	22	(1 008.42)
Other	8 527	6 655	7 109	5 770	(23.21)
Total operational expenditure	18 089	18 196	17 863	16 806	(6.29)
Net operational (service)	6 806	20 385	16 600	16 602	0.01

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 188. Financial performance: Waste management

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5.2.5 Housing

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	1 071	1 527	90	0	N/A
Expenditure:					
Employees	1 073	1 146	1 020	1 144	10.89
Repairs and maintenance	0	0	0	0	N/A
Other	1 051	1 790	352	197	(78.79)
Total operational expenditure	2 124	2 936	1 371	1 341	(2.27)
Net operational (service)	(1 053)	(1 409)	(1 281)	(1 341)	4.44

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 189. Financial performance: Housing

5.2.6 Road transport

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	6 027	0	490	490	(0.09)
Expenditure:					
Employees	9 050	11 254	10 423	9 630	(8.24)
Repairs and maintenance	1	275	275	20	(1 248.96)
Other	9 357	10 278	11 426	8 407	(35.91)
Total operational expenditure	18 408	21 807	22 124	18 057	(22.52)
Net operational (service)	(12 201)	(21 807)	(21 634)	(17 567)	(23.15)

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 190. Financial performance: Road transport

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5.2.7 Planning and development

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	1 859	1 411	1 857	1 298	(43.08)
Expenditure:					
Employees	6 550	6 464	6 468	7 293	11.32
Repairs and maintenance	0	33	15	0	N/A
Other	5 236	3 352	3 708	4 597	19.34
Total operational expenditure	11 787	9 850	10 191	11 890	14.29
Net operational (service)	(9 927)	(8 439)	(8 334)	(10 593)	21.32

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 191. Financial performance: Planning and development

5.2.8 Libraries

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	5 884	8 611	8 592	7 629	(12.61)
Expenditure:					
Employees	5 347	6 766	6 190	5 763	(7.42)
Repairs and maintenance	8	0	0	70	100.00
Other	577	699	718	728	1.43
Total operational expenditure	5 933	7 465	6 908	6 561	(5.29)
Net operational (service)	(49)	1 146	1 684	1 069	(57.54)

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 192. Financial performance: Libraries

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5.2.9 Community facilities

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	1 677	1 209	1 561	1 778	12.21
Expenditure:					
Employees	5 643	4 026	3 379	3 174	(6.45)
Repairs and maintenance	81	118	100	10	(937.12)
Other	4 634	1 554	1 449	1 176	(23.18)
Total operational expenditure	10 359	5 698	4 928	4 360	(13.02)
Net operational (service)	(8 681)	(4 489)	(3 367)	(2 582)	(30.40)

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 193. Financial performance: Community facilities

5.2.10 Traffic services and law enforcement

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	27 952	74 770	21 887	17 594	(24.41)
Expenditure:					
Employees	16 683	16 891	18 603	16 950	(9.75)
Repairs and maintenance	29	343	343	60	(473.09)
Other	54 340	59 285	64 788	65 391	0.92
Total operational expenditure	71 052	76 519	83 734	82 401	(1.62)
Net operational (service)	(43 100)	(1 749)	(61 846)	(64 807)	4.57

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 194. Financial performance: Traffic services and law enforcement

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5.2.11 Parks and recreation

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	2 530	5 612	7 897	6 637	(18.97)
Expenditure:					
Employees	2 323	5 541	5 313	5 014	(5.98)
Repairs and maintenance	22	760	760	81	(836.25)
Other	3 775	3 227	3 226	3 929	17.89
Total operational expenditure	6 121	9 527	9 299	9 024	(3.05)
Net operational (service)	(3 591)	(3 914)	(1 403)	(2 387)	41.23

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 195. Financial performance: Parks and recreation

5.2.12 Office of the MM

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	11 946	18 170	18 210	17 489	(4.12)
Expenditure:					
Employees	13 433	13 739	13 957	16 190	13.79
Repairs and maintenance	0	0	0	7	100.00
Other	6 545	9 171	12 294	5 531	(122.28)
Total operational expenditure	19 979	22 910	26 251	21 728	(20.81)
Net operational (service)	(8 032)	(4 740)	(8 041)	(4 239)	89.69

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 196. Financial performance: Office of the MM

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5.2.13 Financial services

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	127 366	103 359	175 386	168 032	(4.38)
Expenditure:					
Employees	20 878	29 950	26 929	24 590	100.00
Repairs and maintenance	2 312	1 235	1 947	1 450	(1 757.31)
Other	35 688	28 266	36 302	51 533	29.56
Total operational expenditure	58 878	59 452	65 178	77 573	15.98
Net operational (service)	68 488	1 449	(6 272)	90 458	106.93
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 197. Financial performance: Financial services

5.2.14 Corporate Services

Description	2023/24	2024/25			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	14 291	11 963	13 036	12 762	(2.15)
Expenditure:					
Employees	14 688	12 299	12 751	12 796	0.35
Repairs and maintenance	160	65	65	11	(494.61)
Other	16 485	13 689	13 168	10 005	(31.62)
Total operational expenditure	31 332	26 053	25 984	22 811	(13.91)
Net operational (service)	(17 041)		(12 948)	(10 049)	(28.85)
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 198. Financial performance: Corporate services

CHAPTER 5: FINANCIAL PERFORMANCE



5.3 Grants

5.3.1 Grant performance

The Municipality spent an amount of **R129 million** on infrastructure and other projects available which was received in the form of grants from national and provincial governments during the 2024/25 financial year. The performance in the spending of these grants is summarised as follows:

Description	2023/24	2024/25			2024/25 variance	
	Actual (audited outcome)	Budget	Adjustments budget	Actual	Original budget	Adjustments budget
	R'000				%	
Operating transfers and grants						
National government:	101 920	115 028	116 689	116 689	1.42	0.00
Equitable Share	83 574	88 849	88 849	88 849	0.00	0.00
Local Government Finance Management Grant	2 185	2 000	2 000	2 000	0.00	0.00
Municipal Infrastructure Grant (MIG) – Project Management Unit	14 789	15 643	17 631	17 631	11.28	0.00
Integrated National Electrification Programme (INEP)	0	7 310	6 983	6 983	(4.68)	0.00
Expanded Public Works Programme (EPWP) Integrated Grant	1 372	1 226	1 226	1 226	0.00	0.00
Water Services Infrastructure Grant (WSIG)	0	0	0	0	N/A	N/A
Provincial government:	5 732	13 413	17 752	10 606	(26.47)	(67.38)
Human Settlements Development Grant (Beneficiaries)	1 071	1 437	0	0	N/A	N/A
Provincial Treasury: Financial Management Capacity Building Grant	0	600	2 725	2 725	77.98	0.00
Western Cape Municipal Recovery Services Grant	1 000	0	310	310	100.00	0.00
Department of Cultural Affairs and Sport: Library Service: Replacement Funding	0	7 060	7 060	0	N/A	N/A
Department of Cultural Affairs and Sport : Development of Sport and Recreation Facilities	0	0	1 100	1 100	100.00	0.00
Department of Cultural Affairs and Sport : Library Service: Community Library Service Grant	0	1 500	1 500	1 500	0.00	0.00
Department of Infrastructure: Title Deeds Restoration Grant	0	90	90	0	N/A	N/A
Department of Local Government: Community Development Workers (CDW) Operational Support Grant	226	226	226	226	0.00	0.00

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Description	2023/24	2024/25			2024/25 variance	
	Actual (audited outcome)	Budget	Adjustments budget	Actual	Original budget	Adjustments budget
	R'000				%	
Operating transfers and grants						
Department of Local Government: Western Cape Municipal Interventions Grant	1 635	0	2 241	2 245	100.00	0.18
Department of Local Government: Municipal Energy Resilience Grant	600	0	0	0	N/A	N/A
Department of Local Government: Municipal Water Resilience Grant	1 200	2 500	2 500	2 500	0.00	0.00
Other grant providers	2 529	672	1 613	1 994	66.30	19.09
Services – SETA	0	0	0	0	N/A	N/A
Central Karoo District Municipality	86	0	370	370	100.00	0.00
Chemical Industries Education & Training Authority	2 128	672	1 236	1 617	58.44	23.55
Local Government Sector Education and Training Authority	315	0	7	7	100.00	0.00
Total operating transfers and grants	110 180	129 113	136 054	129 289	0.14	(5.23)

Table 199. Operating grant performance

5.3.2 Level of reliance on grants and subsidies

The table below reflects the level of reliance on grants and subsidies

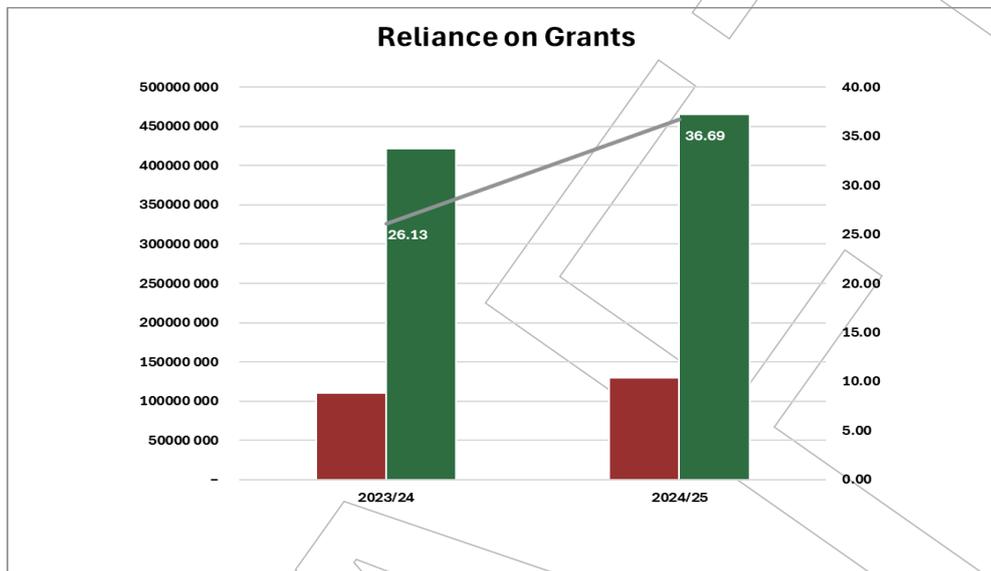
Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R'000		%
2023/24	110 180	421 680	26.13
2024/25	129 289	465 256	27.79

Table 200. Reliance on grants

CHAPTER 5: FINANCIAL PERFORMANCE



The following graph gives a visual relationship between the two financial years and the trend based on grant received and operating revenue:



Graph 8.: Reliance on grants

5.4 Repairs and Maintenance

The following table indicates the Municipality's expenditure on repairs and maintenance:

Description	2023/24	2024/25			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			
Repairs and Maintenance Expenditure	3 521	4 441	5 088	2 418	(52.48)

Table 201. Repairs and maintenance expenditure

5.5 Financial ratios based on KPIs

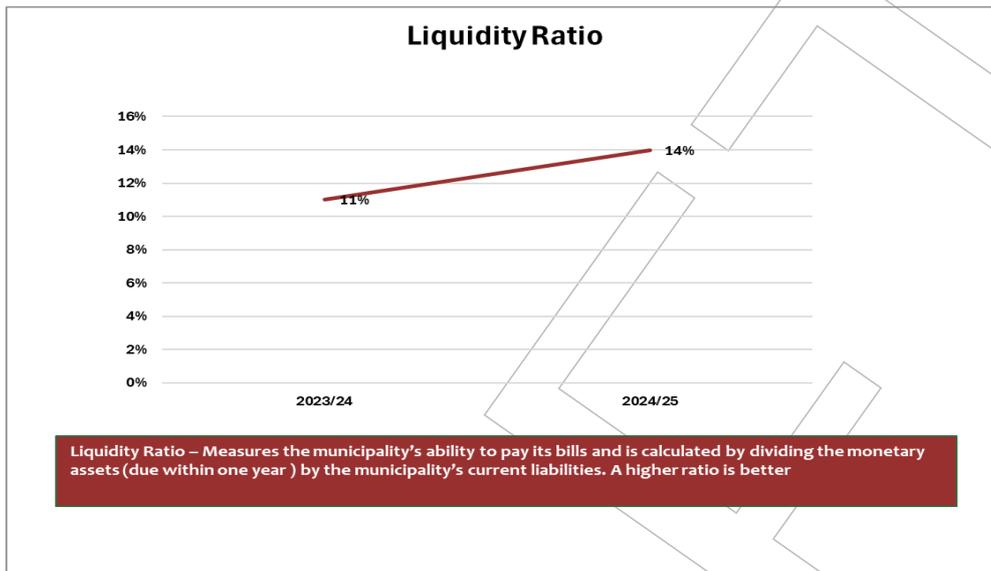
The graphs and tables below indicate the Municipality's performance in relation to the financial ratios:

5.5.1 Liquidity ratio

Description	Basis of calculation	2023/24	2024/25
		Audited outcome	Audited outcome
Current ratio	Current assets/current liabilities	66.73%	66.15%
Current ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	(34%)	(41%)
Liquidity ratio	Monetary assets/Current liabilities	11%	14%

Table 202. Liquidity financial ratio

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Graph 9.: Liquidity ratio

5.5.2 IDP regulation financial viability indicators

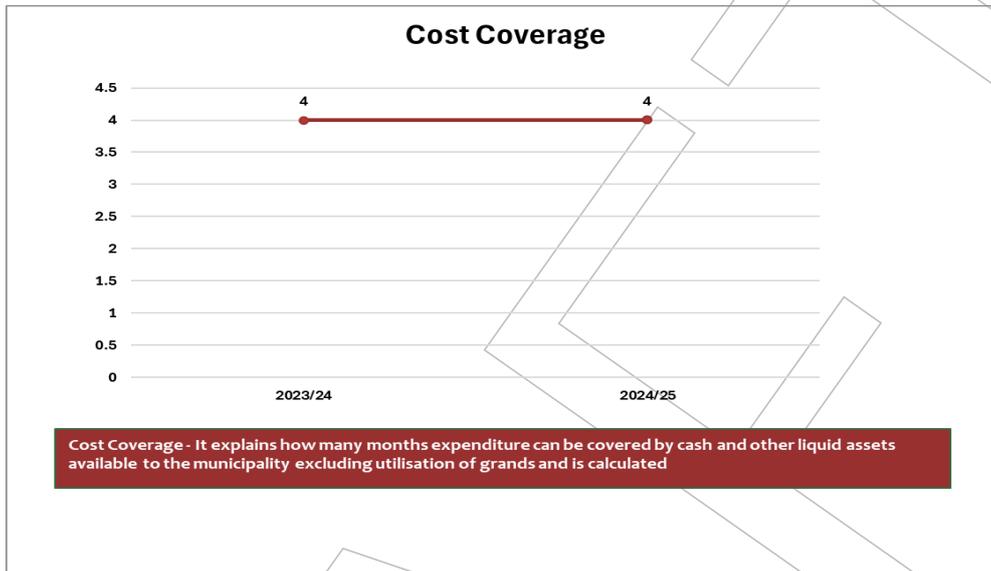
Description	Basis of calculation	2023/24	2024/25
		Audited outcome	Audited outcome
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4	4
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	85%	75%
Debt coverage	(Total operating revenue - operating grants)/Debt service payments due within financial year)	1.86	2.04

Table 203. Financial viability national KPAs

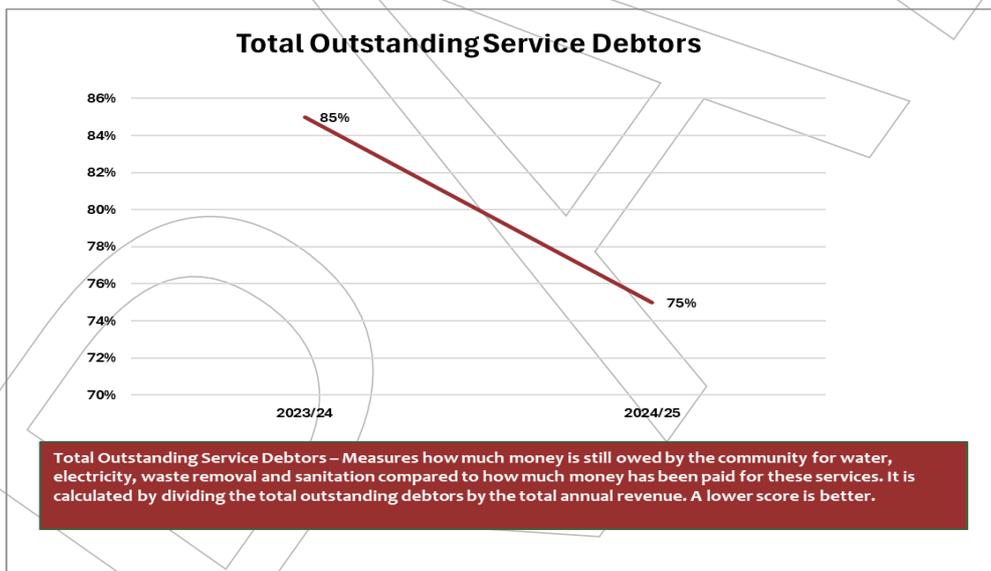
CHAPTER 5: FINANCIAL PERFORMANCE



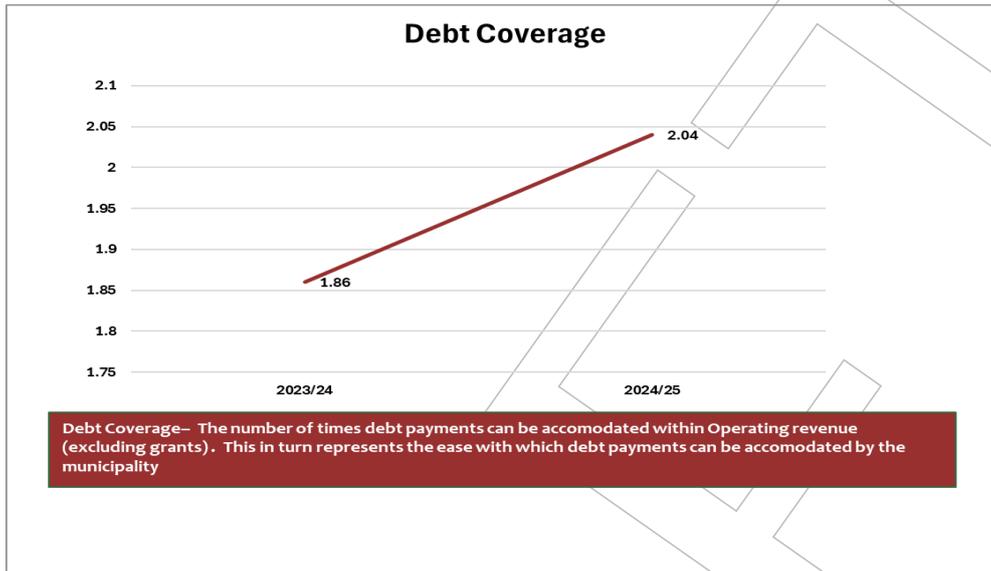
The following graphs illustrates the compared financial viability indicators for the past two financial years:



Graph 10.:Cost coverage



Graph 11.:Outstanding service debtors to revenue



Graph 12.:Debt coverage

5.5.3 Repairs and maintenance

The following table illustrates the Municipality’s proportion of operating expenditure in relation to repairs and maintenance:

Description	Basis of calculation	2023/24	2024/25
		Audited outcome	Audited outcome
Repairs and maintenance	R and M/(Total revenue excluding capital revenue)	1%	1%

Table 204. Repairs and maintenance

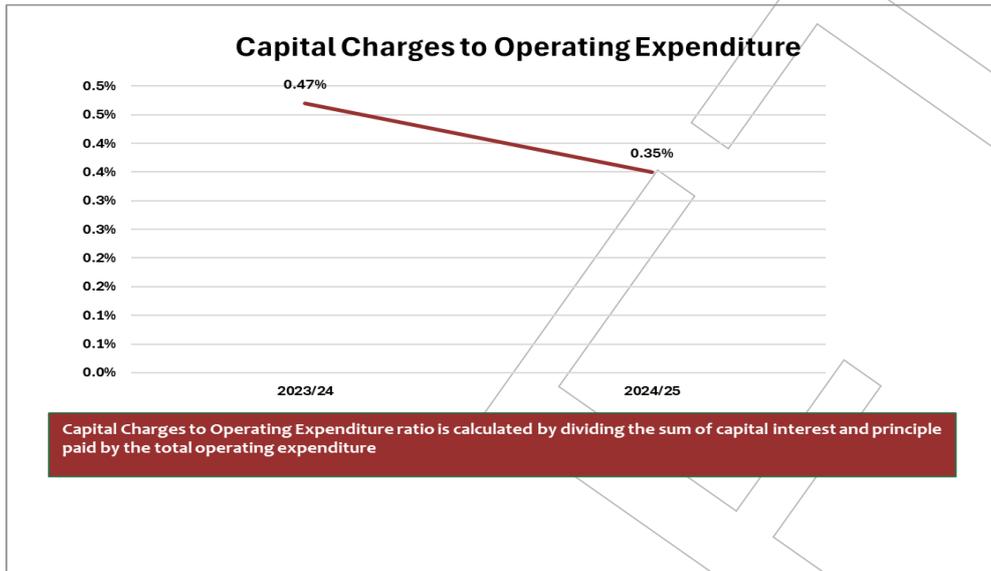
5.5.4 Borrowing management

The following table and graph illustrate the Municipality’s proportion of capital charges in relation to operating expenditure:

Description	Basis of calculation	2023/24	2024/25
		Audited outcome	Audited outcome
Capital charges to operating expenditure	Interest and principal paid/ Operating expenditure	0.47%	0.35%

Table 205. Borrowing management

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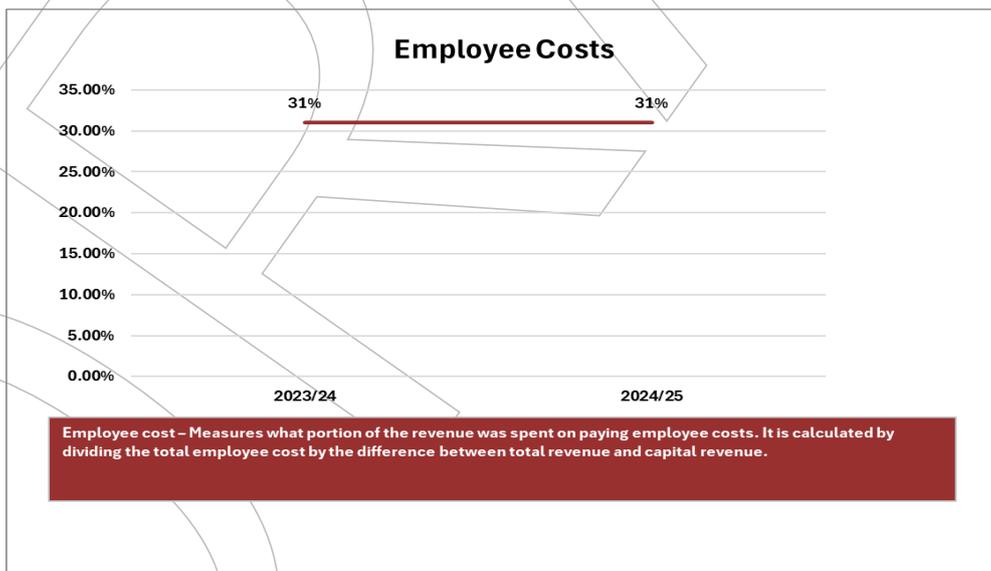
Graph 13.:Capital charges to operating expenditure

5.5.5 Employee costs

The table and graph below illustrate the Municipality’s portion of revenue spent on employee costs for the past two financial years:

Description	Basis of calculation	2023/24	2024/25
		Audited outcome	Audited outcome
Employee costs	Employee costs/(Total revenue - capital revenue)	31%	31%

Table 206. Employee costs



Graph 14.:Employee costs



Component B: Spending against Capital Budget

5.6 Capital Expenditure: Sources of Finance

The table below indicates the capital expenditure by funding source for the 2024/25 financial year:

Details	2023/24	2024/25				
	Audited outcome	Original Budget (OB)	Adjust-ment Budget	Actual	Adjust-ment to OB Variance	Actual to OB Variance
Source of finance						
Description	R'000				%	
External loans	1 582	0	0	0	N/A	N/A
Public contributions and donations	0	0	0	460	N/A	N/A
Grants and subsidies	14 117	22 757	25 779	24 246	13.28	(6.73)
Own funding	1 190	2 818	5 979	4 802	112.17	(41.77)
Total	16 889	25 575	31 757	29 507	24.17	(8.80)
Percentage of finance						
External loans	9	0	0	0		
Public contributions and donations	0	0	0	1		
Grants and subsidies	84	89	81	76		
Own funding	7	11	19	15		
Capital expenditure						
Description	R'000				%	
Water and sanitation	1 726	2 174	3 348	3 145	54.00	(9.32)
Electricity	16	6 480	6 838	6 072	5.53	(11.82)
Housing	0	0	0	0	N/A	N/A
Roads and storm water	5 606	0	426	426	N/A	N/A
Other	9 542	16 922	21 145	19 864	24.96	(7.57)
Total	16 889	25 575	31 757	29 507	24.17	(8.80)
Percentage of expenditure						
Water and sanitation	10	9	11	11		
Electricity	0	25	22	21		
Housing	0	0	0	0		
Roads and storm water	33	0	1	1		
Other	56	66	67	67		

Table 207. Capital spending by funding source



Component C: Cash Flow Management and Investments

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

5.7 Cash flow

The table below reflects the Municipality's cash flow for the financial year:

Cash flow outcomes				
R'000				
Description	2023/24	2024/25		
	Audited outcome	Original budget	Adjusted budget	Actual
Cash flow from operating activities				
Receipts				
Ratepayers and other	208 234	281 067	322 371	250 332
Government -operating	94 262	102 942	106 529	100 971
Government -capital	15 823	26 171	29 525	28 315
Interest	14 970	2 221	2 650	4 699
Payments				
Suppliers and employees	(307 268)	(347 909)	(422 420)	(351 104)
Finance charges	(3 344)	(1 847)	(2 606)	(649)
Transfers and grants	0	0	0	0
Grants repaid	(3 659)	0	0	(270)
Net cash from/(used) operating activities	19 018	62 645	36 050	32 294
Cash flows from investing activities				
Payments				
Capital assets	(16 813)	(25 575)	(31 757)	(29 627)
Net cash from/(used) investing activities	(16 813)	(25 575)	(31 757)	(29 627)
Cash flows from financing activities				
Payments				
Repayment of borrowing	(1 182)	(1 102)	(1 181)	(1 181)
Net cash from/(used) financing activities	(1 182)	(1 102)	(1 181)	(1 181)
Net increase/ (decrease) in cash held	1 023	35 968	3 111	1 485
Cash/cash equivalents at the year begin:	14 860	16 257	15 844	15 883
Cash/cash equivalents at the yearend:	15 883	52 225	18 955	17 369

Table 208. Cash flow

5.8 Gross outstanding debtors per service

The table below reflects the debtor's analysis per service for the previous financial years:

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Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and water)	(Sanitation and refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2023/24	42 853	50 509	70 605	3 903	160 495	328 366
2024/25	50 321	46 410	64 605	4 181	112 836	278 354
Difference	7 468	(4 099)	(6 000)	278	(47 660)	(50 011)
% growth year on year	17	(8)	(8)	7	(30)	(15)

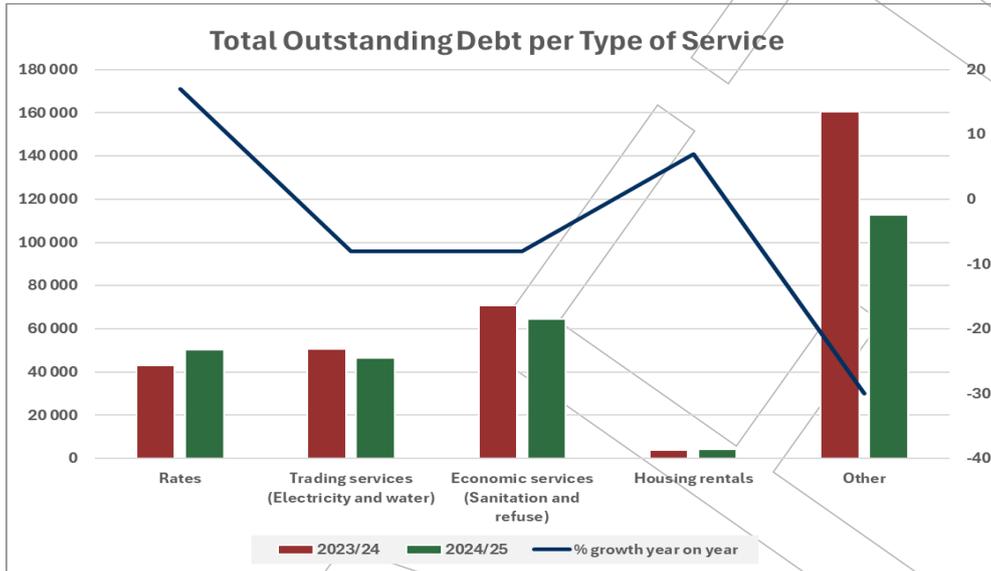
Note: Figures exclude provision for bad debt

Table 209. Gross outstanding debtors per service

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The following graph indicates the total outstanding debt per type of service for 2024/25:



Graph 15.:Debt per type of service

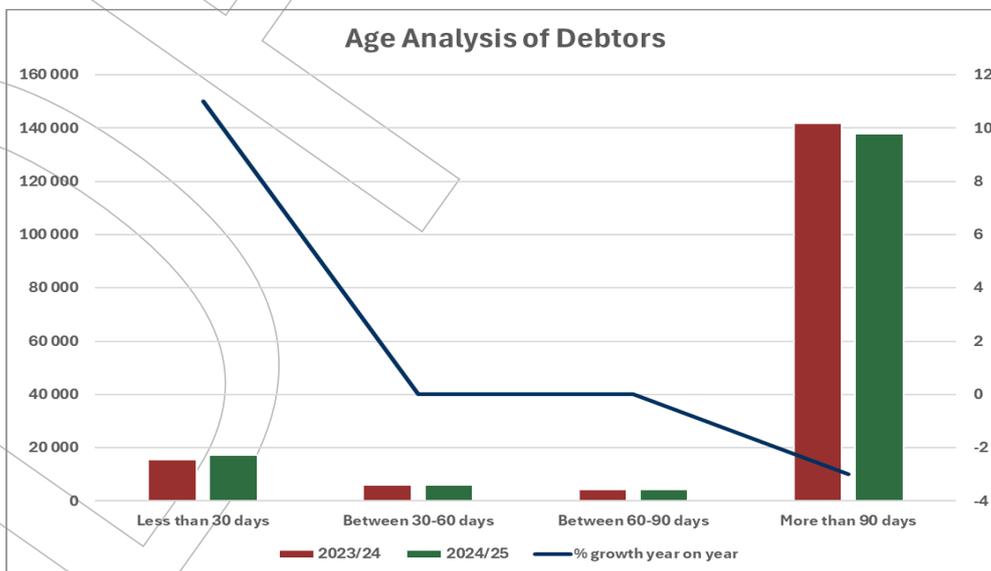
5.9 Total debtors age analysis

The table below reflects the Municipality’s debtors age analysis for the past two financial years

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2023/24	15 564	5 993	4 460	141 854	167 870
2024/25	17 259	5 981	4 443	137 835	165 519
Difference	1 696	(12)	(17)	(4 019)	(2 352)
% growth year on year	11	0	0	(3)	(1)

Note: Figures exclude provision for bad debt.

Table 210. Service debtor age analysis



CHAPTER 5: FINANCIAL PERFORMANCE



Graph 16.:Age analysis of debtors

5.10 Borrowing and investments

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.10.1 Actual borrowings

The table below reflects the municipality's financial positions relating to borrowings:

Actual borrowings		
R' 000		
Instrument	2023/24	2024/25
Long-term loans (annuity/reducing balance)	3 789	3 131
Financial leases	1 134	611
Total	4 923	3 741

Table 211. Actual borrowings

5.10.2 Municipal investments

Actual investments		
R'000		
Investment type	2023/24	2024/25
	Actual	Actual
Deposits – bank	12 106	16 269
Total	12 106	16 269

Table 212. Municipal investments



CHAPTER 6

Component A: Auditor-General Opinion 2023/24

6.1 Auditor-General report 2023/24

6.1.1 Audit report status: Qualified

Main issues raised	Corrective steps implemented / to be implemented
Revenue from exchange transactions – Water Services Charges	
<p>The AG was unable to obtain sufficient appropriate audit evidence for revenue from exchange transactions for service charges relating to water, as the Municipality did not account for basic charges on water for some of the residential properties, as well as the consumption thereof. As a result, these properties were not charged for water services received. The AG was unable to determine the impact on revenue from exchange transactions for service charges relating to water as well as the comparative figures, as it was impracticable to do so. This has a resultant impact on the water losses disclosed in note 48.8 to the financial statements. Consequently, The AG was unable to determine whether any adjustments were necessary to revenue from exchange for service charges relating to water stated at R21,3 million in note 27 to the financial statements.</p>	<ul style="list-style-type: none"> 🏠 Meters are currently being installed. However, due to lack of funding and technical department capacity constraints, this will be a multi-year project. Flat rates are being levied as an interim solution and the Municipality has applied to National Treasury for additional support under the debt relief program. 🏠 Several business plans were submitted to address the shortage of water meters. As part of this effort, National Treasury's debt relief support was influenced to include meter-related interventions. This resulted in the RT 29-2024 tender now covering pre-paid water meters, items previously not included in National Treasury's original debt relief support framework
Material uncertainty relating to going concern	
<p>The AG draws attention to Note 54 to the financial statements, which indicates that the Municipality's current liabilities exceeded its current assets by R50.2 million (2022/23 R108.2 million). As stated in the note, these events or conditions, along with the other matters as set forth in the note, indicate that may cast significant doubt on the municipality's ability to continue as a going concern.</p>	<ul style="list-style-type: none"> 🏠 The Municipality is currently part of the financial recovery process. Part of the process is to improve cashflow of the municipality. 🏠 Development of funded budget for the ongoing years. 🏠 Reduction of Municipality's creditors will improve the current ratio.
Emphasis of matters	
Restatement to corresponding figures	
<p>As disclosed in note 43 to the annual financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors identified in the financial statements of the Municipality at, and for the year ended, 30 June 2024</p>	<ul style="list-style-type: none"> 🏠 Management to minimize prior year corrections with implementation of proper reconciliations and review for the AFS 🏠 Interim Financial Statements will be prepared as at 31 March 2025
Material impairment	

CHAPTER 6: AUDITOR-GENERAL OPINION



Main issues raised	Corrective steps implemented / to be implemented
<p>As disclosed in note 10 to the financial statements, the Municipality provided for the impairment of receivables from exchange transactions amounting to R133.2million (2022/23 R129.7million).</p> <p>As disclosed in note 11 to the financial statements, the Municipality provided for the impairment of receivables from non-exchange transactions amounting to R137.9 million (2022/23 R118.3million)</p>	<ul style="list-style-type: none"> • Development of funded budget for the ongoing years • Strengthen the implementation of credit control and debt collection policy, to improve collection from debtors
Material Losses	
<p>As disclosed in note 48.8 to the financial statements, material water distribution losses of 3 401 552 kilolitres (2022-23: 2 044 082 kilolitres) was incurred, which represents 78,33% (2022-23: 63,66%) of total water purchases. Water losses are due to faulty prepaid water meters and where a consumer does not have a meter.</p>	<ul style="list-style-type: none"> • Repair and replace electricity meters and maintain the electricity network • A process was started to install new prepaid water meters. A flat rate was also implemented to recover loss of income

Table 213. Auditor-General report 2023/24

CHAPTER 6: AUDITOR-GENERAL OPINION



Component B: Auditor-General Opinion 2024/25

6.2 Auditor-General report 2024/25

6.2.1 Audit report status: Unqualified with emphasis of matters

6.2.2 Auditor-General Report on the Financial Statements 2024/25

Main issues raised	Corrective steps implemented / to be implemented
Material uncertainty relating to going concern	
<p>The AG draws attention to note 53 to the financial statements, which indicates that current liabilities exceeded its current assets by R43.5 million. As stated in note 53, these events or conditions, along with other matters as set forth in note 53, indicate that a material uncertainty exists that may cast significant doubt on the Municipality's ability to continue as a going concern.</p>	<ul style="list-style-type: none"> The Municipality is currently part of the financial recovery process. Part of the process is to improve cashflow of the municipality. Development of funded budget for the ongoing years. Reduction of Municipality's creditors will improve the current ratio.
Emphasis of matters	
Material impairment	
<p>As disclosed in note 10 to the financial statements, the Municipality provided for the impairment of receivables from exchange transactions amounting to R127.1 million (2023–24: R132.1 million).</p> <p>As disclosed in note 11 to the financial statements, the Municipality provided for the impairment of receivables from non-exchange transactions amounting to R116.0 million (2023–24: R139.1 million).</p>	<ul style="list-style-type: none"> Development of funded budget for the ongoing years. Strengthen the implementation of credit control and debt collection policy, to improve collection from debtors.
Restatement of corresponding figures	
<p>As disclosed in note 42 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.</p>	<ul style="list-style-type: none"> Management to minimize prior year correction with implementation of proper reconciliations and review for the AFS. Interim Financial Statements will be prepared as at 31 March 2026.
Material Losses	
<p>As disclosed in note 47.8 to the financial statements, material water distribution losses of 3.4 million kilolitres (2023–24: 3.4 million kilolitres) was incurred, which represents 76.4% (2023–24: 78.3%) of total water purchases. Water losses were primarily a result of ageing infrastructure and widespread unmetered connections caused by mass meter failures.</p>	<ul style="list-style-type: none"> Repair and replace electricity meters and maintain the electricity network. A process was started to install water meters. A flat rate was also implemented to recover loss of income.

Table 214. Auditor-General report 2024/25

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ABBREVIATIONS



List of Abbreviations

AG	Auditor-General	KPI	Key Performance Indicator
AGSA	Auditor-General of South Africa	LED	Local Economic Development
AOD	Acknowledgement of Debt	LJOC	Local Joint Organising Committee
BWETT	Beaufort West Empowerment Through Tourism	LLF	Local Labour Forum
CAPEX	Capital Expenditure	LRO	Labour Relations Officer
CBP	Community Based Planning	MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
CCMA	Commission for Conciliation, Mediation and Arbitration	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MISA	Municipal Infrastructure Support Agent
CWP	Community Work Programme	MM	Municipal Manager
DMA	Disaster Management Act	MSA	Municipal Systems Act No. 32 of 2000
DMR	Disaster Management Regulations	MTECH	Medium Term Expenditure Committee
DoL	Department of Labour	MVA	Mega-Volt Ampere
DPLG	Department of Provincial and Local Government	NGO	Non-governmental organisation
DR	Disaster Recovery	NT	National Treasury
DWAF	Department of Water Affairs and Forestry	OHS	Occupational Health and Safety
EE	Employment Equity	OPEX	Operating expenditure
EPWP	Expanded Public Works Programme	PMS	Performance Management System
FRP	Financial Recovery Plan	PPE	Personal Protective Equipment
GRAP	Generally Recognised Accounting Practice	PT	Provincial Treasury
HR	Human Resources	SALGA	South African Local Government Organisation
ICT	Information and Communication Technology	SAMDI	South African Management Development Institute
IDP	Integrated Development Plan	SCM	Supply Chain Management
IFRS	International Financial Reporting Standards	SDA	Skills Development Act
IMFO	Institute for Municipal Finance Officers	SDBIP	Service Delivery and Budget Implementation Plan
IRD	Integrated Residential Development Programme	SDF	Spatial Development Framework
KPA	Key Performance Area	SLIMS	Systematic Library Information Management System
		SPLUMA	Spatial Planning and Land Management Act
		SOP	Standard Operating Procedure

ABBREVIATIONS



- WRP** Water Reclamation Plant
- WWTW** Waste Water Treatment Works
- YCOP** Youth Community Outreach Program



**ANNEXURE A:
AUDITED FINANCIAL
STATEMENTS**

Beaufort West

MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS

30 JUNE 2025

BEAUFORT WEST LOCAL MUNICIPALITY

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BEAUFORT WEST LOCAL MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2025, which are set out on pages 1 to 118 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

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

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

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

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2026 and I am satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

In terms of Section 13G of the Broad-Based Black Economic Empowerment Amendment Act (Act 46 of 2013), read with regulation 12 of the B-BBEE Regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports. Compliance is disclosed in the annual report.



AC Makendlana
Acting Accounting Officer

29 November 2025

BEAUFORT WEST LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

GENERAL INFORMATION

COUNTRY OF ORIGIN AND LEGAL FORM

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

LEGAL FORM OF THE ENTITY

Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)

NATURE OF BUSINESS

Beaufort West Municipality is a local municipality performing the functions as set out in the Constitution (Act no 108 of 1996). The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.

JURISDICTION

The Beaufort West Municipality includes the following areas:

Beaufort West
Nelspoort
Merweville
Murraysburg

EXECUTIVE/MAYORAL COMMITTEE

Executive Mayor	Vacant
Deputy Executive Mayor	GJ Duimpies
Speaker	JJ.van der Linde
Executive councillor	Vacant
Executive councillor	Vacant

COUNCILLOR MEMBERS

WARD

1	O.Haarvoor
2	JDK.Reynolds
3	GJ Duimpies
4	CL.de Bruin
5	LV.Piti
6	E.Links
7	LBJ.Mdudumani
Proportional	S.Jooste
Proportional	S.Essop
Proportional	BEJ Gordon
Proportional	AM.Stabbert
Proportional	JJ.van der Linde
Proportional	G Pietersen

EXECUTIVE MANAGEMENT

Acting Municipal Manager	AC Makendana
Acting Chief Financial Officer	B.Jacobs
Director Infrastructure Service	Mr.L.Ngotola
Director Corporate Services	Mr.AC Makendana

SECTION 79 COMMITTEE

Chairperson	Vacant
E.Links	
LBJ.Mdudumani	
S.Essop	

MEMBER OF AUDIT COMMITTEE

Mr. S Ngwevu (chairperson)
Mr. W Phillips
Mr. K Mckay
Mr.M.Adams

GRADING OF LOCAL MUNICIPALITY

Demarcation code	WC053
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REGISTERED OFFICE

112 Donkin Street
BEAUFORT WEST
6970

POSTAL ADDRESS

582 PO box
BEAUFORT WEST
6970

TELEPHONE NUMBER

023 414 8100/94

EMAIL ADDRESS

treasury@beaufortwestmun.co.za

MUNICIPAL WEBSITE

<http://www.beaufortwestmun.co.za>

BANKERS

Nedbank, Beaufort West

AUDITORS

Office of the Auditor General (WC)

LEGAL REPRESENTATIVE

Crawford Attorneys, Beaufort West
Van Niekerk Attorneys, Beaufort West

RELEVANT LEGISLATION

SALGABC Collective Agreements	Municipal Structures Act (Act no 117 of 1998)
Division of Revenue Act	Municipal Systems Act (Act no 32 of 2000)
Electricity Act (Act no 41 of 1987)	SALGABC Leave Regulations
Employment Equity Act (Act no 55 of 1998)	Skills Development Levies Act (Act no 9 of 1999)
Housing Act (Act no 107 of 1997)	Supply Chain Management Regulations, 2005
Infrastructure Grants	The Income Tax Act
Municipal Budget and Reporting Regulations	Unemployment Insurance Act (Act no 30 of 1966)
Municipal Property Rates Act (Act no 6 of 2004)	Value Added Tax Act
Municipal Systems Amendment Act (Act no 7 of 2011)	Water Services Act (Act no 108 of 1997)
Municipal Regulations on Standard Chart of Accounts	Constitution (Act no.108 of 1996)
Municipal Finance Management Act (Act no 56 of 2003)	
Basic Conditions of Employment Act (Act no 75 of 1997)	
Municipal Planning and Performance Management Regulations	
Remuneration of Public Office Bearers Act (Act no 20 of 1998)	
All Local Government Regulations issued by relevant Minister	

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	2025 R	2024 Restated R
ASSETS			
Non-Current Assets		460,740,872	462,348,185
Property, Plant and Equipment	2	450,987,370	451,472,818
Investment Property	3	5,121,780	5,860,880
Intangible Assets	4	1,031,851	1,362,152
Heritage Assets	5	3,340,000	3,340,000
Non-Current Receivables from Exchange Transactions	6	209,486	229,477
Non-Current Receivables from Non-Exchange Transactions	7	50,385	82,858
Current Assets		84,944,682	94,332,069
Inventory	9	4,063,130	3,058,371
Receivables from Exchange Transactions	10	26,165,890	39,767,055
Receivables from Non-exchange Transactions	11	24,394,228	33,838,177
Operating Lease Asset	8	200,633	185,935
VAT receivable	21	-	-
Current Portion of Non-Current Receivables - Exchange Transactions	6	10,109,254	1,145,823
Current Portion of Non-Current Receivables - Non-Exchange Transactions	7	2,642,968	453,524
Cash and Cash Equivalents	12	17,368,578	15,883,184
Total Assets		545,685,555	556,680,254
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		102,325,280	101,770,377
Long-term Borrowings	13	2,572,516	3,741,325
Non-current Provisions	14	26,119,259	21,300,124
Non-current Employee Benefits	15	37,259,307	33,744,307
Long-term Trade and Other Payables	19.1	13,528,464	-
Trade and Other Payables from Exchange Transactions (debt relief)	19.2	22,845,735	42,984,621
Current Liabilities		128,413,019	141,372,961
Consumer Deposits	16	2,792,741	2,681,963
Provisions	17	0	0
Current Employee Benefits	18	16,344,770	15,172,360
Trade and Other Payables from Exchange Transactions	19.1	71,316,033	84,182,828
Trade and Other Payables from Exchange Transactions (debt relief)	19.2	25,587,223	25,846,315
Unspent Transfers and Subsidies	20	3,853,312	1,884,089
VAT Payable	21	7,350,130	10,424,008
Current Portion of Long-term Borrowings	13	1,168,809	1,181,399
Total Liabilities		230,738,299	243,143,338
Net Assets		314,947,256	313,536,917
Housing Development Fund	22	3,789,518	3,789,518
Self Insurance Reserve	22	314,827	314,827
Accumulated Surplus		310,842,911	309,432,572
Total Net Assets and Liabilities		545,685,555	556,680,254



BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025	2024
		R	Restated R
REVENUE			
Revenue from Non-exchange Transactions		277,233,106	251,025,607
Taxation Revenue		55,325,849	46,613,835
Property Rates	23	55,325,849	46,613,835
Transfer Revenue		217,314,644	200,512,768
Government Grants and Subsidies - Capital	24	27,725,444	16,190,459
Government Grants and Subsidies - Operating	24	99,321,417	93,324,927
Contributed Property, Plant and Equipment	25	459,764	-
Fines, Penalties and Forfeits		66,859,555	75,691,906
Debt forgiveness	32.2	22,948,464	15,305,477
Other Revenue		4,592,613	3,899,004
Interest Earned - Non-exchange Transactions		3,071,508	3,210,957
Licences and Permits	26	151,138	170,488
Availability fees		1,369,967	517,559
Revenue from Exchange Transactions		188,022,972	170,654,769
Service Charges	27	164,388,046	146,644,222
Sales of Goods and Rendering of Services	28	777,312	674,798
Rental from Fixed Assets	29	1,180,692	1,715,225
Interest Earned - External Investments	30	3,059,425	2,683,944
Interest Earned - Exchange Transactions	31	9,154,225	9,074,822
Licences and Permits	26	81,455	219,199
Agency Services	55	1,366,145	1,355,917
Operational Revenue	32.1	8,015,671	8,286,642
Total Revenue		465,256,078	421,680,375
EXPENDITURE			
Employee related costs	33	129,828,121	121,104,843
Remuneration of Councillors	34	6,536,129	6,018,259
Bad Debts Written Off	10 & 11	120,176,042	52,235,162
Contracted Services	35	25,067,233	26,279,788
Depreciation and Amortisation	36	28,357,257	26,672,511
Finance Costs	37	14,468,233	16,612,776
Bulk Purchases	38	117,189,613	99,961,789
Inventory Consumed	9.1	10,240,753	7,359,719
Operational Costs	39	32,222,680	32,894,312
Total Expenditure		484,086,060	389,139,158
Operating Surplus/(Deficit) for the Year		(18,829,983)	32,541,217
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	9.2	173,384	(107,578)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	40	26,532,173	(23,054,535)
Gains/(Loss) on Sale of Fixed Assets	41	(2,055,642)	(1,419,423)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	2.10	(3,243,346)	(50,749)
Actuarial gain/(loss)	15	(1,166,247)	(600,120)
NET SURPLUS/(DEFICIT) FOR THE YEAR		1,410,339	7,308,812



BEAUFORT WEST LOCAL MUNICIPALITY

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

	Housing Development Fund	Self Insurance Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
Balance at 1 July 2023	3,789,518	314,827	300,790,483	304,894,828
Correction of Error - note 42.2			1,328,233	1,328,233
Restated balance 1 July 2023	3,789,518	314,827	302,118,716	306,223,061
Net Surplus/(Deficit) previously reported	-	-	9,016,767	9,016,767
Correction of Error - note 42.2			(1,707,955)	(1,707,955)
Net Surplus/(Deficit) restated			7,308,812	7,308,812
Restated balance 30 June 2024	3,789,518	314,827	309,427,529	313,531,874
Net Surplus/(Deficit) for the year	-	-	1,410,339	1,410,339
Balance at 30 June 2025	3,789,518	314,827	310,837,868	314,942,213
	Note 22	Note 22	Note 42	



BEAUFORT WEST LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R	2024 Restated R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Cash receipts from customers		250,331,541	208,233,650
Government grants		129,286,288	110,085,003
Interest		4,699,227	14,969,722
Cash payments			
Suppliers and Employees		(351,104,210)	(307,268,163)
Finance Charges		(648,591)	(3,343,507)
Grants repaid		(270,203)	(3,658,725)
Net Cash from Operating Activities	43	<u>32,294,052</u>	<u>19,017,980</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(29,526,738)	(16,314,946)
Purchase of Intangible Assets		(100,520)	(497,631)
Net Cash from Investing Activities		<u>(29,627,258)</u>	<u>(16,812,577)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,181,400)	(1,182,012)
Net Cash from Financing Activities		<u>(1,181,400)</u>	<u>(1,182,012)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>1,485,395</u>	<u>1,023,390</u>
Cash and Cash Equivalents at the beginning of the year		15,883,184	14,859,793
Cash and Cash Equivalents at the end of the year	44	17,368,578	15,883,184
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>1,485,395</u>	<u>1,023,391</u>



BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Final Adjustment Budget R	Shifting of Funds (i.t.o. s31 of the MFMA) R	Virement (i.t.o. Council approved-by-law) R	Final Budget R	Actual Outcome R	Variance as a % of final budget %	Explanations for material variances of R1m or 10%
ASSETS								
Current Assets								
Cash and Cash Equivalents	Cash and Cash Equivalents	18,955,027	-	-	18,955,027	17,368,578	-8.37%	Due to financial constraints expenditure was capped to the minimum, resulting in less cash outflows but merely reallocations of costs between departments. Including them would have overstated both revenue and expenditure. The budget, however, include internal charges. Further VAT input accrual included with receivables from exchange transactions.
Trade and other receivables from exchange transactions	Receivables from Exchange Transactions	20,586,089	-	-	20,586,089	26,165,890	27.10%	Internal charges were excluded from the AFS as they do not represent actual cash inflows or outflows but merely reallocations of costs between departments. Including them would have overstated both revenue and expenditure. The budget, however, include internal charges. Further VAT input accrual included with receivables from exchange transactions.
Receivables from non-exchange transactions	Receivables from non-exchange transactions	28,716,031	-	-	28,716,031	24,394,228	-15.05%	Huge amounts written off on traffic fines that was not anticipated when the budget was compiled.
Other current assets	Add: Operating lease asset Add: Unpaid transfers and subsidies Add: Finance lease asset	10,345,010	-	-	10,345,010	200,633 200,633 -	-98%	Other receivables non-exchange. Per the budget part of other current assets. The actual balance for other receivables part of receivables from non-exchange.
VAT	VAT receivable	14,760,607	-	-	14,760,607	-	-100.00%	Due to reclassification of VAT input accrual to receivables from exchange transactions and reclassification of VAT output accrual to payables from exchange transactions.
Current portion of non-current receivables	Current Portion of Non-Current Receivables exchange & non-exchange	1,599,347	-	-	1,599,347	12,752,222	697.34%	Upgrade of main ERP with Prepaid vending module together with the implementation of Credit Control and Debt Collection Policy led to increase in arrangements on outstanding accounts.
Inventory		3,058,371	-	-	3,058,371	4,063,130	32.85%	Less inventory consumed than expected.
Total Current Assets		98,020,482	-	-	98,020,482	84,944,682	5	
Non-Current Assets								
Trade and other receivables from exchange transactions	Non-Current Receivables from Exchange Transactions	(510,881)	-	-	(510,881)	209,486	-141.00%	Upgrade of main ERP with Prepaid vending module together with the implementation of Credit Control and Debt Collection Policy led to increase in arrangements on outstanding accounts.
Non-current receivables from non-exchange transactions	Non-Current Receivables from Non-Exchange Transactions	82,859	-	-	82,859	50,385	-39.19%	Upgrade of main ERP with Prepaid vending module together with the implementation of Credit Control and Debt Collection Policy led to increase in arrangements on outstanding accounts.
Investment Property	Investment Property	5,636,200	-	-	5,636,200	5,121,780	-9.13%	
Property, Plant and Equipment	Property, Plant and Equipment	448,684,243	-	-	448,684,243	450,987,370	0.51%	Due to Contributed PPE received. Further the change in estimate for landfill site not budgeted.
Intangible assets	Intangible Assets	1,352,613	-	-	1,352,613	1,031,851	-23.71%	Due to the movement between depreciation of financial years.
Heritage assets	Heritage assets	3,340,000	-	-	3,340,000	3,340,000	0.00%	
Total Non-Current Assets		458,585,034	-	-	458,585,034	460,740,872	0.47%	
TOTAL ASSETS		556,605,516	-	-	556,605,516	545,685,555	-1.96%	
LIABILITIES								
Current Liabilities								
Financial liabilities	Current Portion of Long-term Borrowings	1,168,810	-	-	1,168,810	1,168,809	0.00%	
Consumer Deposits	Consumer Deposits	2,681,963	-	-	2,681,963	2,792,741	4.13%	
Trade and other payables from exchange transactions	Trade and Other Payables from Exchange Transactions	60,800,420	-	-	60,800,420	96,903,256		Mainly due to debt relief granted for year 1.
	Trade and Other Payables from Exchange Transactions (debt relief)					71,316,033		VAT output accrual included with payables from exchange transactions
						25,587,223		Mainly due to debt relief granted for year 1.
Trade and other payables from non-exchange transactions	Unspent Transfers and Subsidies					3,853,312	#DIV/0!	Due to unspent provincial conditional grants not fully spent on year-end
	Transfer and subsidies payable					-		
		19,084,000			19,084,000	0	-100.00%	
Provisions	Current Employee Benefits	19,084,000	-	-	19,084,000	-		Provision for bonus, leave and long-service awards classified as provision with the budget.
	VAT libraries					0		The actual balance classified as current employee benefits.
VAT	Taxes	9,477,384	-	-	9,477,384	7,350,130	-22.45%	Due to over budget of VAT payable.
Other current liabilities	Current Employee Benefits					16,344,770	#DIV/0!	Provision for bonus, leave and long-service awards classified as provision with the budget.
								The actual balance classified as current employee benefits.
Total Current Liabilities		93,212,577	-	-	93,212,577	128,413,019	37.76%	
Non-Current Liabilities								
Borrowing	Long-term Borrowings	2,572,515	-	-	2,572,515	2,572,516	0.00%	
Provisions	Non-current Provisions (landfill)	26,808,218	-	-	26,808,218	31,111,258	16.05%	Estimate of provision higher than expected due to increase in net discount rates
	Non-current Employee Benefits (LSA)					26,119,259		
						4,992,000		
Long term portion of trade payables	Non-current:Trade and Other Payables from Exchange Transactions (debt relief)	49,078,025	-	-	49,078,025	22,845,735	-53.45%	Mainly due to debt relief granted for year 1.
Other non-current liabilities	Non-current Employee Benefits (PEMA & Pension)	28,780,308	-	-	28,780,308	32,267,308	12.12%	Estimate of provision higher than expected due to increase in net discount rates
Total Non-Current Liabilities		107,239,066	-	-	107,239,066	88,796,816	-17.20%	
TOTAL LIABILITIES		200,451,643	-	-	200,451,643	217,209,835	8.36%	
NET ASSETS								
Accumulated Surplus/(Deficit)		352,049,241	-	-	352,049,241	310,842,911	-11.70%	Net effect of reasons above
Funds and Reserves	Housing Development Fund	4,104,345	-	-	4,104,345	4,104,345	0.00%	
	Self Insurance Reserve					3,789,518		
						314,827		
Other						-		
TOTAL NET ASSETS		356,153,586	-	-	356,153,586	314,947,256	-11.57%	



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

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Final Adjustment Budget R	Shifting of Funds (i.e. s31 of the MFMA) R	Virement (i.e. Council approved by-law) R	Final Budget R	Actual Outcome R	Variance as a % of final budget %	Explanations for material variances of R1m or 10%
REVENUE								
Property Rates	Property Rates	54,711,804	-	-	54,711,804	55,325,849	1.12%	
Service Charges - Electricity	Service Charges	124,071,148	-	-	124,071,148	106,460,653	-14.19%	Internal charges were excluded from the AFS as they do not represent actual cash inflows or outflows but merely reallocations of costs between departments. Including them would have overstated both revenue and expenditure. The budget, however, included internal charges of R23.4 million, which led to actual billings exceeding the budget by 7%. Once these internal charges were removed for AFS purposes is caused the reported deviation and shortfall in revenue. Internal charges were not accounted for in the AFS, as they are merely reallocations of costs between departments. Including them would have overstated both revenue and expenditure. The reversal of internal charges (R1.67 million) included in the budget, along with allocation corrections, reduced water revenue by R1.37 million, which explains the variance.
Service charges - Water	Service Charges	29,404,704	-	-	29,404,704	27,119,100	-7.77%	The reversal of internal charges billed had a R454,000 impact on sanitation revenue, as this amount was included in the budget. It should also be noted that a significant increase in revenue forgone (increase in indigent registrations) reduced the overall annual growth in revenue to well below the approved tariff increase percentage.
Service charges - Waste Water Management	Service Charges	21,644,305	-	-	21,644,305	19,771,929	-8.65%	The reversal of internal charges had a R259k impact on waste management revenue, as the amount was included in the budget but was not recognised as revenue in the AFS. It should also be noted that a significant increase in revenue forgone (increase in indigent registrations) reduced the overall annual growth in revenue to well below the approved tariff increase percentage.
Service charges - Waste Management	Service Charges	12,119,616	-	-	12,119,616	11,036,364	-8.94%	
Rental from Fixed Assets	Rental from Fixed Assets	1,801,155	-	-	1,801,155	1,180,692	-34.45%	Several rental contracts (both business and residential) were levied from the date of contract; however, in terms of the contractual agreements, billing should have commenced from the date of occupation, which never took place and was subsequently reversed. The revenue from these contracts was nevertheless considered in the budget.
Interest earned from Receivables	Interest Earned - Exchange Transactions	10,221,788	-	-	10,221,788	9,154,225	-10.44%	Bad debts written off were higher than forecasted, largely due to a significant increase in indigent registrations. These registrations not only qualified for debt write-offs but also resulted in the suspension of interest. In addition, a substantial number of debt agreements were concluded, in which debt was ring-fenced and interest suspended.
Interest earned from Current and Non Current Assets	Interest Earned - External Investments	2,650,000	-	-	2,650,000	3,059,425	15.45%	This was mostly driven by money-market deposits of cash-backed unspent grants, which are difficult to predict as the timing of spending impacts the investment period. Apart from cash-backed grants, these deposits are generally incidental in nature and difficult to forecast.
Interest	Interest Earned - Non-exchange Transactions	3,448,545	-	-	3,448,545	3,071,508	-10.93%	Bad debts written off exceeded forecasts, mainly due to a sharp rise in indigent registrations, which qualified for both debt write-offs and the suspension of interest. Furthermore, a significant number of debt agreements were entered into, resulting in ring-fenced debt and additional interest suspensions. The budget is based on property rate debtors, that did not materialize as expected owing to the delayed outcome of the appeals process and the impact of S12. However, credit control measures performed well, with the improved collection rate that reduced outstanding balances and, consequently interest charges being levied.
Fines, penalties and forfeits	Fines, Penalties and Forfeits	79,486,400	-	-	79,486,400	66,859,555	-15.89%	Incidental in nature and a difficult item to budget for, as road-user behaviour is unpredictable.
Licences and Permits - exchange	Licences and Permits - exchange	248,156	-	-	248,156	81,455	-67.18%	Vehicle and trading licences are difficult to predict, with an increasing number of vehicle owners making use of convenient online options.
Licences and Permits - non-exchange	Licences and Permits - non-exchange	187,650	-	-	187,650	151,138	-19.46%	Leasener's and trading licence revenues are difficult to predict, as they can only be estimated based on historical application numbers, which often vary significantly. This makes it challenging to achieve budget targets when actual applications differ from prior trends.
Agency Services	Agency Services	1,600,850	-	-	1,600,850	1,366,145	-14.66%	Vehicle registrations and licence renewals are difficult to predict, with a significant impact arising from the increasing use of more convenient online options.
Transfer and subsidies - Operational	Government Grants and Subsidies - Operating	108,145,677	-	-	108,145,677	99,321,417	-8.16%	Provincial operational grants remained unspent. Contributing factors included a shortage of Smart Meters caused by the nationwide debt relief project, as well as the late allocation of funds, which could not be spent due to procurement processes that had to be followed. These funds will therefore be subject to a roll-over application.
Operational Revenue - exchange	Operational Revenue - exchange	1,763,705	-	-	1,763,705	8,015,671	354.48%	Due to library replacement grant classified as operational revenue exchange. Per the opinion of the Auditor-General this does not meet the definition of a grant.
Operational Revenue - non-exchange	Operational Revenue - non-exchange	28,715,523	-	-	28,715,523	24,918,431	-8.07%	
Other Gains	Debt forgiveness	1,128,300	-	-	1,128,300	-	-100.00%	Mainly due to debt forgiveness granted and the related VAT implications.
	Availability fees	25,587,223	-	-	25,587,223	22,948,464	-10.16%	
		-	-	-	-	1,369,987		
Sale of Goods and Rendering of Services	Sales of Goods and Rendering of Services	941,987	-	-	941,987	777,312	-17.48%	Incidental in nature and a difficult item to budget for, with only historic trends to be rely on.
Total Revenue (excluding capital transfers and contributions)		479,163,013	-	-	479,163,013	437,070,870	-8.78%	
EXPENDITURE								
Employee Related Costs	Employee related costs	134,446,051	-	-	134,446,051	129,828,121	-3.43%	Due to financial constraints expenditure were capped to the minimum resulting in vacant positions not being filled.
Remuneration of Councillors	Remuneration of Councillors	6,892,420	-	-	6,892,420	6,536,129	-5.17%	
Debt Impairment	Reversal of Impairment Loss/(Impairment Loss) on Receivables	22,671,037	-	-	22,671,037	(26,532,173)	-217.03%	Huge amounts written off on indigents and traffic fines that was not anticipated when the budget was compiled. This led to decrease in gross amount of the debtor and thus decrease in impairment.
Irrecoverable debts written off	Bad Debts Written Off	60,660,365	-	-	60,660,365	120,176,042	98.11%	Huge amounts written off on traffic fines that was not anticipated when the budget was compiled.
Depreciation and amortisation	Depreciation and Amortisation	29,265,891	-	-	29,265,891	31,600,603	7.98%	
	Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	-	-	-	-	29,357,257		
		-	-	-	-	3,243,346		Mainly due to impairment of land properties not budgeted for.
Interest	Finance Costs	2,605,639	-	-	2,605,639	14,468,233	455.27%	The increase in finance charges are due to actuarial valuations, calculations on the rehabilitation of landfill sites and debt relief that were not anticipated during the compilation of the budget.
Bulk Purchases - electricity	Bulk Purchases (Electricity only)	108,170,000	-	-	108,170,000	106,241,586	-1.78%	Less electricity was purchased than expected.
Inventory consumed	Inventory Consumed	30,146,097	-	-	30,146,097	21,188,790	-29.71%	Due to financial constraints expenditure were capped. Less inventory consumed was purchased.
	Bulk Purchases (Water only)	30,146,097	-	-	30,146,097	10,948,027	-63.65%	
Contracted Services	Contracted Services	34,024,785	-	-	34,024,785	25,067,233	-26.33%	Due to decrease in cost of Security Guards and unspecified assets.
Operational costs	Operational Costs	39,201,944	-	-	39,201,944	32,222,690	-17.80%	Due to financial constraints expenditure were capped.
Losses	(Loss) on Sale of Fixed Assets	-	-	-	-	3,048,605	100.00%	
Other Losses	Actuarial Loss	-	-	-	-	2,055,642		Derecognition of properties not under control of the municipality.
Other Losses	Inventories: Write-down to Net Realisable Value	-	-	-	-	1,166,247		Actuarial loss as calculated with actuarial valuations on employee benefits that was not anticipated with compilation of budget.
		-	-	-	-	(173,384)		This is due to an increase in the net-realizable value of inventory values that was not anticipated during the compilation of the budget.
Total Expenditure		468,084,229	-	-	468,084,229	463,845,739	-0.91%	
Surplus/(Deficit)		11,078,784	-	-	11,078,784	(26,774,869)	(0)	
Transfers and subsidies - capital (monetary allocations)	Government Grants and Subsidies - Capital	29,645,345	-	-	29,645,345	27,725,444	-6.48%	Variance is due to unspent capital conditional grants which were not fully spent at year-end. These funds will be subject to a rollover application.
Transfers and subsidies - capital (in-kind - all)	Contributed Property, Plant and Equipment	-	-	-	-	459,764	100.00%	
Surplus/(Deficit) after Capital Transfers & Contributions		40,724,129	-	-	40,724,129	1,410,339	3.46%	
Surplus/(Deficit) for the year		40,724,129	-	-	40,724,129	1,410,339	3.46%	



BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Final Adjustment Budget R	Shifting of Funds (i.t.o. s31 of the MFMA) R	Virement (i.t.o. Council approved by-law) R	Final Budget R	Actual Outcome R	Variance as a % of final budget %	Explanations for material variances of R1m or 10%
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	Cash receipts from customers	51,163,040	-	-	51,163,040	42,168,571	-17.58%	Due to the current economic climate more consumers entered into payment arrangements on their outstanding accounts, resulting in the collection rate on services being lower than anticipated.
Service Charges	Cash receipts from customers	182,173,009	-	-	182,173,009	141,324,113	-22.42%	Due to the current economic climate more consumers entered into payment arrangements on their outstanding accounts, resulting in the collection rate on services being lower than anticipated.
Other Revenue	Cash receipts from customers	89,035,022	-	-	89,035,022	66,838,856	-24.93%	Due to write-off i.t.o Traffic Fines older than 3 years.
Transfers and Subsidies - Operational	Government	106,528,867	-	-	106,528,867	100,970,852	-5.22%	Due to unspent operational grants not fully spend at year end. These funds will be subject to a rollover application.
Transfers and Subsidies - Capital	Government	29,525,345	-	-	29,525,345	28,315,436	-4.10%	Variance is due to unspent capital conditional grants which were not fully spend at year-end. These funds will be subject to a rollover application.
Interest	Interest	2,650,000	-	-	2,650,000	4,699,227	77.33%	Due to financial constraints the municipality capped expenditure to the minimum. This resulted in more cash available to be invested.
Payments								
Suppliers and Employees	Suppliers and Employees	(422,419,841)	-	-	(422,419,841)	(351,104,210)	-16.88%	Due to financial constraints expenditure were capped and Due to debt relief granted for year 1.
Finance charges	Finance Charges	(2,605,639)	-	-	(2,605,639)	(648,591)	-75.11%	Due to financial constraints the municipality capped expenditure to the minimum. The resulted in less finance charges being paid.
	Grants repaid	-	-	-	-	(270,203)	100.00%	Relates to unspent conditional grants of 2023/2024 financial year, that were not approved as roll-overs.
Net Cash from/(used) Operating Activities		36,049,803	-	-	36,049,803	32,294,052	-10.42%	
CASH FLOW FROM INVESTING ACTIVITIES								
Payments								
	Capital assets					(29,627,258)	#DIV/0!	
Capital Assets	Purchase of Property, Plant and Equipment	(31,757,354)	-	-	(31,757,354)	(29,526,738)		Variance is due to unspent capital conditional grants which were not fully spend at year-end and internal funds not spend due to financial constraints.
	Purchase of Investment Property	-	-	-	-	-		
	Purchase of Intangible assets	-	-	-	-	(100,520)		
Net Cash from/(used) Investing Activities		(31,757,354)	-	-	(31,757,354)	(29,627,258)	-6.71%	
CASH FLOW FROM FINANCING ACTIVITIES								
Payments								
Repayment of Borrowing	Repayment of borrowings	(1,181,399)	-	-	(1,181,399)	(1,181,400)	0.00%	
Net Cash from/(used) Financing Activities		(1,181,399)	-	-	(1,181,399)	(1,181,400)	0.00%	
NET INCREASE/(DECREASE) IN CASH HELD								
Cash and Cash Equivalents at the year begin:		3,111,050	-	-	3,111,050	1,485,395	-52.25%	Net of reasons listed above
Cash and Cash Equivalents at the year end:		15,843,977	-	-	15,843,977	15,883,184	0.25%	
		18,955,027	-	-	18,955,027	17,368,578	-8.37%	



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on the accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the Finance Management Act (MFMA) and effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

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

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand.

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.5. CONSISTENT AND NEW ACCOUNTING POLICIES

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

1.6. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.7. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury.

The information is presented for budgets that are made publicly available.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

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

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

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

Explanations for material differences between the final approved budget amounts and actual amounts are included in the Statement of Comparison between budget and actual amounts.

Explanatory comments are provided for overall growth or decline in the budget and motivations for over or under spending of line items. The municipality considers a variance between the actual and budget of more than 10% of the budgeted value as



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

material or where the amount exceeds R1 000 0000.

1.8. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards and Interpretations of the Standards of GRAP have been issued but are not yet effective and have not been early adopted by the municipality:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 103	<p><u>Heritage assets</u></p> <p>There are proposed amendments to the classification of mixed-use assets and the fair value accounting.</p> <p>The amendments to the Standard are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
GRAP 104	<p><u>Financial Instruments</u></p> <p>The objective of this Standard is to establish principles for recognising, measuring, presenting, and disclosing financial instruments.</p> <p>The Municipality might need to revise the categories of financial instruments and the impairment model. The transitional provisions require adoption of the revised Standard taken as a whole. Partial or incremental adoption is not permitted.</p>	1 April 2025
GRAP 1: Going concern	<p><u>Presentation of Financial statements: Going concern</u></p> <p>The objective of this Standard is to prescribe the basis for presentation of general-purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. Adjustments for going concern proposed to provide guidance on the preparation of AFS as going concern and the related disclosure.</p> <p>The transitional provisions are specified in the revised Standard. The amendments may not be applied. A by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
Improvement to GRAP	<p><u>Improvement to GRAP standards (2023)</u></p> <p>The Improvements are approved by the Board. The effective date is yet to be determined by the Minister of Finance. The</p>	Unknown



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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

1.9. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund.

Housing selling schemes both complete and in progress as at 1 April 1998 were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Interest earned on the investments backing up this fund must be recorded as part of interest earned in surplus or deficit for the year in the Statement of Financial Performance.



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.10. RESERVES

1.10.1. Self-insurance reserve

A self-insurance reserve was established and, subject to external insurance were deemed necessary, covers claims that might occur. Premiums are charged to the respective services, taking into account the claims history and replacement value of the insured assets.

Contributions to and from the reserve are transferred via the Statement of Changes in Net Assets to the reserve in line with the amount provided for in the operating budget.

1.11. LEASES

1.11.1. Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments (including any indirect costs). The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, and equipment. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to disclosure of finance liability and de-recognition of financial instruments are applied to lease payables. Contingent rents shall be charged as expenses in the periods in which they are incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.11.2. Municipality as Lessor

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received (including indirect costs), plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leases asset is diminished.

1.12. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs. Unspent conditional grants are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. The revenue received is driven from legislation. Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables, which is considered to be a financial instrument.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the liability. If it is the



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.13. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately disclosed in the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from public.

The following provisions are set for the creation and utilisation of grant receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.14. PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances.

Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the entity's policy, taking into account current technological, environmental and regulatory requirements. The provision for



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rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

1.15. EMPLOYEE BENEFITS

(a) Pension and Retirement Fund Obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (privately administered or public pension fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The defined benefit funds, which are administered on a provincial basis, are actuarially valued annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

The Municipality contributes to various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

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Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income.

(b) Post-Retirement Health Care Benefit

The Municipality provides post-retirement health care benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the net defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Notional interest is charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of net interest in GRAP 25. Interest is capitalised against the liability.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

(c) Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the net defined benefit liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of net interest in GRAP 25.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically annually by independent qualified actuaries.

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(d) Ex-Gratia Pension Benefits

Ex gratia gratuities are provided to employees that were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries (when required) and the corresponding liability is raised. Payments made by the Municipality are set-off against the liability, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee related cost.

Notional interest is charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of net interest in GRAP 25. Interest is capitalised against the liability.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs.

(e) Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end, to a maximum of 48 days, and also on the total remuneration package of the employee.

Accumulated leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave, to a maximum of 48 days, will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

(f) Staff Bonuses

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

(g) Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrues to Section 57 employees. The performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

(h) Other Short-term Employee Benefits

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

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

1.16. PROPERTY, PLANT AND EQUIPMENT

1.16.1. Initial Recognition

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

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

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

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

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded 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 the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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.

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

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Major spare parts and servicing equipment qualify as property, plant, and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

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

1.16.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

1.16.3. Depreciation and Impairment

Land is not depreciated as it is regarded as having an indefinite useful life. Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset other than land begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The depreciation charge is recognised in the Statement of Financial Performance. The annual depreciation rates are based on the following estimated useful lives in years:

Infrastructure

Road network	7-100
Electricity network	5-80
Water network	5-80
Refuse network	3-50
Sanitation network	5-80

Community

Cemeteries	5-100
Recreation sites	10-50
Community Centurms	10-80
Libraries	5-50



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<u>Other</u>	
Buildings	30
Machinery & Equipment	5
Furniture and Office equipment	10
Computer Equipment	7
Transport Assets	5
<u>Finance lease assets</u>	
Office equipment	3

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

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

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

Additional considerations for impairment are included for policy 1.19: Impairment of non-financial assets.

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

1.16.4. De-recognition

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

1.16.5. Land and Buildings and Other Assets – application of deemed cost (Directive 7)

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The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings, the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007. For Other Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2007.

1.16.6. Decommissioning and restoration asset

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

The related asset is measured as follows:

- Changes in the liability, shall be added or deducted from the asset cost;
- The amount deducted from the cost of the asset shall not exceed its carrying amount.
- If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.

If the adjustment results in an addition to the cost of an asset, the municipality shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount or recoverable service amount, and shall account for any impairment loss, in accordance with its impairment policy. Refer to paragraph 1.19 of the policy

1.17. INTANGIBLE ASSETS

1.17.1. Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

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

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

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The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

1.17.2. Subsequent Measurement – Cost Model

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

1.17.3. Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight-line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The amortisation charge is recognised in the Statement of Financial Performance.

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

<u>Intangible Assets</u>	Years
Computer Software	2-4

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

Additional considerations for impairment are included for policy 1.19: Impairment of non-financial assets.

1.17.4. De-recognition

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

1.17.5. Application of deemed cost (Directive 7)

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The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2007.

1.18. INVESTMENT PROPERTY

1.18.1. Initial Recognition

Investment property shall be recognised as an asset when and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

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

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

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

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

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

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

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

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

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

1.18.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and accumulated impairment losses.

1.18.3. Depreciation and Impairment – Cost Model

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Land is not depreciated as it is deemed to have an indefinite useful life.

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

<u>Investment Property</u>	<u>Years</u>
Buildings	30-33

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

Additional considerations for impairment are included for policy 1.19: Impairment of non-financial assets.

1.18.4. De-recognition

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

1.18.5. Application of deemed cost (Directive 7)



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The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007.

1.19. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.19.1. Cash generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- A decision to halt the construction of the asset before it is complete or in a usable condition

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- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.19.2. Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset;

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- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

(b) Internal sources of information

- Evidence is available of physical damage of an asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined by:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case,



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the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.20. INVENTORIES

1.20.1. Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition.

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

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

1.20.2. Subsequent Measurement

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

Water inventory is measured annually at the reporting date by way of dip readings and the calculated volume in the distribution network.

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1.21. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables, cash and cash equivalents, borrowings, payables from exchange transactions and consumer deposits.

1.21.1. Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.21.2. Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value or financial assets at amortised cost. Financial Liabilities are categorised as either at fair value or financial liabilities carried at amortised cost. The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.21.2.1. Receivables

Receivables are classified as financial assets at amortised cost and are subsequently measured using the effective interest rate method. Receivables comprise non-current receivables, consumer debtors and other debtors (excluding rates and fines).

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments. If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future



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expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material.

When a receivable is considered uncollectible, the bad debt written off is recognised as an expense in the Statement of Financial Performance.

1.21.2.2. *Payables and Borrowings*

Financial liabilities consist of trade and other payables and borrowings. They are categorised as financial liabilities held at amortised cost (initial carrying amount, less repayments, plus interest). They are subsequently measured using an effective interest rate. Payables include current and non-current payables.

1.21.2.3. *Cash and Cash Equivalents*

Cash includes cash on hand and bank accounts. 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, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

1.21.2.4. *Consumer deposits*

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

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1.21.3. De-recognition

1.21.3.1. Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, settled or waived; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

1.21.3.2. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, expired or waived.

The difference between carrying value of financial liability derecognised and the consideration paid, is recognised in surplus or deficit.

1.21.4. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.22. STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Receivables that arise due to contractual arrangements are accounted for in terms of the accounting policy on Financial Instruments. Statutory receivables can arise from both exchange and non-exchange transactions.

1.22.1. Initial Recognition and Measurement

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition and recognition criteria of asset is met.

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The Municipality initially measures the statutory receivables at their transaction amount.

1.22.2. Subsequent Measurement

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

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

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired. If there is an indication that a statutory receivable 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 is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk-free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

The municipality considers the following as 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

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 by adjusting the allowance account. The adjustment shall 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 the Statement of Financial Performance.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.22.3. Derecognition

The Municipality derecognises a statutory receivable when:

- (a) the rights to the cash flows from the receivable are settled, expire or are waived;
- (b) the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- (c) 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 Municipality:
 - i. derecognise the receivable; and
 - ii. recognise separately any rights and obligations created or retained in the transfer.

Any difference between consideration received and amounts derecognised is recognised in surplus and deficit.

1.23. REVENUE

1.23.1. Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from non-exchange transactions is recognised when:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity and;
- the fair value of the asset can be measured reliably

Revenue is initially measured at fair value.

Government grant and subsidies received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the government grant and subsidy is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

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Revenue from property rates is recognised when the legal entitlement to this revenue arises. At the time of initial recognition, the full amount of revenue is recognised. If the Municipality does not enforce its obligation to collect the revenue, this would be considered as a subsequent event. Collection charges are recognised when such amounts are legally enforceable. Rebates and discounts are offset against the related revenue, in terms of IGRAP 1, as there is no intention of collecting this revenue.

Fine Revenue constitutes both spot fines and summonses. Fine revenue is recognised when the spot fine or summons is issued. In cases where fines and summonses are issued by another government institute, revenue will only be recognised by the Municipality when the receivable meets the definition of an asset.

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue as historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore, the substance of these transactions indicates that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognised all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Interest revenue is recognised using the effective interest rate method.

Licences and permits and availability fees are charged at the approved tariff.

Debt forgiven is recognised when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners. Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Services in-kind that are significant to the Municipality's operations are recognised as assets and the related revenue when:

- it is probable that the future economic benefits or service potential will flow to the Municipality; and
- the fair value of the assets can be measured reliably.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the above-mentioned criteria, the Municipality only disclose the nature and type of services in-kind received during the reporting period. When the criteria for recognition is satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition. Services in-kind include services provided by individuals to the Municipality and the right to use assets in a non-exchange transaction. These services meet the definition of an asset, because the Municipality controls the resource from which future economic benefits or service potential is expected to flow to the Municipality. The assets are immediately consumed and a transaction of equal value is also recognised to reflect the consumption of these services in-kind, resulting in a decrease of the asset and an increase in an expense. The Municipality therefore recognises an expense and related revenue for the consumption of services in-kind.

1.23.2. Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Revenue is initially measured at fair value (including any trade discounts and volume rebates)

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

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;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Revenue from the rendering of services is recognised when:

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

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at year-end is disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to refuse removal (waste management) are recognised on a monthly basis in arrears 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 recorded number of refuse points per property.

Service charges from sewerage (waste water management) are recognised on an annual basis in advance by applying the approved tariff to each property that has improvements.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits and operational revenue.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.24. RELATED PARTIES

A related party is a person or an entity:

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

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

The following are regarded as related parties of the Municipality:

(a) A person or a close member of that person's family is related to the Municipality if that person:

- has control or joint control over the Municipality.
- has significant influence over the Municipalities.
- is a member of the management of the Municipality or its controlling entity.

(b) An entity is related to the Municipality if any of the following conditions apply:

- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
- both entities are joint ventures of the same third party.
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
- the entity is controlled or jointly controlled by a person identified in (a).
- a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage; or
- (b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

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Management (formerly known as “Key Management”) includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

- (a) all members of the governing body of the Municipality;
- (b) a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
- (c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- (d) the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- (a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee;
- (b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm’s length and not on normal commercial terms are disclosed.

1.25. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.26. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.28. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not fully within the control of the municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

1.29. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the carrying amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. These estimates and underlying

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

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Post-retirement health care benefits, Long service awards and Ex gratia gratuities

The cost of post-retirement health care benefits, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 15 of the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. The assessment is done per individual debtor and grouped in the Statement of Financial Position.

Impairment of Statutory Receivables

The calculation in respect of the impairment of Statutory Receivables is based on an assessment of the expected recoverability of each individual receivable based on the history of recoverability of such receivables (such as property rates). When insufficient information is available to assess individual debtors, debtors are grouped into appropriate aggregated grouping levels (such as fines). Aggregation is based on best practice. Thereafter receivables are assessed based on historical information available.

Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation.

Management referred to the following when making assumptions regarding useful lives and residual values of Property, Plant and Equipment:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

- Technical estimates of the practical useful lives for different infrastructure types, based on engineering technical knowledge of infrastructure types and services requirements. Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.
- The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time

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

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

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

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

Componentisation of Infrastructure assets

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

Intangible Assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Reference was made to intangibles assessed used within the Municipality and other municipalities to determine the useful life of the assets.



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

Investment Property

The useful lives of investment property are based on management's estimation.

Management referred to the following when making assumptions regarding useful lives and valuation of investment property:

- The impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuers to support the useful life of buildings.
- The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Contingent Liabilities and Contingent Assets

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities and assets.

Provision for Landfill Sites

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

Management referred to the following when making assumptions regarding provisions:

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

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Provisions are discounted where the time value effect is material.

Provision for Staff leave

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

Provision for Performance bonuses

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

Revenue Recognition

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

The IGRAP 1 amendments did not have any impact on Traffic Fines revenue issued in terms of the current Criminal Proceedings Act system, but will only have an effect on fines issued in terms of the Amended Act (AARTO) when it becomes effective. As the legislation is new, the possible impact cannot at this stage be determined. The legislation itself will significantly increase Traffic Fines revenue based on higher fine amounts being pronounced in Schedule 3 of the Amendment Act.

The iGRAP 20 interpretation is not regarded as having an effect, as the principals of revising revenue (for e.g., incorrect tariff or appeal) is already applied by the municipality.

Water Inventory

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

1.30. VALUE ADDED TAX

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis, in accordance with Section 15(2) of the VAT Act No.89 of 1991.

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Revenue, expenses, and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is separately disclosed in the Statement of Financial Position.

VAT comprises of the following main categories:

Categories	Description
SARS: VAT control (statutory)	Balance due by/to SARS (As per SARS statement)
VAT input accrual (receivable from exchange)	VAT on outstanding creditors. VAT can only be claimed from SARS, when the creditor account is paid. Once the account is paid, the balance is transfers from VAT input accrual to VAT control account.
VAT output accrual (payable from exchange)	VAT accrued on outstanding debtor balance. VAT only becomes payable to SARS when debtor settle its account. Once the account is paid, the balance is transfers from VAT output accrual to VAT control account.
VAT on provision for doubtful debt (payable from exchange)	This is VAT portion relating to the debtors assessed for impairment. (Provision for impairment x 15/115).

1.31. CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

Capital commitments are not recognised in the statement of financial position as a liability but are included in the disclosure notes in the following cases:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP.
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date.
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.
- Other commitments for contracts are non-cancellable or only cancellable at significant cost contracts should relate to something other than the business of the Municipality.

Commitments are disclosed in the notes inclusive of VAT.



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.32. EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the annual 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).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.33 HERITAGE ASSETS

1.33.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

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

A heritage asset that qualifies for recognition as an asset, is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition. (including transaction cost).

1.33.2 Subsequent Measurement – Cost Model

After recognition as an asset, heritage assets are carried at its cost less any accumulated impairment losses.

1.33.3 Depreciation and Impairment

Heritage assets are not depreciated.

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

For possible indicators of impairment reference can be made to the policy on impairment, 1.19: Impairment of non-financial assets.

1.33.4 De-recognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits or service potential expected from the use of the heritage asset. The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

1.33.5 Application of deemed cost - Directive 7

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007.

1.34 ACCOUNTING BY PRINCIPALS AND AGENTS

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

The municipality can be either the agent or the principal in terms of the circumstances of the arrangement.

Where the municipality is considered the principal, all revenues, expenses, liabilities and assets are recorded in the records of municipality in accordance with the relevant standards of GRAP.

Where the municipality is the agent to the transaction, only the portion of revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recorded with unspent or moneys due being recorded in terms of GRAP.

Identification

Special consideration is given to the classification of an agreement (once the standard is triggered) to carefully consider whether the municipality is an agent. The considerations include (all of) the following:

- Who determines significant terms?
- Who receives the benefit from the transactions?
- Is the municipality exposed to the variability of the outcome?

If these are not met, but the standard is applicable, the municipality would be regarded as the principal in the transaction.

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



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

In the assessment reference is made to substance over form. Therefore, the exact wording of the contract is not the only indicator (for example if reference is made to “agent”). If rights and obligations are substantially transferred this could indicate a principal/agent arrangement. If not, the arrangement is accounted for as a normal supplier/customer relationship.

1.35 SEGMENT REPORTING

A segment is an activity of an entity:

- that generates economic benefits or service potential;
- 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

Management identifies reportable segments in accordance with the monthly section 71 report, which are regularly reviewed by management. Management reviews the performance on an aggregated basis of total revenue and total expenditure.

The municipality manages its assets and liability as a whole and are not reviewed on a segregated basis for each town. Segment reporting per geographical area is not deemed relevant.

The measurement basis per the monthly reports is the same as the annual financial statements.

The restatement of segment information is only done if there was a change in the reportable structure of the municipality and information is readily available.

1.36 BORROWING COST

The Municipality recognises all borrowing costs as an expense in the period in which they are incurred.

2.1 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2025

	Cost/Revaluation								Accumulated Impairment					Accumulated Depreciation					Carrying Value		
	Opening Balance	Correction of error (note 42.3)	Restated Opening balance	Additions	Change in landfill site	Transfers	Disposals	Closing Balance	Opening Balance	Correction of error (note 42.3)	Restated Opening balance	Additions or (reversal)	Disposals	Closing Balance	Opening Balance	Correction of error (note 42.3)	Restated Opening balance	Depreciation		Disposals	Closing Balance
Infrastructure																					
Electricity Network	152,514,530	-	152,514,530	6,072,174	-	0	787,716	157,798,988	379,847	-	379,847	111,100	-	490,946	47,511,548	-	47,511,548	3,162,624	404,181	50,269,900	107,038,051
Refuse Network	694,384	-	694,384	188,852	-	0	0	883,236	-	-	-	188,852	-	188,852	291,023	-	291,023	23,271	-	314,294	380,090
Road Network	208,817,152	-	208,817,152	425,705	-	0	2,254,178	206,988,678	-	-	-	-	-	-	126,842,416	-	126,842,416	5,773,317	1,503,975	131,111,767	75,876,921
Sanitation Network	104,478,295	-	104,478,295	0	-	0	0	104,478,295	-	-	-	-	-	-	64,077,712	-	64,077,712	3,882,080	-	67,959,792	36,515,503
Water Network	144,808,881	-	144,808,881	3,245,686	-	100,520	1,044,771	146,909,276	-	-	-	-	-	-	60,530,018	-	60,530,018	4,713,010	693,975	64,549,053	82,360,223
Landfill Sites	12,802,260	-	12,802,260	-	2,593,972	-	-	15,396,232	-	-	-	-	-	-	9,858,213	-	9,858,213	287,027	-	10,145,240	5,250,992
	624,115,502	-	624,115,502	9,932,416	2,593,972	100,520	4,086,665	632,454,705	379,847	-	379,847	299,951	-	679,798	309,110,930	-	309,110,930	17,841,327	2,602,131	324,350,126	307,424,781
Community Assets																					
Cemeteries	7,427,060	-	7,427,060	131,356	-	-	-	7,558,416	-	-	0	-	-	-	860,425	-	860,425	342,181	-	1,202,607	6,355,809
Community centres	72,515,179	-	72,515,179	-	-	-	-	72,515,179	-	-	0	-	-	-	37,591,637	-	37,591,637	2,389,673	-	39,981,310	32,533,865
Libraries	1,138,236	-	1,138,236	909,703	-	-	-	2,047,939	-	-	-	-	-	-	329,355	-	329,355	30,337	-	359,692	1,688,247
Recreation sites	29,112,856	-	29,112,856	6,633,069	-	-	-	35,745,925	-	-	0	-	-	-	13,101,854	-	13,101,854	2,008,532	-	15,110,387	20,636,539
	110,193,331	-	110,193,331	7,674,128	-	-	-	117,867,459	-	-	-	-	-	-	51,883,271	-	51,883,271	4,770,794	-	56,653,965	61,213,463
Land and Buildings	83,838,770	-	83,838,770	-	-	-	-	83,838,770	9,529,950	-	9,529,950	2,943,395	-	12,473,345	7,106,962	-	7,106,962	719,602	-	7,826,564	63,538,962
Land	66,700,125	-	66,700,125	-	-	-	-	66,700,125	9,529,950	-	9,529,950	2,943,395	-	12,473,345	7,106,962	-	7,106,962	719,602	-	7,826,564	54,226,760
Buildings	17,138,645	-	17,138,645	-	-	-	-	17,138,645	-	-	-	-	-	-	-	-	-	-	-	-	9,312,081
Other Assets																					
Machinery and Equipment	3,825,346	-	3,825,346	615,985	-	-	355,751	4,085,580	2,008	-	2,008	-	265	1,742	3,456,976	-	3,456,976	104,140	350,589	3,210,527	873,311
Furniture and Office Equipment	3,602,310	-	3,602,310	103,419	-	-	253,821	3,451,908	893	-	893	-	125	768	3,196,528	-	3,196,528	74,220	244,577	3,026,171	424,969
Computer Equipment	6,040,463	-	6,040,463	552,515	-	-	768,986	5,823,992	-	-	-	-	-	-	4,044,776	-	4,044,776	422,102	744,928	3,721,960	2,102,042
Transport Assets	15,273,167	-	15,273,167	10,628,955	-	-	9,625	25,892,497	-	-	-	-	-	-	7,772,124	-	7,772,124	3,260,948	9,550	11,023,481	14,869,016
	28,741,287	-	28,741,287	11,900,874	-	-	1,388,183	39,253,978	2,901	-	2,901	-	390	2,511	18,470,403	-	18,470,403	3,861,410	1,349,684	20,982,129	18,269,338
Leases																					
Leased office equipment	1,581,818	-	1,581,818	-	-	-	-	1,581,818	-	-	-	-	-	-	513,627	-	513,627	527,273	-	1,040,900	540,918
Leased office vehicle	-0	-	-0	-	-	-	-	-0	-	-	-	-	-	-	-	-	-	-	-	-	0
	1,581,817	-	1,581,817	-	-	-	-	1,581,817	-	-	-	-	-	513,627	-	513,627	527,273	-	1,040,900	540,918	
Total	848,470,707	-	848,470,707	29,507,419	2,593,972	100,520	5,474,848	674,996,729	9,912,698	-	9,912,698	3,243,346	390	13,155,654	387,085,193	-	387,085,193	27,720,336	3,951,816	410,853,714	450,987,362



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2.2 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2024

	Cost/Revaluation								Accumulated Impairment					Accumulated Depreciation					Carrying Value		
	Opening Balance	Correction of error (note 42.3)	Restated Opening balance	Additions	Change in landfill site	Transfers	Disposals	Closing Balance	Opening Balance	Correction of error (note 42.3)	Residual			Opening Balance	Correction of error (note 42.3)	Restated Opening balance	Depreciation	Disposals		Closing Balance	
											Opening balance	Additions or (reversal)	Disposals								
Infrastructure																					
Electricity Network	152,681,021	-	152,681,021	15,620	-	-32,870	149,242	152,514,530	331,999	-	331,999	47,848	-	-	379,847	44,624,406	2,968,623	81,479	47,511,548	104,623,136	
Refuse Network	694,384	-	694,384	-	-	-	-	694,384	-	-	-	267,687	-	-	23,335	267,687	-	-	291,023	403,362	
Road Network	199,121,111	5,195,075	204,316,186	5,606,011	-	-	1,105,045	208,817,152	-	-	-	-	-	-	121,640,150	5,522,520	320,254	126,842,416	81,974,736		
Sanitation Network	105,341,263	-	105,341,263	434,625	-	-	1,297,593	104,478,295	-	-	-	-	-	-	60,730,019	4,261,344	973,550	64,077,712	40,400,583		
Water Network	143,828,032	-	143,828,032	1,055,959	-	-	75,110	144,808,881	-	-	-	-	-	-	55,928,485	4,668,703	67,171	60,530,018	84,278,863		
Landfill Sites	9,734,227	-	9,734,227	-	3,068,033	-	-	12,802,260	-	-	-	-	-	-	9,734,227	123,986	-	9,858,213	2,944,047		
	611,400,039	5,195,075	616,595,113	7,112,216	3,068,033	-32,870	2,626,999	624,115,502	331,999	-	331,999	47,848	-	379,847	292,754,998	229,975	292,984,973	17,568,412	1,442,454	309,110,930	314,624,725
Community Assets																					
Cemeteries	7,427,060	-	7,427,060	-	-	-	-	7,427,060	-	-	-	-	-	-	517,306	343,119	-	860,425	6,566,635		
Community centres	72,267,199	-	72,267,199	247,980	-	-	-	72,515,179	-	-	-	-	-	-	35,176,053	2,415,584	-	37,591,637	34,923,542		
Libraries	1,138,236	-	1,138,236	-	-	-	-	1,138,236	-	-	-	-	-	-	298,929	30,426	-	329,355	808,881		
Recreation sites	26,674,971	-	26,674,971	2,437,885	-	-	-	29,112,856	-	-	-	-	-	-	10,198,203	2,903,651	-	13,101,854	16,011,002		
	107,507,466	-	107,507,466	2,685,865	-	-	-	110,193,331	-	-	-	-	-	46,190,492	5,692,779	-	51,883,271	-	58,310,060		
Other Assets																					
Land	83,196,573	812,000	84,008,573	-	-	-	169,803	83,838,770	9,537,050	-	9,537,050	-	7,100	9,529,950	6,413,278	-	6,413,278	723,943	30,259	7,106,962	67,201,858
Buildings	65,987,928	812,000	66,799,928	-	-	-	59,800	66,700,128	9,537,050	-	9,537,050	-	7,100	9,529,950	6,413,278	-	6,413,278	723,943	30,259	7,106,962	57,170,170
	17,208,648	-	17,208,648	-	-	-	70,003	17,138,645	-	-	-	-	-	-	6,413,278	-	6,413,278	723,943	30,259	7,106,962	10,031,683
Machinery and Equipment																					
Furniture and Office Equipment	3,680,957	-	3,680,957	144,389	-	-	-	3,825,346	-	-	-	2,008	-	2,008	3,340,470	116,506	-	3,456,976	366,363		
Computer Equipment	3,589,282	-	3,589,282	13,028	-	-	-	3,602,310	-	-	-	893	-	893	3,107,322	89,206	-	3,196,528	404,889		
Transport Assets	5,772,096	-	5,772,096	268,367	-	-	-	6,040,463	-	-	-	-	-	-	3,661,289	383,487	-	4,044,776	1,995,687		
	10,032,315	-	10,032,315	4,585,855	-	-	-	15,273,167	-	-	-	-	-	-	6,689,976	1,092,146	-	7,772,124	7,501,044		
	23,729,647	0	23,729,647	5,011,639	-	-	-	28,741,287	-	-	2,901	-	2,901	16,799,056	1,671,347	-	16,799,056	1,671,347	-	18,470,403	10,267,982
Leases																					
Leased office equipment	-	-	-	1,581,818	-	-	-	1,581,818	-	-	-	-	-	-	-	-	-	513,627	-	513,627	1,068,191
Leased office vehicles	0	-	0	1,581,818	-	-	-	1,581,817	-	-	-	-	-	-	0	-	-	513,627	-	513,627	1,068,191
	0	-	0	1,581,818	-	-	-	1,581,817	-	-	-	-	-	0	-	-	513,627	-	513,627	1,068,191	
Total	825,833,725	6,007,075	831,840,800	16,391,538	3,068,033	-32,870	2,796,793	848,470,707	9,869,049	-	9,869,049	50,749	7,100	9,912,698	362,157,824	229,975	362,387,799	26,170,108	1,472,714	387,085,193	451,472,816



	2025	2024
	R	R
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	30,771,076	31,043,717
Road Network	425,705	-
Electricity Network	29,352,823	31,043,717
Water Network	992,548	-
Community Assets	1,041,059	575,522
Total Property, Plant and Equipment under construction	31,812,135	31,619,239

The movements for the year can be reconciled as follows:

	2025	2024
	R	R
Balance at beginning of year	31,619,239	38,939,812
Correction of error	-	(1,016,533)
Expenditure during the year	18,236,089	9,870,081
Assets unbundled during the year	(17,280,265)	(15,562,741)
Transferred to operational expenditure	(662,409)	(72,000)
Transferred to intangible assets	(100,520)	-
Projects closed - will no longer continue	-	(539,379)
Balance at end of year	31,812,135	31,619,239

No projects identified in the 2024/2025 financial year that took significantly longer to complete than expected or where construction was halted.

	2025	2024
	R	R
2.4 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Contracted Services (note 42.10(i))	2,417,616	3,520,866
Total Repairs and Maintenance	2,417,616	3,520,866

2.5 Assets pledged as security:

Leased Property, Plant and Equipment of R540,918 (2024: R1,068,190) is secured for leases as set out in note 2.1 & 2.2.

No restrictions has been imposed on the title of Property, Plant and Equipment.

	2025	2024
	R	R
2.7 Third party payments received for losses incurred:		
Payments received (Excluding VAT)	45,287	-

2.8 Effect of changes in accounting estimates

	2025	2026	2027
	R	R	R
Effect on Property, plant and equipment	70,619	126,792	17,239

The Municipality has reassessed the useful lives and residual values of Property, plant and equipment. This resulted in change in depreciation charge, accumulated depreciation charge and the carrying value of Property, Plant and Equipment. The effect of the change for the current and future periods are disclosed on note 2.8.



	2025 R	2024 R
2.9 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:		
Infrastructure	501,864	7,059,698
Community	139,905	-
Total	641,770	7,059,698

	2025 R	2024 R
This expenditure will be financed from:		
Government Grants	641,770	7,059,698
Total	641,770	7,059,698

	2025 R	2024 R
2.10 Impairment loss on Property, Plant and Equipment		
Electricity Network	111,100	47,847
Refuse Network	188,852	-
Furniture and Office Equipment	-	893
Machinery and Equipment	-	2,007
Land	2,943,395	-
Impairment loss	3,243,346	50,747

Electricity network: An impairment loss was recognised based on assets identified that was vandalised.

Refuse network: An impairment loss recognised for fence damaged at Beaufort West landfill site.

Land: Impairment identified for assets, where the carrying value exceeded the fair value.

Furniture and Office equipment, Machinery and Equipment indicators of impairment was identified when assets was verified (condition of the asset).

	2025 R	2024 R
3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	5,860,881	6,177,304
Cost	10,839,324	11,075,824
Accumulated Depreciation	(4,197,743)	(4,117,820)
Accumulated Impairment Loss	(780,700)	(780,700)
Disposals - Cost	(533,000)	(236,500)
Disposals - Accumulated depreciation	-	134,057
Depreciation for the year	(206,100)	(213,980)
Net Carrying amount at 30 June	5,121,780	5,860,881
Cost	10,306,324	10,839,324
Accumulated Depreciation	(4,403,844)	(4,197,743)
Accumulated Impairment Loss	(780,700)	(780,700)

	2025 R	2024 R
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property		
Various properties	1,116,610	1,629,857

No expenditure were incurred regarding repairs and maintenance of investment property.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.



	2025 R	2024 R
Estimate Fair Value of Investment Property at 30 June	<u>15,064,000</u>	<u>13,280,000</u>

Fair value was determined by using the valuation roll implemented 1 July 2024. The fair value is disclosed as indicator if impairment is relevant. (if the fair value is less than the carrying value). No impairment for the year, as the fair value exceeds the carrying value.

4. INTANGIBLE ASSETS	2025 R	2024 R
Computer System & Software		
4.1 Net Carrying amount at 1 July	1,362,152	1,152,944
Cost	2,436,861	1,939,230
Accumulated Amortisation	(1,074,709)	(786,285)
Additions	100,520	497,631
Amortisation	(430,821)	(288,423)
Net Carrying amount at 30 June	1,031,851	1,362,152
Cost	2,537,381	2,436,861
Accumulated Amortisation	(1,505,529)	(1,074,709)

4.2 Material Intangible Assets included in the carrying value:

<u>Description</u>	<u>Remaining Amortisation Period</u>	<u>Carrying Value</u>
Water infrastructure software (SCADA)	2-4 years	749,225
ICT Firewall	2 years	117,898

No intangible asset were assed having an indefinite useful life.
 No expenditure were incurred with regards to research or development cost.
 There are no internally generated intangible assets at reporting date.
 There are no intangible assets in process of being constructed or developed.
 There are no intangible assets whose title is restricted or pledged as security.
 There are no contractual commitments for the acquisition of intangible assets.
 The useful lives remained unchanged from the previous year. Therefore no change in estimate.

5. HERITAGE ASSETS	2025 R	2024 R
Net Carrying amount at 1 July	3,340,000	3,340,000
Cost	3,340,000	3,340,000
Net Carrying amount at 30 June	3,340,000	3,340,000
Cost	3,340,000	3,340,000

Heritage assets relates to historical buildings.
 There are no restrictions on the title and disposal of Heritage Assets or Heritage Assets pledged as security.
 There are no contractual obligations to purchase, construct or develop Heritage Assets.
 There are no Heritage Assets that are used by the municipality for more than one purpose.
 No expenditure were incurred to repair and maintain heritage assets.
 No compensation received from third parties for items impaired, lost or given up.



	2025 R	2024 R
6. NON-CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Receivables with repay arrangements	11,559,007	1,898,491
Less: Provision for Debt Impairment	(1,240,268)	(523,190)
Net Non-current receivables from exchange	10,318,739	1,375,300
Less: Current portion transferred to Receivables from Exchange Transactions - note 10	(10,109,254)	(1,145,823)
Total Non-Current Receivables from Exchange Transactions	209,486	229,477

ARRANGEMENTS

Municipal account holders can make arrangements with the Municipality, agreeing to pay the outstanding accounts over a predetermined period at a fixed monthly instalment. When a monthly instalment is not paid, the account is transferred back to trade receivables where it will be included in the calculation of provision for Impairment.

Reconciliation of provision for debt impairment

	2025 R	2024 R
Balance at beginning of year	523,190	740,358
Contribution/(Reversal) of provision	717,077	(217,168)
Total Provision for Debt impairment	1,240,268	523,190

7. NON-CURRENT RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2025 R	2024 R
Housing Selling Schemes	-	38,433
Receivables with repay arrangements	2,892,413	630,514
Less: Provision for Debt Impairment	(199,059)	(132,564)
Net Non-current receivables from exchange	2,693,354	536,383
Less: Current portion transferred to Receivables from Non-Exchange Transactions - note 11	(2,642,968)	(453,524)
Total Non-Current Receivables from Non-Exchange Transactions	50,385	82,858

HOUSING SELLING SCHEME

General public were entitled to housing loans which attract interest at 13,5% per annum and which are repayable over a maximum period of 30 years. The remaining loans was written off in the 2024/2025 financial year.

ARRANGEMENTS

Municipal account holders can make arrangements with the Municipality, agreeing to pay the outstanding accounts over a predetermined period at a fixed monthly instalment. When a monthly instalment is not paid, the account is transferred back to Trade receivables where it will be included in the calculation of Provision for Impairment.

Reconciliation of provision for debt impairment

	2025 R	2024 R
Balance at beginning of year	132,564	143,249
Contribution/(Reversal) of provision	66,495	(10,685)
Total Provision for Debt impairment	199,059	132,564

8. OPERATING LEASE ARRANGEMENTS

8.1 The Municipality as Lessor

	2025 R	2024 R
Operating Lease Asset (current)	200,633	185,935
Reconciliation		
Balance at the beginning of the year	185,935	146,220
Movement during the year	14,697	39,716
Balance at the end of the year	200,633	185,935

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will pay operating lease income as follows:

	2025 R	2024 R
Up to 1 Year	912,611	863,852
1 to 5 Years	1,417,244	1,831,884
More than 5 Years	157,137	164,287
Total Operating Lease Arrangements	2,486,993	2,860,023

Beaufort West Municipality is leasing land to rate payers for periods of 2 to 99 years with various escalations per year.

The leases are in respect of land being leased out for a period until 2109.



	2025 R	2024 R
9. INVENTORY		
Consumables and materials	3,786,004	2,954,629
Water	277,126	103,742
Total Inventory	4,063,130	3,058,371

The municipality recognised only purification costs in respect of non-purchased purified water inventory. No inventories were pledged as security for liabilities.

	2025 R	2024 R
9.1 Inventories recognise as an expense during the year:		
Consumables	728,124	542,959
Materials and Supplies	9,512,629	6,816,759
Total	10,240,753	7,359,719

	2025 R	2024 R
9.2 Reversal of write down to Net realisable value/(write down)		
Reversal of write down to Net realisable value.	173,384	(107,578)

Water inventory was remeasured on year-end that resulted in a gain for the current financial year.

	2025 R	2024 R
10. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Service Receivables		
Electricity	10,776,001	20,369,736
Water	35,634,388	30,139,472
Property Rentals	4,181,473	3,903,474
Waste Management	24,664,975	27,331,338
Waste Water Management	39,940,499	43,273,679
Input VAT accrual	12,614,374	15,148,362
Total Service Receivables	127,811,709	140,166,061
Less: Provision for Debt Impairment	(103,014,330)	(104,018,564)
Net Service Receivables	24,797,379	36,147,498
Other Arrears	3,096,530	5,529,373
Service charges	22,347,977	26,133,822
Total: Other receivables from exchange transactions (before provision)	25,444,507	31,663,195
Less: Provision for Debt Impairment	(24,075,995)	(28,043,637)
Total: Other receivables from exchange transactions (after provision)	1,368,511	3,619,557
Total Net Receivables from Exchange Transactions	26,165,890	39,767,055

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

Other Arrears mainly relates to illegal electricity connections, clearance Fee, reconnection fees and other miscellaneous items.

No debtors were pledged as security.

A reclassification done, for availability fees, from receivables from exchange to receivables from non-exchange transactions. Refer to note 42.11.

VAT input accrual reclassified from VAT payable. Refer to note 42.12.

A correction of error recognised for VAT input accrual. Refer to note 42.6.



	2025	2024
	R	R
<u>Electricity: Ageing</u>		
Current (0 - 30 days)	5,388,943	7,614,105
31 - 60 Days	883,759	609,307
61 - 90 Days	260,824	369,558
+ 90 Days	4,242,475	11,776,767
Total	10,776,001	20,369,736
	2025	2024
	R	R
<u>Water: Ageing</u>		
Current (0 - 30 days)	3,293,279	1,842,300
31 - 60 Days	1,879,410	1,468,391
61 - 90 Days	1,438,958	1,472,926
+ 90 Days	29,022,741	25,355,854
Total	35,634,388	30,139,472
	2025	2024
	R	R
<u>Property Rentals: Ageing</u>		
Current (0 - 30 days)	152,304	166,329
31 - 60 Days	91,149	76,865
61 - 90 Days	88,503	71,233
+ 90 Days	3,849,517	3,589,047
Total	4,181,473	3,903,474
	2025	2024
	R	R
<u>Waste Management: Ageing</u>		
Current (0 - 30 days)	1,214,840	1,066,336
31 - 60 Days	609,895	895,258
61 - 90 Days	543,741	605,954
+ 90 Days	22,296,500	24,763,790
Total	24,664,975	27,331,338
	2025	2024
	R	R
<u>Waste Water Management: Ageing</u>		
Current (0 - 30 days)	2,195,862	1,917,437
31 - 60 Days	994,533	1,596,077
61 - 90 Days	867,802	950,037
+ 90 Days	35,882,302	38,810,128
Total	39,940,499	43,273,679
	2025	2024
	R	R
<u>Other: Ageing</u>		
Current (0 - 30 days)	139,540	34,606
31 - 60 Days	160,109	49,023
61 - 90 Days	70,493	163,285
+ 90 Days	25,074,365	31,416,282
Total	25,444,507	31,663,195
	2025	2024
	R	R
<u>Total: Ageing</u>		
Current (0 - 30 days)	12,384,768	12,641,112
31 - 60 Days	4,618,855	4,694,920
61 - 90 Days	3,270,320	3,632,995
+ 90 Days	120,367,900	135,711,867
Total	140,641,843	156,680,894



Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2025				
Current (0 - 30 days)	405,921	9,225,153	2,658,430	755,719
31 - 60 Days	215,187	3,773,164	326,356	304,148
61 - 90 Days	157,109	2,595,074	245,607	272,530
+ 90 Days	11,202,570	92,872,867	6,542,839	9,089,170
Sub-total	11,980,787	108,466,257	9,773,232	10,421,566
Less: Provision for Debt Impairment	(11,842,597)	(108,195,414)	(7,052,315)	-
Total debtors by customer classification	138,190	270,843	2,720,917	10,421,566

Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2024				
Current (0 - 30 days)	233,109	8,896,705	2,759,704	1,680,577
31 - 60 Days	58,298	4,060,950	182,713	392,959
61 - 90 Days	69,571	3,158,544	166,565	238,314
+ 90 Days	2,228,119	117,735,367	4,985,614	9,833,785
Sub-total	2,589,096	133,851,566	8,094,596	12,145,636
Less: Provision for Debt Impairment	(2,293,137)	(124,943,621)	(4,825,443)	-
Total debtors by customer classification	295,960	8,907,944	3,269,153	12,145,636

Reconciliation of Provision for Debt Impairment

	2025 R	2024 R
Balance at beginning of year	132,062,200	129,682,096
Transfer from non-current portion	523,190	740,358
Contribution to provision	24,284,850	21,727,359
VAT on provision	-	-
Reversal of provision	(28,539,648)	(19,564,423)
Transfer to non-current portion	(1,240,268)	(523,190)
Balance at end of year	127,090,325	132,062,200

The total amount of this provision consist of:

	2025 R	2024 R
Electricity	5,339,350	12,064,714
Water	31,349,449	24,556,174
Waste Management	23,887,755	24,848,971
Waste water management	38,605,603	39,111,564
Property Rentals	3,832,173	3,437,140
Other Arrears	24,075,995	28,043,637
Total Provision for Debt Impairment on Receivables from exchange transactions	127,090,326	132,062,201

Ageing of amounts past due but not impaired:

	2025 R	2024 R
1 month past due	304,148	392,959
2+ months past due	9,361,700	10,072,100
	9,665,847	10,465,059

Ageing of amounts past due and impaired:

	2025 R	2024 R
1 month past due	4,314,707	4,301,960
2+ months past due	113,616,065	129,608,979
	117,930,773	133,910,939

The provision for doubtful debts on receivables exists due to the possibility that not all debts will be recovered. Receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.



	2025	2024
	R	R
Reconciliation of bad debts written off		
Service debtors	25,540,063	17,393,337

Bad debts were written off for indigent debtors.

	2025	2024
	R	R
11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Property Rates	50,321,211	42,852,776
Fines	79,075,327	117,502,302
Availability fees	2,669,069	1,265,199
Other receivables	2,584,550	5,191,947
Other rates debtors	5,731,331	6,137,805
	140,381,487	172,950,029
Less: Provision for Debt Impairment	(115,987,259)	(139,111,852)
Total Receivables from non-exchange transactions	24,394,228	33,838,177
Statutory receivables included in receivables from non-exchange transactions		
Property rates	50,321,211	42,852,776
Other receivables	7,429,324	10,492,982
Fines	79,075,327	117,502,302
	136,825,861	170,848,059
Financial assets included in receivables from non-exchange transactions		
Other receivables - Eskom deposit	886,558	836,770
Availability fees	2,669,069	1,265,199
	3,555,626	2,101,969

The fair value of other receivables approximate their carrying value.

The average credit period for receivables from non-exchange transactions is 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

No debtors were pledged as security.

Other receivables mainly relates to LGSETA, third party payments, over and under banking and deposits.

A reclassification done, for availability fees, from receivables from exchange to receivables from non-exchange transactions. Refer to note 42.11.

	2025	2024
	R	R
<u>Property Rates: Ageing</u>		
Current (0 - 30 days)	5,014,066	2,957,062
31 - 60 Days	1,522,403	1,346,771
61 - 90 Days	1,243,340	990,501
+ 90 Days	42,541,403	37,558,442
Total	50,321,211	42,852,776
<u>Other Receivables: Ageing</u>		
Current (0 - 30 days)	14,033	4,526
31 - 60 Days	8,216	539
61 - 90 Days	5,046	87
+ 90 Days	8,288,585	11,324,600
Total	8,315,881	11,329,752
<u>Availability fees: Ageing</u>		
Current (0 - 30 days)	808,278	35,480
31 - 60 Days	103,234	32,785
61 - 90 Days	102,271	31,015
+ 90 Days	1,655,285	1,165,919
Total	2,669,069	1,265,199
<u>Fines Ageing</u>		
Current (0 - 30 days)	4,928,300	4,704,000
31 - 60 Days	4,875,700	3,843,050
61 - 90 Days	6,445,350	4,680,300
+ 90 Days	62,825,977	104,274,952
Total	79,075,327	117,502,302



Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2025				
Current (0 - 30 days)	6,260,602	2,500,089	1,760,924	243,062
31 - 60 Days	5,333,090	690,083	335,380	151,000
61 - 90 Days	6,883,819	501,731	257,406	153,050
+ 90 Days	89,384,187	16,215,686	6,354,988	3,356,390
Sub-total	107,861,698	19,907,590	8,708,697	3,903,502
Less: Provision for Debt Impairment	(89,725,096)	(19,377,865)	(6,884,298)	-
Total debtors by customer classification	18,136,602	529,725	1,824,399	3,903,502

Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2024				R
Current (0 - 30 days)	4,888,023	1,854,584	725,933	197,048
31 - 60 Days	3,981,303	865,526	169,661	173,870
61 - 90 Days	4,814,641	557,911	135,943	162,393
+ 90 Days	122,862,561	23,173,275	4,412,657	3,974,699
Sub-total	136,546,528	26,451,296	5,444,195	4,508,010
Less: Provision for Debt Impairment	(110,593,783)	(24,254,504)	(4,263,566)	-
Total debtors by customer classification	25,952,745	2,196,793	1,180,629	4,508,010

Reconciliation of Provision for Debt Impairment

Balance at beginning of year			139,111,852	118,353,564
Transfer from non-current portion			132,564	143,249
Contribution to provision			54,293,885	50,584,256
VAT contributions to provision			(780,723)	(143,995)
Reversal of provision			(76,571,260)	(29,692,657)
Transfer to non-current portion			(199,059)	(132,564)
Balance at end of year			115,987,260	139,111,852
			2025	2024
			R	R

The total amount of this provision consist of:

Property Rates	46,750,443	40,835,990
Fines	66,925,812	97,092,068
Availability fees	2,311,004	1,183,794
Total Provision for Debt Impairment	115,987,259	139,111,852



	2025 R	2024 R
<u>Ageing of amounts past due but not impaired</u>		
1 month past due	151,000	173,870
2+ months past due	3,509,439	4,137,092
Total	3,660,440	4,310,962

	2025 R	2024 R
<u>Ageing of amounts past due and impaired</u>		
1 month past due	6,174,174	5,016,490
2+ months past due	119,597,817	154,191,451
Total	125,771,991	159,207,941

The provision for doubtful debts on receivables exists due to the possibility that not all debts will be recovered. Receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's receivables.

The outstanding fine receivable balance at year end is reduced to its recoverable amount by recognising a provision for impairment against the receivable raised. This is considered to be a subsequent event. The provision for impairment is based on current and past collection rates applicable to fines.

Reconciliation of bad debts written off

Property Rates	3,465,377	3,356,848
Fines	91,170,602	31,484,863
Total	94,635,979	34,841,711

Bad debts were written off for indigent debtors (property rates). Traffic fines that exceeded the prescribed period were written off.

12. CASH AND CASH EQUIVALENTS	2025 R	2024 R
12.1 <u>Cash and Cash Equivalents</u>		
Current Accounts	1,082,962	3,760,764
Call Deposits and Investments	16,268,691	12,105,552
Cash On-hand	16,926	16,868
Total Cash and Cash Equivalents	17,368,578	15,883,184

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Call Investment Deposits to an amount of R16,268,691 (2024: R12,105,552) are held to fund Unspent Conditional Grants.

An approved bank overdraft of R5 000 000 exists at Nedbank and the Municipality has a facility of R500 000 for Fleet Cards at Nedbank on 30 June 2025.

	2025 R	2024 R
The municipality has the following bank accounts:		
Beaufort West Nedbank - Account Number 10 7428 0318 (Primary Account):	877,227	3,366,022
ABSA Bank -Account Number 409 410 8341	205,735	394,742
	1,082,962	3,760,764

	2025 R	2024 R
<u>Call Deposits and Investments</u>		
Investec	1,397,713	1,296,652
ABSA	11,105,601	7,339,917
Standard Bank	2,789,672	2,566,376
Nedbank	975,211	902,613
	16,268,197	12,105,559

Details of current accounts are as follow:



	2025	2024
	R	R
Beaufort West Nedbank - Account Number 10 7428 0318 (Primary Account):		
Cash book balance at beginning of year	3,366,022	2,010,264
Cash book balance at end of year	<u>877,227</u>	<u>3,366,022</u>
Bank statement balance at beginning of year Nedbank-Account Number 10 7428 0318	3,149,267	1,888,046
Bank statement balance at end of year Nedbank-Account Number 10 7428 0318	<u>794,007</u>	<u>3,149,267</u>
	2025	2024
	R	R
Bank statement balance ABSA-Account Number 409 410 8341		
Cash book balance at beginning of year	394,742	514,389
Cash book balance at end of year	<u>205,735</u>	<u>394,742</u>
Bank statement balance at beginning of year ABSA-Account Number 409 410 8341	394,742	241,925
Bank statement balance at end of year ABSA-Account Number 409 410 8341	<u>205,735</u>	<u>394,742</u>
Details of call deposits and investment accounts are as follow:		
	2025	2024
	R	R
Investec		
Cash book balance at beginning of year	1,296,652	1,196,025
Cash book balance at end of year	<u>1,397,713</u>	<u>1,296,652</u>
Bank statement balance at beginning of year	1,296,652	1,196,025
Bank statement balance at end of year	<u>1,397,713</u>	<u>1,296,652</u>
	2025	2024
	R	R
Absa		
Cash book balance at beginning of year	7,339,917	4,112,946
Cash book balance at end of year	<u>11,105,601</u>	<u>7,339,917</u>
Bank statement balance at beginning of year	7,339,917	4,112,946
Bank statement balance at end of year	<u>11,105,601</u>	<u>7,339,917</u>
	2025	2024
	R	R
Standard bank		
Cash book balance at beginning of year	2,566,376	6,177,126
Cash book balance at end of year	<u>2,789,672</u>	<u>2,566,376</u>
Bank statement balance at beginning of year	2,566,376	6,177,126
Bank statement balance at end of year	<u>2,789,672</u>	<u>2,566,376</u>
	2025	2024
	R	R
Nedbank		
Cash book balance at beginning of year	902,613	832,012
Cash book balance at end of year	<u>975,211</u>	<u>902,613</u>
Bank statement balance at beginning of year	902,613	832,012
Bank statement balance at end of year	<u>975,211</u>	<u>902,613</u>



	2025 R	2024 R
13. LONG-TERM BORROWINGS		
Annuity Loans - note 13.1	3,130,756	3,788,777
Capitalised Lease Liability - note 13.2	610,569	1,133,948
	3,741,325	4,922,725
Less: Current Portion transferred to Current Liabilities	(1,168,809)	(1,181,399)
Annuity Loans	(572,827)	(658,021)
Capitalised Lease Liability	(595,982)	(523,378)
Total Long-term Borrowings	2,572,516	3,741,325

Annuity loans at amortised cost is calculated at 6.75%-10.90% interest rate, with last maturity date of 31 December 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Capitalised lease liability at amortised cost is calculated at 6,17%-14,25% interest rate, with the last maturity date of 01 August 2026. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured. No contingent rents are payable.

	2025 R	2024 R
13.1 The obligations under annuity loans are scheduled below:		
		Minimum annuity payments
Amounts payable under annuity loans:		
Payable within one year	899,080	1,046,975
Payable within two to five years	3,146,781	3,596,371
Payable after five years	-	449,540
TOTAL	4,045,861	5,092,887
Less: Future finance obligations	(915,103)	(1,304,107)
Present value of annuity loans obligations	3,130,758	3,788,779

	2025 R	2024 R
13.2 The obligations under capitalised lease liability are scheduled below:		
		Minimum lease payments
Amounts payable under capitalised lease liability:		
Payable within one year	640,067	640,067
Payable within two to five years	14,697	654,764
TOTAL	654,764	1,294,832
Less: Future finance obligations	(44,195)	(160,884)
Present value of capitalised lease obligations	610,569	1,133,948



		2025	2024
		R	R
14. NON-CURRENT PROVISIONS			
	Provision for Rehabilitation of Landfill-sites	26,119,259	21,300,124
	Total Non-current Provisions	26,119,259	21,300,124
		2025	2024
		R	R
14.1 Landfill Sites			
	Balance 1 July	21,300,123	16,512,346
	Increase due to re-measurement	2,425,617	2,700,250
	Unwinding of discounted interest	2,393,518	2,087,526
	Total provision 30 June	26,119,258	21,300,123
	Less: Transfer of Current Portion to Current Provisions	-	-
	Balance 30 June	26,119,258	21,300,123

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Beaufort West	Nelspoort	Murraysburg	Merweville
Licence type	G:C:B-	G:C:B-	G:C:B-	G:C:B-
Preliminary and General (Rand)	3,889,903	662,351	1,164,752	488,462
Site Clearance and Preparation (R2.95/m ²)	75,200	10,293	20,750	8,374
Storm Water Control Measures (Rand)	2,468,694	1,223,221	1,477,185	768,490
Capping (Rand)	21,242,956	2,500,900	4,960,635	2,023,537
Leachate Management (Rand)	771,984	435,589	497,635	271,129
Fencing (Rand)	14,146	14,146	401,671	14,146

	2025	2024
	%	%
Discount Rate used		
Beaufort West	10.918%	12.177%
Merweville	10.746%	12.284%
Murraysburg	8.748%	9.196%
Nelspoort	10.797%	11.959%

In terms of the licencing of the landfill-sites, the municipality will incur licencing and rehabilitation costs of R26 119 258 (2024: R21 300 123) to restore the sites at the end of their useful lives. Provision has been made for the net present value of the future cost, using the government bond rate that is regarded as a risk-free rate and the average Consumer Price Index from May 2024 to May 2025.

Other assumptions:

	Beaufort West	Nelspoort	Murraysburg	Merweville
Area (m ²)	49,474	6,772	13,651	5,509
Environmental Authorisation (Closure Licence) (Rand)	460,688	460,688	460,688	460,688
Technical ROD (Rand)	236,794	236,794	236,794	236,794
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor)	203,695	147,120	158,100	134,385
Landscape Architects (Rand)	166,878	166,025	167,913	167,931
Water use licence (Rand)	39,000	39,000	39,000	39,000
Topographical Survey (Rand)	20,732	7,950	7,950	8,350
Contingencies (Rand)	2,846,288	484,650	852,263	357,414
Engineering: Professional Fees (Rand)	3,416,325	739,894	1,245,361	564,944
Site Supervision (Engineer's Representative) (Rand)	668,723	207,187	299,048	160,846
Site Supervision (Environmental Control Officer & OHS Agent) (Rand)	29,835	32,740	71,137	58,482

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows per expert report:

Location	Estimated	2025	2024
		R	R
Beaufort West	2043	85,731,631	87,703,885
Murraysburg	2031	16,024,689	15,388,977
Nelspoort	2042	16,483,342	16,951,841
Merweville	2081	81,748,313	89,680,985
Total		199,987,975	209,725,687



15. NON-CURRENT EMPLOYEE BENEFITS

	2025	2024
	R	R
Post Retirement Health Care Benefits	32,239,997	28,752,997
Long Service Awards	4,992,000	4,964,000
Pension Murraysburg	27,311	27,311
Total Non-current Employee Benefits	37,259,307	33,744,307
	2025	2024
	R	R
<u>Post Retirement Health Care Benefits</u>		
Balance 1 July	30,464,000	27,009,000
Contribution for the year	4,447,000	4,191,000
Expenditure for the year	(1,562,960)	(1,503,885)
Actuarial Loss/(Gain)	597,960	767,885
Total provision 30 June	33,946,000	30,464,000
Less: Transfer of Current Portion to Current Provisions - Note 18	(1,706,000)	(1,711,000)
Balance 30 June	32,240,000	28,753,000
	2025	2024
	R	R
<u>Pension Murraysburg</u>		
Balance 1 July	27,311	27,311
Less: Transfer of Current Portion to Current Provisions - Note 18	-	-
Balance 30 June	27,311	27,311
	2025	2024
	R	R
<u>Long Service Awards</u>		
Balance 1 July	5,737,000	5,609,000
Contribution for the year	1,042,000	1,035,000
Expenditure for the year	(1,178,287)	(739,235)
Actuarial Loss/(Gain)	568,287	(167,765)
Total provision 30 June	6,169,000	5,737,000
Less: Transfer of Current Portion to Current Provisions - Note 18	(1,177,000)	(773,000)
Balance 30 June	4,992,000	4,964,000
<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>		
Balance 1 July	36,228,311	32,645,311
Contribution for the year	5,489,000	5,226,000
Expenditure for the year	(2,741,247)	(2,243,120)
Actuarial Loss/(Gain)	1,166,247	600,120
Total employee benefits 30 June	40,142,311	36,228,311
Less: Transfer of Current Portion to Current Provisions - Note 18	(2,883,000)	(2,484,000)
Balance 30 June	37,259,311	33,744,311



15.1 Provision for Post Retirement Health Care Benefits

Nature of the plan

Eligible employees will receive a post-employment subsidy of 70% of the contributions payable should they be a member of a medical scheme at retirement. Continuation members and their eligible dependants receive a 70% subsidy.

Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

LA Health
Samwumed Medical Aid
Bonitas

Regulatory framework

GRAP 25, derived from IPSAS 39 and IAS 19, has been approved by the ASB and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023. It applies to institutions falling within the ambit of the Finance Management Act.

Risks of the plan

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 Defined benefit obligation (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.

The administration of this DBO poses a burden on the municipality.

There are no curtailments or settlement to reflect.

	2025 R	2024 R
The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
In-service (employee) members	66	60
In-service (employee) non-members	282	290
Continuation members (e.g. Retirees, widows, orphans)	33	33
Total Members	381	383

	2025 R	2024 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	11,177,000	9,555,000
In-service non-members	5,443,000	4,417,000
Continuation members (e.g. Retirees, widows, orphans)	17,326,000	16,492,000
Total Liability	33,946,000	30,464,000

Key actuarial assumptions used:

	2025 %	2024 %
i) Rate of interest		
Discount rate	11.00%	12.17%
CPI	5.00%	6.17%
Medical Aid Contribution Inflation Rate	6.80%	7.67%
Net Effective Discount Rate	3.90%	4.18%

The next contribution increases were assumed to occur at 1 January 2026.

ii) Mortality during employment

SA85-90 table, adjusted for female lives.

iii) Mortality rates post employment

The PA 90-1 with 1% mortality improvement from p.a from 2010

iv) Normal retirement age

The normal retirement age is 65 for males and 60 for females.

v) Average retirement age

It has been assumed that in-service members will retire at age 62 for males and 59 for females, which then implicitly allows for expected rates of early and ill-health retirement.

vii) Continuation of membership

It has been assumed that 75% of in-service members will continue after retirement. It has been assumed that 10% of eligible in service non-members will be on medical scheme by retirement (should not exit before then) and continue with subsidy at retirement.

viii) Proportion with a spouse dependant at retirement

It has been assumed that 60% of eligible employees on a health care arrangement at retirement will have a spouse dependant on their medical aid.

ix) Termination of service

Valuation: 30 June 2025

Age	Rate
20-24	9%
25-29	8%
30-34	6%
35-39	5%
40-44	5%
45-49	4%
50-54	3%
55+	0%



	2025 R	2024 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	33,946,000	30,464,000
Net defined benefit liability	33,946,000	30,464,000

The total defined benefit obligation (DBO) has increased by 11% (or R3,482 million) since the last valuation. The main reasons for the change in liability:

In-service members DBO - overall increase of 17%

1. Increase in average post-employment subsidy
2. Decrease in net discount rate

The impacts were partially set off by:

1. A decrease in the average age which means members are further from retirement (more discounting) and more likely to leave before retirement.
2. A decrease in the average past service.

Lastly, due to an increase in the number of in-service members.

Continuation members DBO- overall increase of 5%

1. Increase in average subsidy.
2. Decrease in net discount rate.

The impacts were partially set off by:

1. Increase in the average age.
2. Decrease in proportion members with a spouse dependant.

There was no change in the number of continuation members.

In-service non-members DBO - overall increase of 23%

1. An increase in average post-employment subsidy
2. Increase in the average age
3. Increase in average past service
4. Decrease in net discount rate

The changes were partially offset by a decrease in the number of in-service non-members.

There are currently no long-term assets set aside off-balance sheet in respect of the DBO, thus plan assets is zero. As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation.

	2025 R	2024 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	30,464,000	27,009,000
Total contribution	4,447,000	4,191,000
Service cost	841,000	964,000
Interest Cost	3,606,000	3,227,000
Remeasurement of net defined liability		
Payments to the plan	(1,562,960)	(1,503,885)
Actuarial (gains)/losses	597,960	767,885
Financial assumptions	1,028,000	(415,000)
Experience adjustments	(430,040)	1,182,885
Present value of fund obligation at the end of the year	33,946,000	30,464,000
Less: Transfer of Current Portion - Note 18	(1,706,000)	(1,711,000)
Balance 30 June	32,240,000	28,753,000

Sensitivity Analysis on the Accrued Liability on 30 June 2025

Assumption	Total liability (Rm)
Central Assumptions	33,946,000

The effect of movements in the assumptions are as follows:

Assumption	Change	Total liability (Rm)	% change
Medical aid contribution inflation rate	1%	38,522,000	13%
Medical aid contribution inflation rate	-1%	30,151,000	-11%
Discount rate	1%	30,314,000	-11%
Discount rate	-1%	38,374,000	13%
Post-retirement mortality	1 year	32,976,000	-3%
Post-retirement mortality	(1 year)	34,911,000	3%
Average retirement age	-1 year	35,374,000	4%
Membership continuation	-10%	31,820,000	-6%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumptions		841,000	3,606,000	4,447,000	
Medical aid contribution inflation rate	1%	1,019,000	4,088,000	5,107,000	15%
Medical aid contribution inflation rate	-1%	698,000	3,205,000	3,903,000	-12%
Discount rate	1%	711,000	3,487,000	4,198,000	-6%
Discount rate	-1%	1,005,000	3,737,000	4,742,000	7%
Post-retirement mortality	1 year	821,000	3,503,000	4,324,000	-3%
Post-retirement mortality	(1 year)	860,000	3,710,000	4,570,000	3%
Average retirement age	(1 year)	897,000	3,753,000	4,650,000	5%
Membership continuation	-10%	734,000	3,390,000	4,124,000	-7%

The method used to prepare the sensitivity analysis remained unchanged from the previous period. The assumptions used would be based on the market conditions and demographic inputs as at 30 June 2025.

The Service Cost for the ensuing year is estimated to be R1 015 000 whereas the Interest Cost for the next year is estimated to be R3 638 000.



Maturity analysis for obligation (benefit payments)

The expected benefits vesting in respect of the current eligible employees:

Future year	Financial year	Expected benefits vesting
1	2026	1,799,000
2	2027	2,029,000
3	2028	2,222,000
4	2029	2,422,000
5	2030	2,693,000
6-10	2031-2035	17,855,000
11-15	2036-2040	25,951,000
16-20	2041-2045	36,206,000
21-25	2046-2050	47,389,000
26-30	2051-2055	57,957,000
31-40	2056-2065	131,739,000
41-50	2066-2075	122,350,000
51-60	2076-2085	81,460,000
61-70	2086-2095	34,561,000
71-80	2096-2105	7,506,000

15.2 Provision for Long Service Awards (LSA)

2025 R **2024 R**

Nature of the plan

The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service, inclusive. In the month that each "completed service" milestone is reached, the employee is granted an LSA.

As at year end the following number of employees were eligible for Long Service Bonuses.

349 351

Regulatory Framework

GRAP 25, derived from IPSAS 39 and IAS 19, has been approved by the ASB and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023. It applies to institutions falling within the ambit of the Finance Management Act.

Risks of the defined benefit obligation (DBO)

Inflation: The risk that future CPI inflation and earnings inflation are higher than assumed and present in an uncontrolled manner.

Termination of service: The risk that fewer eligible employees terminate their service at the Municipality i.e. more long service awards vest than expected.

Volatility of open-ended, long-term DBO: The risk that the DBO may be volatile which is exacerbated by its long-term nature.

Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

Future changes in legislation: The risk that changes to legislation with respect to long service awards, including tax legislation, may increase the DBO for the Municipality.

The administration of this DBO poses a burden on the Municipality.

Key actuarial assumptions used:

2025 % **2024 %**

i) Rate of interest

Discount rate	9.70%	10.97%
General earnings inflation rate	4.70%	6.14%
CPI	3.70%	5.14%
Net Discount rate	4.80%	4.55%

The next general earnings increase was assumed to take place on 1 July 2026.

ii) Mortality during employment

SA85-90 ultimate table, adjusted down for female lives.

iii) Retirement age

It has been assumed that male employees will retire at age 62 and female employees will retire at age 59. (average). The normal retirement age is 65 for males and 60 for females.

iv) Withdrawal rates

Valuation: 30 June 2025

Age	Rate
20-24	9%
25-29	8%
30-34	6%
35-39	5%
40-44	5%
45-49	4%
50-54	3%
55+	0%

2025 R **2024 R**

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	6,169,000	5,737,000
Net defined benefit liability	6,169,000	5,737,000

There are currently no long-term assets set aside off-balance sheet in respect of the long-service award, thus plan assets is zero. As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation.

The total defined benefit obligation has increased by 8% (or R432 000) due to:

1. Increase in the average earnings
2. Increase in average past service.
3. These impacts were partially offset by an increase in the net discount rate
4. Minor change in the number of eligible employees since the last valuation.



	2025 R	2024 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	5,737,000	5,609,000
Total contribution	1,042,000	1,035,000
Service cost	454,000	455,000
Interest Cost	588,000	580,000
Remeasurement of net defined liability		
Payments to the plan	(1,178,287)	(739,235)
Actuarial (gains)/losses	568,287	(167,765)
Financial assumptions	(43,000)	(44,000)
Experience adjustments	611,287	(123,765)
Net defined benefit liability	6,169,000	5,737,000
Less: Transfer of Current Portion - Note 18	(1,177,000)	(773,000)
Net defined benefit liability	4,992,000	4,964,000

Sensitivity Analysis on the Accrued Liability on 30 June 2025

Assumption	Change in assumption	Liability	% change
Central assumptions		6,169,000	
General earnings inflation	1%	6,495,000	5%
General earnings inflation	-1%	5,870,000	-5%
Discount rate	1%	5,866,000	-5%
Discount rate	-1%	6,505,000	5%
Average retirement age	2 year	7,267,000	18%
Average retirement age	(2 year)	5,311,000	-14%
Rates of termination service	x2	5,197,000	-16%
Rates of termination service	x0.5	6,814,000	10%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025

Assumption	Change in assumption	Service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumptions		454,000	588,000	1,042,000	
General earnings inflation	1%	486,000	622,000	1,108,000	6%
General earnings inflation	-1%	426,000	557,000	983,000	-6%
Discount rate	1%	429,000	607,000	1,036,000	-1%
Discount rate	-1%	482,000	567,000	1,049,000	1%
Average retirement age	2 year	520,000	702,000	1,222,000	17%
Average retirement age	(2 year)	396,000	496,000	892,000	-14%
Rates of termination service	x2	351,000	485,000	836,000	-20%
Rates of termination service	x0.5	526,000	657,000	1,183,000	14%

The method used to prepare the sensitivity analysis remained unchanged from the previous period. The assumptions used would be based on the market conditions and demographic inputs as at 30 June 2025.

The Service Cost for the ensuing year is estimated to be R444 000 whereas the Interest Cost for the next year is estimated to be R541 000.

Maturity analysis: Expected benefit payments

The expected benefits vesting in respect of the current eligible employees:

Future year	Financial year	Expected benefits vesting
1	2026	1,219,000
2	2027	675,000
3	2028	928,000
4	2029	1,043,000
5	2030	829,000
6-10	2031-2035	4,529,000
11-15	2036-2040	5,288,000
16-20	2041-2045	4,558,000
21-30	2046-2055	3,758,000
31-40	2056-2065	243,000



15.3 Multi-Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the respective plans is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. The only obligation of the municipality in terms of the plans is to make specified contributions.

	2025 R	2024 R
<u>CONSOLIDATED RETIREMENT FUND (PREVIOUSLY CAPE JOINT RETIREMENT FUND)</u>		
The contribution rate paid by the members (9.0%) and Council (18.0%). The last actuarial valuation performed for the year ended 30 June 2024 revealed that the fund is in a sound financial position with a funding level of 100.2% (30 June 2023 - 120,1%).		
Contributions paid recognised in the Statement of Financial Performance	12,626,888	12,000,468
Expected contributions for the next reporting period	15,289,617	15,344,625

	2025 R	2024 R
<u>LA RETIREMENT FUND (PREVIOUSLY CAPE JOINT PENSION FUND)</u>		
The contribution rate payable is 9%, by the members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2024 revealed that the fund has a funding level of 118.5% (30 June 2023 - 120,3%) and is in a sound financial position.		
Contributions paid recognised in the Statement of Financial Performance	59,389	55,619
Expected contributions for the next reporting period	65,260	61,837

	2025 R	2024 R
<u>SALA PENSION FUND</u>		
The contribution rate payable is 8.60% by members and 20.78% by Council. The most recent valuation was done on September 2023. The market value of the fund as at September 2023 was R12 076 570 424.		
Contributions paid recognised in the Statement of Financial Performance	878,675	885,169
Expected contributions for the next reporting period	878,073	852,864

	2025 R	2024 R
<u>MUNICIPAL RETIREMENT WORKERS FUND</u>		
Council contribute to the Municipal Retirement Workers Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. The contribution rate paid by the members (9.0%) and Council (18,0%).		
Contributions paid recognised in the Statement of Financial Performance	485,346	549,085
Expected contributions for the next reporting period	522,144	469,501

16. CONSUMER DEPOSITS

	2025 R	2024 R
Electricity	1,809,501	1,853,547
Rental Properties	169,797	154,598
Water	348,978	332,877
Building Plans	7,989	6,340
Posters	3,393	4,169
Refuse	453,081	330,432
Total Consumer Deposits	2,792,741	2,681,963

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

For guarantees held in lieu of electricity and water deposits refer to note 51.

17. PROVISIONS

	2025 R	2024 R
<u>Current Portion of VAT libraries</u>		
Opening balance	0	3,298,696
Additions	157,043	933,652
Reversal of provision	(157,043)	(4,232,348)
Total Provisions	0	0

A correction of error to recognise the VAT output payable: Library services. Refer to note 42.7.



	2025 R	2024 R
18. CURRENT EMPLOYEE BENEFITS		
Performance Bonuses	484,152	160,513
Staff Bonuses	3,832,218	3,398,132
Staff Leave	9,145,401	9,129,714
Current Portion of Non-Current Provisions	2,883,000	2,484,000
Current Portion of Post Retirement Health Care Benefits - Note 15	1,706,000	1,711,000
Current Portion of Long-Service Awards - Note 15	1,177,000	773,000
Total Provisions	16,344,770	15,172,360

The movement in current provisions are reconciled as follows:

	2025	2024
18.1 Performance Bonuses		
Balance at beginning of year	160,513	103,190
Contribution to current portion	835,767	160,513
Expenditure incurred	(512,128)	-
Reversal of provision	-	(103,190)
Balance at end of year	484,152	160,513

Performance bonuses are being paid to permanent directors after an evaluation of performance by the council. There is no possibility of reimbursement.

	2025 R	2024 R
18.2 Staff Bonuses		
Balance at beginning of year	3,398,133	3,461,400
Contribution to current portion	6,632,238	5,972,579
Expenditure incurred	(6,198,148)	(6,035,845)
Balance at end of year	3,832,222	3,398,133

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

	2025 R	2024 R
18.3 Staff Leave		
Balance at beginning of year	9,129,715	8,532,319
Contribution to current portion	541,327	1,116,881
Expenditure incurred	(525,640)	(519,485)
Balance at end of year	9,145,401	9,129,715

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

	2025 R	2024 R
19.1 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Receivable accounts with credit balances	7,768,229	8,715,473
Library funding: DCAS	329,770	470,054
Retentions	645,468	1,225,065
Sundry creditors	3,439,007	1,210,506
Trade Payables (note 42.1)	55,730,998	69,324,766
VAT output accrual	3,402,561	3,236,963
Total Trade Payables (excluding debt relief)	71,316,033	84,182,828

Long-term Trade and Other Payables

	2025 R	2024 R
Total liability	69,259,462	-
Less transferred to Long-term Trade and Other Payables	(13,528,464)	-
Auditor-General	(5,875,399)	-
Department of Mobility	(7,653,065)	-
Current portion included in Trade Payables.	55,730,998	-

Payables are being recognised net of any discounts.

The required payment period per MFMA is 30 days. Due to financial difficulties experienced by the municipality all payables are not paid within 30 days. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Correction of error recognised for trade payables for the 2023/2024 financial year. Refer to note 42.1

VAT output accrual consist of VAT output control and VAT on provision for doubtful debts.

VAT output accrual and VAT on provision for doubtful debt reclassified from VAT payable. Refer to note 42.12.

Correction of error recognised for library funding received from DCAS. Refer to correction of error note 42.1.

	2025 R	2024 R
19.2 TRADE AND OTHER PAYABLES FROM EXCHANGE (DEBT RELIEF)		
Non-current portion arrangement	22,845,735	42,984,621
Current portion arrangement	25,587,223	25,846,315
Total debt relief	48,432,958	68,830,935

The municipality was approved for debt relief programme on Eskom debt, with effect from 1 July 2023. Per the debt relief programme, arrear debt as at March 2023, is written off over a three year period, based on certain conditions that need be complied with.

A correction of error recognised for the 2023/2024 financial year. Refer to note 42.4 relating to the current portion and note 42.5 relating to non-current portion.



	2025 R	2024 R
20. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	3,853,312	1,884,089
National Government Grants	-	195,581
Provincial Government Grants	3,291,340	901,493
District Municipality	114,048	85,714
Other Grant Providers	447,924	701,301
Total Unspent Transfers and Subsidies	3,853,312	1,884,089
Amount available in call deposits and investments - note 12	16,268,691	12,105,552
Available Cash for Unspent Conditional Grants and Receipts	16,268,691	12,105,552

See appendix "E" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld or delayed.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

Correction of error recognised for library funding received from DCAS. Refer to correction of error note 42.9.

	2025 R	2024 R
21. VAT RECEIVABLE/(PAYABLE)		
SARS: VAT control	2,960,739	6,191,660
VAT output payable: Library services	4,389,391	4,232,348
Total VAT Receivable/(Payable)	7,350,130	10,424,008

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

A reclassification of VAT input accrual and VAT output accrual. Refer to note 42.12.

A correction of error to recognise the VAT output payable: Library services. Refer to note 42.8.

VAT output payable: Library services

As per the Schedule 5 of the Constitution of the Republic of South Africa, the responsibility to render library services is allocated to the provincial government. The Western Cape Provincial Department of Cultural Affairs and Sport (DCAS) therefore has a responsibility to provide the library services as per its mandate.

The library function has not been assigned to the Municipality. Library services therefore remains a provincial government function performed by DCAS.

In order for DCAS to carry out its library services, DCAS entered into a Memorandum of Agreement (MOA) with Beaufort West Local Municipality in which DCAS makes a payment of library grant funding to the municipality, in order for the municipality to provide the library services for the benefit of the general public.

SARS is currently in process to audit the financial period 2021/2022 to 2024/2025.

	2025 R	2024 R
22. NET ASSET RESERVES		
RESERVES	4,104,345	4,104,345
Housing Development Fund	22.1 3,789,518	3,789,518
Self Insurance Reserve	22.2 314,827	314,827
Total Net Asset Reserve and Liabilities	4,104,345	4,104,345

22.1 The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the Housing Development Fund.

22.2 The Self Insurance Reserve is used to finance future insurance claims.



23 PROPERTY RATES

Valuations - 1 July 2024

Rateable Land and Buildings

Residential Properties - Sec 8(2)(a)
Industrial Properties - Sec 8(2)(b)
Business and Commercial Properties - Sec 8(2)(c)
Farm Agricultural Purposes - Sec 8(2)(d)
Mining Properties - Sec 8(2)(e)
State Owned & Used for Public Services - Sec 8(2)(f)
Public service infrastructure properties - Sec 8(2)(g)
Public Benefit Organisation - Sec 8(2)(h)
Vacant Land Sec 8(3)
Other (non-rateable)

2025	2024
R	R
7,574,592,500	5,048,384,500
2,834,247,200	1,254,305,500
67,553,000	27,293,000
480,950,000	344,039,500
3,430,372,900	2,867,997,500
220,000	-
258,712,000	180,389,000
349,100	2,306,000
16,853,000	59,367,000
37,211,700	45,841,000
448,123,600	266,846,000
7,574,592,500	5,048,384,500

Total Property Rates

A reclassification was done between valuation classes, however the total valuation for 2023/2024 remains the same.

Actual

Rateable Land and Buildings

Business and Commercial Properties - Sec 8(2)(c)
Industrial Properties - Sec 8(2)(b)
Farm Agricultural Purposes - Sec 8(2)(d)
Mining Properties - Sec 8(2)(e)
Public Benefit Organisation - Sec 8(2)(h)
Residential Properties - Sec 8(2)(a)
State Owned & Used for Public Services - Sec 8(2)(f)
Vacant Land Sec 8(3)

2025	2024
R	R
69,116,579	64,247,760
13,854,712	10,945,268
1,925,261	853,370
4,279,481	16,068,927
6,270	-
24,498	12,752
40,853,379	28,455,356
7,545,984	6,831,965
626,995	1,080,122
(13,790,730)	(17,633,924)
55,325,849	46,613,835

Less: Revenue Forgone

Total Assessment Rates

A reclassification was done between billing classes, however the total valuation for 2023/2024 remains the same.

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 5 years. The last general valuation (GV) came into effect on 1 July 2024. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations, consolidations and subdivisions and also to accommodate growth in the rate base due mostly to private development. The 2024/25 General Valuation (GV) had a significant impact on tariffs, which were adjusted lower, to offset capital growth and ensure affordability and fairness.

Basic Rate

Residential Properties	R	0.014250	R	0.022333
Industrial Properties	R	0.028500	R	0.031267
Business and Commercial Properties	R	0.028500	R	0.031267
Farm Agricultural Purposes	R	0.001247	R	0.005583
Mining Properties	R	0.028500	R	0.031267
State Owned & Used for Public Services	R	0.028500	R	0.031267
Public Benefit Organisation	R	0.003563	R	0.005583
Vacant Land	R	0.017100	R	0.026800

Rates are levied annually and monthly. Monthly rates are payable by the 15th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Municipal owned properties and PSI's (Public Service Infrastructure) are exempt.

Place of Worship and Protected Areas are Impermissible and not levied.

Rebates granted as below:

Residential	The first R15000 of improved residential properties is impermissible. An additional R100 000 rebate is given to all improved residential properties up to the value of R190 000.
National Monuments	National Monuments will be levied as residential properties.
Agricultural	No rebate on Agricultural Properties.
Pensioners	Pensioners rebates: R2 205 and under 30%, R2 206 to R 6000 20% and R6 001 to R12 000 10% based on income for a property value not exceeding R 1 100 0000

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.



24. GOVERNMENT GRANTS AND SUBSIDIES

	2025 R	2024 R
Government Grants and Subsidies - Operating	99,321,417	93,324,927
Equitable Share	88,849,000	83,574,000
Municipal Infrastructure Grant (MIG)	782,150	727,879
Local Government Financial Management Grant (FMG)	1,906,505	2,185,000
Expanded Public Works Programme Integrated Grant (EPWP)	1,226,000	1,309,353
Provincial Treasury : Western Cape Financial Management Capacity Building Grant	2,304,259	-
Provincial Treasury : Western Cape Municipal Recovery Services Grant	1,110,000	200,000
Department of Cultural Affairs and Sport : Library Service: Replacement Funding	-	0
Department of Local Government : Community Development Workers (CDW) Operational Support Grant	200,579	218,287
Department of Local Government : Western Cape Municipal Interventions Grant	723,970	786,978
Human Settlements : Development Grant (Beneficiaries)	-	1,070,692
Central Karoo District Municipality	341,666	75,966
Services SETA	586,877	82,800
Chemical Industries Education & Training Authority	1,283,400	2,178,600
Local Government Sector Education and Training Authority	7,012	315,372
Department of Local Government: Municipal Energy Resilience Grant	-	600,000
Government Grants and Subsidies - Capital	27,725,444	16,190,459
Municipal Infrastructure Grant (MIG)	16,847,343	13,928,899
Integrated National Electrification Programme Grant (INEP)	6,983,000	-
Local Government Financial Management Grant (FMG)	93,495	-
Department of Cultural Affairs and Sport : Library Service: Replacement Funding	-	0
Department of Cultural Affairs and Sport : Library Service: Community Library Service Grant	909,703	-
Department of Local Government : Western Cape Municipal Interventions Grant	391,943	776,689
Department of Local Government: Municipal Water Resilience Grant	2,499,960	1,199,695
Services SETA	-	285,177
Total Government Grants and Subsidies	127,046,861	109,515,385

Reclassification of library grant to operational revenue. Refer to correction of error - note 42.10

	2025 R	2024 R
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Grants and subsidies received as required by section 123(1)(a) of the MFMA:

	2025 R	2024 R
Unconditional	88,849,000	83,574,000
Equitable Share	88,849,000	83,574,000
Conditional	40,439,912	26,606,278
Municipal Infrastructure Grant (MIG)	17,631,000	14,789,000
Integrated National Electrification Programme Grant (INEP)	6,983,000	-
Local Government Financial Management Grant (FMG)	2,000,000	2,185,000
Expanded Public Works Programme Integrated Grant (EPWP)	1,226,000	1,372,000
Provincial Treasury : Western Cape Financial Management Capacity Building Grant	2,725,000	-
Provincial Treasury : Western Cape Municipal Recovery Services Grant	310,000	1,000,000
Department of Cultural Affairs and Sport : Library Service: Replacement Funding	0	0
Department of Cultural Affairs and Sport : Library Service: Community Library Service Grant	1,500,000	-
Department of Local Government : Community Development Workers (CDW) Operational Support Grant	226,000	226,000
Department of Local Government : Western Cape Municipal Interventions Grant	2,245,000	1,635,000
Department of Local Government: Municipal Water Resilience Grant	2,500,000	1,200,000
Department of Cultural Affairs and Sport : Development of Sport and Recreation Facilities	1,100,000	-
Central Karoo District Municipality	370,000	85,714
Chemical Industries Education & Training Authority	1,616,900	2,127,500
Local Government Sector Education and Training Authority	7,012	315,372
Human Settlements : Development Grant (Beneficiaries)	-	1,070,692
Department of Local Government: Municipal Energy Resilience Grant	-	600,000
Total Government Grants and Subsidies	129,288,912	110,180,278

	2025 R	2024 R
Revenue recognised per vote as required by Section 123(1)(c) of the MFMA:		
Equitable share	88,849,000	83,574,000
Executive and Council	450,578	218,287
Community and social services	1,260,762	39,892
Finance and administration	5,134,132	5,498,749
Planning and development	1,125,851	1,726,926
Road transport	489,560	6,206,645
Sport and recreation	6,550,318	2,388,449
Waste water management	-	748,196
Housing	-	1,070,692
Waste management	10,538,705	6,207,054
Energy sources	7,532,082	600,000
Water management	5,115,873	1,236,495
Total Government Grants and Subsidies	127,046,861	109,515,385

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.



	2025 R	2024 R
24.1 National Grants		
Opening balance	195,581	3,309,454
Grants received	116,689,000	101,920,000
Repaid to National Revenue Fund	(194,869)	(3,308,724)
Reclassified to other income	(2,219)	-
Unconditional grant recognised	(88,849,000)	(83,574,000)
Conditions met - Operating	(3,914,655)	(4,222,251)
Conditions met - Capital	(23,923,838)	(13,928,899)
Conditions still to be met	(0)	195,581
24.2 Provincial Grants		
Opening balance	901,493	372,142
Grants received	10,606,000	5,731,692
Repaid to National Revenue Fund	(75,334)	(350,000)
Reclassified to other income	(405)	-
Conditions met - Operating	(4,338,807)	(2,875,957)
Conditions met - Capital	(3,801,606)	(1,976,383)
Conditions still to be met	3,291,341	901,493
24.3 District Grants		
Opening balance	85,715	75,966
Grants received	370,000	85,714
Conditions met - Operating	(341,666)	(75,966)
Conditions still to be met	114,049	85,715
24.4 Other Grant Providers		
Opening balance	701,301	1,120,378
Grants received	1,623,912	2,442,872
Conditions met - Operating	(1,877,289)	(2,576,772)
Conditions met - Capital	-	(285,177)
Conditions still to be met	447,924	701,301
24.5 Equitable Share		
Grants received	88,849,000	83,574,000
Unconditional grant recognised	(88,849,000)	(83,574,000)
Total	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

All registered indigents receive a monthly subsidy as per approved budget, funded from this grant. Indigent subsidies is based on the cost of free basic services for the geographical area concerned.

See Appendix E & note 20 for a reconciliation of all grants.

	2025 R	2024 R
24.6 Municipal Infrastructure Grant (MIG)		
Opening balance	132,222	2,949,904
Grants received	17,631,000	14,789,000
Repaid to National Revenue Fund	(132,222)	(2,949,886)
Reclassified to other income	(1,507)	-
Conditions met - Operating	(782,150)	(727,897)
Conditions met - Capital	(16,847,343)	(13,928,899)
Conditions still to be met	0	132,222

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

	2025 R	2024 R
24.7 Integrated National Electrification Grant (INEP)		
Opening balance	(0)	12,435
Grants received	6,983,000	-
Repaid to National Revenue Fund	-	(12,435)
Conditions met - Capital	(6,983,000)	-
Conditions still to be met	(0)	(0)

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.



	2025 R	2024 R
24.8 <u>Water Services Infrastructure Grant (WSIG)</u>		
Opening balance	712	712
Grant reallocation	(712)	
Conditions still to be met	<u>(0)</u>	<u>712</u>
Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities; provide basic and intermittent water and sanitation supply that ensures provision of services to identified and prioritised communities, including spring protection and groundwater development; support municipalities in implementing water conservation and water demand management projects; support the close-out of the existing Bucket Eradication Programme intervention in formal residential areas; support drought relief projects in affected municipalities.		
	2025 R	2024 R
24.9 <u>Local Government Financial Management Grant (FMG)</u>		
Grants received	2,000,000	2,185,000
Conditions met - Operating	(1,906,505)	(2,185,000)
Conditions met - Capital	(93,495)	-
Conditions still to be met	<u>-</u>	<u>-</u>
The Financial Management Grant (FMG) is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
	2025 R	2024 R
24.10 <u>Expanded Public Works Programme Integrated Grant (EPWP)</u>		
Opening balance	62,648	346,404
Grants received	1,226,000	1,372,000
Repaid to National Revenue Fund	(62,647)	(346,404)
Conditions met - Operating	(1,226,000)	(1,309,353)
Conditions still to be met	<u>0</u>	<u>62,648</u>
To provide funding for job creation in specific focus areas.		
	2025 R	2024 R
24.11 <u>Provincial Treasury : Western Cape Financial Management Capacity Building Grant</u>		
Opening balance	-	350,000
Grants received	2,725,000	-
Repaid to National Revenue Fund	-	(350,000)
Conditions met - Operating	(2,304,259)	-
Conditions still to be met	<u>420,741</u>	<u>-</u>
To develop financial human capacity within the municipal area to enable a sustainable local financial skills pipeline that is responsive to the municipalities requirement to enable sound and sustainable financial management and good financial governance.		
	2025 R	2024 R
24.12 <u>Provincial Treasury : Western Cape Municipal Recovery Services Grant</u>		
Opening balance	800,000	-
Grants received	310,000	1,000,000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1,110,000)	(200,000)
Conditions still to be met	<u>-</u>	<u>800,000</u>
To assist the municipalities to perform their functions effectively, including the coordination and integrated functions and support related to improve overall financial governance and financial sustainability within municipalities when there is a municipal intervention.		
	2025 R	2024 R
24.13 <u>Department of Cultural Affairs and Sport : Library Service: Community Library Service Grant</u>		
Grants received	1,500,000	-
Conditions met - Capital	(909,703)	-
Conditions still to be met	<u>590,297</u>	<u>-</u>
To transform urban and rural public library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.		
	2025 R	2024 R
24.14 <u>Department of Local Government : Community Development Workers (CDW) Operational Support Grant</u>		
Opening balance	29,793	22,081
Grants received	226,000	226,000
Conditions met - Operating	(200,579)	(218,287)
Conditions still to be met	<u>55,215</u>	<u>29,793</u>
To provide financial assistance to the municipality to cover operational and capital costs pertaining to line functions of community development workers including supervisors and regional coordinators.		

	2025 R	2024 R
24.15 <u>Department of Local Government : Western Cape Municipal Interventions Grant</u>		
Opening balance	71,393	60
Grants received	2,245,000	1,635,000
Repaid to National Revenue Fund	(75,334)	-
Reclassified to other income	(60)	-
Conditions met - Operating	(723,970)	(786,978)
Conditions met - Capital	(391,943)	(776,689)
Conditions still to be met	<u>1,125,087</u>	<u>71,393</u>

To provide financial assistance to municipalities to improve infrastructure, systems, structures, corporate governance, service delivery and compliance with executive obligations.

	2025 R	2024 R
24.16 <u>Department of Local Government: Municipal Water Resilience Grant</u>		
Opening balance	305	-
Grants received	2,500,000	1,200,000
Reclassified to other income	(345)	-
Conditions met - Capital	(2,499,960)	(1,199,695)
Conditions still to be met	<u>0</u>	<u>305</u>

To provide financial assistance to municipalities to enhance water resilience through water supply augmentation, infrastructure capacity upgrades, water source management and water demand management across the Province.

	2025 R	2024 R
24.17 <u>Department of Cultural Affairs and Sport : Development of Sport and Recreation Facilities</u>		
Grants received	1,100,000	-
Conditions still to be met	<u>1,100,000</u>	<u>-</u>

To transform urban and rural public library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.

	2025 R	2024 R
24.18 <u>Central Karoo District Municipality</u>		
Opening balance	85,715	75,966
Grants received	370,000	85,714
Conditions met - Operating	(341,666)	(75,966)
Conditions still to be met	<u>114,049</u>	<u>85,715</u>

To provide safety response measures with regards to COVID 19 pandemic.

	2025 R	2024 R
24.19 <u>Services SETA</u>		
Opening balance	614,026	982,003
Conditions met - Operating	(586,877)	(82,800)
Conditions met - Capital	-	(285,177)
Conditions still to be met	<u>27,149</u>	<u>614,026</u>

Financial contribution towards electrical and water infrastructure for completion of the Skills Centre.

	2025 R	2024 R
24.20 <u>Chemical Industries Education & Training Authority</u>		
Opening balance	87,275	138,375
Grants received	1,616,900	2,127,500
Conditions met - Operating	(1,283,400)	(2,178,600)
Conditions still to be met	<u>420,775</u>	<u>87,275</u>

Implementation of learning programmes on a fulltime and uninterrupted basis for a period of 18 months.

	2025 R	2024 R
24.21 <u>Local Government Sector Education and Training Authority</u>		
Grants received	7,012	315,372
Conditions met - Operating	(7,012)	(315,372)
Conditions still to be met	<u>-</u>	<u>-</u>

The primary objective of the grant is for collaboration between LGSETA and the municipality for the implementation of the National Skills Development Plan 2030, by improving the effectiveness and efficiency of the skills development through provision of bursaries.



	2025 R	2024 R
24.22 Department of Local Government: Municipal Energy Resilience Grant		
Grants received	-	600,000
Conditions met - Operating	-	(600,000)
Conditions still to be met	-	-
	-	-
Financial assistance to municipalities to ensure effective planning and functioning of municipal electrical infrastructure, to support the implementation of renewable energy and energy resilience projects within the province and also to maximise the provision of basic electricity to citizens.		
	2025 R	2024 R
24.23 Human settlements development grant (Beneficiaries)		
Grants received	-	1,070,692
Conditions met - Operating	-	(1,070,692)
Conditions still to be met	-	-
	-	-
The Housing grant was utilised for the development of erven and the erection of top structures.		
	2025 R	2024 R
24.24 Total Grants		
Opening balance	1,884,089	4,877,940
Grants received	129,288,912	110,180,278
Repaid to National Revenue Fund	(270,203)	(3,658,725)
Reclassified to other income	(1,912)	-
Unconditional grant recognised	(88,849,000)	(83,574,000)
Conditions met - Operating	(10,472,417)	(9,750,945)
Conditions met - Capital	(27,725,444)	(16,190,459)
Conditions still to be met	3,854,025	1,884,089
	2025 R	2024 R
25. CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT		
Furniture and Office Equipment	49,764	-
Machinery and Equipment	410,000	-
Total Contributed Property, Plant and Equipment	459,764	-
	2025 R	2024 R
26. LICENCES AND PERMITS		
Road and Transport	232,593	389,687
Total Licences and Permits	232,593	389,687
	2025 R	2024 R
Disclosed as follows:		
Revenue from Non-Exchange Transactions	151,138	170,488
Revenue from Exchange Transactions	81,455	219,199
Total Licences and Permits	232,593	389,687



	2025 R	2024 R
27. SERVICE CHARGES		
Electricity	106,460,653	95,411,283
Service Charges	115,689,772	102,466,280
Less: Revenue Forgone	(9,229,119)	(7,054,997)
Water	27,119,100	21,128,256
Service Charges	41,643,818	30,000,075
Less: Revenue Forgone	(14,524,718)	(8,871,820)
Waste Management	11,036,364	10,787,971
Service Charges	17,861,252	16,498,024
Less: Revenue Forgone	(6,824,888)	(5,710,053)
Waste Water Management	19,771,929	19,316,712
Service Charges	29,926,982	28,105,130
Less: Revenue Forgone	(10,155,053)	(8,788,418)
Total Service Charges	164,388,046	146,644,222

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

	2025 R	2024 R
28. SALES OF GOODS AND RENDERING OF SERVICES		
Application Fees for Land Usage	5,426	-
Building Plan Approval	119,024	131,392
Cemetery and Burial	260,837	224,775
Clearance Certificates	97,569	102,349
Encroachment Fees	916	916
Entrance Fees	87,092	141,726
Fire Services	73,331	-
Membership Fees	22,401	19,236
Photocopies and Faxes	24,193	24,874
Removal of Restrictions	46,406	-
Sale of Goods	40,118	29,530
Total Sales of Goods and Rendering of Services	777,312	674,798

	2025 R	2024 R
29. RENTAL FROM FIXED ASSETS		
Investment Property	1,116,610	1,629,857
Property, Plant and Equipment	64,083	85,368
Total Rental from Fixed Assets	1,180,692	1,715,225

	2025 R	2024 R
30. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank and Investment Accounts	3,059,425	2,683,944
Total Interest Earned - External Investments	3,059,425	2,683,944



		2025	2024
		R	R
31. INTEREST EARNED - EXCHANGE TRANSACTIONS			
Receivables from exchange transactions		9,154,225	9,074,822
Total Interest Earned - Outstanding Receivables		<u>9,154,225</u>	<u>9,074,822</u>
32.1 OPERATIONAL REVENUE		2025	2024
		R	R
Administrative Handling Fees and Photocopies		385,915	1,004,324
Breakages and Losses Recovered		493	1,973
Commission of insurances		133,876	114,756
Discounts and Early Settlements		168,355	367,783
Incidental Cash Surpluses		49,098	84,069
Insurance Refund		45,287	-
Merchandising, Jobbing and Contracts		6,693,187	5,849,552
Registration Fees		142,846	186,647
Request for Information		22,543	35,834
Staff Recoveries		65,453	78,028
Skills development levy refund		194,884	153,803
Sale of Property		113,734	409,874
Total Operational Revenue		<u>8,015,671</u>	<u>8,286,642</u>
Reclassification of library grant to operational revenue. Refer to correction of error - note 42.10			
32.2 DEBT FORGIVENESS		2025	2024
		R	R
Eskom debt relief		22,948,464	15,305,477

The municipality was approved for debt relief programme on Eskom debt, with effect from 1 July 2023. Per the debt relief programme, arrear debt as at March 2023, is written off over a three year period, based on certain conditions that need be complied with.

A correction of error recognised, based on new information received. Refer to note 42.10(c).



	2025 R	2024 R
33. EMPLOYEE RELATED COSTS		
Acting Allowance	1,886,751	2,249,253
Basic Salaries and Wages	88,886,581	83,042,312
Bargaining council	52,998	50,926
Bonuses	6,632,238	5,972,576
Cell Phone Allowance	211,368	210,400
Essential users	2,768,664	2,572,818
Group Insurance	34,142	33,216
Housing Allowances	711,718	404,973
Medical Aid Contributions	2,881,641	2,359,889
Overtime	4,718,376	4,116,257
Payments in lieu of leave	541,327	1,116,881
Pension and UIF Contributions	14,861,623	14,178,560
Performance bonus	835,764	57,326
Scarcity allowance	263,126	248,590
Standby Allowances	2,630,817	2,520,890
Transport Allowances	513,988	368,979
Uniform Allowance	102,000	182,000
Post retirement obligations	1,295,000	1,418,997
Service Cost - Long Service Awards - Note 15.2	454,000	455,000
Service Cost - Post Retirement Health Care Benefits - Note 15.1	841,000	963,997
Total Employee Related Costs	129,828,121	121,104,843

KEY MANAGEMENT PERSONNEL

The directors are directly accountable to the Municipal Manager. The Director Corporate services are permanently employed. There are no post-employment or termination benefits payable to them at the end of their service.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2025 R	2024 R
Remuneration of the Municipal Manager: De Welgemoed		
Basic Salary	881,862	911,443
Cellular and Telephone Allowance	16,500	17,650
Medical Aid Contributions	69,913	71,076
Motor Vehicle Allowance	110,000	120,000
Payments in lieu of leave	93,443	49,001
Pension and UIF Contributions	72,151	72,587
Performance Bonus	106,131	-
Scarcity allowance	77,933	80,089
Total	1,427,934	1,321,845

Municipal Manager for the period July 2024 to May 2025. (prior year July 2023 to June 2024)

	2025 R	2024 R
Remuneration of Chief Financial Officer: M Nhlengethwa		
Basic Salary	247,863	659,734
Cellular and Telephone Allowance	6,000	14,710
Medical Aid Contributions	43,248	63,303
Scarcity allowance	23,608	53,981
Other benefits and allowances	48	46
Payments in lieu of leave	30,491	-
Pension and UIF Contributions	53,629	66,520
Total	404,887	858,294

Chief Financial Officer from July to October 2024. (prior year permanently appointed from March 2024 to June 2024)

	2025 R	2024 R
Remuneration of Director: Infrastructure Services: L Nqotola		
Basic Salary	658,533	363,797
Cellular and Telephone Allowance	18,000	9,000
Medical Aid Contributions	109,752	49,140
Motor Vehicle Allowance	121,200	20,200
Other benefits and allowances	143	68
Pension and UIF Contributions	144,735	83,973
Performance Bonus	59,542	-
Scarcity allowance	70,823	35,412
Total	1,182,729	561,590

Director: Infrastructure Services for the period July 2024 to June 2025. (Prior year: January 2024 to June 2024.)



	2025 R	2024 R
Remuneration of Acting Chief Financial Officer: RA Eland		
Acting Allowance	29,254	23,225
Scarcity allowance	2,048	1,626
Cellular and Telephone Allowance	5,000	3,290
Total	36,301	28,141

Acting Chief Financial Officer for the period January and February 2025 (Prior year: July to August 2023, February 2024).

	2025 R	2024 R
Remuneration of the Acting Chief Financial Officer: B Jacobs		
Basic Salary	268,914	-
Cellular and Telephone Allowance	5,918	-
Scarcity allowance	11,232	-
Pension and UIF Contributions	708	-
Total	286,772	-

Acting Chief Financial Officer for the period November 2024 and March 2025 to June 2025.

	2025 R	2024 R
Remuneration of the Director Corporate Services: AC Makendiana		
Acting Allowance	19,865	-
Basic Salary	878,796	869,988
Cellular and Telephone Allowance	18,000	18,000
Pension and UIF Contributions	190,567	199,375
Scarcity allowance	77,483	77,483
Motor Vehicle Allowance	60,000	60,000
Other benefits and allowances	143	137
Performance Bonus	346,456	57,326
Total	1,591,310	1,282,309

Acting Municipal Manager from June 2025.

	2025 R	2024 R
Remuneration of Acting Director: Infrastructure Services: C.B Wright		
Acting Allowance	-	60,000

Prior year: Acting Director Infrastructure for the period July 2023 to December 2023.

TOTAL REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2025 R	2024 R
Acting Allowance	49,118	83,225
Basic Salary	2,935,969	2,804,963
Cellular and Telephone Allowance	69,418	62,650
Medical Aid Contributions	222,913	183,519
Motor Vehicle Allowance	291,200	200,200
Other benefits and allowances	335	250
Payments in lieu of leave	123,934	49,001
Pension and UIF Contributions	461,791	422,454
Performance Bonus	512,128	57,326
Scarcity allowance	263,126	248,590
Total	4,929,933	4,112,179



34. REMUNERATION OF COUNCILLORS

	2025 R	2024 R
Annual Remuneration	5,787,491	5,206,271
Cell phone Allowance	562,723	524,880
Travel Allowance	136,364	136,327
Tools of trade	49,551	46,344
Pension	-	99,227
Medical	-	5,209
Total remuneration of councillors	6,536,129	6,018,259

Remuneration paid to Councillors can be summarised as follow:

2025 financial year	Annual Remuneration	Cell phone Allowance	Travel Allowance	Tools of trade	Pension	Medical	Total
Executive Mayor (JDK Reynolds)	785,230	39,600	-	3,487	-	-	828,317
Deputy Executive Mayor (GJ Duimpies)	694,484	44,520	-	3,920	-	-	742,924
Speaker (JJ van der Linde)	617,895	43,200	68,182	3,804	-	-	733,081
Executive councillor (AM Slabbert)	527,460	39,600	62,500	3,487	-	-	633,048
Executive councillor (O Haarvoor)	598,489	40,951	-	3,606	-	-	643,047
JDK Reynolds	22,727	3,600	-	317	-	-	26,644
AM Slabbert	17,046	3,600	5,682	317	-	-	26,644
O Haarvoor	22,727	3,600	-	317	-	-	26,644
S Jooste	270,529	42,852	-	3,773	-	-	317,154
CL de Bruin	275,791	43,200	-	3,804	-	-	322,795
S Essop	275,791	43,200	-	3,804	-	-	322,795
LBJ Mdudumani	272,728	43,200	-	3,804	-	-	319,732
SM Meyers	571,964	40,680	-	3,582	-	-	616,226
G Pietersen	277,479	43,200	-	3,804	-	-	324,483
LV Piti	276,089	43,200	-	3,804	-	-	323,093
E Links	281,061	44,520	-	3,920	-	-	329,501
Total Councillors' Remuneration	5,787,491	562,723	136,364	49,551	-	-	6,536,129

JD Reynolds was the Executive Mayor for the period July 2024 to May 2025.

AM Slabbert & O Haarvoor was Executive Mayoral Committee Members for the period July 2024 to May 2025.

2024 financial year	Annual Remuneration	Cellphone Allowance	Travel Allowance	Tools of trade	Pension	Medical	Total
*Executive Mayor (G.Pietersen)	306,154	15,347	-	1,351	-	-	322,853
*Executive Mayor (EF Botha)	427,677	32,400	-	2,853	27,618	-	490,549
*Executive Mayor (A Sauls)	147,832	7,753	-	730	-	5,209	161,525
Deputy Executive Mayor (LV Piti)	644,499	43,200	-	3,804	44,939	-	736,442
Speaker (N.Constable)	645,391	40,440	-	3,561	-	-	689,392
Executive councillor (CL de Bruin)	652,503	43,200	-	3,804	-	-	699,507
Executive councillor (S.Essop)	402,441	43,200	-	3,804	-	-	449,445
R.Skuza	177,876	32,400	-	2,853	26,670	-	239,799
JDK Reynolds	272,728	43,200	-	3,804	-	-	319,732
LBJ Mdudumani	272,728	43,200	-	3,804	-	-	319,732
SM Meyers	272,728	43,200	-	3,804	-	-	319,732
AM Slabbert	204,565	43,200	68,163	3,804	-	-	319,732
JJ van der Linde	204,565	43,200	68,163	3,804	-	-	319,732
N Abrahams	457,729	32,400	-	2,853	-	-	492,982
TCJ Prince	116,855	18,540	-	1,711	-	-	137,105
Total Councillors' Remuneration	5,206,271	524,880	136,327	46,344	99,227	5,209	6,018,259

*A Sauls was the Executive Mayor for the period July 2023 to September 2023.

*EF Botha was the Executive Mayor for the period September 2023 to February 2024.

*G Pietersen was the Executive Mayor for the period February 2024 to June 2024.

In-kind Benefits

The Executive Mayor, Executive Deputy Mayor, Speaker, and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Council. The Executive Mayor may utilise official Council transportation when engaged in official duties.



	2025 R	2024 R
35. CONTRACTED SERVICES		
Consultants and Professional Services	11,854,709	11,444,802
Consultants and Professional Services:Business and Advisory: Accounting and Auditing	-	1,153,017
Consultants and Professional Services:Business and Advisory:Audit Committee	87,595	61,517
Consultants and Professional Services:Business and Advisory:Business and Financial Management	8,189,916	5,183,512
Consultants and Professional Services:Business and Advisory:Human Resources	-	706,917
Consultants and Professional Services:Business and Advisory:Medical Examinations	1,290	20,400
Consultants and Professional Services:Business and Advisory:Occupational Health and Safety	12,514	271,660
Consultants and Professional Services:Business and Advisory: Research and Advisory	596,870	-
Consultants and Professional Services:Business and Advisory:Valuer and Assessors	387,195	683,987
Consultants and Professional Services:Infrastructure and Planning:Engineering:Civil	863,609	1,481,410
Consultants and Professional Services:Infrastructure and Planning:Engineering:Electrical	174,987	579,479
Consultants and Professional Services:Infrastructure and Planning:Engineering:Geoinformatic Services	405,154	75,524
Consultants and Professional Services:Infrastructure and Planning: Land and Quantity Surveyors	-	180
Consultants and Professional Services:Laboratory Services: Water	100,716	97,100
Consultants and Professional Services:Legal Cost:Issue of Summons	-	1,950
Consultants and Professional Services:Legal Cost:Legal Advice and Litigation	1,034,864	1,128,149
Contractors	3,725,275	4,276,940
Contractors:Catering Services	4,930	-
Contractors:Employee wellness	210	-
Contractors:Maintenance of Buildings and Facilities	157,588	308,600
Contractors:Maintenance of Equipment	800,692	912,444
Contractors:Maintenance of Unspecified Assets	1,459,336	2,299,822
Contractors:Plants, Flowers and Other Decorations	4,150	-
Contractors:Prepaid Electricity Vendors	1,298,369	756,074
Outsourced Services	9,487,249	10,558,046
Outsourced Services:Burial Services	293,348	223,612
Outsourced Services:Business and Advisory:Business and Financial Management	745,920	-
Outsourced Services:Business and Advisory: Human Resources	78,261	-
Outsourced Services:Business and Advisory:Accounting and Auditing	1,486,286	-
Outsourced Services:Catering Services	129,357	87,658
Outsourced Services:Driver Licence Cards	129,876	139,514
Outsourced Services:Internal Auditors	217,391	223,395
Outsourced Services:Meter Management	428,523	657,563
Outsourced Services:Printing Services	-	-
Outsourced Services:Security Services	4,354,425	7,349,305
Outsourced Services:Traffic Fines Management	1,622,389	1,876,999
Total Contracted Services	25,067,233	26,279,788

A correction of error recognised for Contracted services, maintenance of unspecified assets. Refer to note 42.10(i).

	2025 R	2024 R
36. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	27,720,336	26,170,108
Investment Property	206,100	213,980
Intangible Assets	430,821	288,423
Total Depreciation and Amortisation	28,357,257	26,672,511

A correction of error recognised for depreciation on Property, Plant and Equipment. Refer to note 42.10(f).

	2025 R	2024 R
37. FINANCE COSTS		
Long-term Borrowings	505,644	638,226
Non-current Provisions - Note 14	2,393,518	2,087,526
Non-current Employee Benefits - Note 15	4,194,000	3,807,000
Debt relief - note 19.2	5,189,245	7,374,743
Overdue Accounts	2,185,826	2,705,281
Total Finance Costs	14,468,233	16,612,776

A correction of error recognised for finance cost - debt relief. Refer to note 42.10(c).

A correction of error recognised for finance cost - overdue accounts. Refer to note 42.10(h).



	2025	2024
	R	R
38. BULK PURCHASES		
Electricity	106,241,586	90,528,508
Water	10,948,027	9,433,281
Total Bulk Purchases	117,189,613	99,961,789

The distribution loss of bulk purchases for 2025 is R26 914 626 (17,63% electricity, 76,42% water) and for 2024: R25 666 794 (20,19% electricity; 78,33% water). Refer to note 47.8 for further detail on electricity and water losses.

Correction of error, to recognised water invoices of the 2023/2024 financial year. Refer to note 42.10(a).

	2025	2024
	R	R
39. OPERATIONAL COSTS		
Advertising, Publicity and Marketing	183,789	307,585
Achievements and Awards	35,000	9,500
Audit Fees	3,646,301	2,849,709
Bank Charges, Facility and Card Fees	1,155,410	1,220,242
Bursaries (Employees)	62,464	340,792
Commission	61,629	60,122
Courier and Delivery Services	161,721	15,861
Communication	2,522,900	1,832,857
Deeds	51,519	21,574
Drivers Licences and Permits	-	13,500
Entertainment	2,763	2,001
External Computer Service	4,447,482	3,752,306
Fines and Penalties	192,549	-
Hire Charges	5,497,151	5,518,660
Honoraria (Voluntarily Workers)	21,298	-
Indigent Relief	707,193	616,122
Insurance	1,647,667	1,901,970
Learnerships and Internships	507,000	1,372,200
Licences	232,251	248,848
Municipal Services	2,330,522	2,094,202
Printing, Publications and Books	425,971	452,317
Professional Bodies, Membership and Subscription	1,522,328	1,456,466
Registration Fees	-	4,039
Remuneration to Ward Committees	353,500	341,500
Resettlement Cost	4,500	-
Rewards Incentives	13,000	8,000
Skills Development Fund Levy	1,013,099	931,772
Toll Gate Fees	202	1,043
Transport Provided as Part of Departmental Activities	-	8,100
Travel and Subsistence	998,983	804,048
Uniform and Protective Clothing	51,307	794,072
Vehicle Tracking	3,247	12,618
Wet Fuel	3,537,748	3,763,739
Workmen's Compensation Fund	832,187	2,138,547
Total Operational Costs	32,222,680	32,894,312

Correction of error to recognise SABC invoice of the 2023/2024 financial year. Refer to note 42.10(b)



	2025 R	2024 R
40. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions - Note 10	4,254,798	(3,346,730)
Receivables from Non-exchange Revenue - Note 11	22,277,375	(19,707,805)
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	26,532,173	(23,054,535)
	2025 R	2024 R
41. GAINS/ (LOSS) ON SALE OF FIXED ASSETS		
Investment Property	(533,000)	(102,443)
Property, Plant and Equipment	(1,522,642)	(1,316,980)
Total Gains/ (Loss) on Sale of Fixed Assets	(2,055,642)	(1,419,423)
	2025 R	2024 R
42. CORRECTION OF ERROR IN TERMS OF GRAP 3		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from misstatements occurred in the prior years.		
42.1 Trade and Other Payables from Exchange Transactions		
Balance previously reported		78,562,273
(a) Recognition of invoice for purchase of water for the 2023/2024 financial year		21,974
(b) Recognition of invoice for SABC licence for the 2023/2024 financial year		6,018
(c) Revision of debt relief arrangement - based on Eskom records for the 2023/2024 financial year		(1,261,571)
(g) Department of Water and Sanitation - finance cost for the 2022/2023 financial year		1,863,831
(h) Department of Water and Sanitation - finance cost for the 2023/2024 financial year		1,547,458
(j) Department of Water and Sanitation - water purchased 2022/2023 financial year		2,972,791
(l) Reclassification of library replacement grant. Per the Auditor-General this does not meet the definition of a grant and should be classified as provision of goods and services (exchange transaction)		470,054
Restated Balance		84,182,828
42.2 Accumulated Surplus		R
Balance previously reported 1 July 2022		300,790,483
(d) First-time recognition - road network cost for the 2022/2023 financial year		5,195,075
(d) First-time recognition - road network accumulated depreciation for the 2022/2023 financial year		(229,975)
(e) First-time recognition - land - identified from the valuation roll - for the 2022/2023 financial year		812,000
(g) Department of Water and Sanitation - finance cost for the 2022/2023 financial year		(1,863,831)
(j) Department of Water and Sanitation - water purchased 2022/2023 financial year		(2,585,035)
Total adjustment for 2022/2023 financial year		1,328,233
Restated balance 1 July 2023		302,118,716
Surplus for the 2023/2024 financial year as previously reported		9,016,767
(a) Recognition of invoice for purchase of water for the 2023/2024 financial year		(21,974)
(b) Recognition of invoice for SABC licence for the 2023/2024 financial year		(6,018)
(c) Revision of debt relief arrangement - debt forgiveness for the 2023/2024 financial year		251,544
(c) Revision of debt relief arrangement - finance cost for the 2023/2024 financial year		(121,203)
(f) First-time recognition - road network - accumulated depreciation for the 2023/2024 financial year		(229,975)
(h) Department of Water and Sanitation - finance cost for the 2023/2024 financial year		(1,547,458)
(i) Electricity network - reclassification of operating expenditure, not part of project capital expenditure		(32,870)
Total adjustment for 2023/2024 financial year		(1,707,955)
Surplus for the 2023/24 financial year as restated		7,308,812
Restated Balance		309,427,529
42.3 Property, Plant and Equipment		
Balance previously reported		445,958,563
(d) First-time recognition - road network cost for the 2022/2023 financial year		5,195,075
(d) First-time recognition - road network accumulated depreciation for the 2022/2023 financial year		(229,975)
(f) First-time recognition - road network - accumulated depreciation for the 2023/2024 financial year		(229,975)
(e) First-time recognition - land - identified from the valuation roll - for the 2022/2023 financial year		812,000
(i) Electricity network - reclassification of operating expenditure, not part of project capital expenditure		(32,870)
Restated balance 1 July 2023		451,472,818
42.4 Trade and Other Payables from Exchange Transactions (debt relief) - current portion		
Balance previously reported		25,166,699
(c) Revision of debt relief arrangement - based on Eskom records for the 2023/2024 financial year		679,616
Restated balance 1 July 2023		25,846,315
42.5 Trade and Other Payables from Exchange Transactions (debt relief) - non-current portion		
Balance previously reported		42,533,006
(c) Revision of debt relief arrangement - based on Eskom records for the 2023/2024 financial year		451,615
Restated balance 1 July 2023		42,984,621
42.6 Receivables from exchange transactions		
Balance previously reported		39,379,300
(j) Department of Water and Sanitation - water purchased 2022/2023 financial year - VAT input accrual		387,755
Restated balance 1 July 2023		39,767,055



42.7 Current provisions		
Balance previously reported		4,232,348
(k) Reversal of provision for VAT on library grant and recognition of VAT payable.		<u>(4,232,348)</u>
Restated balance 1 July 2023		0
42.8 VAT payable		
Balance previously reported		6,191,660
(k) Reversal of provision for VAT on library grant and recognition of VAT payable.		<u>4,232,348</u>
Restated balance 1 July 2023		10,424,008
42.9 Unspent Transfers and Subsidies		
Balance previously reported		2,354,144
(l) Reclassification of library replacement grant.		<u>(470,054)</u>
Restated balance 1 July 2023		1,884,089

42.10 Changes to Statement of Financial Performance		2025	2024
		R	R
		Balance previously reported (after reclassification)	Adjustments
	Note		Restated Balance
Revenue			
Property Rates		46,613,835	-
Government Grants and Subsidies - Capital	(l)	16,230,351	(39,892)
Government Grants and Subsidies - Operating	(l)	99,134,586	(5,809,659)
Fines, Penalties and Forfeits		75,691,906	-
Debt forgiveness	(c)	15,053,933	251,544
Interest Earned - Non-exchange Transactions		3,210,957	-
Licences and Permits from Non-Exchange Transactions		170,488	-
Availability fees		517,559	-
Service Charges		146,644,222	-
Sales of Goods and Rendering of Services		674,798	-
Rental from Fixed Assets		1,715,225	-
Interest Earned - External Investments		2,683,944	-
Interest Earned - Exchange Transactions		9,074,822	-
Licences and Permits from Exchange Transactions		219,199	-
Agency Services		1,355,917	-
Operational Revenue	(l)	2,437,091	5,849,552
Total		421,428,831	251,544
Expenditure			
Employee related costs		121,104,843	-
Remuneration of Councillors		6,018,259	-
Bad Debts Written Off		52,235,162	-
Contracted Services	(i)	26,246,918	32,870
Depreciation and Amortisation	(f)	26,442,536	229,975
Finance Costs	(c) & (h)	14,944,115	1,668,661
Bulk Purchases	(a)	99,939,815	21,974
Inventory Consumed		7,359,719	-
Operational Costs	(b)	32,888,294	6,018
Total		387,179,660	1,959,499
Gains and Losses			
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value		(107,578)	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables		(23,054,535)	-
Gains/(Loss) on Sale of Fixed Assets		(1,419,423)	-
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		(50,749)	-
Actuarial gains/(losses)		(600,120)	-
Total		(25,232,404)	-
Net Surplus/(Deficit) for the year		9,016,767	(1,707,955)

42.11 Reclassification 1: Receivables

A reclassification was done for availability fees. This was done to reclassify availability fees debtor from receivables from exchange to receivables from non-exchange transactions.

	Balance before reclassification	Reclassification	Balance after reclassification
Receivables from exchange transactions	24,700,098	(81,405)	24,618,693
Receivables from non-exchange transactions	33,756,772	81,405	33,838,177

The reclassification of R81 405 consist off:

Receivables from exchange transactions:

Electricity (gross debtor)	(139,616)
Water (gross debtor)	(96,114)
Waste water management (gross debtor)	(1,029,469)
Service receivables (provision for impairment)	1,183,794
	<u>(81,405)</u>

Receivables from non-exchange transactions:

Availability fees (gross debtors)	1,265,199
Provision for impairment	(1,183,794)
	<u>81,405</u>

42.12 Reclassification 2: VAT accrual

	Balance before reclassification	Reclassification	Balance after reclassification
VAT receivable	5,331,983	(5,331,983)	-
Receivable from exchange transactions	24,618,693	14,760,607	39,379,300
Payables from exchange transactions	(75,325,309)	(3,236,963)	(78,562,273)
VAT payable	0	(6,191,660)	(6,191,660)

The input VAT accrual has been reclassified from VAT receivable to Receivables from exchange transactions. The Output VAT accrual has been reclassified from VAT receivable to Payables from exchange transactions. The reclassification resulted in the VAT receivable of 2023/2024 financial year, changing to a VAT payable, due to the SARS control account.



42.13 Revenue from Exchange Transactions

Disclosure of Impracticability in Applying Retrospective Adjustment

Management identified in the prior year that revenue for that year was understated due to a significant number of unmetered households where meters were either absent or non-functional, resulting in the municipality being unable to levy water service charges. In the current year, this had a significant impact from a comparability perspective due to actions taken and, due to the materiality of the impact, necessitated an explanatory note to clearly disclose the impact to the users of the financial statements.

In accordance with GRAP 3, the entity assessed the feasibility of retrospective restatement. Due to the absence of any reliable historical meter data, the lack of verifiable consumption information, and the fact that no lawful mechanism existed in the prior period to levy even estimated or flat-rate charges, retrospective adjustment was deemed impracticable as defined in paragraph .52 of GRAP 3.

From a current-year perspective, the municipality has implemented a flat rate as an interim measure, which was phased in and has been billed in earnest since December 2024. Smart meters are being installed at all affected properties as funding becomes available. The correction has therefore been applied prospectively in the current year.

	2025 R	2024 R
43. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	1,410,339	7,308,812
Adjustments for:		
Depreciation	27,926,436	26,384,088
Amortisation	430,821	288,423
Loss/(Gain) on Sale of Fixed Assets	2,055,642	1,419,423
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	(173,384)	107,578
Impairment Loss/(Reversal of Impairment Loss) - Receivables	(26,532,173)	23,054,535
Impairment Loss/(Reversal of Impairment Loss) - Fixed assets	3,243,346	50,749
Contributed Property, Plant and Equipment	(459,764)	-
iGRAP 2 landfill site adjustment	(168,355)	(367,783)
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses/gain	1,166,247	600,120
Movement in current employee benefits	1,172,411	734,453
Movement in non-current employee benefits	2,348,753	2,839,877
Bad Debts written off	120,176,042	52,235,162
Interest on provisions	2,393,518	2,087,526
Operating lease income accrued	(14,697)	(39,716)
Debt forgiveness	(22,948,464)	(15,305,477)
Interest debt relief	5,189,245	7,374,743
Interest received exchange and non-exchange transactions	(10,585,930)	-
Interest overdue creditors	2,042,878	-
Operating Surplus/(Deficit) before changes in working capital	108,672,911	108,772,513
Changes in working capital	(76,378,859)	(89,754,534)
Increase/(Decrease) in Trade and Other Payables from Exchange Transactions	(14,330,076)	(80,085,654)
Increase/(Decrease) in Trade and Other Payables Exchange (debt relief non-current)	(20,138,886)	38,351,366
Increase/(Decrease) in Trade and Other Payables Exchange (debt relief current)	17,500,126	38,410,303
Increase/(Decrease) in Long-term Trade and Other Payables	13,528,464	-
Increase/(Decrease) in VAT	(3,073,878)	5,642,520
(Increase)/Decrease in Inventory	(831,375)	1,324,980
Increase/(Decrease) in Consumer Deposits	110,778	191,552
(Increase)/Decrease in Current portion of non-current receivables - exchange transactions	(8,963,431)	(243,480)
(Increase)/Decrease in Current portion of non-current receivables - non-exchange transactions	(2,189,444)	(201,573)
(Increase)/Decrease in Non-current receivables	52,465	2,212,735
(Increase)/Decrease in Trade Receivables from Exchange Transactions	366,185	(27,126,419)
(Increase)/Decrease in Trade Receivables from Non-Exchange Transactions	(60,379,011)	(65,141,757)
Increase/(Decrease) in Unspent Transfers and Subsidies	1,969,223	(3,089,108)
Cash generated/(absorbed) by operations	32,294,052	19,017,979
44. CASH AND CASH EQUIVALENTS	2025 R	2024 R
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 12	1,082,962	3,760,764
Call Deposits and Investments - Note 12	16,268,691	12,105,552
Cash on hand - Note 12	16,926	16,868
Total cash and cash equivalents	17,368,578	15,883,184
45. UTILISATION OF LONG-TERM BORROWINGS RECONCILIATION	2025 R	2024 R
Long-term Borrowings - Note 13	3,741,325	4,922,725
Used to finance property, plant and equipment - note 13	(3,741,325)	(4,922,725)
Cash invested for repayment of long-term borrowings	-	-

Long-term borrowings have been utilized in accordance with the Municipal Finance Management Act.

Annuity loans at amortised cost is calculated at 6.75%-10.90% interest rate, with last maturity date of 31 December 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Capitalised lease liability at amortised cost is calculated at 6,17%-14,25% interest rate, with the last maturity date of 01 August 2026. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured. No contingent rents are payable.



46.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

	2025 R	2024 R
Opening balance	20,349,127	19,135,700
Fruitless and wasteful expenditure current year	2,448,759	1,213,426
Written off by Council	(20,349,127)	-
Fruitless and wasteful expenditure awaiting condonement	2,448,759	20,349,127

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2025	2024
2020 - Double payment to supplier - Kamp straat	Refer to note 1 below	-	287,798
2020 - Interest on overdue accounts - Eskom accounts	Refer to note 1 below	-	532,857
2020 - Interest and Penalties on overdue accounts - SARS	Refer to note 1 below	-	130,784
2020 - Interest on overdue account - Telkom accounts	Refer to note 1 below	-	3,132
2020 - Interest on overdue account - Auditor General	Refer to note 1 below	-	287,393
2020 - Interest on overdue account - Barloworld	Refer to note 1 below	-	256
2020 - Interest late payment pension - LA Retirement fund	Refer to note 1 below	-	108
2021 - Invoice paid twice - Breede Gouritz (water)	Refer to note 1 below	-	2,981
2022 - Interest and Penalties on overdue accounts - SARS	Refer to note 1 below	-	280,983
2022 - Interest and Penalties on overdue accounts - SARS VAT	Refer to note 1 below	-	405,975
2022 - Interest on overdue accounts - creditors	Refer to note 1 below	-	6,430,311
2022 - Salaries paid of suspended employees	Refer to note 1 below	-	1,810,946
2023 - Interest on overdue accounts - creditors	Refer to note 1 below	-	6,037,517
2023 - Salaries paid of suspended employees	Refer to note 1 below	-	2,924,658
2024 - Interest and Penalties on overdue accounts - SARS	Refer to note 1 below	-	-
2024 - Interest on overdue accounts - creditors	Refer to note 1 below	-	1,157,822
2024 - Salary paid into invalid bank account	Refer to note 1 below	-	42,579
2024 - Legal fees paid on summons for overdue supplier account	Refer to note 1 below	-	13,025
2025 - Department of Employment and Labour	None	76,788	-
2025 - Interest and Penalties on overdue accounts - SARS VAT	None	186,145	-
2025 - Interest on overdue accounts - creditors	None	2,185,826	-
		2,448,759	20,349,127

Note 1

Subsequent to the reporting date, Council considered all Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW) relating to the period up to 30 June 2024, based on recommendations submitted by the Municipal Public Accounts Committee (MPAC). Council approved the write-off of UIFW relating to prior financial years, where MPAC confirmed that no fraud, deliberate misconduct, or financial loss occurred and that all goods and services were received. These decisions were based on conditions that existed at year-end and therefore the disclosure have been adjusted in accordance with GRAP 14.

UIFW items for which MPAC recommended further investigation, including referrals to the Disciplinary Board (DB), remain under review. In line with MFMA section 32, a debtor can only be recognised once the DB has concluded its process, MPAC has considered the outcome, and Council has been formally advised that recovery is required. These processes were not finalised by the date of approval of the AFS, therefore no debtor has been recognised, and the affected balances continue to be disclosed as UIFW under investigation.



46.3 **Irregular expenditure**

Reconciliation of irregular expenditure:

	2025 R	2024 R
Opening balance	224,111,253	203,422,290
Irregular expenditure current year - from quotations and competitive bidding	12,071,017	18,640,184
Irregular expenditure (PPR regulations (4)(1))	-	145,830
Written off by Council	(183,740,301)	-
Irregular expenditure (Wet fuel)	3,537,748	1,902,949
Irregular expenditure awaiting further action	55,979,718	224,111,253

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2025 R	2024 R
2018 - SCM procedures not followed 2017/2018 - competitive bidding	Refer to note 1 below	-	49,397,969
2019 - SCM procedures not followed 2018/2019	Refer to note 1 below	-	439,130
2019 - SCM procedures not followed with regards to quotations	Refer to note 1 below	-	1,639,310
2019 - SCM procedures not followed with regards to competitive bid process, section 32	Refer to note 1 below	-	55,780,264
2019 - SCM procedures not followed with appointment process	Refer to note 1 below	-	1,017,883
2020 - SCM procedures not followed with appointment process	Refer to note 1 below	-	496,714
2020 - SCM procedures not followed with regards to competitive bidding	Refer to note 1 below	-	38,626,053
2020 - SCM procedures not followed with regards to quotations	Refer to note 1 below	-	1,925,276
2021 - SCM procedures not followed with regards to quotations	Refer to note 1 below	-	821,167
2021 - SCM procedures not followed with regards to competitive bidding	Refer to note 1 below	-	17,196,980
2022 - SCM procedures not followed with regards to quotations	Refer to note 1 below	-	830,808
2022 - SCM procedures not followed with regards to competitive bidding	Refer to note 1 below	-	7,752,497
2023 - SCM procedures not followed with regards to quotations	Refer to note 1 below	-	7,626,877
2023 - SCM procedures not followed with regards to competitive bidding	Refer to note 1 below	-	17,967,579
2023 - Incorrect application of PPR regulations	Refer to note 1	-	1,903,783
2024 - SCM procedures not followed with regards to quotations	Refer to note 1 below	-	98,785
2024 - SCM procedures not followed with regards to competitive bidding	Refer to note 1 below	-	18,541,399
2024 - Incorrect application of PPR regulations	Refer to note 1 below	-	145,830
2024 - Irregular identified by AG(SA) - Wet fuel - COMAF 12	Refer to note 1 below	-	1,902,949
2025 - Irregular identified by management - Wet fuel	Expenditure will be investigated in the next financial year	3,537,748	-
2025 - SCM procedures not followed with regards to quotations and competitive bidding	Expenditure will be investigated in the next financial year	12,071,017	-
		15,608,765	224,111,253

Irregular expenditure is disclosed inclusive of VAT.

Note 1

Subsequent to the reporting date, Council considered all Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW) relating to the period up to 30 June 2024, based on recommendations submitted by the Municipal Public Accounts Committee (MPAC). Council approved the write-off of UIFW relating to prior financial years, where MPAC confirmed that no fraud, deliberate misconduct, or financial loss occurred and that all goods and services were received. These decisions were based on conditions that existed at year-end and therefore the disclosure have been adjusted in accordance with GRAP 14.

UIFW items for which MPAC recommended further investigation, including referrals to the Disciplinary Board (DB), remain under review. In line with MFMA section 32, a debtor can only be recognised once the DB has concluded its process, MPAC has considered the outcome, and Council has been formally advised that recovery is required. These processes were not finalised by the date of approval of the AFS, therefore no debtor has been recognised, and the affected balances continue to be disclosed as UIFW under investigation.

47. **ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

47.1 **Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)**

	2025 R	2024 R
Opening balance	0	240,736
Council subscriptions	1,487,116	1,420,829
Amount paid - current year	(1,487,116)	(1,420,829)
Amount paid - previous years	-	(240,736)
Balance unpaid (included in creditors)	-	0

47.2 **Audit fees - [MFMA 125 (1)(c)]**

	2025 R	2024 R
Opening balance	11,898,327	13,422,604
Current year audit fee	9,562,423	3,755,613
Amount paid - current year invoice	(4,137,271)	(3,689,889)
Amount paid - previous year invoice	(7,940,648)	(1,590,000)
Balance unpaid (included in creditors)	9,382,831	11,898,327



	2025 R	2024 R
47.3 <u>VAT - [MFMA 125 (1)(c)]</u>		
Opening balance	(6,191,660)	(1,482,792)
Payments made	2,878,986	1,567,858
Transfers	6,754,262	4,383,516
Receipts	(6,402,326)	(10,660,242)
Closing balance	(2,960,739)	(6,191,660)

VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS.

The note has been restated to only reflect balance due to/from SARS, rather than the net balance, that would include the VAT accrual. This is to be in line with MFMA section 125(1)(c).

	2025 R	2024 R
47.4 <u>PAYE, SDL and UIF - [MFMA 125 (1)(c)]</u>		
Opening balance	1,313,676	1,183,954
Current year payroll deductions	18,439,583	16,238,404
Amount paid - current year	(16,848,500)	(14,924,728)
Amount paid - previous year	(1,313,676)	(1,183,954)
Balance unpaid (included in creditors)	1,591,083	1,313,676

	2025 R	2024 R
47.5 <u>Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</u>		
Current year payroll deductions and Council Contributions	25,662,496	23,988,870
Amount paid - current year	(25,662,496)	(23,988,870)
Balance unpaid (included in creditors)	-	-

	2025 R	2024 R
47.6 <u>Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]</u>		

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

		Outstanding more than 90 days	Outstanding more than 90 days
Councillor	Account		
S.Essop	5654	75,572	69,018
G.Pietersen	10636/26636/10635	60,633	50,369
T.C.J.Prince	26286	-	2,462
O.Haarvoor	20941/20942/20943	1,418	7,033
E.Links	8458/8457	86,752	78,889
G.J.Duimpies	7764/1732/5886/25101	278,694	222,388
Total Councillor Arrear Consumer Accounts		503,069	430,159



47.7 **Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005**

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

	Amount	Single Supplier	Type of Deviation		Emergency
			Impossible	Impractical	
Jul-24	11,845	11,845	-	-	-
Aug-24	11,845	11,845	-	-	-
Sep-24	110,975	11,845	-	99,130	-
Oct-24	125,591	98,021	-	27,570	-
Nov-24	33,960	23,690	-	-	10,270
Dec-24	52,419	16,819	-	-	35,600
Jan-25	193,123	11,845	-	181,278	-
Feb-25	166,035	11,845	-	-	154,190
Mar-25	11,845	11,845	-	-	-
Apr-25	17,129	11,845	-	5,284	-
May-25	28,045	11,845	-	-	16,200
Jun-25	11,845	11,845	-	-	-
Total	774,656	245,135	-	313,262	216,259

	Amount	Single Supplier	Type of Deviation		Emergency
			Impossible	Impractical	
Jul-23	79,600	50,620	-	4,880	24,100
Aug-23	102,615	82,728	-	19,887	-
Sep-23	154,259	29,115	-	125,144	-
Oct-23	12,592	-	-	12,592	-
Nov-23	39,660	11,060	-	-	28,600
Dec-23	571,615	28,439	-	170,448	372,728
Jan-24	121,470	11,060	-	60,615	49,795
Feb-24	93,487	11,060	-	82,427	-
Mar-24	16,871	16,871	-	-	-
Apr-24	174,305	11,060	-	163,245	-
May-24	55,705	11,060	-	-	44,645
Jun-24	11,060	11,060	-	-	-
Total	1,433,239	274,132	-	639,239	519,868

Non-Compliance with Chapter 11 of the Municipal Finance Management Act

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council.

Range of Deviations approved by Municipal Manager

	Total Deviations	2024/25 Amounts
Deviations between 0 - 10 000	26,486	4
Deviations between 10 001 - 30 000	209,379	16
Deviations between 30 001 - 200 000	538,791	6
Total deviations	774,656	26

Deviations are disclosed inclusive of VAT

47.8 **Material losses**

Electricity distribution losses

	2025 R	2024 R
Units purchased (Kwh)	50,788,041	48,566,162
Units lost during distribution (Kwh)	8,952,248	9,806,111
Percentage lost during distribution	17.63%	20.19%

The electricity losses were mainly due to theft on pre-paid meters, for which fines were issued to offenders. The reduction in distribution losses can be attributed to improved accounting for own consumption, enhanced exception reporting, and a decrease in theft.

Water distribution losses

	2025 R	2024 R
Units purchased (kl)	4,477,278	4,342,489
Units lost during distribution (kl)	3,421,703	3,401,552
Percentage lost during distribution	76.42%	78.33%

Water losses were primarily the result of ageing infrastructure and widespread unmetered connections caused by mass meter failures. Limited funding has constrained the municipality's ability to maintain and replace meters. To mitigate the financial impact of non-revenue water, a flat rate was introduced to recover some revenue. The affected population was assessed, and a strategy was developed by various role-players, with assistance and funding to be sourced from multiple stakeholders to address the problem of non-revenue water.

The year-to-date reduction in losses is attributable to improved accounting of own consumption and the commencement of the meter replacement project.



47.9 **Other non-compliance**

MFMA Section 65(2)(b)

Adequate management, accounting and information system was not in place which accounted for creditors.

MFMA Section 65(2)(e)

The municipality had experienced cash flow problems during the year as a result of which creditors were not always paid within 30 days of date of statement or invoice as required.

MFMA Section 15

Expenditure was not only incurred in terms of an approved budget and within the limits of the amounts approved for the different votes in an approved budget.

MFMA Section 32(2) and 32(4)

Report pertaining to unauthorised, irregular, fruitless and wasteful expenditure have not been submitted to all relevant parties. Possible debt not yet recovered from responsible officials.

MFMA Section 62

Expenditure were not adequately monitored in accordance with section 62, resulting in unauthorised, fruitless and wasteful and irregular expenditure.

Supply chain management regulations

Non-compliance with supply chain management regulation resulting in irregular expenditure.

Compensation for Occupational Injuries and Diseases Act, 1993

Failure to submit return of earnings by 31 March as per section 82(1) of the Act.

47.10 **PURCHASES FROM MEMBERS IN SERVICE OF STATE**

The following purchases were made during the 2024/25 financial year where Councillors or staff have an interest:

Company Name	Amount	Interest
Anne's Deli	35,315	Husband, Mr A Stoffles, is currently employed by the Department of Education.
	10,250	Spouse, M Chalmers are employed at Department of Correctional Services and Son, G Bowers at Emergency Services and daughter in law at the Beaufort West Municipality.
B Chalmers	60,239	Spouse, Mr E Hlongwane, currently employed at City of Cape Town.
TSCH International Holding	312,054	Spouse, Mrs Y De Wee, currently employed at Transnet.
Q&K Projects	7,850	Daughter in law, B Johnson, currently employed at Provincial Traffic Services Department.
Beaufort West Luxury Coaches	215,942	Son is employed at the Central Karoo District Municipality, Nathan Summers.
RWS Cleaning Services	48,138	Brothers, Mr Bevan and Ashley Mitchell, is currently employed at the Beaufort West Municipality and brother, Elroy Mitchell employed at the Department of Education.
L & E Projects	33,325	Daughter, R Petersen, currently employed at Transnet.
Gwennas Solutions	7,900	Daughter, S Theron, currently employed at Forensics Services.
Browns Pottery and Designs (Pty) Ltd	2,850	Spouse, Mrs R Mcleod, currently employed at Department of Health.
McLeod Pest Control	27,000	Son, Mr Du Plessis, currently employed at Department of Education.
BB Sweiswerke	760,862	

The following purchases were made during the 2023/24 financial year where Councillors or staff have an interest:

Company Name	Amount	Interest
Avril Catering	12,075	Son is employed at the Department of Agricultural and the daughter at Department of Social Development.
Anne's Deli	3,600	Husband, Mr A Stoffles, is currently employed by the Department of Education.
TSCH International Holding	120,950	Spouse, Mr E Hlongwane, currently employed at City of Cape Town.
Q&K Projects	801,611	Spouse, Mrs Y De Wee, currently employed at Transnet.
Beaufort West Luxury Coaches	4,750	Son, W Johnson, was employed at Beaufort West Municipality and daughter, B Johnson, employed by the Department of Community
Ian Dickie and Company	24,509	M Samuels, Financial Directors' spouse, Deon Samuels are employed by South Africa Police Services.
Jabeja Consulting	13,817	Brother, Mr Du Plessis, is currently employed by the Department of Education.
Swans Bestuurskool	13,500	Spouse, Mr S Swanepoel, currently employed at the Department of Correctional Services.
	994,812	

47.11 **Levies paid to other government organisations (MFMA sec 1)(c)**

Opening balance
 Current year payroll deductions
 Amount paid - current year
 Amount paid - previous year
Balance unpaid (included in creditors)

	2025 R	2024 R
	4,176	4,158
	52,998	50,903
	(48,589)	(46,726)
	(4,176)	(4,158)
	4,410	4,176



48. FINANCIAL RISK MANAGEMENT

2025 R 2024 R

The activities of the municipality expose it to a variety of financial risks, including interest rate risk, credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follows:

	2025 R	2024 R
Cash and cash equivalents	166,090	(166,090)
Receivables from exchange transactions	190,851	(190,851)
Receivables from non-exchange transactions	10,565	(10,565)
Payables from exchange transactions	625,279	(625,279)
	2025 R	2024 R
	1%	(1%)
Cash and cash equivalents	153,545	(153,578)
Receivables from exchange transactions	209,480	(209,887)
Payables from exchange transactions	1,079,377	(1,079,377)

(b) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly for call investment deposits, bank accounts and trade and other receivables.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due to the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.

All debtors are payable within 30 days from invoice date. Refer to note 10 and 11 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 6 and 7 for balances included in receivables that were re-negotiated for the period under review.

	2025 %	2025 R	2024 %	2024 R
Non-Current Receivables				
Repayment arrangement	100.00%	13,012,093	100%	1,911,683
Non-exchange Receivables				
Availability fees	100.00%	2,669,069	100.00%	1,265,199
Exchange Receivables				
Electricity	8%	10,776,001	13%	20,369,736
Water	25%	35,634,388	19%	30,139,472
Property Rentals	3%	4,181,473	2%	3,903,474
Waste Management	18%	24,664,975	17%	27,331,338
Waste Water Management	28%	39,940,499	28%	43,273,679
Other Arrears	18%	25,444,507	20%	31,663,195
Total	100.00%	140,641,843	100%	156,680,894

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 10 and 11 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follows:

	2025 %	2025 R	2024 %	2024 R
Non-Exchange Receivables				
Availability fees	100.00%	2,311,004	100.00%	1,183,794
Exchange Receivables				
Electricity	4%	5,339,350	9%	12,064,714
Water	25%	31,349,449	19%	24,556,174
Waste Management	19%	23,887,755	19%	24,848,971
Waste Water Management	30%	38,605,603	30%	39,111,564
Property Rentals	3%	3,832,173	3%	3,437,140
Other Arrears	19%	24,075,995	21%	28,043,637
Total	100.00%	127,090,326	100%	132,062,201



Provision for bad debts

The provision for bad debts could be allocated between the different categories of receivables as follow:

	2025 %	2025 R	2024 %	2024 R
Other	9.32%	11,842,597	2%	2,293,137
Industrial	5.55%	7,052,315	4%	4,825,443
Residential	85.13%	108,195,414	95%	124,943,621
Total	100.00%	127,090,326	100%	132,062,201

Bad debts written

		2025 R	2024 R
Exchange Receivables			
Services	100%	25,540,063	17,393,337

Ageing of amounts past due but not impaired are as follow:

	2025	2024
1 month past due	304,148	9,883
2+ months past due	9,361,700	95,066
Total	9,665,847	104,950
	Exchange Receivables	Non-exchange Receivables
2025		
1 month past due	392,959	1,946
2+ months past due	10,072,100	3,705
Total	10,465,059	5,651

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below. The risk on cash on hand is regarded as unlikely and excluded from credit risk disclosure.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE. The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

Non-current receivables and current receivables are individually evaluated annually at end of financial year for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

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

	2025 R	2024 R
Non-Current Receivables from Exchange Transactions	209,486	229,477
Non-Current Receivables from Non-Exchange Transactions	50,385	82,858
Current Portion of Non-Current Receivables - Exchange Transactions	10,109,254	1,145,823
Current Portion of Non-Current Receivables - Non-Exchange Transactions	2,642,968	453,524
Receivables from Exchange Transactions	26,165,890	39,767,055
Receivables from Non-Exchange Transactions	1,244,622	918,176
Cash and Cash Equivalents	17,351,653	15,866,316
Total	57,774,258	58,463,229

(c) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

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

The Municipality's liquidity position is closely monitored under the joint oversight of the Provincial Treasury, National Treasury, and the Department of Local Government, as part of the mandatory intervention in terms of Section 139(5)(a) of the Constitution. The Municipality is currently in Phase 2 of its Financial Recovery Plan (FRP) — the Stabilisation and Recovery Phase — during which cash-flow performance and liquidity management remain key focus areas.

Although liquidity challenges persist, Phase 1 (Rescue Phase) interventions have stabilised cash flow, and oversight confirms with moving to Phase 2, that liquidity risk has decreased and is under control. This assessment and the continued implementation of the FRP, supported by improved revenue management and debt-relief measures, provides reasonable assurance that the Municipality will be able to realise its assets and meet its obligations in the normal course of business.

Consumer Deposits are disclosed at the value that could be repayable in the following year. It is unlikely that the full balance would become payable as consumer accounts are expected to remain similar year to year. By implication, if the consumer deposit is paid, a similar receipt from a different customer would be expected. The balance is however disclosed in order to indicate a conservative liquidity risk.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Also refer to note 53 concerning how management is managing the liquidity risk.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2025				
Long-term Borrowings	1,539,148	3,161,478	-	-
Trade and Other Payables from exchange transactions	58,150,921	-	-	-
Trade and Other Payables from exchange transactions (debt-relief)	25,587,223	-	-	-
Trade and Other Payables from non-exchange transactions (non-current debt-relief)	-	22,845,735	-	-
Long-term Trade and Other Payables (non-current & current)	3,578,859	13,528,464	-	-
Consumer deposits	2,792,741	-	-	-
Total	91,648,891	39,535,677	-	-
	Less than 1 year	Between 1 and 5 years	Between 5 and 30 years	More than 10 years
2024				
Long-term Borrowings	1,687,043	4,251,135	449,540	-
Trade and Other Payables from exchange transactions	70,756,423	-	-	-
Trade and Other Payables from exchange transactions (debt-relief)	25,846,315	-	-	-
Trade and Other Payables from non-exchange transactions (non-current debt-relief)	-	42,984,621	-	-
Consumer deposits	2,681,963	-	-	-
Total	100,971,744	47,235,756	449,540	-



49.	FINANCIAL INSTRUMENTS		2025 R	2024 R
49.1	Financial Assets	Classification	2025 R	2024 R
	Non-Current Receivables			
	Non-current receivables from exchange	Financial Instruments at amortised cost	209,486	229,477
	Non-current receivables from non-exchange	Financial Instruments at amortised cost	50,385	82,858
	Current Portion of Non-Current Receivables - Exchange Transactions	Financial Instruments at amortised cost	10,109,254	1,145,823
	Current Portion of Non-Current Receivables - Non-Exchange Transactions	Financial Instruments at amortised cost	2,642,968	453,524
			2025 R	2024 R
	Receivables from Exchange Transactions			
	Trade receivables from exchange transactions	Financial Instruments at amortised cost	26,165,890	39,767,055
	Receivables from Non-Exchange Transactions			
	Other receivables from exchange transactions: Eskom deposit	Financial Instruments at amortised cost	886,558	836,770
	Other receivables from exchange transactions: Availability fees	Financial Instruments at amortised cost	358,065	81,405
			2025 R	2024 R
	Cash and Cash Equivalents			
	Cash on-hand	Financial Instruments at fair value	16,926	16,868
	Current accounts	Financial Instruments at amortised cost	1,082,962	3,760,764
	Call deposits and investments	Financial Instruments at amortised cost	16,268,691	12,105,552
	Total Financial Assets			
			2025 R	2024 R
	SUMMARY OF FINANCIAL ASSETS			
	Financial Instruments at fair value:			
	Cash and Cash Equivalents	Cash on-hand	16,926	16,868
	Financial Instruments at amortised cost:			
	Non-Current Receivables from exchange		209,486	229,477
	Non-Current Receivables from non-exchange		50,385	82,858
	Current Portion of Non-Current Receivables - Exchange Transactions		10,109,254	1,145,823
	Current Portion of Non-Current Receivables - Non-Exchange Transactions		2,642,968	453,524
	Receivables from Exchange Transactions		26,165,890	39,767,055
	Receivables from Non-Exchange Transactions	Other receivables from exchange transactions	1,244,622	918,176
	Cash and Cash Equivalents	Current accounts	1,082,962	3,760,764
	Cash and Cash Equivalents	Call deposits and investments	16,268,691	12,105,552
	Total Financial Assets		57,791,184	58,480,097
49.2	Financial Liabilities	Classification	2025 R	2024 R
	Non-current - Long-term Borrowings			
	Annuity Loans	Financial Instruments at amortised cost	2,557,928	3,130,756
	Capitalised Lease Liability	Financial Instruments at amortised cost	14,587	610,569
			2025 R	2024 R
	Trade and other payables from exchange transactions (current)			
	Retentions	Financial Instruments at amortised cost	645,468	1,225,065
	Sundry creditors	Financial Instruments at amortised cost	1,774,455	206,593
	Trade Payables	Financial Instruments at amortised cost	55,730,998	69,324,766
	VAT output accrual	Financial Instruments at amortised cost	3,402,561	3,236,963
	Trade and other payables from exchange transactions (non-current - debt relief)	Financial Instruments at amortised cost	22,845,735	42,984,621
	Trade and other payables from exchange transactions (current - debt relief)	Financial Instruments at amortised cost	25,587,223	25,846,315
	Long-term Trade and Other Payables	Financial Instruments at amortised cost	13,528,464	-
			2025 R	2024 R
	Current Portion of Long-term borrowings			
	Annuity Loans	Financial Instruments at amortised cost	572,827	658,021
	Capitalised Lease Liability	Financial Instruments at amortised cost	595,982	523,378
	Consumer deposits	Financial instruments at fair value	2,792,741	2,681,963
			2025 R	2024 R
	SUMMARY OF FINANCIAL LIABILITIES			
	Financial instruments at amortised cost:			
	Long-term Borrowings	Annuity Loans	2,557,928	3,130,756
	Long-term Borrowings	Capitalised Lease Liability	14,587	610,569
	Current portion of Long-term Borrowings	Annuity Loans & Capitalised Lease Liability	1,168,809	1,181,399
	Trade and other payables from exchange transactions (current)	Retentions	645,468	1,225,065
	Trade and other payables from exchange transactions (current)	Sundry creditors	1,774,455	206,593
	Trade and other payables from exchange transactions (current)	Trade Payables	55,730,998	69,324,766
	Trade and other payables from exchange transactions (current)	VAT output accrual	3,402,561	3,236,963
	Trade and other payables from exchange transactions (non-current - debt relief)		22,845,735	42,984,621
	Trade and other payables from exchange transactions (current - debt relief)		25,587,223	25,846,315
	Long-term Trade and Other Payables		13,528,464	-
	Consumer deposits		2,792,741	2,681,963
	Total Financial Liabilities		130,048,969	150,429,009



	2025 R	2024 R
50. STATUTORY RECEIVABLES		
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
Taxes		
VAT Receivable	-	-
Receivables from Non-Exchange Transactions		
Property rates	136,825,861	170,848,059
Other receivables	50,321,211	42,852,776
Fines	7,429,324	10,492,982
	79,075,327	117,502,302
Total Statutory Receivables (before provision)	136,825,861	170,848,059
Less: Provision for Debt Impairment	(113,676,255)	(137,928,058)
Total Statutory Receivables (after provision)	23,149,606	32,920,001

Transactions arising from the statute

Statutory Receivables arises from the following legislation:

Taxes	Value Added Tax Act (No 89 of 1991)
Property rates	Municipal Properties Rates Act (No 6 of 2004)
Fines	Criminal Procedures Act 51 of 1977

Determination of transaction amount

Taxes: VAT transactions are determined in line with the Value Added Tax Act 89 of 1991. Taxes only recognised as part of Statutory receivables, if a balance is due from SARS to the municipality (Control account a receivable).

Property rates and other: The transaction amounts is determined in line with the annual tariff listing as approved by Council.

Statutory receivables are initially measured at transaction value, and subsequently at cost.

	2025 R	2024 R
<u>Property Rates: Ageing</u>		
Current (0 - 30 days)	5,014,066	2,957,062
31 - 60 Days	1,522,403	1,346,771
61 - 90 Days	1,243,340	990,501
+ 90 Days	42,541,403	37,558,442
Total	50,321,211	42,852,776
<u>Other Receivables: Ageing</u>		
Current (0 - 30 days)	14,033	4,526
31 - 60 Days	8,216	539
61 - 90 Days	5,046	87
+ 90 Days	8,288,585	11,324,600
Total	8,315,881	11,329,752
<u>Fines: Ageing</u>		
Current (0 - 30 days)	4,928,300	4,704,000
31 - 60 Days	4,875,700	3,843,050
61 - 90 Days	6,445,350	4,680,300
+ 90 Days	62,825,977	104,274,952
Total	79,075,327	117,502,302



	2025 R	2024 R
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	137,928,059	118,353,564
Transfer from non-current portion	132,564	143,249
Contribution to provision	53,166,674	49,400,462
VAT contributions on provision	(780,723)	(143,995)
Transfer to non-current portion	(199,060)	(132,564)
Reversal of provision	(76,571,260)	(29,692,657)
Balance at end of year	113,676,255	137,928,059

The impairment of availability fees was previously included in the reconciliation of provision for debt impairment above. The reconciliation was adjusted to exclude the impairment balance for availability fees, as availability fees is a financial instrument.

Basis used to assess for impairment and grouping of debtors

Property Rates & Other receivables: Management determines the payment rate per debtor. Therefore each individual debtor is impaired based on the collection of debt. Government debtors is excluded from the impairment per the debt control policy of the municipality. The indication of impairment is the non-ability of the debtor to settle their account.

Fines: Fines are impaired per debtors of a similar grouping (Provincial Fines, Camera Fines and Municipal Fines). The collection rate per the similar groupings is determined. Fine debtors are impaired based on the collection rate. The indication of impairment is the non-ability of the debtor to settle their account.

	2025 R	2024 R
Ageing of amounts past due and impaired		
1 month past due	6,348,670	5,016,490
2+ months past due	119,502,751	154,191,451
Total	125,851,421	159,207,941

Management base the consideration past due and impaired on the debtor's payments. Per the debt control policy of the municipality past due and impaired include the category of residential, industrial & commercial and other debtors. Government debtors are not impaired. The above is in relation to property rates and fines.

	2025 R	2024 R
Ageing of amounts past due but not impaired		
1 month past due	141,117	173,870
2+ months past due	3,414,373	4,137,092
Total	3,555,490	4,310,962

Management base the consideration on the debtor's payments. Per the debt control policy government debtors are not impaired as it is viewed that they are obliged to pay and therefore included in the category past due and not impaired

	2025 R	2024 R
Interest Received from Statutory Receivables		
Property Rates	3,071,508	3,210,957

Interest is levied at a rate determined by the council on outstanding property rates amounts.

51. CONTINGENCIES

51.1 CONTINGENT LIABILITIES

The following guarantees qualify as contingent liabilities:

NAME / REG NO	GUARANTEE ISSUED TO	2025 R	2024 R
Nedbank 286	Performance guarantee no: 285/32883307: Post office	50,000	50,000
Nedbank 287	Electricity guarantee: 285/32883218: Eskom	34,700	34,700
Nedbank 288	Electricity guarantee: 285/32883005: Eskom - Nelspoort	41,700	41,700
		126,400	126,400

Claims against the municipality

	2025 R	2024 R
The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:		
Beaufort West Municipality/A.Damon & SS Damon	400,000	400,000
In this matter the Plaintiffs issued Summons against the Municipality for damages as a result of a fire that burned down their immovable property, in the amount of R836 923.64. We have defended the matter and it is trial ready. We confirm that a trial date as obtained from 9 November 2021, but due to the fact that no Judge could be allocated to the this matter, the matter was removed from the court roll. Since then there was no movement on the matter and at this stage unclear if the Plaintiffs intends to pursue this claim any further. The cost exposure for the municipality is the amount claimed by the Plaintiff and legal cost we estimated at +- R400 000.		
Beaufort West/Africa Creek	250,000	250,000
This matter relates to a claim by Africa Creek against the municipality for payment of an amount of R15 340 344. The municipality vehemently denies liability to the claim and this matter is currently being defended in the Cape town high court. The attorneys confirmed that Notice of Intention to defend was filed and up until date there were no further movement with respect to this matter. The prospects to successfully defend this matter is very good. The costs exposure for the municipality in this matter could well be between R100 000 to R250 000.		



<u>Beaufort West/JW van Wyk</u> This is labour matter were Applicant, Mr van Wyk, claims arrear overtime money. The applicant did not disclose an amount that was due to him and at this stage we are not in a position to establish the financial exposure for Beaufort West Municipality. The Attorneys have received a directive from the Labour court to file a notice of condonation as well as an answering statement and was subsequently filed. Now awaiting the Labour court to furnish us with a date for the matter to be heard. The prospect to successfully defend this matter is good.		
<u>Beaufort west municipality/traffic violation solutions (Pty) Ltd</u> Traffic Violations Solutions issued a summons against the municipality in terms of a SLA between Traffic Violations Solutions and Beaufort West Municipality in terms whereof they claim damages in the amount of R1 327.01 as well as the amount of R3 197 754. This matter was subsequently defended by Messrs Ngwane Attorneys who subsequently withdrew from record. This matter was subsequently defended by Messrs Ngwane Attorneys who subsequently withdrew from record. This matter has since been taken over by Municipal attorneys as well as correspondent attorneys in Cape Town, Messrs Marais Muller Hendricks Attorneys. The attorneys is currently in process of defending the claim.	3,199,082	3,199,082
<u>Beaufort west municipality & T Prince/J Booysen</u> An application by Mr Booysen challenging the decision of the municipality to appoint Mr Hendrik Truman Prince as the Director of Community Services. This application was issued on 19 July 2019 out of the Labour Court and has since been argued in the Labour Court and now await judgement of the Labour Court. The matter was argued during November last year and judgement was received. The attorneys were successful in defending the matter, but the Applicant have now filed an Application for Leave to Appeal to the Labour Appeal Court. The appeal were argued during May 2025 and are awaiting the judgement from the Labour Court of Appeal in Port Elizabeth. The cost exposure is expected to be less than R100 000, as the account of Senior council dealing with the Appeal was paid. As a conservative approach, the municipality concluded that possible contingent liability is R100 000.	100,000	300,000
<u>Beaufort West/DA councillors</u> This is the matter where the municipality claim payment from certain councillors of the DA as well as certain employees of the Democratic Alliance for salaries that was paid to them in error. Furthermore we confirm that we are the Plaintiffs in this matter and that the defendants pleaded several special pleas and that the special pleas was argued during January 2021 in the High court. The judgement was forwarded to the Municipal Manager and we were successful in the defence of the special pleas that was pleaded by the Defendants. This court also ordered the defendants to pay the legal fees of the municipality. The attorneys confirm that the party and the party costs were taxed and payment of the taxed amount received. The judgement relates only to a preliminary issue, but the main trial must still proceed and at this stage we are in the process of applying for a date of trial in the High court. The prospects of success in order to claim the monies from the DA councillors is very good. The cost exposure for the municipality could be between R200 000 and R300 000.	300,000	300,000
<u>Beaufort west municipality/A.D.W Nigrini</u> The Director Corporate Services requested a legal opinion as to the possible cancellation of a notarial servitude. A confirmation is yet to be provided if the servitude should be cancelled. The cost exposure on the legal opinion is R5 000 - R7 000. If the Beaufort West Municipality wishes to proceed with the cancellation of the Notarial Deed of Servitude further costs will be incurred and costs can be between R100,000 to R150,000.	150,000	-
<u>Beaufort West Municipality/A.Kruger</u> Instruction given to the Attorneys to apply for an order interdicting the Respondents from conducting business activities from their residential property in contravention with the property's zoning scheme rights. We currently await the Magistrate's written judgment in the matter. The estimated cost exposure for the Beaufort West Municipality will be between R30 000 and R60 000.	60,000	-
<u>Beaufort West Municipality/B.D & M.Furmen</u> Instruction given from the Beaufort West Municipality to the Attorneys to apply for a Demolition Order for structures that were erected unlawfully. Motion proceedings were brought in the District Court and the Respondents elected to conduct their own defence. The Respondents filed their Opposing papers, after which the attorneys filed a Replying Affidavit. A Heads of Argument were submitted and are currently awaiting the same from the Respondents who have to file same on or before 30 July 2025. The estimated cost exposure for the Beaufort West Municipality will be between R30 000 - R60 000.	60,000	-
<u>Beaufort west municipality/C Matai</u> In this matter the Applicant, C Matai, brought an Application in terms of PAIA to access information regarding the transfer of a property by the Beaufort West Municipality to one E Matai. The Applicant brought the Application in the Western Cape High Court and the Application was opposed on the instruction from the Beaufort West Municipality. The matter, however, never served before the Western Cape High Court, due to the Applicant not placing the matter on the court roll. The Applicant later approached the Attorney's with a request to access the information, which was subsequently granted to them. The matter is still ongoing and at this stage the Attorney's are merely monitoring the matter. The estimate cost exposure for the Municipality will range between R15,000 - R20,000.	20,000	-
<u>Beaufort west municipality/Gideon Pietersen</u> Instruction from the Beaufort West Municipality to institute legal proceedings against Mr. G. Pietersen for the recovery of irregular and/or fruitless and wasteful expenditure amounting to R77,807.10. Currently awaiting documentation from the Beaufort West Municipality to properly consider the merits of the matter, given the relative low quantum, thereafter the Attorney's will be in a position to advise the Beaufort West Municipality as to the best course of action and/or proceed to draft the Summons and Particulars of Claim. The cost estimate, should the matter proceed, is projected at R50 000 - R80 000.	80,000	-
<u>Beaufort west municipality/Government directory of SA</u> The Attorneys received instruction from the Beaufort West Municipality to oppose this matter if and when summons is served. The Government Directory of S.A. has only addressed a Letter of Demand to the Beaufort West Municipality, to which a counter-letter indicating instruction to oppose the matter was served. At this stage the Attorneys are merely monitoring the matter and expect further instruction only if summons is served. A Nominal statement of account, if the Beaufort West Municipality does not receive summons in the matter, no further costs will be incurred. Cost estimate for the services up to date will range from R500 - R800.	800,00	-
<u>Beaufort west municipality/Report on placement process</u> Instructions to proceed with a review application to set aside certain unlawful placement and promotion decisions affecting certain municipal employees, which were effected in contravention of binding legislative and financial obligations. The attorneys are currently in the process of finalizing the review application. The potential cost exposure would in all likelihood not exceed R100,000.	100,000	-
<u>Beaufort west municipality/Marais Melech & Associates & Vision West/AF Marais & KJ Haarhoff</u> Instruction from the Beaufort West Municipality to institute legal proceedings against Marais Melech & Associates and Vision West // AF Marais and K.J Haarhoff for recovery of irregular and/or fruitless and wasteful expenditure in the amount of R1,576,267.00. Summons was issued in the High Court Cape Town and served on the relevant Defendants. The Defendants subsequently entered Appearances to Defend as well as their Pleas. The Attorneys proceeded to draft the necessary notices for discovery of documentation intended to be used as evidence in the trial proceedings. These notices were finalized and a request to the Defendants proceed with discovery as well. Litigation is ongoing in this matter and upon finalization on the discovery processes the matter will proceed for a pre-trial conference, thereafter the matter may become trial ready and a trial date allocated. Council fees and invoices have already been submitted to the Beaufort West Municipality and same has already been paid. Further cost including Attorney fees and further Council fees will be become payable in the future and same will be invoices accordingly. The estimated cost exposure projected for the Beaufort West Municipality could be between R200,000 to R400,000.	400,000	-
<u>Beaufort West Municipality/W.J du Plessis</u> Instruction from the Beaufort West Municipality to apply for a Demolition Order for a structure that was erected unlawfully by Mr. W.J. Du Plessis. The Attorneys were successful with the Application and the Court Order stated that the Mr. Du Plessis pay the legal cost of the Applicant on party and party scale. The Attorneys have proceeded with taxation of our bill of costs and await same from Court. In the meantime the matter is still ongoing as the Attorneys await instruction from the Department Corporate Services if should proceed with the execution of the Court Order and have the structure demolished. Initial legal fees for launching the application and trial of the matter has been paid by the Beaufort West Municipality and further legal cost will be incurred in executing the Court Order. Cost estimate to be in the vicinity of R3,000 - R6,000.	6,000	-
<u>Beaufort West Municipality/Z Maphiri & N Bobi</u> Instruction from the Beaufort West Municipality to apply for a Demolition Order for a structure that was erected unlawfully. The motion Proceedings were brought in the District Court Beaufort West and the matter was opposed by the Respondents. Opposing papers were filed and subsequently Heads of Argument were submitted. The Attorneys then received instruction from the Beaufort West Municipality to address a letter the Respondent's Attorney with certain conditions which, if met, the matter can be settled. The Respondents agreed and the matter was postponed to 3 September 2025 by which date the Respondents have to meet the prerequisites, failing which the matter will proceed. The estimated cost exposure for the Beaufort West Municipality will be between R30 000 - R60 000.	60,000	-
<u>Beaufort West Municipality/S.L. Klaaste</u> In this matter we received instruction to apply for an order interdicting the Respondents from conducting business activities from their residential property in contravention with the property's zoning scheme rights. Judgment was handed down and the Respondents were accordingly interdicted. Cost were also awarded. The Attorneys have subsequently proceeded with taxation of our bill of costs and await same from Court.		



BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

<u>Beaufort West Municipality/Transnet</u>	400,000	-
<p>Instruction from the Beaufort West Municipality to defend summons received from Transnet for payment of the sum of R3,631,482.36. The matter was defended in the Western Cape High Court and Plea was filed on 4 July 2025. The Attorneys now await further legal processes from the Plaintiff's Attorneys and will proceed with the discovery processes. The estimated cost exposure projected for the Beaufort West Municipality could be between R300 000 to R400 000.</p>		
<u>Murraysburg Landfill site</u>	-	-
<p>The landfill site licence expired in 2019 and currently the site is operated illegally. A new application is yet to be submitted to the Department of Environmental Affairs. The municipality is exposed to a possible fine or imprisonment or both. This will only be determined once a communication is issued by the Department.</p>		
<u>Beaufort West/SARS</u>	2,655,482	1,784,340
<p>The separation of funding and implementation responsibilities often results in unfunded mandates being imposed on municipalities. Beaufort West Municipality is not assigned a library function and is also not acting formally in terms of an SLA as agent of the Western Cape Provincial Government (WCPG), but it is also expected to contribute financially to the provision of library services. The possible interest to be paid on receipts for the past 5 years will only be confirmed once a formal notice is issued by SARS (once audit is concluded). Management estimated the possible interest for the past 5 years, as per the latest rates of SARS. Further the municipality is currently still ongoing an audit process with SARS, only once this has been finalised the applicable period and amount will be confirmed.</p>		
Total	8,241,364	6,233,422



51.2	CONTINGENT ASSETS			2025 R	2024 R
	BANK / FIRM	PURPOSE	REG NO		
	First National Bank	Electricity supply:163/3/96	147	2,020	2,020
	FNB/Shoprite	Guarantee: Electricity Supply	88	12,265	12,265
	FNB/Ackermans	Electricity Supply:579-131/91	91	2,080	2,080
	ABSA Bank	Guarantee No.3043 1103 257: Water & Electricity services erf no.7401 (Beaufort Mall)	270	222,000	222,000
	Rand Merchant Bank o.b.o R. Koster t/a R.A Koster	Guarantee Nr:G900/0595814/GLO: Supply of water and electricity to 13 Bird Street [Beaufort Manor]	301	31,300	31,300
	Rand Merchant Bank o.b.o R. Koster t/a R.A Koster	Guarantee Nr:G900/0595862/GLO: Supply of water and electricity to 7 Bird Street [Beaufort Manor]	302	21,100	21,100
	First Rand Bank [RMB] o.b.o. De Jagers Loodgieter Kontrakteurs (Edms) Bpk	Retention Guarantee: Guarantee Number: OGT0672ZA0045919: Contract No. SCM 32/2023: Merweville Boreholes, development and equipping of boreholes in Merweville: Mechanical, electrical and civil works	340	-	525,328
	First Rand Bank [RMB] o.b.o. De Jagers Loodgieter Kontrakteurs (Edms) Bpk	Retention Guarantee: Guarantee No. OGT0672ZA0045918: Contract Number SCM 39/2023: Murraysburg Boreholes: Development and equipping of boreholes in Murraysburg: Mechanical, electrical and civil work	341	-	641,852
	First Rand Bank [RMB] o.b.o. TG Elektries (Pty) Ltd	Performance Guarantee Number: OGT0672ZA0046656: Contract No. SCM 72/2023: Three year maintenance and upgrade tender of mechanical and electrical installations: Boreholes, pump stations and buildings	343	150,000	150,000
	First Rand Bank [RMB] o.b.o. De Jagers Loodgieter Kontrakteurs (Edms) Bpk	Performance Guarantee: Guarantee No. OGT0672ZA0050240: Contract No.: SCM 38/2024: Upgrading of Nelspoort Soccer / Rugby field and facilities: Phase 1: Area C	346	-	743,169
	First Rand Bank [RMB] o.b.o. De Jagers Loodgieter Kontrakteurs (Edms) Bpk	Retention Guarantee: Guarantee No. OGT0672ZA0050312: Contract No.: SCM 07/2024: Upgrading of Roads and Stormwater Infrastructure in Nelspoort and Murraysburg	347	-	104,051
	First Rand Bank [RMB] o.b.o. De Jagers Loodgieter Kontrakteurs (Edms) Bpk	Retention Guarantee: Guarantee No. OGT0672ZA0050313: Contract No.: SCM 11/2024: Upgrading of Roads and Stormwater Infrastructure in Beaufort West	348	-	37,620
	Beaufort West Municipality/Duneco CC	Application for review was made by applicants for review of tender relating to implementation of low- cost housing. The Applicants were ordered to pay the wasted costs to the Municipality. A cost consultant is still to be appointed to draw up a comprehensive Bill of costs in this regard.		-	25,000
	Total			440,765	2,517,785

52. RELATED PARTIES**52.1 Relationships**

Accounting officer
Councillors
Members of key management
Provincial Executive / Department of Local Government (Oversight role and control of FRP)
Provincial Treasury (Oversight role and control of FRP)

52.2 Municipal services rendered to related parties

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

Services rendered to key management personnel occurred within normal supplier and customer relationships on terms and conditions no more or less favourable than those which the municipality is reasonable to expect to have adopted if dealing with the individual persons in the same circumstances. These terms and conditions are within the normal operating parameters established by the municipality's legal mandate.

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties. No provision for bad debts were recognised in respect of amounts owed by related parties.

52.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 13 to the Annual Financial Statements.

52.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 33 and 34 to the Annual Financial Statements.

53. FINANCIAL SUSTAINABILITY**Financial Indicators**

The current ratio increased to 0.67:1 from 0.64:1 in the prior year.

The municipality have budgeted for a surplus of R40 724 129 for the 2024/2025 financial year. The municipality is also budgeting for positive cash flows (surplus) during 2025/2026 and 2026/2027 amounting to R15 540 123 and R18 441 443 respectively.

The municipality had an actual surplus of R1,410,339 (2024:R7,308,812) for the current year.

The average debtors' payment days decreased to 355 days from 444 days.

The average creditors payment period decreased to 109 days from 150 days.

The municipality is experiencing difficulty to settle its current liabilities as its net current asset position is insufficient. The current liabilities exceeds the current assets with of R43,468,336 (2024:R47,040,892)

The municipality had a positive bank balance with Nedbank to an amount of R794,007 (2024:R3,149,267) as per the bank statement.

The bank balance as per the cash book (primary account) for the current year is of R877,227 (2024:R3,366,022)

The was an increase in cash and cash equivalents for the current year of R1,485,395 (2024:R1,023,390)

The municipality had call investment deposits for the current year of R16,268,691 (2024:R12,105,552)

The municipality had a collection rate of 88% for June 2025. (2024:83%)

The outstanding balances in respect of external loans amounts to R3,741,325 (2024:R4,922,725)

The Municipality has signed repayment agreements with SALGA, Auditor General and Western Cape Mobility Department to repay long outstanding accounts.

The outstanding debt for SALGA was settled by 30 June 2025. For further detail on Auditor-General and Western Cape Mobility Department refer to note 19.1.

Possible outflow of resources due the contingent liability disclosed in note 51.

The municipality was approved for debt relief from Eskom, that assisted with improving the results for current and future financial years. Refer to note 19.2 and 32.2.

The municipality has been under financial recovery since 2021/2022 financial year.

The Municipality's liquidity position is closely monitored under the joint oversight of the Provincial Treasury, National Treasury, and the Department of Local Government, as part of the mandatory intervention in terms of Section 139(5)(a) of the Constitution. The Municipality is currently in Phase 2 of its Financial Recovery Plan (FRP) — the Stabilisation and Recovery Phase — during which cash-flow performance and liquidity management remain key focus areas.

Although liquidity challenges persist, Phase 1 (Rescue Phase) interventions have stabilised cash flow, and oversight confirms with moving to Phase 2, that liquidity risk has decreased and is under control. This assessment and the continued implementation of the FRP, supported by improved revenue management and debt-relief measures, provides reasonable assurance that the Municipality will be able to realise its assets and meet its obligations in the normal course of business.

While management has prepared the Annual Financial Statements on the going concern basis, as reflected in the existing disclosure, it is important to note that there remains a material uncertainty regarding the municipality's ability to continue as a going concern. This uncertainty arises from conditions already outlined in the financial review, including liquidity constraints, limited indigent uptake, billing inefficiencies, and institutional pressures. These factors, combined with historical governance instability, ongoing labour-related risks, and the municipality's continued reliance on intervention and support under the Financial Recovery Plan, collectively cast doubt on the full resolution of these challenges in the near term. Accordingly, while recovery mechanisms are in place and oversight structures remain active, these conditions indicate that a material uncertainty exists which may impact the municipality's ability to realise assets and discharge liabilities in the normal course of business.

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.



54. **EVENTS AFTER REPORTING PERIOD**

No events after the reporting date were identified by management that will affect the operations of the municipality or the results of those operations significantly.

55. **PRINCIPAL/AGENT AGREEMENTS**

Agent: Provincial Department of Transport and Public Works

The municipality (agent) collects licencing fees on behalf of the Provincial Department of Transport and Public Works (principal). 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 Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end are included in the balances reported as Trade and other Payables from Exchange Transactions in the Statement of Financial Position.

There was no change in the significant terms and conditions from the prior year. No significant risks were noted as the municipality only collects monies on behalf of the Provincial Department of Transport and Public Works, as part of its existing service at the Traffic Department

There are no resources under the custodianship of the Municipality, nor have they been recognised as such.

	2025 R	2024 R
Commission received as agent	1,366,145	1,355,917

Principal arrangement: Traffic services

The municipality has a service provider TCS who acts as an agent for the municipality with the issuing of traffic fines. All payments are received directly by the municipality and the service provider issue invoices to the municipality for commission. The municipality determines the significant terms and conditions and receives the benefit from traffic fines issues. There are no resources under the custodianship of the agent, nor have they been recognised as such. Should a possible breach in contract arise there may be cost implications depending on the agreement/outcome reached.

	2025 R	2024 R
Commission paid to the agent:	1,622,389	1,876,999

Principal arrangement: Contour

The municipality has a service providers Contour who acts as agent for the municipality with the sale of prepaid electricity and water. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable. The municipality determines the significant terms and conditions and receives the benefit from water and electricity sold. The agreement with Contour was ended and new service provider, Inzalo EMS appointed. There are no resources under the custodianship of the agent, nor have they been recognised as such. There is no cost implication to the municipality if the arrangement is terminated.

	2025 R	2024 R
Commission paid to the agent:	489,544	756,074

Principal arrangement: Inzalo EMS

The municipality has a service providers Inzalo who acts as agent for the municipality with the sale of prepaid electricity and water. The agreement started in the 2024/2025 financial year. Receipts are paid over weekly to the municipality when purchased from third party, by the service provider. If purchased over counter at municipality reflects directly in bank account of the municipality. The receipts are reflected directly as the software used results in all transactions being recorded in the municipality's EMS system when purchased is made. The service provider invoices the municipality for commission payable. There are no resources under the custodianship of the agent, nor have they been recognised as such. There may be cost implications if the contract is terminated. The municipality could be liable for the full payment of the required six-month notice period and an early termination fee not exceeding 10% of the total value of the licence fees for the designated software payable over the duration of the agreement.

	2025 R	2024 R
Commission paid to the agent:	808,825	-

Principal arrangement: Lithaba travel

The municipality has a service provider Lithaba who acts as an agent for the municipality with the 3rd party to seek secure travel and accommodation services. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable. The municipality determines the significant terms and conditions and receives the benefits. No change occurred in significant terms and conditions from the previous period. There are no resources under the custodianship of the agent, nor have they been recognised as such. There is no cost implication to the municipality if the arrangement is terminated.

	2025 R	2024 R
Commission paid to the agent	37,777	31,001

Principal arrangement: Easypay

The municipality has a service provider Easypay who acts as an agent for the municipality with the 3rd party collection of debtor payments. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable. The municipality determines the significant terms and conditions and receives the benefits. No change occurred in significant terms and conditions from the previous period. There are no resources under the custodianship of the agent, nor have they been recognised as such. There is no cost implication to the municipality if the arrangement is terminated.

	2025 R	2024 R
Commission paid to the agent:	25,901	29,121



56. REPORTABLE SEGMENTS REPORT FOR THE YEAR ENDED 30 JUNE 2025

For management purposes, the municipality is organised and operates in key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level.

Management receives on a monthly basis a section 71 schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

PRIMARY SEGMENTS - 2024/2025 FINANCIAL YEAR

Vote 1 - Municipal Manager
Vote 2 - Directorate: Infrastructure Services
Vote 3 - Directorate: Electro-technical Services
Vote 4 - Directorate: Corporate Services
Vote 5 - Directorate: Financial Services
Vote 6 - Directorate: Community Services

PRIMARY SEGMENTS - 2023/2024 FINANCIAL YEAR

Vote 1 - Municipal Manager
Vote 2 - Directorate: Infrastructure Services
Vote 3 - Directorate: Electro-technical Services
Vote 4 - Directorate: Corporate Services
Vote 5 - Directorate: Financial Services
Vote 6 - Directorate: Community Services

Management does not have segment information per assets and liabilities. The cost to develop this would be excessive, therefore per GRAP standard it is not disclosed.

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

Capital expenditure (additions) is reviewed by management monthly per the section 71 schedule.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025						
	Municipal Manager	Infrastructure Services	Corporate Services	Financial Services	Community Services	Total
	R	R	R	R		R
SEGMENT REVENUE						
External revenue from exchange transactions	-	141,909,184	8,069,152	22,895,785	15,148,852	188,022,972
Service Charges	-	135,058,667	-	18,293,015	11,036,364	164,388,046
Sales of Goods and Rendering of Services	-	171,772	24,193	160,088	421,260	777,312
Rental from Fixed Assets	-	-	1,116,610	-	64,083	1,180,692
Interest Earned - External Investments	-	-	-	3,059,425	-	3,059,425
Interest Earned - Exchange Transactions	-	6,678,745	-	382,834	2,092,645	9,154,225
Licences and Permits	-	-	-	81,455	-	81,455
Agency Services	-	-	-	-	1,366,145	1,366,145
Operational Revenue	-	-	6,928,349	918,967	168,355	8,015,671
External revenue from non-exchange transactions	8,466,867	59,306,093	11,569,814	143,663,520	54,226,812	277,233,106
Property Rates	-	-	-	55,325,849	-	55,325,849
Government Grants and Subsidies - Capital	-	10,364,463	1,003,198	-	16,357,783	27,725,444
Government Grants and Subsidies - Operating	8,466,867	47,108,509	10,546,117	11,485,070	21,714,854	99,321,417
Debt forgiveness	-	-	-	22,948,464	-	22,948,464
Contributed Property, Plant and Equipment	-	-	9,199	33,065	417,500	459,764
Fines, Penalties and Forfeits	-	463,154	11,300	50,779,400	15,605,701	66,859,555
Interest Earned - Non-exchange Transactions	-	-	-	3,071,508	-	3,071,508
Licences and Permits	-	-	-	20,164	130,974	151,138
Availability fees	-	1,369,967	-	-	-	1,369,967
Total Segment Revenue	8,466,867	201,215,277	19,638,965	166,559,304	69,375,664	465,256,078
SEGMENT EXPENDITURE						
Employee related costs	5,247,551	43,890,971	22,863,628	20,796,857	37,029,114	129,828,121
Remuneration of Councillors	-	-	6,536,129	-	-	6,536,129
Bad Debts Written Off	-	20,419,502	-	3,465,377	96,291,162	120,176,042
Contracted Services	1,108,751	5,269,796	2,250,030	12,623,380	3,815,278	25,067,233
Depreciation and Amortisation	-	22,061,595	643,485	601,493	5,050,685	28,357,257
Finance Costs	7,708	5,593,250	4,250,436	2,204,737	2,412,102	14,468,233
Bulk Purchases	-	117,189,613	-	-	-	117,189,613
Inventory Consumed	12,040	8,501,472	529,464	319,363	878,414	10,240,753
Operational Costs	813,081	11,001,052	7,468,093	8,873,716	4,066,739	32,222,680
Total Segment Expenditure	7,189,130	233,927,252	44,541,263	48,884,921	149,543,495	484,086,060
Surplus/(Deficit)	1,277,737	(32,711,975)	(24,902,298)	117,674,383	(80,167,830)	(18,829,983)
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-	173,384	-	-	-	173,384
Reversal of Impairment Loss/(Impairment Loss) on Receivables	-	725,599	2,652,101	(7,108,158)	30,262,631	26,532,173
Gains/(Loss) on Sale of Fixed Assets	(533,000)	(1,484,534)	-	(38,109)	-	(2,055,642)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	(2,943,395)	(111,100)	-	-	(188,852)	(3,243,346)
Actuarial gain/(loss)	-	-	(1,166,247)	-	-	(1,166,247)
Surplus/(Deficit) for the year	(2,198,658)	(33,408,625)	(23,416,444)	110,528,117	(50,094,051)	1,410,339
Capital expenditure per segment	-	10,030,856	1,408,307	68,530	17,999,732	29,507,425



BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024						
	Municipal Manager	Infrastructure Services	Corporate Services	Financial Services	Community Services	Total
	R	R	R	R		R
SEGMENT REVENUE						
External revenue from exchange transactions	-	140,449,237	7,433,099	7,606,579	15,165,854	170,654,769
Service Charges	-	133,934,628	-	1,921,623	10,787,971	146,644,222
Sales of Goods and Rendering of Services	-	132,307	24,874	151,115	366,501	674,798
Rental from Fixed Assets	-	-	1,367,096	262,761	85,368	1,715,225
Interest Earned - External Investments	-	-	-	2,683,944	-	2,683,944
Interest Earned - Exchange Transactions	-	6,382,070	-	490,439	2,202,313	9,074,822
Licences and Permits	-	-	-	219,199	-	219,199
Agency Services	-	-	-	-	1,355,917	1,355,917
Operational Revenue	-	231	6,041,129	1,877,498	367,783	8,286,642
External revenue from non-exchange transactions	8,724,536	63,870,054	5,964,162	119,676,142	52,790,713	251,025,607
Property Rates	-	-	-	46,613,835	-	46,613,835
Government Grants and Subsidies - Capital	-	8,255,907	316,762	(39,892)	7,657,683	16,190,459
Government Grants and Subsidies - Operating	8,724,536	39,609,443	5,637,971	20,816,079	18,536,898	93,324,927
Debt forgiveness	-	15,053,933	-	251,544	-	15,305,477
Contributed Property, Plant and Equipment	-	-	-	-	-	-
Fines, Penalties and Forfeits	-	433,213	9,429	48,817,350	26,431,914	75,691,906
Interest Earned - Non-exchange Transactions	-	-	-	3,210,957	-	3,210,957
Licences and Permits	-	-	-	6,270	164,218	170,488
Availability fees	-	517,559	-	-	-	517,559
Total Segment Revenue	8,724,536	204,319,291	13,397,261	127,282,721	67,956,566	421,680,375
SEGMENT EXPENDITURE						
Employee related costs	5,692,806	40,826,591	19,367,976	19,580,638	35,636,832	121,104,843
Remuneration of Councillors	-	-	6,018,259	-	-	6,018,259
Bad Debts Written Off	-	45,893,872	-	1,887,377	4,453,913	52,235,162
Contracted Services	1,461,826	6,605,970	3,234,443	10,093,434	4,884,115	26,279,788
Depreciation and Amortisation	-	18,475,519	1,754,059	602,833	5,840,101	26,672,511
Finance Costs	11,377	7,800,323	3,891,225	2,798,590	2,111,262	16,612,776
Bulk Purchases	-	99,961,789	-	-	-	99,961,789
Inventory Consumed	2,955	5,880,367	264,223	298,180	913,994	7,359,719
Operational Costs	1,166,169	10,738,611	8,970,238	7,620,004	4,399,290	32,894,312
Total Segment Expenditure	8,335,132	236,183,042	43,500,422	42,881,056	58,239,506	389,139,158
Surplus/(Deficit)	389,404	(31,863,752)	(30,103,160)	84,401,665	9,717,060	32,541,217
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-	(107,578)	-	-	-	(107,578)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	-	(3,131,847)	856,055	(1,351,787)	(19,426,957)	(23,054,535)
Gains/(Loss) on Sale of Fixed Assets	-	(1,184,535)	-	(234,887)	-	(1,419,423)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	-	(47,848)	-	(2,901)	-	(50,749)
Actuarial gain/(loss)	-	-	(600,120)	-	-	(600,120)
Surplus/(Deficit) for the year	389,404	(36,335,560)	(29,847,225)	82,812,089	(9,709,897)	7,308,812
Capital expenditure per segment	-	7,126,109	1,144,474	1,594,846	7,023,740	16,889,170



APPENDIX A
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2025

EXTERNAL LOANS	Reg No/Serial number	Rate	Supplier	Loan number/Area	Maturity date	Balance at 30 June 2024	Received during the period	Redeemed written off during the period	Balance at 30 June 2025
LONG-TERM LOANS									
ANNUITY LOANS									
General									
Sewerage Farm Merweville		6.75%	DBSA	103464/2	2024/12/31	143,002	-	(143,002)	-
Electricity									
20MVA Transformer - Sub Station		10.90%	DBSA	103464/1	2029/12/31	2,212,987	-	(312,617)	1,900,370
Water Works									
Farm Hans Rivier		10.90%	DBSA	103464/1	2029/12/31	1,111,962	-	(157,081)	954,881
Pressure Control System		10.90%	DBSA	103464/1	2029/12/31	320,828	-	(45,322)	275,507
Total Annuity Loans						3,788,779	-	(658,021)	3,130,758
CAPITALISED LEASE LIABILITY									
Photocopy machineC360i	AA2J021504394	14.25%	Konica Minolta	Corporate Services	30/06/2026	41,073	-	(19,084)	21,989
Photocopy machineC360i	AA2J021504392	14.25%	Konica Minolta	Supply Chain	30/06/2026	41,073	-	(19,084)	21,989
Photocopy machineC360i	AA2J021504435	14.25%	Konica Minolta	Engineering	30/06/2026	41,073	-	(19,084)	21,989
Photocopy machine4050i	ACT9021033446	14.25%	Konica Minolta	Youth Hub/Road House	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021033445	14.25%	Konica Minolta	Traffic Department	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021032966	14.25%	Konica Minolta	Traffic Department	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021031964	14.25%	Konica Minolta	Traffic Department	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021032898	14.25%	Konica Minolta	Mayors Office	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021032963	14.25%	Konica Minolta	Council Chambers	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machineC360i	AA2J021505110	14.25%	Konica Minolta	Church Street Library	30/06/2026	53,134	-	(24,689)	28,446
Photocopy machine4050i	ACT9021033352	14.25%	Konica Minolta	Finance-Credit Control	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machineC360i	AA2J021505056	14.25%	Konica Minolta	Finance-Reception	30/06/2026	41,073	-	(19,085)	21,989
Photocopy machine4050i	ACT9021032924	14.25%	Konica Minolta	Finance-Expenditure	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021033353	14.25%	Konica Minolta	Finance-Pay Roll	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021033276	14.25%	Konica Minolta	Finance-Budget	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021033312	14.25%	Konica Minolta	Stores	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021032905	14.25%	Konica Minolta	Stores	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021032908	14.25%	Konica Minolta	Assets	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021032915	14.25%	Konica Minolta	Workshop	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machineC360i	AA2J021504385	14.25%	Konica Minolta	Wheely Wagon Library	30/06/2026	53,134	-	(24,689)	28,446
Photocopy machine4050i	ACT9021033447	14.25%	Konica Minolta	Pay Point- Youth Hub	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machineB360i	ACT77021002316	14.25%	Konica Minolta	Housing/Youth Hub	30/06/2026	34,610	-	(16,081)	18,529
Photocopy machine4050i	ACT9021033438	14.25%	Konica Minolta	Thusing Centre	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021033462	14.25%	Konica Minolta	Indigent Office	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machineC360i	AA2J021504443	14.25%	Konica Minolta	Electrical Department	30/06/2026	41,073	-	(19,085)	21,989
Photocopy machine4050i	ACT9021032927	14.25%	Konica Minolta	CDW- Rustdene	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machineC360i	AA2J021504456	14.25%	Konica Minolta	CDW- Rustdene 1	30/06/2026	41,073	-	(19,085)	21,989
Photocopy machineC360i	AA2J021504153	14.25%	Konica Minolta	Mimosa Library	30/06/2026	53,134	-	(24,689)	28,446
Photocopy machine4050i	ACT9021033324	14.25%	Konica Minolta	Traffic Court	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021032911	14.25%	Konica Minolta	Murraysburg Offices	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machineC360i	AA2J021504348	14.25%	Konica Minolta	Murraysburg Library	30/06/2026	53,134	-	(24,689)	28,446
Photocopy machine4050i	ACT9021032953	14.25%	Konica Minolta	Murraysburg thusing centre	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machineC360i	AA2J021504446	14.25%	Konica Minolta	Merweville Library	30/06/2026	53,134	-	(24,689)	28,446
Photocopy machine4050i	ACT9021033479	14.25%	Konica Minolta	Merweville Betaal Kantoor	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021033511	14.25%	Konica Minolta	Merweville Betaal Kantoor 1	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021032899	14.25%	Konica Minolta	Nelspoort Pay Office	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machineC360i	AA2J021504444	14.25%	Konica Minolta	Nelspoort Library	30/06/2026	53,134	-	(24,689)	28,446
Photocopy machine4050i	ACT9021032978	14.25%	Konica Minolta	CDW- Nelspoort	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machine4050i	ACT9021032922	14.25%	Konica Minolta	ICT Offices	30/06/2026	12,099	-	(5,622)	6,477
Photocopy machineC360i	AA2J021504458	14.25%	Konica Minolta	Director Office	30/06/2026	41,073	-	(19,085)	21,989
Photocopy machineSF5350	44121715	6.17%	Sky Metro Equipment	Corporate Services	31/08/2026	66,432	-	(29,563)	36,869
Photocopy machineC654i	A2X1021000771	6.17%	Sky Metro Equipment	Corporate Services	31/08/2026	58,475	-	(26,022)	32,453
Photocopy machineC650i	AA7N027000238	6.17%	Sky Metro Equipment	Corporate Services	31/08/2026	53,547	-	(23,829)	29,718
TOTAL CAPITALISED LEASE LIABILITY						1,133,948	-	(523,378)	610,569
TOTAL EXTERNAL LOANS						4,922,727	-	(1,181,400)	3,741,327

APPENDIX B
BEAUFORT WEST LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R		2025 Actual Income R	2025 Actual Expenditure R	2025 Surplus/ (Deficit) R
			Governance and Administration			
11,946,203	19,978,587	(8,032,384)	Executive and council	17,489,373	21,964,859	(4,475,485)
141,686,369	121,694,670	19,991,698	Finance and administration	180,805,463	100,148,017	80,657,446
			Community and Public Safety			
7,600,986	12,868,475	(5,267,489)	Community and social services	9,425,473	10,920,929	(1,495,455)
2,530,176	9,543,842	(7,013,667)	Sport and recreation	6,637,409	9,024,055	(2,386,646)
27,952,049	39,567,487	(11,615,438)	Public safety	17,593,651	82,400,568	(64,806,916)
1,070,692	2,123,885	(1,053,193)	Housing	-	1,340,969	(1,340,969)
			Economic and Environmental Services			
1,859,464	11,786,728	(9,927,263)	Planning and development	1,297,622	11,890,211	(10,592,589)
6,206,645	18,407,603	(12,200,958)	Road transport	489,560	18,056,954	(17,567,394)
			Trading Services			
139,256,706	109,909,370	29,347,335	Energy sources	145,579,673	129,229,505	16,350,168
37,483,723	30,990,450	6,493,274	Water management	41,408,415	42,412,086	(1,003,671)
32,966,792	19,579,663	13,387,129	Waste water management	37,126,029	20,629,544	16,496,485
25,124,994	18,088,568	7,036,426	Waste management	33,666,004	16,698,207	16,967,797
435,684,799	414,539,328	21,145,471	Sub Total	491,518,673	464,715,904	26,802,770
(13,836,658)	-	(13,836,658)	Less Inter-Departmental Charges	(25,392,431)	-	(25,392,431)
421,848,140	414,539,328	7,308,812	Total	466,126,243	464,715,904	1,410,339

APPENDIX C
BEAUFORT WEST LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025
MUNICIPAL VOTES CLASSIFICATIONS

2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R		2025 Actual Income R	2025 Actual Expenditure R	2025 Surplus/ (Deficit) R
			Municipal Manager			
8,724,536	6,023,705	2,700,831	Municipal Manager	8,466,867	9,137,809	(670,942)
3,221,667	13,954,882	(10,733,215)	Mayor and Council	9,022,506	13,044,440	(4,021,934)
			Chief Financial Officer			
127,394,973	96,501,981	30,892,992	Budget and Treasury Office	168,043,570	77,573,306	90,470,264
			Director: Administration			
14,291,396	25,192,690	(10,901,294)	Corporate Services	12,761,893	22,357,321	(9,595,428)
1,859,464	11,786,728	(9,927,263)	Planning and Development	1,297,622	11,890,211	(10,592,589)
			Director: Community Services			
7,600,986	16,291,402	(8,690,416)	Community and Social Services	9,425,473	10,920,929	(1,495,455)
2,530,176	6,120,916	(3,590,740)	Sport and Recreation	6,637,409	9,024,055	(2,386,646)
27,952,049	39,567,487	(11,615,438)	Public Safety	17,593,651	82,400,568	(64,806,916)
1,070,692	2,123,885	(1,053,193)	Housing	-	1,340,969	(1,340,969)
			Director: Technical Services			
6,206,645	18,407,603	(12,200,958)	Road Transport	489,560	18,056,954	(17,567,394)
139,256,706	109,909,370	29,347,335	Electricity	145,579,673	129,229,505	16,350,168
37,483,723	30,990,450	6,493,274	Water	41,408,415	42,412,086	(1,003,671)
32,966,792	19,579,663	13,387,129	Waste Water Management	37,126,029	20,629,544	16,496,485
25,124,994	18,088,568	7,036,426	Waste Management	33,666,004	16,698,207	16,967,797
435,684,799	414,539,328	21,145,471	Sub Total	491,518,673	464,715,904	26,802,770
(13,836,658)	-	(13,836,658)	Less Inter-Departmental Charges	(25,392,431)	-	(25,392,431)
421,848,140	414,539,328	7,308,812	Total	466,126,243	464,715,904	1,410,339

APPENDIX D
 BEAUFORT WEST LOCAL MUNICIPALITY
 SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, INTANGIBLE ASSETS, BIOLOGICAL ASSETS AND HERITAGE ASSETS AS AT 30 JUNE 2025
 GENERAL FINANCE STATISTICS CLASSIFICATION

	Cost/Revaluation					Accumulated Impairment				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Change in landfill site	Transfer	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Depreciation	Disposals		Closing Balance
Budget & Treasury	11,316,796	11,546,029	-	-	(704,043)	22,158,721	3,933	-	(41)	3,892	5,737,956	2,612,353	(663,695)	7,666,614	14,488,215
Community & Social Services	3,219,316	197,256	-	-	(189,659)	3,226,915	597	-	-	597	3,252,860	155,619	(184,819)	3,223,659	5,002,859
Corporate Services	175,111,953	7,616,467	-	-	(72,274)	182,656,146	9,526,685	2,943,395	(109)	12,469,971	50,015,037	4,509,792	(69,680)	54,455,150	115,731,026
Electricity	156,120,074	6,072,174	-	-	(863,406)	161,328,843	380,109	111,100	(10)	491,199	49,737,605	3,205,921	(478,894)	52,464,632	108,373,012
Executive & Council	11,173,275	26,738	-	-	(556,041)	10,644,972	780,699	-	1	780,699	4,496,170	216,557	(18,355)	4,693,792	5,170,482
Housing	7,540	-	-	-	-	7,540	-	-	-	-	7,105	100	-	7,206	334
Planning & Development	4,763,018	135,600	-	-	(100,193)	4,798,425	398	-	(14)	384	2,213,077	747,238	(97,716)	2,862,600	1,935,442
Public Safety	6,413,055	-	-	-	(19,538)	6,393,517	235	-	(6)	229	1,417,886	870,050	(18,855)	2,269,101	4,124,187
Road Transport	209,556,099	521,357	-	-	(2,299,542)	207,777,914	519	-	(180)	339	127,519,219	5,785,804	(1,548,528)	131,756,496	76,021,079
Sport & Recreation	17,638,037	50,279	-	-	(131,525)	17,556,791	13	-	-	13	10,671,145	1,306,555	(129,291)	11,848,409	5,706,370
Waste Management	15,190,616	-	2,593,972	-	(3,801)	17,790,387	36	188,852	(9)	188,879	11,024,256	351,297	(3,750)	11,371,754	6,220,354
Waste Water Management	104,549,513	-	-	-	(10,348)	104,539,165	64	-	(6)	59	64,574,440	3,855,722	(10,193)	68,419,970	36,119,137
Water	145,027,462	3,442,036	-	(100,520)	(1,058,477)	147,310,502	110	-	(16)	94	61,690,936	4,740,249	(707,480)	65,723,705	81,586,703
	865,086,896	29,607,939	2,593,972	(100,520)	(6,007,848)	891,189,438	10,693,398	3,243,346	(390)	13,936,354	392,337,644	28,337,237	(3,951,616)	416,763,085	460,480,999

APPENDIX E
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003 FOR 30 JUNE 2025

Grant Description	Balance 1 July 2024	Correction of error	Restated		Transfers	Interest on Investments	Unspent Grant re-allocation	Repaid to National Provincial Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2025
			balance 1 July 2024	Contributions during the year							
National Government Grants											
Equitable share	-	-	-	88,849,000	-	-	-	-	(88,849,000)	-	-
Municipal Infrastructure Grant (MIG)	132,222	-	132,222	17,631,000	-	-	(1,507)	(132,222)	(782,150)	(16,847,343)	0
Integrated National Electrification Programme Grant (INEP)	-	-	-	6,983,000	-	-	-	-	-	(6,983,000)	-
Water Services Infrastructure Grant (WSIG)	712	-	712	-	-	-	(712)	-	-	-	(0)
Local Government Financial Management Grant (FMG)	-	-	-	2,000,000	-	-	-	-	(1,906,505)	(93,495)	-
Expanded Public Works Programme Integrated Grant (EPWP)	62,648	-	62,648	1,226,000	-	-	-	(62,647)	(1,226,000)	-	0
Total National Government Grants	195,581	-	195,581	116,689,000	-	-	(2,219)	(194,869)	(92,763,655)	(23,923,838)	0
Provincial Government Grants											
Provincial Treasury : Western Cape Financial Management Capacity Building Grant	-	-	-	2,725,000	-	-	-	-	(2,304,259)	-	420,741
Provincial Treasury : Western Cape Municipal Recovery Services Grant	800,000	-	800,000	310,000	-	-	-	-	(1,110,000)	-	-
Department of Cultural Affairs and Sport : Library Service: Replacement Funding (note 1)	470,054	(470,054)	-	-	-	-	-	-	-	-	-
Department of Cultural Affairs and Sport : Library Service: Community Library Service Grant	-	-	-	1,500,000	-	-	-	-	-	(909,703)	590,297
Department of Local Government : Community Development Workers (CDW) Operational Support Grant	29,793	-	29,793	226,000	-	-	-	-	(200,579)	-	55,215
Department of Local Government : Western Cape Municipal Interventions Grant	71,393	-	71,393	2,245,000	-	-	(60)	(75,334)	(723,970)	(391,943)	1,125,087
Department of Local Government: Municipal Water Resilience Grant	305	-	305	2,500,000	-	-	(345)	-	-	(2,499,960)	0
Department of Cultural Affairs and Sport :Development of Sport and Recreation Facilities	-	-	-	1,100,000	-	-	-	-	-	-	1,100,000
Total Provincial Government Grants	1,371,547	(470,054)	901,492	10,606,000	-	-	(405)	(75,334)	(4,338,807)	(3,801,606)	3,291,340
District Municipality											
Central Karoo District Municipality	85,715	-	85,715	370,000	-	-	-	-	(341,666)	-	114,049
Total District Municipality Grants	85,715	-	85,715	370,000	-	-	-	-	(341,666)	-	114,049
Other Grant Providers											
Services SETA	614,026	-	614,026	-	-	-	-	-	(586,877)	-	27,149
Chemical Industries Education & Training Authority	87,275	-	87,275	1,616,900	-	-	-	-	(1,283,400)	-	420,775
Local Government Sector Education and Training Authority	-	-	-	7,012	-	-	-	-	(7,012)	-	-
Total Other Grant Providers	701,301	-	701,301	1,623,912	-	-	-	-	(1,877,289)	-	447,924
Total Grants	2,354,144	(470,054)	1,884,089	129,288,912	-	-	(2,624)	(270,203)	(99,321,417)	(27,725,444)	3,853,313

Note 1: Reclassification of library replacement grant. Per the Auditor-General this does not meet the definition of a grant and should be classified as provision of goods and services (exchange transaction)

APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025
REVENUE AND EXPENDITURE (REVENUE BY SOURCE AND EXPENDITURE BY TYPE)

Description	2024/2025								2023/2024
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8	12
R thousands									
Financial Performance									
Property rates	55,152	461	54,691	55,326		635	1.2%	0.3%	46,614
Service charges	182,465	(4,775)	187,240	164,388		(22,852)	-12.2%	-9.9%	146,644
Investment revenue	2,221	(429)	2,650	15,285		12,635	476.8%	588.2%	14,970
Transfers recognised - operational	102,942	(5,204)	108,146	99,321		(8,824)	-8.2%	-3.5%	93,325
Other own revenue	156,649	30,233	126,416	102,750		(23,665)	-18.7%	-34.4%	103,937
Total Revenue (excluding capital transfers and contributions)	499,429	20,287	479,142	437,071	-	(42,072)	8.8%	-12.5%	405,490
Employee costs	138,817	4,371	134,446	129,828		(4,618)	-3.4%	-6.5%	121,705
Remuneration of councillors	7,133	240	6,892	6,536		(356)	-5.2%	-8.4%	6,018
Depreciation & asset impairment	104,648	52,711	51,937	31,601	2,335	(20,336)	-39.2%	-69.8%	26,723
Finance charges	1,847	(759)	2,606	14,468	11,863	11,863	455.3%	683.4%	16,613
Inventory consumed and bulk purchases	130,821	(7,495)	138,316	127,430	127,430	(10,886)	-7.9%	-2.6%	107,322
Other expenditure	66,131	(67,756)	133,887	153,982		20,095	15.0%	132.8%	135,991
Total Expenditure	449,398	(18,687)	468,084	463,846	25,067	(4,238)	-0.9%	3.2%	414,372
Surplus/(Deficit)	50,031	38,973	11,058	(26,775)	-	(37,833)	-342.1%	-153.5%	(8,882)
Transfers and subsidies - capital (monetary allocations)	26,171	(3,474)	29,645	27,725		(1,920)	-6.5%	5.9%	16,190
Transfers and subsidies - capital (in-kind - all)	-	-	-	460		-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	76,202	35,499	40,704	1,410	-	(39,753)	-96.5%	-98.1%	7,309
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-	-
Surplus/(Deficit) for the year	76,202	35,499	40,704	1,410	-	(39,753)	-96.5%	-98.1%	7,309
Financial position									
Total current assets	196,540	98,519	98,020	84,945		(13,076)	-13.3%	-56.8%	94,332
Total non current assets	447,732	(10,853)	458,585	460,741		2,156	0.5%	2.9%	462,348
Total current liabilities	314,529	221,316	93,213	128,413		35,200	37.8%	-59.2%	141,373
Total non current liabilities	101,639	(5,600)	107,239	102,325		(4,914)	-4.6%	0.7%	101,770
Community wealth/Equity	419,485	(128,050)	356,154	314,947		(41,206)	-11.6%	-24.9%	313,537
Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - capital	22,757	(3,021)	25,779	27,725		1,947	7.6%	21.8%	16,190
Transfers and subsidies - capital (in-kind)	-	-	-	460		460	0.0%	0.0%	-
Borrowing	-	-	-	-		-	0.0%	0.0%	-
Internally generated funds	2,818	(3,161)	5,979	-		(5,979)	-100.0%	-100.0%	-
Total sources of capital funds	25,575	(6,182)	31,757	27,725	-	(3,572)	-12.7%	8.4%	16,190
Cash flows									
Net cash from (used) operating	62,645	26,595	36,050	32,294		(3,756)	-10.4%	-48.4%	19,018
Net cash from (used) investing	(25,575)	6,182	(31,757)	(29,627)		2,130	-6.7%	15.8%	(16,813)
Net cash from (used) financing	(1,102)	79	(1,181)	(1,181)		(0)	0.0%	7.2%	(1,182)
Cash/cash equivalents at the year end	35,968	32,857	3,111	1,485	-	(1,626)	-52.3%	-95.9%	1,023

APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

Description	2024/2025								2023/2024			
	Original Budget	Budget Adjustments (I.L.O. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome	
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	133,492	73,139	206,632	198,265		(8,367)	-4.05%	-6.27%				153,563
Executive and council	18,170	40	18,210	17,489		(720)	-3.96%	-3.97%				11,946
Finance and administration	115,323	72,849	188,172	180,775		(7,397)	-3.93%	-6.41%				141,617
Internal audit	-	250	250	-		(250)	-100.00%	#DIV/0!				
Community and public safety	91,729	(51,702)	40,027	33,657		(6,370)	-15.91%	-6.94%				39,154
Community and social services	9,820	333	10,152	9,425		(727)	-7.16%	-7.40%				7,601
Sport and recreation	5,612	2,284	7,897	6,637		(1,259)	-15.95%	-22.44%				2,530
Public safety	74,770	(52,882)	21,887	17,594		(4,294)	-19.62%	-5.74%				27,952
Housing	1,527	(1,437)	90	-		(90)	-100.00%	-5.89%				1,071
Economic and environmental services	1,411	1,036	2,447	1,787		(660)	-26.96%	-46.75%				8,066
Planning and development	1,411	546	1,957	1,298		(659)	-33.68%	-46.71%				1,859
Road transport	-	490	490	490		(0)	-0.09%	#DIV/0!				6,207
Trading services	298,968	(39,285)	259,683	232,418		(27,265)	-10.50%	-9.12%				221,065
Energy sources	162,852	(18,293)	144,559	122,580		(21,979)	-15.20%	-13.50%				126,585
Water management	54,182	(13,779)	40,403	39,756		(647)	-1.60%	-1.19%				37,029
Waste water management	43,353	(3,096)	40,257	36,673		(3,584)	-8.90%	-8.27%				32,556
Waste management	38,581	(4,117)	34,464	33,409		(1,055)	-3.06%	-2.73%				24,895
Other	-	-	-	-		-	0.00%	0.00%				
Total Revenue - Standard	525,600	(16,812)	508,788	466,126		(42,662)	-8.38%	-8.12%				421,848
Expenditure - Standard												
Governance and administration	108,415	16,386	124,800	122,113	-	(2,687)	-2.2%	-2.5%	-	-	-	141,673
Executive and council	22,910	2,831	25,741	21,965	-	(3,776)	-14.7%	-16.5%	-	-	-	19,979
Finance and administration	84,056	13,378	97,434	100,148	-	2,714	2.8%	3.2%	-	-	-	121,695
Internal audit	1,449	177	1,626	-	-	(1,626)	-100.0%	-112.2%	-	-	-	
Community and public safety	102,144	35,496	137,640	103,687	-	(33,954)	-24.7%	-33.2%	-	-	-	64,104
Community and social services	13,163	(1,326)	11,836	10,821	-	(915)	-7.7%	-7.0%	-	-	-	12,868
Sport and recreation	9,527	(228)	9,299	9,024	-	(275)	-3.0%	-2.9%	-	-	-	9,544
Public safety	76,519	36,615	113,134	82,401	-	(32,733)	-28.4%	-42.8%	-	-	-	39,567
Housing	2,936	(1,564)	1,371	1,341	-	(30)	-2.2%	-1.0%	-	-	-	2,124
Economic and environmental services	31,656	(53,945)	(22,289)	29,947	-	52,236	-234.4%	165.0%	-	-	-	30,194
Planning and development	9,880	(54,877)	(45,027)	11,890	-	56,917	-126.4%	577.9%	-	-	-	11,787
Road transport	21,807	931	22,738	18,057	-	(4,681)	-20.6%	-21.5%	-	-	-	18,408
Trading services	207,183	20,750	227,932	208,969	-	(18,963)	-8.3%	-9.2%	-	-	-	178,568
Energy sources	135,228	3,471	138,699	129,230	-	(9,470)	-6.8%	-7.0%	-	-	-	109,909
Water management	37,062	5,359	42,421	42,412	-	(9)	0.0%	0.0%	-	-	-	30,990
Waste water management	16,697	7,089	23,785	20,630	-	(3,156)	-13.3%	-18.9%	-	-	-	19,580
Waste management	18,196	4,831	23,027	16,698	-	(6,329)	-27.5%	-34.8%	-	-	-	18,089
Total Expenditure - Standard	449,398	18,687	468,084	464,716	-	(3,368)	-0.7%	-0.7%	-	-	-	414,539
Surplus/(Deficit) for the year	76,202	(35,499)	40,704	1,410	-	(39,293)	-96.5%	-51.6%	-	-	-	7,309

APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

Vote Description	2024/2025								2023/2024			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - MUNICIPAL MANAGER	9,073	726	9,799	8,467		-	0.0%	0.0%	-	-	-	8,725
Vote 2 - DIRECTORATE: INFRASTRUCTURE SERVICES	262,795	(33,029)	229,767	202,085		-	0.0%	0.0%	-	-	-	204,319
Vote 3 - DIRECTORATE: ELECTRO-TECHNICAL SERVICES	-	-	-	-		-	0.0%	0.0%	-	-	-	-
Vote 4 - DIRECTORATE: CORPORATE SERVICES	19,144	994	20,138	19,639		-	0.0%	0.0%	-	-	-	13,565
Vote 5 - DIRECTORATE: FINANCIAL SERVICES	102,362	70,497	172,859	166,559		-	-	-	-	-	-	127,283
Vote 6 - DIRECTORATE: COMMUNITY SERVICES	132,225	(56,000)	76,225	69,376		-	-	-	-	-	-	67,957
Total Revenue by Vote	525,600	(16,812)	508,788	466,126		-	0.0%	0.0%				421,848
Expenditure by Vote to be appropriated												
Vote 1 - MUNICIPAL MANAGER	7,544	88	7,632	10,666	3,034	-	0.0%	0.0%	-	-	-	8,335
Vote 2 - DIRECTORATE: INFRASTRUCTURE SERVICES	230,051	7,141	237,192	235,494	-	-	0.0%	0.0%	-	-	-	240,655
Vote 3 - DIRECTORATE: ELECTRO-TECHNICAL SERVICES	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Vote 4 - DIRECTORATE: CORPORATE SERVICES	49,555	1,864	51,419	43,055	-	-	0.0%	0.0%	-	-	-	43,412
Vote 5 - DIRECTORATE: FINANCIAL SERVICES	48,007	5,245	53,252	56,031	2,779	-	0.0%	0.0%	-	-	-	44,471
Vote 6 - DIRECTORATE: COMMUNITY SERVICES	114,241	4,349	118,590	119,470	880	-	0.0%	0.0%	-	-	-	77,666
Total Expenditure by Vote	449,398	18,687	468,084	464,716	6,692	-	0.0%	0.0%	-	-	-	414,539
Surplus/(Deficit) for the year	76,202	(35,499)	40,704	1,410		-	0.0%	0.0%				7,309

APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025
REVENUE AND EXPENDITURE (REVENUE BY SOURCE AND EXPENDITURE BY TYPE)

Description	2024/2025							2023/2024				
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	55,152	(440)	54,712	55,326		614	1.1%	1.1%				46,614
Service charges - Electricity	120,473	3,599	124,071	106,461		(17,610)	-14.2%	-14.6%				95,411
Service charges - Water	20,853	8,551	29,405	27,119		(2,286)	-7.8%	-11.0%				21,128
Service charges - Waste Water Management	24,740	(3,096)	21,644	19,772		(1,872)	-8.7%	-7.6%				19,317
Service charges - Waste Management	16,399	(4,279)	12,120	11,036		(1,083)	-8.9%	-6.6%				10,788
Sale of Goods and Rendering of Services	942	-	942	777		(165)	-17.5%	-17.5%				675
Rental from Fixed Assets	2,022	(221)	1,801	1,181		(620)	-34.4%	-30.7%				1,715
Interest	3,449	-	3,449	3,072		(377)	-10.9%	-10.9%				3,211
Interest earned from Receivables	11,992	(1,770)	10,222	9,154		(1,068)	-10.4%	-8.9%				9,075
Interest earned from Current and Non Current Assets	2,221	429	2,650	3,059								2,684
Fines, penalties and forfeits	73,189	6,297	79,486	66,860		(12,627)	-15.9%	-17.3%				75,692
Licences and permits	519	(84)	436	233		(79,254)	-99.7%	-15257.1%				390
Agency services	1,766	(165)	1,601	1,366		930	213.5%	52.7%				1,356
Transfer and subsidies - Operational	102,942	5,204	108,146	99,321		97,721	6104.3%	94.9%				93,325
Operational Revenue	37,182	(34,290)	2,892	32,334		(75,812)	-70.1%	-203.9%				24,110
Gains on disposal of Assets	-	-	-	-		-	-	-				-
Other Gains	25,587	-	25,587	-		(2,892)	-100.0%	-11.3%				-
Total Revenue (excluding capital transfers and contributions)	499,429	(20,266)	479,163	437,071		(96,401)	0	(0)				405,490
Expenditure By Type												
Employee related costs	138,817	(4,371)	134,446	130,994		(3,452)	-2.6%	-2.5%				121,705
Remuneration of councillors	7,133	(240)	6,892	6,536		(356)	-5.2%	-5.0%				6,018
Debt impairment	75,382	(52,711)	22,671	(26,532)		(49,203)	-217.0%	-65.3%				23,055
Irrecoverable debts written off	-	60,660	60,660	120,176								52,235
Depreciation and amortisation	29,266	-	29,266	31,601	2,335	2,335	8.0%	8.0%				26,723
Interest	1,847	759	2,606	14,468	11,863	11,863	455.3%	642.3%				16,613
Bulk purchases - electricity	105,318	2,852	108,170	106,242		(1,928)	-1.8%	-1.8%				90,529
Inventory consumed	25,503	4,643	30,146	21,189		(8,957)	-29.7%	-35.1%				16,793
Contracted services	27,528	6,497	34,025	25,067		(8,958)	-26.3%	-32.5%				26,280
Transfers and subsidies	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Operational costs	38,604	598	39,202	32,223		(6,979)	-17.8%	-18.1%				32,894
Losses on disposal of Assets	-	-	-	-		-	-	-				-
Other Losses	-	-	-	1,882	1,882	1,882	#DIV/0!	#DIV/0!				1,527
Total Expenditure	449,398	18,687	468,084	463,846	16,080	(63,754)	-13.6%	-14.2%				414,372
Surplus/(Deficit)	50,031	(38,953)	11,079	(26,775)		(37,854)	-341.7%	-75.7%				(6,882)
Transfers and subsidies - capital (monetary allocations)	26,171	3,474	29,645	27,725		(1,920)	-6.5%	-7.3%				16,190
Transfers and subsidies - capital (in-kind - all)	-	-	-	-		-	#DIV/0!	#DIV/0!				-
	76,202	(35,478)	40,724	1,410			-96.5%	-51.6%				7,309
Surplus/(Deficit) after capital transfers & contributions						(39,314)						
Surplus/(Deficit) for the year	76,202	(35,478)	40,724	1,410		(39,314)	-96.5%	-51.6%				7,309

APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING

Vote Description	2024/2025							2023/2024				
	Original Budget	Total Budget Adjustments (I.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - MUNICIPAL MANAGER	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 2 - DIRECTORATE: INFRASTRUCTURE SERVICES	6,480	403	6,882	-	-	(6,882)	-100%	-106%	-	-	-	-
Vote 3 - DIRECTORATE: ELECTRO-TECHNICAL SERVICES	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 4 - DIRECTORATE: CORPORATE SERVICES	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 5 - DIRECTORATE: FINANCIAL SERVICES	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 6 - DIRECTORATE: COMMUNITY SERVICES	4,666	2,099	6,765	-	-	(6,765)	-100%	-145%	-	-	-	-
Capital multi-year expenditure	11,146	2,502	13,648	-	-	(13,648)	#DIV/0!	#DIV/0!	-	-	-	-
Single-year expenditure												
Vote 1 - MUNICIPAL MANAGER	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 2 - DIRECTORATE: INFRASTRUCTURE SERVICES	2,174	1,856	4,030	10,031	6,001	6,001	149%	276%	-	-	-	7,126
Vote 3 - DIRECTORATE: ELECTRO-TECHNICAL SERVICES	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 4 - DIRECTORATE: CORPORATE SERVICES	1,804	236	2,040	1,408	-	(632)	0%	0%	-	-	-	1,144
Vote 5 - DIRECTORATE: FINANCIAL SERVICES	-	150	150	69	-	(81)	-54%	#DIV/0!	-	-	-	1,595
Vote 6 - DIRECTORATE: COMMUNITY SERVICES	10,451	1,439	11,890	18,000	6,110	6,110	51%	58%	-	-	-	7,024
Capital single-year expenditure	14,429	3,681	18,110	29,507	12,111	11,398	0	#DIV/0!	-	-	-	16,889
Total Capital Expenditure - Vote	25,575	6,182	31,757	29,507	12,111	(2,250)	#DIV/0!	#DIV/0!	-	-	-	16,889
Capital Expenditure - Standard												
Governance and administration	500	281	781	629	-	(153)	-20%	-31%	-	-	-	2,332
Executive and council	-	-	-	-	-	-	0%	0%	-	-	-	-
Finance and administration	500	281	781	629	-	(153)	-20%	-31%	-	-	-	2,332
Internal audit	-	-	-	-	-	-	0%	0%	-	-	-	-
Community and public safety	5,971	3,160	9,131	7,702	-	(1,429)	-16%	-24%	-	-	-	2,473
Community and social services	1,304	236	1,541	1,068	-	(472)	0%	0%	-	-	-	1,897
Sport and recreation	4,666	2,923	7,590	6,633	-	(957)	-13%	-21%	-	-	-	576
Public safety	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Housing	-	-	-	-	-	-	0%	0%	-	-	-	-
Economic and environmental services	-	726	726	1,142	417	416	57%	#DIV/0!	-	-	-	5,757
Planning and development	-	300	300	717	417	417	0%	0%	-	-	-	151
Road transport	-	426	426	426	-	(0)	0%	#DIV/0!	-	-	-	5,606
Trading services	19,104	2,015	21,119	20,035	-	(1,084)	-6%	-6%	-	-	-	6,327
Energy sources	6,480	359	6,838	6,072	-	(766)	-11%	-12%	-	-	-	16
Water management	2,174	1,174	3,348	3,145	-	(203)	-6%	-9%	-	-	-	1,291
Waste water management	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	435
Waste management	10,451	482	10,933	10,818	-	(115)	0%	0%	-	-	-	4,586
Other	-	-	-	-	-	-	0%	0%	-	-	-	-
Total Capital Expenditure - Standard	25,575	6,182	31,757	29,507	417	(2,250)	-7%	-9%	-	-	-	16,889
Funded by:												
National Government	19,279	1,526	20,805	20,803	-	(1)	0%	0%	-	-	-	12,116
Provincial Government	3,478	1,496	4,974	3,443	-	(1,531)	-31%	0%	-	-	-	1,753
District Municipality	-	-	-	-	-	-	0%	0%	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	0%	0%	-	-	-	248
Transfers recognised - capital	22,757	3,021	25,779	24,246	-	(1,533)	-6%	-7%	-	-	-	14,117
Public contributions & donations	-	-	-	460	-	460	0%	0%	-	-	-	-
Borrowing	-	-	-	-	-	-	0%	0%	-	-	-	1,582
Internally generated funds	2,818	3,161	5,979	4,802	-	(1,177)	-20%	-42%	-	-	-	1,190
Total Capital Funding	25,575	6,182	31,757	29,507	-	(2,250)	-7%	-9%	-	-	-	16,889

**APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025
CASH FLOWS**

Description	2024/25							2023/24
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	52,741	(1,578)	51,163	42,169	(8,994)	-17.6%	-20.0%	7,516
Service charges	210,414	(28,241)	182,173	141,324	(40,849)	-22.4%	-32.8%	124,718
Other revenue	17,912	71,123	89,035	66,839	(22,196)	-24.9%	273.2%	76,000
Transfers and Subsidies - Operational	102,942	3,587	106,529	100,971	(5,558)	-5.2%	-1.9%	94,262
Transfers and Subsidies - Capital	26,171	3,354	29,525	28,315	(1,210)	-4.1%	8.2%	15,823
Interest	2,221	429	2,650	4,699	2,049	77.3%	111.6%	14,970
Payments								
Suppliers and employees	(347,909)	(74,511)	(422,420)	(351,374)	71,045	-16.8%	1.0%	(307,268)
Finance charges	(1,847)	(759)	(2,606)	(649)	1,957	-75.1%	-64.9%	(3,344)
Transfers and Subsidies	-	-	-	-	-	#DIV/0!	#DIV/0!	(3,659)
NET CASH FROM/(USED) OPERATING ACTIVITIES	62,645	(26,595)	36,050	32,294	-	-10.4%	-48.4%	19,018
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	0.0%	0.0%	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	0.0%	0.0%	-
Decrease (increase) other non-current receivables	-	-	-	-	-	0.0%	0.0%	-
Decrease (increase) in non-current investments	-	-	-	-	-	0.0%	0.0%	-
Payments								
Capital assets	(25,575)	(6,182)	(31,757)	(29,627)	2,130	-6.7%	15.8%	(16,813)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(25,575)	(6,182)	(31,757)	(29,627)	-	-6.7%	15.8%	(16,813)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	0.0%	0.0%	-
Borrowing long term/refinancing	-	-	-	-	-	0.0%	0.0%	-
Increase (decrease) in consumer deposits	-	-	-	-	-	0.0%	#DIV/0!	-
Payments								
Repayment of borrowing	(1,102)	(79)	(1,181)	(1,181)	(0)	0.0%	7.2%	(1,182)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1,102)	(79)	(1,181)	(1,181)	-	0.0%	0.0%	(1,182)
NET INCREASE/ (DECREASE) IN CASH HELD	35,968	(32,857)	3,111	1,485				1,023
Cash/cash equivalents at the year begin:	15,844	-	15,844	15,883				14,860
Cash/cash equivalents at the year end:	51,812	(32,857)	18,955	17,369	(1,586)	-8.4%	-66.5%	15,883

ANNEXURE B:
AG REPORT

Report of the auditor-general to Western Cape Provincial Parliament and the council on Beaufort West Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Beaufort West Municipality (the municipality) set out on pages 3 to 107, 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 Beaufort West Municipality as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for 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.

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this.
7. I draw attention to note 53 to the financial statements, which indicates that the current liabilities exceeded its current assets by R43,5 million. As stated in note 53, these events or conditions, along with other matters as set forth in note 53, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material impairment

9. As disclosed in note 10 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R127,1 million (2023-24: R132,1 million).
10. As disclosed in note 11 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R116,0 million (2023-24: R139,1 million).

Restatement of corresponding figures

11. As disclosed in note 42 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.

Material losses

12. As disclosed in note 47.8 to the financial statements, material water distribution losses of 3,4 million kilolitres (2023-24: 3,4 million kilolitres) was incurred, which represents 76,4% (2023-24: 78,3%) of total water purchases. Water losses were primarily the result of ageing infrastructure and widespread unmetered connections caused by mass meter failures.

Other matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure note

14. 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. The disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

15. The supplementary information set out on pages 108 to 118 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. 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

18. 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.
19. 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 10, forms part of my auditor's report.

Report on the annual performance report

20. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
21. I selected the following material performance indicators related to Strategic Objective 1: Provide, maintain and expand basic services to all people in the municipal area presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.
- Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and which are billed for water or have pre-paid meters as at 30 June 2025.
 - Number of formal residential properties connected to the municipal electrical infrastructure network – credit and prepaid electrical metering – (excluding Eskom areas) and which are billed for electricity or prepaid meters (excluding Eskom areas) as at 30 June 2025.
 - Number of formal residential properties connected to the municipal waste water sanitation / sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2025.
 - Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2025.
 - Provide free basic water to active indigent households as defined in paragraph 9(1) of the municipality's Credit Control and Debt Collection Policy as at 30 June 2025.

- Provide free basic electricity to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2025.
- Provide free basic sanitation to active indigent households as defined in paragraph 9(1) of the municipality's Credit Control and Debt Collection Policy as at 30 June 2025.
- Provide free basic refuse removal to active indigent households as defined in paragraph 9(1) of the municipality's Credit Control and Debt Collection Policy as at 30 June 2025.

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

23. I performed procedures to test whether:

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

24. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

25. I did not identify any material findings on the reported performance information for the selected indicators.

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

27. The annual performance report includes information on reported achievements against planned targets and provides taken to improve performance.
28. The table that follows provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 5 to 10.

Strategic Objective 1: Provide, maintain and expand basic services to all people in the municipal area

<p><i>Targets achieved: 56%</i></p> <p><i>Budget spent: 98%</i></p>		
Key service delivery indicator not achieved	Planned target	Reported achievement
<u>TL 6:</u> Number of formal residential properties connected to the municipal electrical infrastructure network – credit and prepaid electrical metering – (excluding Eskom areas) and which are billed for electricity or have pre-paid meters (excluding Eskom areas) as at 30 June 2025	11 350	10 855
<u>TL 7:</u> Number of formal residential properties connected to the municipal wastewater sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2025	11 600	11 023
<u>TL 8:</u> Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2025	11 700	11 380
<u>TL 9:</u> Provide free basic water to active indigent households as defined in paragraph 9(1) of the municipality's Credit Control and Debt Collection Policy as at 30 June 2025	4 500	3 533
<u>TL 10:</u> Provide free basic electricity to active indigent households as defined in paragraph 9(1) of the municipality's Credit Control and Debt Collection Policy as at 30 June 2025	6 000	5 946

Material misstatements

29. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Strategic Objective 1: Provide, maintain and expand basic services to all people in the

municipal area. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

30. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
31. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
32. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the 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.
33. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

34. 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 receivables and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Consequence management

35. 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.
36. 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.
37. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Expenditure management

38. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
39. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R2,4 million, as disclosed in note 46.2 to the annual financial statements, in contravention of

section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest on overdue creditor accounts.

Revenue management

40. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b).

Other information in the annual report

41. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected strategic objectives presented in the annual performance report that have been specifically reported on in this auditor's report.
42. 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.
43. 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 strategic objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
44. I did not receive all the other information prior to the date of this 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 matters to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to report on it in the auditor's report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

45. 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.
46. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on compliance with legislation included in this report.
47. Leadership did not ensure that the required monitoring processes were in place for the implementation of the action plans to adequately address some of the previous year's audit issues. This includes ineffective oversight and governance responsibilities regarding consequence management, resulting in repeat material non-compliance findings related to the failure to investigate irregular, fruitless and wasteful expenditure, as well as unauthorised expenditure.

48. The municipality have been facing financial challenges for a number of years with settling of creditors which the municipality is attempting to address through a financial recovery plan. These challenges contribute to continued late payment of creditors and interest on outstanding creditor accounts.
49. Management had challenges with the billing system and capacity constraints within the revenue department which delayed implementation of flat rates from 1 July to 30 November 2024. This impacted the municipality's ability to comply with the requirements of section 64(2)(b) of the MFMA.

Material irregularities

50. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

Employee remunerated in excess of the remuneration policy

51. The municipality appointed a manager: administrative services for a contract period from 16 July 2018 to 30 November 2019. This manager was not remunerated in accordance with the remuneration policy as determined by the municipal council which is in contravention of section 66(1)(c) of the Municipal Systems Act 32 of 2000. The manager was paid at various rates and hours throughout the contract period (16 July 2018 to 30 November 2019) for both administration services and project management to a total value of R1 456 160.
52. The appointment of the employee is likely to result in a material financial loss as the remuneration paid is significantly higher than the remuneration attached to the position.
53. The accounting officer was notified of the material irregularity (MI) on 24 June 2022. The following action have been taken to resolve the material irregularity.
- The non-compliance was investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of the MFMA, for purposes of recovering the loss. The accounting officer have adequately implemented the recommendations of the investigation.
 - Adequate steps within the accounting officer's control have been taken to follow disciplinary proceedings, as required by section 62(1)(e) of the MFMA and the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - The alleged act of financial misconduct has been reported to the Provincial Treasury and the National Treasury as required by Regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - A criminal enquiry was opened and investigated by the Hawks and is currently being considered by the senior public prosecutor.

- The financial loss was quantified and the person liable for the losses were identified and civil proceedings is in progress to recover the financial loss.

54. The accounting officer has commenced with the recovery process and there is no evidence of undue delay in relation to the recovery of the financial loss. The legal process will now unfold, and the progress therewith is not within the control of the accounting officer. The accounting officer has thus appropriately implemented the recommendation.

Retail and industrial properties basic charge underbilled

55. The accounting officer was notified of the material irregularity on 27 May 2022.

56. The municipality did not comply with section 64(2)(b) of the MFMA which requires that the revenue due to the municipality be calculated on a monthly basis.

57. As per the council approved policy, the basic charge for electricity retail and industrial property accounts should be calculated and billed on a monthly basis. I have identified that there were retail and industrial property accounts where no amperage sizes were captured to the billing system which resulted in the municipality under-billing these property accounts on a monthly basis for the electricity basic charge.

58. The amperage was not captured at the time when each property was added to the municipal billing system indicating that this has happened since then, resulting in the amperage charges not being billed monthly. This is in contravention of section 64(2)(b) of the MFMA. This matter resulted in the municipality under-billing properties on their monthly accounts for the electricity basic charge.

59. In response to the MI notification the municipality commissioned a service provider to conduct a meter audit, to establish what the population was, for which the tariff billing adjustments had to be processed; and the meter audit took place in February 2024, with the billing adjustments processed in June 2024 retrospectively for the 2023-24 financial year. The extent of the impact for the 2023-24 financial year calculated amounted to R24 079.

60. Based on my evaluation of the information and evidence provided in the accounting officers written submission, this matter will not be pursued further as an MI and is therefore closed.

Auditor General

Cape Town

4 December 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii) Sections 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17, 25(7A)
Division of Revenue Act 24 of 2024	Sections 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)

Legislation	Sections or regulations
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Municipal Staff Regulations, 2021	Regulations 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation 43
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

**ANNEXURE C:
INTERNAL AUDIT
REPORTS TO AUDIT
COMMITTEE**

BEAUFORT WEST MUNICIPALITY

1st BI-ANNUAL REPORT OF THE AUDIT COMMITTEE: 01 JULY 2024 – 31 DECEMBER 2024



21 JANUARY 2025

1. Introduction

The Public Sector and specifically Municipal Audit Committees are responsible for governance oversight at the Municipality that they serve within Local Government. This includes the responsibilities enabled through the Municipal Finance Management Act 56 of 2003 and its regulations to oversee all assurance providers in terms of the Combined Assurance framework and model ensuring that it is optimally implemented.

This report will provide Council with the necessary understanding and guidance to assist in the establishment and maintenance of an effective Municipal Audit Committee.

The report introduces the reader to the necessities for the effective functioning of the Audit Committee at Beaufort West Local Municipality while explaining the detailed functions and responsibilities of a Municipal Audit Committee as indicated in the Municipal Finance Management Act 56 of 2003 as well as the good corporate governance principles.

The report will elaborate on the composition of the Audit Committee in terms of Chairpersonship, membership and relationship with all its stakeholders. It also provides information on the general conduct of the Municipal Audit Committee and its members and provides criteria for the measuring of the performance of the Municipal Audit Committee.

The Beaufort West Audit Committee has a set of tools and guiding documents to assist its members to fulfil its constitutional legislative and oversight role. The tools consist of templates, checklists and guiding documents which have reference to the applicable legislation they are to comply with.

The expectation is that all tools and documents applied will equip the Audit Committee with better knowledge to fulfil its mandate and add value to the broader objectives of the Municipality.

2. Background

In terms of section 166 of the Municipal Finance Management Act 56 of 2003, an Audit Committee is an independent advisory body which must:

- (a) Advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff members of the Municipality on matters relating to:
 - (i) internal financial control and internal audits;
 - (ii) risk management;
 - (iii) accounting policies;
 - (iv) the adequacy, reliability and accuracy of financial reporting and information;
 - (v) performance management;
 - (vi) effective governance;
 - (vii) compliance with legislation;
 - (viii) performance evaluation; and
 - (ix) any other issues referred to it by the Municipality.

3. Purpose

As per MFMA Circular 65, the Chairperson of the Audit Committee will report on a quarterly basis, but the Beaufort West Audit Committee decided to report on a bi-annual basis to the Council on the operations of the internal audit unit and the Audit Committee.

The report is expected to include:

- (a) A summary of the work performed by Internal Audit and the Audit Committee against the annual work plan;
- (b) Effectiveness of internal controls and additional measures that must be implemented to address identified risks;
- (c) A summary of key issues dealt with such as internal and external audit findings and recommendations by the Auditor-General and Internal Audit.

4. Members

The Committee consists of four independent non-executive members, duly appointed by Council in terms of section 166(4) of the Municipal Finance Management Act 56 of 2003 for a period of three years.

- Mr. SS Ngwevu – Chairperson – re-appointed 01 January 2024
- Mr. N Gabada – appointed 01 January 2022 (Member appointed to serve on the Risk Committee also) (Membership expired 31 December 2024)
- Mr. W Phillips – re-appointed 01 January 2024
- Mr. K Mckay – appointed 08 December 2022

5. Meetings held

In terms of legislative requirements and the Audit Committee's Charter, and Audit Committee must at least hold one meeting per quarter. The meetings were attended by all the Audit Committee members.

Details of the Audit Committee meetings for the period under reporting:

- 18 July 2024 (Risk Committee meeting) (Attended only by N Gabada)
- 26 August 2024 (Audit Committee meeting)
- 26 September 2024 (Audit Committee meeting with the Auditor-General)
- 23 October 2024 (Risk Committee meeting) (Attended only by N Gabada)
- 20 November 2024 (Audit Committee meeting)

6. Various matters for consideration

- (a) There are numerous risk and control deficiencies that need to be attended to by management as identified.
- (b) All significant external audit findings should always be attended to as a matter of extreme urgency in order to avoid repetition of findings.
- (c) The draft annual financial statements were tabled to the Audit Committee in good time and submitted to the Auditor-General on 31 August 2024 as required per applicable legislation deadline.

- (d) Various non-compliance issues have been noted, in relation to the in-year reporting. It is vital that everyone adheres to legislative deadlines and requirements including Council members.
- (e) There are still issues of concern in terms of in-year reporting on performance management particular referring to the updating of targets and the down cascading of the process to the lower level of employees.

7. General

Our role is to advise the Accounting Officer and Executive Authority however there are still audit findings and all other relevant findings that need to be attended to and accounted for by the authorities specifically in the 2024 Management report including the one referred to the Western Cape Parliament.

Therefore as Chairperson and members of the Beaufort West Municipal Audit Committee, we submit and table the report to the Accounting Officer and the Executive Authority.

The Committee strongly advises that the said authorities should engage the report and all other audit information as per the Municipal Finance Management Act 56 of 2003 and other applicable legislation and regulations.

All relevant managers and officials must be instructed to carry out and implement all audit recommendations and action plans for the top strategic risks and performance management.

The common areas of non-compliance relate to the following disciplines:

- (1) SCM;
- (2) Asset Management;
- (3) Revenue Management;
- (4) Liability Management;
- (5) Annual Financial Statements; and
- (6) Annual Reports among others.

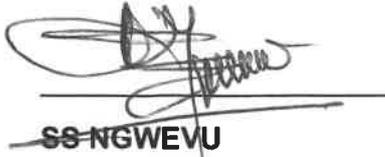
The Chairperson wishes to confirm that the Audit Committee is working very well and good with the Internal Auditor including the senior management of Beaufort West Municipality in all aspects. This cooperation has resulted in a well improved performance in service delivery of the Municipality and management.

To keep the good work, it is strongly recommended that the position of the Chief Financial Officer should be filled as a matter of urgency, with a suitable candidate.

As Chairperson and members of the Audit Committee we forward and table this report to the Accounting Officer and Executive Authority of the Beaufort West Municipality.

The Committee therefore, strongly advises that the said authorities should engage the report and all the other audited information as per the Municipal Finance Management Act 56 of 2003 and the other applicable legislation concerned and instruct the relevant managers and officials who must carry out and implement audit recommendations and action plans for the top strategic risks and performance management.

Our role is to advise the Accounting Officer and Executive Authority, however, there are still audit findings and all other relevant findings that need to be addressed and accounted for by the authorities.



~~SS NGWEVU~~

CHAIRPERSON: AUDIT COMMITTEE

BEAUFORT WEST MUNICIPALITY

2nd BI-ANNUAL REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE FOR THE PERIOD: 02 JANUARY 2025 – 30 JUNE 2025



17 JULY 2025

1. Introduction

As Chairperson and members of the Audit and Performance Audit Committee, we forward and table this report to the Accounting Officer and the Executive Authority of Beaufort West Local Municipality. The Committee therefore, strongly advises that the said authorities should engage the report and all other audited information and reports as per the Municipal Finance Management Act of 2003 (MFMA) and all other applicable legislation concerned. The relevant managers and officials who must carry out and implement audit findings and action plans must carry out their duties expeditiously.

Our role is to advise the Accounting Officer and the Executive Authority while there are still audit findings and all other relevant findings that need to be implemented and accounted for by the said authorities.

2. Background

In terms of section 166 of the Municipal Finance Management Act 56 of 2003, an Audit Committee is an independent advisory body which must:

- (a) Advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff members of the Municipality on matters relating to:
 - (i) internal financial control and internal audits;
 - (ii) risk management;
 - (iii) accounting policies;
 - (iv) the adequacy, reliability and accuracy of financial reporting and information;
 - (v) performance management;
 - (vi) effective governance;
 - (vii) compliance with legislation;
 - (viii) performance evaluation; and
 - (ix) any other issues referred to it by the Municipality.

3. Purpose

As per MFMA Circular 65, the Chairperson of the Audit and Performance Audit Committee will report on a quarterly basis, but the Beaufort West Audit and Performance Audit Committee decided to report on a bi-annual basis to the Council on the operations of the Internal Audit unit and the Committee.

The report is expected to include:

- (a) A summary of the work performed by Internal Audit and the Committee against the annual work plan;
- (b) Effectiveness of internal controls and additional measures that must be implemented to address identified risks;
- (c) A summary of key issues dealt with such as internal and external audit findings and recommendations by the Auditor-General and Internal Audit and updated status thereof;
- (d) Progress with any investigations and their outcomes;
- (e) Details of meetings and the number of meetings attended by each member; and
- (f) Other matters requested of the Internal Audit and the Committee.

4. Members

The Committee consists of four independent non-executive members, duly appointed by Council in terms of section 166(4) of the Municipal Finance Management Act 56 of 2003 for a period of three years and can be extended for another three years.

- Mr. SS Ngwevu – Chairperson – re-appointed 01 January 2024
- Mr. M Adams – appointed 01 January 2025 (Member also appointed as Chairperson of the Risk Committee)
- Mr. W Phillips – re-appointed 01 January 2024
- Mr. K Mckay – appointed 08 December 2022

5. Meetings held

In terms of legislative requirements and the Committee's Charter, the Committee must at least hold one meeting per quarter. The meetings were attended by all the Committee members.

Details of the Committee meetings for the period under reporting:

- 11 April and 9 May 2025 (Risk Committee meeting) (Attended only by M Adams)
- 18 March 2025 (Audit and Performance Audit Committee meeting)
- 25 June 2025 (Audit and Performance Audit Committee meeting)

The members of the Committee have collectively sufficient qualifications and experience to fulfil their duties, including an understanding of:-

- Financial and sustainability reporting;
- Internal and financial controls;
- External audit process;
- Internal audit processes;
- Corporate law;
- Risk management;
- Sustainability issues;
- Information technology governance as it relates to integrated reporting;
- Governance processes within the municipality; and
- Performance management.

The acting Chief Financial Officer and the Accounting Officer always attended the meetings of the Committee including the other Heads of Departments as invitees and not as members of the Committee.

All members of the Committee are not in the employ of Beaufort West Local Municipality including Chairperson, while all members are always declaring their private conflict of interest if it is relevant to an item on the agenda for discussion.

No one of the current members carries out any business with Beaufort West Local Municipality.

6. Combined Assurance

The Committee ensures that a combined assurance model is applied in order to provide a coordinated approach to all assurance activities, and in particular the Committee ensures that the combined assurance received is appropriate to address all the significant risks facing Beaufort West Local Municipality and monitors the relationship between the external assurance providers and the Municipality.

7. Financial Function and the acting Chief Financial Officer (CFO)

The Committee reviews the expertise, resources and experience of the Municipality's finance function and discloses all identified shortcomings for correction. The Committee also considers and satisfies itself of the suitability of the expertise and experience of the acting CFO, but in the case of Beaufort West Local Municipality there is always a problem of acting Chief Financial Officers that needs to be resolved once and for all.

8. Internal Controls

Internal controls is a very thorny issue for the Municipality especially when it relates to Supply Chain Management and Contract Management. Management must implement internal controls to mitigate/address the high risks facing the Municipality.

9. Compliance

Non-compliance with legislation remains an issue and has been highlighted throughout various reports from the Auditor-General. This hampers the Municipality from achieving a clean audit opinion.

10. Risk Management

The Committee is an integral part of the risk management process and specifically the Committee oversees:

- Financial reporting risks;
- Internal financial controls;
- Fraud risks as it relates to financial reporting; and
- ICT risks as it relates to financial reporting.

11. Internal Audit

The Committee works very harmoniously with the Internal Audit function and receives all the necessary information for meetings in good time.

The Committee as its important role, monitors and supervises the effective function of the Internal Audit activity, ensuring that the roles and functions of the Auditor-

General and partners with Internal Audit are sufficiently clarified and coordinated.
This will include:

- Evaluating the performance of Internal Audit;
- Reviewing the Internal Audit activity function's compliance with its mandate as approved by the Committee/ Council.

The Accounting Officer and Executive Authority are once more advised to heed and implement the recommendations made by internal Audit and the Auditor-General to desist from making the same mistakes repetitively as always mentioned in the audit reports.

12. Performance Management

In terms of regulation 4 of the Municipal Planning and Performance Management regulations, the Committee which is also a Performance Audit Committee reviews quarterly the reports from Internal Audit and the office of the Auditor-General in respect of Performance Management and makes recommendations to Council, where appropriate.

The Committee also reviews the draft Annual Performance report together with the draft Annual Financial Statements before it's finalised and submitted to the Auditor-General on or before 31 August annually.

At least twice during a financial year, the Committee submits a report to the Municipal Council regarding the Performance Management system.

13. Audit Action plan

In terms of section 131 of the MFMA the Municipality must address any issues raised by the Auditor-General and therefor develop an audit action plan to follow-up and address the root causes and findings that the Auditor-General has identified.

The Committee reviewed the audit action plan monthly follow-up of the progress and there were a lot of information and evidence of the Finance Department that was not submitted to Internal Audit to verify till 30 June 2025. The acting CFO should address this non-compliance in the Finance Department to ensure that outstanding information and evidence is submitted to Internal Audit timeously.



SS NGWEVU

CHAIRPERSON: AUDIT AND PERFORMANCE AUDIT COMMITTEE

BEAUFORT WEST MUNICIPALITY

ANNUAL REPORT FROM THE INTERNAL AUDITOR/CHIEF RISK OFFICER TO THE AUDIT AND PERFORMANCE AUDIT COMMITTEE FOR THE PERIOD 01 JULY 2024 – 30 JUNE 2025



30 JUNE 2025

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1. INTRODUCTION/PURPOSE

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.

It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The purpose of this report is to submit the actual performance and progress of the Beaufort West Municipality's Internal Audit activities to the Audit and Performance Audit Committee for the evaluation of the internal audit activity in terms of the agreed goals and objectives as captured in the audit plan (as specified in the 2024/2025 Approved Internal Audit Plan).

The progress of the Beaufort West Municipality's Risk Management activities are also included.

2. LEGISLATIVE MANDATE

The role and purpose of Internal Audit, like most professions, is governed by legislation and that from time to time guidelines and best practices are issued and formulated in an effort to regulate and govern the activities of the Internal Audit Activities. The following legislation and guidelines are applicable to internal auditing:

- Local Government: Municipal Finance Management Act, No 56 of 2003 Chapter 14, Section 165 – Internal Audit Unit
- KING IV: Report on Corporate Governance for South Africa 2016
- Local Government: Municipal Planning & Performance Management Regulations
- MFMA Circulars 65 & 127: Internal Audit and Audit and Performance Audit Committees
- Global Internal Auditing Standards

3. HIGHLIGHTS: INTERNAL AUDIT/ RISK MANAGEMENT

Highlights	Description
The municipality received a qualified audit opinion with findings for the past three financial years.	We obtained a qualified audit for 2023/2024 financial year and should strive to achieve a clean audit outcome.
The Provincial Executive resolved on 25 August 2021 to intervene in the Municipality in terms of section 139(5) of the Constitution because of the crisis in its financial affairs. There were risks identified which must be mitigated for successful implementation of the FRP. These risks relate primarily to financial administration, budgeting, financial discipline and governance.	There were activities identified that Internal Audit and Risk Management needed to give assurance on which were included in the annual risk based plan of 2024/2025.

4. CHALLENGES: INTERNAL AUDIT/RISK MANAGEMENT

Challenge	Description
Understaffing	The Internal Auditor was also responsible for Risk Management and the only official in the unit.
Recommendations not implemented	Recommendations to improve the control environment were not implemented by Management and in certain instances Management did not develop action plans to mitigate the risks identified.
Lack of commitment by Management to supply information and comments on findings	Internal Audit has difficulty in obtaining information and co-operation from certain sections. Management does not regard the Internal Audit reports important enough to supply timeous management comments.
Instability in Administration	Accounting Officer and CFO posts were vacant at 30 June 2025 and the recruitment and selection processes were in progress.
Senior Management did not attend all quarterly Audit and Performance Audit Committee meetings.	Management did not attend all the quarterly Audit and Performance Audit Committee meetings.
Key Performance Indicators(KPIs) not updated	Management did not update their monthly KPIs and did not supply their POE files to Internal Audit timeously or not at all.
Risk Management	Action plans identified by management were not implemented by Management. It was difficult to plan dates for the Risk Committee meetings because Management did not attend all the meetings.
Audit action plan	Management did develop an audit action plan for the 2023-2024 audit findings but did not submit the evidence timeously to follow-up the progress for certain activities.

5. ANNUAL RISK BASED INTERNAL AUDIT PLAN

Based on the Risk Assessment Results of January and February 2024, the risk based Internal Audit Plan for 2024/2025 was drafted (including compliance audits and FRP activities) and approved by the Audit and Performance Audit Committee on 20 June 2024.

The plan contains the following audits for the 2024/2025 financial year:

PROGRESS ON OPERATIONAL AUDIT PLAN - 2024/2025			
#	AUDITS IN TERMS OF THE AUDIT PLAN	% COMPLETE	TABLED TO APAC
1	Supply Chain Management - Quotations	100%	Yes
2	Revenue management - Cash management	100%	Yes
3	HR – Occupational Health & Safety	100%	Yes
4	HR and Payroll – Overtime and Standby	100%	Yes
5	Performance management Q1	100%	Yes
6	Performance management Q2	100%	Yes
7	Performance management Q3	100%	Yes
8	Performance management Q4 of 2023/2024	100%	Yes
9	Performance management Q4 of 2024/2025 (will be audited in September 2025)	0%	No
10	Grants/DoRA	100%	No
11	Information Technology	100%	Yes
12	Building Control and Town planning	100%	Yes
13	Follow-up previous internal audit findings	Ongoing	Yes
#	AD-HOC ASSIGNMENTS	% COMPLETE	TABLED TO APAC
1	A forensic investigation into the cancelled receipts for 2022-2023 and 2023-2024 financial years conducted by Mubesko Consultants	100%	Yes
2	Ad-hoc investigation into the financial misconduct of Ms. B Blom, a Relief Cashier in Nelspoort relating to shortages of R7681.00.	100%	Yes
3	Ad-hoc investigation into the cash that the CFO came and fetch of R18 846.70 on the 17 th of August 2024 at the Hillside Cash office and at other cash offices	100%	Yes
4	Year-end physical inventory count for 30 June 2024 conducted 29 June 2024.	100%	Yes
5	Ad-hoc investigation into a possible fraudulent travel claim submitted by Cllr S Meyers to attend accredited Municipal governance training in Worcester on 29 July – 02 Aug 2024.	100%	Yes
6	Ad-hoc investigation into the RFQ procurement process of the pothole mix of R27 600.00 that was procured from a supplier who was tax non-compliant.	100%	Yes
7	Ad-hoc investigation into the unauthorised debit orders to the value of R239 151.00 that went off the Municipality's Nedbank account in November 2022.	100%	Yes
8	Ad-hoc investigation into the salary payment of Cllr S Essop that the AO DE Welgemoed authorised to be paid in an unauthorised bank account.	100%	Yes
9	A follow-up investigation into the financial misconduct of Ms. B Blom, a Relief Cashier in Nelspoort relating to shortages of R6574.30.	100%	Yes
10	Ad-hoc investigation of the traffic income be conducted for July and August 2024. Natis reports vs what is banked needs to be checked and reviewed regularly by a senior delegated official. (Referred to the Disciplinary Board Committee)	N/A	N/A
11	To conduct an investigation into the expenditures related to Acting Allowances and Essential Users for the financial years 2023 to 2025. (Referred to the Disciplinary Board)	N/A	N/A

#	AD-HOC ASSIGNMENTS	% COMPLETE	TABLED TO APAC
12	To ensure compliance to the SCM Regulations of 2005, Preferential Procurement regulations of 2023, the approved SCM policy and Preferential procurement policy of 2025 of Beaufort West Municipality before the RFQ is awarded. [Notice no 33/2025, Quotation no SCM 25/2025: Provision of Security Services]	100%	Yes
#	FINANCIAL RECOVERY PLAN IN TERMS OF SECTION 139(5) OF THE CONSTITUTION INTERVENTION – ACTIVITIES ASSIGNED TO INTERNAL AUDIT	% COMPLETE	TABLED TO APAC
1	Investigate non-payment for services by Councillors and administrative officials quarterly.	Ongoing	Yes
2	Provide monthly assurance reports on the implementation of the approved audit action plan.	Ongoing	Yes
3	Review of the existing bylaws – DLG to assist	0%	N/A
#	COMBINED ASSURANCE QUARTERLY PROGRESS REPORTS	% COMPLETE	TABLED TO APAC
1	Quarter 1 – July 2024 – September 2024	100%	Yes
2	Quarter 2 – October 2024 – December 2024	100%	Yes
3	Quarter 3 – January 2025 – March 2025	100%	Yes
4	Quarter 4 – April 2025 – June 2025 (will be conducted in July 2025)	0%	No

6. FUNCTIONS PERFORMED

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

Function	Date
Prepare the 2024/2025 risk based audit plan for approval before 30 June 2024	Approved unanimously by the Audit and Performance Audit Committee on 20 June 2024.
Advise the Accounting Officer and report to the Audit and Performance Audit Committee in terms of section 165 (2)	Audit reports were submitted to Management for comments before submission to the Audit and Performance Audit Committee.

Function	Date	Management in Attendance
Facilitate Audit and Performance Audit Committee Meetings (All the Audit and Performance Audit Committee members attended the meetings)	26 August 2024	1. Mr. D Welgemoed – AO 2. Mr. A Makendlana - Corporate Services Director 3. Mr. M Nhlengethwa – CFO 4. Ms. RA Naidoo – Internal Auditor 5. Mr. L Nqotola – Infrastructure Services Director
Facilitate a meeting with the AGSA	26 September 2024	1. Mr. CJ Kymdell – Deputy CFO 2. Ms. RA Naidoo – Internal Auditor 3. Mr. S Mbolompo – AGSA

Function	Date	Management in Attendance
		4. Mr. S Afrika – AGSA 5. Mr. L Aadnesgard - AGSA
	20 November 2024	1. Mr. D Welgemoed – AO 2. Ms. RA Naidoo – Internal Auditor
	18 March 2025	1. Mr. B Jacobs – acting CFO 2. Mr. A Makendlana - Director Corporate Service 3. Ms. RA Naidoo – Internal Auditor 4. Mr. D Welgemoed – AO 5. Mr. CJ Kymdell – Deputy CFO 6. Mr. L Nqotola - Infrastructure Services Director 7. Mr. S Afrika – AGSA 8. Mr. S Ncanywa - AGSA
	25 June 2025	1. Ms. RA Naidoo – Internal Auditor 2. Mr. B Jacobs – acting CFO 3. Mr. A Makendlana - Director Corporate Service & acting AO 4. Mr. MC Tshibo – Snr Manager Community Services 5. Mr. L Nqotola – Director Infrastructure Services
Facilitate Risk Committee Meetings	18 July 2024	1. Mr. D Welgemoed – AO 2. Mr. A Makendlana – Director Corporate Services 3. Ms. RA Naidoo – Chief Risk Officer 4. Mr. M Nhlengethwa – CFO 5. Mr. Nqotola – Director Infrastructure Services 6. Mr. M Tshibo – Senior Manager Community Services
	23 October 2024	1. Mr. D Welgemoed – AO 2. Mr. A Makendlana – Director Corporate Services 3. Ms. RA Naidoo – Chief Risk Officer 4. Mr. M Nhlengethwa – CFO
Mr. M Adams was appointed by the APAC on 18 March 2025	11 April 2025 / 9 May 2025 The meeting was postponed as the AO requested an opinion on the validity on the appointment of the Chair.	1. Mr. D Welgemoed - AO 2. Mr. B Jacobs – acting CFO 3. Mr. Nqotola – Director Infrastructure Services 4. Mr. M Tshibo – Senior Manager Community Services 5. Ms. RA Naidoo – Chief Risk Officer 6. Mr. A Makendlana – Director Corporate Services

7. RISK MANAGEMENT

Risk assessments were conducted during January - February 2024 and the risks were categorised into operational/strategic/top risks. Informal risk assessments were conducted of the top risks in the Risk Committee meetings and the progress was discussed and updated on the top risk register and also the progress of the FRP risks were updated on the FRP risk register.

The Risk Committee members received appointment letters and the Internal Auditor was appointed as the Chief Risk Officer for the financial year.

Quarterly follow-ups was conducted and the reports submitted to the Risk and Audit and Performance Audit Committees.

Combined assurance reports were quarterly submitted to the Audit and Performance Audit Committee and the Risk Committee incorporating the three lines of defence on the progress of the monitoring and evaluation of the top risks.

The Top risks of the Municipality for the financial year were as follows:

Risk level	Risk	Directorate	Impact	Likelihood	Risk rating
High	Financial Feasibility in the long term	Strategic	5	5	25
High	Ageing and deteriorating infrastructure	Strategic	5	5	25
High	OHS health & safety hazards	Strategic	5	5	25
High	Non-compliance with laws and regulations (All applicable laws and regulations as identified in the AG's report)	Strategic	5	5	25
High	Excessive overtime and standby	Strategic	5	5	25
High	New financial system not supporting business processes resulting in inaccurate record of stock & reconciliations/reporting/billing (loss of income)	Strategic	5	5	25
High	Illegal Landfill site operated at Murraysburg (funding already acquired and new regional landfill site identified) and Merweville operating without an approved license.	Community Services	5	5	25
High	Implementation of revised organogram hampered by budget limitations	Strategic	5	5	25
High	Inaccurate financial reports/ incomplete financial data	Financial Services	5	5	25
High	Excessive maintenance on old/ redundant assets	Strategic	5	5	25
High	Irregular expenditure due to payments exceeding contract amounts	Strategic	5	5	25
High	Insufficient controls with regards to unblocking of accounts	Financial Services	5	5	25
High	Manipulation of meter readings and use of interim readings to solve legacy of meter	Financial Services	5	5	25

Risk level	Risk	Directorate	Impact	Likelihood	Risk rating
	readings				
High	Inaccurate billing database or failure to update database timeously resulting in billing errors	Financial Services	5	5	25
High	Non-technical excessive water losses (Financial)	Financial Services	5	5	25
High	Transactions not processed timeously & accurately (e.g. meter readings/ meter application forms/water leakages/ (Inadequate flow of information from other departments resulting in income not being billed)	Financial Services	5	5	25
High	Theft of cash(Rolling of cash/cash shortages (due to e.g. cash not banked daily/insufficient daily monitoring controls)	Financial Services	5	5	25
High	Failure to receipt all sundry income received resulting in loss of income (e.g. Murraysburg, libraries, swimming pool, rental of properties)	Financial Services	5	5	25
High	Failure to timely allocate unidentified deposits resulting inaccurate reporting	Financial Services	5	5	25
High	User access rights not regularly reviewed (quarterly)	Strategic	5	5	25
High	Ageing fleet of the Municipality resulting in equipment breaking (funding constraints to replace fleet)	Strategic	5	5	25
High	Shortage of competent staff impacting maintenance of fleet	Infrastructure Services	5	5	25
High	Unauthorised departures, relaxations from approved building plans/lack of building plans when new buildings are erected	Infrastructure Services	5	5	25

The FRP risks of the Municipality for the financial year were as follows:

Risk level	Risk	Pillars	Impact	Likelihood	Risk rating
Medium	Litigation due to SCM challenges	Governance	5	5	25
Medium	Dysfunctional LLF which may compromise labour peace	Institutional & HR	5	5	25
Medium	Lack of internal HR Capacity and competencies	Institutional & HR	5	5	25
Medium	Lack of internal HR Capacity and competencies	Institutional & HR	5	5	25
Medium	Poor management of discipline and lack of capacity for Presiding Officer & municipal prosecutors	Institutional & HR	5	5	25
Medium	Excessive related employee costs which pose a risk for long term sustainability	Institutional & HR	5	5	25
Medium	Insufficient communication on	Institutional &	5	5	25

Risk level	Risk	Pillars	Impact	Likelihood	Risk rating
	intervention activities to ensure commitment	HR			
Medium	Industrial actions owing to communications and resistance to the changes due to any organizational restructuring or realignment and the implementation thereof	Institutional & HR	5	5	25
Medium	Non-compliance to HR management laws/policies and inadequate HR policies	Institutional & HR	5	5	25
Medium	Potential resistance to change by certain internal and external stakeholders	Institutional & HR	5	5	25
Medium	Inadequate internal capacity to implement the intervention activities	Financial Management	5	5	25
Medium	COVID-19 related risks: loss of municipal revenue	Financial Management	5	5	25
Medium	Limited revenue base	Financial Management	5	5	25
Medium	Continued non-collection of revenue and increase in the debtor's book	Financial Management	5	5	25
Medium	Inadequate systems of delegation that impact on governance, administration, and operational efficiency	Financial Management	5	5	25
Medium	Non-commitment to stringent expenditure controls and non-implementation of the revenue enhancement initiatives	Financial Management	5	5	25
Medium	Inadequate implementation of internal controls	Financial Management	5	5	25
Medium	Excessive use of consultants for work that could be performed by internal personnel	Service Delivery	5	5	25
Medium	Community service delivery and other protests	Service Delivery	5	5	25
Medium	Loss of grant funding due to non-compliance with grant conditions	Service Delivery	5	5	25
Medium	Failure to materially control and reduce non-revenue electricity and water losses, which losses will negate the impact of other interventions	Service Delivery	5	5	25
Medium	Failure to reverse trend of under-investment in maintenance and lack of timely replacement of aged infrastructure	Service Delivery	5	5	25

8. POLICIES

Name of Policy	Risk Committee (RC) approved	Audit and Performance Audit Committee (APAC) approved	Council approved
Fraud and Risk Management Implementation plan	18 July 2024	RC minutes approved 26 August 2024	N/A
Fraud and Risk Management Framework, Policy and Strategy	18 July 2024	RC minutes approved 26 August 2024	30 August 2024
Fraud and Risk Management Committee Charter	18 July 2024	RC minutes approved 26 August 2024	N/A
Combined Assurance Policy	18 July 2024	26 August 2024	28 February 2023
Integrity Management Framework	18 July 2024	RC minutes approved 26 August 2024	31 March 2025
Audit and Performance Audit Committee Charter	N/A	26 August 2024	26 September 2024
Internal Audit Charter	N/A	26 August 2024	26 September 2024
Internal Audit Procedure Manual	N/A	26 August 2024	N/A
Internal Audit Strategy	N/A	26 August 2024	26 September 2024
Internal Audit Policies	N/A	26 August 2024	N/A
Quality assurance and improvement program	N/A	26 August 2024	N/A

9. INTERNAL CONTROLS/AUDIT FINDINGS

The table below is a summary of all the Internal Audit findings raised for the reporting period, with the department and section which the internal control deficiencies were raised, the classification, management response status and the internal audit status.

A total of 10.85% of the internal control deficiencies identified were deemed to be critical, and a total of 88.37% were deemed significant which indicates **weak** internal control systems within the sections audited, and Management needs to address this as a matter of priority.

Some of the major contributing factors to this conclusion were:

Performance Management System - Controls deficiencies were identified and management were failing to implement the recommendations made by Internal Audit as was evident in the repeat findings raised in the quarterly report and the POE's were not submitted in certain instances and comments were received from Management but not consistently.

Grants/DoRA - Controls deficiencies were identified in the Grants processes. The risk of under-spending on capital projects resulting in loss of grants and ineffective service delivery materialised. Instances where Provincial and National Government grants were identified that were not spent timely by June 2024. Management commented on the findings and addressed the high risks.

Supply Chain Management – Control deficiencies were identified in the RFQ processes. No action plans were developed to address/manage/mitigate the high risks. Inconsistencies in the SCM policy were identified. Control deficiencies were identified in the RFQ processes. Management commented on the findings and will implement controls to address the high risks. User access rights exceptions were also identified.

Excessive Overtime and Standby – Control deficiencies were identified in the overtime and standby processes and shortcomings were identified in the approved policy. Inadequate controls were identified in the validity of overtime payments resulting in non-compliance to the policy and legislative requirements. Management commented on the findings and will implement controls to address the high risks. User access rights exceptions were also identified.

Cash Management - Control deficiencies were identified in the cash management processes as a result of the lack of controls that were not implemented. Inadequate cash management policy were in place. Exceptions to cash-ups were identified. Inadequate controls were identified in the cash management processes and procedures resulting in non-compliance to the policy. Management commented on the findings and will implement controls to address the high risks. User access rights exceptions were also identified.

Occupational Health and Safety – Control deficiencies were identified in the Occupational Health & Safety processes and procedures as a result of the lack of controls that were not implemented. Inadequate controls were identified in the OHS processes and procedures resulting in non-compliance to the policy and legislative requirements. Management commented on the findings and will implement controls to address the high risks.

Building Control and Town Planning – Control deficiencies were identified in the Building Control & Town Planning processes and procedures as a result of the lack of controls that were not implemented. Inadequate controls were identified in the Building Control & Town Planning processes and procedures resulting in non-compliance to the policies and legislative requirements. Management commented on the findings and will implement controls to address the high risks.

Information Technology - Control deficiencies were identified in the IT processes. User access rights exceptions were identified. Weaknesses in the password configurations and a lack of disaster recovery plans were also identified. Management commented on the findings and will implement controls to address the high risks.

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
HR and Payroll – Excessive Overtime and Standby											
		0	5	0	5	0	0	0	5		
1	User access rights exceptions on the Enterprise Management System (“EMS”) financial system		✓		✓				✓	March 2025 June 2025	20 November 2024
2	Inadequate Overtime Policy		✓		✓				✓	March 2025 June 2025	20 November 2024
3	Inadequate controls in place to ensure the validity of overtime payments		✓		✓				✓	March 2025 June 2025	20 November 2024
4	Non-compliance to the Basic Conditions of Employment Act and the Collective agreement and MFMA 56 of 2003		✓		✓				✓	March 2025 June 2025	20 November 2024
5	Inadequate controls to ensure high risks as per the Risk Register are managed		✓		✓				✓	March 2025 June 2025	20 November 2024
SCM – Request for Quotation Processes											
		0	4	0	4	0	0	0	4		
6	User access rights exceptions on the Enterprise Management System (“EMS”) financial system		✓		✓				✓	June 2025	18 March 2025
7	Inconsistencies identified in the approved SCM Policy		✓		✓				✓	June 2025	18 March 2025
8	Inadequate controls to ensure high risks as per the Risk register are managed		✓		✓				✓	June 2025	18 March 2025
9	Between R30 000 – R200 000/R300 000 Request for formal written price quotations exceptions		✓		✓				✓	June 2025	18 March 2025

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
Performance Management Q 1											
		1	4	0	1	0	4	0	5		
10	Non-compliance with legislation		✓				✓		✓	Audit quarterly	18 March 2025
11	Inadequate supporting documentation to measure performance	✓					✓		✓	Audit quarterly	18 March 2025
12	Misstatement of reported performance		✓				✓		✓	Audit quarterly	18 March 2025
13	Key Performance Indicators KPI's not well defined		✓				✓		✓	Audit quarterly	18 March 2025
14	The 2023/23024 performance evaluations that took place 31 October 2024		✓		✓				✓	Audit quarterly	18 March 2025
Performance Management Q2											
		1	2	0	0	0	3	0	3		
15	Non-compliance with legislation		✓				✓		✓	Audit quarterly	18 March 2025
16	Inadequate supporting documentation to measure the performance	✓					✓		✓	Audit quarterly	18 March 2025
17	Misstatement of Reported Performance		✓				✓		✓	Audit quarterly	18 March 2025
Performance Management Q3											
		1	2	0	3	0	0	0	3		
18	Non-compliance with legislation		✓		✓				✓	Audit quarterly	25 June 2025
19	Inadequate supporting documentation to measure the performance	✓			✓				✓	Audit quarterly	25 June 2025
20	Misstatement of reported performance		✓		✓				✓	Audit quarterly	25 June 2025

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
Performance Management Q4 of 2023/2024											
		1	3	0	4	0	0	0	4		
21	Non-compliance with legislation		✓		✓				✓	Audit quarterly	20 November 2024
22	Inadequate supporting documentation to measure the performance	✓			✓				✓	Audit quarterly	20 November 2024
23	Misstatement of reported performance		✓		✓				✓	Audit quarterly	20 November 2024
24	The 2021/2022, 2022/2023 and mid-year 2023/23024 performance evaluations that took place in March 2024		✓		✓				✓	Audit quarterly	20 November 2024
Occupational Health and Safety											
		2	6	0	8	0	0	0	8		
25	Inadequate Occupational Health & Safety Policy		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025
26	Appointments in terms of Section 17 (1) of the Occupational Health and Safety Act (OHS Act)		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025
27	Health and Safety representatives non-compliance to OHS Act		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025
28	Health and Safety committee non-compliance to OHS Act		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025
29	Inadequate controls are in place to ensure workplace safety		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025
30	Inadequate controls and processes are in place		✓		✓				✓	November 2025	25 June 2025

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
	regarding incidents and the reporting thereof in the prescribed time frames									March 2026 June 2026	2025
31	Inadequate controls to ensure high risks as per the Risk Register are managed	✓			✓					November 2025 March 2026 June 2026	25 June 2025
32	Non-compliance to the Occupational Health & Safety Act (OHS Act 85 of 1993)	✓			✓					November 2025 March 2026 June 2026	25 June 2025

Cash Management

		1	8	0	9	0	0	0	9		
33	User access rights exceptions on the Enterprise Management System ("EMS") financial system, Utilities World, and Cashflow systems		✓		✓				✓	March 2025 June 2025	20 November 2024
34	Inadequate controls to ensure high risks as per the Risk Register are managed		✓		✓				✓	March 2025 June 2025	20 November 2024
35	Inadequate Cash Management Policy		✓		✓				✓	March 2025 June 2025	20 November 2024
36	Exceptions relating to cash-ups	✓			✓				✓	March 2025 June 2025	20 November 2024
37	Inadequate safety measures at the various cash offices		✓		✓				✓	March 2025 June 2025	20 November 2024
38	Inadequate controls in place over cash management at the swimming pools and hall rentals		✓		✓				✓	March 2025 June 2025	20 November 2024

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
39	Inadequate controls over manual receipting of cash at the libraries		✓		✓				✓	March 2025 June 2025	20 November 2024
40	Inadequate controls over unidentified deposits		✓		✓				✓	March 2025 June 2025	20 November 2024
41	Inadequate controls over cancelled receipts		✓		✓				✓	March 2025 June 2025	20 November 2024

Building Control and Town Planning

		0	7	1	8	0	0	0	8		
42	Non- Compliance for approval of building plans within legislative time frames		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025
43	Ad-hoc inspections and recording and follow-up of complaints received exceptions		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025
44	Monthly reconciliations & Building Plan Fees exceptions		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025
45	GIS zoning maps exceptions		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025
46	Insufficient monitoring of expiry dates		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025
47	Incorrect zonings (Inzalo vs. Town Planning)		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
48	Section 31 zoning register exceptions		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025
49	Application form exceptions			✓	✓				✓	November 2025 March 2026 June 2026	25 June 2025

Information Technology

		1	2	0	3	0	0	0	3		
50	Users have conflicting access rights across multiple modules	✓			✓				✓	November 2025 March 2026 June 2026	25 June 2025
51	Weakness in the password configurations		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025
52	Lack of disaster recovery plans		✓		✓				✓	November 2025 March 2026 June 2026	25 June 2025

Grants/ DoRA

		1	2	0	3	0	0	0	3		
53	Grant funds not spent timely	✓			✓				✓	November 2025 March 2026	August 2025
54	Underspending of Grants		✓		✓				✓	November 2025 March 2026	August 2025
55	Overspending of conditional grants		✓		✓				✓	November 2025 March 2026	August 2025

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
Follow-up previous findings											
Expenditure Management											
		3	4	0	7	0	0	0	7		
56	User access rights exceptions on the Enterprise Management System ("EMS") financial system Inzalo	✓			✓				✓	November 2024 March 2025 June 2025	20 June 2024
57	Lack of centralised SCM unit resulting in various deficiencies in the expenditure management process		✓		✓				✓	November 2024 March 2025 June 2025	20 June 2024
58	Delegation of powers exceptions		✓		✓				✓	November 2024 March 2025 June 2025	20 June 2024
59	Value Added Tax ("VAT") exceptions	✓			✓				✓	November 2024 March 2025 June 2025	20 June 2024
60	Inadequate controls in place to ensure that all debit orders are valid		✓		✓				✓	November 2024 March 2025 June 2025	20 June 2024
61	Inadequate controls in place to ensure the validity and accuracy of expenses	✓			✓				✓	November 2024 March 2025 June 2025	20 June 2024
62	Inadequate controls in place to ensure that the payment file is accurately loaded onto the Nedbank online banking system		✓		✓				✓	November 2024 March 2025 June 2025	20 June 2024
Governance Structures											
		0	4	0	1	0	3	0	3		
63	Non-compliance to Ward Committees policy		✓		✓				✓	November 2024	20 March 2024
64	ICT Steering Committee shortcomings		✓				✓	✓		November 2024	20 March 2024

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
65	Cashflow Committee shortcomings		✓				✓		✓	November 2024	20 March 2024
66	Established section 79 Committees non-compliance		✓				✓		✓	November 2024	20 March 2024
Grants/DORA											
		1	2	0	0	0	3	0	3		
67	Grant funds not spent timely	✓					✓		✓	November 2024 March 2025	20 June 2024
68	Inadequate controls to ensure that all conditions of the Division of Revenue Act ("the DORA") or grant agreements are complied with		✓				✓		✓	November 2024 March 2025	22 June 2024
69	Inadequate controls in place to ensure the validity and accuracy of grant expenses		✓				✓		✓	November 2024 March 2025	22 June 2024
HR and Payroll – Excessive Overtime and Standby											
		0	5	0	5	0	0	0	5		
70	User access rights exceptions on the Enterprise Management System ("EMS") financial system		✓		✓				✓	March 2025 June 2025	20 November 2024
71	Inadequate Overtime Policy		✓		✓				✓	March 2025 June 2025	20 November 2024
72	Inadequate controls in place to ensure the validity of overtime payments		✓		✓				✓	March 2025 June 2025	20 November 2024
73	Non-compliance to the Basic Conditions of Employment Act and the Collective agreement and		✓		✓				✓	March 2025 June 2025	20 November 2024

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
	MFMA 56 of 2003										
74	Inadequate controls to ensure high risks as per the Risk Register are managed		✓		✓					March 2025 June 2025	20 November 2024
Cash management											
		1	8	0	9	0	0	0	9		
75	User access rights exceptions on the Enterprise Management System (“EMS”) financial system, Utilities World, and Cashflow systems		✓		✓					March 2025 June 2025	20 November 2024
76	Inadequate controls to ensure high risks as per the Risk Register are managed		✓		✓					March 2025 June 2025	20 November 2024
77	Inadequate Cash Management Policy		✓		✓					March 2025 June 2025	20 November 2024
78	Exceptions relating to cash-ups		✓		✓					March 2025 June 2025	20 November 2024
79	Inadequate safety measures at the various cash offices	✓			✓					March 2025 June 2025	20 November 2024
80	Inadequate controls in place over cash management at the swimming pools and hall rentals		✓		✓					March 2025 June 2025	20 November 2024
81	Inadequate controls over manual receipting of cash at the libraries		✓		✓					March 2025 June 2025	20 November 2024
82	Inadequate controls over unidentified deposits		✓		✓					March 2025 June 2025	20 November

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee	
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain			
											2024	
83	Inadequate controls over cancelled receipts		✓		✓					✓	March 2025 June 2025	20 November 2024

Enterprise Risk Management

		0	14	0	14	0	0	3	11			
84	ERM Structure and Resources (Critical Priority)		✓		✓					✓	November 2024 March 2025 June 2025	23 November 2023
85	ERM Policy and Framework (High Priority)		✓		✓					✓	November 2024 March 2025 June 2025	23 November 2023
86	Anti-Fraud and Corruption Strategy and the Integrity Management Framework (High Priority)		✓		✓					✓	November 2024 March 2025 June 2025	23 November 2023
87	Risk Appetite and Tolerance (Medium Priority)		✓		✓					✓	November 2024 March 2025 June 2025	23 November 2023
88	Risk and Fraud Management Implementation Plans (Medium Priority)		✓		✓					✓	November 2024 March 2025 June 2025	23 November 2023
89	Fraud and Risk Management Committee Charter (High Priority)		✓		✓					✓	November 2024 March 2025 June 2025	23 November 2023
90	Audit and Performance Audit Committee Charter (High Priority)		✓		✓					✓	November 2024 March 2025 June 2025	23 November 2023
91	Combined Assurance (Medium Priority)		✓		✓					✓	November 2024	23 November

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
										March 2025 June 2025	2023
92	Competencies, Training and Awareness (High Priority)		✓		✓				✓	November 2024 March 2025 June 2025	23 November 2023
93	Performance Management (High Priority)		✓		✓				✓	November 2024 March 2025 June 2025	23 November 2023
94	Strategic Risks (High Priority)		✓		✓				✓	November 2024 March 2025 June 2025	23 November 2023
95	Operational Risks (High Priority)		✓		✓				✓	November 2024 March 2025 June 2025	23 November 2023
96	Fraud Risks (High Priority)		✓		✓				✓	November 2024 March 2025 June 2025	23 November 2023
97	Risk Management Team (Critical Priority)		✓		✓				✓	November 2024 March 2025 June 2025	23 November 2023
SCM – Request for quotation process											
98	User access rights exceptions on the Enterprise Management System (“EMS”) financial system	0	4	0	1	0	3	0	4		
			✓		✓				✓	June 2025	18 March 2025
99	Inconsistencies identified in the approved SCM Policy		✓				✓		✓	June 2025	18 March 2025

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
100	Inadequate controls to ensure high risks as per the Risk register are managed		✓				✓		✓	June 2025	18 March 2025
101	Between R30 000 – R200 000/R300 000 Request for formal written price quotations exceptions		✓				✓		✓	June 2025	18 March 2025
External Quality Assessment											
		0	28	0	28	0	0	10	18		
102	As the AC is a committee of council, it is expected that the AC provide regular feedback to council in terms of its delegated responsibilities as contained within the AC Charter		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
103	The AC is the functional reporting structure to which the IAA of the municipality reports and that responsibility should be conversely addressed within their charter.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
104	The grading of the IAA and the CAE in the organisation's structure should be of such nature that it affords appropriate stature for the function within the organisation.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
105	ERM maturity and success in an organisation is dependent on the amount of time that can be spent on the process which includes interaction, communication, awareness, reporting, workshop facilitation and a number of governance aspects. There is no dedicated CRO within Beaufort West.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
106	An outdated ERM approach, failure to		✓		✓				✓	November 2024	30 August

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
	implement ERM or ERM not being implemented in a sustainable and integrated way, results in risk management being treated as an add on process and not receiving the required attention									March 2025 June 2025	2023
107	A Combined Assurance Strategy in Beaufort West has been developed but has not as yet been implemented.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
108	The mission of Internal Audit and the mandatory nature of the adherence to the IPPF is not clear within the charter.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
109	No formally documented process has been established to provide evidence in terms of the adherence and/or application of the Core Principles for the Professional Practice of Internal Auditing.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
110	In exercising due professional care, ISPPA Standard 1220.A2 stipulates that "In exercising due professional care internal auditors must consider the use of technology-based audit and other data analysis techniques.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
111	Proficiency is a collective term that refers to the knowledge, skills, and other competencies required of internal auditors to effectively carry out their professional responsibilities		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
112	According to Standard 1320, the results of external and periodic internal assessments must be		✓		✓				✓	November 2024 March 2025	30 August 2023

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
	formally communicated to senior management and the board upon completion of such assessments, and the results of ongoing monitoring must be communicated to senior management and the board at least annually									June 2025	
113	A QAIP report is not specifically presented to the AC. In terms of Standard 1320 - Reporting on the Quality Assurance and Improvement Program		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
114	"The CAE decide how to organize or update the audit universe, which consists of all risk areas that could be subject to audit, resulting in a list of possible audit engagements that could be performed		✓		✓			✓		November 2024 March 2025 June 2025	30 August 2023
115	Plans do not reflect changes in circumstances as they occur (organisational changes, risk changes and emerging risks, IAA changes).		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
116	The combined assurance approach, which will assist with the coordination of activities within Beaufort West, has not yet been implemented		✓		✓			✓		November 2024 March 2025 June 2025	30 August 2023
117	The CAE should also have a clear understanding of the scope, objectives, and results of the work performed by the assurance providers.		✓		✓			✓		November 2024 March 2025 June 2025	30 August 2023
118	Governance reviews within Beaufort West have been limited and it seems as if there is a need for specific governance reviews on structures, processes and		✓		✓			✓		November 2024 March 2025 June 2025	30 August 2023

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
	functionalities that is required.										
119	A full review is required for the entire ERM process, and it is good practice for the IAA to provide an annual opinion on the ERM of the organisation.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
120	RaCM's were not completed for engagements that was selected for review		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
121	Audit objectives identified during the planning stages of engagements are generic and not specific to the area/process under review, nor does it consider the process objectives or alignment to the strategies of the directorate/branch and ultimately the organisation.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
122	Control adequacy testing is currently not sufficiently documented within the detailed working papers, impacting the overall effectiveness evaluation of work conducted - as only adequate controls should be tested for effectiveness.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
123	The IAA is currently not expressing an overall opinion on the organisation's Governance, Risk and Control processes, which include control components and control objectives.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
124	The documented and approved acceptance of risk process has been formalised that facilitates the approach from internal audit, management and the Audit and Performance		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
	Audit Committee in the event that management accepts a level of risk to the organisation that is not acceptable in accordance with the determined risk appetite and tolerance levels.										
125	The IIA's Code of Ethics is not signed by IAA staff members on an annual basis.		✓		✓			✓		November 2024 March 2025 June 2025	30 August 2023
126	A systematic and structured process can be used to develop the internal audit strategy, enabling the IAA to achieve its vision and mission.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
127	During interviews with management the need for ongoing awareness of the IAA's role and responsibilities was expressed, especially to line management level.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
128	A skills matrix with a gap analysis has not been done for Beaufort West's IAA to identify required skills		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
129	Internal audit software generally enhances the efficiencies and the effectiveness of IAA's and is perceived as a great tool to minimise duplications and other inefficiencies. Also consider the integration possibilities with risk management software.		✓		✓				✓	November 2024 March 2025 June 2025	30 August 2023
	TOTALS	14	114	1	113	0	16	14	115		
129	TOTAL %	10.85	88.37	0.78	87.60	0	12.40	10.85	89.15		

No	Finding	Classification			Management Final Response			Internal Audit Status		Internal Audit follow-up scheduled to take place	Date the report was submitted to the Audit and Performance Audit Committee
		Critical	Significant	Housekeeping	Agree	Disagree	No Management Comment	Cleared	Finding Remain		
How many Different Departments Audited?	I have Audited 3 Departments thus far, which consists of 7 audits, 3 in Corporate Services(HR & Payroll, IT, OHS), 3 Audits in Financial Services (Grants/DoRA, SCM and Income), 1 Audit in Infrastructure Services (Building Control &Town Planning) and the 4 Performance Management audits (Q1, Q2, Q3 of 2024/2025 & Q4 2023/2024)										
How Many Findings Identified	I have identified findings in overall of all the audits performed in the various Departments of which 10.85% were Critical, 88.37% Significant and 0.78% Housekeeping Findings										
Management Response	100% of the finding identified were communicated with management and 87.60% were agreed upon, 0% was disagreed upon and 12.40% of the findings Management did not provide comments on the Internal Audit reports.										
Remaining Findings to be audited on follow up	10.85% of identified findings by the Internal Audit were discussed and cleared and 89.15% of the findings which remained will all be followed up when Internal Audit performs follow-up audits on those Departments and reports.										

10. ASSURANCE

According to the Management report from the Auditor General for 2024, Internal Audit provides assurance based on the level of internal control and the impact of the different role players on these controls.

Third level of assurance

Internal audit unit: provides assurance on the internal control system of the Beaufort West Municipality.

Legislation in South Africa requires the establishment, roles, and responsibilities of internal audit units.

Internal audit units must form part of the internal control and governance structures of the municipality and must play an important role in its monitoring activities.

Internal audit must provide an independent assessment of the municipality's governance, risk management and internal control processes.

The internal audit unit of a municipality must prepare a risk-based audit plan for each financial year.

It must advise the Accounting Officer and report to the Audit and Performance Audit Committee on implementation of the internal audit plan and matters relating to internal audit;

internal controls; accounting procedures and practices; risk and risk management; performance management; loss control and compliance with the MFMA.

The internal audit unit must also perform such other duties as may be assigned by the Accounting Officer.

The Internal Audit function and Risk Management function are both performed by the Internal Auditor although they are separate posts on the approved Organogram.

The Internal Auditor was appointed as the Chief Risk Officer annually at the first Risk Committee meeting of the financial year.

11. THE 2024 FINDINGS FROM THE AUDITOR GENERAL'S MANAGEMENT REPORT RELATING TO RISK MANAGEMENT, INTERNAL AUDIT AND AUDIT AND PERFORMANCE AUDIT COMMITTEE (GOVERNANCE)

Governance structures, i.e. the audit committee and the internal audit, were not effective in ensuring that good governance practices were in place by engaging management to prepare and monitor action plans to address the previous years' audit issues, as well as proper implementation thereof.

Audit committee

An evaluation of the audit committee was conducted including inspecting the audit committee meeting minutes and internal audit reports and the following observations are made:

The audit committee did not follow-up with senior management concerning the development of an audit action plan in response to internal and external audit findings;

No evidence could be obtained of financial information of any form being reviewed by the Audit Committee during the financial year, despite the municipality's legal obligations to present monthly MFMA s71 Reports before the Council. As such, this information is never vouched nor verified by the Audit Committee prior to its submission nor after its approval; and

No evidence was obtained that the Audit Committee considered/assessed the appropriateness of the resources and expertise of the finance division of the municipality.

Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and overseeing the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislation.

Internal audit unit

The nature, timing and extent of the procedures performed by internal audit were not the same as the procedures to be performed by the external auditors. Internal audit was tasked with monitoring the implementation of the action plan to address significant deficiencies in internal controls identified in the prior year; however, the action plan was not properly implemented and resulted in a significant number of audit findings reoccurring.

The auditing standards allow us to use the work of internal audit units for external audit purposes and for direct assistance. We have used internal audit's work for risk identification purposes in the following areas: are made:

- Grants;
- Income;
- Supply chain management;
- Stores and disposals;
- Fixed assets;
- Infrastructure management;
- Human resources and payroll; and
- Enterprise risk management.

Management is encouraged to implement the internal audit recommendations, irrespective of the views on the findings communicated within the reports, as these can only assist with institutionalising the required behaviours and practices for a good control environment. This can only assist with the municipality's management and mitigation of its operational risks.

The lack of documented, formalised processes remain a cause of concern, as the focus is then shifts to the year-end audit process, instead of ensuring the quality of the daily and monthly processing of financial information throughout the reporting period. The repeat nature of audit findings over the past few financial years, highlights an internal audit unit and audit committee which is not effective in ensuring recommendations are implemented in the form of a credible audit action plan.

Ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively.

Risk management

Implement appropriate risk management activities to ensure that regular risk assessments, including considering information technology risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored.

Recommendation and management response	Year originally recommended	Status of implementation
<p>Recommendation: Internal audit to regularly follow-up on audit findings and review recommendations, and the actions decided upon to ensure that those actions are taken by management.</p> <p>Response: None received to date</p>	2020-21	Limited progress
<p>Recommendation: The internal audit unit to assist management in developing a credible action plan for audit findings reported and perform follow-ups on the action plan.</p> <p>Response: None received to date</p>	2020-21	Limited progress

12. WAY FORWARD

Control weaknesses were identified and Internal Audit submitted regular follow –ups to address the findings and it was submitted quarterly to the Audit and Performance Audit Committee for follow-up and the feedback of the progress of implementation was also submitted to WCPT.

Internal Audit and the Audit and Performance Audit Committee will strive to implement the Auditor-General’s recommendations and will address the findings which are within their control and legislative mandate.

13. CONCLUSION

Management need to urgently address all the critical and significant findings and implement the recommendations to improve internal control deficiencies.

Management also need to understand the importance of supplying timely information as and when requested by Internal Audit as well as comments on findings within the agreed upon timelines specified to assist Internal Audit to provide an independent objective assurance and consulting activity designed to add value and improve the organisation’s operations and internal controls.

Management need to implement the action plans identified by them to mitigate/address the Top risks and FRP risks.



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